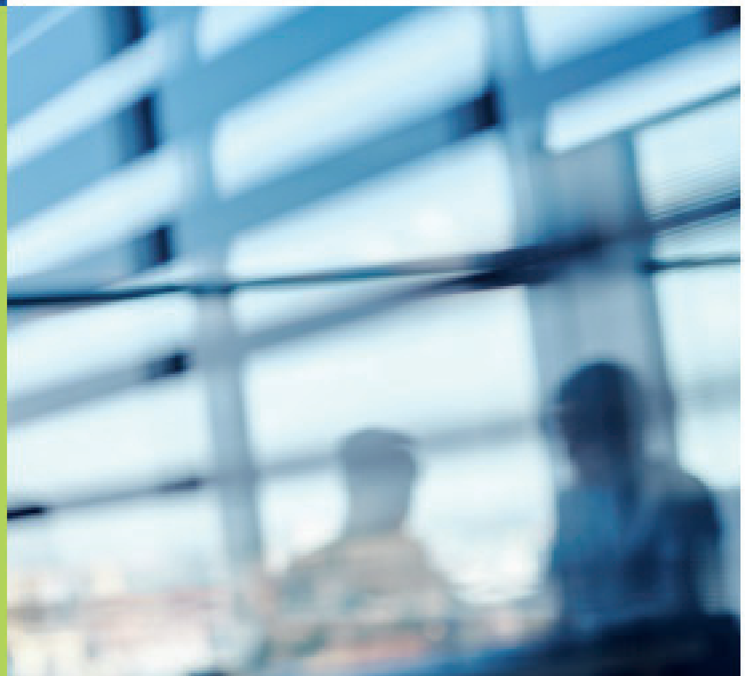
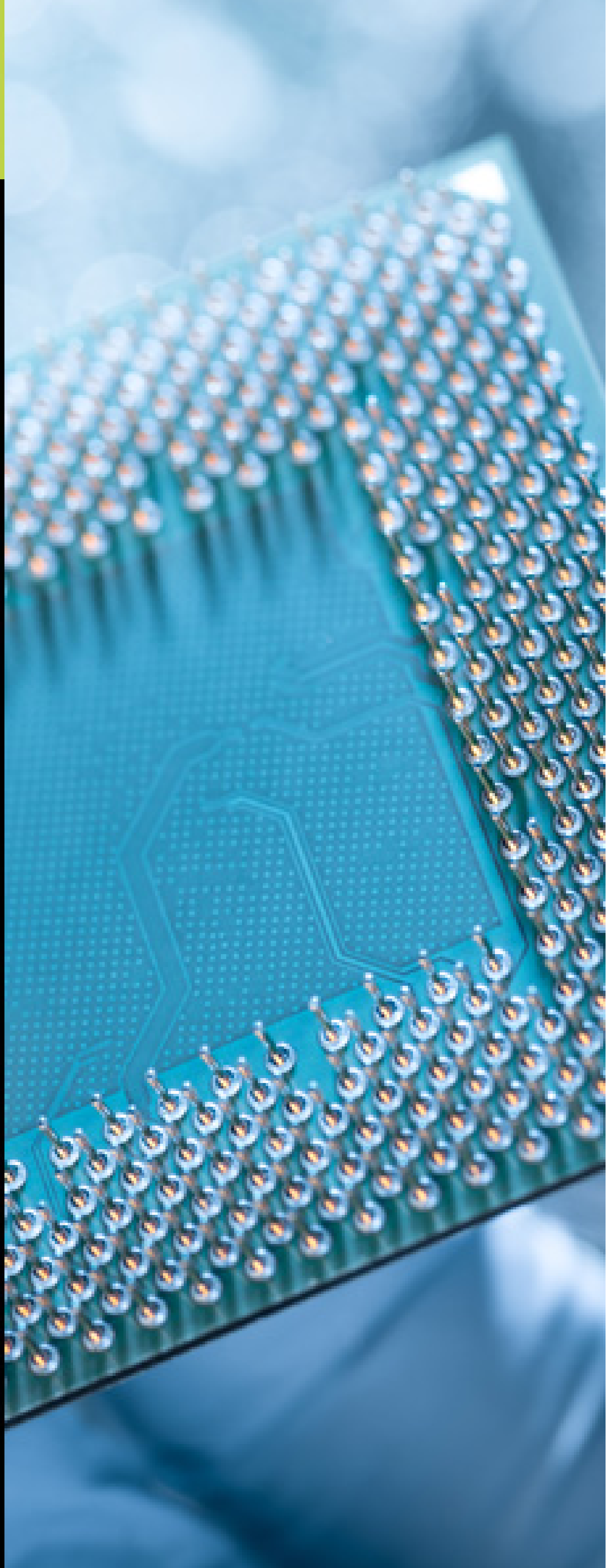
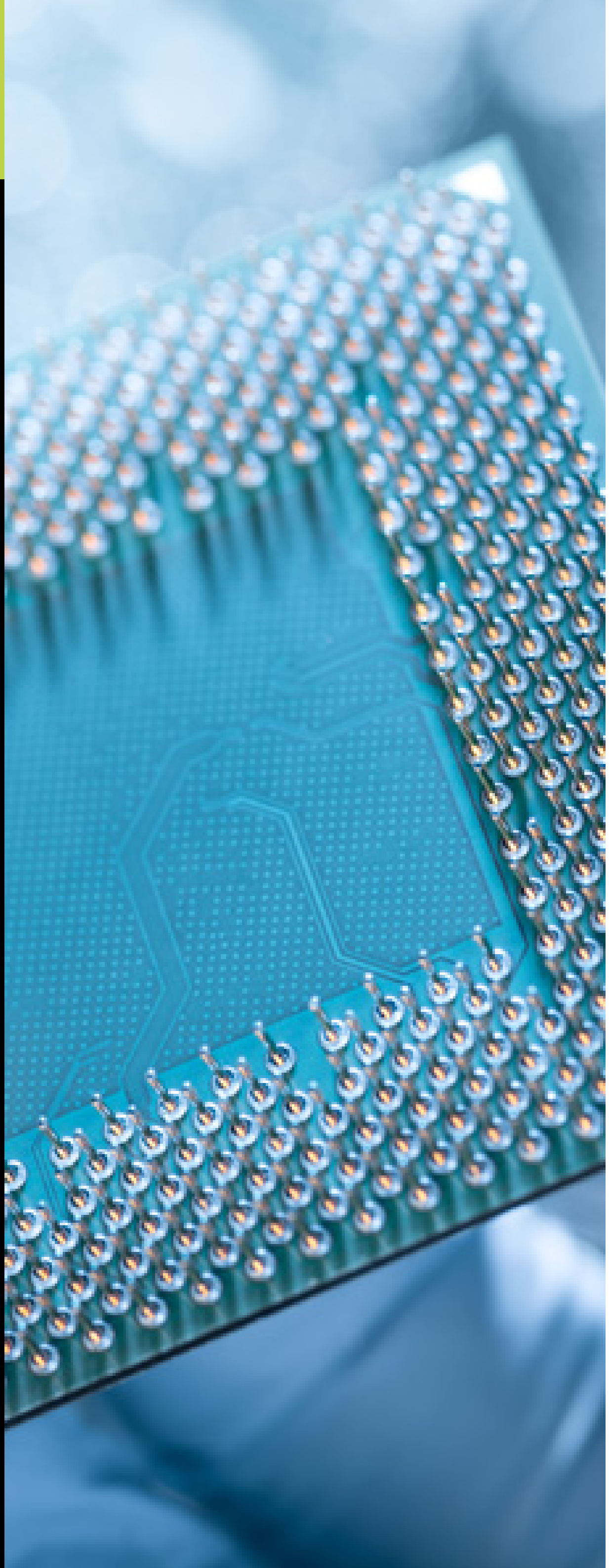
ANNUAL REPORT 2023





CONTENTS



MESSAGE FROM THE CHAIRMAN AND CEO OF ACTIA GROUP

Life is not a bed of roses, nor is the industrial adventure!

However, 2023 did deliver on its commitment to restore normal supply flows of electronic components, which was a key challenge for ACTIA after more than 2 years of shortages.

While the year began with the same constraints on the availability of many components, keeping our teams under pressure to receive the last items to go into production and deliver to the customer with as few delays as possible, the summer saw a clear improvement, leading to a return to normal at the end of the year.

In the second half of the year, ACTIA plants were able to launch an action plan to regain control of the organisation that had been weakened by the 3 years of health crisis and shortages, and to work on the areas for improvement that had come to the fore during these times of pressure. Though the first positive effects were seen in the last two months, we are confident that 2024 will demonstrate the relevance of the measures taken, which range from the reorganisation of flows to the continued implementation of digitisation, from the training of teams to the creation of new functions to strengthen our resilience.

The year 2023 also demonstrated the Group's growth potential, with revenue up by 15.9%, in line with the set targets, and exceeding the 2019 revenue by 11.3%.

It brought to the fore the work put in over the years with all our teams, despite the crises. In 2019, we started from an unbalanced situation arising from the opportunity to support Volvo Cars in the innovation of connected vehicles (contract won in 2011). At the time, the automotive sector represented 38.0% of the Group's businesses, with one customer accounting for 22.2%, while the other sectors made up between 2.5% and 13.5%. Today, ACTIA, firmly anchored in targeted technologies, is developing a multi-sector, multi-customer strategy with a more even distribution of business sectors, with no single customer accounting for more than 10% of revenue. It is this work that also enabled ACTIA to return to growth as early as 2021, leveraging new business sectors such as rail and energy, identified as strategic priorities over 10 years ago. And we had to overcome all the barriers to enter these markets through a superb collective effort.

This is a source of great satisfaction, even though in the last few weeks of the year, two of the Group's markets — Off-Highway vehicles (agriculture and construction) and, to a lesser extent, heavy goods vehicles — slowed down sharply, reflecting the marked decline in these sectors in a challenging global context.

In contrast to 2022, when business growth was fuelled by both volume growth and price rises accepted by our customers, it was difficult to go back to our customers in 2023 for a further price increase, despite the continuing impact of inflation. Although some increases were made, they did not cover all the increases incurred by ACTIA, putting pressure on the Group's margins. This naturally impacted EBITDA, which was further affected by a warranty recall of €2.4 million in excess of the provision usually made (percentage on deliveries). Even if ACTIA does not face liability, proceedings against our supplier will be long and uncertain.

Recruitment challenges, particularly at the start of the year, compelled us to continue to use subcontracting and temporary staffing at a sustained level (+€5.4 million), which allowed us to support growth. With the recruitment of more than 360 people to our teams over the year, subcontracting and temporary staffing are expected to decrease in the weeks to come, even if subcontracting also enables us to supplement our skills for the Group's non-essential or non-permanent needs. The euro, which was still weak even though more stable over the year, did not help our purchases, primarily made in US dollars. By working with a number of major accounts, we were able to generate a natural hedge, absorbing the growth in purchases.

Among the challenges we faced, I was particularly concerned about inventory levels. During the period of component shortages, waiting for the last items without visibility and with supply lead times exceeding one year, had a major impact on our raw material inventories, which rose by 61.0% (+€44.2 million) between 2019 and 2022. At the same time, it was impossible to structure safety stocks and finished product inventories were at their lowest, reflecting the absolute need to deliver to our customers as quickly as possible. In 2023, raw materials inventories fell by €21.7 million, even while generating a 15.9% growth. This is a first step, but we need to go further.

This also enabled us to better control our working capital requirements, which had been particularly hard hit in recent years. With a variation of +€25.4 million, compared with <€33.2 million> in 2022, the measures taken have been reflected in the figures, generating free cash flow of €45.5 million. Our action on inventories has certainly contributed to this. But we also improved the collection of our trade receivables, with a financing rate of 9.5% at 31/12/22, bringing our customers' average payment term to 115 days. The Group thus set up factoring and reverse factoring tools for a number of major customer accounts. This naturally impacted the level of interest paid, and enabled us to reduce the average payment term to 99 days, as our international customers are not subject to the French Law on the Modernisation of the Economy (LME). As a result, 24.4% of trade receivables are currently financed in some form.

In fact, with less recourse to medium and long-term financing for our investments in R&D and plant equipment, ACTIA was able to continue its efforts to reduce its net debt from €208.7 million to €187.9 million.

All this has been possible thanks to the strong and steadfast commitment of all our teams, in all the countries where we are present. The human adventure that ACTIA embodies is also reflected in its ability to take on new challenges. Even if the ability to respond to our customers' tenders with relevance, passion and commitment remains our priority, we must constantly find new resources to deal with the regulatory changes that are crushing us and turn them into strengths. Although ACTIA has been sensitive to environmental and social issues for many years, our response is now particularly well-structured, with a commitment that extends from the highest level of management structures (CSR Committee set up at Board level) to each of our employees, via a cross-functional body (Sustainable Development Committee). All this makes it possible to find the right response to the new expectations of our stakeholders and our customers in particular.

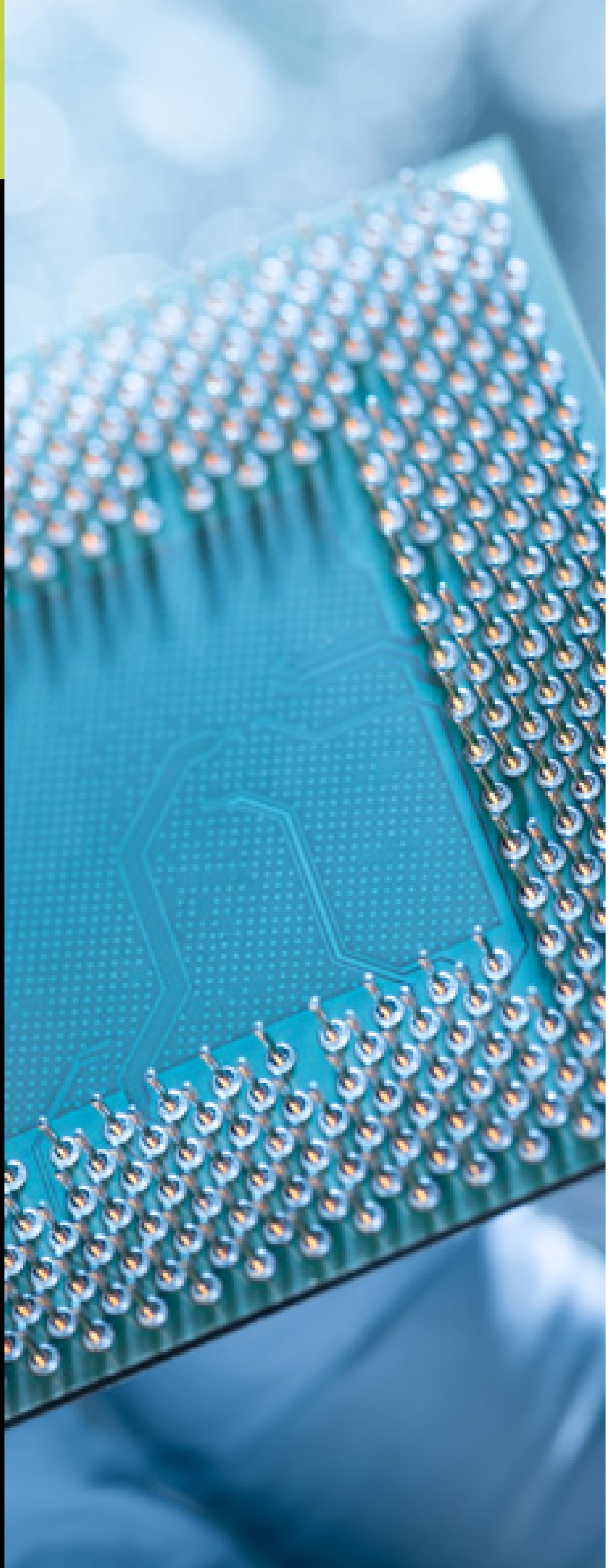
Lastly, even while meeting its challenges, ACTIA is working to make its businesses clearer and easier to understand by presenting its activities in four divisions: Mobility, Aerospace, Energy and Engineering. Though it has no major strategic changes, this market-based approach will enable us to better highlight ACTIA's strengths in its core areas.

With commitment, expertise, perseverance and passion, ACTIA teams have carried out all these actions, which are reflected in our results. I am so proud to work together with them!

Jean-Louis Pech

Chairman and CEO

ACTIA Group



1

STATUTORY AUDITORS

- **KPMG S.A.** – Rue Carmin – BP 17610 – 31676 LABEGE Cedex

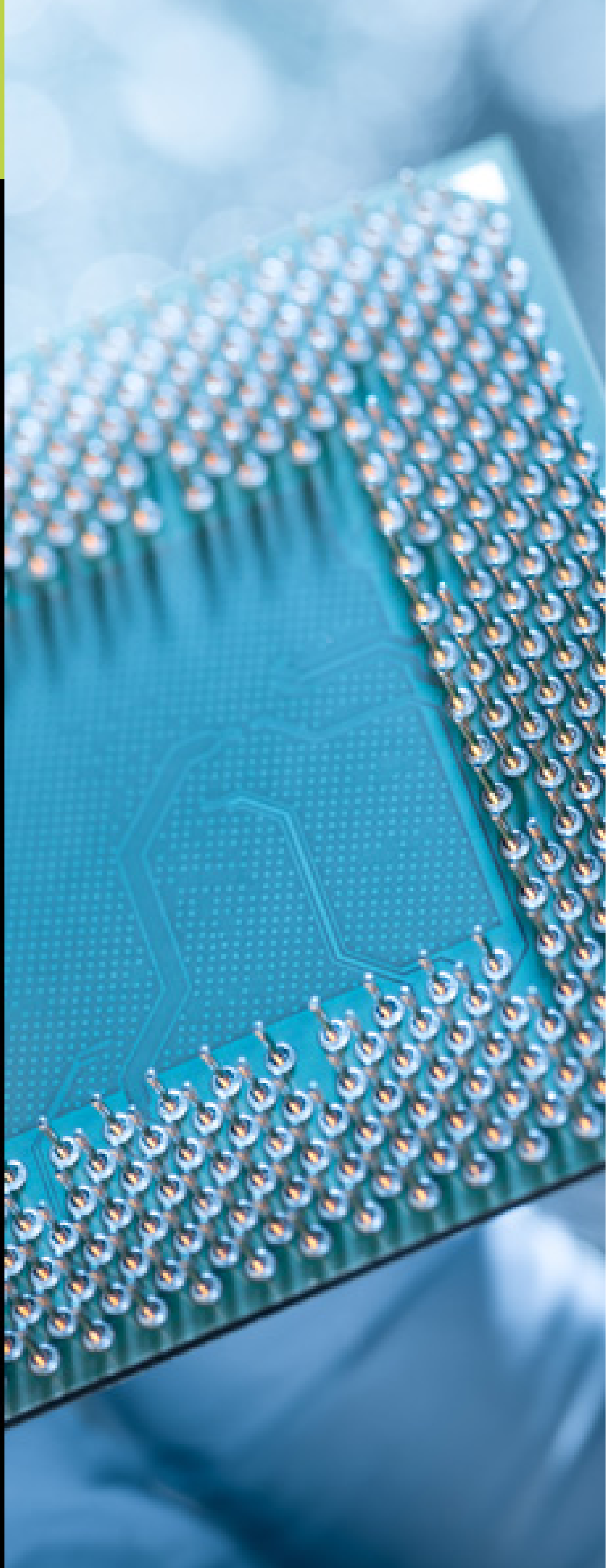
Appointed at the Combined Ordinary and Extraordinary General Meeting of 30 May 2018, for six financial years, this term of office will expire at the end of this General Meeting, during which renewal will be proposed.

Date of commencement of first term of office: Combined Ordinary and Extraordinary General Meeting of 26 May 2000.

- **BM&A** – 11, rue Laborde – 75008 PARIS

Appointed at the Combined Ordinary and Extraordinary General Meeting of 28 May 2019, for a term of office of six financial years that will expire at the end of the Annual General Meeting in 2025 called to approve the financial statements for the financial year ending 31 December 2024.

Date of commencement of first term of office: Combined Ordinary and Extraordinary General Meeting of 28 May 2019.



2

INFORMATION ABOUT THE ISSUER

2.1 LEGAL INFORMATION

2.1.1 LEGAL AND COMMERCIAL NAME

Legal name: ACTIA Group

2.1.2 REGISTRATION PLACE AND NUMBER AND LEGAL ENTITY IDENTIFIER

The issuer is registered in the TOULOUSE Trade and Companies Register under no. 542 080 791.

The ACTIA Group's NAF code is 6420Z, corresponding to the activities performed by a holding company.

Its LEI number is 969500UPP3G1EYL1UI19.

2.1.3 DATE OF INCORPORATION AND TERM

Article 5 of the Articles of Association

"The Company was incorporated on 27 September 1907.

The Company's term, initially set at fifty years from 27 September 1907, the date of its incorporation, was extended, by a resolution of the Extraordinary General Meeting of 18 December 1956, for 99 years, from 27 September 1957, unless dissolved before that or extended by the Extraordinary General Meeting".

2.1.4 REGISTERED OFFICE AND LEGAL FORM

Registered Office: 5, rue Jorge Semprun – TOULOUSE (31400)

Legal form: French limited liability company with a Board of Directors

Share Capital: €15,074,955.75

Legislation governing the issuer's activities: French law

Country of origin: France

Postal address: 5 rue Jorge Semprun - BP 74215 - 31432 TOULOUSE Cedex 4

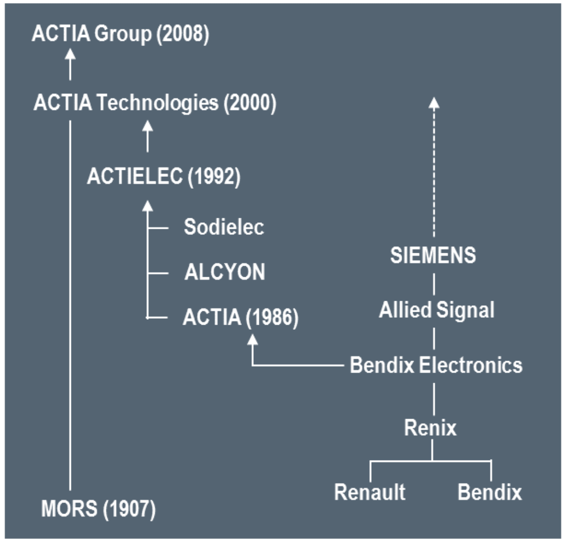
Telephone and website: +33 (0)5.61.17.61.98 / www.actia.com

2.2 HISTORY

ACTIA Group originated from the acquisition in 1986 by ACTIA, a French limited corporation (Société Anonyme), created for this purpose, of the "Special Products" Division of Bendix Electronics S.A., itself originating from Renix S.A., a joint venture created in the early 1970s by Renault and Bendix to invent a solid-state electronic ignition, a precursor of embedded electronics for light vehicles.

The original ACTIA S.A. management team included Louis Pech and Pierre Calmels, well-known figures in the Toulouse region, and Eric Chabrerie, a business leader from the automotive industry. The Pech and Calmels families currently hold management positions via the Chairmanship and General Management of ACTIA Group S.A., and hold the majority of the share capital and voting rights, directly and indirectly.

To lay foundations for future growth, in a first phase of development ACTIA S.A. acquired majority interests in regional companies such as ALCYON Production System S.A. (Electronics Manufacturing) and SODIELEC S.A. (Telecoms). The Group as it exists today was essentially in place in 1991. It had 315 employees, consolidated revenue of €26.8 million and had self-financing capacity of €1.2 million.



In 1992, following the very rapid development of ACTIA S.A. and its subsidiaries, through a legal reorganisation, the role of holding company was transferred to ACTIELEC S.A., created for this purpose, and the industrial entities were organised by sector according to their recognised areas of expertise:

- ACTIA S.A., the company at the head of the Automotive Division;
- SODIELEC S.A., the company at the head of the Telecoms Division;
- ALCYON Production System S.A., the company at the head of the Electronics Manufacturing Division.

The Group continued to develop its business through internal growth and several company acquisitions and creations, especially internationally, including:

- 1989: MEIGA (France);
- 1990: AIXIA, renamed ACTIA 3E (France) and ACTIA UK (UK);
- 1991: TEKHNE, renamed ACTIA Muller UK (UK), liquidated in 2014;
- 1992: VIDEO BUS, renamed ACTIA Systems (Spain) and ATAL, renamed ACTIA CZ initially, and then ATAL again after the sale of the Vehicle Inspection & Garage Equipment business in April 2022 (Czech Republic);
- 1993: ACVIBUS, renamed ACTIA de Mexico (Mexico) and I+Me, renamed ACTIA I+Me and then ACTIA IME (Germany);
- 1994: ACTIA INC (USA), liquidated in 2022, and DATENO S.A. (France);
- 1996: ATON Systèmes, renamed ACTIA PCs (France);
- 1997: ACTIA Do Brasil (Brazil) and CIPI, renamed CIPI ACTIA (Tunisia);
- 2000: ACTIA Italia (Italy), Advanced Technology Inc., renamed ACTIA Corp. (USA), BERENISCE SAS (France), ACTIA Nederland (the Netherlands) liquidated in 2020, merger of ACTIELEC S.A. and MORS S.A., a listed company, and creation of MORS Technologies and of OCEANO Technologies;
- 2001: ACTIA Polska (Poland) and EBIM S.A. (France);
- 2002: ACTIA India (India) and merger of ALCYON Production System and ACTIA;
- 2003: ACTIA China (China), LUDICAR, renamed ACTIA Muller España (Spain), acquisition of MULLER Bem (France) and MEIGA/BERENISCE SAS/MULLER Bem merge to become ACTIA Muller;

- 2004: NIRA Components A.B., renamed ACTIA Nordic (Sweden) and merger of DATENO/MORS Technologies (originating from MORS)/EBIM into SODIELEC;
- 2005: ARDIA, now ACTIA Engineering Services (Tunisia);
- 2008: ACTIA Tunisie (Tunisia);
- 2015: Merger of ACTIA Automotive and ACTIA Muller;
- 2017: Market-IP, now ACTIA Telematics Services (Belgium), merger of ACTIA Systems (Spain) and ACTIA Muller España (Spain);
- 2018: ACTIA Africa (Tunisia) and ACTIA Electronics (USA);
- 2019: ACTIA Japan;
- 2020: ACTIA EMS (Sweden), ACTIA Power (France), ACTIA Power France;
- 2021: ACTIA Power US, ACTIA Power Deutschland (Germany) and the formation of the Power Division;
- 2022: Sale of the Vehicle Inspection & Garage Equipment business on 21 April 2022 and sale of the Power Division on 1 August 2022, liquidation of ACTIA INC (USA).
- 2023: Creation of ACTIA Energy (France), ACTIA Railway (France), ACTIA Engineering Services Holding (France) and ACTIA Engineering Services France (France).

Following the merger of MORS S.A. and ACTIELEC S.A. on 26 May 2000, the Group was renamed ACTIELEC Technologies. On 15 September 2008, the Extraordinary and Ordinary General meeting approved the change of the Company's name to **ACTIA Group** to organise it under the single banner ACTIA. On that basis, since 2008, the ACTIA brand has been integrated into the company names of Group entities, and namely its main subsidiaries ACTIA S.A. and SODIELEC S.A., companies heading the Automotive and Telecoms Divisions, and renamed ACTIA Automotive S.A. and ACTIA Telecom S.A., respectively.

In 2022, the Vehicle Inspection & Garage Equipment business was sold on 21 April including the related business held by ACTIA Automotive S.A., the Chartres site and 30% of the shares of its subsidiary ACTIA CZ, renamed ATAL again (Czech Republic).

In addition, the Power Division, comprising ACTIA Power and its subsidiaries ACTIA Power France, ACTIA Power Deutschland and ACTIA Power US, was sold on 1 August 2022.

At the end of 2022, the liquidation of ACTIA INC (USA) was completed and the creation of a subsidiary in Egypt was launched, which was completed in the first quarter of 2024.

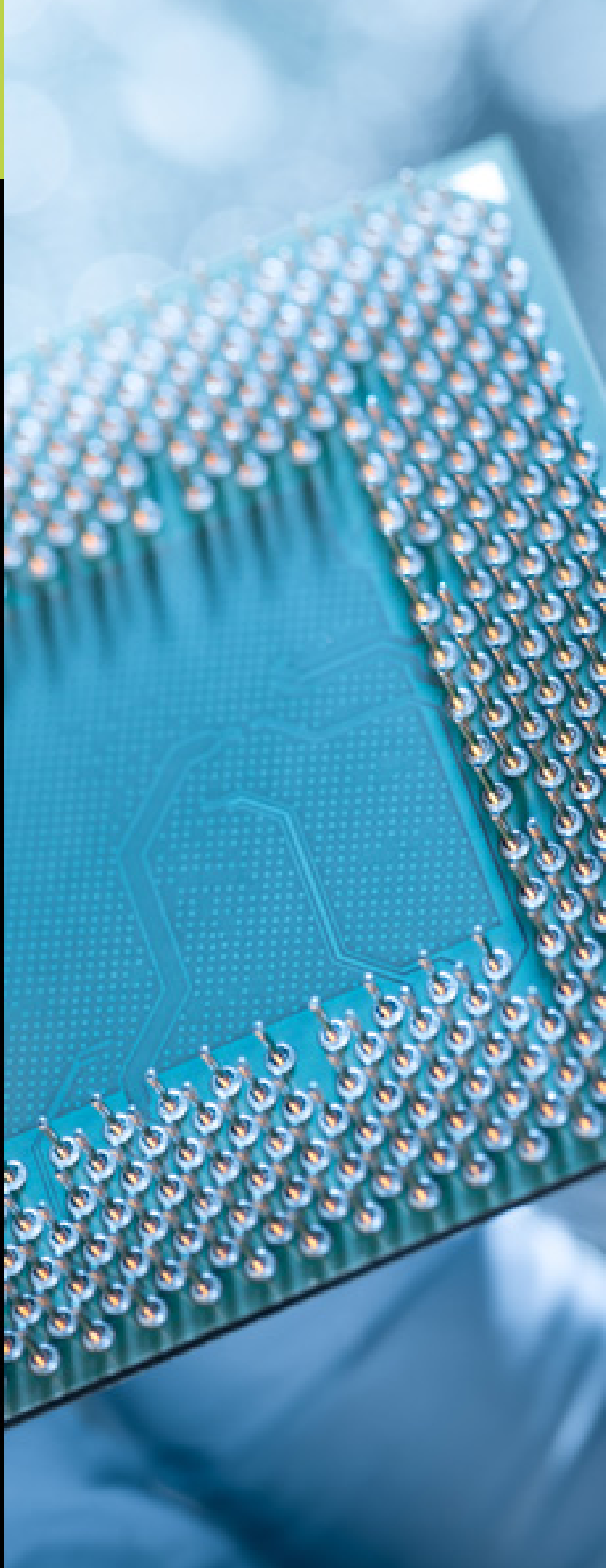
In 2023, the Group launched a process to change the segmentation of its businesses to structure them into **four divisions:** ***Mobility, Energy, Aerospace and Engineering***, to be implemented from 1 January 2024. The Group's financial information will be presented according to these four divisions from 30 June 2024.

In this context, **ACTIA Telecom** transferred its activities dedicated to the energy and rail sectors to two new companies, **ACTIA Energy** and **ACTIA Railway,** respectively. Retaining its SatCom activities, it changed its corporate name to **ACTIA Aerospace**.

At the same time, ACTIA Automotive sold its electronic equipment manufacturing business for the aeronautics, space and defence markets to ACTIA Aerospace (formerly ACTIA Telecom), so that this entity could focus on the Group's aeronautics and space activities.

In addition, the Group sold the majority of its stake (which was 51%) in its Indian subsidiary ACTIA India to the co-shareholder; the balance of its stake is due to be sold in 2024. To refocus its sales efforts on this market, ACTIA is setting up a new entity.

In addition, ACTIA Automotive and ACTIA Aerospace (formerly ACTIA Telecom) have changed their corporate form from a Société Anonyme (limited company) to a Société par Actions Simplifiée (simplified joint stock company), just like the newly created entities.

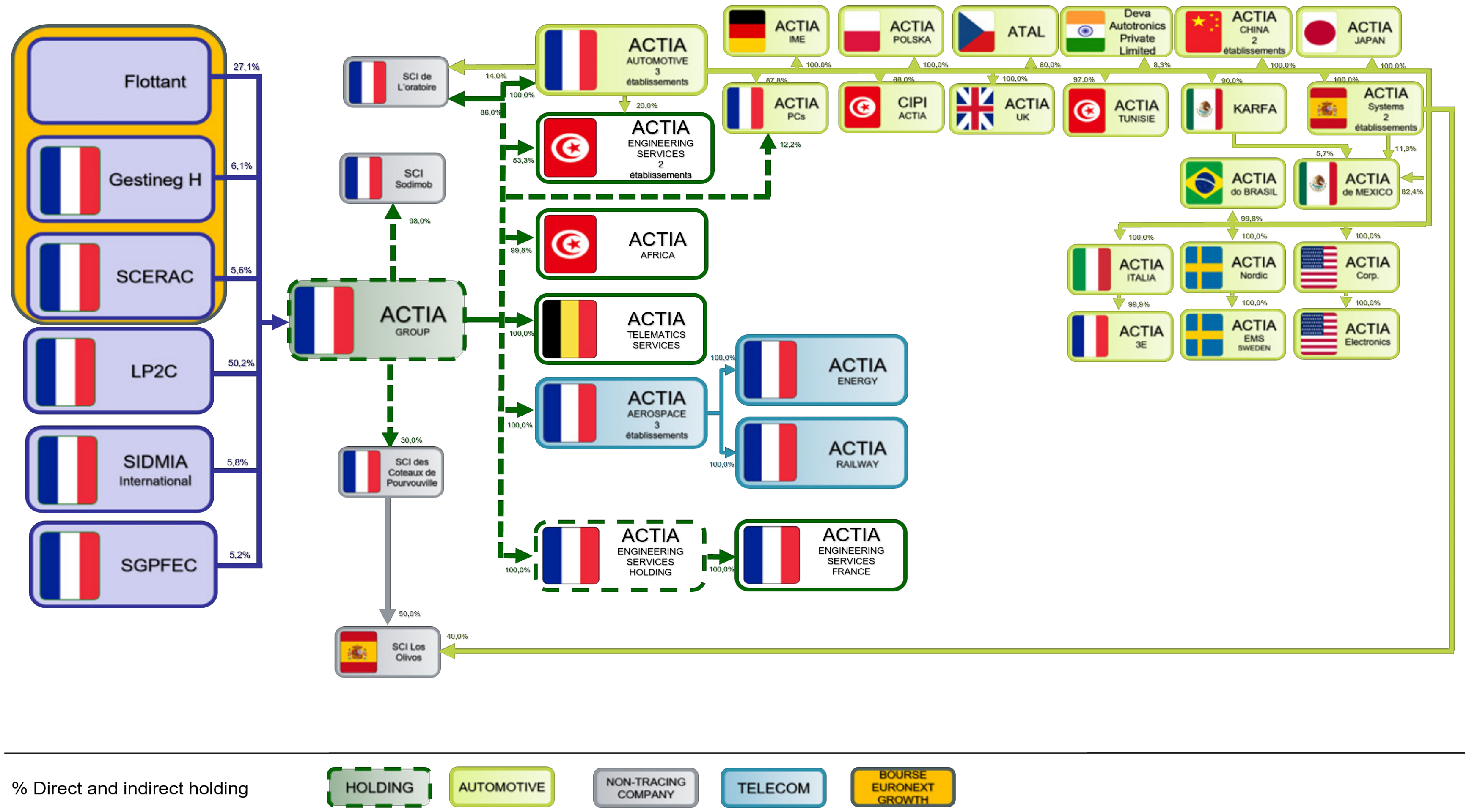


3

INFORMATION ABOUT THE GROUP

3.1 ORGANISATIONAL STRUCTURE

The Group's organisational chart on 31 December 2023 was as follows:



3.2 SCOPE OF CONSOLIDATION

This chapter is covered in Note 3.2 “Consolidated companies” in the notes to the consolidated financial statements.

3.3 BRIEF OVERVIEW OF THE GROUP

ACTIA Group is the publicly traded company of the Group. The “Notes” to the separate financial statements in § 8.2.3 provide a clearer explanation of its role and balance sheet structure.

The Group is organised as follows:

- **LP2C S.A., a holding company**, the Group’s reference shareholder, which is in charge at Group level of:
  - setting general policy and leading the general strategy and ACTIA Group’s fundamental orientations;
  - determining operating strategy and the development of the subsidiaries;
  - capturing all possible synergies, for the benefit of both ACTIA Group taken as a whole and within each of its subsidiaries, strengthening the Group’s corporate image, supporting its growth, optimising the services delivered to its customers, capitalising on its experience and expertise, mobilising the competencies of its employees and driving its development;
  - setting the general policy for external growth through the development of existing sites, the creation of new sites, acquiring stakes in existing or future companies;
  - setting guidelines in the area of human resources so that these accompany and support the strategies and performance of the subsidiaries;
  - guiding and coordinating the Research & Development activities of the subsidiaries with a view to improving their performance and creating synergies, as a function of the expertise developed by each of the Group’s member companies;
  - defining and coordinating actions in crisis situations;
  - and defining communication guidelines to ensure consistency across the subsidiaries.

Furthermore, it provides various services and support at Group level in the following areas:

- administrative, legal, accounting and financial;
- quality;
- communication;
- human resources;
- real estate;
- internal Group management and procedures;
- business development.

- A financial holding company, **ACTIA Group** completes this range of support services in the following areas:
  - administrative, legal, accounting and financial;
  - communications;
  - human resources;
  - information systems;
  - purchasing;
  - real estate;
  - internal Group management and procedures;
  - business development;
  - technology

These dealings result in regulated agreements, the scope and financial details of which are set out in § 4.9.10 “Special report of the Statutory Auditors on regulated agreements”.

- Two **divisions** specialised respectively in:
  - design, manufacture and diagnostics for embedded electronic systems for small and medium-sized production runs for the **Automotive Division**;
  - design, manufacture and in-service support of hyper-frequency professional equipment for the **Telecoms Division**.

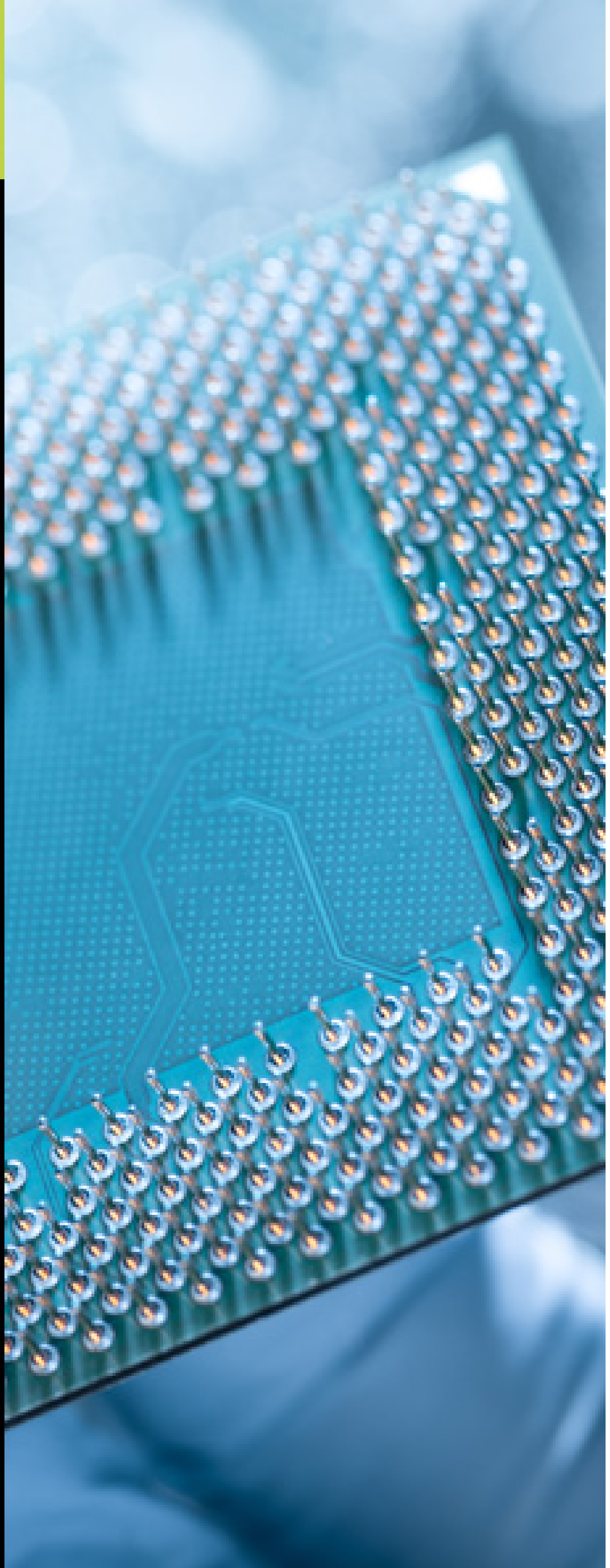
It should be noted that in 2024, the ACTIA Group will present its activities under four divisions, namely:

- The **Mobility** Division, which will bring together activities related to land mobility for the commercial and industrial vehicle, light vehicle, micro-mobility and rail markets;
- The **Aerospace** Division, which will bring together activities aimed at the aeronautics and space markets;
- The **Energy** Division, which will be dedicated to ACTIA’s expertise in the management, distribution and transport of energy, particularly electricity;
- The **Engineering** Division, which will address the growing needs of the electronics sector for engineering services, especially in the software field.

3.4 DIVIDENDS

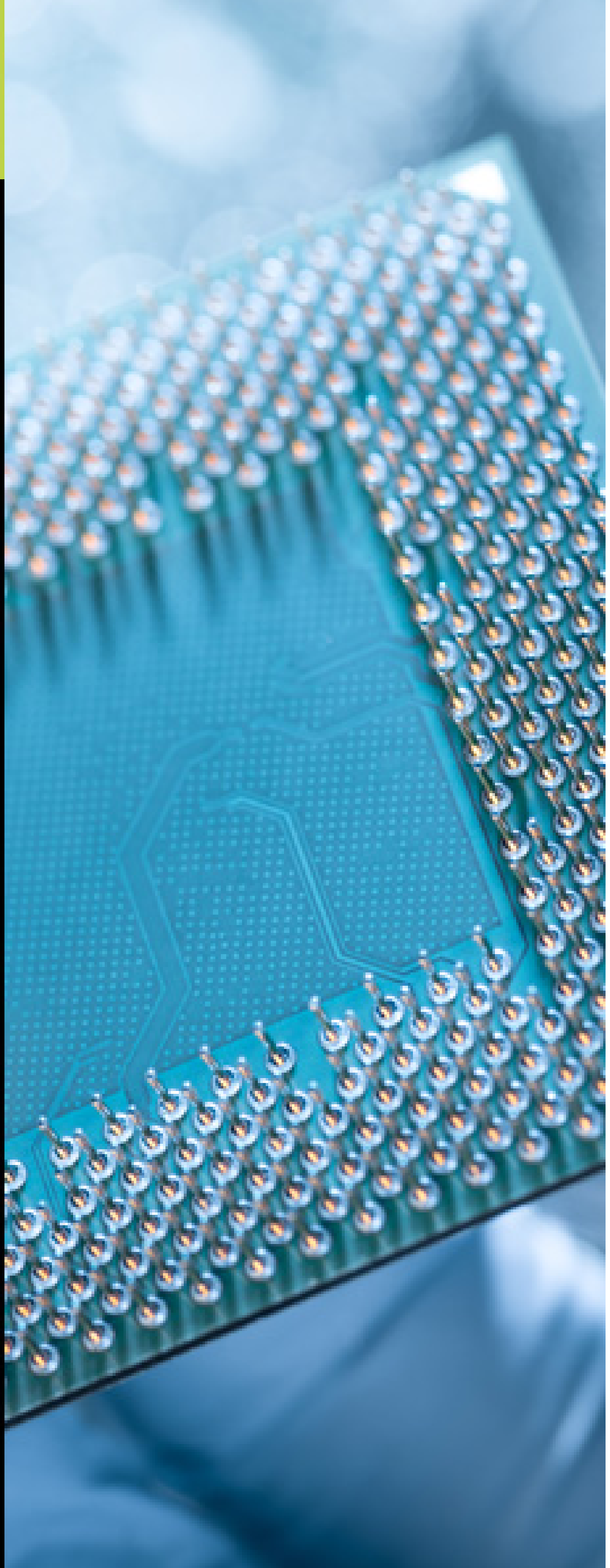
In 2024, ACTIA Group will offer its shareholders a distribution of dividends of 0.12 euro per share, in line with the Group's consolidated results and in accordance with its policy for Shareholders' Equity, as described in §Note 15: “Shareholders' equity” in the notes to the consolidated financial statements. If the General Meeting approves, the ex-dividend date will be 13 June 2024 and dividends will be paid on 17 June 2024.

It should also be noted that the dividend distribution policy extends to all Group companies that are included and which receive a percentage that takes into account the capital expenditure needs of the subsidiaries, legal considerations, and constraints arising from the financial position.



4

MANAGEMENT REPORT INCLUDING THE GROUP MANAGEMENT REPORT



4.1 PRESENTATION OF RESOLUTIONS

On 28 May 2024, we will call an Ordinary General Meeting as required by statute and pursuant to the provisions of the Company's Articles of Association, to report on the Company's activities during the financial year ended 31 December 2023, to present the reports of the Board of Directors and the Statutory Auditors, and approve the financial statements in respect of this financial year, the appropriation of earnings and the agreements covered by Article L. 225-38 of the French Commercial Code.

4.1.1 AGENDA OF THE ORDINARY GENERAL MEETING

- Approval of the separate financial statements for the year ended 31 December 2023 and approval of non-tax-deductible expenses;
- Approval of the consolidated financial statements for the year ended 31 December 2023;
- Appropriation of earnings for the period and declaration of the dividend;
- Special report of the Statutory Auditors on regulated agreements and approval of the new agreements entered into with LP2C mentioned therein;
- Special report of the Statutory Auditors on regulated agreements and approval of the other new agreements mentioned therein;
- Reappointment of KPMG as Statutory Auditors,
- Grant of authority to the Board of Directors for the purchase of Company shares in accordance with the procedures provided for under Article L22-10-62 of the French Commercial Code, duration of the authorisation, purposes, procedures and maximum amount,
- Powers to carry out formalities

4.1.2 DRAFT RESOLUTIONS

The following resolutions will be submitted to the General Meeting for approval during this meeting:

RESOLUTION I: APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 - Approval of non-tax-deductible expenses

After taking note of the reports submitted by the Board of Directors and the Auditor concerning the business year ending on 31 December 2023, the General Meeting approved the separate financial statements closed on that date as presented, showing a profit of €1,716,177.60.

The General Meeting specially approved the total amount of expenses and charges referred to in Article 39, paragraph 4 of the French General Tax Code, amounting to €2,178, as well as the corresponding tax, i.e. €544.

RESOLUTION II: APPROVAL OF THE CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDING ON 31 DECEMBER 2023

After taking note of the reports submitted by the Board of Directors and the Statutory Auditors concerning the consolidation exercise ending on 31 December 2023, the General Meeting approved the consolidated accounts drawn up on that date as presented, showing a profit of €7,515,697 for the Group.

RESOLUTION III: APPROPRIATION OF EARNINGS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2023

On a proposal from the Board of Directors, the General Meeting decided to appropriate the earnings for the financial year ending 31 December 2023 as follows:

Origin		
"Retained Earnings" account on 31 December 2023		€21,712,043.05
Earnings for the financial year: profit of		€1,716,177.60
Appropriation		
To the "Retained Earnings" account, which will stand at	€21,016,227.73	
Paid in the form of dividends	€2,411,992.92	
TOTAL	**€23,428,220.65**	**€23,428,220.65**

The General Meeting noted that the gross dividend per share was fixed at €0.12.

When it is paid out to natural persons who reside and pay tax in France, the dividend is either subject to a single fixed contribution of 12.8% of the value of the gross dividend (article 200 A of the French General Tax Code), or, if expressly chosen by the taxpayer, as a definitive, all-encompassing option, taken into consideration for income tax as per the progressive tax scale after, notably, an abatement of 40% (Articles 200 A, 13, and 158 of the French General Tax Code). In addition, dividends are subject to social contributions at the rate of 17.2%.

The dividend coupon will be detached on 13 June 2024.

Dividends will be paid on 17 June 2024.

It is noted that if, on the ex-dividend date, the Company holds some of its own shares, the amounts corresponding to the unpaid dividends owing to these shares will be allocated to the retained earnings account.

In accordance with the provisions of Article 243 bis of the French General Tax Code, the Assembly notes that it was reminded that the Company has distributed the following dividends and earnings during the last three financial years:

For the financial year	Earnings eligible for a rebate		Earnings not eligible for a rebate
	Dividend	Other revenue distributed	
2020	0	-	-
2021	0	-	-
2022	€2,411,992.92*, i.e.: €0.12 per share	-	-

** Including the amount of the dividend corresponding to shares held by the company itself, unpaid and allocated to the retained earnings account.*

RESOLUTION IV: SPECIAL REPORT OF THE STATUTORY AUDITORS ON REGULATED AGREEMENTS - APPROVAL OF THE NEW AGREEMENTS ENTERED INTO WITH LP2C MENTIONED THEREIN

Ruling on the special report of the Statutory Auditors on regulated agreements with which it was presented, the General Meeting approved the coordination agreement and the assistance and services agreement entered into with the leading holding company LP2C which are mentioned therein.

RESOLUTION V: SPECIAL REPORT OF THE STATUTORY AUDITORS ON REGULATED AGREEMENTS - APPROVAL OF THE OTHER NEW AGREEMENTS MENTIONED HEREIN

Ruling on the special report of the Statutory Auditors on regulated agreements with which it was presented, the General Meeting approved the new agreements mentioned therein.

RESOLUTION VI: REAPPOINTMENT OF KPMG AS STATUTORY AUDITORS

On a proposal from the Board of Directors, the General Meeting reappointed KPMG, whose term of office expires at the close of this General Meeting, as Statutory Auditors for a term of six financial years, i.e. until the close of the Ordinary General Meeting to be held in 2030 to approve the financial statements for the year ending 31 December 2029.

KPMG had indicated in advance that it accepted the reappointment and that there were no objections to it.

RESOLUTION VII: AUTHORISATION TO BE GIVEN TO THE BOARD OF DIRECTORS TO ALLOW THE COMPANY TO BUY BACK ITS OWN SHARES UNDER THE SCHEME LAID DOWN IN ARTICLE L. 22-10-62 OF THE FRENCH COMMERCIAL CODE.

The General Meeting, having taken note of the Board of Directors' report, authorised the latter, for a period of eighteen months, in accordance with Articles L. 22-10-62 et seq. and Articles L. 225-210 et seq. of the French Commercial Code, to buy back, either once or on several occasions as required, company shares, within the limit of a maximum number of shares not exceeding 2% of the number of shares comprising the total share capital on the day of this Meeting, adjusted if necessary to take account of any increase or reduction of share capital that may occur during the period throughout which the programme runs.

This authorisation cancels the authorisation granted to the Board of Directors in the 7th resolution of the General Meeting held on 23 May 2023.

Acquisitions may be made in order to:

- Stimulate the secondary market or liquidity of ACTIA Group shares via an investment services provider through a liquidity contract in conformity with the practice authorised by the regulations, it being understood that, in this framework, the number of shares taken into account for calculation of the aforementioned maximum amount corresponds to the number of shares purchased, less the number of shares resold;
- Maintain them or subsequently use them for payment or exchange as part of possible merger, spin-off, acquisition or external growth operations;
- Cover stock option plans and/or schemes offering free stock options (or similar) to Group employees and/or corporate officers including Economic Interest Groupings and affiliated companies, as well as any allocation of shares in the framework of a Company or Group Savings Plan (or similar), as part of a company profit-sharing scheme and/or any other scheme involving the allocation of shares to Group employees and/or corporate officers including Economic Interest Groupings and affiliated companies;
- Cover securities giving rise to the allocation of Company shares in the framework of the regulations in force.

These shares may be purchased by any means, including via block orders, whenever the Board of Directors considers said transaction to be appropriate.

Unless the General Meeting grants prior authorisation, the Board of Directors will not be entitled to make use of this authorisation during a tender offer launched by a third party seeking to purchase Company shares, and this restriction will apply until the end of the offer period.

The Company does not intend to use stock option mechanisms or derivatives.

The maximum share purchase price is fixed at 8 euros per share. In the case of an operation involving share capital, namely, division or grouping of shares or free allocation of stock options, the amount stipulated above shall be adjusted in the same proportions (multiplying coefficient equal to the ratio between the number of shares comprising the share capital before the operation and the number of shares after the operation).

The maximum amount of the operation thus is fixed at €3,215,984.

The General Meeting grants full powers to the Board of Directors to carry out these operations, determine the conditions and procedures related thereto, enter into any agreement and carry out all formalities.

RESOLUTION VIII: POWERS TO CARRY OUT FORMALITIES

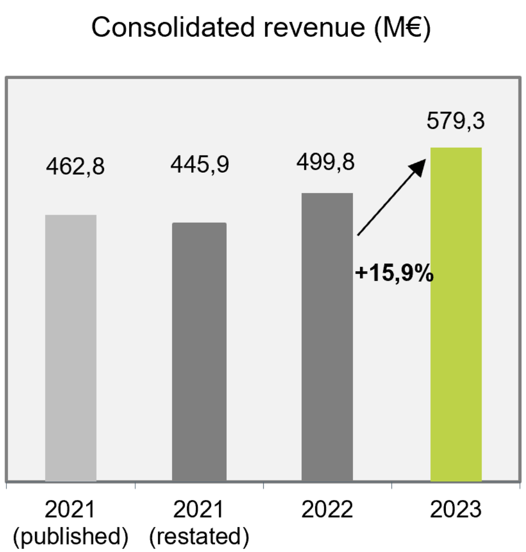
The General Meeting grants all powers to persons who hold an original copy, copy or extract of this meeting report to carry out all the filing and posting formalities required by law.

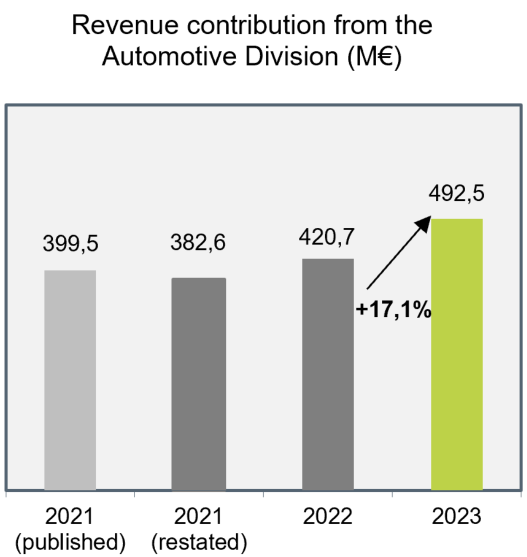
4.2 SELECTED FINANCIAL INFORMATION FOR THE PERIOD

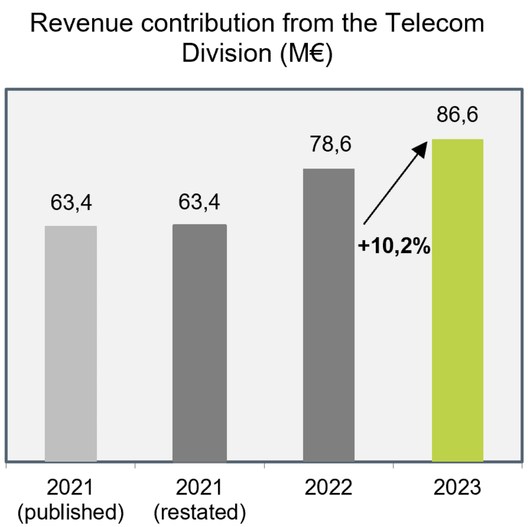
The following tables and charts represent audited figures. For the year 2021, the Power Division data was adjusted to reflect the growth of continuing operations.

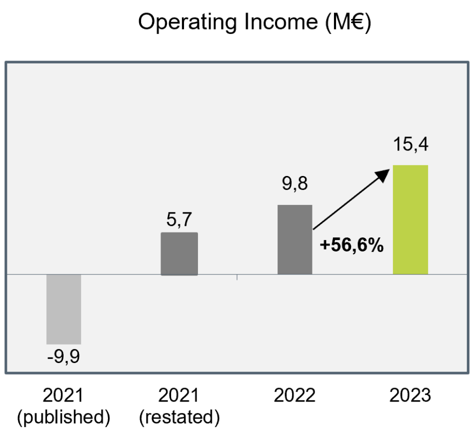
The Group's separate annual and consolidated financial statements as they stood on 31 December 2023 were approved by the Board of Directors on 25 March 2024.

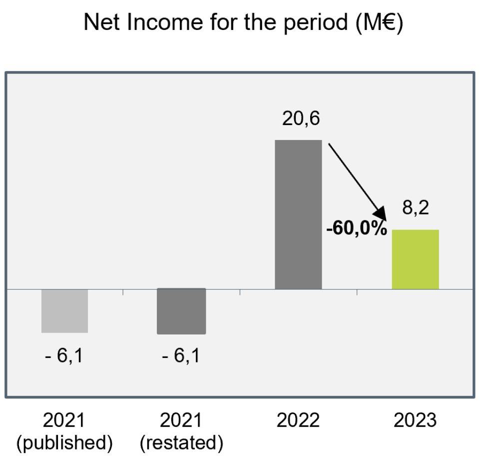
4.2.1 KEY FIGURES

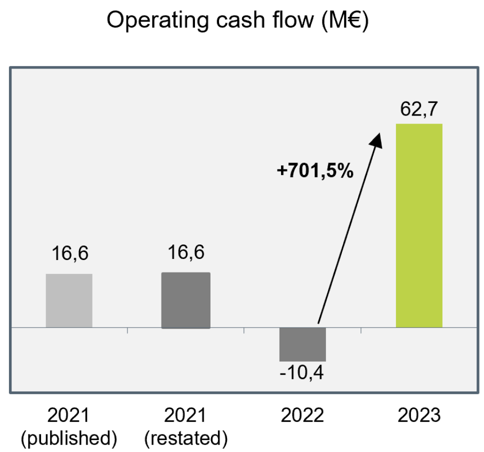


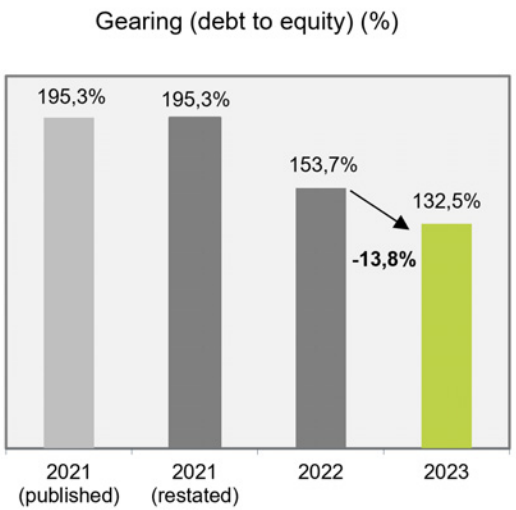


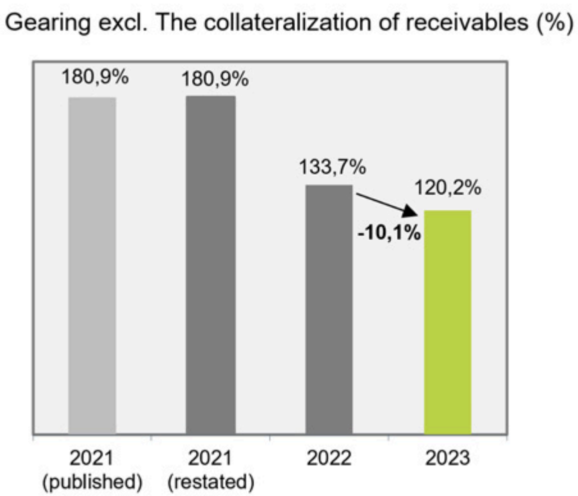












Details of how the debt ratio is calculated are set out in Note 14 “Financial liabilities” in the notes to the consolidated financial statements.

4.2.2 CONSOLIDATED RESULTS

The consolidated financial statements of our Group show revenue up by 15.9% to €579.3 million, and profit attributable to the Group of €7.5 million compared with €19.9 million in 2022, in connection with the sale of the Power Division (01/08/2022), presented under “discontinued operations”.

Consolidated results for the 2023 financial year break down as follows:

Consolidated Group results (€K)	2023	2022	2021 adjusted*	2021 published
Revenue	**579,322**	**499,831**	**445,910**	**462,839**
Current operating income	15,459	9,565	4,469	<11,241>
Operating income	**15,380**	**9,822**	**5,729**	**<9,921>**
Financial Result	**<5,897>**	**<7,721>**	**3,772**	**3,592**
Net income from continuing operations (A)	8,681	1,782	10,025	
Net income from discontinued operations	<442>	18,835	<16,099>	
Income for the period	**8,239**	**20,617**	**<6,074>**	**<6,074>**
✓ *attributable to Group shareholders*	7,516	19,950	<6,379>	<6,379>
✓ *Non-controlling interests*	723	667	306	306
Tax (B)	<893>	<399>	430	160
Impairment of goodwill (C)	0	0	0	0
Interest and financial costs (D)	<7,960>	<5,004>	<3,763>	<3,921>
Change in value of hedging instruments (E)	2,078	<4,059>	8,377	8,377
Depreciation (F)	<27,300>	<29,589>	<30,923>	<32,826>
EBITDA from continuing operations = (A)-(B)-(C)-(D)-(E)-(F)	**42,757**	**40,833**	**35,904**	
EBITDA from discontinued operations	<725>	19,032	<13,768>	
EBITDA[1]	**42,031**	**59,865**	**22,136**	**22,136**

** Adjusted to take account of the reclassification of the Power division under ‘discontinued operations’.*

We will ask shareholders to approve these consolidated financial statements.

1 EBITDA: Net income + taxes + goodwill amortisation + interest and financial costs + depreciation allowances +/- change in value of derivatives

4.2.3 BRIEF OVERVIEW OF THE GROUP'S POSITION DURING THE 2023 FINANCIAL YEAR

The information used to prepare the consolidated financial statements is provided in Note 2 "Accounting policies," in the notes to the consolidated financial statements.

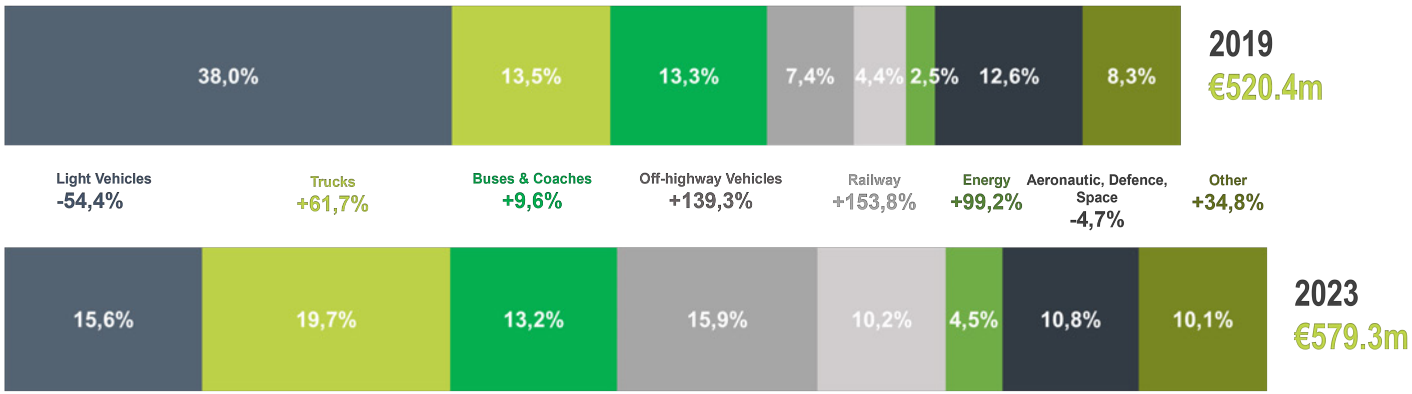
While the year 2022 continued to be impacted by the aftermath of the health crisis, which could still shut down entire regions like China in the second quarter and by the war in Ukraine, with the major consequence for ACTIA being the collapse of the euro against the US dollar and the setting in of inflation in all the countries where ACTIA and its suppliers are present, the 2023 financial year confirmed the gradual improvement in component supply flows, with a return to normal at the end of the year after almost 3 years of tensions. Against an inflationary backdrop, still hit by the war in Ukraine and the outbreak of a new armed conflict in the Middle East, ACTIA's financial year was divided into two main trends:

- The first half of the year was marked by persistent tensions in some component families, which continued to disrupt production, and by high levels of customer orders, with the exception of the home automation sector;
- The second half of the year saw a gradual return to normal component supply flows, leading to an improvement in plant organisation, with a marked drop in customer demand (in the agricultural and trucks sectors) in the last few weeks of 2023.

Bolstered by its multi-year contracts and the start of production of new products, ACTIA was able to record a 15.9% growth to record €579.3 million in revenue, despite the sale of the Garage Equipment and Vehicle Inspection businesses and the Power Division in 2022. It should be noted that this growth was essentially built on the increase in volumes, even though ACTIA succeeded in getting its customers to accept a slight price increase, for the second consecutive year, which covered only part of the inflation suffered.

Thus, ACTIA demonstrated its ability to manage crises and build for the long term, which enabled it to absorb the end of the telematics contract for light vehicles (up to 23% of its consolidated revenue), position itself in promising sectors suited to its size and expertise, and rebalance its customer portfolio.

Change in turnover by market between 2019 and 2023 *(%)*



In 2023, international sales accounted for 63.6% of total consolidated revenue, relatively stable compared with 2022 (63.8%), with an increase in international sales by the Automotive Division (73.8% vs. 72.6% in 2022), even though the Aeronautics sector, experienced an upturn and the Telecoms Division deployed its solutions to a very large majority of French customers (94.1% vs. 82.7% in 2022).

AUTOMOTIVE DIVISION

The Automotive Division (85.0% of the Group's revenue) increased by 17.1% to €492.5 million, excluding the sale of the Garage Equipment and Vehicle Inspection businesses.

The Original Equipment Manufacturer segment accounted for 77.0% of the revenue of the Automotive Division, up by 21.5% during the reporting period. All customer segments reported growth, with the exception of the Bus and Coach segment, which remained stable over the year thanks to ACTIA's strong position in China in driver's seat system solutions. This business growth was achieved despite the fact that component supply difficulties were only gradually resolved over the period, and that the Trucks and Off-Highway Vehicle segments, which are mainly for agricultural sector, experienced a marked slowdown towards the end of the year. The rapid growth of certain sectors, such as railways, and the start of production of new products, which had been commercial successes in 2019-2020, fuelled this growth, as the price increases accepted by our customers remained limited over the year, covering only part of the inflation incurred.

Following the sale of Garage Equipment and Vehicle Inspection. businesses (April 2022), Aftermarket accounted for just 5.4% of the Automotive Division's revenue, down 16.4%. The ACTIA Group still holds a 60% stake in its Czech subsidiary, ATAL, and remains active in the field of gas analysers. Fleet management, which became the main activity in this field, reported a decrease of 7.3% in 2023, as investments by Bus & Coach fleet managers (-8.5%) fell short of the level prior to the health crisis. The Rail segment grew by 6.6%, in line with the Group's expansion in this sector.

Manufacturing - Design & Services accounted for 12.5% of the Automotive Division's revenue. In 2023, business was stable (-0.6%), as the decline in home automation after several years of very strong growth (-26.2%) was offset by continued growth in the aeronautics segment (+21.8%).

Business growth was restored in all regions except Africa. Reflecting an international customer portfolio, France accounted for only 26.2% of revenue, compared with 27.4% in 2022, despite growth of 12.1%. Europe accounted for 47.6% of business, with very strong growth in Germany (+75.2%) linked to VCIs for car manufacturers, and in Italy (+38.4%) with marked growth in the agricultural sector at the start of the year. After a number of difficult years, the upturn in Mexico (+92.0%) is noteworthy, as is the increase in sales in the United States (+16.8%) and Brazil (+31.0%). As a result, the Americas accounted for more than 15% of the division's revenue. Thus, 73.8% of revenue was generated outside France.

EBITDA[1] continued to surge (+62.3% in 2023 compared with +47.8% in 2022), reaching €36.8 million for the year compared with €22.7 million in 2022, i.e. 7.4% of Automotive revenue, compared with 5.4% the previous year, as a result of the sale of the Vehicle Inspection and Power businesses. Operating profit amounted to €12.3 million, or 2.5% of revenue compared to 1.8% in 2022. The valuation of hedging instruments (+€2.1 million compared with -€4.1 million in 2022) offset the €2.3 million increase in interest and financial costs due to changes in interest rates and the financing of trade receivables. This yielded a net profit of €9.2 million, an increase of €7.2 million for continuing operations (€20.8 million overall).

This improvement in the result stems from several actions carried out by ACTIA, in a complex and rapidly evolving economic environment, namely:

- Continuing to assert ACTIA's guiding principles, whereby the identification of profitable technological niche markets provides a way of keeping customer confidence, holding on to the markets we already have and progressively renewing the portfolio of products and services;
- Managing the continued supply shortages of certain electronic components, including active components such as microprocessors and memories, with close contacts with the customers. As these components are essential to ACTIA's production activity, procurement uncertainties continued to disrupt industrial activity, especially during the first semester, leading to planning difficulties. The situation gradually improved over the year, returning to near-normal levels in the final quarter after almost 3 years of difficulties. The shortage of certain essential components led to high stocks of other components, which remained on hold. As a result, raw materials inventories fell by €17.4 million, despite the growth in business, thanks to structured action to reduce work-in-progress. On the other hand, inventories of work in progress and finished goods rose by €6.2 million, reflecting more normative flows.

1 EBITDA: Net income + taxes + goodwill amortisation + interest and financial costs + depreciation allowances +/- change in value of derivatives

- Maintaining R&D efforts, particularly in programmes that have been won and for the redesign of certain "off-the-shelf" products to adapt to changes in supply;
- Negotiating a new overall price increase, after the first time in ACTIA's history in 2022, where Moore's Law allowed for a portion of the gains to be passed on to customers retroactively. The inflation that affected most resource items (materials, salaries, transport), combined with a changing euro/US dollar exchange rate that was still unfavourable to procurement in dollars, could only be partially passed on to customers, which kept the profitability of continuing operations under pressure.

TELECOMS DIVISION

In order to ensure data comparability, the presentation of the division remains consistent with the previous years. It must be borne in mind that ACTIA Telecom, following the separation of its three operational divisions, will enable the creation of the Aerospace and Energy Divisions in 2024, with its rail-related activities transferred to the Mobility Division dedicated to land-based mobility.

With a 10.2% increase over the 2023 financial year, the Telecoms Division generated revenue of €86.6 million, the equivalent of 15.0% of Group sales. This is the best year on record for this division, which was able to take advantage of its growth drivers.

The SatCom business, which still accounted for 37.7% of the division compared with 51.4%, recorded a 19.3% decline in deliveries, due to a major programme phase involving complex technical developments (the French Syracuse IV programme) and a drop in deliveries outside France with the end of the Egyptian contract. The Energy sector continued to grow (+23.9%), and by 2023 its business was less and less affected by difficulties in procuring components, enabling it to account for 34.1% of the division. With growth of 70.7%, the Rail sector demonstrated the growth potential it represents for the Group, accounting for 28.2% of the division at the end of the year.

With a strong contribution from French customers for its Energy and Rail business areas and with the start of the Syracuse IV programme, international revenue continued to decline and represented only 5.9% of the division's business in 2023. Egypt, which had accounted for nearly 50%, now represented only 2.8% of the revenue, with a few more deliveries pending and the gradual implementation of In-Service Support.

In this context, the division recorded a drop in its EBITDA[1] by €1.1 million to stand at €4.7 million, i.e. 5.4% of Telecoms revenue, compared with 7.4% in 2022. It had to move up a notch to ensure the growth of its revenue, in particular by adding 37 people to its workforce and widely using subcontracting to offset recruitment difficulties. Operating profit amounted to €1.9 million, or 2.2% of revenue compared to 3.2% in 2022.

GROUP

After two particularly disrupted years, supply problems were gradually resolved in 2023, restoring the balance between supply and demand and enabling plants to be better organised at the end of the year.

ACTIA's consolidated revenue stood at €579.3 million, an increase of 15.9%, despite the sale of the Vehicle Inspection business (April 2022) and the Power Division (August 2022). Reporting an increase of €79.5 million compared with 2022 and €58.9 million compared with 2019, the Group demonstrated its ability to manage crises and build over the long term with multi-year contracts. Business growth more than absorbed the termination of the Volvo Cars telematics contract, which accounted for up to 23% of consolidated revenue. Impacted by cost inflation since the health crisis, the Group was able to convince its customers to accept a new price hike, which, however, could not cover the overall cost increase. Higher volumes therefore explain most of the growth recorded. After very strong growth at the start of the year, some sectors experienced a sharp slowdown in the fourth quarter (from 15% to 30%), reflecting economic trends and the impact of armed conflicts.

During the first part of the year, manoeuvring between very strong customer demand and resources that were still limited (shortage of components still leading to tensions in prices and supplies, a tight job market and recruitment difficulties) and a general increase in prices linked to the conflict in Ukraine, which continued to have an unfavourable impact on the euro/US dollar exchange rate, ACTIA was able to partially protect its expected profitability for the year thanks to an increase in its prices that partially covered the inflation. The gradual improvement in supplies enabled plant productivity to return to a higher level at the end of the year, with production backlogs returning to pre-crisis levels, albeit with the occasional difficulties inherent in all production.

With the consumption rate falling slightly to 54.0% (54.8% in 2022), materials and supplies increased by 13.8% (+€38.5 million) due to the growth in business. The rise in the EUR/USD exchange rate could be curbed thanks to the Group's strategy of improving its natural hedge since the collapse of the euro. Although ACTIA did not seek to hedge all of its dollar purchases through customer payments, since the bulk of its fixed costs is in euros, it was able to convince a few major customers to make a proportion of payments in US dollars, thereby reducing its dollar purchases by $22.0 million, while the Group's business grew by 15.9%.

However, the average exchange rate for currency purchase was slightly lower than in 2022, when the first half still benefited from favourable hedging instruments. At constant exchange rates, ACTIA would have recorded an additional €1.1 million in its accounts.

No longer in receipt of French government aid (€1.5 million in 2022), personnel costs rose to €147.2 million compared to €126.5 million in 2022 (+16.4%), including salary increases to limit staff turnover and the burden of inflation for employees. The analysis of changes in personnel costs is complicated by the share of the personnel of the Vehicle Inspection & Garage Equipment activities sold up to end April 2022 and by hiring difficulties across the world, resulting in a significant use of subcontracting and temporary staffing (+€5.4 million) to overcome these difficulties However, ACTIA was able to carry out most of the necessary recruitments and reduce its use of temporary staffing at the end of the year. As a result, the number of employees increased by 363 compared with the end of December 2022, i.e. +9.7%. The Group’s workforce grew from 3,729 at the end of 2022 to 4,092 at the end of 2023.

External expenses rose by €12.4 million (+18.6%), with an increase in subcontracting purchases (+€3.7 million), representing 5.8% of revenue compared with 6.0% in 2022, and maintenance costs (+€3.1 million), including the cost of the Volvo Cars warranty recall (+€2.4 million) (as the provisioning rules applied in the previous years when this contract was in the delivery phase did not cover the full amount of the called-in warranty) and temporary staffing costs (+€1.7 million). Transport costs fell by €2.2 million as container prices returned to normal levels.

The constant renewal of the business portfolio aimed at maintaining diversification in the various segments imposed a sustained pace in the Research & Development programmes. R&D costs increased to €84.7 million from €80.3 million in 2022. They continued to reflect intense sales efforts, with major programmes won that require significant development, but which are better supported by customers. Thus, the re-invoicing rate improved slightly to 44.8% compared with 42.2% in 2022. The ratio of R&D expenditure as a percentage of revenue was 14.6%, compared with 16.1% in 2022, with a fall in the capitalisation rate (14.9% compared with 17.1%). The development of the projects won that will ensure the activity over the next few years therefore remains substantial but weighs less on ACTIA. Thus, charges recognised in the income statement represented 6.7% of revenue compared to 7.7% in 2022. The Research Tax Credit impacting the income statement increased slightly, up from €5.0 million to €5.4 million.

The Group’s EBITDA from continuing operations stood at €42.8 million, up from €40.8 million (+4.7%), impacted by pressure on margins, the price increases accepted by customers not covering all of inflation, and warranty costs. After taking into account depreciation allowances of €27.3 million (-7.7% compared to 2022), the operating income stood at €15.4 million, up €5.6 million.

The level of interest and financial charges at €8.0 million (+59.1%) reflects the change in interest rates on the financial markets as well as the cost of French State guaranteed loans. The activation of State-Guaranteed Loans in 2020 (€41.4 million) and 2021 (€49.9 million), with the final release of €1 million made at the beginning of 2022, the setting up of Recovery Bonds for €18 million in April 2022 and the use of short-term variable rate lines, increased the average gross interest rate from 1.45% at the end of 2020 to 3.44% at the end of 2023. In addition, in 2023, ACTIA used tools such as factoring and reverse factoring to finance its trade receivables, enabling it to reduce its working capital requirements and cut down the average customer payment term to 99 days from 118 days at the end of 2022. This made it possible to narrow the gap with the average supplier payment term (80 days), which has a major impact on cash flow during periods of sustained growth. As the EUR/USD exchange rate hardly changed compared with 31/12/2022 and the Group was able to adopt new, more favourable hedging tools, the valuation of the hedging instruments generated a capital gain of €2.1 million against a loss of €4.1 million at 31 December 2022. Currency hedging instruments enabled the Group to purchase USD at an average exchange rate of 1.064 over the period compared to 1.078 in 2022, leading to a slight degradation compared to the average exchange rate on the spot market (1.081). This confirmed the protective tunnel effect put in place by ACTIA over time without significantly improving the exchange rate compared to the spot market after the collapse of the euro in 2022.

As a result of these factors, net income for the period was €8.2 million, compared with €20.6 million at the end of 2022, which earned €18.8 million of income from discontinued operations (disposal of the Power Division). For continuing operations, the increase was €6.9 million, after taking into account taxation of €0.9 million, compared with €0.4 million at end 2022.

The Group's operations generated an overall cash outflow of €8.3 million during the year, compared with €14.5 million at the end of 2022, despite the recording of disposals. Working capital requirements were favourably impacted by:

- The action taken on the abnormally high raw material inventories during the component crisis (+€31.6 million in 2022), when the lack of one component led to a pile-up of duly delivered items. Raw material inventories fell by €21.7 million, despite the growth in business. The gradual improvement in supply flows led to an increase in finished goods inventories of €8.6 million, although a level consistent with a normal production organisation could not be achieved;
- Improvement in customer payment terms (on average 99 days, -19 days compared with 2022), with the introduction of new tools for financing trade receivables such as factoring and reverse factoring, making it possible to finance up to 25% of invoicing at 31/12/2023. As a result, it was possible to deconsolidate €35.9 million at 31/12/2023, representing 18.8% of trade receivables, as the total financing did not meet the deconsolidation criteria. This financing improved compliance with supplier payment terms (on average 80 days, -18 days compared with 2022). The gap has a particularly high impact during periods of growth.

Investments, which stood at €21.7 million compared to €24.6 million in 2022, remained under pressure to meet the challenge of a financial year greatly disrupted by electronic component shortages. Trade-offs were made in R&D in order to prioritise programmes related to contracts and items in production, to ensure equipment is maintained, as the Group remained keen to reduce its debt. The sale of the Power Division gave rise to a price revision of -€4.9 million, of which €4.0 million was partially provisioned at 31/12/2023. This also had an impact on the period, as did warranty costs (€3.7 million) and dividends paid (€2.4 million). New medium-term loans contributed €25.5 million, while ACTIA repaid €59.1 million in debt (medium and long-term borrowings and lease liabilities).

On the balance sheet, inventories of €200.3 million at the end of 2023 decreased by €10.4 million (-4.9%). Trade receivables amounted to €154.4 million, down by €5.4 million (-3.4%), whereas revenue in the fourth quarter of the year was up 9.9%, due to financing leading to deconsolidation. Accounts payable stood at €83.3 million, down 20.2% from €104.5 million, reflecting the anticipated downturn in certain markets and the Group's improved payment terms. The improvement in working capital requirements had an impact of €25.4 million on the financial position.

By the end of 2023, net debt had fallen by €20.8 million to €187.9 million (-10.0%), thanks to the tight control of WCR during the period of growth (decreasing inventories and financing trade receivables). Medium-term loans and leases worth 59.1 million were repaid during the year. At the end of the reporting period, 49.4% of the short-term lines of credit that were renewed in 2023 had been used, compared to 49.9% on 31 December 2022. The request to suspend covenants on 31 December 2023 was accepted by all the banking partners, as the improvement in gearing was not yet sufficient to meet the commitments made. Excluding the financing of receivables, gearing was 120.2% compared with 133.7% at the end of 2022. The Group only financed 24.4% of its receivables, reduced to 2.7% after deconsolidation. Leverage stood at 4.47 compared with 3.49 at 31 December 2022, benefiting from the proceeds of business disposals. The available cash was €43.5 million compared to €48.4 million at the end of 2022.

For 2023, Free Cash Flow stood at €45.1 million compared to €1.6 million in 2022.

While the Group is structured to absorb the strong growth stemming from its commercial successes, geopolitical tensions and the global slowdown are delaying the expected growth and masking the effectiveness of the initiatives deployed by ACTIA to optimise its operations.

SUBSIDIARIES AND DEALINGS IN EXISTING INTER-COMPANY HOLDINGS

It should be noted that the decision was made in 2020 to close our ACTIA India subsidiary further to disagreements about governance with our minority shareholder. After the disruption caused by the health crisis and the transformation of the project to a sale of the shares at net book value, the sale of 85% of the shares held was completed in 2023, with the balance to be sold in 2024. ACTIA is gearing up to create a new entity that will carry out its development projects in India in a more targeted way and in line with the Group's strategy.

In 2022, ACTIA decided to launch the creation of a subsidiary in Egypt to support both its commercial development and its R&D needs. The procedure was completed in the first few weeks of 2024.

Lastly, the sale of the **Power Division, which** took effect on 1 August 2022, was the subject of an arbitration procedure to determine the final sale price, which was concluded in June 2023 with a price reduction of €4.9 million, provisioned up to €4.0 million in the 2022 financial statements.

In 2023, the Group launched a process to change the segmentation of its businesses to structure them into **four divisions: *Mobility, Energy, Aerospace and Engineering***, to be implemented from 1 January 2024.

In this context, **ACTIA Telecom** transferred its activities dedicated to the energy and rail sectors to two new companies, **ACTIA Energy** and **ACTIA Railway,** respectively. Retaining its SatCom activities, it changed its corporate name to **ACTIA Aerospace**.

At the same time, ACTIA Automotive sold its electronic equipment manufacturing business for the aeronautics, space and defence markets to ACTIA Aerospace (formerly ACTIA Telecom), so that this entity could focus on the Group's aeronautics and space activities.

The other Group subsidiaries and holdings require no particular comments, and further information is provided in Note 3.2 “Consolidated companies” in the notes to the consolidated financial statements.

4.2.4 DEBT SITUATION

ACTIA Group S.A. did not take on any new financing for the 2023 financial year.

At 31 December 2023, the Company had 3 commercial papers in place, for a total of €2.35 million. Furthermore, this structure does not benefit from the possibility of financing its receivables as it is entirely dedicated to the Group and affiliated companies. Lastly, it financed the 2022 CIR to the tune of €3.26 million, i.e. 90% of the total amount.

At **Group** level**,** net debt fell by 10.0% as a result of actions taken to reduce inventories and finance trade receivables. The Group pursued its desire to keep the level of debt under control, hampered by the growth in WCR during the components crisis, which had generated a very strong increase in stocks (+€61.1 million in 2 years). Debts and associated ratios changed as follows:

(€m)	2023	2022	2021
Income	8.7	1.8	<6.1>
+ Taxation	0.9	0.4	<0.1>
+ Financial interest	8.0	5.0	3.9
+ Net depreciation	27.3	29.6	32.8
- Impairment of goodwill	0.0	0	0
+/- Impact JV financial instruments	<2.1>	4.1	<8.4>
EBITDA[1] from continuing operations	**42.8**	40.8	
EBITDA[1]	**42.0**	**59.9**	**22.1**
including IFRS 16	**6.5**	**6.0**	**5.9**
Gross debt	231.5	257.1	278.4
including IFRS 16	20.2	21.3	20.7
Cash	43.6	48.3	56.6
Net liabilities	**187.9**	**208.8**	**221.8**
Shareholder equity	141.8	135.8	113.6
Leverage from continuing operations	**4.39**	**5.11**	
Leverage	**4.47**	**3.49**	**10.02**
Gearing	**1.32**	**1.54**	**1.95**
Real estate liabilities	12.4	11.4	22.9
Net liabilities excluding real estate	**175.5**	**197.5**	**198.9**
Leverage excluding real estate	**4.18**	**3.30**	**9.0**
Gearing excluding real estate	**1.24**	**1.45**	**1.75**
Liabilities related to the capitalisation of receivables	17.4	27.2	16.3
Net liabilities excluding the capitalisation of receivables	**170.5**	**181.7**	**205.5**
Leverage excluding capitalisation of receivables	**4.06**	**3.03**	**9.30**
Gearing excluding capitalisation of receivables	**1.20**	**1.34**	**1.8**
Net liabilities excluding real estate and capitalisation of receivables	**158.2**	**170.3**	**182.6**
Leverage excluding real estate and capitalisation of receivables	**3.76**	**2.84**	**8.26**
GEARING EXCLUDING REAL ESTATE AND CAPITALISATION OF RECEIVABLES	**1.12**	**1.25**	**1.61**

[1] EBITDA: Net income + taxes + goodwill amortisation + interest and financial costs + depreciation allowances +/- change in value of derivatives

This information is presented in Note 14 “Financial liabilities” in the notes to the consolidated financial statements.

At year-end 2023, net debt, at €187.9 million, decreased by €20.8 million (<10.0%>), positively impacted by the decrease in stocks and the financing of trade receivables. Medium-term loans and leases worth 59.2 million were repaid during the year.

Furthermore, it should be noted that cash in hand reached €43.6 million as of 31 December, and the use of short-term lines of credit stood at 49.4% of their full potential, giving the Group greater flexibility and allowing peak requirements to be absorbed. The introduction of new solutions for financing trade receivables, which are partially deconsolidating (€44.4 million), generated cash of €48.5 million at the end of the financial year.

It should also be noted that the balance sheet presentation does not take the valuation of the real estate assets into account. As presented in § 4.7.1 “Major existing or planned tangible assets” of the Management Report, the appraised value in 2023 was €67.8 million (value weighted by the holding rate excluding equity-consolidated companies) whereas the net book value weighted by the holding rate was €22.9 million at constant scope.

The request to suspend covenants on 31 December 2023 was accepted by all the banking partners. Excluding the financing of receivables, gearing was 120.2% compared with 133.7% at the end of 2022 and leverage stood at 4.47 compared with 3.49 at 31 December 2022.

4.2.5 OFF-BALANCE SHEET COMMITMENTS

This information is detailed in Note 28 “Off-balance-sheet commitments and encumbered assets” in the notes to the consolidated financial statements.

4.3 BUSINESS OVERVIEW

ACTIA Group remains organised around two sectors:

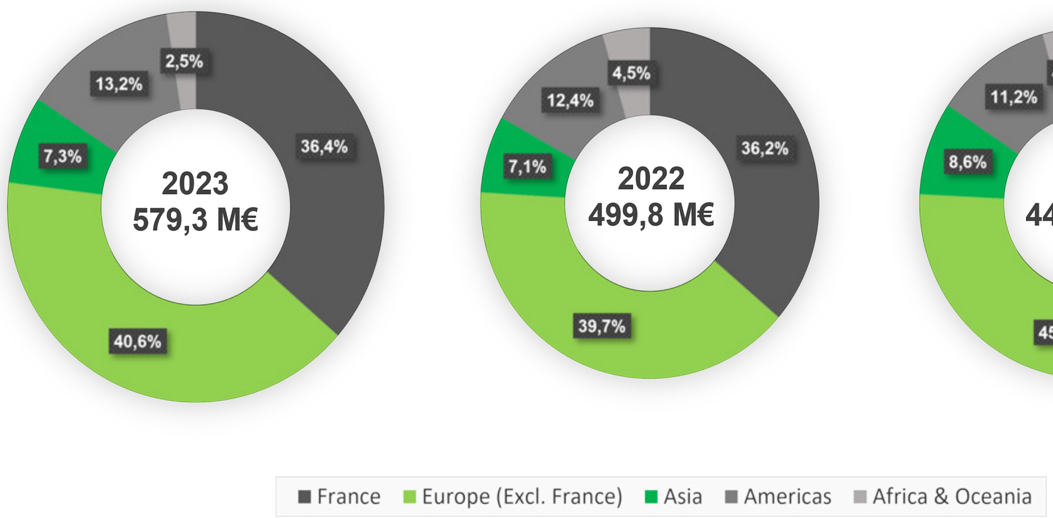
- Automotive Division
- Telecommunications Division

which are described below.

Over a number of years, the two divisions have developed their own technologies and specific know-how. There is a synergy in the rail and public transport sectors, where offerings common to the two divisions are proposed combining telecommunications equipment with different systems developed by the Automotive Division. These markets are now tangible.

Furthermore, these synergies also provide benefits in the area of energy and satellites where the abilities of our two divisions make it possible to respond to the rapidly changing nature of these sectors.

With a strong international presence, the Automotive Division contributed to the widespread distribution of products across all continents, driving the increase in its international revenue (+19.2%). At the same time, the Telecoms Division had developed an international business over time, winning international tenders, notably in Egypt, which are now coming to an end, bringing the division's international business to 5.9% of revenue.



2023 was once again a year of growth in France, Europe, America and Asia, with the only downturn in Africa-Oceania, which in any case remained modest (2.5% of consolidated revenue vs. 4.5% by the end of 2022). In terms of the international breakdown of revenue, the growth in revenue in Europe excluding France is noteworthy, exceeding €230 million and representing 40.6% of consolidated revenue. France's relative share was stable (36.4% vs. 36.2%), corresponding to growth in absolute terms, resulting in revenue of €210 million. The percentages for America (13.2% vs. 12.4%) and Asia (7.3% vs 7.1%) were stable.

During 2022, operations were seriously disrupted across all sectors by difficulties in sourcing electronic components. This situation lasted until mid-2023. The financial consequences of these difficulties were:

- Increased costs, passed on to customers as far as possible under commercial agreements;
- An increase in stocks.

From the end of the summer onwards, the difficulties were largely resolved and returned to the level of normal management, focused on handling a manageable number of exceptions.

4.3.1 AUTOMOTIVE DIVISION

The Automotive Division consists of three business units, for three different markets:

- The **OEM** (Original Equipment Manufacturers) business unit for vehicle manufacturers;
- The **Aftermarket** business unit;
- The design and production of circuit boards for third parties and associated services grouped together in the Manufacturing-Design & Services business unit (**MDS**).

Combining expertise in embedded electronics with know-how in electronic manufacturing, this division has been growing since its inception through business with manufacturers of automobiles, heavy vehicles, buses and coaches, and specialist vehicles (handling, agriculture, construction, etc.), and also in the fields of electric vehicles, aeronautics, and rail. A new development of the year was the receipt of the first orders for electric bicycles, also known as "micromobility", covering both professional (last-mile deliveries) and private use.

The Automotive Division's contribution to Group results was as follows:

Contribution of the Automotive Division (€K)	2023	2022	2021 adjusted*	2021 published
Revenue	**492,547**	**420,713**	**382,551**	**399,480**
Current operating income	12,236	7,835	723	<14,986>
Operating income	**12,279**	**7,747**	**2,086**	**<13,563>**
Net income from continuing operations (A)	9,172	2,004	7,868	
Net income from discontinued operations	0	<13,651>	<16,099>	
Income for the period	**9,172**	**<11,648>**	**<8,230>**	**<8,230>**
Tax (B)	<488>	<598>	<925>	<656>
Impairment of goodwill (C)	0	0	0	0
Interest and financial costs (D)	5,748	3,393	2,668	2,827
Valuation of hedging instruments (E)	2,078	4,059	<8,377>	<8,377>
Depreciation (F)	24,424	26,258	27,869	29,772
EBITDA[1] from continuing operations (A+B+C+D+E+F)	**36,778**	**35,116**	**29,104**	
EBITDA[1] from discontinued operations	0	<12,545>	<13,768>	
EBITDA[1]	36,778	**22,662**	**15,336**	**15,336**

[1] *EBITDA: Net income + taxes + goodwill amortisation + interest and financial costs + depreciation allowances +/- change in value of derivatives*

*Adjusted to take account of the reclassification of the Power division under 'discontinued operations'.

These figures are presented in accordance with Note 21 "Operating segments" in the notes to the consolidated financial statements.

The Automotive Division (85.0% of Group sales) recorded a revenue increase of 17.1%.

Furthermore, the Group's management control reporting systems provide a breakdown for sales between the three business units:

Operating segment (€K)	2023	2022	2021 adjusted*	2021 published
Original Equipment Manufacturer (OEM)	379,405	312,292	292,072	309,184
Aftermarket	26,476	31,679	40,763	42,844
Manufacturing-Design & Services (MDS)	61,500	61,842	43,339	47,439
Other	25,165	14,896	6,378	
TOTAL	**492,547**	**420,709**	**382,551**	**399,468**

*Adjusted to take account of the reclassification of the Power division under 'discontinued operations'.

OEM BUSINESS UNIT

- **ACTIA products and solutions**

ACTIA's business is diversified in terms of its customer base, product portfolio and geographic coverage. In each of these cases, the Group is supported by cutting edge expertise to ensure its competitive position in all its target segments.

In the OEM market, the main products and services may be broken down as described below.

Electronic architecture and multiplexing

One of the Group's areas of excellence is designing and manufacturing electronic systems connecting all embedded electrical and electronic parts of a vehicle. These products consist of calculators generating a number of inputs and outputs to control all embedded components and supply them with electricity.

This type of system is referred to as multiplexed because the devices designed by ACTIA constitute nerve centres compared to a design where all the electrical components are connected to the battery and their control system by individual wires. Multiplexing offers considerable benefits:

- For facilitating the design of new vehicles;
- For production savings;
- For facilitating diagnostics and operational safety.

ACTIA® also provides software tools to customise and configure the systems. In addition, the sale of its equipment is accompanied by a significant level of support for customers who are not necessarily specialists in electronics.

The multiplexing range of ACTIA is a benchmark product in the world of vehicles for professionals. In the bus and coach segment, in particular, it constitutes the standard equipment that forms the basis of the vehicle's electronic system for several major manufacturers and ACTIA has developed the ACTIMUX system, which constitutes the third generation of generic multiplexed architecture. In the specialist vehicles segment, the ACTIWAYS range provides control solutions offering a high level of security. A technological trend in these products is to incorporate an ever-increasing level of operational safety and cybersecurity, which responds to the demand for ever more complex and automated systems, including autonomous driving. Another trend is the increase in intrinsic performance, measured in computing capacity, communication rates or memory sizes. It also reflects the increasing complexity of automotive systems, which include advanced driver assistance, entertainment, tracking and possibly artificial intelligence functions. The regulatory obligation to ensure the cybersecurity of any component connected to a telecommunications network — as is the case for the ever-increasing proportion of connected vehicles — is also leading to an increase in the complexity of on-board software and the computing power required.

As part of this electronic architecture, dashboards and driver's seat systems are emblematic. In current electronic architecture, this device often acts as the central or master computer which controls the multiplexed architecture computers. In this respect, the dashboard is nothing short of a computer with ever-increasing processing power and software functions. PODIUM 2, a driver's seat system for buses and coaches, is a benchmark solution in Europe as well as in China.

MULTIC-FSX

Evolution of the technology has made it possible to offer the market new functions:

- More modular dashboards that can be configured as needed;
- Dashboards made more flexible through the increasingly intensive use of screens;
- Hosting advanced software features for safer, more intuitive and greener driving;
- Cybersecurity, remote software updating and diagnostics are all fully integrated native functions, in what can be called an “augmented” electronic architecture.

Audio and video systems

In this area, ACTIA supplies professional solutions for:

- CCTV (video) surveillance;
- Infotainment broadcasting systems for mass transit passengers to provide information and entertainment such as music, films, radio, Internet, and video-on-demand. The ACTiVi range, launched in 2022, achieved its first success. This is the latest-generation connected platform for managing the entire cockpit of a professional vehicle, including advanced on-board audio and video management functions.

Telematics systems

ACTIA has strong technological legacy know-how in the field of telematics based on over 15 years of experience in both professional and light vehicles. Furthermore, ACTIA has expert knowledge of the constraints related to mandatory certification of systems in most parts of the world, especially in the field of system security.

Based on its expertise, ACTIA develops telematics platforms including global positioning systems (GPS) and telecommunications (GSM, GPRS), a calculator and memory, with the entire system connected to the electronics networks of the vehicle. These features make it possible to deploy a range of functionalities for the driver or fleet manager, including:

ACU

- Connectivity for the driver and passengers;
- Optimisation of vehicle and driver performance, for example in terms of eco-driving;
- Safety, with automated emergency calls (E-call);
- Diagnostics and maintenance;
- Cybersecurity.

Micromobility

ACTIA used all its skills in the field of mobility to meet the requirements of a market that is expanding very rapidly: the electric bicycle.

ACTIA has developed an electrical assistance solution for comfortable pedalling for maximum pleasure and minimum effort. The ACTIA kits have a wide range of power and torque performances to serve a varied customer base with very different requirements, for users cycling:

- In town or in the countryside,
- On cycle paths and trails (MTB),
- In the mountains of southwest France, or on Mediterranean beaches.

ACTIA has solutions for cyclists with high expectations.

ACTIA offers customers both hub and crank drive motors.

- **Crank drive or "mid-drive" motor**, centrally positioned on the strength training/assistance axis, and with a built-in torque sensor, this motor is acclaimed for its comfort and feel.
- **Hub or "wheel" motors**, controlled using the latest electronic and software technologies, are excellent value for the performance they provide. They are considered an outsider on the market.

For the battery, ACTIA also uses the latest generation of cells, the same as are used by the major American electric car manufacturer. This high-performance battery technology is a sign of quality, safety and lifespan, providing more than 1100 charge/discharge cycles.

As an expert in vehicle connectivity, ACTIA makes good use of its knowledge to support the connectivity of its electric bikes. This means the Group is able to include the connectivity and software component from the entry level upwards. This connectivity enhances safety and the user experience, offering comfort and safety services.

Vehicle diagnostics

ACTIA engineers possess expertise in electronic diagnostics. This covers the collection, preparation and exploitation of technical data for the electrical and electronic systems of a vehicle.

On this basis, we offer manufacturers three types of services:

- A *digital diagnostics chain*, making it possible to manage the data cycle from the engineering service that designed the vehicle right up to diagnostics systems that communicate with the vehicle in repair workshops. In addition to providing the necessary design tools, ACTIA is also able to offer development services to create specific software systems, as well as provide assistance for creating, formatting and managing the data that the manufacturer needs;
- Complete systems for vehicle diagnostics on assembly lines. These systems are known as "*End of Line.*" These include equipment for communicating with the vehicle incorporating specialised software contributing to the process of validating the proper functioning of the manufactured vehicle. Furthermore, the system's operation increasingly involves downloading software applications embedded in the vehicle. The service proposed by ACTIA is not limited to the system but also covers installing and commissioning it on the automobile production line;
- "*Aftermarket* diagnostic" systems for the brand's workshops consisting of Vehicle Connection Interfaces (VCI) and a diagnostic tool for rugged PCs or tablets. This application includes a knowledge base provided by the automaker and may use model or case-based (experience) reasoning to diagnose a breakdown and assist in the repair. In addition, services may be proposed to support these products in the form of hotlines, training teams and monitoring equipment.

In the field of diagnostics in general, ACTIA is a key player in process digitisation and makes extensive use of advanced IT techniques, such as cloud technologies for data storage and remote access.



The market

The OEM market is 100% “Business to Business” focused. It is made up of highly sophisticated technical products which are often developed to specific instructions provided by a given customer. OEM customers tend to be multinational, so much so that sales to one customer cover several European countries or even several regions of the world.

As for the vehicle segments involved, multiplexing, initially focused on buses and coaches, is now used in all industrial vehicles, particularly high end and military vehicles, and rail.

ACTIA’s technologies are generic and can be potentially applied to all vehicle segments.

The electronic architecture market, which originated in Europe, has become global even as professional vehicles are becoming increasingly sophisticated. However, there are still disparities between the product ranges in demand.

The telematics market covers all vehicle types including light vehicles, which naturally involves very significant production volumes, but in more difficult competitive conditions.

Audio and video products (Infotainment) tend to be successful either in Europe or Latin America, where travel by road is more widely used by people than air or rail.

Diagnostic solutions can be applied to all types of vehicles, from light to heavy vehicles, including motorbikes and trains.

Customers

OEM customers consist of companies who design and manufacture vehicles which always have specific requirements. Consequently, these markets are based on specifications created by the customers. These markets are generally subject to allocation by tender and a single supplier will be selected, due partly to development costs.

The vehicle manufacturers cover a very large range of customers:

- Small production runs: planes, military vehicles, agricultural machinery, trains and tramways;
- Medium-sized production runs: buses, coaches, special vehicles, boats, bikes;
- Long production runs: light vehicles and trucks.

Business volumes vary significantly with runs ranging from dozens of parts for planes to several hundred thousand parts for light vehicles.

ACTIA is the supplier of standard equipment to several major manufacturers including Volvo AB (Volvo Trucks, Renault Trucks, UD Trucks, Mac Trucks, etc.), CNH Industrial, Traton (Scania and MAN brands), and Marcopolo.

In the field of services, especially diagnostics, its customer base includes large OEMs such as Stellantis as well as medium-sized manufacturers.

ACTIA’s customer base, although made up of major accounts, is diversified, with no single customer currently accounting for more than 10% of the Group’s revenue.

Competitors

The big-name customers with large revenues tend to purchase these products and solutions based on their own specifications, through a call for tender process.

ACTIA is therefore in competition with the other electronic equipment manufacturers. Depending on the specific area, these might be specialised SMEs, such as Stoneridge in the field of embedded electronics but also, as is often the case, large integrated groups such as Bosch, Continental, LG or Samsung.

In the field of diagnostics, various major service providers exist, including Bosch, DSA and KPIT.

Business

In 2023, the OEM business experienced revenue growth from €312.3 to €379.5 million, i.e. an increase of more than 21.5%. This increase is undoubtedly due to a certain amount of catching up from the low point in 2021-2022 caused by component shortages; but it represents a real growth, since it is above the very good level of 2019 (€355.9 million) and the telematics contract for Volvo Cars, which could have represented up to 23% of the Group’s revenue, ended in April 2022.

Seen by sector, growth was broad-based, with the exception of the Bus segment, which was stable (-0.3%). In the Light Vehicles sector, the end-of-life of the Volvo Cars product was fully absorbed, and 2023 saw a return to growth (+24.8%). There were also gains in other major sectors, such as trucks (+13.3%) and Off-Highway (+34.3%). These areas remain the cornerstones of ACTIA’s strengths. The rail sector grew by 57.9%, thanks to the finalisation of orders for major programmes won in the previous years.

AFTERMARKET BUSINESS UNIT

The Aftermarket business unit groups together the activities for automotive customers that are not manufacturers, i.e.:

- Aftermarket networks;
- Transport equipment lessors and operators;
- Fleet managers.

The ACTIA solutions®

Certain products presented in the Aftermarket sector are of the same type as those proposed to OEM manufacturers. These nevertheless consist of products distributed under the ACTIA brand rather than systems developed specifically within the framework of tenders according to the specifications of a given manufacturer. The equipment concerned includes:

- Telematics systems (TGU-R, iCAN®);
- Physically embedded systems (PCCAR) and Intelligent or smart Human Machine Interaction (IHMI) screens;
- Embedded communication systems (AES);
- On-board audio and video systems.

Some hardware and software is specific to the Aftermarket segment, corresponding to the needs of that segment.

Multi-make diagnostic systems

Experts of the Aftermarket business unit maintain an up-to-date proprietary knowledge base for the electric and electronic configuration and operation of the main car models. This knowledge base allows ACTIA to market diagnostics systems covering different brands of vehicles to be used in repair workshops through its Multi-Diag range.

This product covers about 90% of multi-make vehicles sold in Europe (internal sources). Considered by industry professionals to be one of the best products on the market, the Group has applied all its know-how to making a very complex tool simple. The Group also distributes a range of multi-make diagnostic tools specifically designed for trucks, buses and utility vehicles.

Multi-Diag

Vehicle fleet management solutions

ACTIA offers vehicle management and remote diagnostics systems and services. These are based on embedded equipment and cloud-based solutions.

The embedded equipment is an electronic unit connected to the on-board computer that also provides remote connection, sometimes by Wi-Fi, or more often by GSM. For buses and trucks, ACTIA proposes the TGU-R solution.

iCAN

For light vehicles, the iCAN product is in its second generation. This compact box facilitates the management of fleets of light or utility vehicles of all sizes and all makes. This moderately priced, easy-to-install unit brings together all of ACTIA's expertise and features:

- a level of professional quality;
- recognition of the vehicle and an automatic configuration ensuring easy installation of the iCAN product;
- access to reliable operating data of the vehicle based on a multiple diagnostics approach.

In all cases the on-board communications unit relates to a management information system platform. For this cloud-based feature, ACTIA proposes several complementary solutions, by providing:

- the on-board communicating unit which extracts information from the vehicle's internal communication networks;
- the Cloud-based "middleware" software, which is used to configure embedded devices, as well as to centralise and store the data uploaded;
- the results display platform, with functions for creating reports and alerts.

These systems provide multiple benefits for operators, passengers and the environment.

For passenger transport, needs related to developing intermodal passenger transport solutions are multiplying with central transit hubs, real-time passenger information, single transit passes, internet and mobile phone ticketing and optimised connections. ACTIA is also positioned as a provider of innovative solutions for measuring and reducing vehicle consumption, measuring and improving passenger comfort and preventive maintenance for vehicles.

Freight transport is demanding in terms of both safety criteria and regulations governing driving times, traceability and deadlines. The number of projects to reduce CO^2emissions is increasing. With personnel, fuel, the vehicle and maintenance representing the main costs, productivity is sought at every level. Connected systems offer solutions in these different areas.

Workshop and vehicle inspection equipment

Following the sale of the Garage Equipment and Vehicle Inspection businesses in 2022, these activities were limited to the services offered by ATAL (formerly ACTIA CZ), a 60%-owned company that develops and manufactures vehicle inspection equipment and communication interface units for vehicle diagnostics.

The market

The diagnostics market demands continuous adaptation to keep pace with the sustained growth in the amount of embedded electronic equipment in vehicles along with their constant renewal. With embedded electronics occupying an increasingly important place in the vehicle ecosystem, diagnostic functions are a strategic issue for manufacturers. They require the highest levels of quality and service to give their aftermarket network a competitive edge.

Furthermore, express repair service networks and independent garages required to adapt to changes with respect to both vehicles and regulations, European in particular, today represent a large market for the range of Multi-Diag 360 solutions.

The Group has taken steps to develop ergonomic tools with the right capacity to carry out general maintenance operations, while also offering a range of complementary services.

Lastly, in the public transport fleet sector, ACTIA continues to lead efforts to achieve Europe-wide standardisation through the ITxPT (Information Technology for Public Transport) label. A large part of the range has obtained this certification, which is increasingly a condition imposed by transport operators when they purchase new vehicles or equipment.

Customers

For multi-make diagnostics, ACTIA is now focusing on partnerships with major accounts, first and foremost the Distrigo network (Stellantis Group), with a view to international expansion and collaboration with complete service offers.

For vehicle fleets, the customers are the transport operators themselves (bus, coach and truck operators). ACTIA is thus the leader in France in the telemetry segment for urban buses. They may also be integrators, i.e. companies that use ACTIA solutions as complementary equipment and software applications to offer operators specialised functions. Finally, the iCAN product provides a way to approach the market for rental companies and managers of major fleets.

Competitors

Competition is divided into compartmentalised markets such as manufacturers, independent garages and repair service networks.

In all cases, the main barrier to entry is the level of technological sophistication and in consequence the high cost of developing a new system, which can run into millions of Euros. Sharing R&D for technological building blocks makes it possible to maintain the quality and performance of products at a lower cost. This gives the Group a competitive advantage.

ACTIA's competitors include:

- for multi-make diagnostics, Swedish, German and Italian companies;
- the fleet segment is highly competitive and ACTIA occupies a position focusing on market niches. For equipment, key players include TomTom, Transics, Masternaut, etc. For data processing, numerous players coexist, including large generalists, data specialists, and small, opportunistic competitors.

Business

In 2023, the Aftermarket business represented €26.5 million in revenue, down 16.4% compared to 2022, mainly due to the scope effect of the sale of the Vehicle Inspection and Garage Equipment businesses in April 2022.

MANUFACTURING-DESIGN & SERVICES BUSINESS UNIT

Products

The MDS business unit designs and manufactures boards and electronics systems for third parties. ACTIA focuses on its expertise in segments for embedded electronics, on behalf of automakers and system developers, including in highly demanding sectors such as rail and aerospace, and also for other manufacturing companies which require a cutting-edge circuit board production tool.

ACTIA manufacturing capabilities meet the most stringent quality criteria in the automotive sector (medium-sized and long production runs) as well as the aeronautics, railway and healthcare sectors (small production runs), meeting its own needs while still being open to some customers, thus enabling it to stay closely in touch with the market.

ACTIA has five own production facilities for the manufacture of electronic boards, located in Toulouse-Colomiers (France), Tunis (Tunisia), Detroit-Romulus (USA), Linköping (Sweden) and Madrid (Spain).

ACTIA offers services ranging from the design to the manufacturing, testing and integration of circuit boards.

Drawing on its know-how as a technology specialist, buyer and producer, ACTIA also offers services related to the lifecycle of electronic components:

- monitor systems, their obsolescence and *procurability*;
- propose alternative solutions on a predictive basis;
- make any necessary changes;
- carry out functional validations;
- manage documentation.

ACTIA's customers benefit from the multiple certifications of its entities, particularly in the field of quality: ISO TS 16949 (automotive), IRIS (railway), NADCAP and Part 145 (aeronautics), etc.

The market

ACTIA addresses the market for small and medium-sized production runs, with facilities able to meet the most stringent quality criteria.

Focused on its own products, the Group is strengthening services to automotive, aeronautic, railway or even home automation and defence sector customers in order to satisfy their requirements in terms of both cost and quality, and to apply these standards to its own products.

In the area of services related to electronic components, the market is concentrated on companies with products and equipment having very long lifecycles with replacement costs that are much higher than the cost of In-Service Support, particularly in the nuclear and civil and military aeronautic sectors.

Customers

Electronics manufacturing services are offered to all industrial operators looking for high quality, small, medium-sized and long production runs. The Toulouse site services in particular the aeronautics industry, railway and healthcare segments. The Tunisian sites produce medium-sized and long production runs and are more specifically focused on the automotive and home automation sectors.

In the field of services related to electronic components, our main customers are major industrial users of systems with very long lifecycles (up to 30 years or more).

Competitors

Electronic manufacturing is a sector where large industrial structures based in Asia reign supreme. Production in Europe is focused on speciality products. It is a dynamic and concentrated sector.

In all these cases, ACTIA plays its specialist card, thanks to its own capacity to design complex systems.

Business

With its qualitative and quantitative investments over the past years, ACTIA has gained the loyalty of its major customers who entrust it with the production of new products. This reflects the Group's excellent level of equipment, which can tackle market constraints.

In 2023, business was stable at €61.5 million (-0.6%), with significant growth in aeronautics and space (+21.8%). This offset the decline in home automation (-26.2%), which suffered from the sharp drop in orders from the construction sector, even though it had seen very strong growth between 2019 and 2022 (+97.2%).

OTHER BUSINESSES

The Group's other businesses include system and software development services for third parties. The business grew steadily and represented significant revenue of €25.2 million (+68.9%) in 2023.

The main customers are large companies active in the electronics and mobility sectors. With respect to competition, the sector is dominated by large digital service companies (DSCs).

4.3.2 TELECOMS DIVISION

The Telecoms Division operates in three markets:

- SatCom;
- Energy;
- Rail.

The Telecoms Division's contribution to Group results was as follows:

Contribution of the Telecoms Division (€K)	2023	2022	2021
Revenue	**86,614**	**78,603**	**63,052**
Current operating income	1,992	2,186	2,940
Operating income	**1,909**	**2,550**	**2,874**
Net income for the period (A)	**295**	**1,942**	**2,085**
Tax (B)	849	351	531
Impairment of goodwill (C)	0	0	0
Interest and financial costs (D)	700	240	251
Valuation of hedging instruments (E)	0	0	0
Depreciation (F)	2,825	3,287	3,002
EBITDA[1] (A+B+C+D+E+F)	**4,669**	**5,820**	**5,869**

[1] *EBITDA: Net income + taxes + goodwill amortisation + interest and financial costs + depreciation allowances +/- change in value of derivatives*

These figures are presented in accordance with Note 21 "Operating segments" in the notes to the consolidated financial statements.

The Group's management control provides us with the following overview of changes in revenue between the three business units:

Operating segment (€K)	2023	2022	2021
SatCom	32,628	40,432	28,272
Energy	29,559	23,864	22,578
Rail	24,428	14,307	12,502
TOTAL	**86,614**	**78,603**	**63,352**

The Telecoms Division (15.0% of Group sales) recorded a revenue increase of 10.2%.

SATCOM BUSINESS UNIT

Products

Using technologies developed in the power amplifier and signal processing sector, the Telecoms Division has established itself in the field of satellite telecommunications Earth stations, creating complete, easily transportable systems that meet the needs primarily of the military sector for armed forces deployed in foreign theatres of operation and also of civilian telecommunications markets.

The Group also offers related products, such as amplifiers, transmission/reception sub-assemblies and supervision software for ground stations to various operators and systems manufacturers. The Group is therefore positioned as a leading systems manufacturer for the complete integration (hardware and software) of satellite communications systems.

The market

The traditional market is domestic. For 20 years now, the Group has supported the different programmes of the French defence procurement agency (DGA) relating to the military telecommunications segment, through multi-year contracts. These also include In-Service Support for stations for periods of more than 10 or 15 years after delivery. To address the domestic market, the Group either chooses to enter into partnerships with the big French systems manufacturers (AIRBUS, THALES), or offers its services and products directly to the different entities within the Armed Forces Ministry (STAT, DIRISI). In 2020, and then in 2021, the Group confirmed its position as a recognised partner of the French Armed Forces after it was selected by the prime contractor for the Syracuse IV system (THALES).

Addressing these same telecommunications needs, the Group has also developed relations at the European level, winning its first contract with NATO in 2008, which has been regularly supplemented by annual amendments.

Building on its expertise, the Group is increasingly targeting international markets, with a particular commercial focus on North Africa and the Middle East. The Group notably won a tender in Egypt to develop and deliver a complete ground segment, thanks to continued relationships forged with the Egyptian Navy. In the United Arab Emirates, it won a contract to supply the operator Yahsat with Satcom systems equipping aircraft of the Emirates Air Force.

The market can open up to civilian applications from time to time when international events require strengthening local infrastructure to support mass dissemination or to support a country developing new infrastructure.

Customers

In the field of military procurement, the customers are the armed forces of the countries in question, either through direct contracts (Egypt, NATO), or indirectly through other leading systems manufacturers (THALES, AIRBUS).

In the civilian, commercial or radio and TV fields, the customers are the telecoms operators (ORANGE, EUTELSAT, ARABSAT, NILESAT, YAHSAT) or integrators, both in France and abroad, as well as the scientific agencies (CNES, ESA) or leading systems manufacturers.

The customers are approached based on the successes already achieved in France and export markets.

There are increasing numbers of opportunities with customers in the Middle East looking for an alternative to American products. The ability to deal with export licence and ‘dual-use item’ classification issues has become an essential part of our drive for international growth.

Competitors

The competitive picture is very complex, especially in the satellite telecommunications sector, due to the size of the competing companies, the projects and political issues for a strategic sector.

In the area of integration of Earth stations, competition is represented by major telecommunications groups. For example, THALES is a customer in France and is often also a competitor in export markets.

In the area of equipment, the main competitors are American (CPI, XICOM) and fluctuations in the EUR/USD rate can have a significant effect on these companies. Spain is also a new player as, with support from Europe, it has developed a highly competitive space telecommunications industry (ACCORDE and TTI for amplifiers, INSTER and AICOX for stations).

In the area of the installation of fixed stations, the Group faces companies like SAFRAN and Metracom in France, Vertex in Germany, Pals in Turkey, S3 in the United Kingdom and Indra in Spain.

Business

In 2023, revenue for the SatCom Division was just over €32.6 million, down from the record €40.4 million in 2022. The main reasons for this decline in revenue are as follows:

- Technical difficulties in the industrialisation of SYRACUSE IV projects for THALES, leading to delays in deliveries;
- The decision by the customer, DGA, to make savings by reducing the scope of support for equipment supported for over 20 years;
- Scheduling difficulties in the export project as the Egyptian navy (SAKARA-NAVY) had temporarily halted deliveries pending renewal of the Letter of Credit (LC) by the customer.

Revenue from the military procurement business in France continued to be complemented by annual activities of In-Service Support contracts for stations delivered to the DGA, either under the Comcept programmes (Ka-band), or the Syracuse III programme (X-band) with positive feedback about the operation of our stations.

ACTIA also continued the production of new-generation liquid-cooled naval amplifiers for the French Navy’s ships and the supply of new solid state power amplifiers (SSPA) to equip the French Navy’s submarines.

In 2023, the Group won a €4.5 million contract with THALES LAS, a THALES Group division with which we started to work for the first time. The Group also continued to develop its partnership with EUTELSAT, which entrusted us with the supply of S-band and KA-band amplifiers and the construction of a new satellite station (TCR) in 2023.

ENERGY BUSINESS UNIT

Products

With experience of more than 40 years in control units and the supervision of electricity networks, the Group provides a full range of equipment for electrical power transmission and distribution operators.

The Group accordingly proposes a complete range of products and systems adapted to smart grid networks in France and international markets, including:

- remote control systems (SCADA, DMS);
- digital command and control unit systems for HV/MV source substations;
- high capacity managed stations (RTU);
- solutions for Microgrid networks (management of renewable energies and digitisation of the networks)
- event recorders;
- communications gateways;
- boxes for managing low-voltage networks (smart substations);
- IP, radio, 4G, LTE-M modems, etc.;
- remote protection for renewable energies (photovoltaic, wind turbines);
- turnkey solutions: control rooms, telecommunications networks, etc.

ACTIA also develops a range of solutions for telecommunications network infrastructure for 4G and 5G mobile phone services as well as fibre optic deployment.

While proposing optimal solutions in terms of functional needs, ACTIA combines a production and logistics process adapted to rapid response and seasonal deployment requirements.

Today, this offer ranges from simple electrical powering products up to complex and comprehensive turnkey systems for the creation of a global broadcasting site incorporating significant innovations and an integrated ecological approach.

The range of products includes:

- outdoor units;
- low-voltage power supply systems;
- continuous power supply systems.

The market

In an economic and societal context where electricity needs are strongly linked to the challenges of decarbonisation, organic growth in the energy market remained positive in 2023, mainly due to increased demand for connections from renewable energy producers (notably via Smartgrid solutions) and the reinforcement of networks so that operators can meet future needs for the deployment of electric vehicles.

This growth is boosted by sustained demand for new digital technologies linked to the digitisation and virtualisation of control and command solutions, for better management of the flexibility of electricity networks.

The progressively increasing needs arising from the deployment of the 5G and fibre optic networks offer the Group recognition in the field thanks to its responsiveness, adaptability and the quality of service it offers. It is still primarily a domestic market due to the significant need for proximity, but it is challenging due to very competitive pricing by foreign companies.

The two main markets are:

- The market for electricity operators, with network supervision systems (SCADA), digital command and control systems for HV/MV/LV substations, and communicating units for the B-metering market;
- The mobile telephony market, with higher Internet speeds.

Customers

Customers are primarily companies or operators in which the state, directly or indirectly, has a varying interest, and which manage national energy networks. ACTIA's customers are primarily present in French-speaking markets. They include:

- in the French market: ENEDIS, RTE, EDF, SNCF;
- in export markets: ONCF and ONE in Morocco, CEET in Togo, Nigelec in Niger, CEB in Benin, Senelec in Senegal and CFL in Luxembourg;
- a strong position in the segment for island networks (Tahiti, Mayotte, Reunion, etc.).

Concentrated on the French telephony market, the main customers are: SFR, Bouygues and Orange. We are now positioned in the very competitive 5G market with the deployment of the Outdoor BCUBE technology for Bouygues Telecom.

Partners

As it operates in a technological niche, the Group also works in partnerships to meet its customers' needs. The main partners are:

- Siemens for the PCCN contract for digital substation equipment (ENEDIS);
- ICE for the Electre (RTE) market.

Competitors

Our competitors are generally French or foreign companies that are considerably larger than our Group, such as SCLE (Bouygues Energies), GE Vernova, Schneider Electric, Cahors, etc. Certain major groups may also be both competitors and partners, such as Siemens for the digital control centre (PCCN) contract for digital substation equipment.

Our main competitors in the telephony sector are either integrators or sheet metal manufacturers based in France, or international telecommunications equipment producers (Asia and Eastern Europe) which offer "telecoms equipment + infrastructure" packages. The super-fast broadband market (4 and 5G) with Bouygues Telecom is shared with our competitor TLTI.

Business

The ENERGY business continued to grow in 2023 (+23.9%), with a clear commitment to diversifying its customer portfolio. The Telecoms Division fully met the challenges of energy transition and Smartgrids. ACTIA regularly adds to its equipment range by addressing various markets: SCADA, control-command of HV/MV substations, management of LV substations and smart metering. The year 2023 saw the roll-out of the R#SPACE programme for RTE, PCCN, EMIS and LTE-M IP units for ENEDIS, with sustained investment in R&D to address new segments/customers and **make networks smarter, more flexible and more carbon-free**.

In the telephony sector, the Telecoms Division is currently delivering products to power GSM 4G and 5G telephony sites for Bouygues Telecom and Altice SFR, as well as fibre optic connection cabinets for Orange.

RAIL

Products

Based on its expertise in the development of rail safety products, its knowledge of radio- and high-frequency transmissions and thanks to its ability to produce and maintain high-quality small production run products, ACTIA has concentrated its rail business at the Millau (Aveyron) and Montpellier (Hérault) sites.

Pursuing the development of the rail business, the Group decided to organise it more broadly around the dual French (Telecoms Division) / Spanish (Automotive Division) hub, thus benefiting from an R&D team specialising in the rail sector with over 60 people, supported by the Group's Tunisian Design Office, and a far larger sales force. As a result, ACTIA Telecom now designs and supplies electronic systems and equipment for trams, metros and trains and systems for trackside safety.

The various solutions consist of:

- on-board, real-time video-surveillance systems, either autonomous or supervised from trackside, retrovision systems with analysis and video processing solutions;
- visual and audio information systems (Public Address, intercom, speaker systems, amplifiers, etc.);
- visual information systems for passengers, including monitors, LEDS and LCD displays, dynamic route maps, servers and ground applications;
- secure, wireless announcement systems (SIL4) for trackside workers;
- specific train to trackside transmission systems adapted to all types of transport environment.

The market

The development of the rail market is driven by urban development and the resulting public transport challenges, but also by network repairs (ageing infrastructure). Rail, with the lowest carbon impact among means of transport, fuels the determination of the local authorities to develop this transport facility for both people and goods. In addition, the growing awareness of environmental issues also encouraged the development of rail transport as a more environmentally friendly alternative to road or air transport.

In addition to new rolling stock, there is also a need to renovate older rolling stock by handling obsolescence and adapting it to the new expectations of the transport authorities and users.

Evolving passenger needs, increasing safety challenges and the requirement for operators to optimise circulation flows is driving a growing demand for the systems proposed by ACTIA in terms of passenger information (Automotive Division), high-definition video surveillance and associated security systems (retrovision, remote control systems and video analysis and processing). The functions and applications of these communicating systems extend from train to trackside in a single, coherent system.

For infrastructure, the need for network repairs, the challenges with respect to competitiveness and worksite safety, combined with the requirement to maintain traffic, result in demand for trackside safety systems.

Within this framework, ACTIA Telecom provides innovative, rapid implementation and secure wireless announcement systems (SIL4 compliant).

Customers

For equipment embedded in rolling stock, the customers are manufacturers and regional, national and urban transport operators.

For trackside safety, the customers are the transport operators and managers of the rail network and announcement systems or rail maintenance and works companies.

The manufacturers ALSTOM and CAF (metro, urban trains, trains) and the operators SNCF and RATP are currently ACTIA Telecom’s main customers. But opening up internationally with high-growth markets such as Germany and the United States will allow us to strengthen our relationship with our long-standing customers, as well as acquire new customers like the manufacturers STADLER and KIEPE. Moreover, the company’s expanded offering, bolstered by its development priorities such as intermodality and interoperability, gives it strong growth potential in the PTO and PTA markets.

The merger of Bombardier Transport with Alstom has opened doors for our customer at international level. Its development on certain international markets, especially in regions where ACTIA has a subsidiary, can usher in new opportunities and new growth drivers.

The French transport operators SNCF and RATP have numerous projects in the pipeline to which ACTIA could make a high-profile contribution.

Competitors

There are several types of competitors for the supply of video-surveillance and passenger information systems:

- Suppliers of products;
- Suppliers from service companies (manufacturing, engineering);
- Systems manufacturers focused more on the market for operators.

The competitors in the market for announcement systems are European. Barriers to entry are high in the European market with stringent requirements and rigorous standards such as SIL4 safety certification resulting in significant entry costs and approval delays.

Business

The year 2023 was marked by sustained production to deliver the major programmes. With our major customers postponing their orders from 2022 to 2023, and despite the tight component supplies, business grew by 70.7% compared with 2022, with a steadily growing order book. The winning of new contracts with SNCF and Alstom consolidated the growth of the short- and medium-term business.

Our now established know-how has helped to consolidate ACTIA’s position in ground-based hypervision for video surveillance and improve skills in the development of ground-based applications in the mobility segments while benefiting from the dynamics of the long-established activity in urban safety, AI and Smart Cities.

The R&D effort continued unabated, for both the development and adaptation of current solutions, and the preparation of tomorrow's innovations developed internally.

4.3.3 GENERAL INFORMATION ABOUT THE SUBSIDIARIES

This information is presented in Note 3.2 “Consolidated companies” in the notes to the consolidated financial statements.

4.3.4 COMPETITIVE POSITION

Generally speaking and for the entire Group, ACTIA’s share in the European or world market for embedded electronics and telecommunications is quite modest. This is because ACTIA’s strategy is to identify and develop niche markets for specialised applications. As a result, the Group has a foothold in a diverse range of sectors, and is in a strong position in certain niche areas, without having a dominant competitive position within a whole sector. Likewise, it is impossible to present a relevant market share for ACTIA, because there is no official source that meets our characteristics.

With regard to customer portfolio, the niche strategy also means that it is not possible to obtain a homogeneous breakdown or calculate our position within an entire market segment. Only by doing that could we make relevant comparisons with competitors. As it stands, our competitors only compete with certain products developed by ACTIA and vice versa, because the Group does not claim to market the full offer marketed by its competitors.

In general, market data is difficult to obtain. For example, in our OEM business, ACTIA Group has strong global penetration in the multiplexing field for buses and coaches, but specific data quantifying the “number of buses and coaches” likely to use this technology does not exist. The number of buses and coaches manufactured worldwide can be found but the multiplexing technology only targets top-of-the-range buses and coaches. In addition, certain countries such as China and India now incorporate these technologies and the market share that they represent now and in the near future is not known, all the more so given that these are fast-growing markets. Relevant statistics can be found but they are only partial. As such, they do not make it possible to produce quantitative data for the worldwide market in which the Group operates.

Whenever it was possible to do so, we provided information for each division in § 4.3.1 “Automotive Division” and 4.3.2 “Telecoms Division” of the Management Report.

4.3.5 FACTORS MATERIALLY AFFECTING OPERATING INCOME

The table presented below represents audited figures.

	2023			2022			2021 Adjusted*	2021 Published
	First half-year	Second half-year	TOTAL	First half-year	Second half-year	TOTAL	TOTAL	TOTAL
Revenue (excluding Group)	**288,692**	**290,630**	**579,322**	**248,483**	**251,348**	**499,831**	**445,910**	**462,839**
of which, Automotive	246,615	245,932	492,547	213,813	206,900	420,713	382,551	399,480
of which, Telecoms	41,945	44,670	86,614	34,635	43,968	78,603	63,352	63,352
Current operating income	**8,145**	**7,314**	**15,459**	**3,343**	**6,222**	**9,565**	**4,469**	**<11,241>**
of which, Automotive	7,697	4,540	12,236	3,033	4,802	7,835	724	<14,986>
of which, Telecoms	121	1,870	1,992	978	1,208	2,186	2,940	2,940
% Current operating income/Revenue	**2.8%**	**2.5%**	**2.7%**	**1.3%**	**2.5%**	**1.9%**	**1.0%**	**<2.4%>**
of which, Automotive	3.1%	1.8%	2.5%	1.4%	2.3%	1.9%	0.2%	<3.8%>
of which, Telecoms	0.3%	4.2%	2.3%	2.8%	2.7%	2.8%	4.6%	4.6%
Operating income	**7,625**	**7,755**	**15,380**	**3,462**	**6,360**	**9,822**	**5,729**	**<9,921>**
of which, Automotive	7,176	5,104	12,279	2,727	5,020	7,747	2,086	<13,563>
of which, Telecoms	143	1,766	1,909	1,417	1,134	2,550	2,874	2,874
% Operating income/Revenue	**2.6%**	**2.7%**	**2.7%**	**1.4%**	**2.5%**	**2.0%**	**1.3%**	**<2.1%>**
of which, Automotive	2.9%	2.1%	2.5%	1.3%	2.4%	1.8%	0.5%	<3.4%>
of which, Telecoms	0.3%	4.0%	2.2%	4.1%	2.6%	3.2%	4.5%	4.5%
Income from continuing operations	**2,273**	**6,408**	**8,681**	**3,567**	**<1,785>**	**1,782**	**10,025**	
of which, Automotive	3,630	5,543	9,172	3,538	<1,534>	2,004	7,868	
of which, *Telecoms*	<454>	749	295	1,072	870	1,942	2,085	
Income from discontinued operations	**<465>**	**23**	**<442>**	**<11,086>**	**29,921**	**18,835**	**<16,099>**	
of which, Automotive	0	0	0	<11,086>	<2,565>	<13,651>	<16,099>	
of which, *Telecoms*	0	0	0	0	0	0	0	
Net income	**1,808**	**6,431**	**8,239**	**<7,519>**	**28,136**	**20,617**	**<6,074>**	**<6,074>**
of which, Automotive	3,630	5,543	9,172	<7,548>	<4,099>	<11,648>	<8,230>	<8,230>
of which, Telecoms	<454>	749	295	1,072	870	1,942	2,085	2,085

**Adjusted to take account of the reclassification of the Power division under 'discontinued operations'.*

The major structural factors affecting income are as follows:

- Level of demand from OEM customers, reflecting their production level;
- Pace of projects with R&D developments;
- Production capability utilisation rate;
- The USD-Euro exchange rate (tempered by hedging instruments), with a very large share of component purchases in USD and a limited level of invoicing in this currency;
- in the medium term, renewal of the product portfolio through customer calls for tender.
- Potentially taking sustainable development into account in the company's resilience, both operationally (procurement of resources) and strategically (company's attractiveness and competitiveness).

The **major economic factor** influencing the income was the impact of **difficulties in sourcing electronic components** essential to ACTIA's production activity. Since the end of 2020, constraints and then shortages have affected the supply of many active components (microprocessors, memories), as well as other components occasionally. This has led to multiple operational difficulties:

- Increasingly longer delivery lead times, often reaching a year or more;
- Existing contracts have been terminated, and even orders received have been postponed or even cancelled;
- Price increases of 10-15% or more for high demand items;
- Many customers reduced their requirements for products manufactured by ACTIA, due to their own difficulties in procuring raw materials.

The consequences for producers like ACTIA were as follows:

- Longer lead times for delivery to customers;
- Difficulties in meeting scheduled deadlines;
- Industrial planning disrupted, forcing sub-optimal production rates;
- Additional logistics costs to set up alternative supply chains;
- Large stocks of components, with shortages freezing the use of other products, which are piling up waiting to go into production.

The impact of these difficulties continued to weigh until the summer of 2023, with ACTIA no longer recording any shortages, with the exception of the usual in-plant operation at the end of the year.

In addition, armed conflicts such as the war in Ukraine have indirect effects for ACTIA, due to cost inflation, particularly energy costs, and the collapse of the euro against the US dollar, as the Group has very little business in this country. ACTIA also ceased all deliveries to Russia and Belarus in 2021, which however were not significant, and had no significant source of supply in this region. To date, the Israeli-Palestinian conflict has not caused more difficulties, as maritime traffic in the area has been rerouted without any noticeable impact on flows. Israel is a major player in the electronics industry, but the situation is under close observation.

ACTIA has changed its strategy to improve its natural hedging, as it was severely impacted in 2022 by the rapid collapse of the euro and hedging tools were unable to maintain the favourable protection of a dollar purchase tunnel to secure its purchases. Although ACTIA did not seek to hedge all of its dollar purchases through customer payments, since the bulk of its fixed costs are in euros, it was able to convince a few major customers to make a proportion of payments in US dollars, thereby reducing its dollar purchases by $22.0 million in 2023, while Group business grew by 15.9%. However, the average exchange rate for currency purchase was slightly lower than in 2022, when the first half still benefited from favourable hedging instruments. At constant exchange rates, ACTIA would have recorded an additional €1.1 million in its accounts. The Group's purchases of US dollars were made at an average exchange rate of 1.064 against 1.078 in 2022, compared with a spot market exchange rate of 1.081. In addition, the valuation of hedging instruments generated a gain of €2.1 million, compared with a loss of €4.1 million at 31 December 2022, recorded by the Automotive Division.

Finally, the third key factor in the Group's profitability is the warranty claim by Volvo Cars, due to a battery problem on a series of products. Despite the provisions made during the manufacturing cycle, this generated an additional expense of €2.4 million over the year. Action has been taken against the supplier responsible for the failure, without any hope of winning the case.

4.4 TREND-RELATED INFORMATION

4.4.1 SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

The first few months of 2024 confirm the **trends observed** in 2023, namely:

- cautiousness on the part of manufacturer customers, leading to a short-term management of demand. As observed at the end of 2023, the Off-Highway vehicles sector (agricultural and construction machinery) is in sharp decline compared with the same period last year, in line with the economic difficulties experienced;
- diversification of ACTIA's customer portfolio.

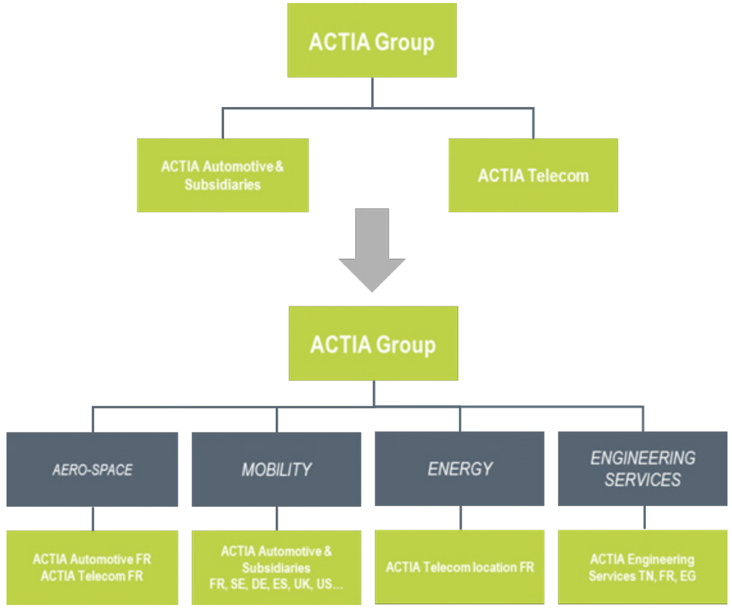
In financial terms, ACTIA had cash of €43.6 million at 31 December 2023 and a financing capacity (trade receivables and overdraft/cash lines used at 24.4% and 49.4%, respectively) to meet its short-term requirements.

On 29 March 2024, ACTIA announced a **technological collaboration with Ampere,** the Renault Group entity dedicated to electric vehicles and software, in the field of embedded systems for vehicles. In this respect, ACTIA will support the deployment of solutions and skills through:

- The signing of an agreement to share expertise as part of the transfer of an ACTIA software solution for embedded systems for vehicles;
- The signature, subject to conditions precedent, of a project to develop a dedicated team, to be integrated by Ampere at the end of 2024.

This collaboration is part of ACTIA's strategy to position itself as a major player in the transformation of the automotive sector. It will enable the company to capitalise on its high level of technological expertise and its core business of on-board electronic systems for vehicles, and ultimately to strengthen its financial structure, in line with the actions taken over the last 2 years.

Finally, during the publication of its results at the end of March 2023, ACTIA confirmed that it has successfully implemented a plan to transform the Group's segmentation leading to the emergence of **four divisions in 2024:**



4.4.2 TARGETS – PERFORMANCE AND OUTLOOK

SALES PERFORMANCE

The economic climate at the start of the year, marked by lower volumes forecast by some customers, particularly in the trucks and specialist vehicles sectors, contracted the short-term portion of the order book, which nevertheless grew by 16.8% compared with 31 December 2022. However, the strategy of diversifying our target markets over the last few years, with a balanced spread over different types of customers, and the success of our strategy to win new business, will offset this trend. Therefore, the entry into production of new product families will enable ACTIA to achieve a modest revenue growth in 2024 of between 3 and 5%.

Taking into account its production capacity and current customer forecasts, the revenue objective of €800 million is now expected to be reached in 2027. The Group is also counting on the ongoing return to normal of the supply situation and the effectiveness of its strategic initiatives to continue to improve its financial structure.

Despite its complex environment, ACTIA relies on different markets that address environmental and societal issues to ensure its sustainability. Partnerships in place for many years, with customers, suppliers and banking partners, also provide a solid framework which secures the Group's future.

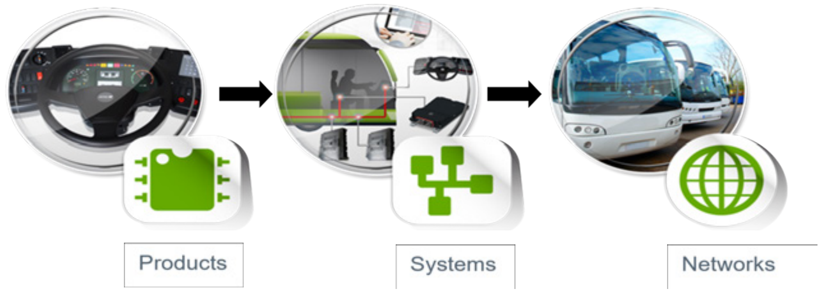
FUTURE PROSPECTS

ACTIA has always shown its ability to adapt and its high degree of resilience, as it constantly repositions itself on new, profitable markets. As the commercial successes of the year translate into revenue approximately 3 to 4 years later, the cornerstone of multi-year contracts promises a significant increase in revenue in the long term, with a diversified customer base where no single customer would exceed more than 10% of the Group's revenue.

To remain consistent with the presentation of this report as a whole, the future prospects are presented according to the Automotive and Telecoms Divisions, while the business lines developed by the Group remain the same. The new segmentation of businesses into four divisions (Mobility, Energy, Aerospace and Engineering Services) will contribute to the Group's development over the coming years by further reinforcing its close links to all of its markets and improving the visibility of its activities.

- Automotive Division

ACTIA is pursuing its strategy based on know-how developed over a period of more than 35 years during which it has gradually expanded across the value chain. This is a niche strategy in which ACTIA focuses on specialised applications, such as diagnostics, vehicle power management, vehicle communications inside vehicles and with the outside, electromobility, etc.



Thanks to its dual expertise in IT and micro-electronics, ACTIA also provides complete data-based solutions, from physical collection in the vehicle through to processing and visualisation on IT platforms.

- Original Equipment Manufacturer (OEM) Business Unit

  ACTIA's strategy for automakers is based on supplying advanced systems, built on the Group's technological platforms and adapted to customer specifications. These systems integrate equipment and software on an open architecture and modular basis in order to better address all the constraints faced by users. By developing a partnership approach with customers, ACTIA will continue to promote its capacity to tailor products and/or systems to their specific needs.

  Launched during the health crisis, the micromobility business unit made its first deliveries. With its strengths in connectivity, safety and battery optimisation, it is expected to grow quite rapidly. However, as this is a competitive and start-up business, it is risky to announce a target in terms of market share.

- Aftermarket:

  ACTIA substantially refocused its Aftermarket business unit following the sale of the Garage Equipment and Vehicle Inspection businesses, concentrating on on-board equipment for the aftermarket, multi-make diagnostics and connected services, which are directly related to its OEM business. However, the Aftermarket business still offers little visibility as sales do not have the benefit of multi-year contracts, unlike the OEM segment.

  In the field of fleet management, data processing allows an exception to this configuration, since subscriptions account for a large share of business and the renewal rate is high. It will continue to develop, in particular by relying on telematics to link the vehicle to its environment.

- Manufacturing-Design & Services or “MDS”:

  The design, industrialisation and production of systems on behalf of third parties helps to ensure that the industrial facilities remain at the cutting edge of technology with the right costs for the market.

  It now accounts for more than 12% of the consolidated revenue, but ACTIA remains selective in this area so as not to undermine the responsiveness of the industrial chain for its own needs, while ensuring the best level of service to its customers, and not create dependence on this field of activity that remains cyclical.

- Other businesses

  ACTIA’s other businesses are poised to continue to grow by offering engineering services to third parties, in response to constant demand from customers in tandem with the increasing complexity of large systems, while remaining within the Group’s sphere of expertise.

◎ Telecoms Division

In a highly buoyant context in 2023 marked by significant production activity, the Telecoms Division managed to consolidate its outlook for 2024 and the subsequent years, on both national and international markets.

- SatCom:

  With In-Service Support for ground systems and networks for the DGA, this business unit should see good recurrent business in its traditional markets for several years to come.

  Thanks to its positioning on national markets, with the Syracuse IV programme in particular, and the continuity of international programmes, especially in the naval field in Egypt, the SatCom Division is set to consolidate its level of business over the years to come.

- Energy:

  With the transition towards digital energy networks, which is forecast to continue over the coming years, ACTIA is building the growth of its business in this sector, which can continue in 2024, in the absence of major constraints in the procurement of components. In the medium term, technological progress will persist and ACTIA will consolidate its business through its constant efforts in R&D.

  In the telephony sector, with the start of 5G deployment in France, business in 2024 should be at the same level as 2023.

- Rail:

  Continuation of the sustained sales activity combined with the commercial successes of the past years is driving the development of the production and R&D activity. This has led to considerable growth in this sector, thanks also to the trusting relationships developed with major manufacturers and operators within the framework of public tenders for investments or renewals in Europe. Constant R&D efforts strengthen the potential for innovation and improve the competitive positioning of the business.

PRIORITIES FOR 2024

The Group's main areas of focus remain unchanged, as they are long-term in nature.

ACTIA confirms its positioning as a high-technology company in some very competitive areas. As a consequence, the Group will maintain its efforts in R&D, in order to remain technologically relevant, and its commercial efforts to enlarge the customer base and markets, while supporting the transformation of its businesses through innovation and the agility required to meet the challenges of mobility, regulatory constraints, energy transition and the environment. The renewed importance of the development of software and services as items integrated into the electronic equipment produced by ACTIA should be noted, and it is also a source of revenue in its own right.

In operational terms, now that business has stabilised after the supply disruptions of 2021 to 2023, ACTIA is focused on optimising its industrial chain, which is a source of improved profitability. It will also strive to control inventories and work-in-progress, which, as in 2023, should continue to report a fall in the raw material inventories, as the dysfunctions of the years of shortages had pushed them to abnormally high levels in relation to the business.

Also on the subject of internal processes, ACTIA is exploring various internal coordination and improvement programmes, in the area of product and market management, as well as in the technological area with the ACTIA Cross Border Engineering programme for structuring R&D and developing engineering activities. The Group is building and strengthening a new approach to the design of its products in order to better respond to the challenges of sustainability and repairability, enabling it and its customers to better measure the impact of the solutions provided.

In terms of tools, the project to implement the new ERP in the main structures of the Automotive Division is being transformed with the definition of new requirements that have arisen as a result of the components crisis, in order to meet the need for greater agility in supply management and production facility planning. It will also be broken down into modules and adapted to the needs of each division.

With the very modest growth expected in 2024 and the Group's medium-term outlook, ACTIA is building its recruitment plan in line with the needs of each country in which it operates. This is also a challenge because technical skills are still in high demand worldwide.

Finally, in 2023, the Group's General Management, with the support of the CSR Committee, launched a survey among its family shareholders, its Board of Directors and all of its employees to determine ACTIA's driving SDGs for the coming years.

The **Sustainable Development Goals** voted by the Group's internal stakeholders are as follows:

The Group's actions will be analysed and built to respond as effectively as possible to its three priority SDGs, without neglecting the others. Thus, the Group also identified the issues impacting its value chain:

as well as the SDG 

essential for the sustainability objectives cherished by the Group.

Our environmental model profoundly affects our activities:

- Contribution to our customers' carbon footprint reduction objectives;
- Designing and manufacturing solutions for eco-responsible mobility and better energy management;
- All of our industrial sites are ISO 14001-certified.

4.5 STRATEGY

The diversity of ACTIA's activities is united by a shared mission:

"To meet the technological and industrial challenges of innovative, value-creating and sustainable electronics for each of our customers:

ELECTRONICS MOVING FORWARD".

This mission is based on strongly held **values**, which shape the Group's personality:

- **Innovation**: ACTIA is a technology company with the resources and methods to create complex products and projects.
- **Operational agility**: as a mid-market company, ACTIA stands out for its service-mindedness and its ability to reduce complexity to create value for its customers.
- A **people-centred company**: respect for people and professional ethics take precedence over all other considerations.

In line with these foundations, ACTIA's **strategic vision** is:

- To be the leader or benchmark player internationally in the desired Strategic Business Areas (SBAs) and improve the awareness of a strong brand;
- To expand across the value chain to maintain its margins and reinforce the consistency and competitiveness of our offers;
- To be opportunistic and smart in a changing world;
- To remain independent in its strategic choices.

The Group is experiencing sustained growth over the long term. It is forging ahead to serve customers who are global champions in their field, with leading suppliers and against large competing groups in the electronics and software industries.

ACTIA takes into account the major factors in its environment, including:

- Awareness of global environmental issues: ACTIA is ideally placed to provide solutions to the numerous challenges in order to achieve sustainable and safe mobility. This trend is reflected in increasingly precise international regulations that ACTIA supports.
- The legal environment and the spate of regulations both nationally and internationally: some regulations are making it more complicated to run an industrial company, but they are ushering in a more ethical and sustainable business world.
- The technological environment: advances in microelectronics make systems of previously unthinkable performance, safety and complexity a reality. ACTIA implements new techniques such as cybersecurity and operational safety management methods, the advent of 5G, new generation power electronic components, etc.
- The competitive environment: in a world where suppliers, customers and competitors are increasingly concentrated, ACTIA must remain uncompromising in its technological potential, the quality of its solutions and its service-mindedness, but also expand its ecosystem and develop partnerships.
- The social and economic environment: ACTIA is in touch with the world. It has long had a presence in emerging countries, including in the form of technological bases (China, Tunisia, Mexico, Brazil).
- The geostrategic environment: the current upheavals in the world require greater vigilance in our approach to different markets. Through its 16 subsidiaries around the world, ACTIA constantly assesses geopolitical developments in the countries where it operates, while promoting multiculturalism and cross-fertilisation within its various international teams.

4.5.1 KEY SUCCESS FACTORS

Our key success factors can be broken down into four groups. They help to define our action plans:

- **Efficiency**, an essential component of our competitiveness;
- **Quality**, the essential cornerstone underlying all Group development;
- **Innovation**, an essential component of our strategic approach;
- **Safety** of our activities, against a difficult competitive backdrop.

- Key success factor – **EFFICIENCY**
  - Pursuing the efforts undertaken and improving our productivity and profitability;
  - Optimising costs thanks to our vertical integration in the way we use our production facilities;
  - Pursuing our investment policy: high performance, competitive and international industrial capacity, R&D based on selected technological bricks, human capital, etc.;
  - Digitisation of the business and improvements to our organisation in support of growth, progressing in terms of maturity, enhancing our agility and simplicity;
  - Protecting and motivating human resources to obtain even greater efficiency and develop teamwork;
  - Training and developing our internal resources;
  - Improving our Purchasing performance:
    - Seeking value from our positions in the markets,
    - Better coordination of purchasing and technologies,
    - Better integration of risk analysis.
- Key success factor – **QUALITY**
  - Improving total quality;
  - Satisfying the requirements of the targeted fields;
  - Adapting to changes in ever more demanding certifications;
  - Improving our dashboards to assist management;
  - Improving customer quality.

ACTIA is in a process of continuous improvement with a LEAN approach that favours formalised and applied processes.

For the Group's specialisation in electronic equipment a total quality approach has been implemented, recognised by several **certifications**:

- ISO 9001; Quality management systems:
- ISO TS 16949: Quality management systems – automotive industry;
- ISO 14001; Environmental management systems;
- EN 9100 and EN 9110: Quality management systems – aeronautics/aerospace and defence;
- ISO TS 22163 (IRIS): Quality management systems – railway industry standard;
- NADCAP: Aerospace standard for suppliers of electronic printed circuit boards;
- PART 145 - FAA - TCAA: maintenance and repair approval;
- ISO 45001; Total Quality according to Appendix V of the R&TTE directive (Telecoms);
- ISO 27001; Information Security Management System;
- ISO 17025: Competence of testing and calibration laboratories;
- QUALIOPI certification for the quality of vocational training courses.

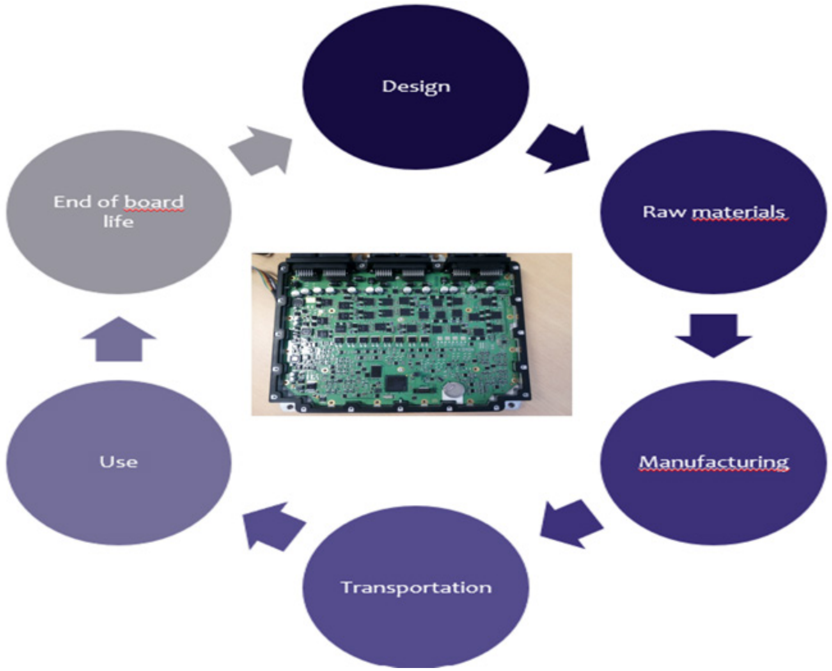
CERTIFICATS D'AGRÉMENT
ORGANISME DE MAINTENANCE AÉRONAUTIQUE
PART 145 / FAA / TCCA

Management is consequently based on the principle of a learning organisation open to new technologies, managing technological advances and ongoing training throughout the careers of employees.

- Key success factor - **INNOVATION**
  - Creating and developing the conditions for innovation and teamwork;
  - Selecting the key programmes, business intelligence in strategic areas;
  - Contributing to making our offers the best;
  - Strengthening the industrial property policy, particularly for patents;
  - Building a portfolio of key technologies;
  - Developing an eco-system of key strategic partnerships, both internal (Group companies) and external;
  - Spearheading proposals in international standardisation committees and strategic think-tanks defining the technologies to be implemented for tomorrow's solutions.
- Key success factor - **SAFETY**
  - Pursuing our efforts to strengthen safety and our risk management culture:
    - Legal;
    - Technical;
    - Organisational and IT.
  - Guarantee the safety, security and resilience of products and systems.

Despite increased complexity and threats that could potentially affect the use of different products and systems, ACTIA must guarantee a very high level of safety and security through intelligent connected systems, while participating in the process of building confidence between the consumer, manufacturers and the networks.

However, these success factors can only be achieved by structuring an **eco-design** solution, supported by all the teams, to meet the environmental challenges, to which ACTIA is committed, and by relying on the Group's **human capital**. Invested locally, ACTIA's social model is built on training to develop skills, talents and autonomy, on inclusion to welcome differences and promote diversity, and on improving the quality of life at work to co-build an enriching collective and individual experience.



With regard to its own operation, and in light of crises of all kinds in the economic environment, ACTIA constantly adapts its operating methods to move towards RESILIENCE, i.e. the ability to cope with crises. This particularly strengthened the "nervous system" that constitutes the chain of information and operational decision-making.

4.5.2 STRATEGIC PRIORITIES

ACTIA's core business is designing and manufacturing **embedded systems.** Such systems are divided into four constituent parts:

- An electronic part produced on a printed circuit board on which electronic components are mounted (on-board computers, memories, resistors, inductors, capacitors, etc.);
- A software application installed on the electronic memory board;
- An electrical energy power supply source;
- A mechanical assembly comprised as a minimum of a box and sometimes screens, controls or other control instruments.

To design and produce its offers, ACTIA is therefore organised around:

- Design offices staffed by engineers and highly qualified technicians to design the software, electronic, electrical and mechanical systems making up the embedded systems;
- Manufacturing facilities for producing all equipment, downloading software and monitoring the quality of the corresponding system.

The embedded systems make it possible to process external data obtained from sensors, analyse and synthesise the data and provide instructions to the actuators (for example electrical engines, valves, etc.).

ACTIA uses raw materials in the form of electronic components (on-board computers, memories, resistors, inductors, capacitors, etc.) mechanical units (base, top, front) making up the boxes and items capable of providing electrical power at the desired current and voltage levels and the parts used as interfaces (screens, buttons, etc.).

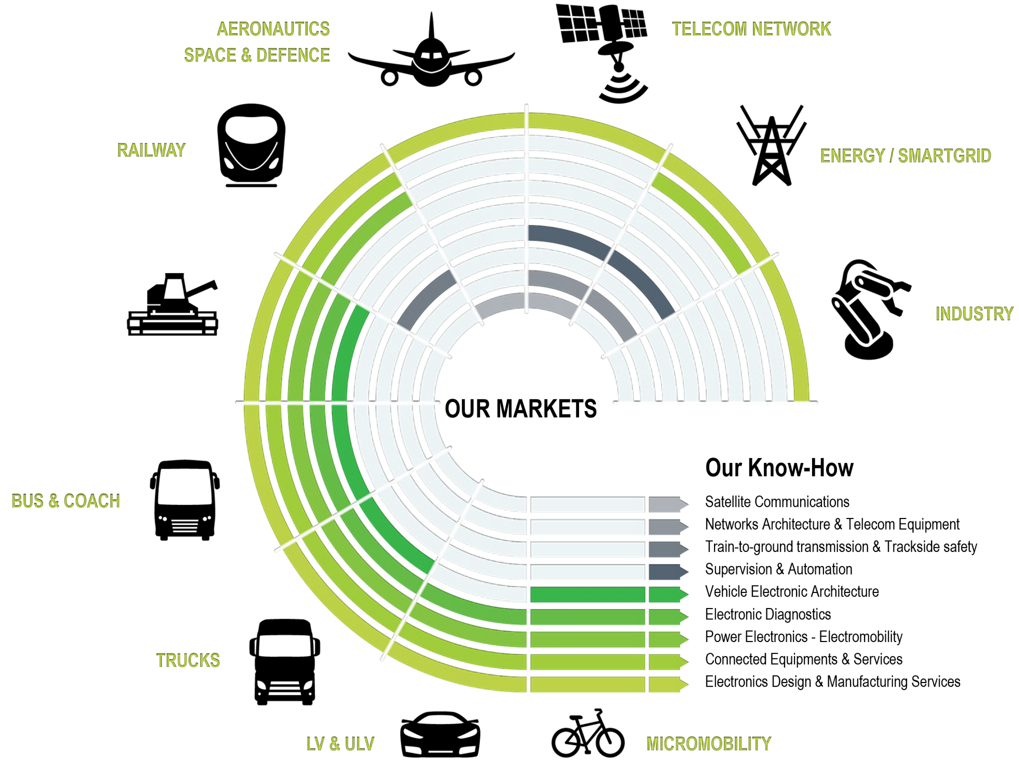
ACTIA also uses intangible materials, and namely software.

The products thus sold are generally mounted on board vehicles, whether these are cars, industrial vehicles (trucks, buses, coaches, tractors, construction machinery, etc.), boats, military vehicles, trains, aircraft, etc. Embedded systems are present in all of our vehicles and a car today has much more computing power than most passenger aircraft which were, for the most part, designed in the early 1980s.

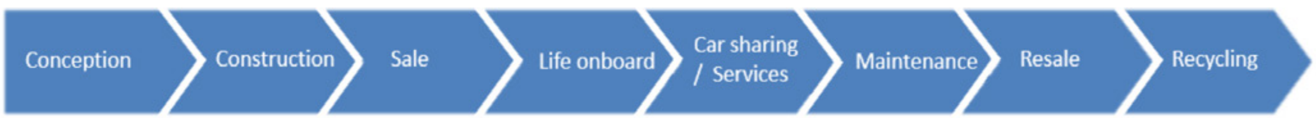
The aim is therefore to "embed smartness" in vehicles, via four challenges that constitute the major strategic thrusts of the Group:

- **Connectivity**: as an expert in embedded systems designed for demanding environments, ACTIA ensures the connectivity of all types of vehicles thus providing access to a large number of connected services;
- **Safety**: both within and outside the Company, safety is built into our processes, our quality standards and our products; It should be noted that this concept is not limited to the protection of product users. It also covers system operational safety and cybersecurity;
- **Mobility:** the transportation of people and goods lies at the heart of the technological challenges that ACTIA rises to on a daily basis. We are committed to connected, sustainable and safe mobility;
- **The environment:** ACTIA works consistently to ensure the development of sustainable mobility – anti-pollution systems, electric powertrains, eco-friendly driving -– and encourages eco-responsible behaviour: carpooling, use of electric vehicles and so on. The objective is to reduce the environmental footprint of products and services (reducing consumption of resources, particle emissions, sound emissions, dismantling aircraft, etc.), developing new approaches for monitoring and managing the environment, taking into account new applications;

- Our markets & know-how:



Lastly, concerning these strategic issues, ACTIA strives to provide solutions for the full lifecycle of the vehicle.



4.5.3 STRATEGIC BUSINESS AREAS

Our growth priorities to become a leader or benchmark player are managed through Strategic Business Areas (SBAs):

SBA = product line x market segment.

The missions and responsibilities of the **Strategic Business Areas** (SBAs) are:

- To implement the strategy and associated challenges;
- To define the product road maps, their series lives and sales action plans and region sales.

The Strategic Business Areas guarantee the match between offer and demand at international level. Each department includes Product Groups which can be labelled as PLCs (Product Line Centres) at Group level:

The **Product Line Centres** are created at the Group level. Their missions and responsibilities are to:

- Manage the PLC business plan at the Group level;
- Express requirements, coordinate the development of the products and services;
- Establish the road map for its product ranges;
- Provide a competition watch (benchmarking);
- Be responsible for and lead the global marketing plan and sales effort (international) with all Group companies;
- Manage the products from cradle to grave (marketing, sales, development, series life, aftermarket).

The **SBAs** are client-focused and work with business line-oriented functions via a matrix organisation:

- Technology and Innovation;
- Services;
- Industrial Operations;
- Purchasing;
- Support functions, that is: Human Resources, Finance, Information Systems, Legal Affairs, Strategy, Communications, International Affairs, Quality.

The strategic plan is implemented in all of the departments based on this organisation:

- Product/Market (SBA):
  - Sales development and action plan,
  - Coordination with Group development plans (Group coordination, PLC, front office, AKAM, etc.),
- Technology and means of production:
  - Technology road map (key technologies and skills),
  - Production road map (to ensure production performance),
  - Shared tools, methods, etc. to work together effectively,
- Support services:
  - Human resources development and management,
  - Purchasing,
  - Quality,
  - Contracts, Legal Protection.

VEHICLE ELECTRONIC ARCHITECTURE (VEA) SBA

This department addresses the vehicle manufacturer market (OEM), regardless of the strategic products we are selling to it. This structure corresponds to a product line-oriented approach:

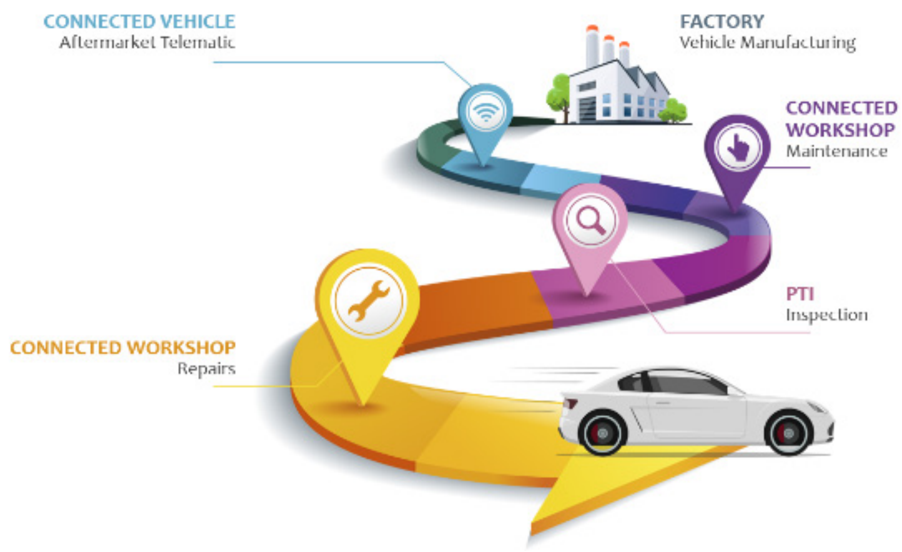
The VEA SBA must meet the main strategic challenges and drivers. A number of these challenges will require breaking down new technological barriers or increasing the scope of innovation initiatives focusing on selected priority areas, and namely:

- **Vehicle driver's seat system**, through the development of product ranges that interact with the driver (clusters, dashboards, screens, etc.), and the challenges of the cockpit of the future;
- **Vehicle's on-board energy management** to control all the on-board actuators, such as those managing lighting, doors and windows, heating, air conditioning, etc.;
- With the increasing digitisation of vehicles, **management of the growing interconnections between the various on-board systems** (communication networks, ECUs, sensors, actuators, etc.);
- **The development and management of on-board vehicle electrical and electronic architectures** using software engineering tools;
- Vehicle **connectivity** management, through the development and manufacture of a wide range of on-board ECUs for all types of vehicles.

All of this, of course, is carried out in compliance with current standards in the field of **vehicle functional safety (ISO 26262) and the risks associated with cyber attacks (ISO 21434 - R155)**.

VEHICLE LIFECYCLE MANAGEMENT (VLM) SBA

This department is responsible for one of the Group's historic areas of expertise, diagnostics, as well as Aftermarket activities.



The VLM SBA must meet the main strategic challenges and drivers in the following different fields:

- For car **manufacturers' vehicle production plants**, develop, manufacture, install and operate solutions for checking the quality of vehicles produced and programming them at the end of the production line;
- For **manufacturers' after-sales networks**, develop and manufacture automotive diagnostics tools that will then be deployed in their garage networks worldwide;
- For manufacturers' **independent garages**, to develop, manufacture, deploy and provide user support for multi-make diagnostics tools for the maintenance and repair of light vehicles;
- For **managers of vehicle fleets** (heavy and light vehicles), develop, manufacture and deploy IoT (Internet of Things) solutions for remote monitoring of a number of vehicle parameters (position, speed, preventive and predictive maintenance).

MANUFACTURING – DESIGN & SERVICES (MDS) SBA

The department's goal is to increase production capacity and quality.

The MDS SBA relies on a production system that meets the most stringent quality criteria, both in the automotive field (medium-sized and long production runs) and in aeronautics and rail (small, complex production runs).

Organised around four production centres (France, Tunisia, the United States and Sweden), the Group is able to meet all internal production needs in line with the highest quality standards, as well as the needs of customers for whom the management of quality and technological developments is a strategic factor.

In this way the SBA offers a series of services ranging from the design to the manufacturing, testing and integration of circuit boards.

Additional assistance may also be proposed for the long-term maintenance of complex electronic systems. Indeed, a team of experts manages an observatory for the obsolescence of components.

DAS MICROMOBILITY

The latest addition to our business is DAS Micromobility, which offers specific solutions for electrifying vehicles with limited power, such as bicycles or cargo bikes. It is based on the common foundations of ACTIA know-how:

- Expertise in mechatronics;
- Know-how in embedded electronics;
- Software development capacity, both for the embedded part and in consumer and cloud applications.

4.5.4 PRODUCTION CONTROL

ACTIA organises the industrialisation of its products around electronics factories and assembly and integration workshops, particularly in France, Tunisia, Germany, Spain, Sweden, China, and the United States.

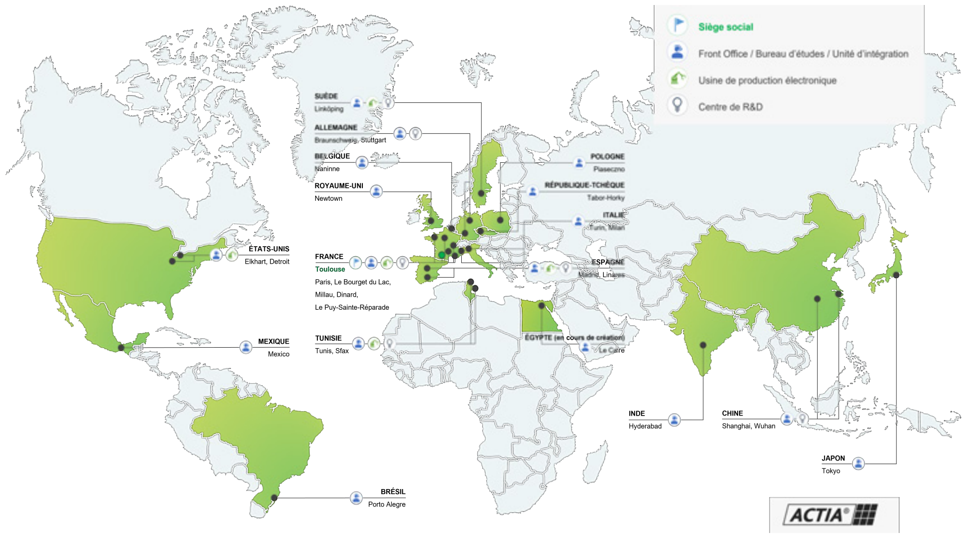
To guarantee the capacity of its design offices for innovation while maintaining optimal productivity, its tools are supported by an engineering and process engineering expertise laboratory for Group proprietary processes.

By regularly investing in new production capabilities over the past few years, ACTIA Group has been able to support its recent revenue growth. Ever aware of the latest technological advances, the production equipment is continually replaced, thus ensuring a high level of performance and an increase in capacity. The technological and innovative aspects of the Industry 4.0 ("smart factory") approach and digitisation are part of the upgrade plans to be rolled out over the next few years. The Group is building its approach with shared equipment and processes for medium and large production runs in order to build a response adapted to the needs of its customers, for greater proximity.

Some fundamental challenges still remain, such as the ongoing modernisation of the ERP system and the digitisation of processes. During the years of the health crisis, capacity was maintained in order to be able to respond immediately to the sharp acceleration in growth at the end of the shortage of components.

Intensive discussions are under way in the Group between the operational units, with a view to:

- Deploying standards and best practices, especially within the Automotive Division;
- Putting in place a Group industrialisation team;
- Organising digitisation projects.



4.5.5 RESEARCH & DEVELOPMENT IN VERY HIGH TECHNOLOGY

Since its creation, ACTIA Group's strategy has been focused on research and development to develop innovative solutions and sources of differentiation for its customers.

ACTIA has a growth strategy based above all on intelligence with work organised around lines of action such as:

- **Excellence in project execution** with new development methods and tools, systematic simulations and automation of validations, knowledge management, a network of external experts, an expanded Design Office, etc.;
- **Focusing on a modular and scalable design**, with technological building blocks structured around:
  - A modular architecture in terms of software, electronics and mechanics,
  - Modules that are validated and are able to be reused;
  - Taking into account changes in customer needs, changing market demand and the emergence of new technologies.
- **Making sustainable development a priority** through an eco-design approach.
- **Thinking globally** to express an innovative vision of systems and services by:
  - Imagining and validating the electronic architectures of tomorrow's vehicles, their maintenance and in-service support;
  - Designing specifications for and developing new products;
  - Developing and selling related services.
- **Relying on the local environment** in all countries where ACTIA is present.

The Group's structure has made it possible to put in place centres of excellence in specific fields which ACTIA can rely on to respond to its customers' expectations with such centres being located in France, Germany, Sweden, Spain and Tunisia.

The Group is capable of implementing local strategies in support of R&D, for example:

- In France, with the use of innovation support such as the CIR (Research Tax Credit), participation in national innovation programmes such as France 2030, and the establishment of a complete eco-system with the main public and private innovation players (research laboratories, competitiveness clusters and sectoral clusters, start-up incubators and accelerators, major suppliers of technological solutions);
- In Europe, through the structuring of an eco-system of partnerships with start-ups as well as private and public R&D laboratories, particularly in Spain and Scandinavia, in order to address issues within the framework of HORIZON EUROPE, the world's largest R&D programme;
- In Tunisia, the close relationship with engineering schools and research laboratories and the setting up of an incubation structure for innovative start-ups - ACTinCube;
- In China, the establishing of partnerships with the ecosystem constituted by the public authorities, vehicle manufacturers and technological partners, making use of support for innovation;
- By being agile and capable of moving fast thanks to its industrial integration;
- By taking into account the safety requirements in all proposed solutions;
- By having sufficient financial resources to undertake joint investments.

The Group invests heavily in R&D with more than 1,400 engineers and technicians employed throughout the organisation.

Through a governance process involving the CEOs and financial, commercial and technical directors, and validated by the Board of Directors, the major R&D programmes are selected and will provide the foundations of tomorrow's strategy for each business unit.

The health crisis brought forward the launch of the "ACTIA Cross Border Engineering" programme. The goal of the latter is to build an extended design office, resulting in lower outsourcing costs and, above all, drawing on a company-wide skills map that enables us to optimise the work produced, share common tools and determine training needs and skills to be recruited, thereby preparing the Group for its future needs. This new organisation will provide support to skills management and enhance the Group's attractiveness.

4.5.6 TECHNOLOGICAL ENVIRONMENT

In response to these growing markets and challenges, in particular technological challenges, in the sectors in question, the Occitanie region today occupies a specific, original and key position. It represents the leading French region in terms of R&D effort (3.58% of its GDP), and the second leading French region in terms of foreign investment in R&D (source: AD'OCC economic development agency).

In this unique local context, ACTIA is integrated within this remarkably dynamic process of structuring and organising players engaged in the Occitanie region and on a national and European scale.

This active engagement as a stakeholder is exemplified in particular by our participation in the following:

Type of relation:	Description
Relationship by market segment	Aeronautics – Space – Embedded systems: **TOMPASSE**, The Subsidiary's Regional Strategic Committee Rail: **FIF, CS2F** **MOBILIANS**, an employers' organisation that defends the interests of companies in the automotive distribution and services sector in France Automotive: **PFA, SIA, FIEV** Workshop and diagnostic equipment: **GIEG** Electronic manufacturing: **PLEIADE** (WE Network) **EIT** (European Institute of Technology) **Urban Mobility** **CCAM** (European Partnership for Connected, Cooperative & Automated Mobility)
Relations with clusters	**Aerospace Valley**, a world-class competitiveness cluster (aeronautics, space and embedded systems) **RobAgri** for the innovative robot market Energy: **Capénergie, Smart Occitania** **TOTEM**: Cluster for intelligent and sustainable mobility
Relations and technology	**IRT Saint-Exupéry**in Toulouse (aeronautics and space) **Institut 3IA ANITI**- Artificial and Natural Intelligence Toulouse Institute **INSA** Foundation Projects with **CEA-Tech** in Toulouse, **CEA Leti**and **CEA Liten** in Grenoble Group Obsolescence: **AFNOR/UTE, PRECONOB** Projects with **CNRS - LAAS** Projects with the Ecole des Mines of Albi **(IMT)** Projects with **TTT** - Toulouse Transfer Tech **IRIT** - Toulouse Institute for Computer Science Research

The Group is involved in several projects within the framework of national programmes such as France Relance, France 2030, and regional and European programmes.

In this respect, ACTIA is involved in the following innovation programmes:

- The EFIBA (Emergence of the Autonomous Bus Sector) project, which will lead to advances in the field of autonomous mobility;
- The NeVeOS project, which aims to develop a new electronic architecture diagnostic solution for vehicles, hosted on high-performance computers;
- The ACTIA in Space project to accelerate ACTIA's diversification into sectors other than automotive;
- The Colomiers 5.0 project to give impetus to the Transformation of the Colomiers manufacturing plant;
- The PREMS project, for the experimentation of new assembly processes for power electronics components;
- The PROTECH (protection of construction equipment environment) project, aimed at developing a new generation of high performance computing (HPC) for the off-highway mobility segment.

4.6 INVESTMENTS

The total capital expenditure for tangible and intangible assets capitalised by the Group amounted to €26.3 million compared with €32.9 million, without the construction of new buildings as in 2022 (ACTIA Tunisie - 6,700 m² in Tunis).

4.6.1 TANGIBLE

The details of capital expenditure on property, plant and equipment during the period are set out in Note 5 "Tangible assets" in the notes to the consolidated financial statements.

In line with the trend in 2022, the 2023 financial year remained complex due to the Group's financial situation and the global geopolitical environment, and consequently, ACTIA restricted its investments in its means of production to the renewal of ageing equipment and to the various items of equipment that improve the productivity and flexibility of our means of production. As usual, this also involved the acquisition of equipment dedicated to certain programmes, such as test benches, test interfaces and tools, in connection with the start of production of new products.

With regard to IT equipment, of which around one quarter is usually renewed per financial year on average in the Group, the action was maintained, with the replacement of the existing stock with laptops, as staff were asked to work from home. Launched in 2017, the digitisation investment programme continued despite delays in the setting up of the new ERP for the Automotive Division. The project evolved with the definition of new requirements that arose with the components crisis, in order to meet the need for greater agility in supply management and production facility planning.

In 2023, there were no works impacting the Group's property portfolio, with the exception of the commissioning of photovoltaic panels at the German site.

4.6.2 INTANGIBLE

The details of capital expenditure on intangible assets over the period are set out in the notes to the financial statements, in Note 4: "Intangible assets". These items relate mainly to research and development.

In 2023, R&D expenditure amounted to €84.7 million, up compared to 2022 (+5.5% to €80.3 million), slightly higher than the 2019 amount (€83.2 million). This level of expenditure reflects both the trade-offs that have continued to be made to mitigate the impacts of the health crisis and component shortage, and the high demand resulting from contracts won in recent months / years. Therefore, continued priority was given to the support needs of customer programmes in connection with the latest commercial successes and the first production launches. It also involved completing re-designs, particularly for our own products, in order to maintain performance and production capacity in the face of difficulties in procuring components. As a result, the re-invoicing rate for R&D costs rose slightly to 44.8% of expenditure, compared with 42.2% in 2022.

Thus, managing its efforts to the best of its resources, the ratio of R&D expenditure as a percentage of revenue stood at 14.6%, compared with 16.1% in 2022.

This area continues to be of strategic importance, since it enables the Group to maintain a high level of technical sophistication. Information provided by the Group's management control function and presented below summarises trends in this area:

In €K	2023	2022	2021
Total cost of R&D	84,732	80,301	80,158
Cost of R&D services sold	37,985	33,879	33,810
R&D capitalised during the financial year	12,599	13,727	12,715
Expensed during the period (A)	34,147	32,695	33,633
Amortisation during the period of capitalised R&D (B)	11,078	13,572	15,948
Research tax credit recognised under income in the period and grants (C)	6,676	7,647	8,012
Impact of R&D on the income statement (A) +(B) – (C)	38,549	38,620	41,569
Headcount	1,453	1,342	1,182

Total R&D costs include payroll costs of the engineers and technicians that work on R&D projects as well as costs that may be incurred for services subcontracted.

It should be noted that the Group invests heavily in R&D. R&D-related costs account for between 13 and 18.0% of its consolidated revenue. Offering specific solutions to its customers, based on recognised expertise and innovation, a portion of certain specific developments may be carried out by customers.

Furthermore, a portion of this work has benefited from research tax credits, grants and/or repayable advances. The expenditure for implementing new innovative solutions for customers, in particular within the framework of the France Relance programmes, increased by +25.5%, as the Group continued to benefit from government aid (CIR and subsidies).

The portion of capitalised R&D costs in 2023 was 14.9% compared to 17.1% in 2022, slightly down, demonstrating the Group's desire not to put too much pressure on future results, with the choice to focus efforts on developments linked to contracts won and product redesign. Last year, the capitalisation was slightly higher than the amortisations recorded, which amounted to €11.1 million.

In addition, the weight of R&D borne by the Group in its income statement, excluding the portion invoiced to customers and government subsidies, continued to decline, reaching 6.7% of revenue compared to 7.7% in 2022 and 9.0% in 2021. However, expenditure for the year increased by 5.5%, demonstrating the Group's ongoing effort to remain at the top of its game, while at the same time striving to limit impacts on its income statement during this difficult period, without, however, putting pressure on its future profitability.

At the divisional level, the breakdown is as follows:

AUTOMOTIVE DIVISION

Figures presented in these tables are derived from the management control reporting systems.

R&D expenditure in 2023 totalled €66.3 million compared with €64.7 million in 2022, breaking down as follows:

In €K	2023	2022	2021
Cost of R&D services sold	25,468	23,431	26,188
R&D capitalised during the financial year	10,137	13,104	11,913
Expensed during the period	30,741	28,208	29,911
Headcount	1,337	1,199	1,074

R&D expenditure of the Automotive Division rose by 2.5%. With the completion of developments such as the redesign of boards for its own products, the share of the cost of R&D sold represented more than 38.4% of expenditure compared to 36.2% in 2022. Maintaining partial coverage of R&D expenses by customers is a major asset for the Group in the partnership relationship, as the customers agreed to better fund in advance the development of their custom products.

TELECOMS DIVISION

Figures presented in these tables are derived from the management control reporting systems.

R&D expenditure in 2023 totalled €18.4 million compared with €15.6 million in 2022, breaking down as follows:

In €K	2023	2022	2021
Cost of R&D services sold	12,517	10,448	7,622
R&D capitalised during the financial year	2,462	623	802
Expensed during the period	3,406	4,487	3,722
Headcount	116	143	108

The level of re-invoicing in this division rose further last year, jumping to 68.1% (67.2% in 2022), benefiting from better support from its customers for export markets and the military telecommunications and energy programmes. The level of R&D expenditure rose sharply last year (+18.2%) with the development of new generation products in all its market segments and in particular in SatCom. The Telecoms Division also maintained a high level of R&D subcontracting expenditure (+€0.8 million after +€3.5 million in 2022) to offset recruitment difficulties, despite an increase in the headcount by 37 people, to meet the needs of multi-year contracts won.

4.6.3 COMMITTED FUTURE INVESTMENTS

On the date this document was issued, the Group had budgeted a certain number of investments relating to its normal operating activities. In a complex economic environment, ACTIA continued to be careful about its investment choices to make sure it does not put a strain on its future while still keeping its expenditure under control.

The Group undertakes multi-year R&D projects aimed to develop our product and service offering so that it remains at optimal levels by anticipating market needs. The investment programme includes:

- **Control command ECUs** for original equipment to make further inroads into the truck market and meet developments in electronic architectures, future requirements and regulations in terms of cybersecurity and operational safety;
- Sixth generation **telematics units** and their adoption by new vehicle manufacturers.
- **Multi-make and manufacturer diagnostics tools** to ensure coverage of the automotive fleet as well as the latest electronic functions offered to users. ACTIA is also investing in this area to promote dematerialisation while complying with the latest major standards;
- **Passenger information, rear-view and video surveillance systems** for deployment on the new RATP lines (metro, urban trains and tramway), as well as in other geographical regions such as Catalonia.
- **Base stations for secure telecommunications satellites;**
- **Subscriber circuit breakers** at the request of Enedis. This new project will enable ACTIA to position itself across the entire energy distribution chain, from the subscriber to source substations.

The Group has also been working for several years to change its ERP and towards digitisation, and will continue these efforts in 2024. IT equipment will continue to be partly renewed, as each year, with the purchase of mobile equipment to make it easier for staff to work from home.

Concerning the means of production, the level of commitment will be limited to the replacement of end-of-life equipment to increase capacity and productivity, and meet the production needs for new products requiring specific tooling in France, Tunisia and the United States. Indeed, the production facility must be at the level expected by customers and ready to handle the strong growth in production rates when the component market returns to the appropriate level to match supply and demand. This will also involve supplementing the equipment for the Swedish and Spanish sites (created in 2023), plants dedicated to short-run production to better meet its prototyping and small production needs. Without significant growth over the year, the Group may postpone the reinforcement of equipment for the US plant until late 2024/early 2025.

In response to the growing need for R&D resources, the ACTIA Engineering Services site in Tunis expanded its building in 2023 and a building will be constructed in Sfax to replace the current rented building.

Finally, as part of its commitment to decarbonisation through the use of renewable energies, several photovoltaic development studies are being set up in 2024 in France and Tunisia, with shade solutions for car parks. In Tunisia, the purchase of land is in progress to produce solar energy on a larger scale by the end of 2025. The solar panels installed in Germany were commissioned at the end of 2023. Though we are not electricity-intensive, ACTIA strives to contribute to the development of renewable energies in the countries where the Group is present.

4.7 PROPERTY, PLANT AND EQUIPMENT

4.7.1 MAJOR EXISTING OR PLANNED TANGIBLE ASSETS

O: Direct or indirect owner (SCI wholly owned by the Group); T: Tenant; t: tenant of an SCI partially owned by the Group.

Name	Site	Business sector	Type of interest
ACTIA Group	Toulouse	Holding company	t (1)
AUTOMOTIVE			
ACTIA Automotive	Toulouse	Electronic studies and marketing	t (1)
	Colomiers	Electronics manufacturing	O (2)
	Toulouse	Logistics	T
	Chartres	Sales promotion and technical support for the Diagnostic and Connected Vehicle business lines	T
ACTIA PCs	Maisons Alfort	Electronics research & manufacturing	T
ACTIA 3E	Le Bourget du Lac	Electronics research & manufacturing	T
ACTIA Systems	Getafe, Madrid (Spain)	Research and manufacturing of audio and video equipment	t (3)
	Getafe, Madrid (Spain)	Research and power electronics	T
	Linares (Espagne)	Electronics research & manufacturing	T
ACTIA de Mexico	Mexico City (Mexico)	Manufacturing and distribution of audio and video equipment	T
ACTIA do Brasil	Porto Alegre (Brazil)	Electronics research & manufacturing	T
ACTIA UK	Newtown (United Kingdom)	Electronics research & manufacturing	P
ACTIA Italia	Torino (Italy)	Electronics research & manufacturing	P
	Rho (Italy)	Logistics	T
ACTIA IME	Braunschweig (Germany)	Electronics research & manufacturing	O/T
ACTIA Corp.	Elkhart - Indiana (USA)	Electronics research & manufacturing	P
ACTIA Electronics	Romulus - Michigan (USA)	Electronics manufacturing	P
ACTIA Polska	Piaseczno (Poland)	Electronic studies and marketing	T
CIPI ACTIA	Tunis (Tunisia)	Electronics manufacturing	P
ACTIA Tunisie	Tunis (Tunisia)	Electronics manufacturing	P
ACTIA China	Shanghai (China)	Electronics research & manufacturing	T
	Wuhan (China)	Electronics research & design	T
ACTIA Nordic	Sollentuna (Sweden)	Electronics research & manufacturing	T
	Linköping (Sweden)	Electronics research & design	T
ACTIA EMS Sweden	Linköping (Sweden)	Electronics research & manufacturing	T
ACTIA Japan	Tokyo (Japan)	Marketing, sales and technical support	T
ATAL	Tabor (Czech Rep.)	Electronics research & manufacturing	P

Name	Site	Business sector	Type of interest
ACTIA Engineering Services	Tunis *(Tunisia)*	Electronics research & design	P
	Sfax *(Tunisia)*	Electronics research & design	T
ACTIA Africa	Tunis *(Tunisia)*	Marketing, sales and technical support	T(5)
ACTIA Telematics Services	Namur *(Belgium)*	Electronics research & design	T
TELECOMS			
ACTIA Railway	Toulouse	Head office	O (1)
	Saint-Georges-de-Luzençon	Electronics research & manufacturing	O (4)
	Vendargues	Studies for supervision solutions	T
ACTIA Aerospace	Toulouse	Head office	O (1)
	Dinard	Electronics research & manufacturing	O/T
ACTIA Energy	Toulouse	Head office	O (1)
	Puy-Sainte-Réparade	Electronics research & manufacturing	P

(1) SCI des Coteaux de Pouvourville
(2) SCI de l'Oratoire
(3) SCI Los Olivos
(4) SCI Sodimob
(5) ACTIA Engineering Services

It should be noted that the core assets are owned by the Group. As these assets were not measured at the time of the adoption of IFRS at the end of 2004, they continue to be carried at their historic cost in the consolidated financial statements.

For the purpose of improving the disclosure of information, it has been decided to retain the services of independent firms of appraisers to measure the value of these assets on a regular basis. The Group's real estate assets were valued at the end of the 2023 financial year. Their total assessed value was €90.0 million gross on average. When weighted for ownership, the average value was €71.9 million compared with €43.8 million.

Independently of the equity accounted companies and therefore in comparison to an assessed value of €67.8 million, the net carrying amount of the assets directly owned by the Group was €22.9 million.

In accordance with the option adopted by ACTIA, in order to ensure that its accounts are not impacted by fluctuations in the real estate market, which does not represent its core business, and in accordance with IFRS, the Group will not perform accounting procedures to re-measure these assets in the consolidated financial statements. From a strategic standpoint, the Group has always considered that real estate assets constitute tools made available to it within the framework of its industrial activities.

Property assets considered strategic relate to, above all, manufacturing activities. The French production site of ACTIA Automotive S.A.S. located in Colomiers is thus 100% owned by the Group through SCI de l'Oratoire. The second circuit board production site located in Tunis (Tunisia) is entered in the assets of our CIPI ACTIA subsidiary, which is 65.8% owned by the Group. Regarding the integration site also located in Tunis, ACTIA Tunisie also owns its premises. The third production site, located in Romulus (Michigan, USA) belongs to its parent company ACTIA Corp. which is wholly owned by the Group. Finally, the last production sites, in Sweden and Spain, which for the moment only deal with short production runs with limited resources, are tenants.

The heavy industrial equipment at the French production site is generally financed through finance leases, whereas equipment in Tunisia and the United States is either financed through medium-term bank loans or is self-funded, because this solution for the financing of plant is not available through the local banks.

The Group's production is now organised around the four facilities in France, Tunisia, the United States and Sweden. As a result, the Group benefits from greater flexibility in the way it organises its production using the same types of equipment, testing tools and procedures. Capital expenditure is coordinated between the different sites in order to increase capacity while improving quality and reducing the length of production cycles, currently disrupted by shortages.

In 2023, the **Colomiers facility** (France) continued the following activities:

- Electronics manufacturing;
- Support services.

After two and a half years marked by difficulties in sourcing components, the year 2023 saw a gradual improvement, bringing the end of the financial year back to a normal situation. The persistent tensions in the procurement of electronic components continued for most of the year, particularly in the first half of the year. This crisis continued to undermine the entire supply chain with strong impacts on plant profitability and efficiency, due to the shutdowns and restarts of the various production lines resulting from shortages, generating an inflation of concurrent operations and an obligation to keep the teams in constant production configuration to respond to customer emergencies. Also, the improvement in flows at the end of the year made it possible to put in place measures to restore plant performance to pre-crisis levels, which will take a few weeks to translate into productivity.

To this end, and as part of its ongoing adaptation process, the site embarked on a new transformation to prepare for the ramp-up of space activities and the arrival of associated equipment. This requires extension work within the plant (enlargement of the burn-in area), while at the same time promoting a skills-based approach to facilitate understanding, attractiveness and versatility of the workshop teams. In order to overcome hiring difficulties and organise its own training for new staff, an area is also specifically dedicated to training.

In 2023, as in 2022, our **Tunisian sites** experienced an upturn in business activity despite the component crisis. They had to adapt their working method to serve customers as soon as they received missing items. For this, they have been working 24/7 since October 2021 to limit the crisis for our customers. With the improvement in supply flows and the drop in volumes in certain sectors, plants will return to 3 x 8-hour shifts, which may occasionally be extended to 4 x 8-hour shifts.

Finally, the **American site** was again affected by recruitment difficulties, particularly for sales staff, in order to develop production for third parties while awaiting the ramp-up of the first ACTIA production runs for the American market of its customers.

During these complex years, all our manufacturing sites proved their ability to take ownership of their emergency plans, as well as their resilience and agility in adapting to the new circumstances.

The **Telecoms Division sites** are owned by ACTIA Telecom directly or via SCI Sodimob, which is 100% held by the Group.

Two sites, considered non-strategic, are partly owned by the Group, partly by management and partly by non-controlling shareholders. These consist of buildings (offices and workshops) used by our Spanish subsidiary, held via SCI Los Olivos, for which the breakdown of capital is as follows:

Breakdown of the share capital of SCI Los Olivos	%
SCI Les Coteaux de Pouvourville	50.0%
ACTIA Systems	40.0%
Natural persons	10.0%
TOTAL	**100.0%**

In France, the office buildings housing the head offices of ACTIA Group S.A., ACTIA Automotive S.A. and ACTIA Telecom S.A are fully owned by SCI Les Coteaux de Pouvourville, the shareholding structure of which is as follows:

Breakdown in the share capital of SCI les Coteaux de Pouvourville	%
ACTIA Group	30.0%
LP2C	50.1%
Natural persons	19.9%
TOTAL	**100.0%**

The Group has made sure that the rents applied by these last two structures correspond to market rates, with the intervention of an expert from outside the Group upon signature of the leases. The latter are reviewed in accordance with the rental cost index published by the French office of statistics (INSEE) and its Spanish equivalent.

4.7.2 ENVIRONMENTAL IMPACT RESULTING FROM THE USE OF THESE FIXED ASSETS

This information is presented in § 6.5.3 “Fight against climate change” of Chapter 6 “Sustainable development” approved by the Board of Directors.

4.8 CERTIFICATION OF GROUP COMPANY QUALITY SYSTEMS AT 31 DECEMBER 2023

The Group meets numerous regulatory standards and regularly renews its certifications, as summarised in the table below:

	ISO 9001	ISO TS 16949	ISO 14001	EN 9100	ISO 27001	ISO 45001
Company	Quality management systems	Quality management systems – automotive industry	Environmental management systems	Quality management systems – aeronautics/ space and defence	Information security management systems	Occupational health and safety management systems
ACTIA Automotive SA	Certified	Certification of the Toulouse sites	Certified	Certification of the Toulouse sites	Certified	
ACTIA 3E	Certified					
ACTIA PCs	Certified					
ATAL	In the process of certification					
ACTIA Italia	Certified					
ACTIA IMe	Certified		Certified			
ACTIA Systems	Certified		In the process of certification		Certified	
ACTIA Nordic	Certified	Certified	Certified			
ACTIA UK	Certified					
ACTIA Telematics Services	Certified				Certified	
ACTIA China	Certified	Certified	Certified			
ACTIA do Brasil	Certified					
ACTIA de Mexico	In the process of certification					
ACTIA Electronics	Certified	Certified	Certified			
ACTIA Corp.	Certified					
CIPI ACTIA	Certified	Certified	Certified			In the process of certification
ACTIA Engineering Services	Certified				Certified	In the process of certification
ACTIA Tunisie	Certified	Certified	Certified			
ACTIA Telecom	Certified		Certified			Certified

Other certifications:

- ACTIA Telecom: IRIS (ISO/TS 22163: Quality management systems - railway industry standard);
- ATAL: QMS approval;
- ACTIA Automotive:
  - In Toulouse: EN 9110 (aircraft repair); PART-145 (aeronautical scope); IRIS (ISO/TS 22163: quality management systems - railway industry standard); NADCAP (electronic board manufacturing processes - aeronautics);
- ACTIA Engineering Services: ISO 17025.

4.9 INFORMATION ABOUT THE ISSUER

The separate financial statements of ACTIA Group S.A. show revenue of €2 million, a 7.3% decrease compared to 2022.

As part of the transfer of the listing of its securities from Euronext Paris to Euronext Growth (02/02/2023), ACTIA Group put in place additional internal and external resources to meet the exceptional requirements for structuring and managing this operation. Invoicing by LP2C to ACTIA Group stood at €330,000 for the year, compared with €300,000 in 2022, reflecting the increase in salaries and work carried out for the Group (services to support disposals and monitoring/mediation).

The resulting net income stood at €1,716,000 compared with a profit of €10,648,000 for the previous financial year. This drop is explained in particular by the fact that ACTIA Group S.A. had recorded the capital gain from the sale of ACTIA Power SAS shares in 2022, returning to a result more in line with its business.

ACTIA Group S.A. does not have its own operating activities, except for the financial holding company. All functions exercised on behalf of its subsidiaries or the investment holding company are invoiced to the entities concerned on the basis of actual cost plus a margin of 15% corresponding to management fees. These amounts invoiced do not cover all statutory auditing expenses, communications, tax and legal consulting services, and other expenses related to the Company's status as a listed company that cannot be allocated to all subsidiaries under existing legal and regulatory provisions. Only services specified in support agreements and described in § 3.3 "Brief overview of the Group" are invoiced.

The Company's operating loss therefore stems from costs incurred as a publicly traded company and its role as a holding company involving external interventions in legal and tax matters, communications, statutory auditing for separate and consolidated financial statements, etc. that by themselves represented a cost of €483,100 for the financial year, compared to €356,800 in 2022.

The main highlights of the year were the sharp fall in external expenses, due to a reduction in fees (completion of the sale of the Power Division), Group services and debt commissions.

Highlights of the 2023 separate financial statements are presented below:

Net income (€K)	2023	2022	2021
Net revenue	2,023	2,195	3,269
Operating revenue	4,027	3,563	4,366
Operating expenses	5,560	6,064	4,307
Operating income	<1,533>	<2,502>	59
Financial result	3,938	1,536	927
Non-recurring items	<507>	12,308	<198>
Income taxes	183	694	29
NET INCOME	**1,716**	**10,648**	**759**

We will ask shareholders to approve these separate financial statements.

4.9.1 HIGHLIGHTS

Over the past financial year, ACTIA Group's efforts focused mainly on its transfer from the Euronext market to Euronext Growth, which was completed in early February 2023, and on the segmentation of ACTIA Group's activities.

Thus, in 2023, the Group launched a process to change the segmentation of its businesses to structure them into **four divisions:** ***Mobility, Energy, Aerospace and Engineering***, for implementation from 1 January 2024 and financial presentation from 30 June 2024.

In this context, **ACTIA Telecom** transferred its activities dedicated to the energy and rail sectors to two new companies, **ACTIA Energy** and **ACTIA Railway,** respectively. Retaining its SatCom activities, it changed its corporate name to **ACTIA Aerospace**.

At the same time, ACTIA Automotive sold its electronic equipment manufacturing business for the aeronautics, space and defence markets to ACTIA Aerospace (formerly ACTIA Telecom), so that this entity could focus on the Group's aeronautics and space activities.

In 2024, the holding company ACTIA Group will hold the shares of ACTIA Automotive S.A.S, parent company of the Mobility Division; ACTIA Aerospace S.A.S, parent company of the Aerospace Division; ACTIA Energy S.A.S, parent company of the Energy Division; and ACTIA Engineering Services S.A.S, parent company of the Engineering Division.

No other significant event affected the holding structure during the reporting period.

4.9.2 APPROPRIATION OF EARNINGS

In accordance with the law and our Articles of Association, the following appropriation of earnings for the period ended 31 December 2023 will be proposed at the General Meeting:

Origin		
"Retained Earnings" account on 31 December 2023		€21,712,043.05
Earnings for the financial year: profit of		€1,716,177.60
Appropriation		
To the "Retained Earnings" account, which will stand at	€21,016,227.73	
Paid in the form of dividends (i.e. €0.12 per share)	€2,411,992.92	
TOTAL	**€23,428,220.65**	**€23,428,220.65**

4.9.3 PREVIOUS DIVIDEND DISTRIBUTIONS

Pursuant to the provisions of Article 243 bis of the French General Tax Code, dividends paid out by the Company over the past three financial years are disclosed below:

	Earnings eligible for a rebate		Earnings not eligible for a rebate
For the financial year	**Dividend per share***	**Other revenue distributed**	
2020	€0		
2021	€0		
2022	€2,411,992.92*, i.e.: €0.12 per share		

* Including the amount of the dividend corresponding to shares held by the company itself, unpaid and allocated to the Retained earnings account.

4.9.4 DEBT SITUATION

For the 2023 financial year, ACTIA Group did not take on any new medium-term financing.

It should be noted that ACTIA Group does not benefit from the possibility of financing its receivables as they are entirely dedicated to the Group. Details of the debt level of ACTIA Group S.A. are provided in the notes to the separate financial statements, in Note 3.10 “Debts”.

4.9.5 NON-TAX DEDUCTIBLE EXPENSES (ARTICLE 39-4 OF THE FRENCH GENERAL TAX CODE)

The General Meeting will be asked to approve the total amount of expenses covered by Article 39-4 of the French General Tax Code, namely the sum of €2,178, relating to surplus depreciation on company cars.

The corresponding tax was €544 for the 2023 financial year.

4.9.6 EQUAL OPPORTUNITY EMPLOYMENT

ACTIA Group S.A. is the Group’s holding company. As of 31 December 2023, it had 15 employees to handle its holding company functions.

To date, as indicated in § 6.4.1 “Our employees”, no feeling of discrimination was recorded either in the Group or in the holding company and no cases of gender inequality were reported.

4.9.7 BRANCHES

It should be noted that ACTIA Group has no branches.

4.9.8 ANALYSIS OF ACCOUNTS PAYABLE

At closure of the accounts for the period, payables with regard to ACTIA Group S.A. suppliers (excluding provisions for supplier invoices not received) were broken down as follows, expressed according to due date:

Invoices due and received but not paid on 31/12/2023

IN €	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day and more)
(A) AGEING BUCKETS						
Number of invoices	114					34
Total of all invoices, including VAT	877,200	2,119	55,337	-20	228,455	285,891
% of the total amount of purchases for the financial year, including VAT	19.46%	0.05%	1.23%	0.00%	5.07%	6.34%
(B) INVOICES NOT INCLUDED IN (A) FOR DEBTS AND RECEIVABLES IN DISPUTE OR NOT RECOGNISED						
Number of invoices excluded						0
Total amount of invoices excluded						0
(C) REFERENCE PAYMENT TERMS USED (CONTRACTUAL OR LEGAL TIME LIMITS)						
Payment terms used to calculate late payments			✗ Contractual terms: Based on the general terms and conditions of sale of our suppliers Legal terms			

4.9.9 ANALYSIS OF ACCOUNTS RECEIVABLE

At year end, the aged trial balance for accounts receivable was as follows:

Invoices due and issued but not paid on 31/12/2023

IN €	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day and more)
(A) AGEING BUCKETS						
Number of invoices	179					114
Total of all invoices, including VAT	3,114,767	78	78,055	680,548	747,940	1,506,620
% of the total amount of purchases for the financial year, including VAT	42.14%	0.00%	1.06%	9.21%	10.12%	20.39%
(B) INVOICES NOT INCLUDED IN (A) FOR DEBTS AND RECEIVABLES IN DISPUTE OR NOT RECOGNISED						
Number of invoices excluded						0
Total amount of invoices excluded						0
(C) REFERENCE PAYMENT TERMS USED (CONTRACTUAL OR LEGAL TIME LIMITS)						
Payment terms used to calculate late payments			Contractual terms ✗ Legal terms: 30 days end of month			

4.9.10 FINANCIAL RESULTS OVER THE PAST FIVE YEARS

In Euros	2023	2022	2021	2020	2019
FINANCIAL POSITION AT YEAR END					
Share Capital	15,074,956	15,074,956	15,074,956	15,074,956	15,074,956
Number of shares issued	20,099,941	20,099,941	20,099,941	20,099,941	20,099,941
Number of convertible bonds	0	0	0	0	0
RESULTS FROM OPERATIONS					
Sales excluding tax	2,023,467	2,195,422	3,268,899	2,352,361	2,301,500
Earnings before tax, depreciation, amortisation and provisions	<2,082,727>	15,343,740	<238,514>	1,666,838	2,772,682
Income tax	182,723	693,928	29,165	17,333	27,391
Earnings after tax, depreciation, amortisation and provisions	1,716,178	10,648,216	758,956	1,639,673	2,737,515
Earnings distributed	2,411,993	2,411,993	0	3,014,991	2,009,994
EARNINGS PER SHARE					
Earnings after tax but before depreciation, amortisation and provisions	<0.11>	0.73	<0.01>	0.08	0.14
Earnings after tax, depreciation, amortisation and provisions	0.09	0.53	0.04	0.08	0.14
Dividends allocated to each share	0.12	0.12	0	0	0.15
PERSONNEL					
Number of employees (average headcount)	12	8	8	11	9
Payroll for the financial year	1,170,856	869,238	975,144	1,277,597	891,360
Sums paid out in respect of employee benefits in the financial year (social security, social action, etc.)	443,573	347,097	421,112	540,030	393,098

4.9.11 SPECIAL REPORT OF THE STATUTORY AUDITORS ON REGULATED AGREEMENTS

To the Annual General Meeting of ACTIA Group S.A.,

In our capacity as Statutory Auditors of your Company, we hereby present to you our report on regulated agreements.

The terms of our assignment do not require us to identify such other transactions, if any, but to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention or discovered in the performance of our assignment and the interests thereof for the Company, without expressing an opinion on their merits. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code, to assess the interest of these agreements and commitments with a view to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code concerning the implementation, during the year, of the agreements and commitments previously approved by the General Meeting of Shareholders.

We performed procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this assignment. These procedures require that we ensure that the information provided to us is consistent with the relevant source documents.

Agreements submitted for approval to the Shareholders' Meeting

Previous agreements authorised and approved by the General Meeting tacitly renewed

We hereby inform you that the following agreements entered into in prior years, duly authorised and approved by the General Meeting held to approve the financial statements for the year in question, were tacitly renewed during the previous financial year.

With LP2C S.A.

<u>**Coordination agreement**</u>

Nature and purpose: Coordination agreement tacitly renewed on 1 January 2023

Parties concerned:

- Marine Candelon, Director and Deputy CEO of ACTIA Group S.A. and LP2C S.A.
- Catherine Mallet, Director and Deputy CEO of ACTIA Group S.A. and Director and CEO of LP2C S.A.
- Jean-Louis Pech, Chairman and Chief Executive Officer of ACTIA Group S.A. and Director and Deputy CEO of LP2C S.A.
- Jean-François Calmels, Director and Deputy CEO of ACTIA Group S.A. and LP2C S.A.

Reasons justifying their interest in the company/procedures:

LP2C plays an active role in managing the ACTIA Group policy, for which it sets out the strategic priorities and areas for development. It coordinates and implements these various actions between the different companies in the ACTIA Group.

LP2C S.A. coordination agreement for each of the subsidiaries and sub-subsidiaries of LP2C, for the role it plays alone and exclusively in the definition of the general ACTIA Group strategy and which it coordinates for the benefit of all ACTIA Group companies.

In this respect, LP2C S.A. invoices an overall annual sum of €370,000 for all the Group companies, broken down between the Group companies according to the added value of the previous year.

The coordination agreement is agreed for a period of five years as of 1 January 2018 and is automatically renewable for consecutive twelve-month periods.

Amounts invoiced for the previous financial year: at 31 December 2023, the total amount invoiced by LP2C to ACTIA Group S.A. was €1,000 excl. VAT.

<u>**Assistance and service agreements**</u>

Nature and purpose: assistance and service agreement tacitly renewed on 1 January 2023

Parties concerned:

- Marine Candelon, Director and Deputy CEO of ACTIA Group S.A. and LP2C S.A.
- Catherine Mallet, Director and Deputy CEO of ACTIA Group S.A. and Director and CEO of LP2C S.A.
- Jean-Louis Pech, Chairman and Chief Executive Officer of ACTIA Group S.A. and Director and Deputy CEO of LP2C S.A.
- Jean-François Calmels, Director and Deputy CEO of ACTIA Group S.A. and LP2C S.A.

Procedures and reasons justifying the benefits for the Company:

LP2C S.A. assistance and services agreement for each of the LP2C S.A. subsidiaries and sub-subsidiaries for the recurring services LP2C provides to the Group, including: Administrative, legal, accounting and financial assistance;

- Quality support;
- Communications support;
- Human resources support;
- Real estate support;
- Support for Group management and internal procedures;
- Business development support;

The arrangements for setting the remuneration excluding VAT of the services provided are as follows: LP2C S.A. receives a fee set on the basis of a provisional budget drawn up at the start of the year. The amount is set based on the direct and indirect costs actually incurred by LP2C S.A., plus a margin of 15%.

The assistance agreement is agreed for a period of five years as of 1 January 2018 and is automatically renewable for consecutive twelve-month periods.

Amounts invoiced for the previous financial year: at 31 December 2023, the total amount invoiced by LP2C to Actia Group S.A. was €329,075 excl. VAT.

Assistance and specific services agreement

Nature and purpose: Assistance and specific service agreement automatically renewed on 1 January 2023.

Parties concerned:

- Marine Candelon, Director and Deputy CEO of ACTIA Group S.A. and LP2C S.A.
- Catherine Mallet, Director and Deputy CEO of ACTIA Group S.A. and Director and CEO of LP2C S.A.
- Jean-Louis Pech, Chairman and Chief Executive Officer of ACTIA Group S.A. and Director and Deputy CEO of LP2C S.A.
- Jean-François Calmels, Director and Deputy CEO of ACTIA Group S.A. and LP2C S.A.

Procedures and reasons justifying the benefits for the Company:

The specific services which Actia Group S.A. provides to LP2C S.A. are for accounting and executive secretarial services. The procedures used to set the amounts invoiced, excluding VAT, for the services rendered by Actia Group S.A. are as follows: in exchange for the services provided, Actia Group S.A. receives from LP2C S.A. a fee set on the basis of a provisional budget established at the start of the financial year. The amount is set based on the direct and indirect costs actually incurred by Actia Group S.A., plus a margin of 15%.

The assistance agreement is agreed for a period of 5 years as of 1 January 2018 and is automatically renewable for consecutive twelve-month periods.

Amounts invoiced for the previous financial year: at 31 December 2023, the amount invoiced by ACTIA Group S.A. to LP2C S.A. was €61,269 excl. VAT.

With ACTIA Automotive S.A.S.

Assistance and service agreements

Nature and purpose: Assistance and services agreement between ACTIA Automotive S.A.S., as service provider, on behalf of ACTIA Group S.A. companies concerning recurring services provided by ACTIA Automotive S.A.S. to ACTIA Group companies tacitly renewed on 1 January 2023.

Parties concerned: Jean-Louis Pech, Chairman and Chief Executive Officer of ACTIA Group S.A., Chairman of ACTIA Automotive S.A.S.

Procedures:

The recurring services provided by ACTIA Automotive S.A.S. to ACTIA Group S.A. companies include:

- Administrative, legal, accounting and financial assistance;
- Quality support;
- Communications support;
- Human resources support;
- Information systems support;
- Purchasing support;
- Real estate support;
- Support for Group management and internal procedures;
- Business development support;
- Technology support.

The arrangements for setting the remuneration excluding VAT of the services provided are as follows: ACTIA Automotive S.A.S. receives remuneration on the basis of a provisional budget drawn up at the start of the year, which is adjustable at the end of the period. The amount is set based on the direct and indirect costs actually incurred by ACTIA Automotive S.A.S., plus a margin of 15%.

Any re-invoicing of services provided by external parties is subject to a margin of 3% as a contribution to the overheads of ACTIA Automotive S.A.S. as a service provider.

The assistance agreement is agreed for a period of five years as of 1 January 2018 and is automatically renewable for consecutive twelve-month periods.

Reasons justifying the benefits for the Company:

The interests of ACTIA Automotive S.A.S. coincide with those of ACTIA Group S.A. companies and the latter can, therefore, improve their effectiveness and profitability through these arrangements. At the ACTIA Group S.A. level, the arrangements would result in a reduction in overall management costs by creating economies of scale for fixed costs and, therefore, in greater effectiveness and profitability. The subsidiaries will benefit from the reduced costs, therefore enabling them to focus their energies on their core businesses and improve their economic performance.

Amounts invoiced for the previous financial year: at 31 December 2023, the amount invoiced by ACTIA Automotive S.A.S. to ACTIA Group S.A. was €147,248 excl. VAT.

With the subsidiaries listed below

Assistance and service agreements

Nature and purpose: Assistance and service agreement tacitly renewed on 1 January 2023.

Parties concerned:

- **Offices at ACTIA Group S.A.**
  - Jean-Louis Pech: Chairman and CEO
  - Catherine Mallet: Director - Deputy CEO
  - Marine Candelon: Director - Deputy CEO
  - Jean-François Calmels: Director - Deputy CEO
- **Offices in subsidiaries**
  - ACTIA Automotive: Jean-Louis Pech, Chairman and Chief Executive Officer of ACTIA Group S.A., Chairman of ACTIA Automotive S.A.S.
  - ACTIA 3E: Jean-Louis Pech, Chairman and Director of ACTIA 3E
  - ACTIA Aerospace S.A.S. (formerly ACTIA Telecom): Jean-Louis Pech, Chairman of ACTIA Group S.A., Chairman of ACTIA Aerospace S.A.S.
  - ACTIA Energy S.A.S. (Company created during the year): Jean-Louis Pech, Chairman of ACTIA Group S.A., Chairman of ACTIA Energy S.A.S.
  - ACTIA Railway S.A.S. (Company created during the year): Jean-Louis Pech, Chairman of ACTIA Group S.A., Chairman of ACTIA Railway S.A.S.
  - ACTIA PCs: Catherine Mallet, Chairman of the Board of Directors
  - SCI Les Coteaux de Pouvourville: Catherine Mallet and Jean-François Calmels, Co-Managers
  - SCI de l'Oratoire: Catherine Mallet and Jean-François Calmels, Co-Managers
  - SCI Sodimob: Jean-Louis Pech, Chairman of ACTIA Group S.A., Chairman of SCI SODIMOB.
  - ACTIA Systems: Marine Candelon, Director; Jean-Louis Pech, Chairman of the Board of Directors; and Jean-François Calmels, Director.

- SCI Los Olivos: Catherine Mallet, Director; Marine Candelon, Director; and Jean-Louis Pech, Chairman of the Board of Directors
- ACTIA UK: Catherine Mallet, Director; Jean-François Calmels, Director; and Jean-Louis Pech, Chairman of the Board of Directors
- ACTIA Italia: Catherine Mallet, Director; Marine Candelon, Vice-Chair and Director; and Jean-Louis Pech, Chairman of the Board of Directors
- ACTIA Polska: Jean-Louis Pech, Chairman of the Board of Directors
- ACTIA Nordic: Catherine Mallet, Jean-François Calmels and Jean-Louis Pech, Chairman of the Board of Directors
- ACTIA do Brasil: Catherine Mallet, Jean-François Calmels and Jean-Louis Pech, Advisory Board members
- ACTIA de Mexico: Catherine Mallet, Jean-François Calmels and Jean-Louis Pech, Directors
- ACTIA Electronics: Catherine Mallet, Jean-François Calmels and Jean-Louis Pech, Directors
- ACTIA Corp.: Catherine Mallet and Jean-François Calmels, Directors, and Jean-Louis Pech, Chairman of the Board of Directors
- ACTIA China: Catherine Mallet, Marine Candelon and Jean-Louis Pech, Directors
- CIPI ACTIA: Catherine Mallet, Director, Jean-François Calmels, and Jean-Louis Pech, Chairman of the Board of Directors
- ACTIA Engineering Services: Jean-François Calmels, Director, and Jean-Louis Pech, Chairman of the Board of Directors
- ACTIA Tunisie: Jean-François Calmels, Director, and Jean-Louis Pech, Chairman of the Board of Directors
- ACTIA Telematics Services: Jean-Louis Pech, Chairman of the Board of Directors
- ACTIA Africa: Catherine Mallet and Jean-François Calmels, Directors, and Jean-Louis Pech, Chairman of the Board of Directors.
- ACTIA Japan: Jean-Louis Pech, Chairman of the Board of Directors
- ACTIA Engineering Services Holding S.A.S. (Company created during the year): Jean-Louis Pech, Chairman and Chief Executive Officer of ACTIA Group S.A., Chairman of ACTIA Engineering Services Holding S.A.S.
- ACTIA Engineering Services France S.A.S (Company created during the year): Jean-Louis Pech, Chairman and Chief Executive Officer of ACTIA Group S.A., Chairman of ACTIA Engineering Services France S.A.S.

Procedures:

In exchange for the services provided, ACTIA Group S.A. receives from each of the subsidiaries and sub-subsidiaries a fee based on a provisional budget established at the start of the financial year. The amount is set based on the direct and indirect costs actually incurred by ACTIA Group S.A., plus a margin of 15%.

The assistance agreement is agreed for a period of 5 years as of 1 January 2018 and is automatically renewable for consecutive twelve-month periods.

Reasons justifying the benefits for the Company:

As part of the overall reorganisation, this ACTIA Group S.A. assistance and services agreement is implemented for each of the subsidiaries and sub-subsidiaries to cover the ongoing services ACTIA Group S.A. provides to the Group. The interests of ACTIA Group S.A. are shared by the subsidiaries of the Group which, therefore, increase their effectiveness and profitability through these operations. At the ACTIA Group S.A. level, the arrangements resulted in a reduction in overall management costs by creating economies of scale for fixed costs and, therefore, in greater effectiveness and profitability. The subsidiaries benefit from the reduced costs, therefore enabling them to focus their energies on their core business and improve their economic performance.

The recurring services provided by ACTIA Group S.A. to the Group include:

- Administrative, legal, accounting and financial assistance, as well as the provision of current account advances;
- Communications support;
- Human resources support;
- Information systems support;
- Purchasing support;
- Real estate support;
- Support for Group management and internal procedures;
- Business development support;
- Technology support.

Amounts invoiced for the previous financial year: at 31 December 2023, the amounts invoiced excluding VAT by ACTIA Group S.A. were:

Companies	Assistance and service agreements	Current account interests	Current account debit balance
ACTIA Automotive S.A.S.	€589,521.00	€1,702,023.39	€24,032,175.80
SCI Oratoire	€7,022.00		
SCI Pouvourville	€10,458.00		
ACTIA 3E	€14,006.00		
ACTIA PCs	€14,903.00		
ACTIA Aerospace S.A.S.	€182,193.00	€110,274.55	€371,716.23
ACTIA Telematics Services	€14,507.00		
ACTIA Nordic	€56,926.00		
ACTIA EMS	€16,069.00		
ACTIA Polska	€6,165.00		
ATAL	€15,410.00		
ACTIA IME	€94,599.00		
ACTIA Italia	€57,426.00		
ACTIA Systems	€64,910.00		
ACTIA UK	€19,136.00		
ACTIA Africa	€9,517.00	€19,559.12	€500,000.00
ACTIA Japan	€9,551.00		
ACTIA Tunisie	€11,524.00		
ACTIA China	€51,181.00		
CIPI ACTIA	€65,404.00		
ACTIA Electronics	€42,420.00		
ACTIA do Brasil	€86,357.00		
ACTIA de Mexico	€91,732.00		
ACTIA Corp.	€43,185.00		
ACTIA Engineering Services	€298,909.00	€4,908.79	€340.83
ACTIA ENERGY S.A.S.			€618,040.55
ACTIA RAILWAY S.A.S.			€375,182.82
TOTAL	**€1,834,327.00**	**€1,836,765.85**	**€25,897,456.23**

Agreements previously approved by the General Meeting

Agreements approved in prior years and which remained in effect during the period under review

In accordance with Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements, already approved by the Annual General Meetings in prior years, remained in effect during the period under review.

With ACTIA Automotive S.A.S., ACTIA China, ACTIA Corp, ACTIA IME and ACTIA UK

<u>**Agreement under the TSA (Transitional Services Agreement)**</u>

Nature and purpose: Agreement under the TSA (Transitional Services Agreement) for services rendered to Plastic Omnium's e-Power division.

Parties concerned:

- ACTIA Automotive S.A.S. : Jean-Louis Pech, Chairman and CEO
- ACTIA China:
  - Catherine Mallet, Director - Deputy CEO
  - Marine Candelon, Director - Deputy CEO
  - Jean-Louis Pech, Chairman and CEO
- ACTIA Corp.:
  - Catherine Mallet: Director and Deputy CEO, Jean-Louis Pech, Chairman and CEO.
  - Jean-François Calmels, Director - Deputy CEO
- ACTIA UK:
  - Catherine Mallet: Director - Deputy CEO
  - Jean-Louis Pech, Chairman and CEO
  - Jean-François Calmels, Director - Deputy CEO

Procedures and reasons justifying the benefits for the Company:

As part of the negotiations for the sale of the Power Division between ACTIA Group S.A. and Plastic Omnium Auto Inergy, a Transitional Services Agreement (TSA) was signed on 1 August 2022 to support Plastic Omnium Auto Inergy during a specified transitional period for the migration of e-Power structures. This TSA was negotiated for a total amount of €535,000 excluding VAT, which was distributed among the contributing subsidiaries of ACTIA Group S.A. during the TSA period:

- ACTIA Group S.A., for its own participation: €27,000;
- ACTIA Automotive S.A.S. : €274,500;
- ACTIA China: €5,000;
- ACTIA IME: €41,000;
- ACTIA Corp. : €174,000;
- ACTIA UK: €13,500.

The contributing subsidiaries invoice ACTIA Group S.A. under this Transitional Services Agreement (TSA).

We inform you that the procedure for prior authorisation of your Board of Directors for this agreement was not followed by omission.

We inform you that your Board of Directors, at its meeting of 19 December 2022, decided to authorise this agreement after the fact, but this authorisation does not include the reasons justifying the benefit of the agreement for the company as provided for in Article L. 225-38 of the French Commercial Code.

Amounts invoiced during the previous financial year:

At 31 December 2023, the amounts invoiced excluding VAT each of the subsidiaries contributing to ACTIA Group S.A. was:

Companies	TSA agreement
ACTIA Automotive S.A.S.	€45,751.66
ACTIA China	€820.00
ACTIA Corp.	€29,000.00
ACTIA IME	€6,833.34
TOTAL	**€82,405.00**

With ACTIA Automotive S.A.S.

Guarantee for an Airbus contract

Nature and purpose: Guarantee for an Airbus contract

Parties concerned: Jean-Louis Pech, Chairman and Chief Executive Officer of ACTIA Group S.A., Chairman of ACTIA Automotive S.A.S.

Procedures and reasons justifying the benefits for the Company:

Airbus requested a first-demand full guarantee for all ACTIA Automotive S.A.S. rights and obligations from ACTIA Group S.A. in 2017. The guarantee covers financial, judicial, legal and civil liability.

Under the contract, ACTIA Automotive S.A.S. can be held liable up to the amount of the contract which, in 2023, was close to €14,399,000. ACTIA Automotive S.A.S. has taken out special insurance for aeronautical products, for a maximum amount of €200,000,000 per claim, it being understood that ACTIA Group S.A. cannot be held liable for any sum in excess of that amount. With respect to civil liability, ACTIA Group S.A. will be required to activate the insurance in the event of the failure of its subsidiary ACTIA Automotive S.A.S.

If ACTIA Automotive S.A.S. activates its insurance in the event of an accident, the guarantee granted to our subsidiary will be outside of the normal framework of the guarantees invoiced by the Company as the insurance charge for the policy is entirely paid for by ACTIA Automotive S.A.S.

Amounts invoiced during the previous financial year: This guarantee did not result in any invoicing by your company during the financial year.

Guarantee for an Airbus contract

Nature and purpose: Guarantee for an Airbus contract

Parties concerned: Jean-Louis Pech, Chairman and Chief Executive Officer of ACTIA Group S.A., Chairman of ACTIA Automotive S.A.S.

Procedures and reasons justifying the benefits for the Company:

ACTIA Automotive S.A.S. signed a contract with Airbus for the design, development, manufacturing, supply and maintenance of avionics equipment. As part of the contract, Airbus requested that ACTIA Group S.A. provide a full first demand guarantee for all ACTIA Automotive S.A.S. rights and obligations. The guarantee covers financial, judicial, legal and civil liability.

Under the contract, ACTIA Automotive S.A.S. can be held liable up to €200,000,000. ACTIA Automotive S.A.S. has therefore taken out special insurance for aeronautical products, for a maximum amount of €200,000,000 per claim, it being understood that ACTIA Group S.A. cannot be held liable for any sum in excess of that amount. With respect to civil liability, ACTIA Group S.A. will be required to activate the insurance in the event of the failure of its subsidiary ACTIA Automotive S.A.S.

If ACTIA Automotive S.A.S. activates its insurance in the event of an accident, the guarantee granted to your subsidiary since 2007 will be outside of the normal framework of the guarantees invoiced by the Company as the insurance charge for the policy is entirely paid for by ACTIA Automotive S.A.S.

Amounts invoiced during the previous financial year: This guarantee did not result in any invoicing by your company during the financial year.

Labège, 25 April 2024

KPMG S.A.

Mathieu Leruste
Partner

Paris, 25 April 2024

BM&A

Eric Seyvos
Partner

4.10 MAJOR SHAREHOLDERS

4.10.1 BREAKDOWN OF THE SHARE CAPITAL AND VOTING RIGHTS

The identity of those persons directly or indirectly holding the thresholds of 1% of the capital or voting rights at General Meetings or a multiple of this fraction up to 5% inclusive, as well as the thresholds of 10% - 15% - 20% - 25% - 30% - 33.33% - 50% - 66.66% and 95% of the share capital or voting rights at General Meetings on the dates cited, are given below.

SHARE CAPITAL AND VOTING RIGHTS AT 31 DECEMBER 2023

	Number of shares % of share capital		Gross voting rights		Net voting rights	
LP2C	10,077,510	50.14%	20,093,676	62.11%	20,093,676	62.13%
Natural persons - Pech and Calmels families	6,052	0.03%	11,904	0.04%	11,904	0.04%
SUBTOTAL PECH AND CALMELS FAMILIES	**10,083,562**	**50.17%**	**20,105,580**	**62.14%**	**20,105,580**	**62.17%**
SIDMIA International	1,171,848	5.83%	2,343,696	7.24%	2,343,696	7.25%
Natural persons - Thrum family	213	0.00%	426	0.00%	426	0.00%
THRUM FAMILY SUBTOTAL	**1,172,061**	**5.83%**	**2,344,122**	**7.25%**	**2,344,122**	**7.25%**
TOTAL SHAREHOLDERS' AGREEMENT	**11,255,623**	**56.00%**	**22,449,702**	**69.39%**	**22,449,702**	**69.42%**
GESTINEG H	1,223,000	6.08%	1,223,000	3.78%	1,223,000	3.78%
SCERAC	1,133,360	5.64%	1,133,360	3.50%	1,133,360	3.50%
SGPFEC	1,037,141	5.16%	2,074,282	6.41%	2,074,282	6.41%
Public	5,436,941	27.05%	5,460,045	16.88%	5,460,045	16.88%
Treasury shares	13,876	0.07%	13,876	0.04%	0	0.00%
TOTAL	**20,099,941**	**100.00%**	**32,354,265**	**100.00%**	**32,340,389**	**100.00%**

SHARE CAPITAL AND VOTING RIGHTS AT 31 DECEMBER 2022

	Number of shares	% of share capital	Gross voting rights		Net voting rights	
LP2C	10,077,510	50.14%	20,093,676	62.12%	20,093,676	62.15%
Natural persons - Pech and Calmels families	6,052	0.03%	11,904	0.04%	11,904	0.04%
SUBTOTAL PECH AND CALMELS FAMILIES	**10,083,562**	**50.17%**	**20,105,580**	**62.15%**	**20,105,580**	**62.18%**
SIDMIA International	1,171,848	5.83%	2,343,696	7.25%	2,343,696	7.25%
Natural persons - Thrum family	213	0.00%	426	0.00%	426	0.00%
THRUM FAMILY SUBTOTAL	**1,172,061**	**5.83%**	**2,344,122**	**7.25%**	**2,344,122**	**7.25%**
TOTAL SHAREHOLDERS' AGREEMENT	**11,255,623**	**56.00%**	**22,449,702**	**69.40%**	**22,449,702**	**69.43%**
SGPFEC	1,037,141	5.16%	2,074,282	6.41%	2,074,282	6.42%
GESTINEG H	1,045,000	5.20%	1,045,000	3.23%	1,045,000	3.23%
Public	6,746,812	33.57%	6,764,117	20.91%	6,764,117	20.92%
Treasury shares	15,365	0.08%	15,365	0.05%	0	0.00%
TOTAL	**20,099,941**	**100.00%**	**32,348,466**	**100.00%**	**32,333,101**	**100.00%**

SHARE CAPITAL AND VOTING RIGHTS AT 31 DECEMBER 2021

	Number of shares % of share capital		Gross voting rights		Net voting rights	
LP2C	10,077,510	50.14%	20,093,676	62.12%	20,093,676	62.15%
Natural persons - Pech and Calmels families	6,052	0.03%	11,904	0.04%	11,904	0.04%
SUBTOTAL PECH AND CALMELS FAMILIES	**10,083,562**	**50.17%**	**20,105,580**	**62.15%**	**20,105,580**	**62.18%**
SIDMIA International	1,171,848	5.83%	2,343,696	7.25%	2,343,696	7.25%
Natural persons - Thrum family	213	0.00%	426	0.00%	426	0.00%
THRUM FAMILY SUBTOTAL	**1,172,061**	**5.83%**	**2,344,122**	**7.25%**	**2,344,122**	**7.25%**
TOTAL SHAREHOLDERS' AGREEMENT	**11,255,623**	**56.00%**	**22,449,702**	**69.40%**	**22,449,702**	**69.43%**
SGPFEC	1,037,141	5.16%	2,074,282	6.41%	2,074,282	6.42%
Jean-Charles Normand	224,467	1.12%	224,467	0.69%	224,467	0.69%
Public	7,567,536	37.65%	7,584,962	23.45%	7,584,962	23.46%
Treasury shares	15,174	0.08%	15,174	0.05%	0	0.00%
TOTAL	**20,099,941**	**100.00%**	**32,348,587**	**100.00%**	**32,333,413**	**100.00%**

GROSS OR THEORETICAL VOTING RIGHTS:

This is the total number of voting rights, including those attached to shares deprived of voting rights, namely those held in treasury.

Net voting rights or rights exercisable in General Meetings: shares held in treasury are not recorded.

LP2C is equally owned by the Pech and Calmels families.

SIDMIA International is held by the Thrum family.

The shareholders' agreement between the Pech, Calmels and Thrum family shareholder groups covers all the shares held by the companies. The shares not included at the outset of the agreement do not represent a sufficiently material percentage to be detailed. It should be noted that the agreement does not have an expiry date. The main provisions of this agreement are described in § 4.10.3 "Shareholders' agreement" of the Management Report.

To the best of the Company's knowledge, there are no other shareholders not mentioned in the above table that hold 5% or more of the share capital or voting rights of ACTIA Group S.A.

Voting rights are described in detail in Article 11 of the Articles of Association "Rights and obligations related to ordinary shares - Voting", which can be consulted on the company website www.actia.com.

CROSSING OF THRESHOLDS

ACTIA Group has been informed of the crossing of the thresholds below in the past three years:

- On **11 February 2021**, the Limited Liability company LP2C informed ACTIA Group that it had crossed the 50% company share capital threshold (AMF notification 221C0346), without modifying the ownership percentage of the shareholders' agreement.
- **On 4 December 2021**, Charles-André Normand informed ACTIA Group that he had crossed the 1% company share capital threshold;
- On **6 April 2022**, the Limited Liability company GESTINEG H informed ACTIA Group that it had crossed the 5% company share capital threshold (AMF notification 222C0782);
- On **27 December 2022**, Charles-André Normand informed ACTIA Group that he had dropped below the 1% company share capital threshold;
- Finally, on **2 February 2023**, SCI SERAC informed AMF that it had crossed the 5% company share capital threshold (AMF notification 223C0254).

OTHER SECURITIES GRANTING ENTITLEMENT TO THE SHARE CAPITAL

There are no other shares or securities of any nature convertible or exchangeable for shares.

MARKET IN ACTIA GROUP SHARES

Since 2 February 2023, ACTIA Group S.A. has been traded on Euronext Growth Paris, ISIN Code FR0000076655.

During 2023, the total volume of ACTIA Group shares traded was 1,817,637 compared to 2,643,010 in 2022 and 5,659,705 in 2021, representing an average daily trading volume of 7,128 shares over 255 trading days compared with 10,205 shares in 2022 and 21,937 in 2021.

In 2023, the share price trading range was as follows:

- Highest: €5.12 on 15 March 2023;
- Lowest: €3.41 on 25 October 2023;
- And a close on 29/12/2023 of: €3.98.

The number of ACTIA Group shares traded dropped sharply compared to 2022, with a decline of 31.3%. Despite this low volume, the stock closed down by 4.56% compared with 31 December 2022, against a decline by 21.8% of the CAC Small index.

Trading in liquidity contract shares stood at 96,363 shares purchased and 97,852 shares sold for the whole of 2023. These daily flows contributed to optimising the day-to-day and intra-day trading activity for the share by reducing sharp fluctuations.

It should be noted that ACTIA is one of the companies evaluated and ranked according to their degree of involvement in non-financial transparency and CSR performance (governance, human capital, environment and relations with external stakeholders), making up the **GAÏA Index**, a benchmark stock market index for mid-cap companies in terms of sustainable development. ACTIA Group entered the ranking in 2015 and has remained on the index ever since, as shown in the summary table below:

Ranking	2020	2021	2022	2021-2022 trend
GOVERNANCE	51	50	57	↗
SOCIAL	59	62	69	↗
ENVIRONMENT	55	54	59	↗
EXTERNAL STAKEHOLDERS	82	92	95	↗
Overall score	57	59	65	↗

In addition, the Group's General Management is concerned about this issue and has set up a dedicated CSR team, led by the CSR Committee created within the Board of Directors.

On 11 April 2024, ACTIA Group was included in the following stock indices:

INDEX	ACTIA Group weighting in the index
EN G ALL SHARES GR	0.25%
EN G ALL SHARES NR	0.25%
EN GROWTH ALLSHARE	0.25%
EN HELIOS SP AS GR	0.00%
EN HELIOS SP AS NR	0.00%
EN HELIOS SPACE AS	0.00%
ENT PEA-PME 150	0.28%
ENT PEA-PME 150 GR	0.28%
EN TECH CROISS GR	0.26%
EN TECH CROISS NR	0.26%
EN TECH CROISSANCE	0.26%

The following table summarises trading activity and trends for the ACTIA Group share for the last three years:

	Performance		Volatility	
	ACTIA Group	**CAC MID & SMALL**	**ACTIA Group**	**CAC MID & SMALL**
2021	34.19%	16.49%	43.34%	21.43%
2022	14.24%	<13.86>%	35.92%	14.24%
2023	**<4.56%>**	**1.42%**	**19.98%**	**8.92%**

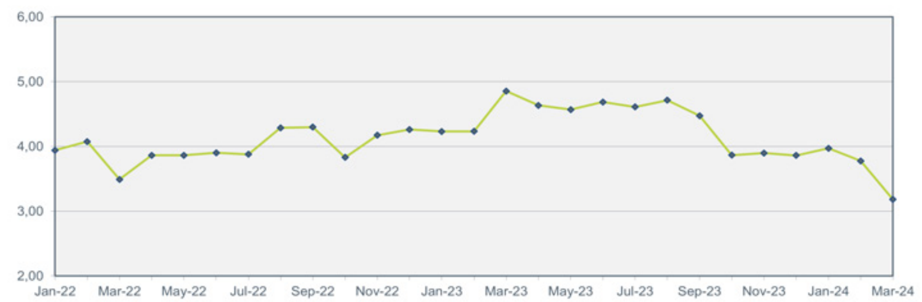
CLOSING PRICES AND TRADING VOLUMES FROM 1 JANUARY 2020 TO 31 MARCH 2024 (CLOSING PRICE IN EUROS)

2024	High	Low	Average	Trading volume
Jan-24	4.18	3.78	3.97	132,568
Feb-24	4.06	3.22	4.78	183,467
March-24	3.65	3.01	3.18	240,445

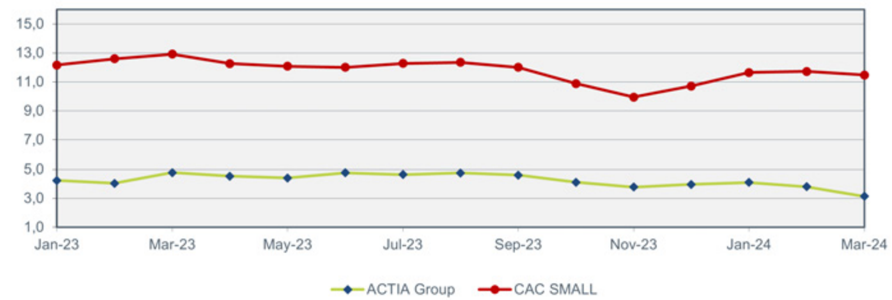
2023	High	Low	Average	Trading volume
Jan-23	4.35	4.10	4.23	369,760
Feb-23	4.76	3.95	4.23	335,056
March-23	5.12	4.69	4.86	302,942
Apr-23	4.84	4.35	4.63	71,272
May-23	4.81	4.31	4.57	166,787
June-23	4.77	4.52	4.69	65,644
July-23	4.68	4.52	4.61	63,908
August-23	4.82	4.55	4.71	104,150
Sept-23	4.64	4.14	4.47	91,782
Oct-23	4.17	3.41	3.87	84,830
Nov-23	4.01	3.74	3.90	59,489
Dec-23	3.98	3.65	3.86	98,828

2022	High	Low	Average	Trading volume
Jan-22	4.54	3.53	3.94	489,127
Feb-22	4.34	3.47	4.07	205,221
March-22	4.15	2.88	3.49	193,098
Apr-22	4.00	3.68	3.86	140,593
May-22	4.05	3.69	3.86	142,835
June-22	4.07	3.65	3.90	122,505
July-22	4.06	3.66	3.88	164,648
August-22	4.53	4.07	4.29	280,044
Sept-22	4.77	3.33	4.30	314,979
Oct-22	4.23	3.35	3.83	221,954
Nov-22	4.38	3.89	4.17	167,792
Dec-22	4.43	4.14	4.26	200,214

Share price trends
(average monthly closing price in euros)



Share price trends since 1 January 2023
(closing price on first day of the month)



4.10.2 CONTROL AND OWNERSHIP

Information about holding and voting rights is provided in § 4.10.1 “Breakdown of the share capital and voting rights” of the Management Report. It shows that the Group is majority owned and controlled, directly and indirectly, by the Pech and Calmels families, the families of the Group’s founders, Louis Pech and Pierre Calmels, via LP2C.

Details of the membership of the Board of Directors are given in § 7.1.2 “Membership of the Board of Directors and General Management” in the Corporate Governance Report. The Pech and Calmels families hold the positions of Chairman and CEO: Jean-Louis Pech (son of Louis Pech); Deputy Chief Executive Officers: Catherine Mallet (daughter of Louis Pech), Marine Candelon (daughter of Pierre Calmels) and Jean-François Calmels (son of Pierre Calmels); and Director: Laura Pech (granddaughter of Louis Pech). Of the five other members of the Board, three are fully independent and ensure effective governance for the Group. Two Directors representing the employees, Martine Chupin and Marie-Louise Ribaut, were elected on 23 March 2021, in accordance with the legal and statutory provisions.

The founding families have in this way ensured the continuity of the Group while maintaining independent governance within the Board.

4.10.3 SHAREHOLDERS’ AGREEMENT

A shareholders’ agreement was signed by the families of Louis Pech and Pierre Calmels, on the one hand, and Günther Thrum, on the other hand, on 11 December 2000.

The parties agreed to act in concert with respect to ACTIA Group S.A. primarily with regard to:

- A commitment to consult prior to all Board Meetings and all General Meetings;
- A commitment to maintain the division of seats on the Board;
- A commitment to maintain their interests so that the parties to the agreement may hold a minimum voting rights percentage in the Company;
- A commitment to consult prior to any disposal by any of the signatories of all or part of their interest (including unregistered holdings);
- A reciprocal preemptive right between the two groups of shareholders;
- In the event of a tender offer that either party wishes to accept, all the parties undertake to consult for the purpose of making decisions by mutual agreement in order to be able to carry out the proposed transaction without jeopardising the basis of this agreement with respect to maintaining control of ACTIA Group and the pursuit of its industrial strategy;
- In the event that for whatever reason ACTIA Group shares are no longer listed on a regulated market, and the “Pech and Calmels” shareholder group wishes to dispose of all or part of its ACTIA Group shares and such disposal is likely to cause it to lose control (40% of the voting rights) of ACTIA Group, it must offer the shareholders of the “Thrum” group the option of disposing of all their ACTIA Group shares at the same price and on the same payment terms as those obtained from the buyer.

As of 31 December 2023, this agreement covered a total of 11,255,623 shares (56.0% interest) and 22,449,702 voting rights (69.4% control).

4.10.4 COMMITMENTS TO RETAIN SHARES

With the exception of the above-cited shareholders’ agreement, there are to the best of our knowledge no lock-up arrangements on ACTIA Group S.A. shares.

4.10.5 SHARE OR ASSET PLEDGES

To the knowledge of the Company, no share of the Company is pledged as at 31 December 2023.

4.10.6 TREASURY SHARES

Information about this paragraph is presented in Note 3.7 “Treasury shares” of the notes to the separate annual financial statements.

4.10.7 TRADING IN COMPANY SHARES

To the knowledge of the Company, the Corporate Officers did not carry out any transactions on the Company’s shares during the 2023 financial year.

4.10.8 SHARE BUYBACK PROGRAMME UNDER WAY

In accordance with the provisions of Article L. 22-10-62 of the French Commercial Code and Article 241-2 of the General rule of the French financial markets authority, we hereby provide information about the share buyback programme under way within the company.

During the Ordinary General Meeting of 23 May 2023, the company shareholders authorised the Board of Directors to purchase or sell company shares for a period of 18 months, in the framework of a share buyback programme. The maximum purchase price was fixed at 8 euros per share, and the number of shares to be acquired was not allowed to exceed 2% of the number of shares comprising the total share capital.

The liquidity contract managed by Portzamparc changed as follows over the financial year:

- Maximum amount allocated to the programme: €3,215,984;
- Number of shares purchased during the financial year: 96,363;
- Number of shares sold during the financial year: 97,852;
- Average purchase price: €4.33;
- Average sales price: €4.41;
- Trading costs: €12,058;
- Number of shares registered in the Company’s name at the close of the financial year: 10,548;
- Value of the securities at the average purchase price: €45,679;
- Par value for each purpose: the totality of the share buyback programme was used to support the secondary market or the liquidity of the stock through a market maker (French PSI) under a liquidity agreement complying with the French Financial Markets Association (AMAFI) Code of Ethics as recognised by the AMF;
- Number of shares used: none;
- Any re-allocations: none;
- Portion of the share capital they represent: 0.05%.

4.10.9 AUTHORISATION TO IMPLEMENT A SHARE BUYBACK PROGRAMME

Under the seventh resolution, we propose that the Board of Directors be granted an authorisation, for a period of eighteen months, to buy back, either once or on several occasions as required, company shares, up to a maximum number of shares not exceeding 2% of the number of shares comprising the total share capital on the day of the General Meeting, adjusted if necessary to take account of any increase or reduction of share capital that may occur during the period throughout which the programme runs.

This authorisation would cancel the authorisation granted to the Board of Directors in the 7th resolution of the General Meeting held on 23 May 2023.

Acquisitions may be made in order to:

- Stimulate the secondary market or liquidity of ACTIA Group shares via an Investment Services Provider through a liquidity contract in conformity with the practice authorised by the regulations, it being understood that, in this framework, the number of shares taken into account for calculation of the aforementioned maximum amount corresponds to the number of shares purchased, less the number of shares resold;
- Maintain them or subsequently use them for payment or exchange as part of possible merger, spin-off, acquisition or external growth operations;
- Cover stock option plans and/or schemes offering free stock options (or similar) to Group employees and/or corporate officers including Economic interest groupings and affiliated companies, as well as any allocation of shares in the framework of a Company or Group Savings Plan (or similar), as part of a company profit-sharing scheme and/or any other scheme involving the allocation of shares to Group employees and/or corporate officers including Economic interest groupings and affiliated companies;
- Cover securities giving rise to the allocation of Company shares in the framework of the regulations in force.

These shares may be purchased by any means, including via block orders, whenever the Board of Directors considers said transaction to be appropriate. Unless the General Meeting grants prior authorisation, the Board of Directors will not be entitled to make use of this authorisation during a tender offer launched by a third party seeking to purchase Company shares, and this restriction will apply until the end of the offer period.

The Company does not intend to use stock option mechanisms or derivatives.

We propose that you set the maximum purchase price at 8 euros per share. In the case of an operation involving share capital, namely, division or grouping of shares or free allocation of stock options to shareholders, the amount stipulated above would be adjusted in the same proportions (multiplying coefficient equal to the ratio between the number of shares comprising the share capital before the operation and the number of shares after the operation). The maximum amount of the operation would thus be fixed at 3,215,984 euros.

The Board of Directors would be vested with all powers to take all actions required for said purpose.

4.10.10 GROUP SAVINGS PLAN (PEG) AND INTERNATIONAL GROUP SAVINGS PLAN (PEGI)

There is no PEG or PEGI.

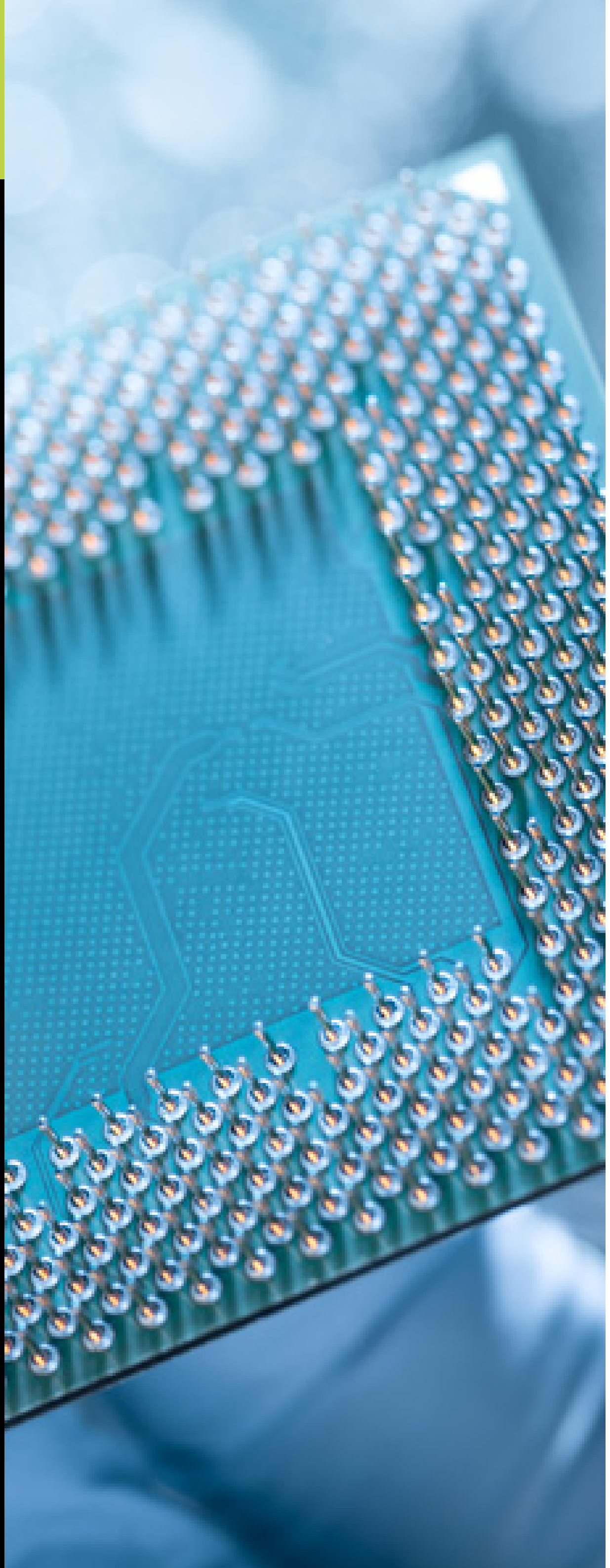
4.10.11 PERCENTAGE OF SHARE CAPITAL HELD AT THE END OF THE REPORTING PERIOD

As of the balance sheet date, there was no employee ownership in the share capital of ACTIA Group S.A. as per the terms of Article L225-102 of the French Commercial Code.

4.11 CONCLUSION

The Board of Directors asks all shareholders to vote in favour of the proposed resolutions.

The Board of Directors



5

RISK FACTORS

5.1 SUMMARY OF RISK FACTORS

ACTIA conducts reviews of the risks that could have a materially adverse effect on its business, its financial situation, its results and its ability to achieve its objectives, in accordance with the regulations in force.

The relevant material risk factors identified are described as of the date of publication of this Universal Registration Document. The Group does not consider that there exist material risks other than those presented in this paragraph.

The risk mapping undertaken by General Management and the Group Steering Committee for Risks resulted in the following matrix that positions each risk as a function of its probability and impact. The mapping includes the measures put in place within the Group to limit the likelihood of them occurring and their impact.

At the time of revising this report, the Group is no longer experiencing tensions in the supply of components. The year 2023 witnessed a continuous improvement leading to a return to a normal situation, although there might be a shortage from time to time. In any case, ACTIA considers that this is a structural risk for the future, as some suppliers have developed powerful and strategic positions at global level.

The Group has also increased the weight of legal, political and regulatory risks in light of the following developments:

- International tensions are raising fears of a lasting risk with respect to supply options and, to a lesser extent, the closure of international markets;
- We include in the regulatory risk the weight of possible regulations on decarbonisation, which would have a financial and structural impact on the business.

We will give details of major and high risks further on.

IMPACT				
			Operating risks: ▪ **Procurement:** ∘ **Market tensions and procurement lead times (lower productivity and/or production stoppages)** ∘ **End of production of a component**	
		Operating risk: ▪ Cyber attack	**Operating risks:** ▪ **Competitiveness:** ∘ The Group's footprint and the size of its competitors ∘ Uncertainty about the volumes ordered ∘ Technological relevance ∘ Rise in the cost of raw materials, procurement lead times and rise in transport and energy costs **Legal, political and regulatory risks:** ▪ **Political stability:** ∘ Upheavals, economic warfare, embargoes ∘ Decarbonisation regulations	**Financial risk:** ▪ Foreign exchange risk
		Operating risk: ▪ **Climate change**: ∘ supply chain stoppages/disruptions	**Operating risks:** ▪ **Talent management:** ∘ Recruitment difficulties and turnover	

PROBABILITY

Low risk	Medium risk	High risk	Major risk

5.2 DESCRIPTION OF SIGNIFICANT RISKS

5.2.1 OPERATING RISKS

5.2.1.1 Procurement

- Risk level: **Major risk**
- Description of the risk

Several risks may impact the Group's procurements:

- Market tensions and procurement lead times,
- End of production of a component.

Market tensions and supply delays are the result of the mismatch between supply and demand for electronic components. On the one hand, demand continues to grow, with electronics increasingly present in many sectors, both for consumers and businesses. On the other hand, capacity depends on the production capacity installed by the electronics industry. This capacity is growing in line with the trend, but the mismatch in growth rates between supply and demand leads to periods of friction. This leads to increased procurement lead times and/or delivery by quota.

This risk leads to significant tensions concerning numerous electronic components, some active and others passive, resulting in procurement delays and a situation whereby volume increases had to be refused and quotas applied to components.

Regarding the end of production of a component, when a manufacturer decides to stop producing a component, it will inform its customers and ask them to put in a last order covering all of their needs (Last Buy Order).

In reality, the average life of a component is six years. This is currently tending to diminish due to planned obsolescence, technological breakthroughs, etc. It is therefore essential to anticipate and plan.

- Consequences envisaged for the Group

This type of market tensions (longer lead times, pricing pressure, etc.) is not easy to manage.

Measures to anticipate and protect supplies are complex: diversification of procurement sources, increased orders and anticipation of requirements, modifications of products, etc.

In any case, they cause additional costs and increase inventory, including:

- Logistics, quality control and transport costs can be substantial in order to avoid delays in production and customer deliveries;
- An increase in concurrent operations with the production of smaller batches in order to better serve the customer, resulting in a loss of industrial efficiency inducing higher production costs;
- Teams who are required to manage the crisis situation in addition to their normal activities;
- Exceptional spikes in component prices that can very significantly increase at short notice;
- Temporary increases in inventory due to a missing item, thus stopping production and therefore the use of other items.

The repercussions in terms of increased operating costs (higher raw materials prices, delivery costs, etc.), loss of certain sales contracts due to an inability to produce the items ordered and, in the most serious cases, out-of-stocks of supplies that can even result in production stoppages and customer penalties, and therefore affect the Group's net income.

The end of production of a component penalises inventories with a need to plan for the quantity of components required for production or aftermarket, but only represents a minor risk over time, since needs must be anticipated as nearly as possible to ensure that there are no shortages or obsolete stocks.

- Management of the risk by the Group

Regarding market tensions, the organisation of purchasing around different manufacturers and distributors, and even recourse to brokers, enables the Group to limit shortages.

The Group set up a specific organisation to deal with the shortage of components between 2021 and 2023. Certain operating procedures have been permanently incorporated to strengthen the company's resilience. In the event of another shock, the organisation can be reinforced by a crisis unit.

The Group manages the end of production of a component through an internal team dedicated to "Perpetuation", which monitors regulatory changes affecting sensitive components (ITAR, EAR), other regulatory changes in France, Europe and the world, and any announcements of a planned end to production, the Group has the means of managing the issue, which can occasionally be sizeable.

This team is therefore able to plan for the consequences of the end of production of a component, even leading occasionally to the redesign of products to include newly available components.

5.2.1.2 Competitiveness:

- Risk level: **Major risk**
- Description of the risk

This risk includes several factors:

- The size of the Group - mid-market (ETI or Entreprise de Taille Intermédiaire) - compared to major accounts;
- Uncertainty about the volumes ordered by our customers;
- The Group's exposure to technology markets that are highly competitive, pitting us against international competitors;
- The rise in the price of raw materials, procurement lead times and rise in transport and energy costs.

Concerning the Group's footprint and the size of its competitors, the Group has made the choice of keeping its major resources in France, for both its engineering design services and its printed circuit board (Colomiers factory) and equipment (Chartres, Millau, Dinard and Puy-Sainte-Réparade sites) production capacity.

And yet it is well known that employment costs in France are among the highest in Europe and the world; levels of taxation in France are generally among the highest in the world, thus automatically affecting the competitiveness of French companies.

In addition to this factor, there was uncertainty about the volumes ordered by our customers: for its "OEM" business, ACTIA designs and manufactures products tailored to the needs of an application, which are not very compatible with another type of vehicle or device, and which are sometimes covered by an exclusivity agreement. In this case, ACTIA is dependent on an external factor, namely, the demand expressed by individual customers. In the longer term, the renewal of business flow depends on the decisions of customers who may decide to buy from ACTIA or from competitors, often as a part of calls for tender.

As regards technological relevance, it is often difficult to simply position ACTIA according to an academic approach based on a dominant products/markets analysis or differentiating technologies, given the great breadth of its areas of activity. A definition based solely on a typical mid-market positioning in the area of embedded systems in the mobility market would be insufficient, as it would be reductive and largely simplistic.

The Group has developed its families of products and its range of services by systematically seeking to enhance its technological know-how in readily accessible markets. This is why the Group frequently finds itself confronted by far more powerful competitors whose purchasing volumes give them access to lower costs.

The risk of an overall lack of economic competitiveness is therefore always present and has existed practically since the creation of ACTIA in 1986.

For example, thanks to its significantly superior technology, several years ago ACTIA was entrusted by two light vehicle automakers with the exclusive supply of telematic units, in contrast to its traditional positioning, which was far removed from the light vehicles segment. Consequently, the Group saw robust growth in its revenues with the volumes generated by these contracts, bringing with it a major increase in its production capacity (investments in a number of lines for long production runs of circuit boards) and more purchasing power. It was therefore not surprising to see, when it came to tenders for the next generation of these products, that ACTIA was outdone by major players with such purchasing power that the Group did not win the tender for financial reasons, despite a technologically competitive offer.

Lastly, for its production needs, ACTIA makes a range of purchases. Many suppliers, especially the vast majority of production component suppliers, are multi-national companies with more bargaining power than ACTIA. It is also worth noting that the price of many supplies is also affected indirectly by elements that are outside of ACTIA's control, such as energy prices and the price of raw materials, etc.

In addition to the quantitative aspects related to procurement (which are discussed in section 5.2.1.1 "Procurement" above), there is an emerging qualitative risk linked to ACTIA's loss of relative competitiveness, if the Group ends up being comparatively more affected than its international competitors.

◎ Consequences envisaged for the Group

The consequences of the company's footprint and the size of its competitors can be a relatively rapid drop in sales and overcapacity with lower depreciation of structural and fixed costs resulting in considerably lower profitability, even if the margins on these high-volume contracts are generally low. Furthermore, the costs generated by the location of about a third of the Group's teams in France also reduces the competitiveness of the offers.

As regards the uncertainties about the volumes ordered by our customers, the consequences are loss of revenue, loss of margins and non-amortisation of research expenses.

For technological relevance, the consequences are loss of competitiveness, and therefore ultimately loss of revenue and margin.

With regard to the increase in raw material prices and transport and energy costs, the consequences are a loss of revenue in the medium term, due to the loss of competitiveness during calls for tender.

◎ Management of the risk by the Group

To counterbalance the strategic choice of being located in France, ACTIA has developed its international organisation in order to have production capacity and engineering services in areas more competitive than France.

In addition, the Group has always addressed the risk arising from its size by focusing on a variety of niche markets, admittedly smaller but less exposed.

ACTIA protects itself from the uncertainties about the volumes ordered by our customers through multi-year contracts, operational planning in close collaboration with its customers, diversification of its portfolio of products and contracts, through efforts to have the customer cover the research and design costs, insofar as this can be negotiated, and through a range of its own products marketed directly by the company.

With regard to the technological relevance of the Group, ACTIA has always shown great responsiveness, being able to take into account the often specific requirements of its customers. The significant financial resources devoted every year to innovation (roughly 15% of consolidated revenue) helps to maintain a high-level technological positioning acknowledged by its customers. The deliberate strategic choice of having its own means of production gives the Group great responsiveness and flexibility in view of the changing needs of its customers.

Lastly, the proportion of the international business (nearly 60% of sales) and a presence in the various major, global economic hubs contributes to strengthening the long-term position and development of the Group, faced with much more powerful competitors.

From an operational standpoint, the risk of rising prices is managed on a case-by-case basis whenever possible, using a combination of the following tools:

- Negotiation of contracts covering the required supplies;
- Reservation of capacities, such as transport capacities;
- Grouping together suppliers, to boost bargaining power.

From a strategic standpoint, the following policies help reduce this risk:

- Choice of relevant niche markets, as explained above;
- Strategic dialogue with key component manufacturers, to anticipate any trends which may lead to shortages or the complexity of a given alternative.

5.2.1.3 Talent management

◎ Risk level: **High risk**

◎ Description of the risk

ACTIA is facing recruitment difficulties, mainly in France, the United States and Tunisia, especially because it requires skills that are in high demand on the job market, but also in all the international subsidiaries located in countries enjoying growth and therefore full employment, which may lead to high turnover.

A point of vigilance for the Group concerns skills management. The issue is to be able to take a global approach without having the organisational and financial resources of a big group.

- Consequences envisaged for the Group

The recruitment of employees can prove to be complicated in countries where there is full employment and high turnover, as in the United States and China, or where there are skills shortages such as in Europe for the field of digitisation, whereas the Group is often on the lookout for just these skills. Lastly, in Tunisia, our engineers are sometimes coveted by large groups which can go so far as to offer to let them stay in Tunisia for their work while receiving an American salary.

In addition to the induction and training costs covered by the Group, the situation can lead to problems in terms of sharing key know-how and impact the Group's business and, therefore, its results, in a more or less permanent way.

- Management of the risk by the Group

The Group has gradually implemented skills management at a worldwide level, providing mobility within the Group while maintaining a reasonable compensation policy. ACTIA is addressing the issue of turnover thanks to the ACTIA Academy training tool, which is devoted to career management. In 2023, this tool was adapted to meet in-plant training needs, with a dedicated area at the Colomiers site (France). Originally implemented in Tunisia within the Design Office, the tool will be gradually rolled out across the Group to help retain employees. At the same time, the ACTIA Cross Border Engineering programme, with the construction of an extended Design office approach, is a positive driver of skills management and will boost the Group's attractiveness.

In-depth work is also being done on the employer brand to enrich our approach to promoting ACTIA's family company values and sharing them better.

5.2.1.4 Cyber attack

- Risk level: **High risk**
- Description of the risk

The risks covered in this section concern everyday attacks, the hacking of information systems and the slowing down or even stopping of the business with repercussions for deliverables. Other risks include the possible failure of computer systems, or even telecommunications, at a time when these tools, which are used every day, are of vital importance for the management and organisation of the Group.

- Consequences envisaged for the Group

This type of risk is without doubt the one that has become the most acute over the past few years. The financial consequences of the systems shutting down could be highly significant.

The risk could the affect the Group's business, its financial and operational results and harm its image.

- Management of the risk by the Group

For many years, ACTIA has been reinforcing the human resources allocated to preventing this risk and has taken numerous precautions in organising its IT architecture and infrastructure.

This organisation takes into account the activities of the different Group companies, their maturity and their level of integration. There is not, for example, a unified network that might represent a risk of the rapid spread of a cyber attack. The protective measures taken are regularly updated to state-of-the-art level. Vulnerability tests are conducted frequently.

A special effort is made to raise employee awareness. There is regular communication with all employees from recruitment onwards and, more specifically, in the form of feedback when incidents occur.

In the event of an incident, there are various mechanisms to replicate, back up and ensure business recovery and these have been shown to be effective. ACTIA Automotive, ACTIA Telematics Services, ACTIA Systems and ACTIA Engineering Services have ISO 27001 certification, while ACTIA IME has obtained Tisax certification in the same field. This represents half of the Group's workforce and more than two-thirds of the engineers working in the DESIGN OFFICES.

Furthermore, due to the very nature of certain Group products and services that may be vectors for the spread of a virus, the Group decided to take out an insurance for professional liability for the cyber risk involved in its products and services.

5.2.1.5 Climate change, supply chain stoppages/ disruptions

- Risk level: **Medium risk**
- Description of the risk

Climate change is likely to cause indirect disruptions to a company's business. For ACTIA, this can be seen in the following areas in particular:

- Water shortages at the company's sites: electronics manufacturing is a water-intensive process. In addition, all the sites are dependent on domestic water supplies;
- Loss of navigability of certain waterways: certain industrial regions, such as the Rhine Valley or the Yangtze Valley, rely on rivers as a means of supply and delivery. This is not the case at ACTIA sites, but the company is exposed to this risk through its value chain;
- Extreme heat: episodes of extreme heat could periodically make work impossible;
- Disruption to suppliers and customers: the above risks are not limited to ACTIA's own business, but also affect the sites of its suppliers and customers.

- Consequences envisaged for the Group

The potential consequences of these phenomena are as follows:

- ACTIA unable to produce during periods of stress;
- Loss of supply when suppliers are affected;
- Impossible to deliver to customers in exposed areas during periods of stress.

In all cases, this leads to:

- Loss of revenue and margins due to lost business;
- Additional costs to ensure supplies and deliveries.

- Management of the risk by the Group
  - Water shortages at the company's sites: as part of its environmental policy, the company is taking action to control its water consumption, either through behavioural changes or by modifying its processes to make them more economical;
  - Extreme heat: most of the company's work areas are air-conditioned, which limits the risk of fatigue;
  - Disruption to suppliers and customers: ongoing diversification of supply sources helps to mitigate the risk.

In conclusion, it should be noted that this is an emerging risk category and that ACTIA has only partial levers of action. The company is paying close attention to this issue, though the risk may initially arise occasionally, it could eventually become structural.

5.2.2 FINANCIAL RISKS

5.2.2.1 Foreign exchange risk

- Risk level: **Major risk**
- Description of the risk

The Group's international footprint and invoicing expose it to exchange rate risks related to fluctuations in foreign currencies, for both actual transactions and the conversion of its assets and results.

- Consequences envisaged for the Group

With purchases of over €318 million, including almost €98 million in US Dollars (excluding purchases made by our American entities that benefit from natural coverage), a change in the EUR/USD exchange rate has a very rapid effect on the Group's profitability.

◎ Management of the risk by the Group

For transactions denominated in foreign currencies, for example, purchases or sales by Eurozone entities denominated in US Dollars (USD) or Japanese Yen (JPY), the companies involved manage their exchange rate risks independently, putting in place currency hedging tools when the volumes involved allow for it.

ACTIA subscribes to currency hedging contracts on a regular basis. Their characteristics are described in Note 11.2 "Financial instruments at fair value through profit or loss" in the notes to the consolidated financial statements. The purpose of these hedging tools is to secure the cost of acquiring USD in relationship to the selling price to our customers. These prices are set at the time of the tenders and our customers do not allow them to change as a result of fluctuations in the EUR/USD exchange rate or the components market. The goal is not to speculate on the markets, but to ensure a reasonable level of parity for the coming weeks and months.

A significant or quick shift in the EUR/USD rate has very different outcomes based on short-term and medium-term approaches adopted by the Group:

- In the short term, it represents a major risk for our component purchases, about half of which are made in US Dollars and which are primarily manufactured in a dollar-dominated region. The hedging instruments limit the impact of changes in the ratio and protect purchases when there is a significant drop. However, they do not enable the benefit of increases to be felt immediately as they must wait for the implementation of new tools when the existing tools run out. It is also noted that, despite very significant variations, the Group has been able to work at a virtually constant exchange rate for a number of years. However, actions are being carried out to identify the adjustments required for pricing for both suppliers and customers. Even if the tensions in the component market can lead to forced price increases, it is unlikely that price revision clauses linked to currency fluctuations could be included in the new contracts, apart from very specific sectors such as Aeronautics.
- In the medium term, changes in exchange rates may impact the Group's competitiveness in international calls for tender, but with a time lag of 18 months to 3 years in the business, reflecting the development (R&D) and industrialisation cycle.

In 2023, the Group was thus able to purchase USD at an average exchange rate of 1.065 compared to 1.078 in 2022, generating a shortfall of €1,425,000 (estimate calculated on average annual rates) compared with the money markets, the average exchange rate was 1.081, compared to 1.054 in 2022. Drawing on its experience of 2022, when the euro collapsed, the Group has developed its dollar hedging strategy by asking a number of major customer accounts to make part of their payments in USD, in order to structure a natural hedge while taking account of the fact that costs are primarily generated in euros. This action bore fruit in 2023, limiting dollar purchases to $98 million compared with $120 million in 2022, even though business grew by 15.9%. Thus, the Group has naturally hedged part of its currency requirements and limited the impact of the euro's weakness against the US dollar.

The Company has conducted an analysis of its exchange rate risk after hedging for accounts receivable and payable. The majority of transactions are therefore conducted in Euros. An analysis of the sensitivity of a 1% variance in the US Dollar exchange rate is carried out systematically. It is the second most widely used currency by the Group, with the nine other currencies presenting no material risk, even if certain currencies tend to fluctuate considerably, such as the Brazilian Real.

Assets and liabilities outside of the Eurozone account for a small share of the Group (13.5%), and are generally only linked to the business activity. Moveable assets and real estate are depreciating or are already entirely depreciated. An analysis of the long-term investments compared to the currency risk was carried out, but the real estate opportunity (Tunisia, USA, Sweden) they represent compared to the cost of leasing properties for electronics printed circuit board production and its specific requirements weighs considerably on the exchange rate risk. Heavy equipment required for production is depreciated rapidly and the homogeneity of the equipment on our sites enables the recovery and use of the assets on any of the sites if necessary.

Finally, given that we did not choose to value the real estate assets, the net asset value is significantly below the market value and would cover the exchange rate differential if we needed to sell equipment.

The exchange rate risk for subsidiaries outside of the Eurozone is primarily limited to the contribution to the Group's results. The Group invoices in Euros all inter-company flows in countries with the highest currency risks and limits customer payment terms in countries with weakening currencies.

5.2.3 LEGAL, POLITICAL AND REGULATORY RISKS

5.2.3.1 Political stability

- Risk level: **Major risk**
- Description of the risk

Some Group operations, such as in Mexico, Tunisia and Brazil, are located in countries where political and economic upheaval cannot be discounted. Apart from these sites, international tensions, such as the structural rivalry between the USA and China, can also impact ACTIA's activities and therefore its results. In addition, Russia's invasion of Ukraine gave rise to embargo situations, the Group having taken the decision from day one to stop all its deliveries to Russia. These strong tensions can lead to shortages of certain components and raw materials.

- Consequences envisaged for the Group

Persistent political unrest could result in lost sales and difficulties for our employees getting to work, or even the destruction of certain assets, thus directly affecting the Group's margins and end results. Other political decisions can result in increased costs, such as customs duties and, therefore, an erosion of the Group's margins.

- Management of the risk by the Group

The best way to mitigate the risk lies in the Group's diversification strategy, in terms of both the geographic footprint and its target markets.

5.2.3.2 Decarbonisation regulations

- Risk level: **Major risk**
- Description of the risk

One of the ways in which all governments can curb climate change is by enforcing decarbonisation measures on businesses. Some of these measures, such as limiting authorised emissions or taxing emissions, can have a significant economic impact.

ACTIA's business is not currently subject to the European Union's emissions trading system. However, ACTIA is keeping a close eye on regulatory developments.

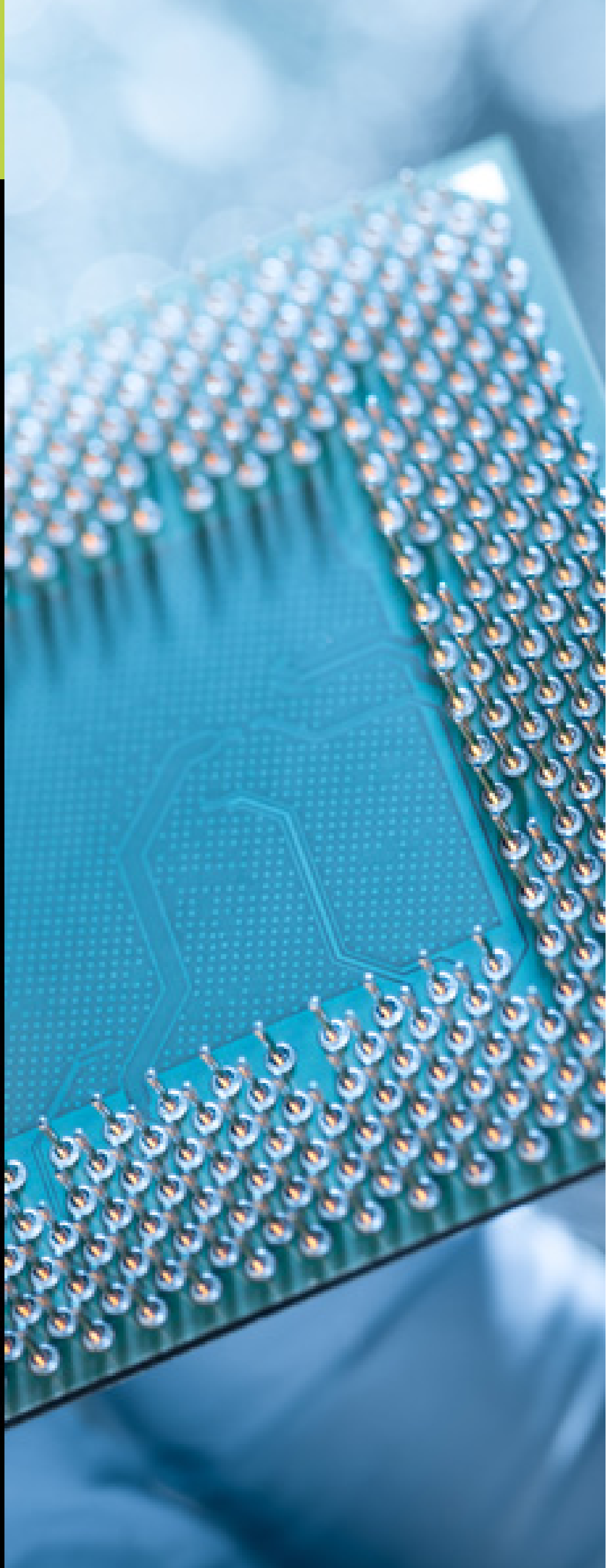
- Consequences envisaged for the Group

Measures to limit or tax emissions could have the following effects.

- increase in the operating costs of the company;
- increase in the cost of raw materials and energy;
- loss of competitiveness for the company as a result of these costs.

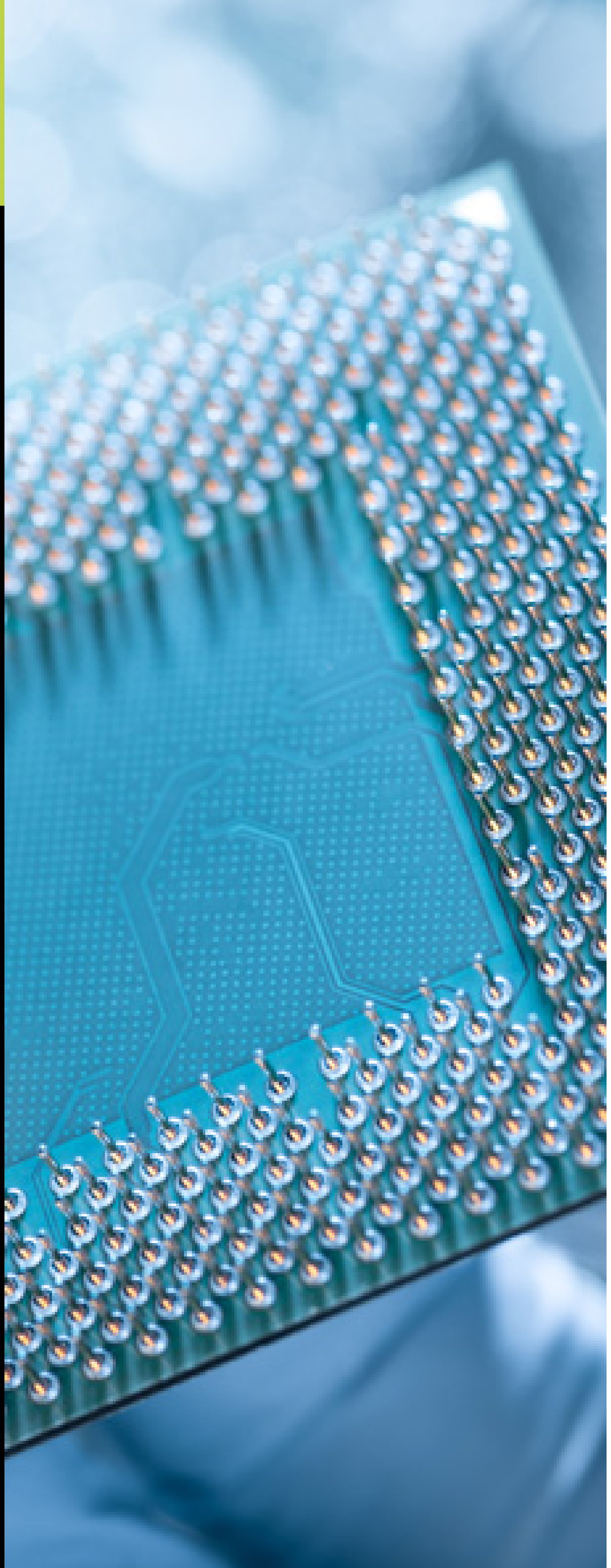
- Management of the risk by the Group

ACTIA maintains a regulatory watch on the subject. In addition, this area correlates to the fundamental actions for sustainable development, namely, the development of eco-design as well as the inventory and control of energy consumption.



6

SUSTAINABLE DEVELOPMENT



6

In line with a sustainable development approach and the desire to make a positive contribution to the world, ACTIA was once again recognised and awarded in 2023 by the GAÏA Index, the benchmark Sustainable Development Index for mid-caps, with a score of 65/100.

The ECOVADIS 2023 assessment awarded us the silver medal with a score of 62/100.

6.1 THE ACTIA BUSINESS MODEL

6.1.1 OUR IDENTITY

As a family-owned mid-cap, the co-founders and their families directly or indirectly hold more than 50.2% of the Group's share capital and 62.1% of the voting rights, which ensures the long-term nature of the Company and a consistency of approach, in terms of both company culture and strategy.

6.1.2 OUR PILLARS

ACTIA's strategic positioning reflects a very precise mission:

To meet the technological and industrial challenges of innovative, value-creating and sustainable electronics for each of our customers:

ELECTRONICS MOVING FORWARD

It corresponds to a strategic vision:

- To be the leader or benchmark player internationally in the desired Strategic Business Areas (SBAs) and improve the awareness of a strong brand;
- To expand across the value chain to maintain our margins and reinforce the consistency and competitiveness of our offers;
- To be opportunistic and smart in a changing world;
- To remain independent in our strategic choices.

Based on three pillars:

- **Innovation**: ACTIA is a technology company with the resources and methods to create complex products and projects;
- **Operational agility**: as a mid-market company, ACTIA stands out for its service-mindedness and its ability to reduce complexity to create value for its customers;
- A **people-centred company**: respect for people and professional ethics take precedence over all other considerations.

Thanks to its values and innovation abilities, ACTIA has established itself despite very strong competition from international groups.

Developing a committed and sustainable business model, ACTIA implements a CSR approach co-built by all stakeholders through:

- Responsible governance:
  - Family governance with long-term objectives,
  - Ethical governance and regulatory compliance: Code of Ethics, Anti-corruption Code, whistleblowing system, compliance with the labour law, human rights, responsible purchasing policy, etc.;
  - Governance that guarantees the business plan, its legibility for stakeholders and its sustainability.
- A social model:
  - A Group on a human scale that respects its teams, their safety, their health and their development,
  - A Group invested locally for a positive societal impact in its areas of operation,
  - Commitments in action: training to develop skills, talents and autonomy; inclusion to welcome differences and promote diversity; quality of life at work to co-build a collective and individual enriching experience; development of partnerships for a positive local impact.
- An environmental model:
  - A contribution to our customers' carbon footprint reduction objectives,
  - Design and manufacture of solutions for eco-responsible mobility,
  - A commitment: All of our industrial sites are ISO 14001-certified.

6.1.3 OUR BUSINESS MODEL

The ACTIA business model is based on the goal of making a positive contribution to the world, externally in the fields of mobility, virtuous agriculture, energy and telecommunications, and internally through the development of the wealth of talent that comprises it, based on its expertise in its two main areas of focus: design and production.

To retain and develop its human and industrial capital, ACTIA's strategy revolves around two pillars that form the drivers of its growth:

- Clearly identified positioning and key success factors:
  - Entrepreneurial spirit and a sense of responsibility that drive the Group and underpin its culture;
  - The pursuit of operational excellence in terms of both manufacturing facilities and the design process, which is evidenced by very large numbers of certifications in France and internationally;
  - The ability to adapt and act faced with rapidly changing markets and technologies;
  - Risk management which is expressed, in particular, by addressing very diverse market segments using the same technology with different lifecycles.
- A growth strategy based on:
  - Niches in which ACTIA is either acknowledged as a market leader or has the means to become one;
  - Rising in the value chain to gradually deploy a more comprehensive range of systems and complete solutions;
  - A high capacity for innovation and Research & Development.

ACTIA is mobilising its strengths in a highly competitive and constantly changing environment.

Our entrepreneurial culture encourages us to innovate. Our mid-sized organisation ensures our agility, innovation and people-centred mindset.

From products to systems and systems to networks, ACTIA's strategy is to expand across the value chain by offering its customers an increasingly comprehensive range of fully developed solutions based on clearly identified niche markets in which ACTIA then builds a leadership position.

PEOPLE AT THE CORE OF INNOVATION

Our ambition is to make a **positive contribution** to the world, both externally in the fields of mobility, aerospace, energy and telecommunications, and internally through the development of our human resources, based on our two main areas of expertise: **the design and manufacture of electronic systems.**

STRONG PILLARS

INNOVATION
ACTIA is a technology company with the resources and methods to produce complex products and projects.

FOCUSED ON PEOPLE
Respecting people and professional ethics.

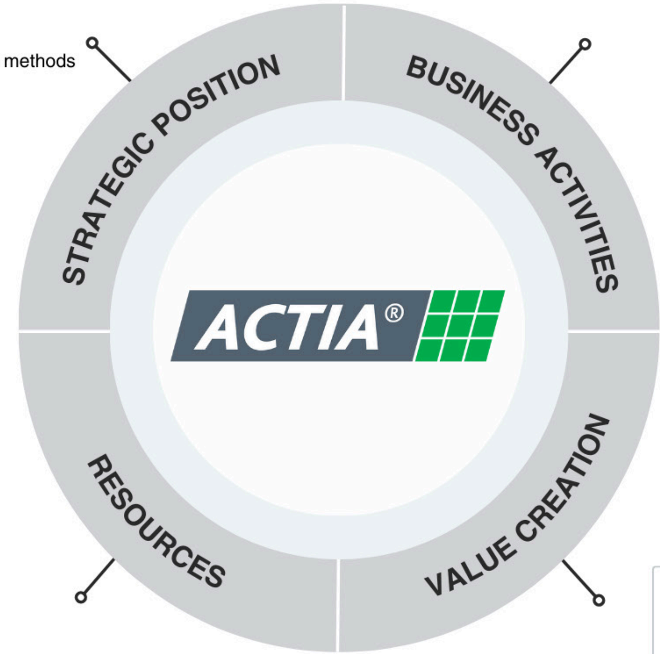
OPERATIONAL AGILITY
ACTIA stands out for its spirit of service and its ability to reduce complexity to create value for its customers.

4,092 employees
90% permanent contracts
33% women
28% under 30
48% managers

30 sites in **17** countries

A **family** shareholding (50,1%)

84.7 M€ R&D expenses



2 divisions

AUTOMOTIVE

Design and manufacture of electronic systems for mobility: commercial and industrial vehicles, light vehicles, micro-mobility, railways, aeronautics and space.

TELECOM

Expertise in the design and development of innovative solutions, for its mastery in systems, transmission and safety aspects aimed at the energy, rail and satcom markets.

PEOPLE
986 new recruits
2.0 accident frequency rate
16 hours of training per employee

ENVIRONMENT
74% of recycled waste
100% of production sites ISO 14001
Ecovadis Silver Label 2023

FINANCE
579.3 M€ of turnover
397.0 M€ of purchases
161.2 M€ in payroll
2.7 M€ dividend

6.2 SCOPE OF CONSOLIDATION

CSR disclosures on social, societal and environmental data are based on the financial consolidation reporting scope as stated in Note 3.2 “Consolidated companies” in the notes to the consolidated financial statements.

- The reporting scope is systematically updated to reflect changes in the Group structure.

Reminder: ACTIA Japan is not included in the 2023 scope, as the subsidiary has only one employee.

The data covers all of the Group’s subsidiaries, with the exception of those that have no activities requiring resources and have no (or very few) employees of their own, as shown in the following table:

Name	Country	Business lines	Comments
SCI Los Olivos	Spain	Real estate	No headcount
KARFA	Mexico	Administration of holdings	No headcount
ACTIA India	India	Electronics research & manufacturing	Changes in the scope of consolidation
SCI Sodimob	France	Real estate	No headcount
SCI de l’Oratoire	France	Real estate	No headcount
ACTIA Japan	Japan	Electronics research & manufacturing	Non-significant headcount
SCI Les Coteaux de Pouvourville	France	Real estate	No headcount

It should be noted that these companies may benefit from resources shared with other Group companies, and that the data in question is included in the figures for the latter.

ACTIA Telecom transferred its activities dedicated to the energy and rail sectors to two new companies, ACTIA Energy and ACTIA Railway, respectively. Retaining its SatCom activities, it changed its corporate name to ACTIA Aerospace.

In the interest of clarity, the information in the report is aggregated by segment:

- Automotive France;
- Automotive Europe (excl. France);
- Automotive Tunisia;
- Automotive rest of the world;
- Total Automotive;
- Telecom (France): for data comparability purposes, the presentation of the division remains consistent with previous years;
- Total France;
- Total Group.

The tables have been produced according to the following methodology:

	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Telecoms	ACTIA Group S.A.
Total Automotive	X	X	X	X		
Total France	X				X	X
Total Group	X	X	X	X	X	X

Note that in all of the tables and charts:

- The "Europe" information does not include France, as the information is detailed apart;
- The figures in the following tables and charts are derived from data in the management control system.

6.3 MAIN RISKS AND CHALLENGES

ACTIA is a responsible family-owned company with a long-term vision. Concerned and attentive, ACTIA is witnessing the changes happening around it. These developments include the ongoing climate change as well as transformations in society, in consumers and in our customers. These changes entail risks which are reviewed each year in the light of the current situation.

Therefore, risk mapping is updated jointly by the Group's General Management, the CSR Department and the Risk Management Committee in order to take stock of the major risks for the Group. No major societal risk was reported for this reporting period.

To date, this mapping has highlighted the following **risks** for the Group:

- **Risk of high staff turnover:**

Talent recruitment and retention is still a very pressing concern for ACTIA. In countries with a flexible job market such as China and the United States, some employees, once trained, do not show a great deal of loyalty to the Company and move on to the best offer. On a smaller scale, this trend is also present in Europe in certain professions, such as software engineering, where demand for these skills has increased significantly due to digitisation. The same holds true in Tunisia where major international groups have headhunted and hired employees of our design office. In addition to the induction and training costs covered by the Group, the situation can lead to problems in terms of sharing key know-how and impact the Group's business and, therefore, its results, in a more or less permanent way.

- **Risk due** to increasing and substantial CSR **regulations**:

Over the last three years, CSR-related regulations have continued to grow. Many of them are linked to the Paris Agreement and the challenges of decarbonisation. The European Green Deal has issued dozens of binding directives in a number of areas, particularly in industry. Most of the Group's customers are also subject to these directives and pass on the ensuing CSR requirements to their suppliers.

- **Climate change and adaptation constraints**.

The risk here is the disruption of supply chains that are potentially more affected by climate change.

Climate change also requires adaptation and mitigation measures, such as monitoring and preventive action in terms of energy consumption.

Based on this risk analysis, the ACTIA Group has identified **3 major challenges.**

Employer Brand.

The Employer Brand is a key priority on which the Group has already begun to work and which will be developed further in 2024. The Group, which is people-centred, is keen to improve the employee experience, particularly in the following areas:

- **Health** and **safety**, in particular by monitoring accidents in the Group and the implementation of the necessary prevention plans;
- The **fight against absenteeism**, with monitoring of the associated indicators and policies;
- **Skills management**, via training monitoring and employee career management tools. In countries where there is full employment or where there are skills shortages, for example software engineers, the recruiting of employees can be difficult, all the more so because the Group is often on the lookout for skills that are in high demand;
- **Quality of life at work**, with initiatives taken by several subsidiaries to improve working conditions and work/life balance.

Decarbonisation.

This issue is multi-faceted, because it is important to meet European directives and customer requirements; but it is also a priority for the Group itself, as ACTIA is keen to be part of the carbon-neutral trajectory set out in the Paris Agreement.

In 2022, ACTIA also initiated its carbon footprint calculation process (Scope 3) through a very precise calculation of the carbon equivalent of an electronic board, a product that is emblematic of the Group's production. This study was shared in 2023 with some customers who showed a great interest in our work. This first step should enable the Group to calculate its total footprint in 2024, in order to set decarbonisation targets in line with the Paris Agreement and develop action plans for the coming years.

Eco-design.

This is a major issue both for decarbonisation and for the various impacts throughout the life cycle. The analysis carried out in 2022 on one of the Group's products demonstrated the importance of striving to consume and produce as best as possible to minimise impacts at every stage of the cycle, from raw materials to the end of the product's life. With its capacity for innovation and its desire to produce for a more sustainable world, ACTIA embarked on this approach as early as 2023.

These challenges are also reflected in the **Sustainable Development Goals** adopted by the Group's internal stakeholders:

The Group has also identified the issues impacting its value chain:

as well as the SDG

essential for the sustainability objectives cherished by the Group.

6.4 OUR SOCIAL RESPONSIBILITY APPROACH

6.4.1 OUR EMPLOYEES

6.4.1.1 Respect for Human rights

All entities within the Group actively promote the application of and compliance with the core conventions of the **International Labour Organisation**, namely respecting the right of freedom of association and collective bargaining, eliminating discrimination in employment and professional life, abolishing forced labour and the effective abolition of child labour.

Within this framework, CIPI ACTIA, the Tunisian subsidiary, has been a partner of the United Nations Global Compact since 2006. The purpose of the Global Compact is to encourage companies around the world to adopt a socially responsible attitude by committing to taking on board and promoting a number of principles regarding human rights, international labour standards and the fight against corruption. Signing the Global Compact is a deliberate act by the Company. In fact, the member companies commit to making progress every year in each of the four areas covered by the Global Compact and must submit an annual report called Communication on Progress (COP) explaining the progress they have made.

Finally, the entities using the services of subcontractors declare that the latter take care to comply with the core conventions of the International Labour Organisation.

6.4.1.2 Headcount

Given that ACTIA operates in a global environment which is constantly changing, its on-going growth depends on its ability to attract and retain the best talent, in particular to meet the new technology challenges arising within the Group's business lines.

In addition, special emphasis is now being put on structuring the induction and training process for new employees. Support tools for the employees have been implemented in several Group subsidiaries with, in particular, a new employee induction programme and actions to address quality of life at work, the fight against all forms of discrimination and the promotion of gender equality.

The headcount, which has been rising constantly in keeping with the Group's, with the exception of a slight drop due to the pandemic in 2020, rose by 9.7% in 2023.

Therefore, the evolution of the situation over the last three years is as follows:

- 2021: 3,685 people, i.e. +0.9%;
- 2022: 3,729 people, i.e. +1.2%;
- 2023: 4,092 people, i.e. +9.7%.

The breakdown of staff at year-end for the last three financial years is presented below:

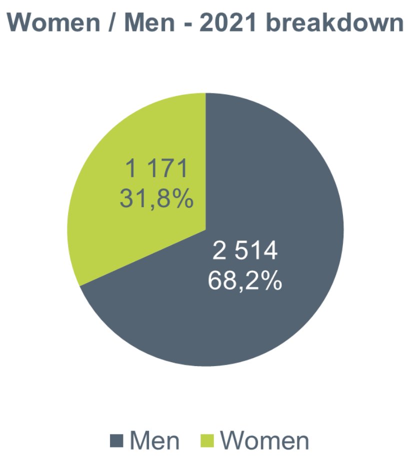
Breakdown of staff at year-end	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Total Automotive	Telecoms	Total France	Total Group
2021	865	633	1,430	419	3,347	330	1,203	3,685
2022	709	577	1681	384	3351	367	1087	3729
2023	**766**	**633**	**1,853**	**421**	**3,673**	**404**	**1,185**	**4,092**
% change	+8.0%	+9.7%	+10.2%	+9.6%	+9.6%	+10.1%	+9.0%	+9.7%

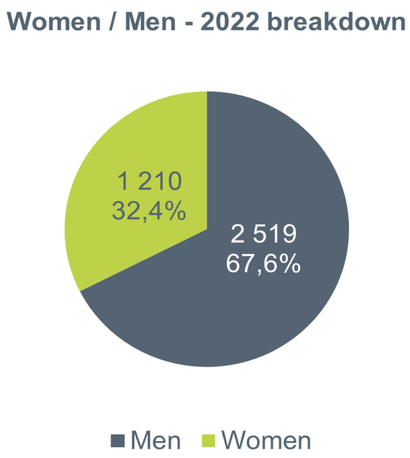
These numbers include open-ended employment contracts (CDI: contract with no fixed term that can only be terminated by dismissal, resignation, retirement, an amicable departure or any other voluntary departure by the employee), the fixed-term employment contracts (CDD: contract entered into for a pre-determined period), and apprenticeship contracts and work-study contracts that are included in fixed-term contracts.

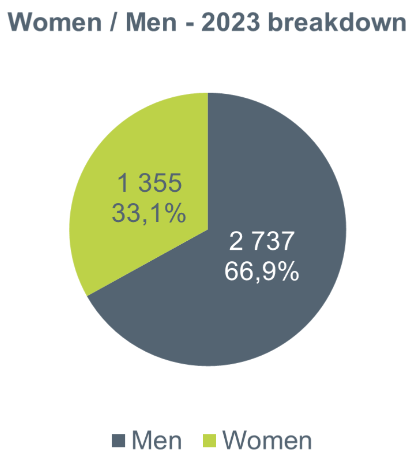
Tunisia confirmed its strong growth with +10.2% workforce in 2023, in particular in the Design office.

6.4.1.2.1 GENDER BREAKDOWN

In 2023, the gender breakdown showed an average of 33.1% women, slightly up from the previous year. The low percentage of women employees at ACTIA is due to the difficulty of finding candidates who have the technical skills required by the Group. At the Tunisian production site, for example, the decrease in the number of women is due to the retirement of the more largely female staff in manual integration jobs. These jobs have been replaced by technical jobs to support the technological development of the processes, where it is difficult to find female candidates.

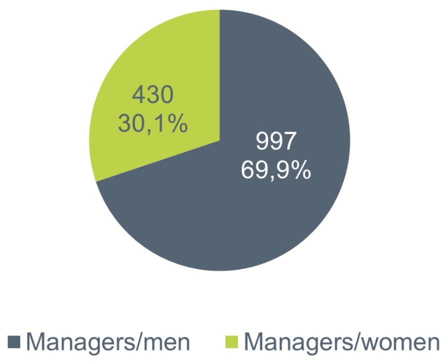




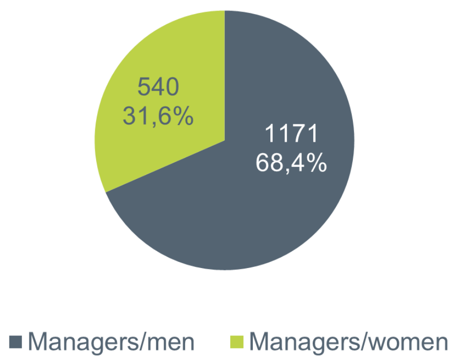


The graphs below present the breakdown of management and non-management staff by gender.

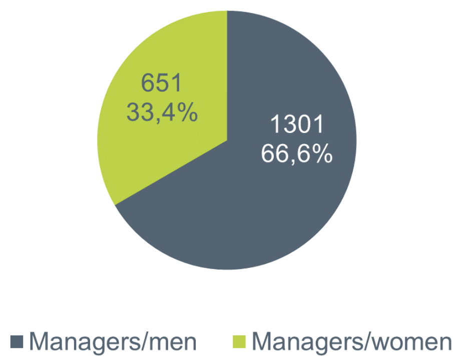
2021 Management staff breakdown



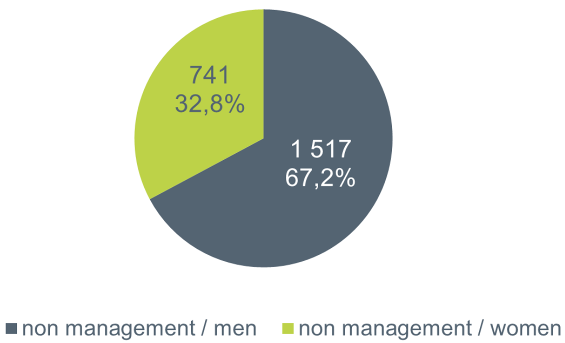
2022 Management staff breakdown



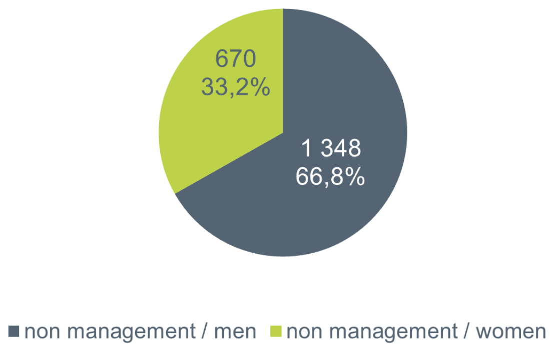
2023 Management staff breakdown



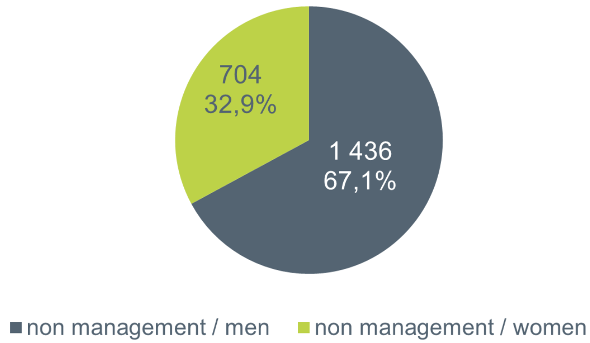
Breakdown by gender: non-management staff in 2021



Breakdown by gender: non-management staff in 2022



Breakdown by gender: non-management staff in 2023

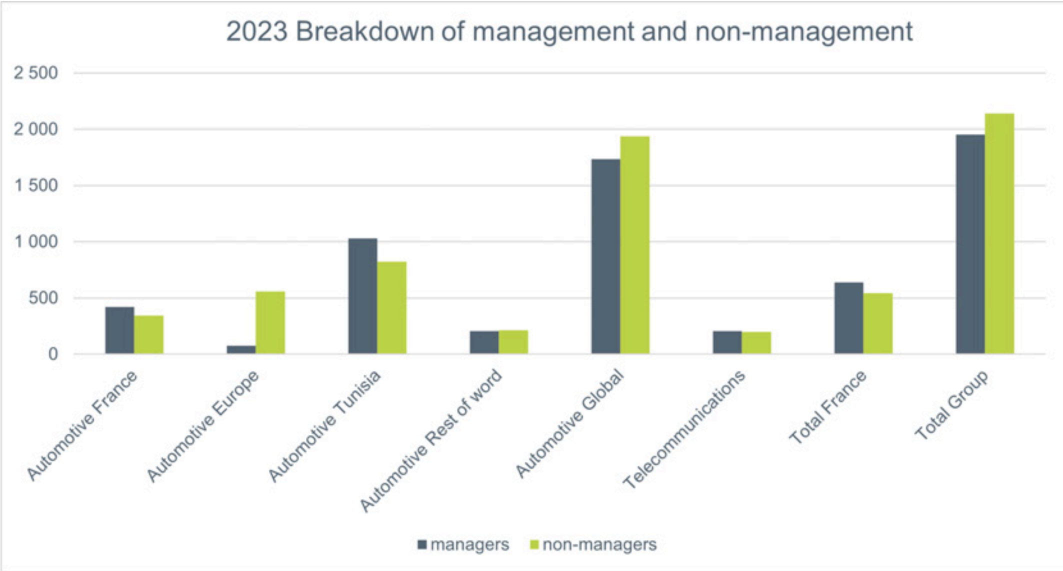


Last year, the percentage of women in management positions became higher than that of women in non-management positions, confirming the pre-Covid trend. The representativeness of women in management positions increased, with 33.1% of the overall management headcount at the end of 2023, compared to 31.6% at the end of 2022.

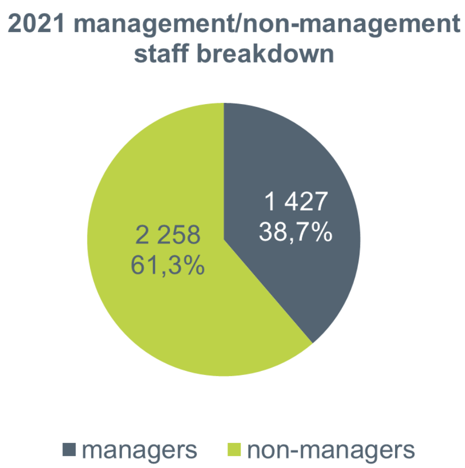
Given the persistent lack of women candidates for these types of positions, the Group finds it difficult to hire women managers.

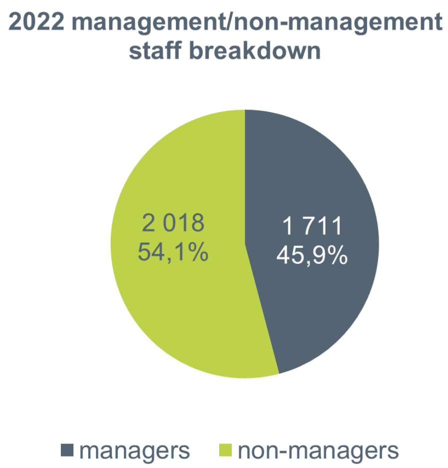
Within the governance bodies, women accounted for 33.0% of Board members, all subsidiaries included, and for 50.0% in France. They accounted for 23.1% (down by 2 points) of the members of Group management committees and 20.0% (down by 11 points) in France. In terms of representativeness, women are still better represented on the Boards of Directors in France. However, their representativeness has declined on Management Committees in France.

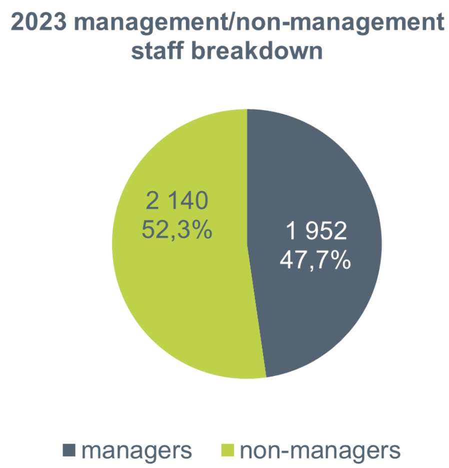
6.4.1.2.2 BREAKDOWN OF MANAGEMENT AND NON-MANAGEMENT STAFF



Change in workforce over 3 years is as follows:



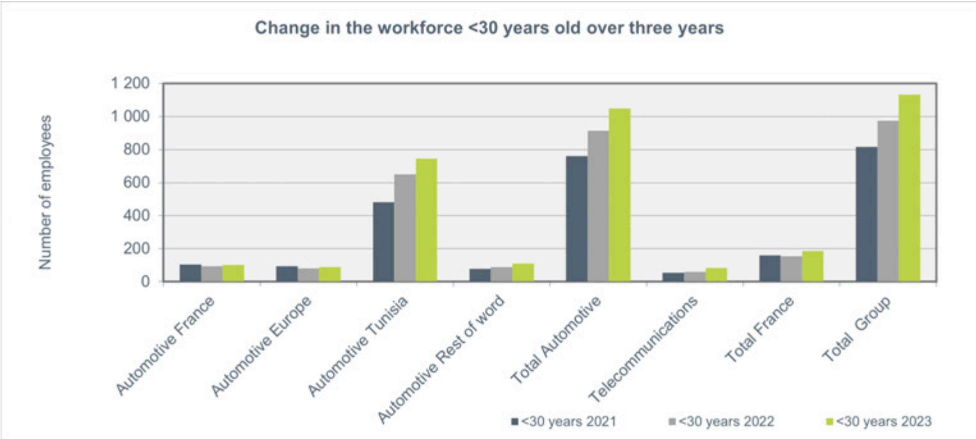


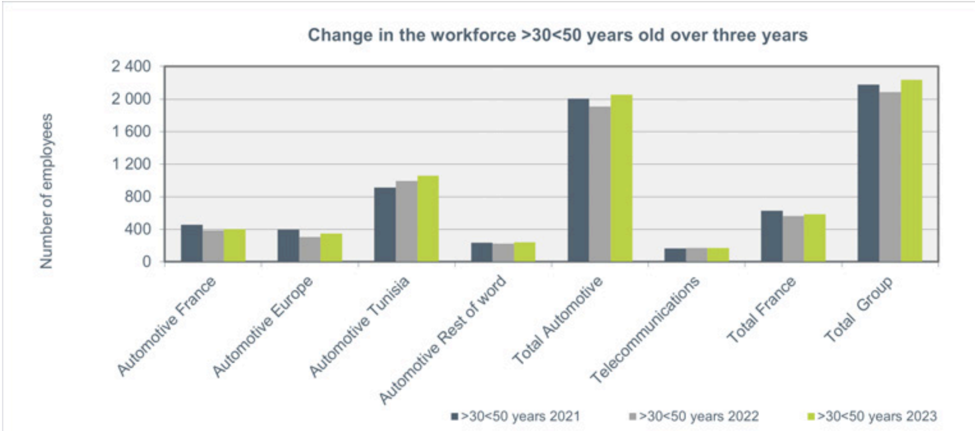


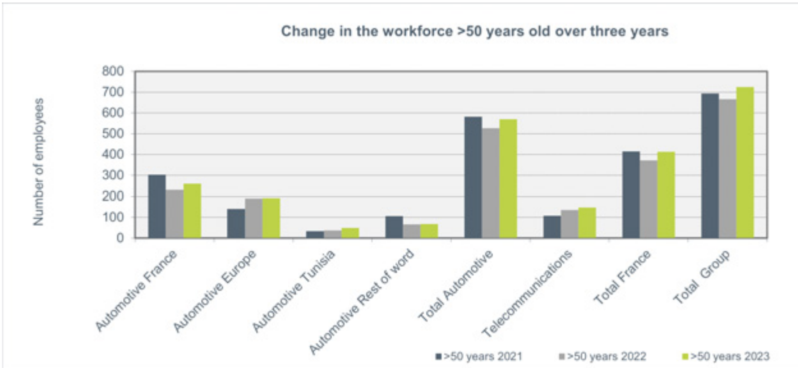
At the end of the year, managers represented 47.7% of the Group's headcount, an increase compared to the previous year. The recovery in business and therefore in R&D, as well as the increase in more technical professions linked to the automation of production lines, are the reasons for these figures.

6.4.1.2.3 BREAKDOWN BY AGE

This changed as shown below:



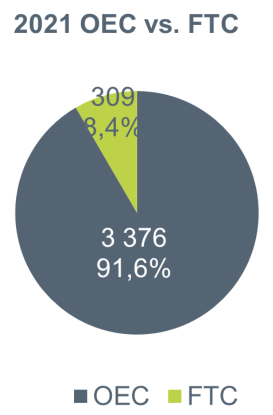


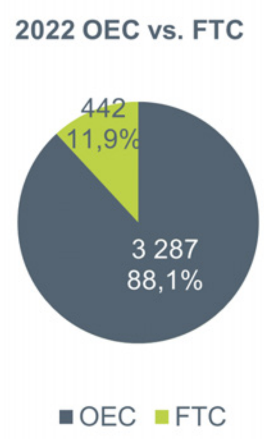


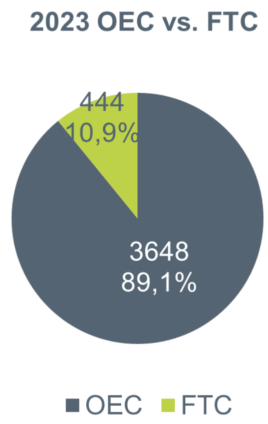
6.4.1.2.4 BREAKDOWN BETWEEN OPEN-ENDED AND FIXED-TERM EMPLOYMENT CONTRACTS

With 70.2% of hires being given open-ended contracts (up by 10.4%), the Group continued to favour mostly long-term recruitments in order to develop the skills needed for its business. As a result, the proportion of fixed-term contracts in the total workforce fell (by 8.5%).

The breakdown between fixed-term and an open-ended contract is as follows:







As a result, fixed-term jobs accounted for 10.9% of the workforce, compared with 11.9% in 2022, which experienced considerable tension in the global job market and therefore in recruitment, and 8.4% in 2021.

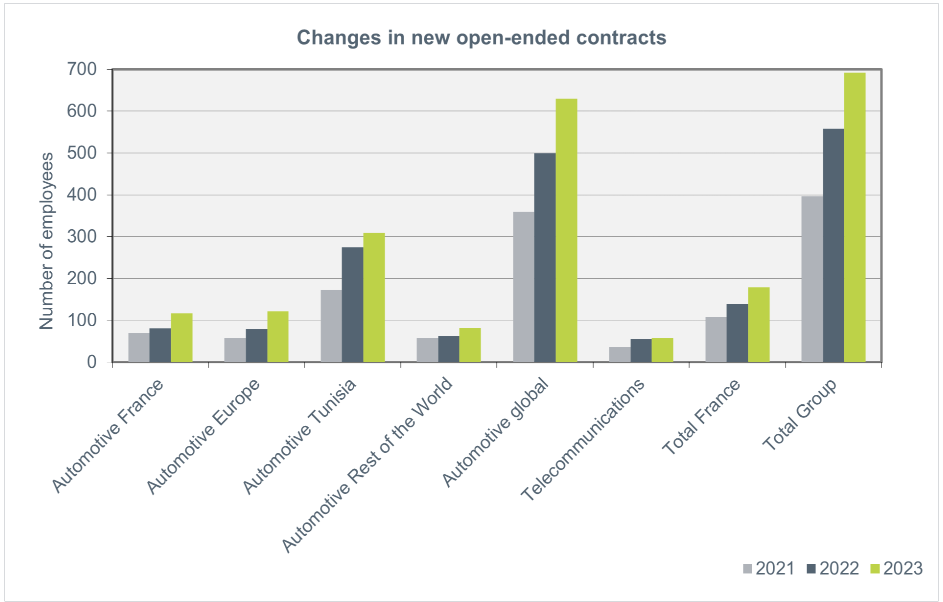
Furthermore, ACTIA has also observed changes with respect to its average headcount. This indicator enables the establishment of profitability analysis ratios for the companies.

The Group's average headcount rose sharply in 2023 (+292), with a number of significant increases: +21.8% for ACTIA Engineering Services and +11.4% for ACTIA Telecom, in the wake of a challenging year for recruitment in 2022 and in line with the growth in business.

Average headcount	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Total Automotive	Telecoms	Total France	Total Group
2021	889	642	1,358	448	3,338	311	1,210	3,659
2022	717	562	1,611	388	3,279	344	1,071	3,633
2023	**702**	**626**	**1,795**	**406**	**3,528**	**383**	**1,099**	**3,925**
% change	<2.1%>	+11.3%	+11.4%	+4.5%	+7.6%	+11.4%	+2.6%	+8.0%

6.4.1.2.5 HIRES

In 2023, ACTIA maintained a high hiring rate (986 in total), justified by the sustained growth in its business.

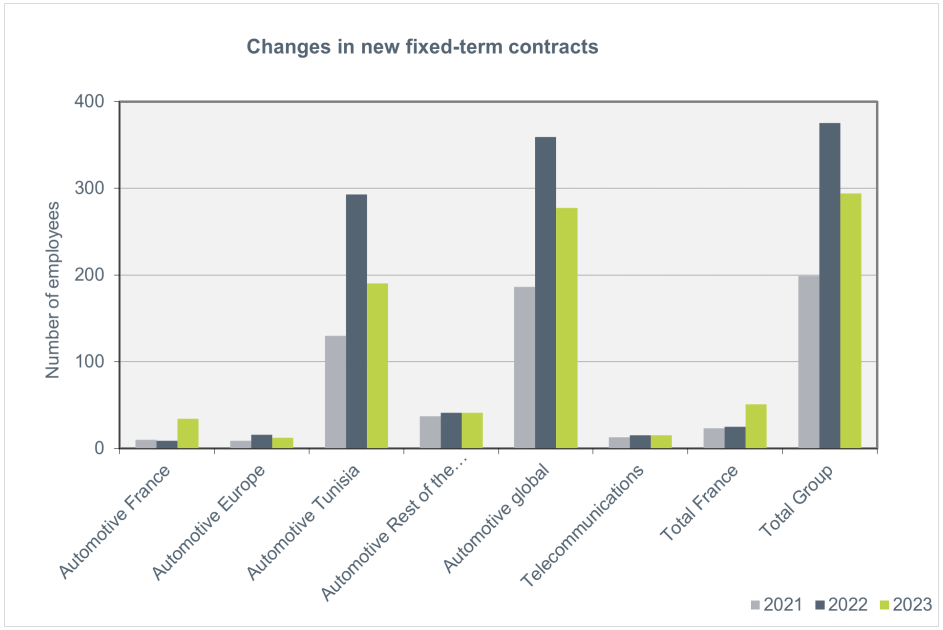


The use of fixed-term employment contracts accounted for 30.0% of hires, down from 40.2% the previous financial year. Fixed-term employment contracts were mainly used for hiring 190 people in Tunisia (64.6% of the Group's fixed-term employment contracts). It should be noted that the duration of fixed-term contracts can be much longer in Tunisia, enabling young engineers to gain their first professional experience without having to make a long-term commitment.

Of the 442 fixed-term contracts in 2022, 50 were converted to open-ended contracts in 2023 and 155 were renewed. These figures, which are higher than those for 2022, show that the Group is keen to retain trained employees.

The Group continued to experience recruitment difficulties in 2023, although by the end of the year, the pressure was limited to certain professions such as software engineers. There are multiple recurring reasons for this: high levels of recruiting, a shortage of candidates with the skills specifically sought after, sites located outside of big urban areas, etc.

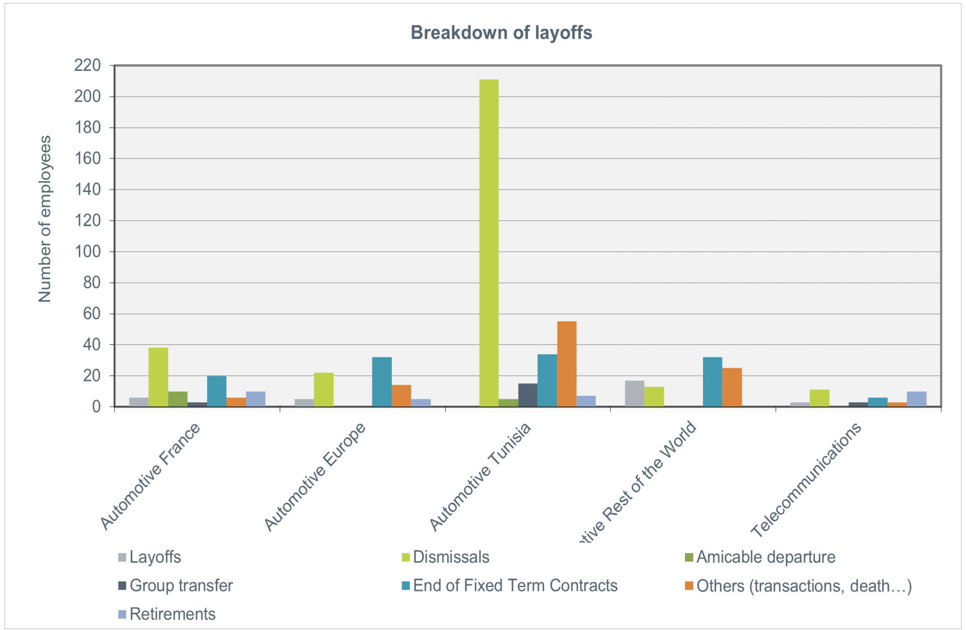
The use of temporary staff accounted for 7.1% of jobs in the Group, with 291 temporary staff compared to 267 the previous year. France, Sweden and Tunisia were the main countries that used this type of contract. It should be noted, however, that not all offers to convert temporary positions into open-ended employment contracts are accepted by the persons in question, especially in France.

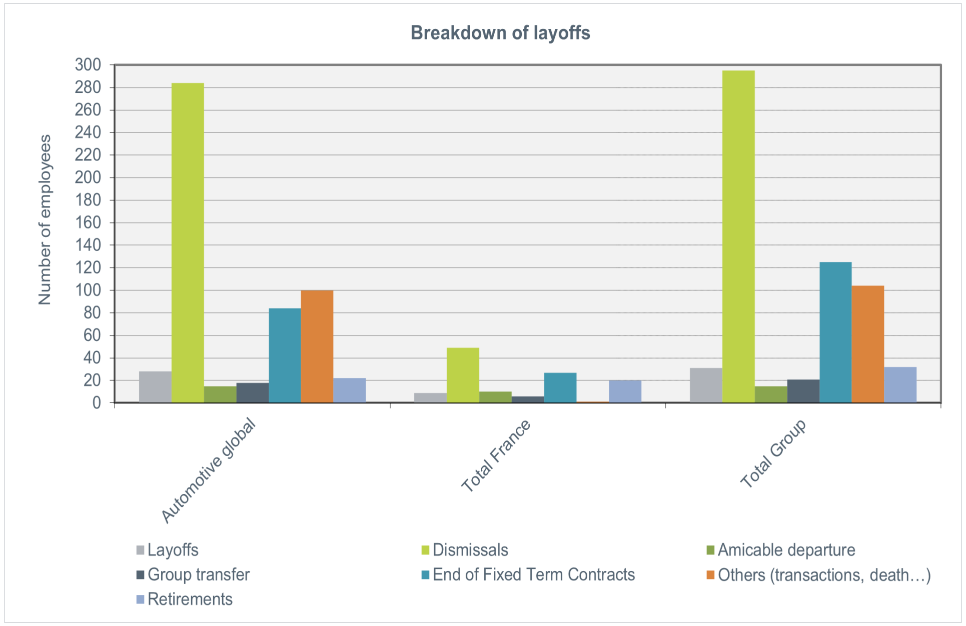


ACTIA also makes use of subsidised contracts (apprenticeships, work-study contracts, etc.) in those countries where they are permitted by local regulations. Specifically, the Group employed 93 people on subsidised contracts in 2023, a figure that was 13.4% up on the previous period, especially in France, which represents 89.2% of the Group's subsidised contracts. In 2023, these contracts generated 25 hires, compared to 17 in 2022.

In 2023, the Group took in 322 students on work placements as part of training with a formal qualification. This represents an increase of 25.0% compared to 2022. In addition, it should be noted that 102 of interns were hired following their internship, compared to 60 in 2022. Tunisia is a large contributor for this type of subsidised contract with a formal qualification. The strong tie with schools, especially engineering schools, continues to ensure future hires while providing for an immersion training period beforehand.

6.4.1.2.6 LEAVERS





During the financial year, 623 people left the company, a stable figure compared to 2022.

More specifically, 31 people were made redundant, primarily outside France, as in the previous year, in 71.8% of the cases.

Unlike previous years, there were no redundancies for economic reasons during the year.

Resignations fell by 9.8% for the period and involved 295 employment contract terminations. The area most affected by this type of departure was Tunisia (71.5%), a result of high mobility which continues to exist in this country.

There were 15 amicable departures compared with 50 the previous year, of which 66.6% in France.

In addition, 32 people retired, France still accounting for most retirements within the Group (62.5%).

6.4.1.2.7 STAFF TURNOVER

ACTIA uses the following definition to account for turnover:

$$\frac{[(\text{number of open-ended contract departures during year N} + \text{number of new employees with open-ended contracts during year N})/2]}{\text{Headcount as of 31 December of year N-1}}$$

Turnover rate	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Total Automotive	Telecoms	Total France	Total Group
2021	9.9%	10.3%	13.7%	17.3%	12.5%	9.5%	10.0%	12.3%
2022	**10.3%**	**13.7%**	**17.5%**	**16.7%**	**14.9%**	**13.7%**	**12.5%**	**14.8%**
2023	**13.3%**	**14.7%**	**15.4%**	**17.4%**	**15.1%**	**12.1%**	**13.0%**	**14.8%**
change / 2022	+29.1%	+7.5%	<12.1%>	+4.2%	+1.3%	<11.4%>	+4.0%	+0.1%

At the global level, 2023 witnessed a stability in staff turnover that began in 2022, even if there were differences between regions.

In Tunisia, staff turnover decreased, thanks in part to employer branding initiatives implemented by the ACTIA Engineering Services subsidiary.

ACTIA is doing its best to reduce this turnover and retain its talents, in particular by strengthening career management within the Group and paying particular attention to the quality of life at work. ACTIA is also striving to establish itself outside capital cities or large metropolitan areas in order to attract less volatile staff.

6.4.1.3 Talent management

6.4.1.3.1 TRAINING

An annual training plan is in place in most of the Group's entities.

These plans are developed based on:

- Annual employee performance assessment meetings;
- Strategic workforce planning;
- Discussions with employee representatives or the site manager.

With the support of the French government, the Group's French structures had used Long-term part-time working (APLD) to boost training. With the end of this aid and the return to normal activity, the number of training hours fell by 6% in 2023.

However, ACTIA continued to be proactive about the performance level of its employees in order to maintain a high level of expertise within the Group.

The number of training hours in relation to the average 2023 headcount expressed in Full-Time Equivalent (FTE) decreased to 16 hours per employee, compared with 17 hours for the previous year and 13 hours for 2021.

The training policy for the main French subsidiary, ACTIA Automotive, and at Group level, is primarily implemented based on the strategic priorities set out by management through:

- Upskilling to be able to follow the technological roadmap of all the core functions in electronics and software;
- The development of projects and skills: project management, change management;
- Support for industrialisation and production: Lean method, new equipment, testing tools, MSA methods;
- Continuity in support for customer certifications and quality standards, as well as in safety and risk prevention.

6.4.1.3.2 SKILLS MANAGEMENT

ACTIA has gradually implemented skills management at a worldwide level, providing mobility within the Group while maintaining a responsible compensation policy. ACTIA also developed a "Campus ACTIA" platform to share webinars and e-learnings across the Group.

At the same time, in-depth work is also being done on the employer brand to illustrate the family company values ACTIA has implemented since its creation. This is one of the tasks entrusted to the Group's Sustainable Development Committee.

6.4.1.3.3 PROMOTION OF DIVERSITY AND INCLUSION

Diversity:

The Group is present in 17 countries and diversity is a reality, part of the daily life of the teams via the collaborative work environment developed by the Group and, therefore, during meetings and joint actions, in a range of areas including research, sales, management, and inter-departmental functions. The breakdown of the Group's 4,092 employees in terms of country is as follows:

- 96.0% are of the same nationality as the subsidiary;
- For employees who do not have the same nationality as the subsidiary:
  - 1.6% are EU nationals,
  - 2.4% come from other countries.

This breakdown varies very little country by country and remains relatively stable from one year to the next. Equal opportunity is ensured within each organisation and internal mobility within the Group is gradually being put in place, particularly for the ACTIA Engineering Services design office. The Group reinforced support for internal mobility, especially through its communication; opportunities for mobility are henceforth monitored at the time of performance appraisals and the Group would like to see an increase in the figures, along with specific support for individuals. In 2023, ACTIA recorded 62 internal mobility actions, 41 of which concerned managers, with no changes. The Group is hampered by different local regulations with regard to labour law whenever it attempts to promote international mobility.

Disability:

In 2023, 76 disabled workers were employed within ACTIA, on the rise since 2021. As some local regulations impose quotas, legally 98 jobs should be held by disabled workers across the Group. In order to make up for the balance, the sites in France continue to make use of outsourcing to vocational support centres (CAT). This outsourcing represented the equivalent of 10 people in 2023 and, unfortunately, was not sufficient to cover the shortfall. The Group was obliged to pay a total fine of €40,600 for non-compliance with its obligations in this area, down compared to 2022 (-16.2%). Some people in France still refuse to benefit from the status of disabled worker, and that is why ACTIA continues to raise the awareness of its employees to the need to accept disabilities.

ACTIA set up the "Tous Cap" committee, which meets regularly to organise practical initiatives to promote inclusion and change the way people view disability, thereby encouraging a change in attitudes within the Group. This involves transforming perceptions about disabilities in the workplace.

ACTIA thus organised a "DUODAY" week (for the third consecutive year) in the autumn of 2023, during which Group volunteers welcomed people with disabilities to present their work to them. The event was a great success in the company. Employees were also able to attend the online training sessions: "Including disability at work" and handisport activities.

6.4.1.4 Gender equality

Gender equality is a value deeply enshrined in ACTIA's culture and the company has had a proactive policy in place for many years to ensure gender equality, particularly in terms of compensation. As part of this policy, a study is conducted once a year in order to correct any gaps.

In France, an index has been set up by the government and is based on 5 set criteria:

- Pay gap indicator;
- Increase rate gap indicator;
- Promotion rate gap indicator;
- Return from maternity leave indicator;
- Highest pay indicator.

For the year 2023, ACTIA Automotive and ACTIA Telecom had an overall score of **77** and **88** points, respectively.

For ACTIA Automotive, we recorded a drop from 83 to 77. The explanation for the variation can be found on the website: https://www.actia.com/fr/groupe/engagements/egalite-femmes-hommes.

For ACTIA Telecom, the indicator remained stable at 88, which is close to the best possible score.

For the Group as a whole, the percentage of women in management increased by one and a half points to 33.1%.

Compensation policy

ACTIA's compensation policy is based on equal pay for women and men from the moment of hiring, supporting an inclusive and fair recruitment process.

This principle has been a priority for many years. It can be complemented by a dedicated envelope for rebalancing salaries and regular reviews to ensure compliance with this policy.

A balance and shared responsibility for parenthood

ACTIA accepts requests for part-time work from all employees, both women and men, who wish to take advantage of this benefit to better reconcile their private and professional lives.

The importance of gender diversity in the workplace

ACTIA Automotive has 31.0% women, while ACTIA Telecom has 22.0% women. It should be noted that the national average (France) in the Metallurgy sector is 22.4%.

This under-representation can be explained by the fact that some occupations in the industry are still “gendered”. For example, there are still not enough women in engineering and technical occupations, and this starts with the choice of educational orientation. Some support functions, on the other hand, are over-represented by women and men are few and far between.

Career development and promotion

ACTIA supports its employees equally in the development of their skills. Thus, employees benefit from the same opportunities for professional development, career advancement, grade levels and access to positions of responsibility.

ACTIA is focusing on four key areas to promote gender diversity and professional equality:

- Recruitment, to ensure that all applications are equally considered,
- Pay, to guarantee the principles of equality throughout professional careers,
- Professional training, to ensure equal skills development opportunities,
- Professional promotion, to offer men and women the same opportunities in terms of jobs, career development and access to management positions, and ensure they are employable.

Visible actions in favour of gender equality are implemented, in particular by promoting the work-life balance. The Group offers employees a range of options, including:

- Flexitime (one or more days per month);
- Home-working (for longer periods, in certain specific situations);
- Shift to part-time work, which is studied on a case-by-case basis;
- Flexibility with regard to working hours (clock-in/clock-off times).

6.4.1.5 Health & Safety

As a real priority for the Group, personal safety is managed through the following actions:

- Detailed identification, analysis and management of risks;
- Implementation of prevention, surveillance, protection and first aid systems;
- Training of first aiders;
- Raising awareness of personnel.

In France, the health crisis is over, but health measures and home-working have now become part of everyday life.

Certain tools (Yammer, home-working, video conferences) introduced at the height of the crisis are now part of the way all employees work.

Fire safety and electrical installation standards are met by all subsidiaries. Subsidiaries that do not perform the inspections themselves benefit from this service specifically provided for under their leases.

The Group therefore has 92 people (+6 compared to 2022) playing an active role in the prevention and the protection of the physical and mental health of employees, as well as their safety and the improvement of working conditions, especially with a view to facilitating access for women to all jobs while addressing problems related to maternity, adapting and refitting work stations to facilitate access for the disabled to all jobs and to help ensure that they remain in employment throughout their working lives.

6.4.1.5.1 OCCUPATIONAL ACCIDENTS

In 2023, 14 occupational accidents occurred resulting in lost working days; accidents occurring while commuting have been excluded from this figure in order to be in full compliance with the indicators used in France and thus report reliable information. This represents a significant fall of 54.8% compared to the previous year. These accidents accounted for 661 lost working days, up 208.6% compared to 2022.

In addition, 59 lost working days were recorded in 2023 due to occupational accidents that occurred in previous periods, the consequences of which continued into the new financial year.

The Group has put in place monitoring of the following indicators based on current standards:

- **Frequency,** which corresponds to the number of occupational accidents, excluding while commuting, occurring over the year and resulting in lost working days x 1,000,000/total number of hours worked during the year;
- **Severity,** which includes the total number of lost working days resulting from accidents occurring during the year or in prior years, excluding while commuting, x 1,000/total number of hours worked during the year;
- **Frequency index,** which corresponds to the number of occupational accidents, excluding while commuting, occurring during the year resulting in a lost working day x 1,000/average Group headcount.

Changes to these indicators over the period in question were as follows:

Frequency of occupational accidents with lost working days	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Automotive	Telecoms	France	Group
2021	8.8	4.8	3.6	1.1	4.6	6.1	7.9	4.7
2022	**4.5**	**6.3**	**4.6**	**0**	**4.4**	**7.6**	**5.5**	**4.6**
2023	**1.9**	**3.0**	**1.7**	**1.2**	**1.9**	**3.4**	**2.4**	**2.0**

Severity of occupational accidents with lost working days	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Automotive	Telecoms	France	Group
2021	0.3	0.1	0.0	0.0	0.1	0.1	0.2	0.1
2022	**0.03**	**0.12**	**0.02**	**0.0**	**0.04**	**0.07**	**0.04**	**0.04**
2023	**0.02**	**0.47**	**0.02**	**0.01**	**0.09**	**0.22**	**0.09**	**0.1**

Frequency index	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Automotive	Telecoms	France	Group
2021	13.5	7.8	6.6	2.2	8.1	9.6	12.4	8.2
2022	**7.1**	**12.5**	**9.3**	**0.0**	**8.5**	**11.6**	**8.5**	**8.5**
2023	**2.9**	**4.8**	**3.3**	**2.5**	**3.4**	**5.2**	**3.6**	**3.6**

The Group recorded no cases of occupational illness.

Particularly mindful of the health of its employees, our subsidiary ACTIA Engineering Services in Tunisia has even put in place an ambitious health-related action plan covering:

- The fight against cancer through World Cancer Day, with input from the occupational health department and collection of funds to be donated to the “Tunisian cancer association”, along with the organisation of a “pink October” day and awareness-raising via video conference;
- Organisation of various activities outside of working hours, such as music and football clubs, and running sessions;
- Organisation of various Team building activities, such as lunches and breakfast get-togethers.

6.4.1.5.2 ABSENTEEISM

Sick leave accounted for 26,584 lost working days in 2023, down by 6.0%, 7,008 of which were in France.

Sick days declined in Tunisia (CIPI ACTIA) where the year 2022, just like 2021, was severely impacted by Covid-19. The breakdown by division and by employee is given in the table below, where Mexico accounts for a significant proportion of the increase in the “Automotive Rest of World” segment due to a long-term illness and 2 accidents outside the workplace:

Number of days of sick leave per employee	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Automotive average	Telecoms	Average France	Average Group
2021	7.2	7.7	8.9	0.8	7.1	5.5	6.7	6.1
2022	**9.6**	**7.8**	**9.3**	**0.7**	**8.1**	**5.1**	**8.1**	**7.8**
2023	**7.4**	**8.4**	**7.1**	**3.7**	**7.0**	**4.8**	**6.0**	**6.8**
Change / 2022	<1.0>	+0.6	<2.2>	+3.0	+1.1	<0.3>	<2.1>	<1.0>
% change	<22.8%>	+7.2%	<23.6%>	+421.8%	<13.5%>	<6.5%>	<29.2%>	<13.0%>

Within the Group, there is a return-to-work policy, even if it is not systematically documented. In countries where the occupational health department exists, the policy means a close working relationship with it on issues such as workstation design, the examination of specific jobs and pre-return-to-work visits, the organisation of meetings during sick leave to prepare for the return, a formal interview to identify the causes and characteristics of the illness and how best to prevent the recurrence of sick leave.

A crisis and training line to help manage psychosocial risks exists within the subsidiaries ACTIA Automotive and ACTIA Telecom.

Improving the quality of life in the workplace is an important issue for ACTIA. The concierge service made available to the employees is one of the tools that facilitates the work-life balance and its range of services is being added to all the time. There are also many other initiatives under way at other sites that aim to facilitate quality food service, organise on- or off-site sporting activities or provide relaxation rooms for the employees.

6.4.1.5.3 PROMOTING PHYSICAL ACTIVITY AND SPORTS

At our Toulouse subsidiary, the employee association offers a wide range of sporting activities throughout the year. Employees can do Pilates on site using the infrastructure provided (room, changing rooms), or enjoy outdoor activities such as golf, mountain biking, skiing, football, petanque and many others.

In France, sporting events are an opportunity to bring employees together for a cause such as the fight against cancer.

The Design Office in Tunisia also has a football and running club. It participates in various competitions and has two agreements with sports centres.

6.4.1.5.4 HUMAN RESOURCES

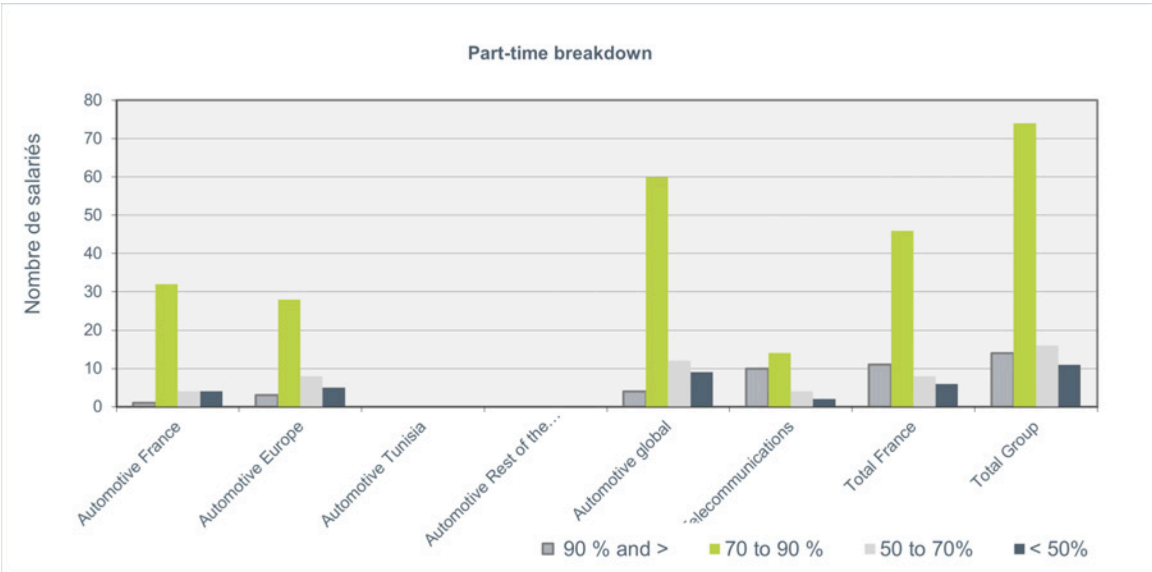
Working hours

In the majority of countries where the Group is present, the working week consists of five days. Only the Mexican subsidiary, in accordance with local regulations, operates according to six-day working weeks.

It should be noted that in France, management and equivalent positions are employed on the basis of 218 working days per year, which is the maximum legally authorised; the other employees benefit from the full-time, legally applicable 35-hour working week on an annualised basis.

As for circuit board manufacturing plants, the Colomiers site in France generally operates according to two 8-hour shifts and can operate on three 8-hour shifts if required to meet specific production demand. With respect to the Tunisian site of CIPI ACTIA, a significant number of production lines are organised on a shift work basis (two or three 8-hour shifts, even four 8-hour shifts since 2022) depending on production volumes, performance and/or the workload of the production facilities. These production sites can have a 6-day working week.

Group-wide, there were 118 part-time employees compared to 112 in 2022 (+5.4% while the headcount increased by 10.4%). Of these, 59.3% were women. The part-time breakdown is shown in the graph below:



Up sharply compared to 2022 (+17.2%), the overall volume of overtime hours stood at 98,303 hours, 89.0% of which were worked by non-management staff, compared with 83,890 hours in 2022. It should be borne in mind that managerial staff with a fixed-rate employment contract (no specified number of working hours) are not included in the calculation. As a result of the difficulties in sourcing components, which persisted for most of the year, the Tunisian production sites accounted for 69.2% of the overtime worked in order to limit the impact of late deliveries to our customers, reflecting the difficulties in organising production and managing shortfalls.

Labour relations

All the Group's French facilities are subject to the national Metallurgy industry collective bargaining agreement. The two Tunisian circuit board production sites are covered by the collective bargaining agreement for the electricity and electronics industry. It should be noted that this notion of collective bargaining does not exist in all countries where the Group operates.

62.2% of the Group's staff work in entities where trade unions are present. This percentage went up very slightly by one point.

There are 89 employee representatives.

All ACTIA employees periodically receive information from management via different media depending on the subsidiary. Bulletin boards are systematically used, along with email, meetings and internal newsletters or through dedicated messaging systems such as Engage. Employees at all facilities are informed of Company results and targets.

In addition to measures imposed by local legal obligations, the following benefits are offered:

- Health: supplementary healthcare scheme for 67.5% of employees [1];
- Luncheon vouchers for 52.0% of employees;
- Maternity (maternity bonus) for 52.4% of employees, up 88.8%;
- Supplementary pension scheme for 10.2% of employees (down 55.1%).

[1] *Data excluding France where supplementary health insurance is mandatory.*

88.0% of employees (3.8%) depending on the entity, are also eligible for various bonuses such as: "13th month" bonus, one-off bonuses, funeral expenses, marriage allowances, travel insurance benefits, supra-legal bonuses for quality, attendance, behaviour, productivity and other bonuses.

6.4.1.5.5 PROFIT SHARING

The following table summarises amounts expensed by the Group in connection with profit sharing and/or incentive scheme agreements signed by the different subsidiaries:

Profit sharing (€K)	Automotive France	Automotive Europe	Automotive Tunisia	Automotive rest of the world	Total Automotive	Telecoms	Total France	Total Group
2021	0	124	0	0	124	0	0	124
2022	**0**	**226**	**0**	**0**	**226**	**0**	**0**	**226**
2023	0	306	0	66	372	0	0	372

Incentive scheme (€K)	Automotive France	Automotive Europe	Automotive Tunisia	Automotive rest of the world	Total Automotive	Telecoms	Total France	Total Group
2021	0	48	0	444	492	0	0	492
2022	**0**	**52**	**0**	**846**	**899**	**323**	**323**	**1,222**
2023	193	6	0	1,284	1,483	405	588	1,889

For both profit sharing and incentive schemes, procedures of application vary from one company and country to the next, according to local regulations.

6.5 OUR ENVIRONMENTAL RESPONSIBILITY APPROACH

The Group is not subject to any specific environmental regulatory constraints with regard to its activities.

The environmental management systems put in place at the certified facilities, regulatory monitoring and the resulting follow-up processes ensure that they remain in compliance with regulations.

The sites of ACTIA Automotive and ACTIA Telecom (France), ACTIA IME (Germany), ACTIA Nordic (Sweden), CIPI ACTIA and ACTIA Tunisie (Tunisia), ACTIA Electronics (USA) and ACTIA China (China) are ISO 14001-certified. Therefore, 62.3% of the Group headcount is covered by a clearly defined and fully validated environmental policy. Companies certified under ISO 14001 follow all the regulations applicable to their businesses and their facilities, including national and local rules (for example, in France the French local urban planning rules or PLU). ACTIA Systems (Spain) has started this certification process, which should be completed in 2024.

Through its proactive policy, the Group has been taking this aspect into account for many years and is making every effort to progress in this area by managing the end of the lifecycle of this potentially polluting waste. It has also adopted an eco-friendly policy at the office (posters, awareness-building).

6.5.1 MANAGING WATER RESOURCES

Apart from the production sites, water consumption is mainly for domestic purposes. In the factories, water is used in a number of ways:

- Humidification of the air in workshops where circuit boards are produced, in order to reduce the risk of electrostatic discharges (ESD), combined with permanent control of the temperature;
- Washing machines made available to the maintenance service to clean equipment.

The Group has already implemented a number of measures to ensure the responsible use of water resources:

- Working on equipment in a closed circuit;
- Recycling water for the washing machines to avoid any risk of pollution.

The Group's total water consumption was 35,435 m^3, down by 8.6% compared to 2022. Average consumption per employee fell by 15.4% to 9.03 m^3 compared with 10.67 m^3 in 2022. This reduction stems from an increase in the number of employees occupying modern premises, measures taken on site to avoid waste and continued home-working.

This drop in water consumption is also due to the fact that at certain sites, monitoring of consumption enabled leaks to be detected and repaired quickly.

Overall, water consumption is regularly monitored by the Group, which makes it possible to analyse all variances and contributes to improved awareness.

It should be noted that certain subsidiaries still do not have access to their water consumption figures, as the information is included in local rental costs: for these entities, the Group continues to take into account estimated water consumption based on the national or industry average, depending on the available information. This includes two French subsidiaries (25 people), representing 0.6% of the Group's headcount.

Water consumption at all facilities is drawn from the drinking water system.

Water consumption per employee

(in m^3 per year per employee)	Automotive France	Automotive Europe	Automotive Tunisia	Automotive rest of the world	Total Automotive	Telecoms	Total France	Total Group
2021	9.1	7.2	7.6	6.4	7.7	5.9	8.2	7.6
2022	12.5	11.3	10.6	11.0	11.1	6.4	10.5	10.7
2023	**7.0**	**8.2**	**10.8**	**10.3**	**9.5**	**5.2**	**6.3**	**9.0**
% change	<44.0%>	<28.0%>	+1.9%	<6.9%>	<15.0%>	<18.8%>	<40.0%>	<15.4%>

6.5.2 WASTE MANAGEMENT

Waste from all operations consists primarily of packaging materials (cardboard boxes, pallets, plastic covers, etc.), office waste and manufacturing waste, with 6.6% falling under the category of “hazardous industrial waste” or HIW. This waste is not eliminated or treated on-site. Instead, it is temporarily stored in areas designated and equipped for each type of waste (skips, compactors, holding tanks, etc.) before being properly removed to approved disposal facilities for recycling, recovery or treatment.

Existing recycling arrangements at the sites concerns all types of packaging: cardboard, paper, plastics as well as metals; batteries are also recovered through a specific waste separation collection process at several facilities. For the sites with waste separation and collection, a recovery strategy is encouraged, as opposed to energy recovery, whenever possible.

The following actions have been taken to reduce and recycle waste:

- Installation and rental of storage containers and equipment destined for processing waste, and compacting certain categories of waste;
- Production methods taking into account environmental considerations, by recovering and reusing raw materials in the process, seeking to reduce the use of plastic packaging, waste, reducing the environmental impact of the product, and incorporating environmental requirements in the manufacturing documentation;
- Reducing and recovering waste from production, recycling and treatment of electrical and electronic waste;
- Recycling and reprocessing cardboard, paper and soiled packaging;
- Setting up a “zero paper” objective;
  - By the Toulouse production unit, where several steps had already been taken with the centralisation of databases, an action to open up the process sheets, routing sheets and the gradual deployment of screens in the workshop;
  - In Spain, where all the workshops are now paperless; to achieve the objective, screens were installed to make it possible to monitor the steps in the manufacturing process, with actions taken on the portal, the skills matrices and the control units in the factory to achieve “zero paper”;
  - Incentivising employees to comply with the instructions for paper (reasonable usage, sorting of paper, recycling, incentives not to print out emails, etc.);
- Keeping up the raw material recovery rate.

Also, the active waste separation collection policy is already in place at most facilities and covers 75.0% of all employees worldwide. The rate of coverage for French sites remained at 100% for employees covered by this policy in 2023.

An increasing number of sites have formal reporting systems for tracking the quantity of waste produced and/or recycled. In 2023, the subsidiaries producing a complete or partial qualitative or quantitative report on the amount of their waste represented 80.0% of the Group's headcount. Based on assessments performed, it is possible to provide the following (partial) summary on recycling:

Quantity of waste produced by type of recycling (tonnes)	Automotive France	Automotive Europe	Automotive Tunisia	Automotive rest of the world	Total Automotive	Telecoms	Total France	Total Group
Recovery	166.1	49.4	130.3	27.7	373.6	17.9	391.5	391.5
Energy recovery	140.7	15.0	6.4	0.0	162.0	8.5	149.2	170.5
Controlled disposal	4.5	0.0	80.3	90.0	174.9	0.0	4.5	174.9
Special treatment*	4.8	0.0	8.4	10.5	13.2	0.0	4.8	13.2
Unknown treatment	0.0	0.0	5.3	1.8	7.1	0.0	0.0	7.1
TOTAL	**316.2**	**64.4**	**230.7**	**119.5**	**730.8**	**26.4**	**550.0**	**757.2**
% HIW** / waste	5.5%	2.6%	9.9%	1.7%	6.0%	1.7%	5.1%	5.8%
% waste recovered / waste	97.0%	100.0%	59.2%	23.2%	73.3%	100.0%	97.3%	74.2%

** Special treatment means either a chemical process or incineration.*

*** HIW: Hazardous Industrial Waste*

The quantity of waste generated in 2023 was slightly higher than in the previous year, in line with the growth in business (an increase of 14.2 tonnes, or 1.9%). Environmental policies require rigorous monitoring of the waste that is generated.

Some subsidiaries are still not in a position to be able to report the data concerning quantities of waste insofar as it is treated by external service providers, such as municipalities, in accordance with local practices. In this case, estimates are provided and then analysed at Group level in order to validate the consistency of the data. This is the case for Spain and Mexico, where the amount of waste was estimated on the basis of the year 2022.

Insofar as the Group remains focused on putting in place the tools to sort and recycle waste, every possible resource is allocated to the subsidiaries in support of a local policy wherever this is feasible.

Finally, to allow for a comparison between waste from one financial year to the next and maintain consistency in the figures in relation to the business, the Group has decided to monitor only the waste directly linked to its own activities. Therefore, building sites generating one-off waste are not included in the figures.

6.5.3 FIGHT AGAINST CLIMATE CHANGE

6.5.3.1 Energy

Throughout the Group the priority of limiting energy consumption is reflected through a range of actions implemented at local levels for identified targets:

- **Buildings:** installing presence detectors, air-conditioning controls, timers, programmers, automatically closing doors to insulate heated areas, and replacing doors and windows to improve the insulation of the premises, automatic shutdowns at night and replacing gas-powered boilers by heat pumps;
- **Equipment:** changing over to low energy consumption equipment, buying LED lighting and other energy-efficient equipment, new low consumption servers, the replacement of ageing computer equipment and the replacement of air-conditioning systems;
- **Individual behaviour**: awareness-raising campaigns on shutting down equipment in the evening, the judicious use of heating and air-conditioning units, a centralised switch to shut off electricity, installing presence detectors and timers, and putting in place indicators to further raise awareness and motivate personnel;
- **Organisation:** control of air-conditioning in the summer and the organisation of working hours (through leave management), in order to avoid summer consumption peaks, general awareness-raising for staff, conducting an energy audit through a third party in order to examine areas for improvement;
- **Eco-design:** designing and developing our products to limit the effects of the manufacturing processes used and attempt to reduce the number of components and the amount of materials consumed, encouraging dual sourcing and local origins where possible, favouring eco-responsible components and suppliers, organising traceability and working with the customer to prepare the end of the useful life of the products through recyclability;
- **Strategy in favour of sustainable mobility**: developing products and software that can help to bring about a reduction in the consumption of fuel and energy in general, thanks to monitoring the consumption of vehicles and the performance of drivers as described in the Management Report and discussed in § 4.3.1 “Automotive Division” of this Annual Report, but also through designing eco-mobility systems as deployed in public transport in particular.
- These measures supplement those already undertaken in previous periods and highlight a strong commitment to environmental responsibility.

The two types of energy used on all sites are:

- Electricity: 20,387 MWh, a 10.2% increase compared with 2022, due to sustained growth in business, as supply difficulties clearly subsided;
- Natural gas: with 1,004 MWh, represents a drop of 28.0% compared to 2022; the change of heating type to electricity mainly explains this decline.

The consumption of fuel oil used in certain subsidiaries increased very slightly last year. There was an increase of 3.1%. Fuel oil accounted for only 0.3% of the Group’s energy consumption, and was mainly used for occasional needs in generator sets.

Total energy consumption amounted to 22,100.3 MWh in 2023 compared to 20,838.8 MWh in 2022 and 19,608.9 MWh in 2021, i.e. a 6.0% increase. In 2023, ACTIA returned to the pre-COVID energy consumption level for the first time, with revenue up 11.3% compared to 2019. However, energy demand per euro of revenue was down 9.5% compared to 2022.

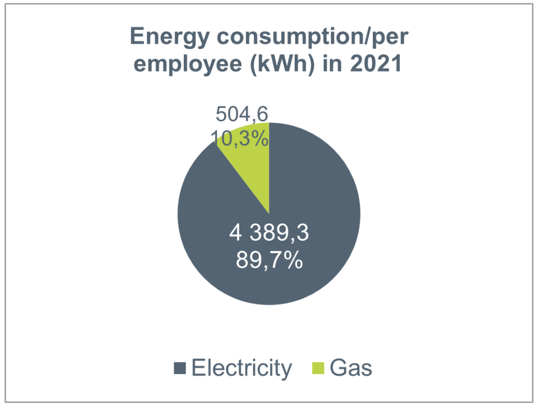
As for water, the Group monitors its energy consumption and seeks to provide coherent explanations for all fluctuations. To sum up, some subsidiaries continued their in-house efforts by raising awareness among staff about energy saving and more reasonable behaviour: switching off equipment in the evening, adjusting the settings of the heating and air conditioning systems, replacing certain equipment items, conducting an energy audit at the end of the year, etc.

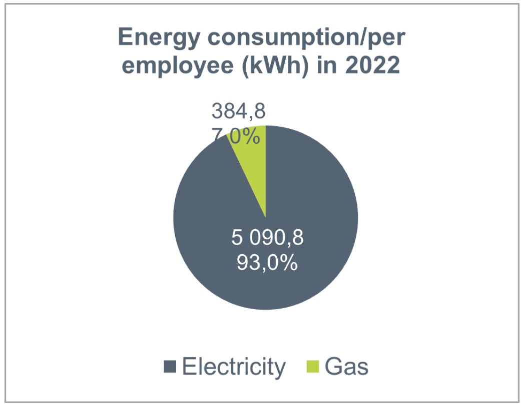
Energy consumption can be summarised as follows:

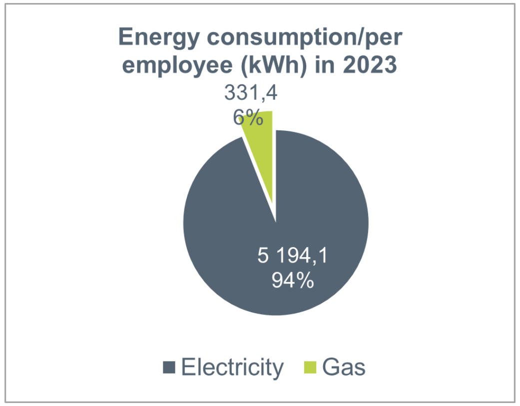
Energy consumption per employee (in kWh per year per employee)	Automotive France	Automotive Europe	Automotive Tunisia	Automotive rest of the world	Automotive average	Telecoms	Average France	Average Group
Overall 2021	5,694.0	5,273.3	4,925.5	6,148.7	5,361.4	5,516.3	5,599.9	5,359.4
OVERALL 2022	5,872.3	5,646.8	5,641.0	7,120.6	5,867.8	4,635.2	5,475.4	5,735.7
OVERALL 2023	**5,896.5**	**5,787.3**	**5,845.8**	**5,051.2**	**5,754.1**	**4,698.6**	**5,473.5**	**5,630.3**
% change	+0.4%	+2.5%	+3.6%	<29.1%>	<1.9%>	+1.4%	<0.0%>	<1.8%>

A slight increase in energy consumption was recorded in 2023, despite a clear upturn in business activity (+15.9%). Consumption returned to, or depending on the subsidiary, slightly exceeded the 2019 level. This increase due to business recovery remained limited, however. This can be explained by internal prevention campaigns as well as by the communication of public authorities in certain countries calling for cost reduction to tackle rising prices and the risks of shortage.

The graph below illustrates the changes in energy consumption per employee:







Although the French subsidiary located in the Paris region and the 3 ACTIA Automotive S.A.S (France) sites do not directly use renewable energy, they selected a 100% green energy provider in 2021. The supplier undertakes in this contract to inject into the grid as much electricity from renewable sources as electricity consumed by customers.

The German subsidiary uses energy originating entirely from energy recovery for heating. This consumption represented a total of 640 MWh. The total amount of green energy, including renewable energy and recovered energy, accounted for 2.9% of the Group's total consumption compared to 4.3% in 2022. This decrease is due to the disposal of the ACTIA Power Deutschland business.

At the end of 2023, the German subsidiary was also able to start up its own photovoltaic installation for self-consumption.

The Belgian subsidiary ACTIA Telematics Services continued to use geothermal energy, but still has no means of measuring the corresponding consumption.

It is worth noting that the electricity produced in France is more than 90% decarbonated.

6.5.3.2 Air emissions and greenhouse gases

As part of the ongoing development of the Company's mobility plans, the sites in Toulouse make available electric vehicles for business travel over short distances (light and utility vehicles). Initiatives to encourage carpooling have been ongoing for over 5 years.

The subsidiary in Spain uses electric vehicles for employees' business travel.

In Tunisia, a shuttle system is offered to employees at the various sites to facilitate their commute to and from work. In 2023, 6 new buses were added to facilitate travel for the teams. The production facility has also acquired an electric shuttle to transport different products, packaging, parcels, components and other items around its site.

In Sweden, rail is the preferred form of transport for travel between sites.

Finally, in Belgium, carpooling and bicycles are encouraged whenever possible.

The operations carried on at the facilities do not generate any significant air emissions. However, some sites voluntary conduct quantitative and qualitative tests on their air emissions, including two of the four production facilities: the results remain satisfactory.

Since 2021 ACTIA Automotive, a subsidiary based in Toulouse, has adopted procedures for conducting a greenhouse gas emission assessment. A tender specification was issued in 2023 to select the external firm that will carry out the carbon footprint assessment in 2024.

In addition, as part of an initial global approach, we sought to identify greenhouse gas emissions originating from energy consumption of the different Group entities using electricity for industrial purposes (ovens, soldering machines, environmental test chambers, etc.) and gas used exclusively for heating premises. The emissions factors taken into account are based on ADEME (the French environmental agency) data on www.basecarbone.fr. Emissions expressed in tonnes CO_2eq. reflect a rigorous policy for monitoring energy consumption through the ISO 14001-certified Environmental Management System implemented in 100% of Group's production entities.

Greenhouse gas emission in tonnes CO_2 eq.	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Total Automotive	Telecoms	Total France	Total Group
2021	365	536	3,095	832	4,827	138	504	4,966
2022	249	415	4,204	1,302	6,169	113	362	6,282
2023	**189**	**576**	**4,853**	**1,032**	**6,650**	**108**	**297**	**6,758**

Moreover, the Group takes into account emissions from the vehicles it operates. To make the calculation, we started with the fleet of vehicles, their mileage for the year and/or the fuel consumption whenever this figure was available. The emission factors are taken from the ADEME carbon data base; as only the emission factors in France were available, they were used by default for the whole ACTIA Group.

In 2023, the Group achieved the following results:

In tonnes CO² eq.	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Total Automotive	Telecoms	Total France	Total Group
Emissions from operated vehicles	280	198	53	82	612	172	451	784
Emissions from operations	189	576	4,853	1,032	6,650	108	297	6,758
% operated vehicles/ operations	147.8%	34.4%	1.1%	7.9%	9.2%	159.1%	151.9%	11.6%

In 2022, the results were as follows:

In tonnes CO_2 eq.	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Total Automotive	Telecoms	Total France	Total Group
Emissions from operated vehicles	233	194	13	63	503	117	350	620
Emissions from operations	249	415	4,204	1,302	6,169	113	362	6,282
% operated vehicles/ operations	93.5%	46.8%	0.3%	4.8%	8.1%	103.6%	96.7%	9.9%

And in 2021:

In tonnes CO_2 eq.	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Total Automotive	Telecoms	Total France	Total Group
Emissions from operated vehicles	613	208	12	42	875	50	663	925
Emissions from operations	365	536	3,095	832	4,827	138	504	4,966
% operated vehicles/ operations	167.9%	38.8%	0.4%	5.1%	18.1%	36.0%	131.6%	18.6%

It should be noted that, as part of Actia Group's product lifecycle analysis, the item relating to direct and indirect greenhouse gas emissions from upstream and downstream transport activities is not significant for the Group.

The calculation of the full carbon footprint (Scope 3) will be available in 2024.

6.5.3.3 Climate change and biodiversity

As can be seen from the information presented above, the Group's activities have little impact on the environment and everything possible is done to take into account the climate change we are experiencing, in terms of both the measures taken to limit the consumption of water and energy and raising the awareness of employees, who are informed by:

- B rochures;
- Regularly displaying objectives, plans for improvement and the results of audits;
- Certification audits;
- Intranet and emails;
- Promoting environmental days and weeks in France and abroad;
- Information provided when employees are hired and/or during the year; annual, quarterly and bi-monthly meetings depending on the site; instructions to promote energy savings.

For example, staff from the French subsidiaries ACTIA Telecom and ACTIA Automotive are provided with environmental awareness training when they are hired, as well as information about the annual targets.

Taking into account the environment and biodiversity has also contributed to the design and development process of ACTIA products in the following areas:

- Adopting a different approach in terms of the choice of materials and certain components;
- Taking into account the notion of eco-design for new products;
- Certification criteria or the environmental approach integrated within the system for evaluating suppliers, developing a manual defining requirements for their classification, verification of ISO 14001 certification, supplier audits and/or annual evaluations, developing environmental initiatives with key suppliers;
- Locally, in Brazil for example, a supplier manual has been developed to set out the requirements for classification: every supplier classified as having an activity with an environmental impact must present their operating licence issued by the relevant environmental authority. The objective is to develop environmental measures with key suppliers.

In 2023, ACTIA identified possible climate change events that could affect its business as a medium risk for its supply chains. As a reminder, all the risks faced by the Group are discussed in chapter 5 "Risk factors" of the Annual Report.

6.5.3.4 Internal organisation of environmental management

The structures that have a department dedicated to the environment have a total headcount of 23. This means that 87.3% of the Group's employees have access to environmental assistance, a figure which increased by 3.3% for the reporting period.

The Group defines the guidelines for its sustainable development policy through the CSR department created in September 2022. Each subsidiary must incorporate the identified trajectories into its processes.

At ACTIA Automotive S.A., an Environmental Manager is responsible for implementing environmental management procedures. The Environment Manager has taken environmental management training.

In line with the implementation of the ISO 14001 standard, the general awareness session to train and inform employees on environmental matters is carried out regularly for the sites concerned. A training plan and a timetable to raise awareness have been drawn up as part of the Environmental Management System (EMS). Staff are informed of actions taken and the channels are available to them to report all relevant information.

An accident risk management procedure has been rolled out at 10 sites covering more than half of the Group's headcount. This procedure requires the identification and assessment of emergency situations, such as pollution accidents, in order to remedy them with an obligation to document a "response to emergency situations" procedure, having identified them.

Furthermore, these sites also take into account environmental impacts when designing new products, as detailed in § 6.5.3.1 "Energy" above.

6.5.3.5 Consumption and waste

Consumption of raw materials and packaging

The Group's operations do not directly consume raw materials drawn from the natural environment since it uses only manufactured products (electronic components, electrical wiring, etc.), primarily consisting of metals and plastic. Most facilities have had waste separation systems in place for a number of years, especially for packaging (cardboard, wood, packing fill materials, plastics, and pallets), and procedures providing for the reuse of wooden crates, plastics and cardboard boxes and promoting the recovery of materials from these items. Measures in favour of standardisation and reducing the number of packaging items remain in place.

Concerning packaging, the Group uses different types of products: cardboard, wooden filling materials, plastic films, paper, extruded foam. It remains very difficult to obtain quantitative reporting data on the consumption of these materials as there is no specific monitoring tool in place. Certain data is today reported in units, tonnes or m³.

In line with its increasing commitment to environmental monitoring of its activities, ACTIA has developed reporting on data relating to its consumption of chemical products. The study shows that the Group used 42.4 m³ of various chemical products, compared to 46.3 m³ in 2022 and 38.1 m³ in 2021. This slight fall is not significant. The consumption of chemical products depends on the characteristics of the items manufactured, which may vary from one financial year to another. These chemicals primarily include varnishes, solvents, diluents, solder paste and isopropyl alcohol. It should be noted that these figures only concern the main products used at the Group's major production facilities in order to be consistent and effectively track any changes.

Ground use

None of our facilities uses the ground as such, other than to serve as sites for buildings.

The facilities taken together cover a total of 26.6 hectares. Of this surface area, 38.7% is covered by landscaped green areas (54.0% in France).

Water and ground discharges

The operations carried on at the facilities do not generate significant water or ground discharges:

- Wastewater is of the "domestic" type and is discharged into the public sewage system to be treated; several alternatives exist: wastewater system, septic tank, drainage or, in China, a sewage farm;
- Potential pollutants (varnishes, solvents, etc.) are not stored on the ground but rather in ad hoc storage containers prior to treatment in compliance with the standard in force (see § 6.5.2 "Waste management" above).

Noise and odour pollution

Our activities are not noisy and are odourless.

No incident has been recorded by the various facilities and there were no complaints from neighbours in 2023 or indeed before that.

6.5.3.6 Amount of provisions and guarantees

Given that the Group's operations do not present any material environmental risk, no provision or guarantee was put in place in 2023, or in previous financial years.

6.5.3.7 Amount of indemnities paid during the period and remediation work

In 2023 no indemnity had to be paid for any environmental problem or accident and no environmental remediation work was required.

6.6 OUR SOCIETAL RESPONSIBILITY APPROACH

6.6.1 FOOD WASTE

The Group overall is not impacted by this indicator. However, some subsidiaries have decided to question their subcontractors and include this issue, insofar as possible, in negotiations with the various service providers responsible for supplying the different sites. In particular, when renewing its catering contract, ACTIA Automotive (France) selected a service provider who is highly involved in this issue. Among other things, they have proposed many initiatives to reduce waste and improve recycling, along with a short supply chain for food. They also track their environmental, social and societal indicators on a regular basis.

This option, which was promoted by employee representatives, was also intended to offer healthier food. The immediate result was to increase traffic in the restaurant which led to:

- A positive impact on well-being at work: employees say that they are more alert in the afternoon. Eating on-site is less stressful because wait times are shorter;
- An ecological impact by limiting travel by car: the employees leave the site less often to eat;
- An impact on relationships between employees: i.e. increased conviviality and the opportunity to meet and talk with new people.

Our catering service provider promotes many benefits:

- Local or regional purchasing, with no central purchasing: the manager is free to select the suppliers;
- Employee training is their primary concern;
- All new hires meet their Chairman-CEO during a Company discovery day;
- Every employee becomes a shareholder of their Company when they reach ten years' seniority;
- The food delivered to the site is fresh. There can be more waste (peels, crates), but it is easy to recycle (composting, recycling) and the process is well understood;
- The facility manager is a cook and is, therefore, a stakeholder in any improvements and the satisfaction level of the users of the services provided;
- Charitable activities are organised on a regular basis, including bake sales for the benefit of an association for the disabled and the operation “Dessert Solidaire” (“solidarity dessert”) at the end of the year for the benefit of the NGO “Action against hunger.”

The other challenges of food waste, i.e. the fight against food poverty, respect for the well-being of animals, and responsible, fair and sustainable food are not relevant for the Group.

In July 2023, ACTIA Automotive's Pouvourville site in France launched an activity to recover organic waste resulting from meals consumed on-site. In 2023, 1,986 kg of organic waste was recovered by a service provider and recycled into energy using a methanisation process.

The Tunisian subsidiary ACTIA Engineering Services also opted for a responsible catering service provider.

6.6.2 OUTSOURCING

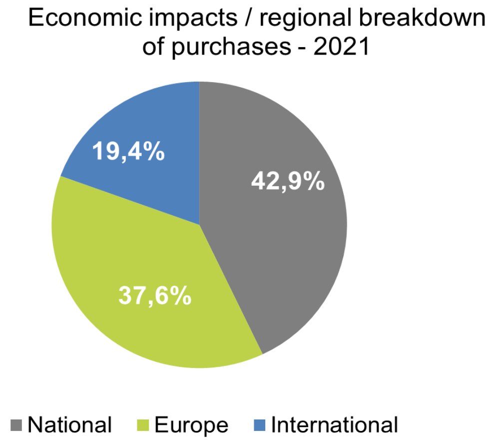
Most of the sites covered outsource different tasks of which there are two main types:

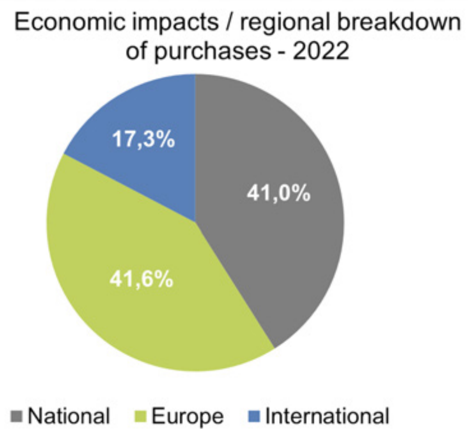
- In manufacturing, some sub-assemblies, such as embedded audio and video systems, may be outsourced by certain subsidiaries. This production is performed directly at the sites of subcontractors approved by the Group;
- For R&D, depending on the specific nature of the requests, the subcontractors may intervene directly on ACTIA's premises, on our customers' sites or according to their own organisation (office, home-working).

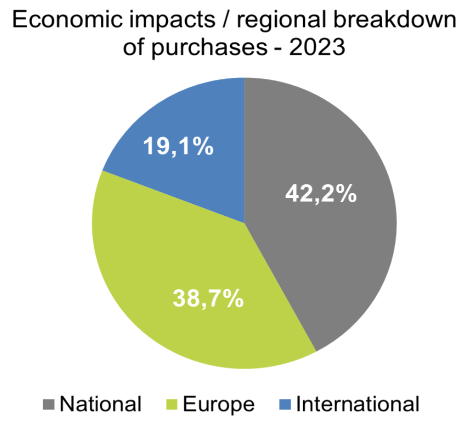
Current subcontractors vary according to Group entity and some subsidiaries have adopted assessment procedures (audits) to comply with requirements relating to quality standards, employee working conditions and the desired environmental standards depending on their certification level. It should be noted that in order to overcome the recruitment difficulties observed across our structures, ACTIA opted for a greater use of subcontracting in 2022, which was maintained in 2023.

6.6.3 RELATIONS WITH THE LOCAL ENVIRONMENT

The economic impact of the Group's operations is calculated on the basis of the breakdown of production-related purchases, as follows:







There has been an upward trend in international purchases since 2021, fuelled by purchases of components from international brokers to compensate for the lack of components from the usual suppliers. This trend continued into 2023, even though tensions in component supply eased gradually throughout the year.

Generally speaking, for electronics, as the global manufacturing of basic products (components, printed circuits, etc.) is mainly concentrated in Asia and North America, it is impossible to favour local supply chains as the sought-after resources are just not available.

In 2023, ACTIA joined forces with Toulouse Métropole as part of the inter-company circular economy action plan. The aim was to find as many synergies as possible across the local business fabric. Electronics affects many companies in the Toulouse metropolitan area. Some materials used in components are becoming depleted and we need to work on reusing and recovering them.

In 2022, ACTIA Group was behind the launch of the Club ETI Occitanie. This association brings together nearly 30 mid-sized companies to share their experiences and take joint action. ACTIA, which hold the presidency, is active in the HR and CSR committees.

6.6.4 RELATIONS WITH STAKEHOLDERS AND SOCIAL WORKS

Some Group entities belong to **trade bodies**: In France, Union des Industries et Métiers de la Métallurgie (UIMM), MEDEF (employers' union), the movement for mid-market companies (METI), scientific bodies such as Aerospace Valley, Tompasse and social bodies such as Action Logement, a body that collects the tax for the construction of housing, financing construction and helping employees to find housing. Elsewhere, with the CIPI ACTIA membership of the United Nations Global Compact for human rights and the environment, the metal industry employers' union in Madrid (Spain), SMMT (local union in England), and the Chinese Bus and Coach Association.

In 2023, ACTIA was actively involved in leading the CSR committee of the Club ETI Occitanie. This is quite logical since ACTIA co-founded the club in 2022. The aim of this association is to promote links between mid-market companies in the region by sharing approaches and organising working groups. It is also open to high-growth Small & Medium-sized Enterprises (SMEs) in order to support them and promote their transformation into mid-sized businesses (ETIs).

The Group also has good relations with **post-secondary educational institutions** with which it participates in research activities and has end-of-studies internship programme partnerships. In France, ACTIA has signed a partnership agreement with six major educational establishments ("Grandes Écoles"): Ecole des Mines Albi-Carmaux (engineering), the Toulouse Business School, ENSEEIHT (electro-technical, electronics, IT, hydraulics and telecommunications), ENSIL (engineering in Limoges), INSA (applied sciences in Toulouse) and ISAE (aeronautics and space).

ACTIA is also a founding member of the INSA Foundation, which works in favour of equal opportunities for student engineers in financial straits by offering them the possibility of obtaining a grant. Jean-Louis Pech, Group Chairman and CEO, has been president of the INSA University Foundation since its creation in 2016. ACTIA contributes €85,000 to the budget of this Foundation. This budget is used in particular to fund part of the student scholarships of the INSA foundation: "Donner une chance" (Giving an opportunity), High school scholarship, "Coup de pouce entrepreneuriat" (A boost for entrepreneurship). This budget also helped the Toulouse Ingénierie Multidisciplinaire (TIM) association to carry out its mission and thus meet innovative technological challenges by designing, manufacturing and optimising highly fuel-efficient vehicles. Their work earned them 1st prize in the Shell Eco-Marathon 2023 international competition.

On the international front, partnerships have been entered into with Politecnico and the University in Turin (Italy), London University and Learnex (Mexico), the University of Shanghai (China), and with a number of engineering schools in Tunisia.

ACTIA also supports the Toulouse Capitole National Orchestra, through the Aïda Foundation.

Some subsidiaries support various local associations. For instance, in Toulouse, ACTIA showed its commitment by becoming a founding member of the "Le Cœur des Entreprises" association, an endowment fund that allows companies to join forces to serve the most vulnerable. The goal is to "Pool human, financial and real estate resources in businesses to make them available to the stakeholders working in the region to take care of the homeless and people in great difficulty" as well as to foster the inclusion of disabled people.

Group actions can also take the form of:

- Donations, such as IT equipment donated to a school which helped keep a satisfactory number of computers up and running, for use by pupils to help them learn, and to a parents' association, for pre-school and primary school children.
- Involvement of teams in supporting young people from disadvantaged neighbourhoods in finding their first job ("Nos Quartiers ont du Talent" (Our Neighbourhoods have Talent));
- Financial contribution to certain selected associations.

As for ACTIA Engineering Services (Tunisia), it is a partner in the Elife programme launched by the Tunisia Foundation for development, for the following activities:

- Opening of technological centres specifically for young Tunisians in the most marginal and underprivileged regions;
- Selection of young ISET (Higher Institute of Technological Studies) graduates mainly on the criterion of motivation;
- Upskilling to improve their chances of finding a profession thanks to a 180-hour training programme including language, communications and preparation for digital professions.

This subsidiary continues to support the Sidi Ammar primary school in the region of Fernana (Governorate of Jendouba) by offering sponsorship, extracurricular outings, collection of school supplies, events at the company, etc.

In addition, ACTIA has been an ambassador for La Saison Bleue in Tunisia since 2018; the goal of this project is to promote Tunisia's marine environment and boost the blue economy, while raising awareness about the vulnerability of the sea and coastline. In relation to this project, two days of discussions with experts and get-togethers with the general public are organised, based on themes such as the marine environment, technology and the sea, the sea and related professions, and marine leisure activities and culture.

ACTinCube incubation programme:

Last year, the incubation programme set up in the ACTIA Engineering Services subsidiary helped 9 selected start-ups for 24 months to reach TRL9 *(Technology Readiness Level)*, which corresponds to the industrialisation phase and which requires certain critical processes to be implemented. The programme aims to further strengthen, structure and enhance the ecosystem of entrepreneurship and innovation in Tunisia. It also strives to strengthen partnerships within the innovative entrepreneurship ecosystem in Tunisia while having access to international opportunities through ACTIA.

The Group, for example, is keeping a close eye on the start-up "HAWKAR", which has been part of the incubator for 5 years; the ambitious plan driven by this start-up is to build a compact and ecological electric vehicle that is economic to buy and run. The aim is to enable people with reduced mobility to travel more easily and independently, thus mitigating the shortfalls of existing infrastructure and public transport. This small vehicle is expected to:

- Facilitate parking and make it easier to safely stow and remove a wheelchair;
- Be rechargeable directly by connecting to the standard grid;
- Protect the environment, be silent, more economic than a petrol model, with low maintenance costs, and adaptable to different types of physical disability.

From the outset, ACTIA Engineering Services has provided HAWKAR with advice, technical support and finance to enable it to produce the first prototype. In 2020, despite the unusual circumstances, the first product was developed. Building on this experience, HAWKAR and ACTIA Engineering Services aim to improve this first model and obtain its approval. HAWKAR is also developing an electrically assisted wheel that can be mounted on a wheelchair to electrify it at a very low cost, thus making it accessible to the greatest number of people. ACTIA continues to support HAWKAR.

4 QUALITY EDUCATION

6.6.5 FAIR PRACTICES AND TAX EVASION

In 2018, the Group adopted an Anti-corruption Code and an internal whistleblower scheme. E-training was carried out in 2019 to raise the awareness of the issue and inform employees who are exposed to the risk of corruption. The training programme is intended to be accessible to all Group employees. The Group's internal control function has also been reinforced with the creation and implementation of procedures in sensitive areas such as conflict of interest.

The Group's objective is to raise anti-corruption awareness among all employees and to train the most vulnerable jobs (purchasing, sales, finance, managers). Overall, these jobs represent an average of 20% of the workforce. Today, 80% of the target population has been trained. Six (6) subsidiaries are 100% trained and ten (10) subsidiaries have more than 90% of their target staff trained. ACTIA plans to complete these courses in 2024.

A Group-wide gifts policy was introduced in 2021 and is presented to all new employees.

The Code of conduct, the Code of ethics and the whistleblowing scheme are regularly updated, especially following regulatory changes. The whistleblowing system is no longer limited to anti-corruption, but covers everything that is considered a potential crime. These documents are available on the Group's website: https://www.actia.com/fr/groupe/engagements. In order to keep pace with recent regulatory developments, ACTIA has decided to outsource the whistleblowing service, considering that the stakeholders who need to raise an alert might have greater trust in an external player.

Concerning the measures taken for the health and safety of consumers, products developed by the Group are subject to the safety concerns and the improvement of respect for the environment, particularly in the field of the mobility of goods and people.

ACTIA in most cases intervenes in one of the components of a more complex product that may subsequently be used by the end customer. On this basis, the Group meets the requirements established set for this purpose by the manufacturer of the end product, while being proactive about making suggestions.

With respect to tax evasion, it should be noted that the Group does not have any facilities in countries on the tax haven blacklist. The Group opened facilities in Tunisia between 1997 and 2005 and has since then developed its printed circuit board production and integration and R&D sites at a lesser cost. The aim was and still is to ensure the Group retains its competitive edge in international calls for tender. In accordance with the legislation on foreign capital in effect at the time, the companies have offshore status. The growth of the Group's business has enabled the creation of many local jobs. The Group remained committed to supporting the business during the Tunisian crisis of 2011, although many customers requested that production in Tunisia be closed down. Group management believes that the Company's role is essential due to local employment, training and investment to support the economy it provides. ACTIA also relies on a commercial structure, ACTIA Africa, which does not have offshore status and meets the requirements of local regulations.

ACTIA has structured its world-wide transfer pricing policy, which is based on split profits which is, in turn, based on the added value of each company. They are set based on the operational environment of the transactions, the location of intangibles and economic and regulatory circumstances.

6.6.6 SUPPORT FOR THE NATIONAL GUARD'S MILITARY RESERVE POLICY

On 17 November 2020, ACTIA signed an agreement to support the military reserve policy with the French Ministry of the Armed Forces. A National Guard liaison officer was appointed to coordinate the implementation of this agreement. In line with its social commitments, this agreement enables ACTIA to clarify and simplify the procedures for its employees committed to serving in the operational reserve.

6.7 RESPONSIBLE ACTIVITIES APPROACH

As ACTIA is listed on a non-regulated market, the Group is no longer subject to the Taxonomy reporting requirement. However, the Group wishes to maintain the same reporting scope and makes a voluntary reporting of its responsible activities.

Manufacturing industry

Manufacture of low-power rechargeable batteries, battery packs and accumulators for transport, stationary and off-grid energy storage and other industrial applications. Manufacture of respective components (battery active materials, battery cells, casings and electronic components). Recycling of end-of-life batteries.

- Micromobility business:

On 1 August 2021, ACTIA gave the two-wheel electric traction system its first test drive with the launch of a new business dedicated to micromobility, in particular the Electrically Assisted Bicycle (e-bike). This activity is therefore operating in this fast-growing market. E-bike sales in Europe are increasing by nearly 50% per year. Driven by its own specific international competitive conditions, the business is mainly guided by the change in urban mobility practices and the digital needs of users and fleet managers alike. As an equipment manufacturer, ACTIA holds all the keys for targeting this market in a highly competitive manner, including:

- Its experience as a system designer, especially in electrification and vehicle connectivity;
- Its local industrial infrastructure that meets the Automotive quality standards;
- Its know-how in personalisation according to customer needs;
- Its agility and capacity for innovation.

Energy **- transmission and/or distribution of electricity**

- SmartGrid activity

Example of a recent project: SMART Occitania:
Innovative system of Smart Grids to coordinate energy production and consumption.

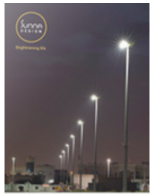
- In partnership with Enedis and the Occitanie Region;
- Smart Grid in rural areas (ADEME);
- ACTIA is in charge of Production and Consumption regulations - Storage management.

- I-Can:

ACTIA is a major international player in embedded telematics. The Group supplies the world's major manufacturers of industrial and commercial vehicles and manufacturers of premium brands of light vehicles. In total, more than 5 million telematics units have been manufactured by ACTIA to equip these vehicles. The i-Can, in particular, supports drivers in eco-driving, for sustainable and eco-responsible mobility.

TBM: Transports Bordeaux Métropole has also praised our expertise: https://www.youtube.com/watch?v=p-z8r1oDtCA.

- ACTIA, a partner of Sunna Design:



ACTIA is supporting **SUNNA DESIGN** in the international roll-out of its range of public solar street lights for urban areas and roadways.

Connected solar units manage the charging and discharging of the street light's battery, as well as its connectivity. ACTIA manufactures the printed circuit boards and integrates them in the units.

- KUMULUS:

Kumulus is one of the start-ups hosted at ACTInCube. Their objective is to develop an atmospheric water generator that converts humidity into drinking water. The system works with solar energy: https://www.kumuluswater.com/#/

This system avoids all use of plastic packaging and the logistics of transporting and storing water.

6.8 SUMMARY OF KEY INDICATORS

6.8.1 SOCIAL ISSUES

◎ Employee loyalty

Associated risk	Key indicator	2022 result	2023 result	§
High staff turnover	turnover	14.8%	14.8%	§ 6.4.1.2.7
	number of hours of training per average headcount per year	17	16	§ 6.4.1.3.1

◎ Attractiveness

Associated risk	Key indicator	2022 result	2023 result	§
Recruitment difficulty	headcount at year end	3,729	4,092	§ 6.4.1.2
	percentage of female employees	32.5%	33.1%	§ 6.4.1.2.1
	percentage of women on the Boards of Directors	34.8%	33.0%	§ 6.4.1.2.1
	percentage of women on the Management committees	25.7%	23.1%	§ 6.4.1.2.1
	percentage of open-ended contracts	88.1%	89.1%	§ 6.4.1.2.4
		975 < 30 years	1,132 < 30 years	§ 6.4.1.2.3
	breakdown of staff by age	2,088 between 30 and 50 years	2,236 between 30 and 50 years	§ 6.4.1.2.3
		666 > 50 years	724 > 50 years	

◎ Employee Health and Safety

Associated risk	Key indicator	2022 result	2023 result	§
Accidents	frequency index of accidents with lost working days	8.5	3.6	§ 6.4.1.5.1
	severity rate of accidents with lost working days	0.04	0.1	§ 6.4.1.5.1
	frequency rate of accidents with lost working days	4.6	2.0	§ 6.4.1.5.1
Sickness	number of days of sick leave per employee	7.8	6.8	§ 6.4.1.5.2

6.8.2 ENVIRONMENTAL ISSUES

Associated risk	Key indicator	2022 result	2023 result	§
	quantity of waste produced by type of recovery	743 T	757 T	§ 6.5.2
Pollution	water consumption per employee	10.7 m^3 / year	9.0 m^3 / year	§ 6.5.1
	proportion of waste recycled	70.3%	74.2%	§ 6.5.2
	energy consumption	20,838.8 MWh	22,100.3 MWh	§ 6.5.3.1
Climate change	energy consumption per employee per year	5,735.7 kWh	5,630.3 kWh	§ 6.5.3.1
	greenhouse gas emissions related to energy consumption	6,282 tonnes CO^2 eq.	6,758 tonnes CO^2 eq.	§ 6.5.3.2

6.8.3 SOCIETAL ISSUES

Associated risk	Key indicator	2022 result	2023 result	§
Anti-corruption training	% of targeted employees trained in anti-corruption	66%	80%	§ 6.6.5

6.9 REPORT OF ONE OF THE STATUTORY AUDITORS, DESIGNATED AN INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON-FINANCIAL PERFORMANCE STATEMENT

To the General Meeting,

In our capacity as Statutory Auditor of your company (hereinafter the "entity"), appointed as independent third party and accredited by COFRAC under number 3-1884[1], we have undertaken a limited assurance engagement on the historical financial information (actual or extrapolated) of the consolidated non-financial statement, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended 31 December 2023 (hereinafter, respectively, the "Information" and the "Statement"), presented in the Group's management report pursuant to the requirements of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Conclusion

Based on the procedures performed, as set out in the "Nature and scope of our work" section of this report, and the information collected, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Comments

Without calling into question the conclusion expressed above and in accordance with the provisions of Article A.225-3 of the French Commercial Code, we are making the following comment:

– As mentioned in section "6.5.3.2 Emissions into the air and greenhouse gases" of the Statement, as part of ACTIA Group's product lifecycle analysis, the item relating to direct and indirect greenhouse gas emissions from upstream and downstream transport activities is considered insignificant by the Group. No values and no action plans aimed at reducing direct and indirect greenhouse gas emissions from upstream and downstream transport are therefore reported.

Preparation of the non-financial statement

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, the main elements of which are presented in the Statement (or available on the website or on request from the entity's registered office).

Inherent limitations in preparing the Information

The Information may be subject to inherent uncertainty because of incomplete scientific and economic knowledge and the quality of external data used. Some information is sensitive to methodological choices, assumptions and/or estimates used for their preparation and presentation in the Statement.

Responsibility of the Entity

It is the responsibility of the Management to:

- Select or establish suitable criteria for preparing the Information;
- Prepare a Statement in accordance with legal and regulatory provisions, including a presentation of the business model, a presentation of the main non-financial risks, a presentation of the policies implemented with respect to the risks and the results of the policies, including key performance indicators;
- Prepare the Statement by applying the entity's Guidelines as mentioned previously; and
- Implement internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

1 COFRAC accreditation Inspection, no. 3-1884, available for consultation at www.cofrac.fr

The Statement was prepared by the Board of Directors.

Responsibility of the Statutory Auditors designated an independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the historical financial information (actual or extrapolated) provided in accordance with Article R. 225-105-I(3) and II of the French Commercial Code concerning action plans and policy outcomes, including the key performance indicators on the main risks.

As it is our responsibility to provide an independent conclusion on the Information as prepared by Management, we are not authorised to help prepare said Information, as that could compromise our independence.

It is not our responsibility to comment on:

- The entity's compliance with other applicable legal and regulatory provisions, in particular with regard to the due diligence plan;
- The compliance of products and services with the applicable regulations.

Regulatory provisions and applicable professional guidance

We performed the work described below in accordance with Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable to such engagement, in particular the professional opinion of the French Institute of Statutory Auditors, Engagement of Statutory Auditors, Engagement of the independent third party – Non-Financial Performance Statement, and acting as the verification programme and the international standard ISAE 3000 (revised)[1].

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the French Code of Ethics (Code de déontologie) for statutory auditors. Our firm maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with applicable legal, regulatory and ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors relating to this engagement.

Means and resources

Our work drew upon the expertise of five people. It was conducted between November 2023 and April 2024 over a total period of approximately two working weeks.

We were assisted in our work by our sustainable development and social responsibility experts. We interviewed a dozen people responsible for preparing the Statement.

Nature and scope of our work

We planned and performed our work to address the areas where we identified that a material misstatement of the Information was likely to arise.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion:

- We have noted the activities of all entities included in the scope of consolidation and the principal risks;
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- We verified that the Statement covers each category of information provided for in Article L. 225-102-1 III in respect of social and environmental matters, and includes, where applicable, an explanation for the absence of the information required under Article L. 225-102-1 III, paragraph 2 of the French Commercial Code;

1 ISAE 3000 (revised) - *Assurance engagements other than audits or reviews of historical financial information*

- We have verified that the Statement presents the information required by Article R. 225-105 II where relevant to the principal risks;
- We verified that the Statement presents the business model and a description of the principal risks related to the activities of all the entities included in the scope of consolidation, including, when relevant and proportional, the risks created by business relationships, products or services and policies, actions and results, including key performance indicators for the principal risks;
- We consulted documentary sources and conducted interviews in order to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in the appendices. Concerning certain risks[1], our work was carried out on the consolidating entity. For the other risks, our work was carried out on the consolidating entity and on a selection of entities[2]
- We verified that the Statement covers the scope of consolidation, namely all of the entities included in the scope of consolidation, in accordance with Article L. 233-16 of the French Commercial Code;
- We noted the internal control and risk management procedures put in place by the entity and assessed the data gathering process intended to reflect the completeness and truthfulness of the information;
- We implemented the following for the key performance indicators and other quantitative results we deemed most important:
  - Analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - Tests of details, using sampling techniques or other selection methods, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out for a selection of contributing entities[2] and covered between 36% and 100% of the consolidated data selected for these tests;
- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement performed in accordance with the professional guidance issued by the French Institute of Statutory Auditors; a higher level of assurance would have required us to carry out more extensive procedures.

Labège and Paris La Défense, 23 April 2024

KPMG S.A.

Mathieu Leruste,

Partner

Raffaele Gambino,

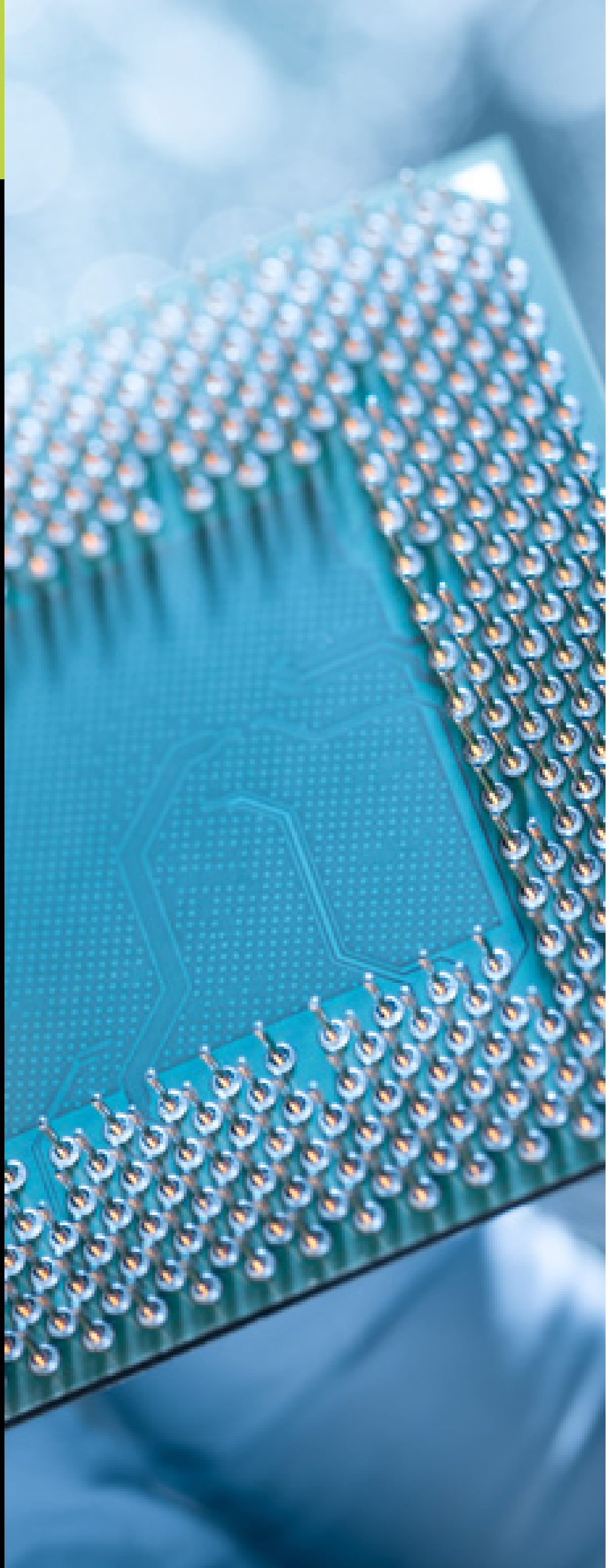
ESG Expert ESG Centre of Excellence

1 Respect for human rights and the fight against corruption and tax evasion
2 ACTIA Automotive (France), ACTIA Engineering Services (Tunisia), ACTIA CIPI (Tunisia)

Appendix

Qualitative information (actions and results) considered most important
Relationship with engineering schools
First aid training for employee health
Technology training roadmap
Management of psychosocial risks
Encouraging soft mobility
Actions to raise awareness about environmentally responsible practices
Water treatment to reduce pollution
Commitments and measures in favour of the fight against corruption and tax evasion
Measures implemented to promote human rights

Key performance indicators and other quantitative results deemed most important
Headcount at year end and breakdown by gender
Turnover
Percentage of women on the Boards of Directors
Percentage of women on the Management Committees
Frequency of occupational accidents with lost working days
Severity of occupational accidents
Number of days of sick leave per employee
Training hours per average headcount
Energy consumption per employee
Water consumption per employee
Greenhouse gas emissions related to energy consumption
Amount of waste generated
Proportion of waste recycled
Share of employees trained in anti-corruption



7

CORPORATE GOVERNANCE REPORT

This report on corporate governance was prepared by the Legal Department in liaison with General Management, approved by the ACTIA Group Board of Directors on 25 March 2024 and forwarded to the Statutory Auditors.

7.1 CORPORATE GOVERNANCE

Our Company largely uses the new September 2021 edition of the Corporate governance code for listed companies issued by Middlenext, without adhering to it, for the organisation of its governance.

7.1.1 ACTIA GROUP'S GOVERNANCE CODE

Since its transfer to Euronext Growth (February 2023), the Company has set out certain rules of good governance in the Board of Directors' internal rules, based on the Middlenext Code.

As such, the following governance rules are implemented by the Company:

Ethics of Board members: acceptance of the term, legal obligations and the rules regarding the holding of multiple offices; signature of internal rules; compliance with blackout periods and reporting of transactions; attendance, duty to inform, obligation of confidentiality.

Conflicts of interest: establishment of procedures to avoid conflicts of interest and declaration by Directors of any potential conflict of interest.

Independence of the Board members: the number of independent Board members should be at least 10%, excluding the Directors representing the employees. The criteria for presuming independence are as follows:

- Not be, or have been, an employee or Executive Corporate Officer of the Company or of a company of his/her Group;
- Not to have a significant business relationship with the Company or his/her Group (customer, supplier, competitor, service provider, creditor, banker, etc.);
- Not be a majority shareholder of the Company or hold a significant percentage of voting rights;
- Not be in a close relationship or have a close family tie with a Corporate Officer or a majority shareholder;
- Not have been a Statutory Auditor of the Company in the past six years.

Independent status is assessed when a "Board member" is first appointed and each year when the Corporate Governance Report is drawn up and approved.

Information to Directors: the Company provides the Directors with all necessary information in sufficient time between Board meetings when justified by current business events. The internal rules set out the practical aspects of the provision of this information, while setting reasonable deadlines.

Organisation of meetings: the frequency and duration of the meetings allow for an in-depth examination of the topics discussed. Minutes are recorded for each Board meeting, summarising the discussions. The Corporate Governance Report indicates the number of annual Board meetings and the attendance rate of the Directors.

Establishment of committees: The Board of Directors decides whether or not to set up specialised committees.

Board in the form of specialised Corporate Social Responsibility (CSR) Committee: The Board of Directors has decided to assume the functions of the CSR Committee itself, with the assistance of people specialised in this field. The main tasks are as follows:

- Setting and deploying an internal carbon pricing;
- Examining regulatory developments and the effective dates;
- Reviewing the social and societal policy and related indicators;
- Reviewing the environmental policy and related indicators;
- Reviewing biodiversity action plans;
- Examining the overall feminisation of the Group;
- Examining the number of accidents, absenteeism and turnover;
- Examining CSR training for internal teams;
- Examining the governance of the Group's CSR policy;
- Reviewing and updating the non-financial risk map;
- Template for drafting the Non-financial Performance Statement (DPEF): business model reviews, stakeholder management, materiality grid, indicators;
- Proofreading, validating of the final Non-Financial Performance Statement;
- Examining the stakeholders and current and future partnerships;
- Examining sponsorship and philanthropy initiatives;
- Reviewing alerts as part of the anti-corruption plan;
- Examining the requests for compliance questionnaires.

Compensation Committee: on 18 December 2023, ACTIA Group's Board of Directors approved the creation of a Compensation Committee, with the remit to:

- Propose to the Board of Directors an overall compensation policy for the Group's executive corporate officers;
- Propose to the Board of Directors the type and method of calculating compensation for these officers after, for example, comparison with practices observed in other companies (determination of the fixed or variable component of the compensation, bonuses, various benefits, in particular benefits in kind);
- Make proposals to the Board of Directors on the overall amount of compensation to be paid to members of the Board of Directors and, where applicable, to observers, and on the breakdown of such compensation, based on the contribution of each member and their attendance record;
- Examine all provisions relating to the pensions and welfare scheme of the Group's executive corporate officers and make recommendations on any severance payments that may be made to them on termination of their duties;
- And, in general, answer any questions submitted to it by the Board of Directors concerning the compensation of executives.

At its meeting on 25 March 2024, the Board of Directors (i) updated its Internal Rules accordingly and (ii) appointed the first members of the said Compensation Committee.

Internal Rules of the Board of Directors: on a purely voluntary basis, ACTIA Group laid down the Internal Rules that reiterate the points mentioned in Chapter 7.1.4 "Organisation and operation of the Board of Directors" below.

Selection of each Director: sufficient biographical information (offices held, experience and skills) is posted online for each appointment and is included in the Corporate Governance Report.

Term of office of Directors: in accordance with Article 12-2 of the Articles of Association, which provides for a staggered term of office, the terms of office of Directors are staggered.

Directors' compensation: Directors' compensation and its breakdown are decided by the Board of Directors, in accordance with the compensation package approved by the General Meeting of Shareholders.

Definition and transparency of the compensation of executive corporate officers: the competent body of each Group company determines the level and terms of compensation of its executive officers and the information provided in accordance with legal and regulatory requirements.

7.1.2 MEMBERSHIP OF THE BOARD OF DIRECTORS AND GENERAL MANAGEMENT

◎ Board of Directors

Offices on the Board of Directors are for a period of six years. As an exception, and in order to facilitate the setting up or smooth transition of offices, one or more members of the Board of Directors may be appointed for a five-year period at the General Meeting. The Directors were appointed at the General Meeting held on 30 October 2020. Two Directors representing the employees were elected on 23 March 2021 for a four-year term, in compliance with the provisions of Articles L225-27-1 et seq. of the French Commercial Code.

With respect to the principle of balanced representation of women and men on the Board of Directors, it should be noted that the Board is made up of 6 women and 4 men for a total of ten members. The members of the Supervisory Board representing the employees are not included in this total. The proportion of members of each gender is at least equal to 40%.

Membership of the Board of Directors

Name and position	Independent directors	Year of first appointment	End of term
Executive Corporate Officers and Directors			
Jean-Louis Pech, Chairman and CEO	NO	2020	2026*
Jean-François Calmels, Deputy CEO	NO	2020	2026*
Marine Candelon, Deputy CEO	NO	2020	2026*
Catherine Mallet, Deputy CEO	NO	2020	2026*
Independent Directors			
Catherine Casamatta	YES	2020	2025*
Carole Garcia	YES	2020	2025*
Véronique Védrine	YES	2020	2025*
Directors			
Stanislas Bailly	NO	2020	2025*
Laura Pech, daughter of Jean-Louis Pech	NO	2020	2026*
Frédéric Thrum	NO	2020	2025*
Directors representing the employees			
Martine Chupin	N/A.	2021	2025
Marie-Louise Ribaut	N/A.	2021	2025
Honorary Chairman (non Director)			
Pierre Calmels	N/A.	2020	No fixed term of office
Observer (non-Director)			
Christian Desmoulins	N/A.	2020	2028*

** Following the General Meeting called during the year to approve the financial statements for the previous financial year*

It is noted that there were no changes in the composition of the Board of Directors during the reporting year.

INDEPENDENT OFFICERS

The criteria used to be considered as an independent officer are detailed in section 7.1.1 "ACTIA Group's governance code" above.

The following definition of the term "Group" is used for the application of these criteria: any company controlled or controlling the ACTIA Group as meant by Article L233-3 of the French Commercial Code.

As indicated in the summary table above, the **independent officers** are therefore: Catherine Casamatta, Carole Garcia and Véronique Védrine. Apart from the Directors representing employees who are not counted, the proportion of Independent Directors is therefore 30% on the ACTIA Group Board of Directors.

HONORARY CHAIRMAN

On 30 October 2020, the Board of Directors appointed Pierre Calmels as Honorary Chairman, in line with the faculty offered by the company's Internal Rules.

The Honorary Chairman is invited to all meetings of the Board and has an advisory vote.

Like the Observers, he is also bound by the obligations of loyalty and prevention of conflicts of interest, those related to the holding of confidential information and the prevention of offences and insider trading, the duty of diligence, the obligation to acquire information and behave in an ethical manner, as set out in Article 4 of the Internal Rules.

At the request of the Chairman and CEO, the Honorary Chairman may be asked to share his experience and address the company staff. He may also be required to represent the Group, for example with regard to its long-standing partners, and participate in major ACTIA events.

OBSERVER

At 31 December 2023, the company had one Observer, Christian Desmoulins, appointed by the Board of Directors on 30 October 2020, for a four-year term. His office will expire at the end of this General Meeting. He was reappointed by the Board of Directors on 25 March 2024 for a further term of 4 years, which will expire at the end of the General Meeting to be held in 2028 to approve the financial statements for the previous financial year.

7.1.3 INFORMATION ABOUT THE MEMBERS OF THE COMPANY'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

- **Stanislas Bailly** is a Company Director. Appointed at the Combined Ordinary and Extraordinary General Meeting of 30 October 2020; his term will expire at the General Meeting to be held in 2025 to approve the financial statements for the previous financial year. He also holds the following offices and positions in the companies listed below:

- Offices

Current offices and directorships		
Offices	Company	Country
CEO	SNECI	France
Chairman	SGPFEC	France
	S.B. Investments	France

Positions
CEO of SNECI
Chairman of SGPFEC
Member of the FIEV Steering Committee

Address
SGPFEC - 64 Rue Anatole France - 92300 Levallois-Perret

Expertise and experience	
ACADEMIC BACKGROUND:	
Ecole Polytechnique (School of Engineering)	
Master of Science MIT Boston	
MBA at INSEAD	
PROFESSIONAL BACKGROUND:	
Derivatives Trader at JP Morgan in Hong Kong	2007 - 2009
Projects & Operations at SNECI	2010 - 2011
Director SNECI Asia in Shanghai	2011 - 2013
Director of Operations at SNECI	2013 - 2017
CEO of SNECI	Since 2017

- **Pierre Calmels**, founder of the Group, father of Marine Candelon-Bonnemaison and Jean-François Calmels, is the Honorary Chairman of the Board of Directors, appointed at the Board meeting held on 30 October 2020. He also holds the following offices and positions in the companies listed below:

- Offices

Current offices and directorships		
Offices	Company	Country
Observer	ACTIA Automotive	France
	ACTIA Aerospace	France
Director	LP2C	France

Address
ACTIA Group – 5, rue Jorge Semprun – BP 74215 – 31432 TOULOUSE Cedex 04

Expertise and experience	
ACADEMIC BACKGROUND:	
Ecole Polytechnique (School of Engineering) - Paris – AFN	1957 – 1959
Military service – Marignane Avord	1959 - 1960
ISAE (formerly ENSAE) – Paris	1960 - 1962
ICG Toulouse	1983 - 1985
PROFESSIONAL BACKGROUND:	
Aeronautical Test Centre of Toulouse (CEAT)	1962 - 1969
Weapons engineer	
Head of Conditioning Laboratory (3 years)	
Head of the Materials and Structure Group (4 years)	
MICROTURBO SA – Toulouse	1969 - 1990
Technical Director (7 years)	
Programme Director (9 years)	
Chief Executive Officer (5 years)	
ACTIA Automotive SA – Toulouse	since 12/1990
LP2C (Group holding company)	Since 07/1994

Jean-François Calmels, son of Pierre Calmels and brother of Marine Candelon-Bonnemaison, is Deputy CEO, appointed by the Board of Directors on 30 October 2020. Appointed Company Director at the Combined Ordinary and Extraordinary General Meeting of 30 October 2020, his term of office will expire at the end of the General Meeting to be held in 2026 to approve the financial statements for the previous financial year. He also holds the following offices and positions in the companies listed below:

Offices

Current offices and directorships		
Offices	Company	Country
Deputy CEO and Director	LP2C	France
Director	ACTIA Corp.	USA
	ACTIA Tunisie	Tunisia
	ACTIA Electronics	USA
	ACTIA Nordic	Sweden
	ACTIA de Mexico	Mexico
	ACTIA Systems	Spain
	ACTIA Engineering Services	Tunisia
	ACTIA UK	UK
	ACTIA Africa	Tunisia
Permanent Representative of ACTIA Group	CIPI ACTIA	Tunisia
Advisory Board member	ACTIA Do Brasil	Brazil
Member of the Management Committee	ACTIA Automotive	France
	ACTIA Aerospace	France
Co-Manager	SCI Les Coteaux de Pouvourville	France
	SCI de l'Oratoire	France

Address	
ACTIA Group – 5, rue Jorge Semprun – BP 74215 – 31432 TOULOUSE Cedex 04	
Expertise and experience	
ACADEMIC BACKGROUND:	
Université Paul Sabatier	1988 - 1990
Ecole Militaire de l'Air	1994
USAF Warfare Centre	2010
PROFESSIONAL BACKGROUND**:**	
French Airforce: Speciality: Weapons Systems Navigation Officer	1990 - 2018
Missions in combat zones as Weapons Systems Navigation Officer	1999 - 2005
Head of Electronic Warfare training	2005 – 2007
NATO: Military Assistant to the French Admiral in charge of Research and Technology, Future Capacities	2007 - 2010
Second in Command, Lyons Detection and Control Centre	2011 - 2013
Commander, Lyons Detection and Control Centre	2013 - 2016
Air Force Colonel	2016
Chief of Air Operations National Air Operations Centre	2016 - 2017
Second in Command National Air Operations Centre	2017 - 2018
ACTIA Telecom - Account Manager	2018
ACTIA Group - Deputy CEO	Since 2020
LP2C - Deputy CEO	Since 2022
AWARDS**:**	
Knight of the Legion of Honour	
Officer in the National Order of Merit	

Marine Candelon-Bonnemaison,daughter of Pierre Calmels and sister of Jean-François Calmels, is Deputy CEO, appointed by the Company's Board of Directors on 30 October 2020. Appointed Company Director at the Combined Ordinary and Extraordinary General Meeting of 30 October 2020, her term of office will expire at the end of the General Meeting to be held in 2026 to approve the financial statements for the previous financial year. She also holds the following offices and positions in the companies listed below:

Offices

Current offices and directorships		
Offices	Company	Country
Vice-Chair	ACTIA Italia	Italy
Deputy CEO and Director	LP2C	France
Permanent Representative of ACTIA Automotive	ACTIA 3E	France
	ACTIA PCs	France
Permanent Representative of LP2C	ACTIA Tunisie	Tunisia
	CIPI ACTIA	Tunisia
Director	ACTIA Italia	Italy
	SCI Los Olivos	Spain
	ACTIA Systems	Spain
	ACTIA China	China
Member of the Management Committee	ACTIA Automotive	France
	ACTIA Aerospace	France

Address	
ACTIA Group – 5, rue Jorge Semprun – BP 74215 – 31432 TOULOUSE Cedex 04	
Expertise and experience	
ACADEMIC BACKGROUND**:**	
First Certificate of Cambridge	1979
Proficiency of Cambridge	1980
BTS Executive Secretary	1982
PROFESSIONAL BACKGROUND**:**	
TECHNAL France Toulouse: Qualified export secretary	1982 - 1985
Maurice Messegue Auch - Executive Secretary	1986
Laboratoires Des Herbes Sauvages Fleurance - Executive Secretary	1986 - 1990
SARL ACTE Nérac - Executive Assistant	1990 - 1993
SA M3S Castelginest - Chair and Chief Executive Officer	1993 - 2002
LP2C - Executive Board member	1999 - 2022
ACTIA Group - Executive Board member	2002 - 2020
ACTIA Group - Deputy CEO	Since 2020
LP2C - Deputy CEO	Since 2022

Catherine Casamatta is an Independent Company Director. Appointed at the Combined Ordinary and Extraordinary General Meeting of 30 October 2020, her term of office will expire at the end of the General Meeting to be held in 2025 to approve the financial statements for the previous financial year. She also holds the following offices and positions in the companies listed below:

- Offices

Current offices and directorships		
Offices	Company	Country
Vice-Chair in charge of Finances	Université Toulouse Capitole	France
Member	Scientific Council of the Financial Markets Authority	France

Address

TSM - 2 Rue du Doyen Gabriel Marty, 31000 Toulouse

Expertise and experience	
ACADEMIC BACKGROUND**:**	
Graduate of ESSEC (Cergy)	1994
Post-graduate diploma (DEA) in Management Sciences	1995
Doctorate in Management Sciences	1999
Authorisation to lead research in Management Sciences	2002
First selection examination in Management Sciences	2003
PROFESSIONAL BACKGROUND**:**	
Professor of Finance, TSM and TSE, UT1 Capitole	since 2003
Head of the Finance Department, IAE, UT1 Capitole	2002 - 2004
Director of the Graduate School of Management Sciences, UT1 Capitole	2006 - 2010
Director of IAE Toulouse, UT1 Capitole	2010 - 2015
Director of the Master in Corporate Finance, TSM, UT1 Capitole	since 2016

Martine Chupin is a Company Director representing the employees of the Company, elected by the employees on 23 March 2021. Her term of office will expire on 22 March 2025.

Address	
ACTIA Group - 5, rue Jorge Semprun - BP 74215 - 31432 TOULOUSE Cedex 04	
Expertise and experience	
ACADEMIC BACKGROUND**:**	
INSA Engineer in Automation, Electronics and IT	1994
Post-graduate diploma (DEA) in Microelectronics	1994
PROFESSIONAL BACKGROUND**:**	
ACTIA Automotive: project manager for diagnostic tools, head of the Multidiag project	1994
ACTIA Automotive: head of hardware/firmware developments for diagnostics	2000
ACTIA Automotive: head of quality, serial life and aftermarket for the Diagnostics business unit	2006
ACTIA Automotive: head of quality, methods and tools, safety and qualification	2013
ACTIA Automotive: head of the operations cluster within the Information Systems Department	since 2021

Christian Desmoulins is an Observer at the Company's Board of Directors. He was appointed by the Board of Directors on 30 October 2020. His term of office, which expires at the end of this General Meeting, was renewed by the Board of Directors on 25 March 2024, for a further period of 4 years, which will expire at the end of the General Meeting to be held in 2028 to approve the financial statements for the previous financial year. He also holds the following offices and positions in the companies listed below:

- Offices

Current offices and directorships		
Offices	Company	Country
Advisor	French foreign trade adviser	France
Honorary Chairman	Cercle d'oc	France
Manager	SCI Un Grain d'Orge	France
Honorary Chairman	Midi-Pyrenees Regional Committee of the Association of French Foreign Trade Advisers	France

Positions
Académicien des Technologies
Académicien des Jeux Floraux
Director of the Faculté des Sciences de Toulouse

Address
ACTIA Group - 5, rue Jorge Semprun - BP 74215 - 31432 TOULOUSE Cedex 04

Expertise and experience	
ACADEMIC BACKGROUND**:**	
Ecole Polytechnique (School of Engineering)	
Engineer of Bridges, Waters and Forests	
PROFESSIONAL BACKGROUND**:**	
District Manager at the Nièvre Public Works Department	1976 - 1981
Division Head at the Provence-Alpes-Côte d'Azur DRIRE and Project Officer for the Regional Prefect	1981 – 1986
Regional Director of Industry, Research and the Environment and Regional Delegate of the Auvergne ANVAR	1986 – 1991
Regional Director of Industry, Research and the Environment in Midi-Pyrénées and Director of the École des Mines in Albi.	1991 – 1998
Head of the Manufacturing Industries Unit at the French Ministry for the Economy, Finance and Industry	1998 – 1999
Director of Technological Research at the CEA and Chairman of CEA Valorisation	1999 - 2003
Chairman of the Executive Board of ACTIA Group and Chief Executive Officer of ACTIA Automotive	2003 - 2014
AWARDS**:**	
Knight in the National Order of the Legion of Honour	
Knight in the National Order of Merit	
Knight in the National Order of Academic Palms	

Carole Garcia is an Independent Company Director. Appointed at the Combined Ordinary and Extraordinary General Meeting of 30 October 2020, her term of office will expire at the end of the General Meeting to be held in 2025 to approve the financial statements for the previous financial year. She also holds the following offices and positions in the companies listed below:

Offices

Current offices and directorships		
Offices	Company	Country
Chair	SAS Graine de pastel	France
Chair and Director	Financière Graine de pastel	France
Honorary Consul	Principality of Monaco	Monaco
Consultant	French foreign trade adviser	France
Director	FEBEA - French Federation of Beauty Companies	France

Address
Laboratoire GRAINE DE PASTEL – 4 place Saint Etienne 31000 Toulouse

Expertise and experience	
ACADEMIC BACKGROUND:	
Master's degree, Grande Ecole Kedge, Bordeaux	1992
Masters in Marketing Strategy, Paris Dauphine University	1993
Cycle des Hautes Etudes pour le Développement Economique (CHEDE), Ministry of Economy	2015
Agricultural vocational baccalaureate	2023
PROFESSIONAL BACKGROUND:	
Marketing positions, Pierre Fabre Pharmaceutical Group	1994 - 2001
Chair and co-founder of Laboratoire GRAINE DE PASTEL	since 2002
Management of a farm committed to organic farming	since 2022
AWARDS:	
Knight in the National Order of Merit	

Carole Garcia has also gained professional experience in CSR over the last 20 years, through the Graine de Pastel Laboratory and the management of a farm engaged in Organic and Regenerative Agriculture, including:

- The creation of a local agricultural sector for medicinal woad in Occitanie (Isatis tinctoria);
- The creation of a sector for the plant-based extraction of active ingredients derived from medicinal woad in Occitanie;
- University and industry partnership programmes;
- Certifications: Cosmos / Ecocert - Cosmébio and Organic Agriculture;
- Responsible purchasing policies favouring short supply chains (France) and CSR criteria (recyclability, etc.);
- Setting up a mission committee for the Graine de Pastel Laboratory and transforming it into a company with a mission;
- Participation in a national working group as part of the Biodiversity Strategy promoted by the French Ministry for Ecological Transition.

- **Catherine Mallet,** daughter of Louis Pech and sister of Jean-Louis Pech, is Deputy CEO, appointed by the Company's Board of Directors on 30 October 2020. Appointed Company Director at the Combined Ordinary and Extraordinary General Meeting of 30 October 2020, her term of office will expire at the end of the General Meeting to be held in 2026 to approve the financial statements for the previous financial year. She also holds the following offices and positions in the companies listed below:

- Offices

Current offices and directorships		
Offices	Company	Country
Chair, CEO and Director	LP2C	France
Chair of the Board of Directors and Director	Banque Populaire Occitane	France
	ACTIA PCs	France
Supervisory Board member	BPCE	France
Director	ACTIA Italia	Italy
	ACTIA Nordic	Sweden
	ACTIA Corp.	USA
	ACTIA China	China
	CIPI ACTIA	Tunisia
	ACTIA de Mexico	Mexico
	ACTIA UK	United Kingdom

Current offices and directorships		
Offices	Company	Country
Director	ACTIA Electronics	USA
	ACTIA Africa	Tunisia
	SCI Los Olivos	Spain
	Fédération Nationale des Banques Populaires	France
	METI	France
Member of the Management Committee	ACTIA Automotive	France
	ACTIA Aerospace	France
Permanent Representative of LP2C	ACTIA Engineering Services	Tunisia
	ACTIA Systems	Spain
	ACTIA 3E	France
Advisory Board member	ACTIA do Brasil	Brazil
Co-Manager	SCI de l'Oratoire	France
	SCI Les Coteaux de Pouvourville	France
Permanent representative of Action Logement (MEDEF) and Chair of the Audit Committee	Promologis S.A. H.L.M.	France
Permanent Representative of Promologis	SAC Occitanie Habitat	France
Chair and Board member	Club ETI Occitanie	France
Treasurer	Le Cœur des Entreprises	France

Address	
ACTIA Group – 5, rue Jorge Semprun – BP 74215 – 31432 TOULOUSE Cedex 04	
Expertise and experience	
ACADEMIC BACKGROUND**:**	
Graduate of the École Supérieure de Commerce of Toulouse	1989 - 1992
PROFESSIONAL BACKGROUND**:**	
Crédit Mutuel Île de France Boulogne-Billancourt - Account Manager	1992 – 1993
ACTIA Automotive – Executive Assistant	1993 - 1996
ACTIA Group – Executive Assistant	1996 - 2003
ACTIA Group – Chief Financial Officer	2003 - 2020
LP2C – Executive Board member	1999 - 2022
ACTIA Group - Deputy CEO	Since 2020
LP2C - CEO	2022 - 2023
LP2C - Chair - CEO	since 2023
AWARDS**:**	
Knight in the National Order of Merit	
SOCIAL ACTIVITIES:	
Treasurer of the Association Le Cœur des Entreprises	

Jean-Louis Pech, son of Louis Pech, brother of Catherine Mallet and father of Laura Pech, is Chairman and CEO, appointed by the Board of Directors on 30 October 2020. Appointed Company Director at the Combined Ordinary and Extraordinary General Meeting of 30 October 2020, his term of office will expire at the end of the General Meeting to be held in 2026 to approve the financial statements for the previous financial year. He also holds the offices and positions in the companies listed below:

Offices

Current offices and directorships		
Offices	Company	Country
Deputy CEO and Director	LP2C	France
CEO	JLS Invest	France
Chairman of the Board of Directors and Director	ACTIA 3E	France
	KARFA	Mexico
	ACTIA Nordic	Sweden
	ACTIA Corp.	USA
	CIPI ACTIA	Tunisia
	ACTIA Systems	Spain
	SCI Los Olivos	Spain
	ACTIA Italia	Italy
	ACTIA Polska	Poland

Current offices and directorships		
Offices	Company	Country
Chairman of the Board of Directors and Director	ACTIA Africa	Tunisia
	ACTIA UK	United Kingdom
	ACTIA Japan	Japan
	ACTIA Engineering Services	Tunisia
	ACTIA Tunisie	Tunisia
Director	ACTIA de Mexico	Mexico
	IRT Antoine de Saint Exupéry	France
	ACTIA Electronics	USA
	ACTIA China	China
Advisory Board member	ACTIA do Brasil	Brazil
Member of the Supervisory Board	ATAL	Czech Republic
Permanent Representative of LP2C	ACTIA PCs	France
Permanent Representative of ACTIA Group	ACTIA Automotive	France
	ACTIA Aerospace	France
	SCI SODIMOB	France
	ACTIA Telematics Services	Belgium
	ACTIA Africa	Tunisia
Legal representative of ACTIA Group's Chair	ACTIA Engineering Services Holding	France
	ACTIA Engineering Services France	France
	ACTIA Energy	France
	ACTIA Railway	France
Permanent Representative of ACTIA Automotive	CIPI ACTIA	Tunisia
	ACTIA Tunisie	Tunisia
	ACTIA Engineering Services	Tunisia
	ACTIA Systems	Spain
Manager/Co-Manager	SCI Jean Mermoz	France
	SCI Jules Védrines	France

Current offices and directorships		
Offices	Company	Country
Manager/Co-Manager	SCI Louis Blériot	France
	SCI La Confluence	France
Advisor	Banque de France de Toulouse	France
Member	Cercle d'oc	France
Chairman	INSA Toulouse University Foundation	France
Member of the Management Committee	FIEV	France

Address

ACTIA Group – 5, rue Jorge Semprun – BP 74215 – 31432 TOULOUSE Cedex 04

Expertise and experience

ACADEMIC BACKGROUND:	
Engineering degree, INSA, specialisation in "Industrial and Environmental Engineering Processes"	1985
Post-graduate diploma (DEA) in "Antipollution Engineering"	
PROFESSIONAL BACKGROUND:	
SOTRACIM - CEO	1987 - 1988
I.D.E. Ingénierie S.A. - Founder and Manager	1987 - 2020
LP2C S.A. Toulouse - Member of the Executive Board	1992 - 2022
Alpha Recyclage Franche-Comté – Founder and Manager	1998 - 2020
JLS INVEST – Founder	since 2007
GIE France Recyclage Pneumatique - CEO	2009 - 2014
GIE France Recyclage Pneumatique – Vice-Chairman	2014 - 2020
ACTIA Group - Chair of the Executive Board	2014 - 2020
ACTIA Automotive - CEO	2014 - 2023
ACTIA Group - Chairman and CEO	Since 2020
LP2C - Deputy CEO	Since 2022

◎ **Laura Pech,** daughter of Jean-Louis Pech and granddaughter of Louis Pech, is a Company Director. Appointed at the Combined Ordinary and Extraordinary General Meeting of 30 October 2020, her term of office will expire at the end of the General Meeting to be held in 2026 to approve the financial statements for the previous financial year. She also holds the following offices and positions in the companies listed below:

◎ Offices

Current offices and directorships		
Offices	Company	Country
CEO	ALPHA Recyclage Franche-Comté	France
	ALPHA Carbone	France
	ALPHA Recyclage Composites	France
Member of the Management Committee	ACTIA Automotive	France

Address	
ALPHA Recyclage Franche-Comté – 4, rue Jules Védrines – B.P. 94204 – 31031 TOULOUSE CEDEX 4	
Expertise and experience	
ACADEMIC BACKGROUND:	
Graduate in Engineering from the École des Mines d'Albi	2010
Graduate of the École Supérieure de Commerce of Paris	2012
PROFESSIONAL BACKGROUND:	
ALPHA Recyclage Franche-Comté – Engineer, head of development	2012-2015
ALPHA Recyclage Franche-Comté – Chief Executive Officer	since 2015

Marie-Louise Ribaut is a Company Director representing the employees, elected by the employees on 23 March 2021. Her term of office will expire on 22 March 2025.

Address	
ACTIA Automotive - 10, avenue Edouard Serres - BP 60112 - 31772 COLOMIERS Cedex	
Expertise and experience	
ACADEMIC BACKGROUND: DOCTORATE IN INFORMATION SYSTEMS (IT)	
PROFESSIONAL BACKGROUND:	
ACTIA Automotive: head of the documentary management service within the Industrialisation Department	1996 - 2000
ACTIA Automotive: project quality manager for the Automotive Diagnostics Department	2000 - 2007
ACTIA Automotive: product project manager for the Automotive Diagnostics Department	2007 - 2009
ACTIA Automotive: product project manager for the Services Department	2009 - 2016
ACTIA Automotive: product project manager for the Aeronautics Department	2016 - 2018
ACTIA Automotive: Aftermarket coordinator for the MDS SBA - Expertise and Repair Centre	2018 - 2021
ACTIA Automotive: DSE coordinator for the MDS SBA - Electronic Services Department	2021 - 2022
ACTIA Automotive: customer coordinator in the OSE department - Operations Department	2022 - 2024
ACTIA Automotive: Account Delivery Manager in CSM (Customer Success Management)	since 2024
SOCIAL ACTIVITIES:	
Local councillor (2nd term of office)	Since 2014
Representative of the Mobility Commission and the Communication and Culture Commission of Toulouse Métropole	Since June 2020
Volunteer at the Local Media Library	since 2000

Frédéric Thrum, son of Günther Thrum is a Company Director. Appointed at the Combined Ordinary and Extraordinary General Meeting of 30 October 2020, his term of office will expire at the end of the General Meeting to be held in 2025 to approve the financial statements for the previous financial year. He also holds the following offices and positions in the companies listed below:

Offices

Current offices and directorships		
Offices	Company	Country
Chair - CEO and Director	Fives Pillard	France
Chair and member of the Supervisory Committee	Fives Cryo	France
Chair and Member of the Supervisory Committee	Fives Prosim	France
Advisor	Fives Pillard Espana SAU	Spain
Chairman of the Board of Directors and Director	Fives Cryo (Suzhou) Co. Ltd	China
Chairman of the Board of Directors and Director	Fives Cryomec AG	Switzerland
Director	Fives Itas Spa	Italy
Chairman and Director	Fives North American Combustion Inc.	USA
Director	Fives North American Combustion Netherlands BV	Netherlands
	Fives North American Combustion UK Ltd.	United Kingdom
	Fives Pillard Combustion System Equipment (Beijing) Co. Ltd	China
	Fives Combustion Systems Private Ltd.	India
	Fives Cryo Inc	USA
	North American Construction Services Ltd.	USA
Chairman of the Board of Directors and Advisor	Fives North American Combustion Spain SL	Spain

Address	
SIDMIA International – 48, quai Alphonse Le Gallo – 92100 BOULOGNE BILLANCOURT	
Expertise and experience	
ACADEMIC BACKGROUND:	
Harvard Business School, P.M.D	2002
ESME–Sudria, Engineering - Telecom option	1996
PROFESSIONAL BACKGROUND:	
Deputy CEO and Chairman of the FIVES SAS Energy Division	Since 2019
FIVES CEO - Cryogenics Energy	2013 - 2020
Fives Cryo (France), Fives Cryo Suzhou (China), Fives Cryo Inc. (USA), Fives Cryomec (Switzerland) CEO – Fives Cail Group Fives Cail (France), Fives Fletcher (UK), Fives Lille do Brazil (Brazil), Fives Cail KCP (India), FCFM (Mexico)	
Product Manager, Sales Director, DGA, DG	
Aftermarket Commercial Manager – Fives FCB	1998-2001
BOUYGUES OFFSHORE Project Engineer, Inspection Manager - Refineries (France), Oil platform projects (Malaysia, Indonesia) Assistant project manager (Nigeria)	1996-1998
ACTIA, Toulouse End-of-studies work placement	1996

Véronique Védrine is an Independent Company Director. Appointed at the Combined Ordinary and Extraordinary General Meeting of 30 October 2020, her term of office will expire at the end of the General Meeting to be held in 2025 to approve the financial statements for the previous financial year. She also holds the following offices and positions in the companies listed below:

Offices

Current offices and directorships		
Offices	Company	Country
Director	SAFRA	France
	Groupe la dépêche du midi	France
	PROVEPHARM	France

Position	
Adjusted	
Address	
24 Allées Frédéric Mistral - 31400 Toulouse	
Expertise and experience	
ACADEMIC BACKGROUND**:**	
A graduate of the École Supérieure de Commerce of Clermont-Ferrand	1977 - 1980

PROFESSIONAL BACKGROUND:	
CEPME	
Case Manager – Auvergne Regional Office	1981 – 1991
Registered office – Commitments Department: tourism, health and local authorities	1991 - 1997
Head of Tourism Department – central agency	
Assistant to the Network Director during the CEPME – SOFARIS merger	
Regional Director, BDPME Midi-Pyrénées	1998 - 2005
Director of the Sud Méditerranée OSÉO BDPME Network (PACA, Corsica, Languedoc-Roussillon, Midi-Pyrénées)	2005 - 2006
Director of the Sud Méditerranée OSEO Network (OSEO Financing – OSEO Innovation)	2006 - 2009
Director of the Sud OSEO network (PACA, Corsica, Languedoc-Roussillon, Midi-Pyrénées, Aquitaine)	2009 - 2013
Director of the Bpifrance Sud Network (Bpi investment bank is the combination of OSEO, CDC Entreprises, FSI and FSI Régions)	2013 - 2022
AWARDS:	
Knight in the National Order of Merit	
Knight of the Legion of Honour	
SOCIAL ACTIVITIES:	
Director of UCRM - Union Cépière Robert Monnier	
Treasurer, YUJO Association	
Treasurer of the Fondation de la Dépêche du Midi	

7.1.4 ORGANISATION AND OPERATION OF THE BOARD OF DIRECTORS

ACTIA Group S.A. has been a Limited Liability Company with a Board of Directors since the Extraordinary General Meeting of 30 October 2020. The operation of the Board of Directors is dictated by the legal and regulatory provisions, the articles of association and the Internal Rules adopted in 2020 when the governance mode was changed and modified at the Board of Directors meeting of 28 March 2022 in order to entrust the Board of Directors with the missions of the CSR Committee and at the Board of Directors meeting of 21 March 2023, following the listing on Euronext Growth.

The Internal Rules of the Board of Directors were drawn up in the interests of its members, the Company and its Shareholders, and their objective is to remind the members of the Board of Directors of their various duties, supplement the legal, regulatory and statutory rules in order to specify the way the Board of Directors and where applicable its committees operate. All Directors are bound by said Internal Rules. The obligations arising from them apply equally to the permanent representative of a legal-entity Director and to natural persons appointed as Directors. The Internal Rules also include the provisions concerning the obligations of the Board members with regard to the holding of confidential information.

FREQUENCY OF MEETINGS

The rules governing the calling, holding, quorum and majority of meetings of the Board of Directors are set out in the Company's Articles of Association and the Internal Rules in force. In 2023, the Board of Directors met eight times, in order to (among other things):

- Examine the revenue and the quarterly, half-yearly and annual consolidated financial statements, and the half-yearly and separate annual financial statements;
- Review the strategy defined by LP2C, approve it and deploy it in the Group;
- Review the agenda and draft resolutions submitted to the General Meeting and supplement them;
- Approve the terms of the Corporate Governance Report;
- Review the regulated agreements and the financial and interim information documents;
- Authorise loans and guarantees;
- Authorise current account advances and guarantees for the financing of Company subsidiaries;
- Review and authorise internal restructuring operations;
- Update the Internal Rules of the Board of Directors.

The Board of Directors meets as often as is required for the management of any ordinary business within the remit of this body. It is duly convened by the CEO to review financial statements on the basis of intermediate positions or at the end of periods, according to a policy of systematic quarterly, six-monthly and annual analysis, and the positions and strategies to be put in place. It analyses and votes on each agenda point. A vote by show of hands is held for each decision.

Financing issues, either involving the holding or the subsidiaries, are also looked at together with the related guarantees.

At these meetings, the Board of Directors hears presentations on:

- Accounting principles and methods and main accounting options used;
- The impact of any changes in method;
- Changes in the scope of consolidation;
- Key figures published relative to the separate and consolidated financial statements (breakdown of net income, presentation of the balance sheet and of the financial position).

It also hears the report of the Statutory Auditors on the scope, progress and conclusions of their work when audits or limited reviews of financial statements are called for by applicable regulations.

CALLING BOARD MEETINGS

In line with applicable regulations, our Articles of Association and the Company's practices, members of the Board of Directors were invited to meetings by email sufficiently in advance to enable the attendance of the largest possible number at all meetings. If there are no exceptional circumstances, the date is normally set two months prior to the meeting and the agenda is communicated within the week preceding the meeting.

In addition, in accordance with the provisions of Articles L. 821-65 and D. 821-185 Paragraph 2 of the French Commercial Code, the Statutory Auditors were invited to all meetings that reviewed and approved the annual and interim financial statements, by registered letter with acknowledgement of receipt.

To enable the Board members to properly prepare for the meetings, the Chairman makes a point to send them all the necessary information or documentation a reasonable time in advance.

HOLDING OF MEETINGS

Meetings of the Board of Directors were held at the Head Office and/or by written consultation and/or by video conference and/or using telecommunication means enabling identification of their respective members, in compliance with the legal and regulatory provisions in force.

The attendance rate of the members of the Board of Directors may vary from one meeting to the next, while remaining in compliance with the rules on the necessary quorum and majority. The percentage of members present at all the Board meetings increased slightly in 2023 to 92%. As a reminder, during the previous year, the percentage was 91%.

RESOLUTIONS ADOPTED

All decisions put to the Board of Directors were unanimously approved.

MEETING MINUTES

Minutes of the meetings of the Board of Directors are drawn up at the end of each meeting and distributed to all members so that they can be checked. The approval of these minutes takes place at the subsequent Board meeting.

NUMBER OF SHARES THAT MUST BE HELD BY MEMBERS OF THE BOARD OF DIRECTORS

In accordance with current legislation, the Company's Articles of Association do not stipulate that members of the Board of Directors must hold shares in the Company.

The number of shares personally held by each Corporate Officer at 31 December 2023 is presented below:

Corporate Officer	Number of shares and percentage of share capital		Number and percentage of gross voting rights	
BOARD OF DIRECTORS				
Pierre Calmels, Honorary Chairman	273	0.00%	546	0.00%
Stanislas Bailly	0	0.00%	0	0.00%
Catherine Casamatta	0	0.00%	0	0.00%
Carole Garcia (1)	1	0.00%	2	0.00%
Laura Pech	0	0.00%	0	0.00%
Frédéric Thrum	0	0.00%	0	0.00%
Véronique Védrine	20	0.00%	40	0.00%
Martine Chupin	26	0.00%	52	0.00%
Marie-Louise Ribaut	19	0.00%	38	0.00%
GENERAL MANAGEMENT				
Jean-Louis Pech	2,996	0.01%	5,992	0.02%
Jean-François Calmels	0	0.00%	0	0.00%
Marine Candelon-Bonnemaison	74	0.00%	148	0.00%
Catherine Mallet	796	0.00%	1,592	0.01%

(1) This concerns the loan of one share (qualifying share) by ACTIA Group, in connection with her corporate office.

To ensure accurate information about holdings, details at the period close are provided in § 4.10.1 "Breakdown of the share capital and voting rights" of the Management Report. Note that the Pech, Calmels, Thrum and Bailly families have indirect holdings via LP2C, SIDMIA International and SGPFEC.

NUMBER OF DIRECTORS REPRESENTING THE EMPLOYEES

The Board of Directors includes two members representing the employees, elected in March 2021 for a term of four years in accordance with the Company's Articles of Association and the provisions of Article L225-27-1 of the French Commercial Code.

NUMBER OF OBSERVERS APPOINTED

At the date of issue of this document, one Observer had been appointed to the Board of Directors (see § 7.1.2 "Membership of the Board and General Management" above).

INTERNAL RULES

The Board of Directors has adopted Internal Rules which can be consulted on the Company website at https://www.actia.com/fr/investisseurs and at the registered office of the Company or obtained upon request. These Internal Rules were adopted on 30 October 2020 further to the change in governance mode and amended on 28 March 2022 in order to entrust the Board of Directors with the missions of the CSR Committee and on 21 March 2023 following the listing on Euronext Growth. The main provisions of these Rules cover:

- Role of the Board of Directors;
- Membership of the Board of Directors;
- Duties and code of conduct of members;
- Meetings of the Board of Directors;
- CSR Committee;
- Member compensation;
- Assurance of executive corporate officers;
- Observers;
- Honorary Chairman;
- Adaptations, modifications and public notifications of the Internal Rules.

7.2 CORPORATE OFFICER COMPENSATION

7.2.1 COMPENSATION PRINCIPLES FOR CORPORATE OFFICERS

In order to determine compensation, the Company's terms of employment and compensation for employees were taken into account by the Board as follows: in general, the fixed portion of compensation paid to the ACTIA Group corporate officers follows the trend for the employees in the main French company, except for unusual years when the Group's position is too difficult, in which case the increase is lower or even non-existent. Compensation is compared with that of the Group on a regular basis to ensure that it is **consistent.**

Compensation principles for General Management

The compensation owing to the Chairman and CEO and the Deputy CEOs of ACTIA Group is mainly paid by LP2C, a consolidating holding company, against the offices held at LP2C (limited liability company) and voted by the latter's Board of Directors. This compensation is not therefore compensation paid against the offices held within ACTIA Group.

In addition, it should be noted that, under an assistance agreement, LP2C only invoices the Group various technical services described in § 4.9.11 "Special report of the Statutory Auditors on regulated agreements" of the Management Report. The balance relating to its own operating costs are charged to LP2C based on the rule for allocating time worked.

The compensation paid by LP2C did not concern the offices held by General Management at ACTIA Group level.

The details of the sums invoiced within the framework of the assistance agreement are given by type of service in Note 26.1 "Related-party transactions with holding company: LP2C S.A." in the notes to the consolidated financial statements. The amount invoiced for 2023 was €1,647,610 calculated in compliance with the agreement based on the direct and indirect costs actually incurred by LP2C, plus a margin of 15%. The chargeback of external services is, for its part, established with a 3% margin to take LP2C's overhead into account.

The fixed portion of compensation paid to the Company's Chairman and CEO is determined on the basis of:

- The level of his responsibilities and the related complexity;
- His experience and expertise.

During the course of exercising his function, the Chairman and CEO does not have the benefit of an employment contract, severance payments, compensation for a non-compete clause, a supplementary pension or any other payments or benefits that may be due for the termination of or changes to his duties.

Compensation principles for members of the Board of Directors

In the framework of the annual fixed amount authorised by the General Meeting, the compensation conditions for Directors are determined by the Board of Directors.

Directors may receive annual compensation that takes into account their degree of involvement and the time they devote to their position, including if they sit on any committees. The Board of Directors decided to allocate €400 for each session of the Board of Directors and each committee set up within the company attended by a Company Director. This decision applies to all Directors, except for executive corporate officers and Directors representing the employees.

For the 2023 financial year, the overall amount of compensation allocated to the Directors, in accordance with the terms and conditions described above, was €20,800. It should be noted that an envelope of €40,000 had been authorised at the General Meeting held on 23 May 2023.

7.2.2 COMPENSATION, BENEFITS OF CORPORATE OFFICERS

We hereby notify you of the total gross compensation (fixed, variable and non-recurring) and benefits of all kinds paid during this previous financial year to each Corporate Officer, as well as the criteria used to calculate them or the circumstances under which they arose.

We also indicate commitments of all types entered into on behalf of its Corporate Officers, relating to items of compensation and benefits likely to be payable upon taking up, leaving or changing duties or subsequent thereto, as well as how such commitments are determined.

No commitment of any kind relating to items of compensation and benefits payable or likely to be payable upon taking up, leaving or changing duties or subsequent thereto has been entered into other than the commitments discussed above.

Since the adoption of the new corporate structure with a Board of Directors, compensation is allocated to the members of the Board of Directors of ACTIA Group as per the terms and conditions set out in § 7.2.1 “Compensation principles for Corporate Officers” in the Corporate Governance Report.

The variable compensation of the Chairman and CEO paid by LP2C was set in relation to the revenue growth objective for the Group, the management of the components crisis and improvements in the social, environmental and societal commitments achieved through various actions in France and abroad. The level of achievement of these criteria is not made public for confidentiality reasons. The maximum amount of variable compensation for 2022 (paid in 2023) was set at 35% maximum of the total compensation paid for financial year n-1. All criteria were met.

The exceptional compensation paid to the Deputy CEOs was granted for the positions held in LP2C, for the achievement of communication objectives within the Group and the raising of the financing required for Group needs, while maintaining the debt reduction objective, and for the deployment of items related to the sustainable development policy and those related to compliance within the Group, on the other. All criteria were met.

Benefits in kind correspond to the provision of a company car by LP2C.

The figures provided concern all compensation paid during the 2023 financial year and allocated for that financial year to each Corporate Officer of ACTIA Group by the issuer and by any other Group company:

Table 1 – Summary of compensation for each Corporate Officer by issuer and by all other Group companies

Name and position of Executive Corporate Officer:	Amounts allocated In 2023	Amounts paid In 2023	Amounts allocated In 2022	Amounts paid In 2022
Jean-Louis Pech – Chairman and CEO(1)				
Fixed compensation	245,495	245,495	232,906	232,906
Annual variable compensation(2)	120,000	110,000	110,000	100,000
Multi-year variable compensation				
Exceptional compensation				
Annual fixed sum (formerly Directors' fees)				
Benefits in kind(2)	3,378	3,378	3,187	3,187
TOTAL	**368,873**	**358,873**	**346,093**	**336,093**
Catherine Mallet – Deputy CEO				
Fixed compensation(2)	95,339	95,339	90,318	90,318
Annual variable compensation				
Multi-year variable compensation				
Exceptional compensation(2)	30,000	25,000	25,000	15,000
Annual fixed sum (formerly Directors' fees)	1,934	1,934		
Benefits in kind(2)			2,659	2,659
TOTAL	**127,274**	**122,274**	**117,977**	**107,977**
Marine Candelon – Deputy CEO				
Fixed compensation(2)	93,792	93,792	88,852	88,852
Annual variable compensation				
Multi-year variable compensation				
Exceptional compensation(2)	25,000	20,000	20,000	10,000
Annual fixed sum (formerly Directors' fees)				
Benefits in kind(2)	1,637	1,637	2,224	2,224
TOTAL	**120,429**	**115,429**	**111,076**	**101,076**
Jean-François Calmels – Deputy CEO				
Fixed compensation(3)	96,732	96,732	80,658	80,658
Annual variable compensation				
Multi-year variable compensation				
Exceptional compensation(2)	30,000	20,000	20,000	
Annual fixed sum (formerly Directors' fees)				
Benefits in kind(2)	1,714	1,714		
TOTAL	**128,447**	**118,447**	**100,658**	**80,658**

(1) *Breakdown of 2023 compensation for the office exercised at the French limited corporation LP2C: €303,231 + executive offices within the ACTIA Group: €55,643, of which €10,141 for offices held in ACTIA Group.*
(2) *Compensation for offices held in the French limited corporation LP2C.*
(3) *Compensation for executive offices within the ACTIA Group.*

Table 2 – Fixed annual compensation and other payments allocated and paid to the non-executive Corporate Officers from the issuer and all other Group companies

Non-executive Corporate Officers – Name and office	Amounts allocated for the 2023 financial year	Amounts paid in 2023	Amounts allocated for the 2022 financial year	Amounts paid in 2022
Stanislas Bailly – Director Annual fixed amount Other compensation	3,200	4,400	4,400	2,400
Catherine Casamatta – Director Annual fixed amount Other compensation	3,200	6,000	6,000	2,400
Carole Garcia – Director Annual fixed amount Other compensation	3,200	4,400	4,400	2,400
Laura Pech – Director Annual fixed amount Other compensation	4,000	6,000	6,000	2,400
Frédéric Thrum – Director Annual fixed amount Other compensation	3,200	5,200	5,200	2,400
Véronique Védrine – Director Annual fixed amount Other compensation	4,000	5,200	5,200	1,600
Martine Chupin - Director, employee representative Annual fixed amount				
Marie-Louise Ribaut - Director, employee representative Annual fixed amount				
TOTAL	**20,800**	**31,200**	**31,200**	**13,600**

These sums compensate the Directors for their attendance and the time they devote to their duties at the Board of Directors meetings held during the financial year, in accordance with the compensation principles presented in § 7.2.1. "Compensation principles for Corporate Officers" in the Corporate Governance Report.

Table 3 – Executives - Corporate Officers

	Employment contract	Supplementary retirement plan	Indemnities or benefits payable or that could be payable on termination or change in function	Indemnities relating to a non-compete clause
Name: **Jean-Louis Pech** Position: Chairman and CEO Start of term: 30/10/2020 End of term: 2026*	No	No	No	No
Name: **Marine Candelon-Bonnemaison** Position: Deputy CEO Start of term: 30/10/2020 End of term: 2026*	No	No	No	No
Name: **Catherine Mallet** Position: Deputy CEO Start of term: 30/10/2020 End of term: 2026*	No	No	No	No
Name: **Jean-François Calmels** Position: Deputy CEO Start of term: 30/10/2020 End of term: 2026*	No	No	No	No

** Following the General Meeting held to approve the financial statements for the previous financial year*

Under the agreements signed by LP2C, the issuer and its subsidiaries, LP2C charges back 92.8% of the compensation paid to its Corporate Officers for all of the services provided to the Group.

More details are provided in Note 26.1 “Related-party transactions – With the holding company”: LP2C S.A. of the notes to the consolidated financial statements.

COMPENSATION EQUITY RATIO FOR EXECUTIVE OFFICERS

The following presentation shows changes in the compensation of the Chairman and CEO, the Deputy CEOs and the ratios between their levels of compensation and the annual French minimum wage (SMIC).

Jean-Louis Pech – Chairman and CEO

	2023	2022	2021	2020	2019
Compensation of Corporate Officers					
% change in compensation [1]	6.8%	7.6%	<6.0%>	0.2%	1.4%
SMIC					
Ratio to the annual French minimum wage (SMIC)	17.2	17.0	16.7		
Company performance					
Consolidated Group net income	8,239,121	20,616,708	<6,073,523>	<19,441,471>	8,724,174
Change (in €) compared with the previous financial year	<12,377,587>	+ 26,690,231	+ 13,367,948	<28,165,645>	<469,859>
Change (in %) compared with the previous financial year	<60%>	<439.5%>	<68.8%>	<322.8%>	<5.1%>

(1) This is the total compensation paid to the executive officer during the financial year.

Jean-François Calmels - Deputy CEO

	2023	2022	2021	2020	2019
Compensation of Corporate Officers					
% change in compensation [1]	46.9%	27.8%	2.8%	1.4%	
SMIC					
Ratio to the annual French minimum wage (SMIC)	5.7	4.3	3.4		
Company performance					
Consolidated Group net income	8,239,121	20,616,708	<6,073,523>	<19,441,471>	8,724,174
Change (in €) compared with the previous financial year	<12,377,587>	+ 26,690,231	+ 13,367,948	<28,165,645>	
Change (in %) compared with the previous financial year	<60%>	<439.5%>	<68.5%>	<322.8%>	

(1) This is the total compensation paid or allocated to the executive officer during the financial year.

Catherine Mallet - Deputy CEO

	2023	2022	2021	2020	2019
	Compensation of Corporate Officers				
% change in compensation (1)	13.2%	4.3%	<2.9%>	1.1%	<7.6%>
	SMIC				
Ratio to the annual French minimum wage (SMIC)	5.9	5.8	5.6		
	Company performance				
Consolidated Group net income	8,239,121	20,616,708	<6,073,523>	<19,441,471>	8,724,174
Change (in €) compared with the previous financial year	<12,377,587>	+ 26,690,231	+ 13,367,948	<28,165,645>	<469,859>
Change (in %) compared with the previous financial year	<60%>	<439.5%>	<68.8%>	<322.8%>	<5.1%>

(1) This is the total compensation paid or allocated to the executive officer during the financial year.

Marine Candelon - Deputy CEO

	2023	**2022**	2021	2020	2019
	Compensation of Corporate Officers				
% change in compensation (1)	14.2%	3.5%	<2.1%>	13.6%	0.0%
	SMIC				
Ratio to the annual French minimum wage (SMIC)	5.5	5.4	5.2		
	Company performance				
Consolidated Group net income	8,239,121	20,616,708	<6,073,523>	<19,441,471>	8,724,174
Change (in €) compared with the previous financial year	<12,377,587>	+ 26,690,231	+ 13,367,948	<28,165,645>	<469,859>
Change (in %) compared with the previous financial year	<60%>	<439.5%>	<68.8%>	<322.8%>	<5.1%>

(1) This is the total compensation paid or allocated to the executive officer during the financial year.

7.3 RELATED-PARTY TRANSACTIONS

No service contract providing for the grant of benefits upon expiration of the contract establishes relations between Board members and Managers with ACTIA Group S.A. or with any of its subsidiaries other than those presented in the paragraph below.

7.3.1 SPECIFIC DISCLOSURE ON AGREEMENTS

Pursuant to the provisions of Article L. 225-37-4 2° of the French Code of Commerce, we hereby declare that no new agreement was signed either directly or via an intermediary between, on the one hand, one of the corporate officers or one of the shareholders holding a fraction of voting rights in the Company of more than 10% and, on the other hand, another company controlled by the former within the meaning of Article L. 233-3 of said code.

7.3.2 NATURE AND AMOUNT OF REGULATED AGREEMENTS ENTERED INTO BY THE ISSUER

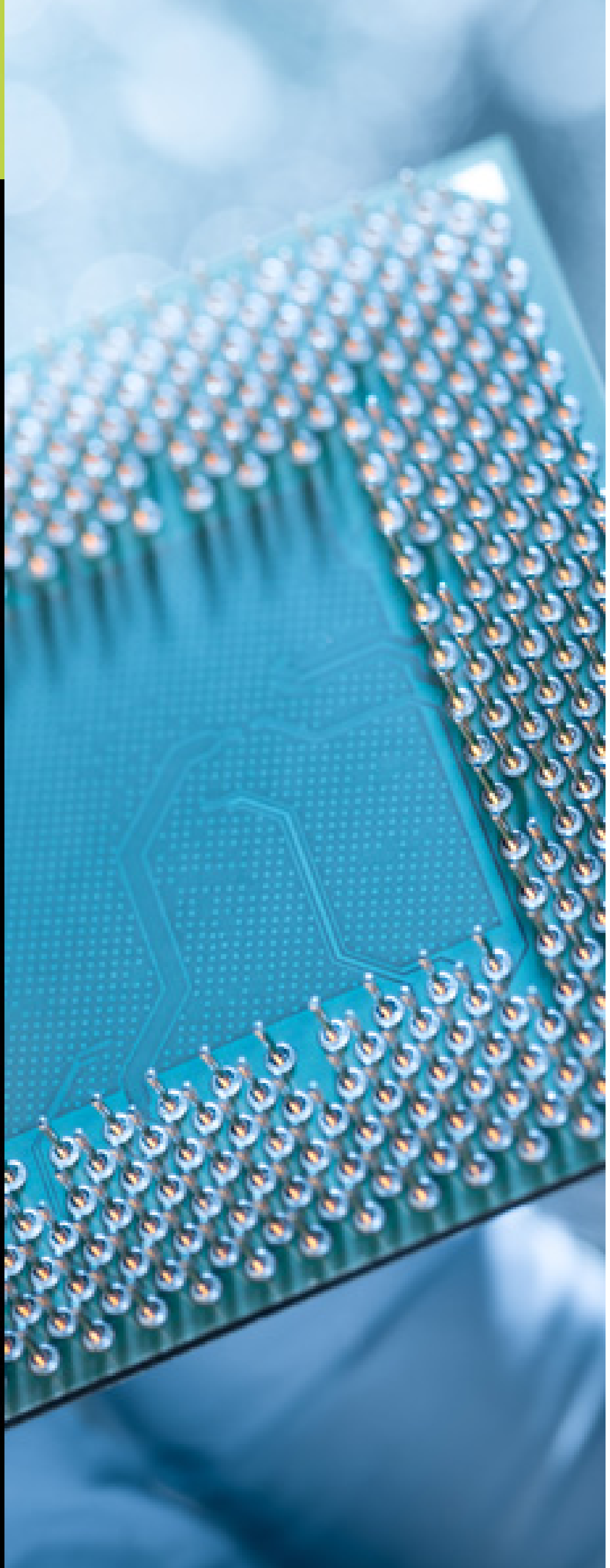
All the regulated agreements entered into previously and which remained in effect in the previous reporting period, and generally those referred to in Article L. 225-38 et seq. of the French Commercial Code, are listed in the Statutory Auditors' special report on regulated agreements, a report which has been reproduced in full in § 4.9.11 "Special report of the Statutory Auditors on regulated agreements" of the Management Report.

7.3.3 RELATED-PARTY TRANSACTIONS

See Note 26 "Related-party transactions" in the notes to the consolidated financial statements.

7.4 AUTHORISATIONS GRANTED IN RESPECT OF CAPITAL INCREASES

This information is discussed in § 9.1.5 "Increase in share capital" of the Annual Report.



8

FINANCIAL INFORMATION ON THE ASSETS, FINANCIAL POSITION, AND EARNINGS OF THE ISSUER

8.1 CONSOLIDATED FINANCIAL STATEMENTS

8.1.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Consolidated assets in €K	Notes	31/12/2023	31/12/2022
Goodwill	Note 4	24,148	24,148
Development costs	Note 4	51,849	46,197
Other intangible assets	Note 4	6,066	4,360
TOTAL INTANGIBLE ASSETS	**Note 4**	**82,063**	**74,705**
Land	Note 5	2,778	2,799
Buildings	Note 5	32,751	36,756
Technical equipment	Note 5	14,912	16,428
Other tangible assets	Note 5	13,765	11,497
TOTAL TANGIBLE ASSETS	**Note 5**	**64,207**	**67,480**
Equity method investments	Note 6	904	908
Other non-current financial assets	Note 7	2,188	2,243
Deferred taxation	Note 12	15,428	13,294
Non-current tax credit	Note 13	14,878	15,137
TOTAL NON-CURRENT ASSETS		**179,668**	**173,767**
Inventory and work-in-process	Note 8	200,261	210,654
Trade receivables	Note 9	154,368	159,762
Other current receivables	Note 9	23,824	20,513
Current tax credit	Note 9	12,679	10,980
Fair value of financial asset instruments	Note 11.2	0	0
Cash and cash equivalents	Note 11.1	43,577	48,372
TOTAL CURRENT ASSETS		**434,710**	**450,280**
Assets held for sale	Note 20	0	2,232
TOTAL ASSETS		**614,378**	**626,279**

Consolidated Equity Capital and Liabilities in €K	Notes	31/12/2023	31/12/2022
Capital	Note 15	15,075	15,075
Premiums	Note 15	17,561	17,561
Reserves	Note 15	102,715	85,418
Translation reserve	Note 15	<4,122>	<3,660>
Treasury shares	Note 15	<162>	<162>
Income for the period	Note 15	7,516	19,950
GROUP COMMON SHAREHOLDERS' EQUITY	**Note 15**	**138,583**	**134,181**
NON-CONTROLLING INTERESTS	**Note 15**	**3,236**	**1,582**
EQUITY	**Note 15**	**141,819**	**135,763**
Borrowings from credit institutions	Note 14	119,244	140,555
Finance lease financial liabilities	Note 14	14,144	16,570
Other financial liabilities	Note 14	576	499
TOTAL NON-CURRENT DEBT	**Note 14**	**133,964**	**157,624**
Deferred tax liabilities	Note 12	291	959
Pension liabilities and other long-term benefits	Note 17	7,988	7,010
TOTAL NON-CURRENT LIABILITIES		**142,243**	**165,593**
PROVISIONS	**Note 18**	**6,024**	**12,363**
Borrowings from credit institutions - current share	Note 14	46,460	52,181
Finance lease financial liabilities - current share	Note 14	6,012	4,705
Other financial liabilities - current share	Note 14	234	948
Short-term bank borrowings	Note 14	44,794	41,637
Fair value of financial liability instruments	Note 11.2	1,091	3,169
TOTAL CURRENT DEBT		**98,591**	**102,640**
Suppliers	Note 19	83,328	104,467
Other liabilities	Note 19	114,392	84,956
Corporate taxes (IS)	Note 19	2,078	1,141
Deferred income	Note 19	25,902	18,939
TOTAL CURRENT LIABILITIES		**330,315**	**324,506**
Liabilities held for sale	Note 20	0	417
TOTAL EQUITY AND LIABILITIES		**614,378**	**626,279**

8.1.2 CONSOLIDATED INCOME STATEMENT

Consolidated income in €K	Notes	2023	2022
Income from ordinary activities *(Revenue)*	Note 22	**579,322**	**499,831**
Materials and supplies	Note 21	<317,778>	<279,267>
Personnel costs	Note 21	<147,242>	<126,505>
External charges	Note 21	<79,181>	<66,750>
Taxes		<5,709>	<5,213>
Provisions for depreciation	Note 21	<27,300>	<29,589>
Changes in stocks of finished goods and work in progress		9,254	9,757
Exchange gains / losses on operating activities		<1,343>	2,299
Research tax credit		5,436	5,002
Current operating income	**Note 21**	**15,459**	**9,565**
Other operating income and expenses		<79>	257
Impairment of goodwill	Note 4	0	
Operating income	**Note 21**	**15,380**	**9,822**
Income from cash and cash equivalents		7	14
Interest and financial costs	Note 21	<7,960>	<5,004>
Other financial income / costs		2,057	<2,731>
Financial Result	**Note 25**	**<5,897>**	**<7,721>**
Net income Group share equity method consolidated companies	Note 6	91	79
Income tax	Note 23	<893>	<399>
NET INCOME FROM CONTINUING OPERATIONS		**8,681**	**1,782**
NET INCOME FROM DISCONTINUED OPERATIONS		**<442>**	**18,835**
INCOME FOR THE PERIOD	**NOTE 21**	**8,239**	**20,617**
· attributable to Group shareholders			
Net income from continuing operations - attributable to Group shareholders		7,958	1,115
Net income from discontinued operations - attributable to Group shareholders		<442>	18,835
Net profit for the period - attributable to Group shareholders		**7,516**	**19,950**
· non-controlling interests			
Net income from continuing operations - non-controlling interests		723	667
Net income from discontinued operations - non-controlling interests		0	<0>
Net income for the period - non-controlling interests		**723**	**667**
Basic and diluted net earnings per share from continuing operations (in €) - Group share		**0.40**	**0.05**
Basic and diluted net earnings per share from discontinued operations (in €) - Group share		**<0.02>**	**0.94**
Basic and diluted earnings per share (in €) - Group share	**Note 16**	**0.37**	**0.99**

8.1.3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Statement of comprehensive income in €K	2023	2022
Income for the period	**8,239**	**20,617**
Items that will not be reclassified to profit or loss	**<43>**	**2,308**
Defined benefit pension plans – Actuarial differences	<59>	3,080
Deferred taxation on defined benefit pension plans – Actuarial differences	16	<771>
Items that may subsequently be reclassified to profit or loss	**<490>**	**<861>**
Cumulative translation differences	<490>	<861>
COMPREHENSIVE INCOME FOR THE PERIOD	**7,706**	**22,064**
Attributable:		
· to Group shareholders	7,008	21,257
· to non-controlling interests	698	807
Consolidated comprehensive income attributable to Group shareholders and coming from:		
· Continuing operations	7,450	2,578
· Discontinued operations	<442>	18,679
Consolidated comprehensive income attributable to non-controlling interests and coming from:		
· Continuing operations	698	807
· Discontinued operations	0	0

8.1.4 STATEMENT OF CHANGES IN EQUITY

In €K	Capital	Treasury shares	Premiums	Consolidated reserves, retained earnings	Translation reserve	Total attributable to the Group	Non-controlling interests	Total Shareholders' funds
AT 31/12/2021	**15,075**	**<162>**	**17,561**	**83,190**	**<2,649>**	**113,014**	**562**	**113,576**
Comprehensive income								
Consolidated income				19,950		19,950	667	20,617
Other comprehensive income				2,318	<1,011>	1,306	140	1,447
COMPREHENSIVE INCOME FOR THE PERIOD	**0**	**0**	**0**	**22,268**	**<1,011>**	**21,256**	**807**	**22,064**
Transactions with shareholders								
Distributions to shareholders						0	<202>	<202>
Changes in scope						0	529	529
Other				<89>		<89>	<115>	<204>
AT 31/12/2022	**15,075**	**<162>**	**17,561**	**105,368**	**<3,660>**	**134,181**	**1,582**	**135,763**
Comprehensive income								
Consolidated income				7,516		7,516	723	8,239
Other comprehensive income				<46>	<461>	<508>	<26>	<533>
COMPREHENSIVE INCOME FOR THE PERIOD	**0**	**0**	**0**	**7,469**	**<461>**	**7,008**	**698**	**7,706**
Transactions with shareholders								
Distributions to shareholders				<2,410>		<2,410>	<333>	<2,743>
Changes in scope				<64>		<64>	1,319	1,255
Other				<133>		<133>	<29>	<162>
AT 31/12/2023	**15,075**	**<162>**	**17,561**	**110,231**	**<4,122>**	**138,583**	**3,236**	**141,819**

8.1.5 CONSOLIDATED CASH FLOW STATEMENT

Consolidated cash flow statement in €K	Notes	2023	2022
Income for the period	**8.1.2**	**8,239**	**20,617**
Adjustments for:			
Depreciation and provisions		21,355	35,621
Profit / loss from disposal of assets		3,874	<37,183>
Interest charges	8.1.2	7,960	5,004
Current tax charge (excl. research tax credit)		3,494	2,546
Changes to deferred taxation		<2,885>	<3,114>
Research tax credit		<5,436>	<5,410>
Other income / expense		<1,433>	5,214
Share of the profit / loss of associates	8.1.2	<91>	<79>
Operating cash flow before changes to working capital requirements		***35,078***	***23,216***
Changes to working capital requirements related to the business		25,424	<33,245>
Income tax paid (excluding research tax credit)		<2,285>	<1,997>
Research tax credit collected		4,528	1,595
Net cash flow from operating activities		**62,745**	**<10,432>**
Of which Cash flow from discontinued operating activities	**Note 20.2**	**<218>**	**<11,179>**
Capital purchases	Note 4 and 5	<21,752>	<24,597>
Dividends received from associates		90	27
Income from disposal of assets		85	12,457
Changes in loans and advances		130	<253>
Cash flow from changes in scope	Note 20.2	<5,195>	49,853
Net cash flow from investing activities		**<26,642>**	**37,487**
Of which Cash flow from discontinued investment activities	**Note 20.2**	**<4,913>**	**48,476**
Dividends paid to the owners of the parent company		<2,410>	0
Dividends paid to non-controlling interests in consolidated companies		<333>	<203>
New borrowings	Note 14	25,458	38,667
Repayment of borrowings	Note 14	<52,932>	<65,212>
Reimbursement of lease liabilities	Note 14	<6,260>	<8,396>
Interest paid		<7,960>	<5,004>
Net cash flow from financing activities		**<44,438>**	**<40,148>**
Of which Cash flow from discontinued financing activities	**Note 20.2**	**0**	**12,520**
Effect of exchange rate changes		60	<1,425>
Cash and cash equivalents - opening balance	Note 11.1	7,058	21,576
Cash and cash equivalents - closing balance	Note 11.1	<1,217>	7,058
Changes in cash and cash equivalents		**<8,275>**	**<14,518>**

8.1.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Information about the Group - Entity presenting the financial statements

ACTIA Group S.A. is domiciled in France. The Company's registered head office is located at 5, Rue Jorge Semprun - 31400 Toulouse. The Company's consolidated financial statements include the Company and its subsidiaries (jointly referred to as the "Group") or ACTIA. The Group's main areas of activity cover high-added-value, electronic on-board systems for the automotive and telecommunications markets.

The consolidated financial statements at 31 December 2023 were approved by the Board of Directors on 25 March 2024 and will be submitted for ratification at the General Meeting of 28 May 2024.

Note 2 Accounting principles

Note 2.1 Basis for the preparation of the financial statements

The accounting methods and means of calculation have been applied in an identical manner for all the periods presented.

The sums stated in these financial statements are expressed in thousands of Euros (€K).

The consolidated interim financial statements have been prepared in accordance with IFRS as published by the IASB and adopted by the European Union. Compliance with these standards includes the definitions and the accounting and valuation methods recommended by IFRS, as well as all the information that they require. The financial statements comply with all mandatory IFRS provisions as at 31 December 2023.

Note 2.2 Use of estimates and judgements

The preparation of financial statements in accordance with IFRS requires management to exercise judgement and make estimates and assumptions that have an impact on the application of the accounting methods and on the value of assets, liabilities, income and expenditure. These underlying estimates and assumptions are made on the basis of past experience and other factors considered to be reasonable in view of the circumstances. They therefore serve as the basis for exercising the judgement needed to determine the book value of certain assets and liabilities that cannot otherwise be determined directly from other sources. The actual value may differ from the estimated value.

These underlying estimates and assumptions are constantly re-examined. The impact of changes to accounting estimates is recognised during the period in which the change occurs if they only affect that period, or in the period in which the change occurs and the subsequent periods if these are also affected by the change.

The main balance sheet line items affected by these estimates are goodwill (see Note 4 "Intangible assets"), development costs (see Note 4.3 "Development costs and other intangible assets"), deferred tax assets (see Note 12 "Deferred tax"), Employee Benefits (see Note 17) and provisions (see Note 18) above.

Note 2.3 Specific context of 2023 due to the shortage of electronic components and the consequences of geopolitical conflicts

After three complex years in macro-economic terms, with the health crisis in 2020, the global economic upturn in 2021 disrupted by multiple shortages, and the consequences of the Ukraine war, including the return of inflation and the collapse of the euro against the dollar in 2022, the year 2023 was marked by the repercussions of these uncertain economic environments, compounded by the outbreak of a new armed conflict in the Middle East.

For ACTIA, 2023 presented two different cycles due to this context:

- The first part of the year confirmed the trend observed since the fourth quarter of 2022, namely the gradual improvement in component supply flows, benefiting from a slowing global economy. Even though we still had to manage shortages, the situation gradually returned to normal at the end of the year. As a result, the number of missing items to track dropped, enabling the teams to return to their nominal organisation. In terms of production, the improvement was not really felt until the end of the financial year, as it takes just one missing component to block the launch of production, generating numerous disruptions for most of the year. So, even if the trend was observable in the fourth quarter of 2023, the year did not benefit from the improvement in plant productivity expected with normal supply flows.
- The economic slowdown hit some sectors harder than others. For ACTIA, the home automation sector, after 3 years of strong growth, experienced a marked slowdown since the start of the year, resulting in a decrease of 26.2% compared with 2022. If we look at this market in relation to 2019, ACTIA grew by 45.6%, which reflects its sales efforts during the crisis period to win over new items to produce. With an impact on the last two months of the year, two other markets important for the Group experienced a marked slowdown: agricultural machinery and construction equipment. This slowdown can be explained by the catch-up that took place between the end of 2022 and the beginning of 2023, but also by the difficulties encountered in the building and agricultural sectors, and the resulting impact on investment. However, ACTIA continued to grow in these market segments over the year as a whole (+33.9%).

Although 2023 cannot be considered a “normal” year, the improvement in supply flows enabled ACTIA to meet its targets and record revenue growth of 15.9%. Unlike in 2022, when the Group succeeded in getting customers to accept a price increase to offset significant rises in component purchases and salaries, price hikes in 2023 only partially covered the inflation that affected virtually all expense items. Growth therefore stemmed mainly from the increase in quantities produced. Despite the complex economic environment, sales activity was only slightly affected, and the commercial successes of 2023 confirm the Group’s medium-term outlook. With the year-end downturn in ACTIA’s key markets (agricultural machinery, construction equipment and trucks), but still boosted by the signing of multi-year contracts, ACTIA has postponed its target of achieving consolidated revenue in excess of €800 million to the end of 2027.

With a global inflation problem, all the Group’s purchases and expenses were affected. However, the Group quickly put in place a commercial action with its customers to increase its prices so as to limit the impact on its profitability. In contrast to 2022, and after tough negotiations, the main customers have accepted a price increase that only partially covers the rise in costs.

The second cause of pressure on margins remains the weakness of the euro against the US dollar. ACTIA has changed its strategy to improve its natural hedging, as it was severely impacted in 2022 by the rapid collapse of the euro and hedging tools were unable to maintain the favourable protection of a dollar purchase tunnel to secure its purchases. Although ACTIA did not seek to hedge all of its dollar purchases through customer payments, since the bulk of its fixed costs are in euros, it was able to convince a few major customers to make a proportion of payments in US dollars, thereby reducing its dollar purchases by $22.0 million in 2023, while Group business grew by 15.9%. However, the average exchange rate for currency purchase was slightly lower than in 2022, when the first half still benefited from favourable hedging instruments. At constant exchange rates, ACTIA would have recorded an additional €1.1 million in its accounts. The Group’s purchases of US dollars were made at an average exchange rate of 1.064 against 1.078 in 2022, compared with a spot market exchange rate of 1.081.

Finally, the third key factor in the Group’s profitability is the warranty claim by Volvo Cars, due to a battery problem on a series of products. Despite the provisions made during the manufacturing cycle, this generated an additional expense of €2.4 million over the year. Action has been taken against the supplier responsible for the failure, without any hope of winning the case.

With a booming business, the shortage significantly increased the stock level (raw materials: +€31.6 million in 2022 after +€23.2 million in 2021), with one missing item leading to a pile-up of others waiting to go into production. As a result, one of the priorities for 2023 was to reduce raw material inventories while pursuing our growth. Although these measures were complex and laborious to implement, the turnaround was already evident by the end of the first half of the year; and by the end of the financial year, raw materials inventories fell by €21.7 million. Overall, inventories fell by only €10.4 million, as improved production flows enabled us to start rebuilding work-in-progress and finished goods inventories.

After a year 2022 that strongly impacted its operational cash flow, with additional pressure on WCR during periods of growth, as customer payment terms (118 days on average) were much longer than supplier payment terms (98 days on average), ACTIA decided to improve the use of its receivables to finance its operations. The introduction of two factoring tools, as well as the use of reverse factoring with certain customers, enabled the Group to finance 24.4% of its trade receivables, reducing it to €154.4 million from €159.8 million at the end of 2022, while the fourth quarter of 2023 saw a 9.9% increase in revenue, reducing the average payment term to 99 days in 2023 (an improvement of 19 days). This also enabled us to pay our suppliers more effectively, reducing the average payment term by 18 days. Combined with the fall in inventories, the change in working capital requirement was €25.4 million. Operating activities therefore generated €62.7 million, enabling the Group to cover its investments for the period and reduce its net debt by 10.0% to €187.9 million, with 49.4% of short-term lines of credit drawn down at the end of the year compared to 49.9% at the end of 2022. Interest paid increased by 59.1% over the period, as the interest rate market moved sharply. This was due to the fact that short-term debt, including the financing of trade receivables, was at variable rates, but also because medium-term financing became progressively more expensive.

Lastly, the arbitration on the sale price of the Power Division to Plastic Omnium (August 2022) was concluded in June 2023. With a provision of €4 million at 31/12/22, the impact on the income statement was limited (€0.9 million), even though it had a negative impact of €4.9 million on cash flow for the year.

Thanks to all of these measures, the Group greatly improved its financial ratios. However, it was still unable to meet the level of gearing and leverage required by certain banking institutions. The numerous discussions during this period highlighted the favourable trend brought about by the measures taken by ACTIA and the exceptional nature of the situation. As a result, the request to suspend covenants on 31 December 2023 was accepted by all the banking partners we contacted.

Note 2.4 Outlook and events after the end of the reporting period

In an uncertain economic climate, and with customer forecasts down sharply in some sectors, ACTIA is forecasting modest growth of between 3% and 5% in 2024, driven by the rapid growth of certain sectors such as rail and energy, based on the order book at the end of the financial year and assuming a return to normal supply flows.

Despite the complex economic environment, sales activity was only slightly affected, and the commercial successes of 2023 confirm the Group's medium-term outlook. With the year-end downturn in ACTIA's key markets (agricultural machinery, construction equipment and trucks), but still boosted by the signing of multi-year contracts, ACTIA has postponed its target of achieving consolidated revenue in excess of €800 million to the end of 2027.

In financial terms, ACTIA had €43.5 million in cash at 31 December 2023, meaning it was able to meet its short-term repayment obligations. With limited growth and the return of traditional medium-term financing to support its investments in equipment and R&D, ACTIA has decided to pursue its efforts to optimise its WCR in order to continue to reduce its level of debt without jeopardising its investments.

Despite a particularly complex environment generated by the health crisis and its consequences on the components market and armed conflicts, ACTIA can draw on various markets geared to environmental and societal challenges, thereby guaranteeing its long-term future. Partnerships in place for many years, with customers, suppliers and banking partners, also provide a solid framework which secures the Group's future.

On 29 March 2024, ACTIA announced a technological collaboration with Ampere, the Renault Group entity dedicated to electric vehicles and software, in the field of embedded systems for vehicles. In this respect, ACTIA will support the deployment of solutions and skills through:

- The signing of an agreement to share expertise as part of the transfer of an ACTIA software solution for embedded systems for vehicles;
- The signature, subject to conditions precedent, of a project to develop a dedicated team, to be integrated by Ampere at the end of 2024.

This collaboration is part of ACTIA's strategy to position itself as a major player in the transformation of the automotive sector. It will enable the company to capitalise on its high level of technological expertise and its core business of on-board electronic systems for vehicles, and ultimately to strengthen its financial structure, in line with the actions taken over the last 2 years.

Consequently, the ACTIA Group Board of Directors approved the financial statements on 31 December 2023 according to the going concern principle.

Note 2.5 Changes to IFRS

The new IAS/IFRS texts and interpretations that became effective on 1 January 2023 and have been applied by the Group when preparing these consolidated financial statements on 31 December are as follows:

	IASB date of application	EU date of adoption	EU date of application
Amendments to IAS 1 - Presentation of financial statements and Wording practice 2 on the IFRS: Disclosure of accounting policies	01/01/2023	02/03/2022	02/03/2022
Amendments to IAS 8 - Accounting policies, changes of accounting estimates and errors: Definition of changes of estimates	01/01/2023	02/03/2022	02/03/2022
Amendments to IAS 12 – Taxes on income: Deferred taxation relative to assets and liabilities resulting from the same transaction	01/01/2023	11/08/2022	11/08/2022

The application of these new standards, interpretations and amendments has no impact on the Group's consolidated financial statements.

The new IAS/IFRS laws and interpretations passed by the European Union, but not yet applicable, or applied early by the Group as of 1 January 2023 are as follows:

	IASB date of application	EU date of adoption	EU date of application
Amendments to IAS 1: Classification of liabilities as current or non-current	01/01/2024	19/12/2023	01/01/2024
Amendments to IFRS 16: Lease liability in a sale and leaseback	01/01/2024	20/11/2023	01/01/2024

The Group has chosen not to apply these standards early and does not expect any significant impact on the financial statements as a result of their adoption.

The new IAS/IFRS and interpretations in issue but pending adoption by the European Union and not yet applicable are:

	IASB date of application	EU date of adoption	EU date of application
Amendments to IAS 7 - Cash Flow Statements and IFRS 7 - Financial Instruments: Disclosure: supplier financing agreements	01/01/2024	Not yet announced	Not yet announced
Amendment to IAS 21 "The Effects of Changes in Foreign Exchange Rates" - Lack of Exchangeability.	01/01/2025	Not yet announced	Not yet announced

Note 2.6 Translation of financial statements of subsidiaries denominated in foreign currencies

The financial statements of foreign companies outside the Eurozone are translated as follows:

- Assets and liabilities, including goodwill and fair-value consolidation adjustments are translated at the exchange rate of the end of the reporting period, except for goodwill items predating the transition date of 1 January 2005;
- Income statement line items are translated at the exchange rate applicable on the transaction dates or, in practice, an approximate rate that in the absence of any major currency fluctuations corresponds to the average rate for the period. For operations in high-inflation countries, the income statement line items of the subsidiary in question must be translated at the applicable rate at the balance sheet date in line with IAS 29 and IFRIC 7;
- Exchange differences are recognised as a separate component of shareholders' equity and do not impact the income statement.

Note 2.7 Translation of foreign currency denominated transactions

Foreign currency transactions are translated into the functional currency of each company at the exchange rate applicable on the transaction date.

Foreign currency liabilities and receivables are translated at the exchange rate applicable on 31 December. Unrealised exchange gains (losses) generated as a result are recognised in the income statement.

In accordance with IAS 21 and IFRIC 16, differences on exchange related to permanent financing which is part of the net investment in a consolidated company are recognised in other comprehensive income, in the conversion reserve. Upon the subsequent disposal of these investments, cumulative translation differences initially recognised in shareholders' equity are recognised in income.

Note 2.8 Non-current assets held for sale and discontinued operations

When the Group expects to recover the value of an asset, or a group of assets, by its sale rather than by its use, this asset is presented separately on the "Assets held for sale" line of the statement of financial position, in accordance with IFRS 5 - Non-current assets held for sale and discontinued operations. Liabilities relating to this asset, if any, are also presented on a separate line of the statement of financial position ("Liabilities relating to assets held for sale"). An asset classified as such is measured at the lower of its carrying amount and its fair value, less costs to sell. Therefore, it is no longer depreciated.

All assets and liabilities related to operations held for sale are presented on a separate line from assets and liabilities, after elimination of intra-group positions.

A discontinued operation is a part of the Group that has either been sold or has been categorised as held for sale and which:

- Represents a separate major line of business or a geographical area of operations;
- Is part of a single coordinated plan to dispose of a separate, major line of business or geographical area of operations; or
- Is an operation acquired exclusively with a view to resale.

An operation is classified as discontinued at the time of actual discontinuance or at an earlier date when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the income statement and the comparative cash flow statement are restated as if the activity had met the criteria for an operation that was discontinued from the start of the comparative period.

Note 2.9 Business combinations

Business combinations between 1 January 2004 and 31 December 2009 were accounted for in accordance with the previous version of IFRS 3. Business combinations after 1 January 2010 are accounted for in accordance with the revised IFRS 3.

The Group applies the purchase method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the sum of fair values of the assets transferred and the liabilities incurred by the acquirer at the acquisition date and the equity interest issued by the acquirer. The consideration transferred includes contingent consideration, measured and recognised at fair value at the acquisition date.

At the acquisition date, goodwill corresponds to the aggregate of the consideration transferred and the amount of any non-controlling interest in the acquiree minus the net amounts (usually at fair value) of the identifiable assets acquired and the liabilities assumed. Acquisition-related costs are recorded as an incurred expense.

In the case of a step-acquisition that leads to the Group acquiring control of the acquiree, the equity interest previously held by the Group is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

The initial measurement of goodwill is finalised within a period of twelve months from the acquisition date.

Goodwill is not amortised but tested for impairment annually at the closing date, or more frequently if events or changes in circumstances indicate a potential impairment. The main indicators of impairment used by the Group are as follows:

- Quantified indicators:
  - a 15% decline in revenue or a 30% decline in operating income of a CGU at constant scope and exchange rates,
  - a carrying value of the net asset that exceeds the market capitalisation.
- Non-quantified indicators:
  - performance significantly below budget forecast,
  - a significant change in the economic, technological, regulatory or political environment in the markets in which the Group operates.

Note 2.10 Tax credits, grants and other public subsidies

ACTIA received government assistance in the form of repayable advances. This form of interest-bearing financing does not fall within the scope of government subsidy management and the criteria of IAS 20. Given the projects financed and the strong likelihood that these advances will be repaid, they are presented in the financial statements under borrowings.

The Group’s research and development policy results in the receipt of a research tax credit by the companies established in France. The research tax credit qualifies as a subsidy under IAS 20. It is allocated to a specific income statement line item, impacting operating income: however, the portion of research tax credits that may be allocated to capitalised projects is recognised under deferred income and associated with operating income for the duration of the useful lives of the assets for which it was received.

Grants received able to be allocated to capitalised projects are also accounted for in this manner.

Note 2.11 Assignments of trade receivables

Assignments of trade receivables are derecognised from the balance sheet when:

- The Group transfers the contractual rights to receive cash flows from receivables to the assignee;

Or when:

- The Group retains the contractual rights to receive the cash flows from these receivables, but assumes a contractual obligation to pay these cash flows to the assignee and the assignment contract meets all three of the following conditions:
  - the Group is obliged to pay the assignee only the equivalent of the income from the receivables assigned;
  - the Group is prohibited from selling or pledging the assigned receivables other than to the assignee as security for the payment of cash flows;
  - the Group has an obligation to remit without significant delay any cash flows it collects on behalf of the assignee;
- And, the Group transfers virtually all the risks and rewards inherent in the receivables assigned, in particular the credit risk and the risk of late payment.

Note 3 Scope of consolidation

Note 3.1 Consolidation criteria

The financial statements of companies directly or indirectly controlled by ACTIA Group are fully consolidated in the consolidated financial statements. The financial statements of companies in which ACTIA Group has a significant influence are accounted for under the equity method.

The balance sheet date for all companies within the scope of consolidation is 31 December.

Note 3.2 Consolidated companies

As part of the project to segment its businesses into four divisions: *Mobility, Aerospace, Energy and Engineering*, the Group created four new entities in 2023: ACTIA Energy, in charge of the activities of the *Energy Division;* ACTIA Railway, in charge of the activities dedicated to the rail market coming from the Telecoms Division and which must be attached to the *Mobility Division;* ACTIA Engineering Services Holding, the parent company of the *Engineering Division;* and ACTIA Engineering Services France, in charge of engineering activities on behalf of third parties in France.

Name	Seat	SIREN no. (business registration number) or country	% control		Integration method		Business lines	Business sector
			Dec-22	Dec-23	Dec-22	Dec-23		
ACTIA Group	Toulouse	542,080,791	Consolidating company	Consolidating company	Consolidating company	Consolidating company	Holding company	Other
ACTIA Automotive	Toulouse	389,187,360	99.99	99.99	Consolidation	Consolidation	Electronics research & manufacturing	Automotive
ACTIA UK	Newtown	United Kingdom	100.00	100.00	Consolidation	Consolidation	Electronics research & manufacturing	Automotive
ACTIA PCs	Maisons-Alfort	384,018,263	100.00	100.00	Consolidation	Consolidation	Electronics research & manufacturing	Automotive
ACTIA Systems	Getafe Madrid	Spain	100.00	100.00	Consolidation	Consolidation	Research and manufacturing of audio and video equipment	Automotive
SCI Los Olivos	Getafe Madrid	Spain	39.99	39.99	M.E.	M.E.	Real estate	Automotive
KARFA	Mexico City	Mexico	90.00	90.00	Consolidation	Consolidation	Administration of holdings	Automotive
ACTIA de Mexico	Mexico City	Mexico	100.00	100.00	Consolidation	Consolidation	Electronics research & manufacturing	Automotive
ACTIA do Brasil	Porto Alegre	Brazil	97.97	99.58	Consolidation	Consolidation	Electronics research & manufacturing	Automotive
ATAL	Tabor	Czech Republic	59.98	59.98	Consolidation	Consolidation	Electronics research & manufacturing	Automotive
ACTIA Italia	Torino	Italy	100.00	100.00	Consolidation	Consolidation	Electronics research & manufacturing	Automotive
ACTIA 3E	Le Bourget du Lac	381,805,514	99.93	99.93	Consolidation	Consolidation	Electronics research & manufacturing	Automotive
ACTIA IME	Braunschweig	Germany	100.00	100.00	Consolidation	Consolidation	Electronics research & manufacturing	Automotive
ACTIA Corp.	Elkhart - Indiana	USA	100.00	100.00	Consolidation	Consolidation	Electronics research & manufacturing	Automotive
ACTIA Electronics	Romulus - Michigan	USA	100.00	100.00	Consolidation	Consolidation	Electronics manufacturing	Automotive
ACTIA Polska	Piaseczno	Poland	100.00	100.00	Consolidation	Consolidation	Electronics research & manufacturing	Automotive
CIPI ACTIA	Tunis	Tunisia	65.80	65.80	Consolidation	Consolidation	Electronics manufacturing	Automotive
ACTIA India (2)	New Delhi	India	51.00	0.00	Consolidation	NC	Electronics research & manufacturing	Automotive
ACTIA China	Shanghai	China	100.00	100.00	Consolidation	Consolidation	Electronics research & manufacturing	Automotive
ACTIA Nordic	Linköping	Sweden	100.00	100.00	Consolidation	Consolidation	Electronics research & manufacturing	Automotive
ACTIA EMS Sweden	Linköping	Sweden	100.00	100.00	Consolidation	Consolidation	Electronics research & manufacturing	Automotive
ACTIA Tunisie	Tunis	Tunisia	96.96	96.96	Consolidation	Consolidation	Electronics manufacturing	Automotive
ACTIA Japan	Tokyo	Japan	100.00	100.00	Consolidation	Consolidation	Marketing, sales and technical support	Automotive
ACTIA Aerospace (formerly ACTIA Telecom)	Toulouse	699,800,306	100.00	100.00	Consolidation	Consolidation	Electronics research & manufacturing	Telecoms
ACTIA Energy (3)	Toulouse	953,516,085	-	100.00	-	Consolidation	Electronics research & manufacturing	Telecoms
ACTIA Railway (3)	Toulouse	953,522,158	-	100.00	-	Consolidation	Electronics research & manufacturing	Telecoms
SCI Sodimob	St Georges de Luzençon	419,464,490	100.00	98.00	Consolidation	Consolidation	Real estate	Telecoms
ACTIA Africa	Tunis	Tunisia	99.77	99.77	Consolidation	Consolidation	Marketing, sales and technical support	Automotive
ACTIA Engineering Services	Tunis	Tunisia	73.33	73.33	Consolidation	Consolidation	Electronics research & design	Automotive
ACTIA Telematics Services	Naninne	Belgium	100.00	100.00	Consolidation	Consolidation	Electronics research & design	Automotive
SCI de l'Oratoire (1)	Colomiers	345,291,405	100.00	100.00	Consolidation	Consolidation	Real estate	Automotive
SCI Les Coteaux de Pouvourville	Toulouse	343,074,738	30.00	30.00	M.E.	M.E.	Real estate	Other

1) SCI de l'Oratoire is 86% owned by ACTIA Group and 14% by ACTIA Automotive.

2) Companies deconsolidated during the year

3) Companies consolidated during the year

ACTIA Engineering Services Holding (France), ACTIA Engineering Services France and Deva Autotronics Private Limited (India) were not consolidated at 31 December 2023, as they have no operations.

Note 4 Intangible assets

Note 4.1 Changes in intangible assets

The gross amounts of intangible fixed assets changed as follows:

- In 2023:

In €K	01/01/2023	Changes in scope	Cumulative translation differences	Acquisitions <Transfers>	Disposals and other reductions	IFRS 5	31/12/2023
Goodwill	25,402						25,402
Development costs	136,378	<83>	<79>	16,923	<3,274>		149,865
Other intangible assets	13,013	<85>	14	4,513	<85>	5	17,374
Other intangible assets in progress	2,886		24	522	<2>		3,431
TOTAL	**177,678**	**<168>**	**<40>**	**21,957**	**<3,361>**	**5**	**196,072**
o.w. right-of-use							
Other intangible assets	*513*			*4,061*	*<77>*		*4,496*
Other intangible assets in progress							

- In 2022:

In €K	01/01/2022	Changes in scope	Cumulative translation differences	Acquisitions <Transfers>	Disposals and other reductions	IFRS 5	31/12/2022
Goodwill	25,402						25,402
Development costs	136,795	<8,369>	<2,442>	11,369	<974>		136,378
Other intangible assets	13,014	<413>	<95>	674	<167>		13,013
Other intangible assets in progress	970		111	1,805			2,886
TOTAL	**176,181**	**<8,782>**	**<2,426>**	**13,847**	**<1,141>**	**0**	**177,678**
o.w. right-of-use							
Other intangible assets	513						513
Other intangible assets in progress							

In accordance with IFRS 5 - Non-current assets held for sale and discontinued operations, the intangible assets of the Vehicle Inspection & Garage Equipment activity had been reclassified as of 31 December 2022 (Note 20 “Assets and liabilities held for sale”). At 31 December 2023, the Group considered that the conditions for recording under “Assets and liabilities held for sale” were no longer met on the date when the financial statements were approved.

No intangible asset within ACTIA Group is subject to a pledge or other encumbrance.

Amortisation and impairment charges were as follows:

- In 2023:

In €K	01/01/2023	Changes in scope	Cumulative translation differences	Provisions	Reversals	IFRS 5	31/12/2023
Goodwill	1,254						1,254
Development costs	90,181	<83>	<27>	11,240	<3,295>		98,016
Other intangible assets	11,538	<79>	16	3,270	<12>	5	14,738
TOTAL	**102,973**	**<162>**	**<10>**	**14,510**	**<3,307>**	**5**	**114,009**
o.w. right-of-use							
Other intangible assets	*513*			*2,768*			*3,280*

Impairment of €404,000 was recorded at 31 December 2023.

- In 2022:

In €K	01/01/2022	Changes in scope	Cumulative translation differences	Provisions	Reversals	IFRS 5	31/12/2022
Goodwill	1,254						1,254
Development costs	81,823	<3,480>	<1,528>	14,100	<735>		90,181
Other intangible assets	11,473	<39>	<92>	354	<153>	<5>	11,538
TOTAL	**94,551**	**<3,519>**	**<1,620>**	**14,454**	**<888>**	**<5>**	**102,973**
o.w. right-of-use							
Other intangible assets	513						513

No impairment was recorded at 31 December 2022.

Net carrying amounts:

- In 2023:

In €K	01/01/2023	Changes in scope	Cumulative translation differences	Net acquisitions <Disposals>	IFRS 5	31/12/2023
Goodwill	24,148					24,148
Development costs	46,197		<53>	5,705		51,849
Other intangible assets	1,475	<6>	<2>	1,169		2,636
Other intangible assets in progress	2,886		24	521	<2>	3,430
TOTAL	**74,705**	**<6>**	**<30>**	**7,395**	**<2>**	**82,063**
o.w. right-of-use						
Other intangible assets	*<0>*			*1,216*		*1,216*
Other intangible assets in progress						

- In 2022:

In €K	01/01/2022	Changes in scope	Cumulative translation differences	Net acquisitions <Disposals>	IFRS 5	31/12/2022
Goodwill	24,148					24,148
Development costs	54,971	<4,889>	<914>	<2,971>		46,197
Other intangible assets	1,541	<374>	<3>	307	4	1,475
Other intangible assets in progress	970		111	1,805		2,886
TOTAL	**81,630**	**<5,264>**	**<806>**	**<859>**	**4**	**74,705**
o.w. right-of-use						
Other intangible assets	<0>					<0>
Other intangible assets in progress						

Note 4.2 Goodwill

At the end of 2023, the carrying amounts of goodwill were as follows:

In €K	Country	Net balance sheet amounts at 31/12/2023	Net balance sheet amounts at 31/12/2022
ACTIA Corp.	USA	7,501	7,501
ACTIA Aerospace (formerly ACTIA Telecom) (*)	France	6,850	11,415
ACTIA Energy (*)	France	3,174	N/A
ACTIA Telematics Services	Belgium	2,480	2,480
ACTIA Railway (*)	France	1,391	N/A
ACTIA Nordic	Sweden	1,351	1,351
CIPI ACTIA	Tunisia	922	922
ACTIA PCs	France	390	390
SODIMOB	France	88	88
Total		**24,148**	**24,148**

(*) Following the restructuring of the Group, ACTIA Telecom's goodwill has been allocated, in accordance with IAS 36, to the 3 entities resulting from these operations: ACTIA Aerospace, ACTIA Energy and ACTIA Railway

Annual **impairment tests** are performed on goodwill.

This test covers a specific asset or a cash generating unit (CGU) or a group of CGUs. A CGU is the smallest identifiable group of assets generating cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Goodwill is allocated to one CGU. The CGU for goodwill is generally that of the entity originally acquired.

The impairment test is intended to compare the carrying amount of the asset or CGU group with its recoverable amount. The recoverable amount is the greater of:

- The fair value less selling costs;
- The value in use, this being the present value of the future cash flows likely to flow from the asset or CGU. Future cash flows are determined from four-year budgets for the CGU or CGU groups in question, approved by Group management. The growth rates used for subsequent periods are flat. The discount rates (WACC) are determined by using in particular a risk-free rate for the geographic region in question, plus a specific risk premium for the assets in question.

Where the carrying amount exceeds the recoverable amount, an impairment loss is recognised in the income statement under the line item "goodwill impairment." Impairment in a CGU is firstly allocated to goodwill and then to the other assets of the CGU in proportion to their carrying amounts.

Impairment losses recognised in respect of goodwill are never reversed.

In accordance with IAS 36, impairment tests are conducted for all goodwill by applying the discounted cash flow method to the business plans of the relevant CGUs.

The discount rates used for these impairment tests are presented below:

	2023		2022	
In €K	**Europe**	**USA**	**Europe**	**USA**
Automotive	between 8.6% and 9.6% (1)	between 10.5% and 11.5%	between 8.3% and 9.3% (1)	between 11.0% and 12.0%
Telecoms	between 9.5% and 10.5%	-	between 9.0% and 10.0%	-

(1): CIPI-ACTIA (Tunisia): between 16.0% and 17.5%.

The perpetuity growth rate ranges between 1% and 2% for all impairment tests conducted in Europe, and 1.5% for the Americas.

Based on these tests applied to the reasonable cash flow forecast scenarios and including the analysis of the sensitivity of amounts to changes in assumptions and the parameters used, no impairment was identified. The items used to assess the most significant values tested (UGT ACTIA Aerospace and ACTIA Corp.) are presented below:

The goodwill of ACTIA Aerospace and ACTIA Corp was allocated to a CGU consisting of all the operating assets of both the companies.

The recoverable amount represents the value in use of the CGU. It was determined on the basis of the following assumptions:

- **cash flow forecasts** prepared by management taking into account changes in sales, based on an assessment of the order book and reasonable assumptions for winning new business via calls for tender for the subsequent four years and the expected change in the working capital requirement;

The other parameters used are listed below:

- the level of annual replacement capital expenditure;
- management calculates these assumptions on the basis of its experience as well as prior results;
- the period covered by these cash flow forecasts is four years (2024 to 2027).

	ACTIA Aerospace	ACTIA Corp.
Discount rate	9.9%	11.2%
Average annual revenue growth rate for the implicit time-frame	18.7	21.7%
Perpetuity growth rate	2%	1%

- The analyses of the sensitivity of the value of goodwill to changes in assumptions about forecast operating flows and the discount rate do not reveal any risks.

To date, impairment charges for goodwill amount to €1,254,000 and correspond to:

- A goodwill impairment loss for ACTIA Polska: €224,000 (recognised in 2008);
- a goodwill impairment loss for ACTIA Telecom: €1 million (€500,000 recognised in 2009 and €500,000 in 2012);
- a goodwill impairment loss for KARFA: €30,000 (recognised in 2015).

Note 4.3 Development costs and other intangible assets

Other intangible assets are presented in the balance sheet at acquisition or production cost, less cumulative amortisation and impairment losses. They are recognised as assets if they are controlled by the Group, if they generate future economic benefits for the Group and meet the identification criteria below:

- They are separable from the entity (possibility of sale, transfer, disposal, etc.) individually or together with another asset/liability, or
- They stem from contractual or other legal rights.

The various types of intangible assets identifiable in the Group include development costs and patents and brands.

Except for development costs, the other intangible assets are amortised on a straight-line basis calculated over their useful lives of three to seven years.

Development costs

An intangible asset resulting from a development phase is recognised in assets if and only if the following criteria are satisfied:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- The entity must intend to complete the intangible asset and use or sell it;
- It must be able to use or sell the intangible asset;
- It must know how the intangible asset will generate probable future economic benefits. Among other things, the entity must be able to demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- Adequate technical, financial and other resources must be available to complete the development and to use or sell the intangible asset, and
- It must be possible to reliably measure the expenditure attributable to the intangible asset during its development.

The cost of this internally generated intangible asset includes all expenses necessary to create, produce and prepare the non-current asset to be exploited as planned by the Group.

Other development costs are expensed as they arise.

No intangible asset arising from research is recognised as an asset. Research costs are expensed as they arise.

The amortisation of development costs reflects the expected rate at which economic benefits will be obtained from the asset. The methods used are straight-line amortisation or unit of production. The useful lives depend on the assets in question. They run from three to five years.

The useful lives are reviewed at each balance sheet date. There are no intangible assets for which the useful life is considered indefinite.

The **main intangible assets** added in the last two financial years are presented in the table below:

In €K	2023	2022
Development costs		
Automotive Division	10,137	9,934
Telecoms Division	2,462	623
TOTAL	**12,600**	**10,557**
Other intangible assets		
Automotive Division	753	3,515
Telecoms Division	725	6
TOTAL	**1,479**	**3,521**

The table below summarises the changes in the total research and development expenditure:

In €K	2023	2022
Automotive Division	**66,346**	**64,743**
o.w. Cost of research commissioned by customers	25,468	23,431
Non-current assets	10,137	13,104
Period expenses	30,741	28,208
Telecoms Division	**18,386**	**15,558**
o.w. Cost of research commissioned by customers	12,517	10,448
Non-current assets	2,462	623
Period expenses	3,406	4,487
Total	**84,732**	**80,301**
Amortisation of capitalised development costs not included in the total expenditure calculation	11,078	13,572

Most companies of the Automotive Division engage in R&D activity. ACTIA Automotive (France) contributes 57.0% (approximately 55.0% in 2022), ACTIA IME (Germany) for 6.8% (6.8% in 2022), and ACTIA Nordic (Sweden) 17.0% (18.7% in 2022), with the balance of R&D activity equally allocated among the other entities of the division. .It should be noted that the Tunisian Design office, ACTIA Engineering Services, works mostly for the other Group entities and this work is therefore eliminated (IG) at its level for the benefit of companies that ordered the development.

In the **Telecoms Division**, work is carried out by all the ACTIA Telecom entities, and it may also use ACTIA Engineering Services for certain types of work, which are also eliminated (IG).

The Group's R&D investment policy focuses on five areas:

- Telematics for vehicles, including both OEM and Aftermarket and associated services;
- Power electronics for vehicles;
- Electronics in relation to micromobility;
- Vehicle inspection and repair equipment;
- Professional microwave communications equipment.

In these areas, ACTIA must anticipate the arrival of new products and use the most modern technologies while meeting the requirements of increasing global standardisation and cost management. ACTIA must also support its export customers and identify new foreign markets.

The Group operates in 16 countries and incurs considerable R&D expenditure. Over the past five years, these expenses have averaged 16.2% of consolidated sales. This proactive policy generates inflows for France in the form of significant research tax credits and grants (€7.1 million for 2023, compared to €7.3 million in 2022).

In 2023, total R&D expenditure represented 14.6% of Group revenue, compared to 16.1% in 2022. ACTIA thus demonstrated its determination to maintain a high level of innovation, increasing its R&D expenditure from €80.3 million to €84.7 million in 2023. supported by multi-year customer programmes.

The level of R&D expenditure incurred in ACTIA's income statement, after adjusting for the portion charged to customers, government subsidies and time lags (fixed assets/depreciation), accounted for 6.7% of revenue in 2023, as opposed to 7.7% in 2022. The customer chargeback rate was 44.8% in 2023 compared to 42.2% in 2022.

Note 5 Tangible assets

Items of property plant and equipment are recognised as assets at acquisition cost less cumulative depreciation and impairment losses. The Group has chosen the cost model as the measurement method.

Cost components include:

- The purchase price, including import duties and non-refundable purchase taxes less trade discounts and rebates;
- The costs directly attributable to transferring and commissioning the asset and;
- If applicable, the initial estimate of the costs of dismantling and removing the item and restoring the site.

When material components of items of property, plant and equipment can be determined and they have different useful lives and depreciation methods, they are recognised by component as separate items of property, plant and equipment.

The Group recognises the replacement cost of a component of an item of property, plant or equipment in the carrying amount of that asset when the cost is incurred, if it is likely that the future economic benefits associated with this asset will flow to the Group and its cost can be reliably measured. All ordinary upkeep and maintenance costs are expensed when incurred.

ACTIA has identified three components of buildings:

- The structure: 40-year useful life;
- Interior work: 20-year useful life.
- Fixtures and fittings: 10-year useful life.

The breakdown of some buildings with a very specific structure (glass cladding, etc.) has been adjusted so that the useful lives indicated correspond to the actual life of the property.

The depreciable amount is systematically allocated over the useful life of the asset. Depreciation is calculated on a straight-line basis and the useful lives applied by the Group are as follows:

- Technical installations, equipment, tooling: over 6 to 10 years;
- Other property, plant and equipment: over 3 to 10 years.

The useful lives are reviewed at each balance sheet date.

The Group has not determined any material residual value for its property, plant and equipment.

Note 5.1 Changes in tangible assets

Gross amounts of property, plant and equipment changed as follows:

- In 2023:

In €K	01/01/2023	Changes in scope	Cumulative translation differences	Acquisitions <Transfers>	Disposals and other reductions	IFRS 5	31/12/2023
Land	2,813	0	<33>	0	0	11	2,791
Buildings	64,285	0	<673>	<31>	<243>	828	64,165
Technical equipment Facilities and tools	84,913	<357>	<469>	96	8	470	84,661
Other items of property, plant and equipment	37,779	<162>	<139>	4,022	<676>	0	40,824
Total	**189,789**	**<519>**	**<1,313>**	**4,087**	**<911>**	**1,309**	**192,441**
o.w. right-of-use							
Land	*260*						*260*
Buildings	*31,159*		*<199>*	*2,087*	*<3,021>*	*66*	*30,091*
Technical equipment Facilities and tools	*23,356*		*<3>*	*225*	*<4,414>*	*0*	*19,164*
Other items of property, plant and equipment	*12,120*		*<4>*	*1,391*	*<2,007>*	*0*	*11,501*

- In 2022:

In €K	01/01/2022	Changes in scope	Cumulative translation differences	Acquisitions <Transfers>	Disposals and other reductions	IFRS 5	31/12/2022
Land	2,902		6	3	<98>	<0>	2,813
Buildings	62,380	<2,726>	<170>	8,193	<3,370>	<21>	64,285
Technical equipment Facilities and tools	83,020	<2,094>	<51>	5,606	<1,508>	<59>	84,913
Other items of property, plant and equipment	38,537	<1,209>	<166>	1,984	<1,368>		37,779
TOTAL	**186,839**	**<6,030>**	**<380>**	**15,785**	**<6,344>**	**<81>**	**189,789**
o.w. right-of-use							
Land	*260*						260
Buildings	*30,778*	<579>	<396>	4,377	<3,023>	1	31,159
Technical equipment Facilities and tools	*23,499*		<13>	<63>	<67>		23,356
Other items of property, plant and equipment	*10,111*	<78>	<149>	2,674	<439>		12,120

The **amortisation** was as follows:

- In 2023:

In €K	01/01/2023	Changes in scope	Cumulative translation differences	Provisions	Reversals	IFRS 5	31/12/2023
Land	13	0	0	0	0	0	13
Buildings	27,528	0	<223>	3,752	<200>	556	31,414
Technical equipment Facilities and tools	68,485	<172>	<313>	1,505	<94>	338	69,748
Other items of property, plant and equipment	26,282	<47>	<78>	1,530	<627>	0	27,059
TOTAL	**122,309**	**<220>**	**<615>**	**6,788**	**<922>**	**895**	**128,234**
o.w. right-of-use							
Land	*13*						*13*
Buildings	*17,775*		*<36>*	*715*	*<200>*	*22*	*18,277*
Technical equipment *Facilities and tools*	*19,293*		*<1>*	*<2,015>*	*0*	*0*	*17,277*
Other items of property, plant and equipment	*8,693*		*4*	*<472>*	*<244>*	*0*	*7,981*

- In 2022:

In €K	01/01/2022	Changes in scope	Cumulative translation differences	Provisions	Reversals	IFRS 5	31/12/2022
Land	13						13
Buildings	26,824	<379>	<171>	3,100	<1,865>	19	27,528
Technical equipment Facilities and tools	64,247	<863>	<92>	6,600	<1,454>	47	68,485
Other items of property, plant and equipment	25,745	<97>	<38>	2,061	<1,388>		26,282
TOTAL	**116,829**	**<1,339>**	**<301>**	**11,760**	**<4,707>**	**66**	**122,309**
o.w. right-of-use							
Land	13						13
Buildings	18,017	<94>	<234>	1,536	<1,450>		17,775
Technical equipment Facilities and tools	17,160		<14>	2,194	<48>		19,293
Other items of property, plant and equipment	8,616	<14>	<66>	527	<370>		8,693

Net carrying amounts:

- In 2023:

In €K	01/01/2023	Changes in scope	Cumulative translation differences	Net acquisitions <Disposals>	IFRS 5	31/12/2023
Land	2,799	0	<33>	0	11	2,778
Buildings	36,756	0	<449>	<3,827>	271	32,751
Technical equipment Facilities and tools	16,428	<184>	<156>	<1,307>	132	14,912
Other items of property, plant and equipment	11,497	<115>	<60>	2,444	0	13,765
TOTAL	**67,480**	**<299>**	**<699>**	**<2,690>**	**414**	**64,207**
o.w. right-of-use						
Land	*247*	*0*	*0*	*0*	*0*	*247*
Buildings	*13,383*	*0*	*<163>*	*<1,450>*	*<44>*	11,726
Technical equipment *Facilities and tools*	*4,063*	*0*	*<2>*	*<2,174>*	*0*	*1,887*
Other items of property, plant and equipment	*3,427*	*0*	*<8>*	*100*	*0*	*3,519*

- In 2022:

In €K	01/01/2022	Changes in scope	Cumulative translation differences	Net acquisitions <Disposals>	IFRS 5	31/12/2022
Land	2,889		6	<95>	<0>	2,799
Buildings	35,556	<2,347>	0	3,588	<40>	36,756
Technical equipment Facilities and tools	18,773	<1,231>	42	<1,049>	<107>	16,428
Other items of property, plant and equipment	12,793	<1,111>	<128>	<57>		11,497
TOTAL	**70,010**	**<4,690>**	**<80>**	**2,387**	**<147>**	**67,480**
o.w. right-of-use						
Land	247					247
Buildings	12,761	<485>	<162>	1,267	<1>	13,380
Technical equipment Facilities and tools	6,339		1	<2,277>		4,063
Other items of property, plant and equipment	1,495	<64>	<83>	2,079		3,427

Property, plant and equipment used as collateral are listed in Note 28: “Off-balance-sheet commitments and encumbered assets” in the notes to the consolidated financial statements.

The main acquisitions relate to:

In €K	2023	2022
Land		
Automotive Division		
Telecoms Division		
Sub-total		
Buildings		
Automotive Division	2,069	4,501
Telecoms Division	421	280
Other (incl. Holding company)	3	
Sub-total	**2,493**	**4,781**
Technical equipment		
Automotive Division	2,440	3,630
Telecoms Division	75	743
Sub-total	**2,515**	**4,373**
Other tangible assets		
Automotive Division	6,269	7,765
Telecoms Division	919	1,057
Other (incl. Holding company)	36	
Sub-total	**7,225**	**8,822**
Total	**12,233**	**17,976**

All new items of property, plant and equipment were purchased from third party suppliers.

The Other property, plant and equipment item includes construction and renovation work not yet delivered on the close date.

Note 5.2 Depreciation of tangible assets

Where there are indications of impairment, an impairment test of the other assets is systematically performed.

Impairment losses recognised in respect of other assets may be reversed where there has been a change in the estimates used to determine the recoverable amount. The carrying amount of an asset that has been increased due to reversal of impairment may not exceed the carrying amount that would have existed, net of depreciation or amortisation, if no impairment loss had been recognised.

In the event of an impairment loss on an asset or CGU, an impairment is systematically recognised. It is allocated to the "Depreciation and amortisation expense" line item in the income statement, which is accordingly renamed "Depreciation and amortisation expense and impairment loss." As of 31 December 2023, no provisions for impairment of property, plant and equipment had been recognised.

Note 6 Equity method investments

In €K	Value of securities		Share of net income	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
SCI Los Olivos	407	407	6	8
SCI Les Coteaux de Pouvourville	497	501	85	71
Total	**904**	**908**	**91**	**79**

After the investor's interest is reduced to zero, additional losses are recognised by a provision (liability) only to such extent that the investor has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. (See Note 18: "Provisions" in the notes to the consolidated financial statements.

Financial information on the investments in associates (equity method) is set out below:

- At 31 December 2023:

In €K	Total Assets	Debt	Revenue	Income
SCI Los Olivos	2,398	1,332	180	14
SCI Les Coteaux de Pouvourville	6,482	4,286	1,029	278

- At 31 December 2022:

In €K	Total Assets	Debt	Revenue	Income
SCI Los Olivos	2,519	1,454	176	21
SCI Les Coteaux de Pouvourville	6,914	4,768	984	243

Note 7 Other non-current financial assets

In €K	31/12/2023 Gross	31/12/2023 Depreciation	31/12/2023 Net	31/12/2022 Gross	31/12/2022 Depreciation	31/12/2022 Net
Non-consolidated fixed securities	514	<270>	**244**	337	<227>	**109**
Receivables on non-consolidated investments	77	<72>	**6**	96	<72>	**24**
Deposits and guarantees	1,901	0	**1,901**	2,066		**2,066**
Loans and miscellaneous	38	0	**38**	44	0	**44**
TOTAL	**2,530**	**<342>**	**2,188**	**2,542**	**<299>**	**2,243**

In 2023, financial assets generated €299,000 in income, included in the income statement under "Other financial income", compared with €337,000 in 2022.

Note 8 Stocks and work in progress

Inventory costs include:

- Purchase cost: purchase price and related expenses;
- Conversion costs: labour and indirect production costs;
- Other costs: included in inventory costs only if incurred to bring the inventories to their current location and condition.

Inventories of services in process are measured at the cost of production, labour and other personnel expenses directly incurred to provide the service.

Inventory costs are determined according to the weighted average cost method.

Inventories are measured at the lower of cost and net realisable value, this being the estimated selling price in the normal course of business less estimated completion and selling costs.

The net realisable value of stocks was as follows:

€K (Net value)	31/12/2023	31/12/2022
Raw materials	94,847	116,592
R&D costs pursuant to the execution of contracts	43,694	47,726
Intermediate and finished products	46,198	37,346
Goods	15,522	8,989
Total	**200,261**	**210,654**

Changes in inventories in 2023 are set out below:

In €K	Gross	Depreciation	Net
At 31/12/2022	**222,396**	**<11,742>**	**210,654**
Change over the period	<10,154>	0	<10,154>
Net depreciation	0	444	444
Changes in scope	<1,236>	0	<1,236>
Effect of exchange rates	<361>	45	<316>
IFRS 5	868	0	868
AT 31/12/2023	**211,514**	**<11,253>**	**200,261**

Scrapped inventories amounted to €4,580,000, compared with €2,163,000 in 2022, and concerned primarily:

- ACTIA Automotive: €2,568,000 (accumulated provision of €567,000 from prior periods);
- ACTIA Telecom: €1,303,000 (accumulated provision of €1,048,000 from prior periods).

The gross value of inventory decreased by €9.6 million during 2023 (before changes in scope) compared to a €51.2 million increase during 2022. The breakdown of these changes is presented below:

In €K	2023	2022
Raw materials	<20,827>	+ 43,485
R&D costs pursuant to the execution of contracts	<4,032>	+ 2,539
Intermediate and finished products	+ 9,009	+ 6,106
Goods	+ 6,204	<888>

Pledged inventories are set out in Note 28 “Off-balance-sheet commitments and encumbered assets” in the notes to the consolidated financial statements.

Note 9 Trade receivables, Other current receivables and Current tax credit

Trade and other accounts receivable are measured at fair value upon initial recognition then at amortised cost less the amount of expected credit losses.

Where there are objective indications of impairment, the amount of the loss recognised is the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate of the asset.

The details of **Trade** receivables are given in the following table:

In €K	Net value at 31/12/2022	Changes over the period	Depreciation / reversals	Changes in scope	Effect of exchange rates	IFRS 5	Net value at 31/12/2023
Trade receivables	159,762	<4,299>	<601>	<509>	<569>	585	154,368

In 2023, the Group put in place two contracts for the assignments of trade receivables without recourse.

- An open-ended contract signed in June 2023 by ACTIA Automotive and ACTIA Telecom. It was for a maximum amount of €25.0 million, of which a maximum of 10% is denominated in US dollars. The trades receivables assigned, amounting to €20.0 million at 31 December 2023, were deconsolidated to the amount of €17.2 million;
- An open-ended contract signed in July 2023 by ACTIA Automotive. It was for a maximum amount of €55.0 million. The trades receivables assigned, amounting to €17.1 million at 31 December 2023, were deconsolidated to the amount of €15.4 million.

The Group analysed the main characteristics of these programmes in accordance with the principles described in Note 2.11 "Assignments of trade receivables". With regard to deconsolidated receivables, the Group concluded that almost all the risks and rewards associated with the assigned receivables have been transferred to the assignees.

Other receivables assignment programmes are in place within the Group (reverse factoring and non-recourse factoring) at ACTIA Automotive, ACTIA Aerospace, ACTIA Italia, ACTIA Nordic, ACTIA Systems and ACTIA do Brasil.

The total amount used by the Group (reverse factoring and factoring) was €48.5 million, including €35.9 million in deconsolidated non-recourse factoring, €4.1 million in non-deconsolidated non-recourse factoring and €8.5 million in deconsolidated reverse factoring at 31 December 2023, compared with €10.1 million at 31 December 2022.

At 31 December 2023, the schedule for gross trade receivables not yet due and past due (aged balance) was as follows:

In €K	Not yet due	Past due by 0 to 30 days	Past due by 31 to 60 days	Past due by 61 to 90 days	Past due by more than 91 days	Total trade receivables (Gross)
Gross at 31/12/2023	128,916	9,851	5,092	3,747	11,683	159,288
Gross at 31/12/2022	133,594	10,563	4,689	2,209	13,228	164,283

No significant **losses for bad debt** were recognised in 2023, as in 2022.

The details of **Other current receivables and Tax credit** are given in the following table:

In €K	Net value at 31/12/2022	Changes over the period	Depreciation / reversals	Changes in scope	Effect of exchange rates	IFRS 5	Net value at 31/12/2023
Pre-payments	6,311	<2,105>		<160>	<54>	15	4,008
Social security receivables	659	<447>		0	34	0	246
VAT claims	7,291	<1,646>		0	4	0	5,649
Accrued charges	3,636	<437>		0	<50>	8	3,156
Other receivables	2,616	8,153	12	0	<17>	0	10,764
Other current receivables	**20,513**	**3,519**	**12**	**<160>**	**<83>**	**23**	**23,824**
Tax receivables	1,580	1,099		<21>	41	0	2,700
Research tax credit	9,400	579		0	0	0	9,980
Current tax credit	**10,981**	**1,678**		**<21>**	**41**	**0**	**12,679**

Note 10 Other contractual assets / liabilities and order book

Note 10.1 Other contractual assets and liabilities

As part of the application of the IFRS 15 "Revenue from contracts with customers", for any given contract, the cumulative sum of revenues recognised in exchange for all the contractual service obligations, after deduction of the payments received and the trade receivables accounted for separately, are presented below under the headings contractual assets or contractual liabilities, if the balance is negative.

Contractual assets and liabilities are shown under Trade receivables, Other liabilities and Deferred income in the Consolidated statement of financial position.

Any provisions for onerous contracts, known as forecast losses, are excluded from these balances and presented under provisions for liabilities and charges.

In €K	At 31/12/2023	At 31/12/2022
Contractual assets	28,204	20,511
Contractual liabilities	<16,375>	<9,502>

Note 10.2 Order book

The Group applies IFRS 15, "Revenue from contracts with customers", which introduces the concept of an order book ("revenue remaining to be recognised for service obligations not yet completed or partially completed on the close date").

Therefore, the total order book for the Group stood at €467,303,000 at 31 December 2023, of which 74.3% was expected to generate revenues within one year, compared with 76.1% at 31 December 2022.

The order book is defined as follows:

- firm notified contracts, including R&D and/or products;
- non-firm contracts:
  - R&D orders secured by a firm financing clause;
  - delivery schedules communicated by the customer for the product part;
  - forecast delivery schedules under multi-year contracts.
- services: firm subscriptions.

In €K	At 31/12/2023	At 31/12/2022
Order book	467,303	399,877

Note 11 Cash, cash equivalents and financial instruments at fair value through profit and loss

Note 11.1 Cash and cash equivalents

Cash is comprised of the sums available in bank accounts at the balance sheet date. Instantly repayable bank overdrafts constitute a component of cash and cash equivalents for cash flow statement purposes.

Cash equivalents are very liquid short-term investments comprised of marketable securities readily convertible into a known amount of cash and subject to an insignificant risk of a change in value. They are recognised at the market value at the balance sheet date, with the investment bonus recognised in income.

These items changed as follows:

In €K	31/12/2023	31/12/2022	Change
Cash equivalents	92	93	<1>
Cash	43,486	48,279	<4,794>
Cash and cash equivalents	**43,577**	**48,372**	**<4,795>**
<Short-term bank borrowings>	**<44,794>**	**<41,637>**	**<3,157>**
Total	**<1,217>**	**6,735**	**<7,952>**
Cash, cash equivalents and short-term bank borrowings presented in the Assets/Liabilities held for sale lines	**0**	**324**	**<324>**
Cash and cash equivalents at closing presented in the Cash flow statement	**<1,217>**	**7,058**	**<8,275>**

ACTIA sells marketable securities at year-end, which are accordingly recorded under income as definitive capital gains.

Note 11.2 Financial instruments at fair value through profit and loss

ACTIA uses derivative financial instruments to hedge its exposure to foreign exchange risks. In accordance with its treasury management policy, the Group neither holds nor issues derivatives for trading purposes. However, derivatives not satisfying the hedge accounting criteria are treated as speculative.

Because the applicable criteria were not met for the periods presented, (hedging of future flows - cash flow hedge), hedge accounting was not applied. Currency risk hedging instruments were measured and recognised at fair value.

Note that the purpose of these tools is to secure the cost of acquisition of US Dollars necessary to buy components at a reasonable price secured with respect to the significant market fluctuations.

Currency hedging instruments break down as follows:

In currency	Maximum amount remaining to be acquired at 31/12/2023	Maturity
Currency purchases		
EUR/USD Accumulator	$79,006,538	< 1 year
EUR/USD Accumulator	$25,200,000	< 2 years
Total	**$104,206,538**	

ACTIA recognises these currency hedging instruments at fair value through profit and loss under “Other financial income” and “Other financial expenses.”

Note that the Group carried out Dollar purchases of $98 million compared with $120 million in 2022. The purchases are hedged via financial instruments or, to a lesser extent, via natural hedges.

Details of the impact of this accounting treatment on earnings are set out below:

	31/12/2023		31/12/2022	
In €K	**Fair value**	**Impact**	**Fair value**	**Impact**
Financial instruments ASSETS <LIABILITIES>				
EUR/USD Hedges	<1,091>	2,078	<3,169>	<4,059>
Total	**<1,091>**	**2,078**	**<3,169>**	**<4,059>**

Note 12 Deferred taxation

Deferred taxes stem in particular from:

- Tax-loss carryforwards;
- Temporary differences that may exist between the consolidation amount and the tax base of certain assets and liabilities.

In line with the balance sheet liability method, deferred tax is measured on the basis of the tax rates and regulations adopted or substantially adopted at the balance sheet date.

Tax liabilities of a company may under certain conditions be reduced by the amount of deferred tax losses that may be reasonably allocated as a reverse entry and deferred taxes on deductible temporary differences.

Deferred tax assets are recognised when their recovery is likely. Tax losses or timing differences must be applied to future taxable income, within the limits that may apply under French law. Deferred tax assets are written down where the availability of sufficient taxable profit ceases to be likely.

Use of tax loss carryforwards is capped and in accordance with our business plans. ACTIA works with four- and five-year budgets. In consequence, unused tax losses for which no deferred tax asset was recognised amounted to €48.5 million compared with €49.7 million at 31 December 2022. The potential tax gain represented €12.2 million, compared with €12.6 million at 31 December 2022. These tax losses do not expire.

Pursuant to IAS 12, deferred tax assets and liabilities are not discounted. They are presented in the balance sheet according to the case as non-current assets and liabilities.

In €K	31/12/2023	31/12/2022
Tax assets recognised under:		
Timing differences	4,731	5,127
Of which provision for pension benefits	*1,426*	*1,273*
Of which profits on stocks	*644*	*548*
Of which other adjustments	*2,661*	*3,305*
Losses carried forward	10,697	8,167
Net total tax assets	**15,428**	**13,294**
Tax liabilities recognised under:		
Deferred tax liabilities	291	959
Net total tax liabilities	**291**	**959**
Net total deferred tax assets and liabilities	**15,137**	**12,335**

Note 13 Financial assets and liabilities

The various financial instrument categories are held-to-maturity assets, loans and receivables issued by the Company, financial assets and liabilities at fair value through profit or loss and other financial liabilities.

Loans and receivables issued by the Company

After their initial recognition, they are carried at amortised cost using the effective interest rate method and an impairment may be recognised depending on the valuation of expected credit losses.

Derecognition of financial assets from the financial statements is dependent on the transfer of the risks and rewards inherent in the asset, as well as the transfer of control over it. Accordingly, discounted bills not yet due and the Dailly-type factored receivables for guarantee purposes are carried in "Accounts receivable."

Financial assets and liabilities at fair value through profit or loss

Purchases and sales of financial assets at fair value through profit or loss are recognised at the transaction date.

Marketable securities are recognised at their market value on the date of closing.

Other liabilities (interest-bearing loans and borrowings)

After their initial recognition, they are recognised using the effective interest rate method.

Investment securities

The Group has holdings in companies without having significant influence or control. The IFRS 9 standard offers the irreversible option, at the first accounting date for each instrument, of classifying them at fair value through non-transferable equity. In this case, unrealised profits or losses are not transferred to income in the event of disposal. If there is no active market, and the fair value cannot be determined reliably using alternative methods, they are kept in the balance sheet at amortised cost.

Hybrid financial instruments

The Group may also issue convertible bonds and share warrants. These hybrid financial instruments are broken down into debt and shareholders' equity components.

Derivatives

They are described in detail in Note 11.2 of the notes to the consolidated financial statements: "Financial instruments at fair value through profit and loss."

Transfer of financial asset instruments

The Group derecognises a financial asset when the contractual rights to receive cash flows generated by it expire, or when it transfers the rights to receive these contractual cash flows through a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or when it neither retains nor transfers substantially all the risks and rewards of ownership and no longer retains control of the transferred asset. Any interest created or retained by the Group in derecognised financial assets is recognised separately as an asset or liability.

Otherwise, receivables are maintained as balance sheet assets and the Group continues to bear the risk of debtor default. The sum paid by the bank is recognised in cash with an offset for the bank debt in liabilities. This debt and the receivable are only eliminated from the balance sheet where the debtor has settled its debt with the financial institution. Expenses incurred are recognised as a deduction from debt, which is measured using the amortised cost method at the effective interest rate.

The Group distinguishes between three categories of financial instruments according to the consequences of their characteristics in terms of their valuation method, and uses this classification to present some of the types of information required by the standard IFRS 13:

- Level 1 "market price:" financial instruments quoted on an active market;
- Level 2 "model with observable inputs:" financial instruments valued using valuation techniques based on observable inputs;
- Level 3 "model with unobservable inputs."

Note 13.1 Financial assets

The following table presents the carrying value of financial assets:

In €K	31/12/2023				31/12/2022			
	Amortised cost	Financial assets at fair value through profit and loss	Financial assets at fair value through OCI	Consolidated Group accounts (*)	Amortised cost	Financial assets at fair value through profit and loss	Financial assets at fair value through OCI	Consolidated Group accounts (*)
Non-current assets								
Non-current financial assets	2,188			**2,188**	2,243			**2,243**
Non-current research tax credit	14,878			**14,878**	15,137			**15,137**
Current assets								
Trade receivables	154,368			**154,368**	159,762			**159,762**
Other current receivables	23,824			**23,824**	20,513			**20,513**
Current tax credit	12,679			**12,679**	10,980			**10,980**
Financial instruments		0		**0**		0		**0**
Cash equivalents		92		**92**		93		**93**
Cash	43,486			**43,486**	48,279			**48,279**
Total	**251,423**	**92**	**0**	**251,514**	**256,914**	**93**	**0**	**257,007**

(*) Fair value is identical to the value recognised in the consolidated accounts for all financial assets.

At 31 December 2023, financial assets measured at fair value were classified as follows:

In €K	Level 1 market value	Level 2 With observable inputs	Level 3 With unobservable inputs
Financial instruments			
Cash equivalents	92		
Total	**92**		

Note 13.2 Financial liabilities

The following table presents the carrying value of financial liabilities:

In €K	31/12/2023 Financial liabilities at amortised cost	31/12/2023 Financial liabilities at fair value through profit and loss	31/12/2023 Consolidated Group accounts (*)	31/12/2022 Financial liabilities at amortised cost	31/12/2022 Financial liabilities at fair value through profit and loss	31/12/2022 Consolidated Group accounts (*)
Non-current liabilities						
Bond issues	19,667		**19,667**	28,833		**28,833**
Borrowings from credit institutions	99,577		**99,577**	111,721		**111,721**
Other financial liabilities	399	176	**576**	0	499	**499**
Debt – lease financing	14,144		**14,144**	16,570		**16,570**
Current liabilities						
Short-term debt	96,866	633	**97,499**	99,037	434	**99,471**
Financial instruments	0	1,091	**1,091**	0	3,169	**3,169**
Suppliers	83,328		**83,328**	104,467		**104,467**
Other liabilities	114,392		**114,392**	84,956		**84,956**
Corporate taxes (IS)	2,078		**2,078**	1,141		**1,141**
Total	**430,452**	**1,901**	**432,353**	**446,727**	**4,102**	**450,828**

(*) Fair value is close to the value recognised in the consolidated accounts for financial liabilities.

At 31 December 2023, financial liabilities measured at fair value were classified as follows:

In €K	Level 1 market value	Level 2 With observable inputs	Level 3 With unobservable inputs
Non-current liabilities			
Miscellaneous liabilities			176
Current liabilities			
Short-term debt			633
Financial instruments		1,091	
Total		**1,091**	**810**

Note 14 Financial liabilities

Financial liabilities by type and by maturity breaks down as follows:

In €K	31/12/2023				31/12/2022			
	< 1 year	From 1 to 5 years	> 5 years	Total	< 1 year	From 1 to 5 years	> 5 years	Total
Bond issues	4,583	1,667	18,000	**24,250**	4,583	6,250	18,000	**28,833**
Borrowings from credit institutions	41,876	93,088	6,489	**141,454**	47,598	110,282	6,022	**163,902**
Miscellaneous liabilities	234	499	77	**810**	948	307	192	**1,447**
Rental-related financial liabilities (*)	6,012	11,530	2,614	**20,156**	4,705	13,247	3,323	**21,275**
Short-term bank borrowings and overdrafts	44,794			**44,794**	41,637			**41,637**
Total	**97,499**	**106,784**	**27,180**	**231,463**	**99,471**	**130,086**	**27,538**	**257,095**

(*) See § 4.7.1 "Major existing or planned tangible assets" in the notes to the consolidated financial statements

Changes in financial liabilities in 2023 are set out below:

In €K	01/01/2023	Monetary changes		Non-monetary changes					31/12/2023
		New borrowings	Repayments of borrowings	Changes in scope	IFRS 16	Change in fair value	Cumulative translation differences	Other	
Bond issues	**28,833**		<4,583>						**24,250**
Borrowings from credit institutions	**163,902**	25,122	<47,641>				94	<24>	**141,454**
Miscellaneous liabilities	**1,448**	336	<494>	<452>		35	<8>	<55>	**810**
Debt – lease financing	**21,275**		<6,260>		5,325		<184>		**20,156**
Short-term bank borrowings and overdrafts	**41,637**		3,202				<53>	9	**44,794**
Total	**257,096**	**25,458**	**<55,776>**	**<452>**	**5,325**	**35**	**<151>**	**<69>**	**231,464**

Changes in financial liabilities in 2022 are set out below:

		Monetary changes		Non-monetary changes					
In €K	**01/01/2022**	**New borrowings**	**Repayments of borrowings**	**Changes in scope**	**IFRS 16**	**Change in fair value**	Cumulative **translation differences**	**Other**	**At 31/12/202**
Bond issues	**15,417**	18,000	<4,583>						**28,833**
Borrowings from credit institutions	**203,732**	20,218	<59,416>	<988>			357		**163,902**
Miscellaneous liabilities	**2,242**	345	<1,131>			<37>	<24>	54	**1,448**
Debt – lease financing	**20,706**		<8,246>	<563>	9,653		<275>		**21,275**
Short-term bank borrowings and overdrafts	**36,354**		5,116				168	0	**41,637**
Total	278,450	38,562	<68,261>	<1,551>	9,653	<37>	226	54	257,096

At 31 December 2023, the schedule for financial liabilities, including interest not yet accrued, breaks down as follows:

	< 1 year		From 1 to 5 years		> 5 years		Total		
In €K	**Nominal**	**Interest**	**Nominal**	**Interest**	**Nominal**	**Interest**	**Nominal**	**Interest**	**Nominal + Interest**
Bond issues	4,583	1,190	1,667	4,048	18,000	990	**24,250**	**6,228**	**30,478**
Borrowings from credit institutions	41,876	2,348	93,088	4,595	6,489	226	**141,454**	**7,169**	**148,623**
Miscellaneous liabilities	234		499		77		**810**	**0**	**810**
Debt – lease financing	6,012	129	11,530	245	2,614	55	**20,156**	**429**	**20,585**
Short-term bank borrowings and overdrafts	44,794	1,861					**44,794**	**1,861**	**46,656**
Total	97,499	5,529	106,784	8,887	27,180	1,272	231,463	15,687	247,151

At 31 December 2022, the schedule for financial liabilities, including interest not yet accrued, breaks down as follows:

	< 1 year		From 1 to 5 years		> 5 years		Total		
In €K	Nominal	Interest	Nominal	Interest	Nominal	Interest	Nominal	Interest	Nominal + Interest
Bond issues	4,583	1,332	6,250	4,248	18,000	990	**28,833**	6,569	35,403
Borrowings from credit institutions	47,598	1,683	110,282	2,846	6,022	110	**163,902**	4,639	168,541
Miscellaneous liabilities	948		307		192		**1,447**	0	1,447
Debt – lease financing	4,705	103	13,247	282	3,323	71	**21,275**	456	21,731
Short-term bank borrowings and overdrafts	41,637	1,006					**41,637**	1,006	42,643
TOTAL	**99,471**	**4,124**	**130,086**	**7,376**	**27,538**	**1,171**	**257,095**	**12,670**	**269,765**

At 31 December 2023, financial liabilities by currency break down as follows:

In €K	EUR	USD	Other	Total
Bond issues	24,250	0	0	**24,250**
Borrowings from credit institutions	141,454	0	0	**141,454**
Miscellaneous liabilities	810	0	0	**810**
Debt – lease financing	12,750	36	7,370	**20,156**
Short-term bank borrowings and overdrafts	42,204	1,302	1,288	**44,794**
Total	**221,468**	**1,338**	**8,657**	**231,463**

At 31 December 2022, financial liabilities by currency break down as follows:

In €K	EUR	USD	Other	Total
Bond issues	28,833	0	0	**28,833**
Borrowings from credit institutions	162,821	1,081	0	**163,902**
Miscellaneous liabilities	933	0	515	**1,447**
Debt – lease financing	13,662	33	7,580	**21,275**
Short-term bank borrowings and overdrafts	40,277	0	1,360	**41,637**
Total	**246,526**	**1,115**	**9,454**	**257,095**

Bank lines of credit and overdrafts are generally granted for one year and are renewable mid-period. They are impacted by the proportion of accounts receivable financing (Dailly-type factored receivables, bills discounted not yet due and other factoring) amounting to €4.1 million at 31 December 2023, compared with €15.2 million at 31 December 2022 and other government-related receivables financing (CIR) amounting to €13.2 million compared with €11.9 million at 31 December 2022.

The ratio of net debt to equity, or gearing, breaks down as follows:

In €K	31/12/2023	31/12/2022
Bond issues	24,250	28,833
Borrowings from credit institutions	141,454	163,902
Miscellaneous liabilities	810	1,447
Debt – lease financing	20,156	21,275
Short-term bank borrowings and overdrafts	44,794	41,637
Sub-total A	**231,463**	**257,095**
Cash equivalents	92	93
Cash	43,486	48,279
Sub-total B	**43,577**	**48,372**
Total net debt = A - B	**187,886**	**208,723**
Total equity	**141,819**	**135,763**
Gearing ratio	**132.5%**	**153.7%**

The “Net Debt/Equity” ratio (gearing) adjusted for the impact of the receivables account for French research and competitiveness and employment tax credits (CIR and CICE) is as follows:

In €K	31/12/2023	31/12/2022
Bond issues	24,250	28,833
Borrowings from credit institutions	141,454	163,902
Miscellaneous liabilities	810	1,447
Debt – lease financing	20,156	21,275
Short-term bank borrowings and overdrafts	44,794	41,637
- Financing of trade receivables	*<4,147>*	*<15,199>*
- CIR	*<13,213>*	<11,954>
- CICE		
Sub-total A	**214,104**	**229,942**
Cash equivalents	92	93
Cash	43,486	48,279
Sub-total B	**43,577**	**48,372**
Total net debt = A - B	**170,527**	**181,570**
Total equity	**141,819**	**135,763**
Gearing ratio	**120.2%**	**133.7%**

The breakdown between fixed and variable rate debt was as follows:

In €K	31/12/2023			31/12/2022		
	Fixed rate	Variable rate	Total	Fixed rate	Variable rate	Total
Bond issues	24,250		**24,250**	28,833		**28,833**
Borrowings from credit institutions	140,730	723	**141,454**	163,818	84	**163,902**
Miscellaneous liabilities	810		**810**	1,447		**1,447**
Debt – lease financing	19,853	303	**20,156**	21,275		**21,275**
Short-term bank borrowings and overdrafts	4,890	39,904	**44,794**	1,762	39,875	**41,637**
Total	**190,533**	**40,930**	**231,463**	**217,136**	**39,959**	**257,095**
Percentage breakdown	82.3%	17.7%	**100.0%**	84.5%	15.5%	**100.0%**

All covenants on the borrowings and bank credit lines must be verified annually at the end of each period. They apply to 16.4% of borrowings, or €38.1 million.

The favourable trend in debt meant that last year also we were still unable to respect the gearing covenant for 8 loans at 31 December 2023, compared with 12 at 31 December 2022, even though it improved from 153.7% to 132.5%.

The leverage covenant, which was not supported, as in 2022, by exceptional operations, but which improved through operations, could not be respected for 3 loans. However, by keeping banking partners regularly up to date, we were able to have these covenants suspended on 31 December 2023.

Detailed information on these covenants at 31 December 2023 is presented below:

Debt subject to a covenant				Covenant		Respected (3)		Reclassification under current borrowings (4)	
Level (1)	Year of inception	Balance at 31/12/2023 in €K	Final maturity	Ratios	Basis of calculation (2)	Year-end 2022	Year-end 2023	Year-end 2022	Year-end 2023
L	2016	257	Jan 2024	Net debt to equity < 1.20	CA AG	B	B	0	0
				Net debt to EBITDA < 4.50	CA AG	R	R		
L	2017	3,750	Nov 2024	Net debt to EBITDA < 4.0	CA AG	R	B	0	0
L	2017	2,500	Nov 2026	Net debt to EBITDA < 4.0	CA AG	R	B	0	0
L	2018	66	Feb 2024	Net debt to equity ≤ 1.70	CA AG	R	R	0	0
L	2018	153	Jan 2024	Net debt to equity < 1.20	CA AG	B	B	0	0
				Net debt to EBITDA < 4.50	CA AG	R	R		
L	2019	473	Feb 2025	Net debt to equity ≤ 1.20	CA AG	B	B	0	0
				Net debt to EBITDA ≤ 4.00	CA AG	R	B		
L	2019	430	May 2025	Net debt to equity ≤ 1.20	CA AG	B	B	0	0
				Net financial expense to EBITDA < 30%	CA AG	R	R		
				Net debt to EBITDA ≤ 4.50	CA AG	R	R		
L	2019	430	May 2025	Net debt to equity ≤ 1.20	CA AG	B	B	0	0
				Net financial expense to EBITDA < 30%	CA AG	R	R		
				Net debt to EBITDA ≤ 4.50	CA AG	R	R		
L	2020	203	Jan 2026	Net debt to equity ≤ 1.20	CA AG	B	B	0	0
				Net financial expense to EBITDA < 30%	CA AG	R	R		
				Net debt to EBITDA ≤ 4.50	CA AG	R	R		
L	2020	203	Dec. 2025	Net debt to equity ≤ 1.20	CA AG	B	B	0	0
				Net financial expense to EBITDA < 30%	CA AG	R	R		
				Net debt to EBITDA ≤ 4.50	CA AG	R	R		
L	2022	1,942	August 2027	Net debt to EBITDA < 4.50	CA AG	R	R	0	0
L	2022	18,000	April 2030	Net debt to EBITDA ≤ 5	CA AG	R	R	0	0
				Net debt to equity ≤ 5	CA AG	R	R		
L	2022	4,500	June 2028	Equity ratio >= 30%	CS ACTIA Tunisie	N/A	B	0	0
L	2022	388	August 2027	Net debt to EBITDA < 4.50	CA AG	R	R	0	0
L	2023	2,866	Sept. 2028	Net debt to EBITDA ≤ 4.50	CA AG	-	R	0	0
L	2023	2,000	Dec. 2028	Net debt to equity ≤ 1.20	CA AG	-	B	0	0
				Net debt to EBITDA ≤ 4.50	CA AG	-	R		
Total		**38,159**						**0**	**0**

(1) L = Loan O = Overdraft
(2) CC AG = ACTIA Group Consolidated statements CS ACTIA Tunisie = ACTIA Tunisie separate financial statements
(3) R = Respected B = Breached
(4) Long-term portion of debt reclassified under “Current financial liabilities”

The guarantees given for borrowings and financial liabilities are listed in Note 28 “Off-balance-sheet commitments and encumbered assets” in the notes to the consolidated financial statements.

In connection with the loan agreements obtained by the Group, certain banks include in these agreements general provisions relating to the right to use assets or obtain new loans and, sometimes, a requirement to maintain the composition of the capital, with any changes requiring prior information of the partners.

Note 15 Equity

Note 15.1 Share capital management

Ordinary shares, excluding own shares held in treasury (see Note 15.3 “Treasury shares” in the notes to the consolidated financial statements) are recognised in shareholders’ equity.

The Group regularly monitors changes to its debt to shareholders’ equity ratio.

At present, there is no Group Savings Plan (Plan d’Epargne Groupe, or “PEG”) or International Group Savings Plan (Plan d’Epargne Groupe International, or “PEGI”) within ACTIA Group.

In addition, shares held in registered form for more than four years carry double voting rights (see Article 11 of the Articles of Association “Rights and obligations related to ordinary shares - Voting”).

The Group’s main objective in terms of share capital management is to maintain a balance between shareholders’ equity and debt.

To maintain or adjust the structure of its capital, the Group can propose dividend distributions to shareholders or carry out new capital increases.

The main ratios used by the Group to manage its equity are the debt ratio (gearing) and EBITDA (leverage).

Capital management goals, policies and procedures remain unchanged.

Information about the share buyback programme is provided in Note 3.7 “Treasury shares” in the notes to the separate financial statements.

Note 15.2 Composition of the capital

The breakdown of the changes in numbers of shares over the period is as follows:

In units	31/12/2022	Capital increase	31/12/2023
ACTIA Group shares - ISIN FR 0000076655	20,099,941	None	20,099,941

At 31 December 2023, the share capital consisted of 7,831,741 shares with single voting rights, 12,254,324 shares with double voting rights and 13,876 treasury shares with no voting rights. There are 12,440,354 registered shares and 7,659,587 bearer shares.

There are no preferred dividend stock or preference shares within ACTIA Group S.A.

The nominal value of a share is €0.75.

Described in detail in § 4.1.2 “Draft resolutions” of the Management Report, a distribution of dividends of €0.12 per share will be proposed at the General Meeting to be held on 28 May 2024.

Note 15.3 Treasury shares

The treasury shares held by the Group are deducted from shareholders’ equity. No gain or loss is recognised in the income statement upon the purchase, sale or cancellation of treasury shares. The consideration paid or received in these transactions is recognised directly in shareholders’ equity.

Note 16 Earnings per share

Note 16.1 Basic earnings per share

Basic earnings per share are calculated using the income attributable to the Group divided by the weighted average number of shares in circulation in the period, less treasury shares.

The calculation of basic earnings per share at 31 December 2023 was conducted on the basis of the income attributable to the Group, the details of which are given in the following table:

In euros	31/12/2023	31/12/2022
NET INCOME FROM CONTINUING OPERATIONS	**7,957,972**	**1,114,826**
NET INCOME FROM DISCONTINUED OPERATIONS	**<442,275>**	**18,835,172**
INCOME FOR THE PERIOD	**7,515,697**	**19,949,998**
Weighted average number of shares		
Shares issued as at 1 January	20,099,941	20,099,941
Treasury shares held at the end of the period	<3,328>	<3,328>
Weighted average number of shares	**20,096,613**	**20,096,613**
BASIC NET EARNINGS PER SHARE FROM CONTINUING OPERATIONS (IN €) - GROUP SHARE	**0.40**	**0.05**
BASIC NET EARNINGS PER SHARE FROM DISCONTINUED OPERATIONS (IN €) - GROUP SHARE	**<0.02>**	**0.94**
BASIC EARNINGS PER SHARE (IN €) - GROUP SHARE	**0.37**	**0.99**

Note 16.2 Diluted earnings per share

Diluted earnings per share take into account all arrangements that could grant the holder the right to buy ordinary shares known as dilutive potential ordinary shares.

The calculation of diluted earnings per share at 31 December 2023 was conducted on the basis of the consolidated income for the period attributable to Group shareholders. No corrections have been made to this amount. The weighted average number of potential ordinary shares that may be created for the period totalled 20,096,613. The details of the calculations are shown in the following table:

In euros	31/12/2023	31/12/2022
NET INCOME FROM CONTINUING OPERATIONS	**7,957,972**	**1,114,826**
NET INCOME FROM DISCONTINUED OPERATIONS	**<442,275>**	**18,835,172**
INCOME FOR THE PERIOD	**7,515,697**	**19,949,998**
Weighted average number of shares		
Weighted average number of ordinary shares	20,096,613	20,096,613
Effect of stock option plans	0	0
Weighted average number of diluted shares	**20,096,613**	**20,096,613**
DILUTED NET EARNINGS PER SHARE FROM CONTINUING OPERATIONS (IN €) - GROUP SHARE	**0.40**	**0.05**
DILUTED NET EARNINGS PER SHARE FROM DISCONTINUED OPERATIONS (IN €) - GROUP SHARE	**<0.02>**	**0.94**
DILUTED EARNINGS PER SHARE (IN €) - GROUP SHARE	**0.37**	**0.99**

Note 17 Personnel benefits

Short-term benefits are recognised in personnel expenses for the period.

Long-term benefits involve:

- Defined-contribution plans: the Group's liabilities are limited to paying periodic contributions to external bodies. The expense is recognised in the period under the "Personnel expenses" line item;
- Defined-benefit plans: these are retirement benefits provided for using the projected unit credit method taking into account demographic factors (staff turnover and mortality tables) and financial variables (wage increases). The discount rate used is that of investment grade bonds (i.e. rated "AA"). When there does not exist an active market for these bonds, the rate of government bonds is used. Actuarial gains and losses are recognised in Other Comprehensive Income (OCI);
- Other long-term benefits: provisions are recorded for these benefits as they vest for the employees in question. The amount of the liability is measured using the projected unit credit method. Changes in fair value of obligations relating to other long-term benefits are recognised under net income of the period in which they occur.

In line with IAS 19, Employee Benefits, the pension provision recognised in balance sheet shareholders' equity and liabilities is designed to show the pension benefit vested for staff members at period-end. A provision is recorded for the full amount of pension benefit obligations, which are not covered by dedicated assets.

In 2023, provisions for pension and other long-term benefits changed as follows:

PENSION LIABILITIES AND OTHER LONG-TERM BENEFITS IN €K	FRANCE	TUNISIA	GERMANY	ITALY	TOTAL
Commitments at 31/12/2021	**7,641**	**174**	**0**	**1,683**	**9,499**
Cost for services rendered	491	20	0	<47>	464
Financial interest charges	75	17	0	0	91
Actuarial gain	<3,084>	47	0	0	<3,038>
Cumulative translation differences	0	<7>	0	0	<7>
Commitments at 31/12/2022	**5,122**	**251**	**0**	**1,636**	**7,010**
Cost for services rendered	317	31	301	62	710
Financial interest charges	192	22	0	0	214
Actuarial gain	73	<14>	0	0	59
Cumulative translation differences	0	<4>	0	0	<4>
Commitments at 31/12/2023	**5,705**	**285**	**301**	**1,698**	**7,988**

The actuarial gain recognised in OCI results from the change in the:

- Discount rate of 3.20% (3.75% in 2022) for the French companies, 9.40% (8.80% in 2022) for the Tunisian companies.

The other assumptions underlying the calculation did not change.

- Retirement age: 67 for French companies and 60 for Tunisian companies;
- Salary escalation rate: 2.25% for French companies, 3% for Tunisian companies;
- Low or high turnover rates according to the companies and employee category (management or non-management):

A study of the sensitivity of a change in the discount rate indicates that:

- A +1% increase in the rate would have a positive impact on consolidated comprehensive income of €622,000;
- A 1% increase in the rate would have a negative impact on consolidated comprehensive income of <€731,000>;

Retirement liabilities at the end of the next financial year (31/12/2024) should total approximately €6,572,000 at a consistent discount rate.

Retirement severance payments paid in 2023 amounted to €347,000.

Concerning defined contribution schemes, pension contributions paid for the 2023 financial year totalled €4,595,000, versus €4,368,000 for 2022.

Note 18 Provisions

A provision is recorded:

- When an entity has a legal or constructive obligation stemming from a past event;
- When it is likely that an outflow of resources will be required to settle the obligation; and
- Where the amount of the obligation can be reliably estimated.

The amount provided for corresponds to the best estimate of the expense. If the impact is material, the amount is discounted using a pretax interest rate that reflects the time value of money and the risks specific to the liability.

A provision for warranties is recognised upon the sale of the corresponding good or service. The provision is based on past warranty data and is measured by weighting all possible outcomes in accordance with their likelihood.

Except in special cases that are duly justified, provisions are recognised in the balance sheet under current liabilities.

Changes in provisions

- In 2023:

In €K	01/01/2023	Cumulative translation differences	Changes in scope	Provisions	Reversals used	Reversals not used	IFRS 5	31/12/2023
Lawsuit contingencies	**743**	0	0	625	<360>	0	0	**1,007**
Warranties	**1,686**	12	0	1,076	<466>	0	0	**2,308**
Losses on contracts	**68**	0	0	0	<10>	0	0	**58**
Fines/penalties	**578**	0	0	1,156	<138>	0	0	**1,595**
Other risks	**5,597**	0	0	171	<4,596>	<1,000>	0	**172**
Other expenses	**3,691**	<12>	0	1,379	<4,238>	0	64	**883**
Total	**12,363**	**0**	**0**	**4,406**	**<9,809>**	**<1,000>**	**64**	**6,024**

- In 2022:

In €K	01/01/2022	Changes in scope of translation differences	Provisions	Reversals used	Reversals not used	IFRS 5	31/12/2022
Lawsuit contingencies	1,632	<750>	333	<473>			743
Warranties	2,829	<1,187>	1,177	<1,132>			1,686
Losses on contracts	70		11	<14>			68
Fines/penalties	865		464	<752>			578
Other risks	2,155	<1,536>	5,895	<916>			5,597
Other expenses	3,722	<11>	177	<199>		1	3,691
TOTAL	**11,273**	**<3,484>**	**8,057**	**<3,485>**	**0**		**12,363**

Provisions for other risks are comprised primarily of tax and commercial litigation contingency provisions.

At 31 December 2023, ACTIA had no noteworthy material contingent liability to be disclosed.

Note 19 Trade payables, Other current liabilities, Corporate taxes (IS) and Deferred income

Details of Trade payables, Other current liabilities and Corporate taxes (IS) are given below:

In €K	Net value at 31/12/2022	Changes over the period	IFRS 5	Effect of exchange rates	Changes in scope	Net value at 31/12/2023
Suppliers	**104,467**	**<21,303>**	**73**	**46**	**44**	**83,328**

In €K	Net value at 31/12/2022	Changes over the period	IFRS 5	Effect of exchange rates	Changes in scope	Net value at 31/12/2023
Prepayments received	51,265	18,568	57	<20>	0	**69,870**
Social security liabilities	21,517	5,519	127	<111>	<46>	**27,007**
Corporate taxes	10,226	5,473	23	8	0	**15,729**
Fixed asset liabilities	90	259	0	<3>	0	**346**
Advances payable	427	<114>	0	1	0	**314**
Miscellaneous liabilities	1,430	<320>	0	15	<0>	**1,125**
Other liabilities	**84,956**	**29,385**	**206**	**<109>**	**<46>**	**114,392**
Corporate taxes (IS)	**1,141**	**914**	**9**	**14**	**0**	**2,078**

Details of Trade payables, Other current liabilities and Corporate taxes (IS) are recognised at fair value upon initial recognition and then at amortised cost.

Deferred income presented on the liability side of the balance sheet involves subscription agreements signed with customers. The revenue from these contracts is allocated on a straight-line basis over their term (see Note 22 "Revenue" in the notes to the consolidated financial statements).

Note 20 Assets and liabilities held for sale

Note 20.1 Assets and liabilities held for sale

In 2021, the Group launched a project to sell the Vehicle Inspection & Garage Equipment business including:

- The sale of its Garage Equipment and Vehicle Inspection business;
- The real estate site in Chartres, France;
- And the shares of its subsidiary ACTIA Cz.

The Vehicle Inspection & Garage Equipment business had been presented in "Assets and liabilities held for sale" at 31 December 2021.

The operation had been finalised on 21 April 2022 for €12 million, but with only 30% of ACTIA CZ shares, as the buyer did not have sufficient funds for the entire acquisition. The remaining 70% was to be sold by early 2023 at the latest. The net impact of the operation was recognised in "Other revenue and operating expenses" for a negligible amount. At 31 December 2022, assets and liabilities of the ATAL subsidiary (formerly ACTIA CZ) remained in view of the upcoming sale.

At 31 December 2023, the Group considered that the conditions for recording under "Assets and liabilities held for sale" were no longer met on the date when the financial statements were approved, as the buyer no longer expressed interest in acquiring the remaining 70%.

The breakdown of assets and liabilities held for sale is as follows:

	31/12/2023	31/12/2022
Intangible and tangible assets	0	414
Other non-current assets	0	<2>
Current assets	0	1,818
Assets held for sale	**0**	**2,231**
Non-current liabilities	0	23
Current liabilities	0	394
Liabilities held for sale	**0**	**417**

Note 20.2 Discontinued operations

An operation that is discontinued, sold or in the process of being sold is defined as a component of an entity with cash flows that are identifiable with respect to the rest of the entity and represents a distinct, major business line or region. For all the periods published, the result of these operations is presented on a different line in the income statement - “Discontinued operations” - and is adjusted in the cash flow statement.

In early 2022, the Group also undertook a project to divest its Power Division, including ACTIA Power and its three subsidiaries in France, Germany and the USA.

Further to an exclusive negotiation period, an agreement was signed with Plastic Omnium on 26 June 2022.

On 1 August 2022, the Power Division sale agreement was finalised via the signature of a closing agreement based on a company worth of €52.5 million.

At 31 December 2022, ACTIA considered that the criteria set out in IFRS 5 - Non-current assets held for sale and discontinued operations were met. Consequently, the results and cash flows for this division are presented in the same way as for a discontinued operation.

The capital gain generated from the sale of the Power Division is included in the operating income from discontinued operations.

In accordance with the memorandum of understanding signed by the parties, the provisional sale price which had given rise to a payment on 1 August 2022 was reviewed and submitted for arbitration in order to fix the final sale price. This arbitration process resulted in an unfavourable adjustment of the price (€4.9 million) in June, with immediate payment, covered by the reversal of the €4 million provision that had been recorded in the financial statements at 31 December 2022.

Financial data concerning discontinued operations is presented below:

Consolidated income in €K	31/12/2023	31/12/2022
Income from ordinary activities *(Revenue)*	0	13,035
Current operating income	<218>	<14,892>
Operating income	<725>	18,039
Financial Result	0	<171>
NET INCOME	**<442>**	**18,835**

Consolidated cash flow statement in €K	31/12/2023	31/12/2022
NET INCOME FROM DISCONTINUED OPERATIONS	**<442>**	**18,835**
Net cash flow from operating activities	<218>	<11,179>
Net cash flow from investing activities	<4,913>	48,476
Net cash flow from financing activities	0	12,520
Effect of exchange rate changes	0	<157>
Cash and cash equivalents - opening balance	0	1,301
Cash and cash equivalents - closing balance	<5,132>	50,960
CHANGES IN CASH AND CASH EQUIVALENTS	**<5,132>**	**49,660**

Note 21 Operating segments

In line with the analysis of performance based on the internal management approach, information is presented for two distinct operating segments, “Automotive” and “Telecoms.”

In accordance with the provisions of IFRS 8, the information by operating segment is based on the approach taken by management, meaning the way in which management allocates resources depending on the performance of the different segments. Within ACTIA Group, the Chairman and CEO is the chief operating decision maker. The Group has two segments to present, which offer distinct products and services and are managed separately insofar as they require different technological and commercial strategies. The types of activities conducted by each of the two segments presented may be summarised as follows:

- The Automotive Division that includes Original Equipment Manufacturers (OEM), Aftermarket and Manufacturing-Design & Services (MDS) products;
- The Telecoms Division that includes SatCom, Energy, and Rail products.

In addition to these two operating segments there is also:

- An “Others” heading that includes the holding company ACTIA Group S.A. and the SCI Les Coteaux de Pouvourville property management company (both accounted for by the equity method).

The current reorganisation of the Group’s businesses will lead to changes in its operating segments from 2024 onwards.

In 2023, the breakdown of key line items by operating segment was as follows:

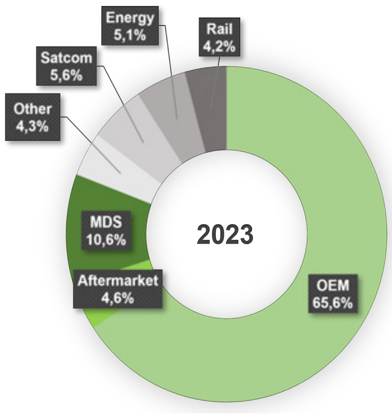
	31/12/2023			
In €K	**Automotive**	**Telecoms**	**Other**	**Consolidated Group accounts**
Income from ordinary activities				
(Revenue)	492,547	86,614	161	**579,322**
Materials and supplies	<288,084>	<28,951>	<743>	**<317,778>**
Personnel costs	<122,457>	<23,172>	<1,613>	**<147,242>**
External charges	<59,896>	<17,294>	<1,991>	**<79,181>**
Provisions for depreciation	<24,424>	<2,825>	<51>	**<27,300>**
Current operating income	**12,236**	**1,992**	**1,231**	**15,459**
Change in value of goodwill	0	0	0	**0**
Operating income	**12,279**	**1,909**	**1,192**	**15,380**
Interest and financial costs	<5,748>	<700>	<1,512>	**<7,960>**
Fair value of hedging instruments (E)	2,078	0	0	**2,078**
Income tax	488	<849>	<532>	**<893>**
NET INCOME FROM CONTINUING OPERATIONS	**9,172**	**295**	**<786>**	**8,681**
NET INCOME FROM DISCONTINUED OPERATIONS	**0**	**0**	**<442>**	**<442>**
NET INCOME	**9,172**	**295**	**<1,229>**	**8,239**
EBITDA (CONTINUING OPERATIONS)	**36,778**	**4,669**	**1,309**	**42,757**
EBITDA (CONTINUING AND DISCONTINUED OPERATIONS)	**36,778**	**4,669**	**584**	**42,031**
SEGMENT ASSETS				
Non-current assets	132,789	36,050	10,829	**179,668**
Stocks	159,669	40,592	0	**200,261**
Trade receivables	79,814	74,525	29	**154,368**
Other current receivables and fair value of financial instruments	29,187	6,809	507	**36,503**
Cash and cash equivalents	37,788	2,434	3,355	**43,577**
Assets held for sale	0	0	0	**0**
TOTAL SEGMENT ASSETS	**439,248**	**160,410**	**14,720**	**614,378**
INVESTMENTS				
Intangible	10,803	3,188	87	**14,078**
Tangible	10,787	1,414	30	**12,232**
Financial	<138>	9	<1>	**<130>**
TOTAL INVESTMENTS	**21,452**	**4,611**	**116**	**26,180**
SEGMENT LIABILITIES				
Non-current liabilities	100,900	17,856	23,487	**142,243**
Short-term debt	73,665	11,106	12,728	**97,499**
Accounts payable	74,276	8,540	513	**83,328**
Other current liabilities, provisions and fair value of financial instruments	73,889	75,239	360	**149,488**
Liabilities held for sale	0	0	0	**0**
TOTAL SEGMENT LIABILITIES	**322,730**	**112,741**	**37,087**	**472,558**

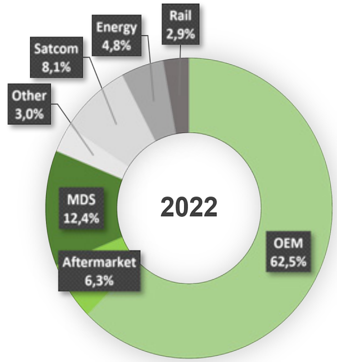
In 2022, the breakdown of key line items by operating segment was as follows:

	31/12/2022			
In €K	**Automotive**	**Telecoms**	**Other**	**Consolidated Group accounts**
Income from ordinary activities				
(Revenue)	420,713	78,603	515	**499,831**
Materials and supplies	<247,793>	<30,721>	<752>	**<279,267>**
Personnel costs	<103,924>	<21,356>	<1,225>	**<126,505>**
External charges	<49,956>	<14,625>	<2,169>	**<66,750>**
Provisions for depreciation	<26,258>	<3,287>	<44>	**<29,589>**
Current operating income	**7,835**	**2,186**	**<455>**	**9,565**
Change in value of goodwill	0	0	0	**0**
Operating income	**7,747**	**2,550**	**<475>**	**9,822**
Interest and financial costs	<3,393>	<240>	<1,371>	**<5,004>**
Fair value of hedging instruments (E)	<4,059>	0	0	**<4,059>**
Income tax	598	<351>	<645>	**<399>**
NET INCOME FROM CONTINUING OPERATIONS	**2,004**	**1,942**	**<2,163>**	**1,782**
NET INCOME FROM DISCONTINUED OPERATIONS	**<13,651>**	**0**	**32,486**	**18,835**
NET INCOME	**<11,648>**	**1,942**	**30,323**	**20,617**
EBITDA (CONTINUING OPERATIONS)	**35,116**	**5,820**	**<103>**	**40,833**
EBITDA (CONTINUING AND DISCONTINUED OPERATIONS)	**22,663**	**5,820**	**31,383**	**59,865**
SEGMENT ASSETS				
Non-current assets	139,493	32,264	2,010	**173,767**
Stocks	164,348	46,306	0	**210,654**
Trade receivables	109,794	49,803	164	**159,762**
Other current receivables	24,541	2,836	4,117	**31,493**
Cash and cash equivalents	41,415	3,112	3,844	**48,372**
Assets held for sale	2,232	0	0	**2,232**
TOTAL SEGMENT ASSETS	**481,823**	**134,321**	**10,135**	**626,279**
INVESTMENTS				
Intangible	12,663	630	0	**13,293**
Tangible	17,544	2,074	29	**19,647**
Financial	90	162	1	**254**
TOTAL INVESTMENTS	**30,297**	**2,866**	**30**	**33,193**
SEGMENT LIABILITIES				
Non-current liabilities	116,034	19,330	30,229	**165,593**
Short-term debt	80,813	10,843	7,815	**99,471**
Accounts payable	87,060	15,938	1,469	**104,467**
Other current liabilities	73,872	41,339	5,357	**120,567**
Liabilities held for sale	417	0	0	**417**
TOTAL SEGMENT LIABILITIES	**358,197**	**87,450**	**44,870**	**490,516**

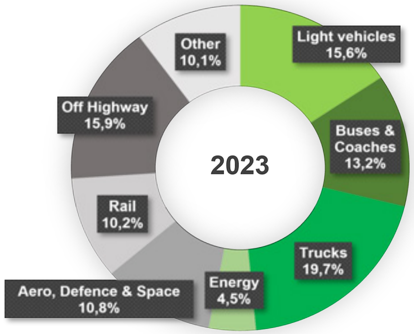
Note 22 Revenue

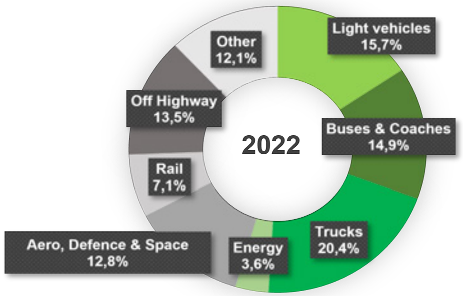
Revenue by sector breaks down as follows:



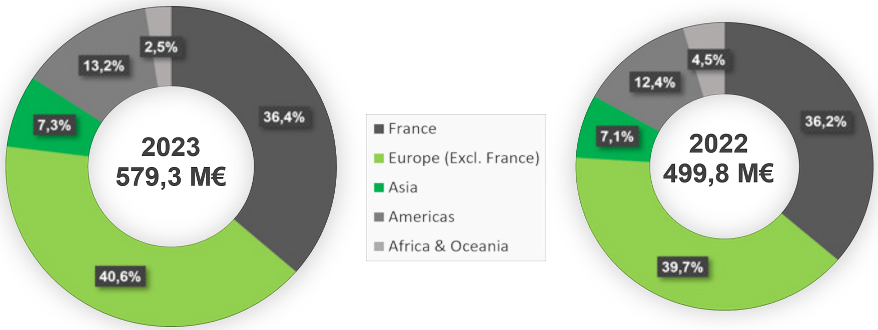


Revenue by market breaks down as follows:





Revenue by customer and region breaks down as follows:



In 2023, 63.6% of revenue was earned internationally compared to 63.8% in 2022.

Recognition of revenue in the consolidated financial statements depends on type:

- Sales: equipment and goods;
- Study sales;
- Service contracts (maintenance, guarantee, hotline or other "stand ready" obligation);
- Multiple item contracts

Note 22.1 Sale of goods

The income from the sale of goods is recognised in revenue at the time control of the service obligation is transferred. In most cases this is the delivery date of the goods.

Note 22.2 Study sales

Each study constitutes a separate service obligation to the extent that development control is transferred to the customer.

Revenue is recognised on a percentage of completion basis when the transfer of control is ongoing or following the completion of the service provided when the transfer control takes place at a precise moment.

Note 22.3 Service contracts

This method measures the percentage of completion, which better reflects the Group's performance, shows percentage of completion via costs. The inputs identified are consumed uniformly throughout the period required to meet the performance obligation.

Note 22.4 Multiple item contracts

Contracts for the development and supply of limited series

One or more performance obligations were identified based on the connections between design and production. Revenue is recognised by percentage of completion via costs because the contracts meet the following criterion:

- ACTIA does not have another use for the asset provided;
- ACTIA has an enforceable right to payment for the performance completed on time in the event of the termination of the contract at the customer's convenience.

The contracts concern the Telecoms Division's "Defence" and "Energy" businesses.

Contracts for the development and supply of long production run

The development phase is generally concomitant with the launch of a product policy intended to acquire a new technology brick. In addition, the development completed can be partially financed by the customers.

In 2018, the Group carried out an analysis as part of the implementation of IFRS 15 to distinguish between the generic and specific costs incurred for a contract:

- Generic costs were analysed using IAS 38 and capitalised in "Development costs" if the capitalisation conditions were met. The Group reclassified costs initially included in the "Inventory and work-in-process" item as "Development costs." The development costs entered in assets correspond to projects for the application of generic standards and technologies for the customers or markets identified;
- Development costs specific to contracts were analysed as contract execution costs. The latter were classified in the balance sheet under the "Inventory and work-in-process" item. In the case of development financed by customers, it was decided that the development could not be separated from the production run and did not constitute a distinct service obligation. As a result, the financing of development by customers is recognised on the balance sheet under "Contract liabilities" at collection time, then recognised as revenue as the production run is delivered and on the basis of forecast sales for each product.

When the products sold are under a contractual guarantee, it is not recognised as a separate service obligation given that there is no purchase option for the guarantee distinct from the contract or any additional service provided by the Group for the guarantee. A provision is, therefore, created for the guarantee costs in line with IAS 37.

Note 23 Income taxes

Income tax includes current and deferred taxes.

Current tax

Current tax is the estimated amount of tax due on taxable profit for the period at applicable tax rates and any adjustment to current tax liabilities in respect of previous periods.

Deferred taxes

Deferred taxes are described in detail in Note 12: "Deferred taxes" in the notes to the consolidated financial statements.

The CVAE added value business tax

The Group decided not to account for CVAE (contributions assessed on company added value) as a tax on income and as from 1 January 2010 has recorded it as an operating expense. The Group in effect considers that added value corresponds to an intermediary income statement aggregate for which the amount varies significantly from that on which income tax is assessed.

The details of the Group's income taxes are as follows:

In €K		31/12/2023	31/12/2022
Income from consolidated companies		8,590	1,703
Current taxation <credit>		3,494	2,442
Deferred taxation <credit>		<2,602>	<2,043>
Of which	*Deferred taxation on temporary differences*	*<2,601>*	<2,043>
	Deferred taxation on changes in tax rates	*<1>*	
Income from consolidated companies before tax		**9,483**	**2,101**

The table below provides an analysis of tax in the consolidated financial statements:

In €K	31/12/2023	31/12/2022
Theoretical tax calculated at standard French rate (theoretical tax rate: 25.0%)	2,371	525
Research tax credit	<1,426>	<1,291>
Other tax credits		
Impact on theoretical income tax	<389>	
- Tax rate differential (between French and foreign rates)	0	<249>
- Impact of changes in deferred tax rates		
- Non-capitalised tax losses	2,130	163
- Change in outlook for utilisation of tax losses	<2,666>	<2,214>
Income on the utilisation of non-capitalised tax losses	*<257>*	*<2,214>*
Income on modification of capitalisation of tax losses	*<2,641>*	
Losses on changes to capitalisation of tax losses	*232*	
- Adjustment of prior year’s tax	21	<3>
- Adjustment of current year’s tax	0	
- Other (including permanent differences)	852	3,469
Income tax recognised (actual tax rate: 9.41%)	**893**	**399**

Note 24 Other operating income and expenses

These line items present only income or expense resulting from a major event occurring during the accounting period that might distort the presentation of the Group’s performance. These include accordingly a very limited number of income or expense items, unusual and infrequent in nature, presented separately by the Group in its income statement.

Note 25 Financial Result

Details of the financial result are given in the following table:

In €K		31/12/2023	31/12/2022
Income from cash and equivalents		7	14
Interest and financial costs		<7,960>	<5,004>
Other financial income		2,374	1,474
Of which	*Interest received*	*299*	*693*
	Dividends received	*<3>*	791
	Income from financial instruments	*2,078*	0
Other financial costs		<317>	<4,205>
Of which	*Costs on financial instruments*	*0*	*<4,059>*
Financial Result		**<5,897>**	**<7,721>**

* Adjusted to take account of the reclassification of the Power Division under 'discontinued operations'.

With a EUR/USD exchange rate at 1.1050 at the end of the financial year, the valuation of currency hedging instruments had a positive impact at 31 December 2023, unlike 31 December 2022 when the EUR/USD exchange rate was 1.0666. It generated a fair value entry of +€2,078,000 with no impact on cash for the financial result, compared to <€4,059,000> the previous year.

It should be noted that the gross interest rate for the 2023 financial year was 3.49% compared with 1.95% in 2022.

Note 26 Related-party transactions

Related-party transactions with ACTIA Group have been defined in accordance with IAS 24 and are presented below along with details of transactions in financial year 2023.

Note 26.1 With the holding company: LP2C S.A.

The **nature of the relationship** with LP2C is set out in three agreements signed by LP2C and Group companies on 27 November 2018:

- The ongoing services concern the following areas:
  - Group promotion,
  - Services in the following areas:
    - Administrative, legal, accounting and financial,
    - Quality,
    - Communications,
    - Human resources,
    - Real estate,
    - Internal Group management and procedures;
    - Business development.
  - A specific agreement binds ACTIA Group to LP2C, with ACTIA Group carrying out the following services for the benefit of LP2C:
    - Management secretarial services,
    - Accounting.
- Additional activities: LP2C may undertake, upon request by ACTIA Group and on its behalf, specific and clearly defined activities, which are limited in duration and do not enter into the normal framework of the services listed above. These specific additional activities are subject to separate agreements established according to the same terms and conditions as the agreement covering the ongoing services and are subject to prior authorisation by the Board.

These agreements were renewed by ACTIA Group's Board of Directors on 27 March 2023, for the 2023 financial year.

No particular benefit was granted under this agreement.

The figures for this agreement are as follows:

In €K		**2023**	**2022**
Net amount of the transaction (<expense>)		**<1,572>**	**<1,399>**
Of which	*Ongoing services*	*<1,648>*	*<1,459>*
	Sundry services to the holding company	*76*	60
Net balance sheet entry (<liability>)		**<883>**	**<572>**
Of which	*Current accounts*	*0*	*0*
	Accounts payable	*<911>*	<584>
	Trade receivables	*28*	12
Invoicing terms		Quarterly	Quarterly
Payment terms		Cash	Cash
Provisions for bad debt		**2**	**2**

Note 26.2 With investments consolidated by the equity method

Group relations with SCI Los Olivos and SCI Les Coteaux de Pouvourville relate to real estate operations:

- **SCI Los Olivos** owns land and a building in Getafe (Spain) which are leased to ACTIA Systems,
- **SCI Les Coteaux de Pouvourville** owns land and buildings located in Toulouse (France) which are leased to ACTIA Group and ACTIA Automotive in proportion to the surface area occupied.

The figures concerning **SCI Los Olivos** are as follows:

In €K		2023	2022
Net amount of the transaction (<expense>)		**<167>**	**<156>**
Of which	*Invoicing of rents*	*<180>*	*<176>*
	Interest and financial costs	*<8>*	20
	Miscellaneous expenses	*21*	*0*
Net balance sheet entry (<liability>)		**<271>**	**<294>**
Of which	*Current accounts*	*<271>*	*<294>*
	Accounts payable	*<0>*	<0>
	Trade receivables	*0*	0
Invoicing terms		Monthly	Monthly
Payment terms		Cash	Cash
Provisions for bad debt		**0**	**0**

The figures concerning SCI Les Coteaux de Pouvourville are as follows:

In €K		2023	2022
Net amount of the transaction (<expense>)		**<1,204>**	**<1,033>**
Of which	*Invoicing of rents*	*<1,029>*	*<985>*
	Reinvoicing of misc. costs	*<175>*	<48>
	Miscellaneous expenses	*18*	0
Net balance sheet entry (<liability>)		**225**	**4**
Of which	*Current accounts*	*<271>*	*0*
	Accounts payable	*<6>*	0
	Trade receivables	*503*	4
Invoicing terms		Quarterly	Quarterly
Payment terms		Cash	Cash
Provisions for bad debt		**0**	**0**

Note 26.3 With subsidiaries

All transactions between consolidated companies as well as internal gains and losses from the disposal of fixed assets or inventories of these companies are eliminated. Internal losses are eliminated in the same way as internal gains, though only when they do not represent an impairment loss.

These are the companies included in the scope of consolidation of the Group (see Note 3.2 "Consolidated companies" in the notes to the consolidated financial statements).

Transactions with subsidiaries are wholly eliminated in the consolidated financial statements, as are all transactions between fully consolidated subsidiaries of the Group. They are of various kinds:

- Buying or selling of goods and services;
- Leasing of premises;
- Transfer of research and development;
- Buying or selling of capital assets;
- Licence agreements;
- Management fees;
- Current accounts;
- Loans, etc.

Note 26.4 With members of management bodies

This is the compensation paid to individuals who are **corporate officers of the company ACTIA Group S.A.** :

- By ACTIA Group: Chairman and CEO and Directors,
- By LP2C, controlling company: Chairman and CEO, Deputy CEOs,
- By the controlled companies, subsidiaries of ACTIA Group: Chairman and CEO.

The **details of compensation paid** to corporate officers are as follows:

In €K	2023	2022
Short-term benefits	746	639
Pension benefits	0	0
Long-term benefits	0	0
Termination benefits	0	0
Share-based payments	0	0
Total	**746**	**639**

To date, no stock option plans exist within ACTIA Group S.A or other Group companies.

Information relating to contributions to retirement plans, amounts paid on leaving, as well as other benefits is provided in § 7.2 “Corporate Officer compensation” in the Corporate Governance Report.

Note 26.5 With other related parties

- GIE PERENEO

The GIE PERENEO was liquidated on 9 November 2023.

ACTIA Automotive S.A. held 50% of GIE PERENEO. The purpose of this economic interest grouping (GIE) was to provide In-Service Support and to extend the lifespan of electronic systems with Spherea Tests & Services, the joint partner of the GIE with its subsidiary GET Electronique.

The **figures concerning transactions** with GIE PERENEO are as follows:

In €K	31/12/2023	31/12/2022
Amount of the transaction (<expense>)	0	135
Balance sheet entry (<liability>)	0	41
Payment terms	Cash	Cash
Provisions for bad debt	0	0

The **financial information** concerning GIE PERENEO is as follows:

In €K	31/12/2023	31/12/2022
Total Assets	0	81
Debt	0	143
Revenue	0	341
Income	0	6

Note 27 Headcount

In number of employees	2023	2022
France	1,185	1,087
Foreign operations	2,907	2,642
Total	**4,092**	**3,729**

The breakdown of headcount by operating segment at 31 December 2023 was as follows:

In number of employees	Management	Non-management	Total
Automotive	1,734	1,939	3,673
Telecoms	206	198	404
Other (o.w. the holding company)	12	3	15
Total	**1,952**	**2,140**	**4,092**

For more details, see § 6.4.1 “Our employees” of the Sustainable Development Report.

Note 28 Off-balance sheet commitments and Encumbered assets

The off-balance sheet commitments break down as follows:

In €K	31/12/2023	31/12/2022
Commitments received		
Bank guarantees	15,989	18,280
Total commitments received	**15,989**	**18,280**

The above information does not include:

- Amounts owed under operating and finance leases are dealt with in Note 14 “Financial liabilities” in the notes to the consolidated financial statements;
- Interest on borrowings that are covered under Note 14 “Financial liabilities” in the notes to the consolidated financial statements;
- Foreign currency term sales commitments and interest rate swaps that are covered under Note 11.2 “Financial instruments at fair value through profit and loss” in the notes to the consolidated financial statements.

Encumbered assets are assets used as collateral for balance sheet liabilities. They break down as follows:

	31/12/2023	31/12/2022
In €K	Total	Total
Interests in consolidated companies (*)	3,607	3,607
Balance of debt guaranteed by equity securities	257	768
Assignment of trade receivables	0	15,197
Assignment of CIR & CICE	13,213	11,954
Assignment of stocks	4,000	0
Assignment of equipment	1,874	2,176
Mortgages/Security (land & buildings)	12,505	11,967
Total	**35,198**	**44,901**

(*) Book value of pledged securities

Note 29 Risk factors

The Group undertakes reviews of risks that may have a material adverse effect on its business, its financial health, its results, and its ability to achieve its objectives, as described in detail in chapter 5 "Risk factors" of the Annual Report.

Note 29.1 Credit and/or counterparty risks

Credit and/or counterparty risk could arise from the failure of a customer in financial difficulties or going into receivership. In reality, it would reflect the dependency of the Group on certain major customers.

The ten largest customers accounted for 53.7% of total revenue, slightly down compared to 2022. The largest customer in terms of sales accounts for 8.6% of total Group revenue in 2023. The strategy built around the diversity of customers/markets/geographical areas makes it possible to build a customer portfolio where no single customer represents more than 15% of the consolidated revenue.

However, it is important to note that the leading customers are in most cases international groups with many subsidiaries operating in differentiated markets in terms of both legal form (subsidiaries/divisions) and products addressing the needs of segments often engaged in independent activities.

The next nine customers account for percentages of between 8.4% and 3.1% of consolidated revenue.

Because of the profile of its main counterparties, the solvency of its main customers and the highly diversified nature of its other customers, the Group's exposure to credit risk is limited.

The Group does not anticipate any material risks relating to customer default with respect to amounts not provisioned (see Note 9 "Trade receivables, Other current receivables and Current tax credit" in the notes to the consolidated financial statements).

For specific geographic areas subject to particular risks, product deliveries are assured by means of recognised tools such as documentary credit facilities.

Note 29.2 Liquidity risks

The Company has undertaken a specific review of its liquidity risk and considers that it is in a position to meet its future commitments. Such reviews are undertaken on a regular basis in order to be prepared for any eventualities and to be able to provide a response if necessary.

A detailed study of financial liabilities, the cash position, net debt and debt including interest is provided under Note 14 "Financial debt" in the notes to the consolidated financial statements.

Liquidity risk for the Group is concentrated with the ACTIA Group parent company and its subsidiary ACTIA Automotive, as they account for 83.2% of total debt. Furthermore, dependency on lenders is limited by diversifying sources of financing.

The Group increased its use of short-term financing by €3,157,000 in 2023, broken down as follows:

- Dailly: <€11,053,000>
- Overdraft: €9,101,000
- Cash credit lines: €3,850,000
- CIR: €1,258,000

CIR financing increased by €1,258,000; it must be specified that the financed amount of €13,213,000, corresponding to CIRs for the years 2019 to 2022, changed in 2023 as a result of the difference between the financing of the 2022 CIR, the increase in the financing of the 2021 CIR and the reimbursement of the 2018 CIR by the GOVERNMENT. Outstanding CIR advances are limited to 90.0% of the amount of receivables assigned, up to the authorised amount. The CIR for the years 2019 to 2022 represents €14,895,000 for an advance of €13,213,000 (89%).

Note that approvals for short-term credit lines were stable and only 49.4% used by the end of the period.

In the financial year 2023, the Group's gross debt decreased by €25.6 million to €231.5 million.

A detailed review of financial assets and liabilities is provided in Note 13 “Financial assets and liabilities” in the notes to the consolidated financial statements. It is presented in the following tables by maturity:

At 31 December 2023:

In €K	<31/12/24	>01/01/2025 <31/12/2028	>01/01/2029	Total
Total financial assets	234,449	14,878	2,188	**251,514**
Total financial liabilities	<298,389>	<106,784>	<27,180>	**<432,353>**
Net position before management	**<63,940>**	**<91,906>**	**<24,992>**	**<180,839>**
Off-balance sheet commitments	<15,989>			**<15,989>**
Net position after management	**<79,929>**	**<91,906>**	**<24,992>**	**<196,827>**

At 31 December 2022:

In €K	<31/12/23	>01/01/24 <31/12/27	>01/01/2028	Total
Total financial assets	239,627	15,137	2,243	**257,007**
Total financial liabilities	<293,204>	<130,086>	<27,538>	**<450,828>**
Net position before management	**<53,578>**	**<114,949>**	**<25,295>**	**<193,822>**
Off-balance sheet commitments	<18,280>			**<18,280>**
Net position after management	**<71,858>**	**<114,949>**	**<25,295>**	**<212,102>**

For the Group, an entity’s risk of experiencing difficulties in meeting its financial obligations is linked to the level of amounts invoiced and the collection of receivables. In this respect, there are no difficulties to be reported.

The Group companies independently manage their cash needs. The parent company only intervenes in the event of difficulties. The cash is generated from the Company’s operating activities and from bank lines of credit put in place locally. Major investments are decided on by senior Group management (acquisitions, buildings, production equipment and significant R&D projects) and are generally financed by loans or leasing contracts taken on by the entity in question. ACTIA Automotive S.A., as the leading company in the Automotive Division, may be called upon to finance major investments on behalf of its subsidiaries (e.g., the investment in telematics with its subsidiary ACTIA Nordic and the investment in the production facility in the USA with its subsidiary ACTIA Corp.).

Lastly, to enable the Group to take advantage of cash surpluses from certain subsidiaries, it put in place a treasury agreement which is triggered according to needs, so that it can use any surplus cash available within the Group most effectively.

It should be noted that the purpose of these agreements is to use the cash available within the Group in order to limit use of the parent company’s short-term lines of credit and so reduce financial costs: the intention is not to transfer bank borrowings into the subsidiaries.

Lastly, the Group’s financing needs relate to its innovative strategy as an industrial enterprise. Every year, therefore, financing is needed to support the capital expenditure decisions that ensure the medium- and long-term prosperity of ACTIA. In the past, almost 75% of the medium-term financing raised was for R&D or, exceptionally, external growth, the remaining 25% usually being earmarked for the renewal of production capability. The financing strategy consists of three parts:

- Long-term financing: the construction/refurbishment/acquisition of buildings are financed by long-term loans in line with the local practices of the countries in question;
- Medium-term financing: bank loans are used to finance major R&D projects (see § 4.6 “Investments” in the Management Report) over an average period of four to five years. The remaining R&D financing is assured either by customers, through different forms of public aid (grants, advances, research tax credits) or equity financing. The renewal of the plant and equipment necessary to maintain the quality standards and the capacity of the production facilities are financed either by leasing agreements (France) or medium-term loans;
- Short-term financing: short-term credit lines or the mobilisation of trade receivables are used to manage WCR.

Note 29.3 Market risks

- Interest rate risk

Variations in interest rates represent a risk for the Group as they could affect its financing costs.

The analysis conducted by the Group yielded the figures presented in the table below:

In €K	Financial assets* (a)		Financial liabilities* (b)		Net exposure before hedging (c) = (a) - (b)		Interest rate hedging instruments (d)		Net exposure after hedging (e) = (c) - (d)	
	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate
< 1 year	234,449		258,333	40,055	<23,885>	<40,055>	0	0	**<23,885>**	**<40,055>**
From 1 to 5 years	14,878		105,955	829	<91,078>	<829>			**<91,078>**	**<829>**
> 5 years	2,188		27,134	46	<24,945>	<46>			**<24,945>**	**<46>**
TOTAL	**251,514**	**0**	**391,423**	**40,930**	**<139,908>**	**<40,930>**	**0**	**0**	**<139,908>**	**<40,930>**

* A description of financial assets and liabilities is provided in Note 13 "Financial assets and liabilities" in the notes to the consolidated financial statements.

At Group level, checks are conducted to ensure that the overall interest rate risk is spread in such a way as to achieve a reasonable cost for bank borrowings.

In a context of rising interest rates, the Group continued to favour fixed-rate financing in 2023 for its medium- and long-term financing. The breakdown of fixed and variable rate financial liabilities is given in Note 14 "Financial liabilities" in the notes to the consolidated financial statements.

The sensitivity to a +/- 1% variance in the benchmark rate has been calculated on a post-hedging basis. The figures resulting from this analysis are given below:

In €K	31/12/2023	
	Impact on pre-tax income	Impact on pre-tax equity
Impact of a variance of + 1% in interest rates	**<409>**	**<409>**
Impact of a variance of - 1% in interest rates	**409**	**409**

◎ Foreign exchange risk

The Group's international footprint and invoicing expose it to exchange rate risks related to fluctuations in foreign currencies, for both actual transactions and the conversion of its assets and results.

With materials and supplies of over €318 million, including over €98 million in US Dollars (excluding purchases made by our American entities that benefit from natural hedge), a change in the EUR/USD exchange rate has a very rapid effect on the Group's profitability.

For transactions denominated in foreign currencies, for example, purchases or sales by Eurozone entities denominated in US Dollars (USD) or Japanese Yen (JPY), the companies involved manage their exchange rate risks independently, putting in place currency hedging tools when the volumes involved allow for it.

ACTIA subscribes to currency hedging contracts on a regular basis. Their characteristics are described in Note 11.2 "Financial instruments at fair value through profit or loss" in the notes to the consolidated financial statements. The purpose of these hedging tools is to secure the cost of acquiring USD in relationship to the selling price to our customers. These prices are set at the time of the tenders and our customers do not allow them to change as a result of fluctuations in the EUR/USD exchange rate or the components market. The goal is not to speculate on the markets, but to ensure a reasonable level of parity for the coming weeks and months.

A significant or quick shift in the EUR/USD rate has very different outcomes based on short-term and medium-term approaches adopted by the Group:

- <u>In the short term</u>, it represents a major risk for our component purchases, about half of which are made in US Dollars and which are primarily manufactured in a dollar-dominated region. The hedging instruments limit the impact of changes in the ratio and protect purchases when there is a significant drop. However, they do not enable the benefit of increases to be felt immediately as they must wait for the implementation of new tools when the existing tools run out. It is also noted that, despite very significant variations, the Group has been able to work at a virtually constant exchange rate for a number of years. However, actions are being carried out to identify the adjustments required for pricing for both suppliers and customers. Even if the tensions in the component market can lead to forced price increases, it is unlikely that price revision clauses linked to currency fluctuations could be included in the new contracts, apart from very specific sectors, such as Aeronautics.
- <u>In the medium term</u>, changes in exchange rates may impact the Group's competitiveness in international calls for tender, but with a time lag of 18 months to 3 years in the business, reflecting the development (R&D) and industrialisation cycle.

In 2023, the Group was thus able to purchase USD at an average exchange rate of 1.065 compared to 1.078 in 2022, generating a shortfall of €1,425,000 (estimate calculated on average annual rates) compared with the money markets, the average exchange rate was 1.081, compared to 1.054 in 2022. Drawing on its experience in 2022, with a very rapid collapse of the euro, the Group has changed its dollar hedging strategy by asking a number of major customer accounts to make part of their payments in US dollars, bearing in mind that, apart from purchases of components, expenses are primarily in euros. In 2023, this measure enabled us to limit dollar purchases to $98 million compared with $120 million in 2022, even though business grew by 15.9%. As a result, the Group could provide a natural hedge for part of its currency requirements.

The Company has conducted an analysis of its **exchange rate risk**, after hedging for accounts receivable and payable. The figures obtained from this analysis are provided below:

In €K	Trade receivables - gross amounts (a)	Accounts payable (b)	Off-balance sheet commitments (c)	Net exposure before hedging (d)=(a)+(b)+(c)	Financial hedging instruments (e)	Net position after hedging (f)=(d)+(e)
EUR	117,827	<57,138>	2,596	63,285	0	63,285
USD	23,588	<16,604>	13,393	20,377	13,277	33,655
Other currencies	17,874	<9,587>	0	8,287	0	8,287
Total	**159,288**	**<83,328>**	**15,989**	**91,949**	**13,277**	**105,226**

The majority of transactions are therefore conducted in Euros. An analysis of the sensitivity of a 1% variance in the US Dollar exchange rate has been done. It is the second most widely used currency by the Group, with the nine other currencies grouped together in the following table under the heading “Other currencies” presenting no material risk, even if certain currencies tend to fluctuate considerably, such as the Brazilian Real.

The sensitivity of a variance of +/- 1% in the EUR/USD exchange rate has been calculated on a post-hedging basis. The figures resulting from this analysis are given below:

In €K		Impact on pre-tax income		Impact on pre-tax equity	
		Rise of 1%	Fall of 1%	Rise of 1%	Fall of 1%
Net position after hedging in USD		33,655	33,655	33,655	33,655
USD	0.90498	0.91403	0.89593	0.91403	0.89593
Estimated risk		**+ 305**	**<305>**	**+ 305**	**<305>**

Lastly, the strong negative impact on year-end 2023 of +€2.1 million, compared to <€4.1 million> in 2022, demonstrates that the valuation of hedging instruments required by IAS 39 can fluctuate significantly from one financial year to the next. The use of accumulator-type tools managed with an accumulation capacity limited by regular early exercises and a double accumulation threshold providing a bonus compared to forward purchases, adds a degree of risk to the valuation calculation which bids up the calculation. Note that the purpose of these instruments is to protect purchases in foreign currencies. There is a risk that technical entries with no link to the business may have to be made.

Assets and liabilities outside of the Eurozone account for a small share of the Group (13.5%), and are generally only linked to the business activity. Moveable assets and real estate are depreciating or are already entirely depreciated. An analysis of the long-term investments compared to the currency risk was carried out, but the real estate opportunity (Tunisia, USA, Sweden) they represent compared to the cost of leasing properties for electronics printed circuit board production and its specific requirements weighs considerably on the exchange rate risk. Heavy equipment required for production is depreciated rapidly and the homogeneity of the equipment on our sites enables the recovery and use of the assets on any of the sites if necessary.

Finally, given that we did not choose to value the real estate assets, the net asset value is significantly below the market value and would cover the exchange rate differential if we needed to sell equipment.

The exchange rate risk for subsidiaries outside of the Eurozone is primarily limited to the contribution to the Group’s results. The Group invoices in Euros all inter-company flows in countries with the highest currency risks and limits customer payment terms in countries with weakening currencies.

8.1.7 FEES PAID TO THE STATUTORY AUDITORS

The table below presents the amount excluding VAT of audit fees paid in respect of the Group's separate and consolidated financial statements. These fees cover services provided and expensed in financial year 2023 in the accounts of ACTIA Group S.A. and its subsidiaries whose income statements of the period and balance sheets are fully consolidated. For information, the balance of auditors' fees relating to the period is often invoiced in the first half-year of the following period. This was the case for the balance of fees for 2022 invoiced in early 2023.

For improved clarity with respect to information on the parent company and subsidiaries, we have opted for a presentation of amounts as agreed in the letter of engagement.

Overall, auditors' fees have remained stable from one period to the next.

In €K	KPMG		BM&A	
	Amount excluding VAT	%	Amount excluding VAT	%
2023				
Audit fees in respect of the separate annual and consolidated financial statements:				
Issuer: ACTIA Group S.A.	82	16.0%	55	55.2%
Fully consolidated subsidiaries	423	82.7%	45	44.8%
SUB-TOTAL	**505**	**98.8%**	**100**	**100.0%**
Services other than the certification of financial statements:				
Issuer: ACTIA Group S.A.	6	1.2%	0	0.0%
Fully consolidated subsidiaries	0	0.0%	0	0.0%
SUB-TOTAL	**6**	**1.2%**	**0**	**0.0%**
TOTAL Group	**511**	**100.0%**	**100**	**100.0%**

Audit fees for the separate and consolidated financial statements for the financial years ended 31 December 2023 concern primarily professional services undertaken to review and certify the consolidated financial statements of the Group prepared in accordance with IFRS as adopted in the European Union, certification of the statutory accounts of certain Group subsidiaries, compliance with local regulations.

Services provided by the Statutory Auditors or a member of their network other than the certification of accounts concern those relating to the extension of normal statutory auditing missions (independent third party report on social and environmental information, drafting of special certificates).

8.1.8 REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Annual General Meeting of ACTIA Group S.A.,

OPINION

In accordance with the mission entrusted to us by your Annual General Meeting, we carried out an audit of the consolidated financial statements of ACTIA Group S.A. for the financial year ended 31 December 2023, as attached to this report.

- We hereby certify that the consolidated financial statements for the financial year are truthful and give a true and fair picture of the results, financial position and assets of the companies and entities comprising the consolidated group, in accordance with IFRS as adopted by the European Union.

BASIS FOR OUR OPINION

Audit standards

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained provides a sufficient and appropriate basis for our audit opinion.

The responsibilities incumbent upon us by virtue of these standards are described in the section entitled "Responsibilities of the Statutory Auditors with respect to the audit of the consolidated financial statements" of this report.

Independence

We conducted our audit assignment in compliance with the rules of independence applicable to us, as provided for in the French Commercial Code and the Statutory Auditors' Code of Ethics, for the period from 1 January 2023 to the date of issue of our report.

JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, we draw to your attention the following assessments which, in our professional opinion, were the most significant for the audit of the consolidated financial statements for the year.

Our assessments are part of the audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion expressed above. We have not expressed an opinion on the items of the consolidated financial statements taken individually.

The Group performs an annual impairment test of the value of goodwill as described in "Note 4.2 Goodwill" in the notes to the consolidated financial statements. As part of our assessments, we verified the reasonableness of the valuations performed and the correct implementation of the resulting impairment tests.

The Group capitalises development costs as described in "Note 4.3 Development costs and other intangible assets" in the notes to the consolidated financial statements. As part of our assessment, we examined the assumptions underlying the appropriateness of this accounting, the methods used for depreciation and we ensured that the notes to the financial statements provide appropriate disclosure.

SPECIAL VERIFICATION

As required by the professional standards applicable in France, we also specifically verified the information about the Group provided in the Board of Directors' Management Report, as required by law and regulations.

We have nothing to report with respect to the fair presentation of such information and its consistency with the consolidated financial statements.

We hereby certify that the consolidated non-financial performance statement provided for by Article L.225-102-1 of the French Commercial Code is included in the information about the group provided in the Management Report, it being noted that, in accordance with Article L. 823-10 of the Code, we did not review the information provided in the statement for its truthfulness or its consistency with the consolidated financial statements and this must, therefore, be subject to a report by an independent third party.

RESPONSIBILITIES OF MANAGEMENT AND OF THE PERSONS CONSTITUTING THE GOVERNANCE OF THE COMPANY WITH RESPECT TO THE CONSOLIDATED FINANCIAL STATEMENTS

It is the responsibility of Management to prepare accurate consolidated financial statements in accordance with IFRS as adopted by the European Union and to implement the internal controls it believes are necessary for the preparation of consolidated financial statements which do not contain any material misstatements resulting from either fraud or errors.

In preparing the consolidated financial statements, it is the responsibility of management to assess the ability of the Company to continue operating, to present in its financial statements, if necessary, the information regarding business continuation and to apply the going concern accounting principle, unless there are plans to liquidate the Company or terminate its business activities.

The consolidated financial statements were approved by the Board of Directors.

RESPONSIBILITIES OF THE STATUTORY AUDITORS REGARDING THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

It is our duty to prepare a report on the consolidated financial statements. Our goal is to obtain a reasonable assurance that the consolidated financial statements taken overall do not contain any material misstatements. A reasonable assurance corresponds to a high level of assurance without, however, guaranteeing that an audit conducted in accordance with professional standards will consistently identify all material misstatements. Misstatements can be the result of fraud or of errors. They are considered to be material when it can reasonably be expected that they might, individually or cumulatively, impact the financial decisions that the users of the financial statements make based on them.

As stated in Article L. 821-55 of the French Commercial Code, our certification of the financial statements does not entail guaranteeing the viability or the quality of your Company's management.

Audits conducted in accordance with the professional standards applicable in France require that the Statutory Auditors exercise their professional judgement during the entire audit. Also:

- they identify and assess the risk that the consolidated financial statements may contain material misstatements, regardless if they are the result of fraud or errors, define and implement audit procedures to deal with the risks and collect the information they deem sufficient and relevant to form their opinion. The risk of non-identification of a material misstatement is greater in the case of fraud than that of a material misstatement resulting from an error given that fraud can involve collusion, falsification, voluntary omissions, false statements or the bypassing of internal controls;
- the auditors must review and understand the internal controls relevant to the audit in order to define the audit procedures appropriate for the circumstances and not for the purpose of providing an opinion on the effectiveness of the internal controls;
- they assess the suitability of the accounting methods selected and the reasonable nature of the accounting estimates made by Management as well as the information about them provided in the consolidated financial statements;
- they assess the relevance of the application by Management of the going concern principle and, based on the information collected, whether or not there is any significant uncertainty related to events or circumstances which could potentially jeopardise the Company's ability to continue operating. The assessment is based on the information collected through to the date of the audit report, it being noted, however, that later circumstances and events can negatively impact business continuity. If they conclude that there is significant uncertainty, they must draw the attention of the readers of the report to the information provided in the consolidated financial statements about the uncertainty or, if the information is not provided or is not relevant, they must provide a qualified opinion or refuse to certify the financial statements;
- they assess the overall presentation of the consolidated financial statements and assess if they reflect underlying transactions and events such that they provide an accurate picture;
- with respect to the financial information about the persons and entities included within the scope of consolidation, they must collect the information they deem to be sufficient and appropriate to express an opinion on the consolidated financial statements. They are responsible for the Management, supervision and preparing of the audit of the consolidated financial statements and for the opinion expressed about the financial statements.

Statutory Auditors

Labège, 25 April 2024	Paris, 25 April 2024
KPMG S.A.	**BM&A**
Mathieu Leruste	Eric Seyvos
Partner	*Partner*

8.2 SEPARATE FINANCIAL STATEMENTS

8.2.1 BALANCE SHEET

Assets (in €)			31/12/2023	31/12/2022
	Gross amount	Depreciation	Net	Net
Share capital subscribed and uncalled				
INTANGIBLE ASSETS				
Formation costs				
Research and development costs				
Concessions, patents and similar rights	53,637	53,572	65	64
Goodwill				
Other intangible assets				
Advances and prepayments on intangible assets				106
TANGIBLE ASSETS				
Land				
Buildings				
Technical installations, equipment, tooling				
Other tangible assets	69,496	55,735	13,761	6,251
Current fixed assets				
Advance and down payments				
FINANCIAL ASSETS				
Investments calculated using the equity accounting method				
Other investments	57,030,961	57,314	56,973,647	55,559,158
Receivables related to investments	25,897,456		25,897,456	42,036,435
Other fixed securities				
Loans	439	103	335	335
Other financial assets	4,745		4,745	4,745

Assets (in €)			31/12/2023	31/12/2022
	Gross amount	Depreciation	Net	Net
FIXED ASSETS	83,056,734	**166,725**	82,890,009	**97,607,093**
INVENTORY AND WORK-IN-PROCESS				
Raw materials, supplies				
Production of goods in progress				
Production of services in progress				
Intermediate and finished products				
Goods				
Advance and down payments on orders	9,449		9,449	82,430
ACCOUNTS RECEIVABLE				
Trade accounts receivable	3,120,910		3,120,910	2,950,620
Other accounts receivable	12,863,726		12,863,726	5,138,869
Called-up share capital not paid				
VARIOUS				
Marketable securities	253,734	148,831	104,904	106,605
o.w. treasury shares: 162,076				
Liquid assets	3,263,443		3,263,443	3,751,847
ACCRUALS				
Accrued charges	239,324		239,324	163,940
CURRENT ASSETS	19,750,585	**148,831**	19,601,755	**12,194,312**
Expenses to be spread over several financial years				
Bond redemption premiums				
Foreign currency translation gains	11,825		11,825	
ASSETS	**102,719,144**	**315,556**	**102,503,589**	**109,801,405**

Liabilities (in €)		31/12/2023	31/12/2022
Individual and equity capital		15,074,956	15,074,956
	(of which has been paid: 15074956)		
Premiums from equity issues, mergers or acquisitions		17,560,647	17,560,647
Revaluation differences			
	(of which, equity accounting reserve: 0)		
Legal reserve		1,507,496	1,507,496
Statutory or contractual reserves			
Regulated reserves		189,173	189,173
	(Including prov. res. for exchange rate fluctuations: 0)		
Other reserves			
Retained earnings		21,712,043	13,474,055
Profit and loss **OF THE FINANCIAL YEAR**		1,716,178	10,648,216
Investment subsidies			
Regulated provisions			
EQUITY		57,760,493	**58,454,543**
Proceeds from issues of equity instruments			
Conditional advances			
OTHER EQUITY			
Provisions for risks		11,825	4,000,000
Provisions for expenses			
PROVISIONS FOR RISKS AND EXPENSES		11,825	**4,000,000**
FINANCIAL LIABILITIES			
Convertible bond loans			
Other bond loans		24,250,000	28,833,334
Bank borrowings		11,655,139	8,948,926
Other financial liabilities		7,581,860	6,942,353
	(of which, participating loans: 0)		
Advance and down payments received for current orders			89,167
OPERATING DEBT			
Trade creditors and other accounts receivable		892,191	1,802,426
Tax and social payables		254,750	189,173
MISCELLANEOUS LIABILITIES			
Debt on fixed assets and related payables			
Other liabilities		97,332	541,484
ACCRUALS			
Deferred income			
DEBT		44,731,271	**47,346,863**
Foreign currency translation losses			
LIABILITIES		**102,503,589**	**109,801,405**

8.2.2 SEPARATE INCOME STATEMENT

Income statement (in €)	31/12/2023	31/12/2022
Sales of goods		
Production of goods sold		
Production of services sold	2,023,467	2,195,422
NET REVENUE	2,023,467	**2,195,422**
Inventoried production		
Capitalised production		
Operating subsidies	9,000	2,000
Writeback of depreciation and provisions and transfers of costs	1,994,703	1,365,362
Other revenue		
OPERATING REVENUE	4,027,170	**3,562,785**
Purchases of goods (including customs duties)		
Variations in inventory (goods)		
Purchases of raw materials and other supplies (and customs duties)		
Change in inventory (raw materials and supplies)		
Other purchases and external expenses	3,885,025	4,791,977
Taxes, duties and similar payments	22,565	38,699
Wages and salaries	1,170,856	869,238
Social contributions	443,573	347,097
OPERATING PROVISIONS		
On fixed assets: depreciation allowances	5,915	3,326
On fixed assets: provisions		
On current assets: provisions		
For liabilities and charges: provisions		
Other expenses	31,955	14,050
OPERATING EXPENSES	5,559,889	**6,064,389**
OPERATING **PROFIT**	**<1,532,719>**	<2,501,604>
JOINT **VENTURES**		
Profit allocated or loss transferred		
Loss sustained or profit transferred		
FINANCIAL INCOME		
Financial revenue from investments	5,302,804	2,460,816
Revenue from other securities and fixed asset-related receivables	309,392	451,344
Other interest and similar revenue		15
Writeback of provisions and transfers of costs	1,731	4,293
Positive exchange rate differences	29,503	
Net revenue from the sale of investment securities	6,638	13,892
FINANCIAL INCOME	5,650,067	**2,930,360**
Financial depreciation allowances and provisions	14,188	2,563
Interest and similar expenses	1,617,910	1,382,548
Negative exchange rate differences	72,035	1,925
Net expenses on the sale of investment securities	7,707	7,760
FINANCIAL EXPENSES	**1,711,840**	**1,394,796**
FINANCIAL **RESULT**	3,938,227	1,535,564
ORDINARY INCOME BEFORE TAX	2,405,509	<966,040>

Income statement (in €)	**31/12/2023**	**31/12/2022**
Non-recurring income from management operations	15	148
Non-recurring income from capital transactions	406,602	16,765,262
Writeback of provisions and transfers of costs	4,000,000	
NON-RECURRING INCOME	4,406,617	**16,765,410**
Non-recurring expenses on management operations	9	12
Non-recurring expenses on capital transactions	4,913,216	457,214
Non-recurring depreciation allowances and provisions		4,000,000
NON-RECURRING EXPENSES	4,913,225	**4,457,226**
NON-RECURRING **ITEMS**	<506,608>	12,308,184
Employee profit-sharing		
Income taxes	182,723	693,928
TOTAL INCOME	14,083,854	**23,258,555**
TOTAL EXPENSES	**12,367,676**	12,641,339
PROFIT OR LOSS	**1,716,178**	**10,648,216**

8.2.3 NOTES

Note 1 Highlights of the period

ACTIA Group S.A. fulfilled its role as Group holding company in 2023.

The Company supported the preparation of the segmentation of its businesses into four divisions: *Mobility, Energy, Aerospace and Engineering*, to be implemented in 2024. In this context, ACTIA Telecom transferred its operating divisions dedicated to the energy and rail sectors, respectively, to ACTIA Energy and ACTIA Railway, subsidiary companies created for this purpose, and changed its corporate name to ACTIA Aerospace. At the same time, ACTIA Automotive sold its electronic equipment manufacturing business for the aeronautics, space and defence markets to ACTIA Aerospace (formerly ACTIA Telecom), thus bringing together all its activities related to the aeronautics and space sectors. ACTIA Automotive and ACTIA Aerospace (formerly ACTIA Telecom) changed their corporate form from a Société Anonyme (limited company) to a Société par Actions Simplifiée (simplified joint stock company)

Note 2 Accounting rules and methods

The financial statements for the 2023 financial year were approved by the Board of Directors on 25 March 2024, in accordance with the provisions of Regulation 2014-03 of the Autorité des Normes Comptables (national accounting standards body) approved by the ministerial decree on the Plan Comptable Général (generally accepted accounting principles) of 8 September 2014.

Note 2.1 Intangible assets

Rights and concessions are amortised on a straight-line basis over one or two years.

Note 2.2 Tangible assets

Capitalised assets are broken down and amortised or depreciated over their own useful lives if these differ from the principal item of property, plant and equipment.

Items of property, plant and equipment are recognised at acquisition cost. Cost components include:

- The purchase cost, including customs duties and non-refundable purchase taxes less trade discounts and rebates;
- The costs directly attributable to transferring and commissioning the asset and;
- If applicable, the initial estimate of the costs of dismantling and removing the item and restoring the site.

Borrowing costs are excluded from the cost of non-current assets.

Where material components of items of property, plant and equipment can be determined and they have different useful lives and depreciation methods, the depreciation is recognised by component. To date, treatment by component has not been applied for any non-current asset, in the absence of significant capitalisation.

The depreciable amount is systematically allocated over the useful life of the asset. Depreciation is calculated on a straight-line basis and the useful lives applied are as follows:

- Plant and equipment, facilities and tools: over 6 to 10 years;
- Other property, plant and equipment: over 3 to 10 years.

Note 2.3 Financial assets

Investment securities are recognised in the balance sheet at acquisition cost or contribution value.

An impairment is recorded when the carrying amount of a holding held by ACTIA Group is less than the share of its shareholders' equity, unless:

- A recorded fair transaction value justifies the value;
- Or the prospects for a recovery in profitability are strong and can be demonstrated. In this case, the value in use of the holding is estimated using a financial valuation method.

The present value of holdings is thus primarily assessed using the discounted future cash flow method based on business and free cash flow forecast assumptions reasonably estimated by executive management and most probable on the date the financial statements are closed. The discount and growth rates used are rationalised based on market data.

In order to assess the tolerance of the estimate of the shareholders' equity determined in this way, analyses of the sensitivity of the values to changes in assumptions about estimated future cash flows and the discount rate are simulated.

Note 2.4 Accounts receivable

Receivables are measured at their nominal value. A provision for impairment is recognised depending on the age of the receivables and any risks of non-recovery.

Note 2.5 Pension liabilities

Pension liabilities are calculated according to French accounting recommendation CNC 2013-02 based on an actuarial estimate of potential rights vested by employees on the balance sheet date.

The main assumptions applied at the end of the reporting period were:

- Discount rate: 3.20% (3.75% in 2022),
- Salary escalation rate: 2.25%
- Retirement age: 67
- Low turnover rate:

Age of employee	20 years	30 years	40 years	50 years	60 years	65 years
Turnover rate (%) (management and non-management)	5.80%	2.77%	2.04%	0.10%	0.05%	0.00%

- Mortality table: INSEE 2013:

Age of employee	20 years	30 years	40 years	50 years	60 years	65 years
Mortality table: Men (%)	99,274	98,549	97,489	94,963	88,615	83,631
Mortality table: Women (%)	99,469	99,222	98,745	97,436	94,414	92,075

Off-balance sheet commitments include pension liabilities of €163,542.

Note 3 Additional information on the balance sheet and the income statement

The balance sheet date of the financial statements is 31 December 2023 and covers a period of twelve months.

Note 3.1 Intangible assets

The gross amounts of **intangible fixed assets** changed as follows:

(€)	31/12/2022	Acquisitions	Disposals and write-offs	31/12/2023
Formation costs	0			0
Other intangible assets	53,634	149	146	53,637
TOTAL	**53,634**	**149**	**146**	**53,637**

Amortisation was as follows:

(€)	31/12/2022	Provisions	Reversals	31/12/2022
Formation costs	0			0
Other intangible assets	53,570	148	146	53,572
TOTAL	**53,570**	**148**	**146**	**53,572**

Note 3.2 Tangible assets

Gross amounts of **property, plant and equipment** changed as follows:

(€)	31/12/2022	Acquisitions	Disposals and write-offs	31/12/2023
Land	0			0
Buildings	0			0
Plant and equipment, facilities and tools.	0			0
Other	56,219	13,277		69,496
Current fixed assets	0			0
TOTAL	**56,219**	**13,277**		**69,496**

Amortisation was as follows:

(€)	31/12/2022	Provisions	Reversals	31/12/2023
Land	0			0
Buildings	0			0
Plant and equipment, facilities and tools.	0			0
Other	49,969	5,766		55,735
TOTAL	**49,969**	**5,766**		**55,735**

Note 3.3 Financial assets

These changed as follows:

(€)	Balance sheet securities 31/12/2022 Gross value	Balance sheet securities 31/12/2022 Net value	Balance sheet securities 31/12/2023 Gross value	Balance sheet securities 31/12/2023 Net value	Held at 31/12/23 (in %)	Shareholders' equity before appropriation of earnings at 31/12/23	2023 revenue before tax	Net income at 31/12/23
INVESTMENT SECURITIES								
Subsidiaries and investments > 10%								
ACTIA Aerospace (formerly ACTIA Telecom)	25,772,641	25,772,641	25,772,641	25,772,641	100.00%	40,987,438	59,700,235	1,919,687
ACTIA Automotive	24,904,439	24,904,439	24,904,439	24,904,439	99.99%	33,250,470	302,487,371	7,480,379
ACTIA Telematics Services	3,698,578	3,698,578	3,698,578	3,698,578	99.00%	1,556,978	2,999,059	66,816
ACTIA PCs	610,902	610,902	610,902	610,902	12.19%	2,446,211	3,002,876	<182,048>
SCI Oratoire	199,098	199,098	199,098	199,098	86.00%	3,651,056	636,400	389,782
ACTIA Engineering Services (*)	151,680	151,680	151,680	151,680	53.33%	2,376,904	30,331,929	2,790,290
SCI Pouvourville	101,161	101,161	101,161	101,161	30.00%	1,917,977	1,029,367	278,104
ACTIA Africa (*)	100,000	100,000	100,000	100,000	99.77%	23,188	984,880	62,831
ACTIA Engineering Services Holding			100,000	100,000	98.00%	200,000	0	<41>
MORS INC	0	0		0	0.00%	UNK.	UNK.	UNK.
CYT	33,494	0	0	0	100.00%	UNK.	UNK.	UNK.
Subsidiaries and investments < 10%			33,494	0	15.00%			
CIPI-ACTIA (*)	10,138	10,138	10,138	10,138	0.20%	2,998,363	14,807,622	368,980
SCI Sodimob	7,030	7,030	1,321,520	1,321,520	98.00%	229,918	114,472	82,140
Outside of the Group								
MPC	3,489	3,489	3,489	3,489	0.02%	UNK.	UNK.	UNK.
Continental	47	0	47	0	N.S.	UNK.	UNK.	UNK.
STEM	22,812	0	22,812	0	N.S.	UNK.	UNK.	UNK.
CGC	960	0	960	0	N.S.	UNK.	UNK.	UNK.
Total	**55,616,472**	**55,559,158**	**57,030,961**	**56,973,647**				
OTHER FIXED SECURITIES								
1% Construction	0	0	0	0				
Total	**0**	**0**	**0**	**0**				
OTHER FINANCIAL ASSETS								
Loans	439	335	439	335				
Other receivables	46,885	4,688	4,745	4,745				
Total	**5,126**	**5,023**	**5,183**	**5,080**				

N.S. : Non-significant - UNK. : Unknown

(*) Foreign subsidiaries with a local currency other than the Euro. Balance-sheet data is converted using the exchange rate at closure of the accounts and income is converted using the average exchange rate

Note 3.4 Stocks

None

Note 3.5 Advance and down payments on orders

None

Note 3.6 Accounts receivable, other receivables

(€)	Gross values	Net value	Due dates < 1 year	Due dates > 1 year
Investment-related receivables	25,897,456	25,897,456	7,732,057	18,165,399
Accounts receivable	3,120,910	3,120,910	1,974,834	1,146,076
Current accounts on investments				
Other receivables (including accrued charges)	13,103,050	13,103,050	9,139,438	3,963,612
TOTAL	**42,121,416**	**42,121,416**	**18,846,329**	**23,275,087**

Note 3.7 Treasury shares

ACTIA Group holds 1,399 treasury shares with a gross value of €153,043. These shares were owned by MORS S.A. at the time of the merger in 2000.

Since the merger with MORS S.A., the Group has proceeded with a number of share buyback programmes.

The last share buyback programme was authorised by the General Meeting of 24 May 2022 for a period of 18 months. This programme complies with Articles L225-209 et seq. of the French Commercial Code. The objectives, maximum amount allocated to the share buyback programme, the maximum number and characteristics of the shares as well as the maximum purchase price are described in § 4.10.9 “Authorisation to implement a share buyback program” of the Management Report.

As of 31 December 2023, ACTIA Group S.A. held 3,328 treasury shares in total.

A provision for the treasury shares is calculated based on the closing price of €3.98 at 31 December 2023, for a total of €148,831.

Breakdown of treasury shares at 31 December 2023:

Origin of the holding	Number of shares	Gross value	Provision	Net value
Merger with MORS S.A. in 2000	1,399	€153,043	€147,475	€5,568
Share buyback programmes	1,929	€9,033	€1,356	€7,677
TOTAL	**3,328**	**€162,076**	**€148,831**	**€13,245**

In addition, as of 31 December 2023 as part of the liquidity contract, ACTIA Group held 10,548 treasury shares and €45,679 in liquidity. All of the shares are used to ensure market-making on the secondary market or share liquidity via the intermediary of the investment service provider (ISP) Société de Bourse Portzamparc, through a liquidity contract in compliance with the AMAFI code of ethics recognised by the AMF.

Note 3.8 Equity

At 31 December 2023, there were no stock option plans established by the Company and the share capital amounted to €15,074,955.75. It consists of 20,099,941 shares with a par value of €0.75 per share. The total amount of additional paid-in capital is €14,693,643.96.

Accordingly, net assets changed as follows over the period:

(€)	Balance at 31/12/2022 prior to appropriation of earnings	Appropriation of earnings 2022			Share capital increase	Balance at 31/12/2023 prior to proposed appropriation of earnings
		Retained earnings	Dividends			
			Paid to shareholders	On treasury shares:		
Capital	15,074,956					15,074,956
Share premiums	14,693,644					14,693,644
Merger premiums	2,867,003					2,867,003
Legal reserves	1,507,496					1,507,496
Restricted reserves	189,173					189,173
Retained earnings	13,474,055	8,237,988				21,712,043
Net income for 2022	10,648,216	<10,648,216>				0
Net income for 2023						1,716,178
TOTAL	**58,454,543**	**<2,410,227>**	**0**	**0**	**0**	**57,760,493**

At 31 December 2023, restricted reserves set aside to cover treasury shares totalled €13,245.

Note 3.9 Provisions

A provision for liabilities has been recorded for the year 2023, amounting to €12 million.

(€)	Balance at 31/12/2022	Provisions	Reversal used	31/12/2023
Provisions for risks	4,000,000	€11,825	€4,000,000	€11,825
Total	**4,000,000**	**€11,825**	**€4,000,000**	**€11,825**

Note 3.10 Debt

The breakdown of liabilities by type and maturity at the balance sheet date was as follows:

(€)	31/12/2023			Total
	<31/12/24	>01/01/2025 <31/12/2028	>01/01/2029	
Other bond loans	4,583,333	1,666,667	18,000,000	24,250,000
Bank borrowings and debts to credit establishments Credit	4,837,825	6,817,314	0	11,655,139
o.w. MLT borrowings	*2,204,863*	*3,553,314*		*5,758,176*
Short-term bank lines and commercial paper	2,589,940	3,264,000		*5,853,940*
Interest accruing on financial liabilities	*43,022*			*43,022*
Other financial liabilities	4,681,860	2,900,000		7,581,860
Advances and prepayments on orders				0
Trade creditors and other accounts receivable	892,191			892,191
Amounts payable to payroll tax agencies	254,750			254,750
Other liabilities (including deferred income)	97,332			97,332
Total	**15,347,291**	**11,383,980**	**18,000,000**	**44,731,271**

Certain medium- to long-term loans are subject to conditions imposed by covenants. These covenants apply to loans for amounts totalling €24,507,063 or 81.7% of medium- and long-term debt. Compliance with these covenants is verified at the end of each period on the basis of ACTIA Group’s consolidated financial statements.

At 31 December 2023, the breakdown of the medium- to long-term borrowings and covenants was as follows:

Initial amount (in €)	Date of subscription	Duration	Outstanding principal at 31/12/2023	Covenant: Ratios at end 2023 (calculated on the basis of the consolidated financial statements)	Covenant: Respected [(1)]		Covenant: Reclassification under current borrowings [(2)]	
					Year-end 2022	**Year-end 2023**	Year-end 2022	**Year-end 2023**
3,500,000	2016	7 years	257,063	Net debt to equity < 1.20	B	B	0	0
				Net debt to EBITDA < 4.50	R	R		
15,000,000	2017	7 years	3,750,000	Net debt to EBITDA < 4.00	R	B	0	0
5,000,000	2017	9 years	2,500,000	Net debt to EBITDA < 4.00	R	B	0	0
16,200,000	2022	8 years	16,200,000	Debt to equity < 5	R	R		
				Debt to EBITDA < 5	R	R		
				Consolidated cash flow > €5 million	R	R		
1,800,000	2022	8 years	1,800,000	Debt to equity < 5	R	R		
				Debt to EBITDA < 5	R	R		
				Consolidated cash flow > €5 million	R	R		
4,000,000	2018	7 years	411,021	-				
1,000,000	2018	5 years	50,895	-				
3,000,000	2019	7 years	1,323,287	-				
3,100,000	2021	5 years	1,671,640	-				
3,200,000	2022	5 years	2,044,271	-				
Total			**30,008,176**				**0**	**0**

(1) R = Respected - B = Breached

(2) Long-term portion of debt reclassified under "Current financial liabilities"

The favourable trend in debt meant that last year also we were still unable to respect the gearing covenant on one loan at 31 December 2023, compared with two at 31 December 2022, even though it improved from 153.7% to 132.5%.

The leverage covenant, which was not supported, as in 2022, by exceptional operations, but which improved through operations, could not be respected for the requirements of 2 loans. However, by keeping banking partners regularly up to date, we were able to have these covenants suspended on 31 December 2023.

Note 3.11 Revenue

Because of the nature of its activity as a holding company, revenue of ACTIA Group S.A. corresponds to amounts originating from chargebacks to its affiliated undertakings.

Note 3.12 Reclassification of operating expenses

Under operating expenses, expense reclassifications concern amounts invoiced for expenses incurred by ACTIA Group S.A. for its subsidiaries:

- Licences: €1,305,471
- Insurances (including brokerage services): €689 232

Note 3.13 Financial Result

The most significant items of **financial income** are:

- Dividends received from subsidiaries: €3,466,038
- Interest on current accounts of subsidiaries: €1,836,766
- Income from off-balance sheet commitments in favour of subsidiaries: €309,297

Financial expenses are mainly comprised of:

- Interest on bond issues: €1,323,989
- Interest on current accounts of subsidiaries: €110,815
- Interest on commercial paper: €82,614
- Interest and similar expenses related to financial liabilities with credit institutions: €69,267
- Interest on bank current account credit balances: €31,191

Note 3.14 Non-recurring items

For the 2023 period, an exceptional expense of €4,913,216 and an exceptional income of €4,406,602 were recorded due to the disposal of the Power Division and the determination of its final price.

Note 3.15 Earnings per share

Basic earnings per share at 31 December 2023 are calculated on the basis of the net income of €1,716,178 divided by the number of shares in circulation excluding treasury shares. The details of the calculations are shown in the following table:

(€)	31/12/2023	31/12/2022
Net income	1,716,178	10,648,216
Shares issued as at 1 January	20,099,941	20,099,941
Issuance of new shares	0	0
Treasury shares	<3,328>	<3,328>
Earnings per share	**0.09**	**0.53**

Note 3.16 Financial commitments and collateral provided

The guarantees provided by ACTIA Group S.A. on behalf of its subsidiaries to non-banking third parties amounted to €226,686,940, including €219,686,940 for customer guarantees. Two guarantees for a total amount of €217 million are covered by an insurance policy taken out directly by the subsidiary in question. Collateral provided by ACTIA Group S.A. to banks on behalf of its subsidiaries represented €21,763,651 at 31 December 2023 versus €25,666,857 at 31 December 2022.

ACTIA Group S.A. gave 344,262 shares of its ACTIA Telecom subsidiary as collateral for bank loans; this collateral was removed on 29 February 2024.

Note 4 Other information

Note 4.1 Accrued expenses

Accrued expenses consist of auditors’ fees in the amount of €93,040.

Note 4.2 Dividends

The appropriation of 2023 earnings is detailed in § 4.1.2 “Draft resolutions” of the Management Report. A distribution of dividends of €0.12 per share will be submitted to the General Meeting to be held on 28 May 2024, identical to the distribution made for the 2022 financial year.

Note 4.3 Unrealised tax position

At 31 December 2023, the unrealised tax position amounted to €575,470, representing the balance of losses arising prior to tax consolidation.

At 31 December 2023, the unrealised tax position of the Tax consolidated group was comprised of losses of €15,098,687 remaining to be carried forward.

Note 4.4 Headcount at year-end

	2023	2022
Managers and supervisors	13	9
Employees	3	3
Students on work placements		1
Workers		
TOTAL	**16**	**13**

Note 4.5 Transactions with related parties

Related party balances at 31/12/2023	Parent	Subsidiaries	Other related companies
ASSETS			
Investment-related receivables		25,897,456	
Provision for receivables on investments			
Trade accounts receivable	19,719	3,095,500	
Other accounts receivable		3,963,612	
LIABILITIES			
Trade creditors and other accounts receivable	87,292	374,532	
Other liabilities		7,581,860	
Income statement			
Operating expenses	330,075	369,979	
Financial expenses			
Non-recurring expenses		110,815	
Operating revenue	64,830	3,857,989	
Financial income		5,612,101	
Non-recurring income			

Operating expenses payable to the parent company represent amounts invoiced for services rendered.

Note 4.6 Risks and hedging policy

- Interest rate risk:

The table below provides a breakdown between fixed and variable rate financial liabilities of ACTIA Group S.A. at 31 December 2023:

(€)	2023			2022		
	Fixed rate	Variable rate	Total	Fixed rate	Variable rate	Total
Bond issues	24,250,000		**24,250,000**	28,833,334		**28,833,334**
Total medium- and long-term borrowing	5,758,176		**5,758,176**	8,383,059		**8,383,059**
Commercial paper/short-term bank lines	0	5,853,940	**5,853,940**	0	503,252	**503,252**
Total value	**30,008,176**	**5,853,940**	**35,862,116**	**37,216,392**	**503,252**	**37,719,644**
Total in %	**84%**	**16%**	**100%**	**99%**	**1%**	**100%**

The sensitivity to a 1% increase in the benchmark (3-month Euribor) was calculated on a pre-hedging basis. At 31 December 2023, this represented €59,000 and was only impacted by short-term borrowings.

- Equity risk:

At 31 December 2023, ACTIA Group S.A. held 3,328 treasury shares. The sensitivity to a €1 decline in the share price is consequently €3,000.

- Foreign exchange risk:

There are currently no foreign currency transactions in progress. The subsidiaries are invoiced in euros.

Note 4.7 Executive management compensation

The Chairman and CEO is compensated for his term of office and since 2020, the members of the Board of Directors of ACTIA Group S.A. are also compensated based on their participation (excluding Deputy CEO and Directors representing employees). For more details, see § 7.2 “Corporate Officer compensation” in the Corporate Governance Report.

Note 4.8 Post-balance sheet events

As part of the Group's ongoing measures to segment its businesses into four divisions, the subsidiaries ACTIA Railway and ACTIA Energy were directly attached to ACTIA Group S.A. on 20 February 2024, via an allotment of shares.

Note 4.9 Consolidating company

S.A. LP2C with share capital of €6,751,560

Registered Office: 5 rue Jorge Semprun – 31432 TOULOUSE

Chartres Trade and Companies Register (RCS) : Toulouse B 384 043 352

8.2.4 REPORT OF THE STATUTORY AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS

To the Annual General Meeting of ACTIA Group S.A.,

OPINION

In accordance with the mission entrusted to us by your Annual General Meeting, we carried out an audit of the annual financial statements of ACTIA Group S.A. for the financial year ended 31 December 2023, as attached to this report.

We hereby certify that the annual financial statements give a true and fair view of the financial position and the assets and liabilities of the Company and the results of its operations for the year ended in accordance with French accounting standards.

BASIS FOR OUR OPINION

Audit standards

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained provides a sufficient and appropriate basis for our audit opinion.

The responsibilities incumbent upon us by virtue of these standards are described in the section of this report entitled "Responsibilities of the Statutory Auditors with respect to the audit of the annual financial statements".

Independence

We conducted our audit assignment in compliance with the rules of independence applicable to us, as provided for in the French Commercial Code and the Statutory Auditors' Code of Ethics, for the period from 1 January 2023 to the date of issue of our report.

JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, we draw to your attention the following assessments which, in our professional opinion, were the most significant for the audit of the annual financial statements for the year.

Our assessments are part of the audit of the annual financial statements taken as a whole, and therefore contributed to the opinion expressed above. We have not expressed an opinion on the items of the annual financial statements taken individually.

Investment securities are valued at acquisition cost and depreciated if their value in use or market value is lower than their book value, according to the methods described in Note 2.3 Financial assets in the appendix. As part of our assessment of these estimates, we examined the data on which these values are based, checked the consistency of the assumptions used and reviewed the calculations made by the company.

SPECIAL VERIFICATION

As required by the professional standards applicable in France, we also carried out the specific verifications required by law and regulations.

Information provided in the Management Report and in the other documents addressed to the Shareholders on the financial position and annual financial statements.

We have nothing to report with respect to the truthfulness and compliance with the annual financial statements of the information given in the Board of Directors' Management Report and in the other documents addressed to the shareholders on the financial position and annual financial statements.

We hereby certify the truthfulness and consistency of the annual financial statements with the information regarding payment terms covered in Article D.441-6 of the French Commercial Code.

Corporate Governance Report

We certify that the Board of Directors' Corporate Governance Report includes the information required by Articles L. 225-37-4 of the French Commercial Code.

Other information

As required by law, we have verified that the Management Report contains the appropriate disclosures relating to the identity of holders of capital and voting rights.

RESPONSIBILITIES OF MANAGEMENT AND OF THE PERSONS CONSTITUTING THE GOVERNANCE OF THE COMPANY WITH RESPECT TO THE ANNUAL FINANCIAL STATEMENTS

It is the responsibility of Management to prepare accurate annual financial statements in accordance with French accounting rules and principles and to implement the internal controls it believes are necessary for the preparation of annual financial statements which do not contain any material misstatements resulting from either fraud or errors.

In preparing the annual financial statements, it is the responsibility of Management to assess the ability of the Company to continue operating, to present in its financial statements, if necessary, the information regarding business continuation and to apply the going concern accounting principle, unless if there are plans to liquidate the Company or terminate its business activities.

The financial statements have been approved by the Board of Directors.

RESPONSIBILITIES OF THE STATUTORY AUDITORS REGARDING THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

It is our duty to prepare a report on the annual financial statements. Our goal is to obtain a reasonable assurance that the annual financial statements taken overall do not contain any material misstatements. A reasonable assurance corresponds to a high level of assurance without, however, guaranteeing that an audit conducted in accordance with professional standards will consistently identify all material misstatements. Misstatements can be the result of fraud or of errors. They are considered to be material when it can reasonably be expected that they might, individually or cumulatively, impact the financial decisions that the users of the financial statements make based on them.

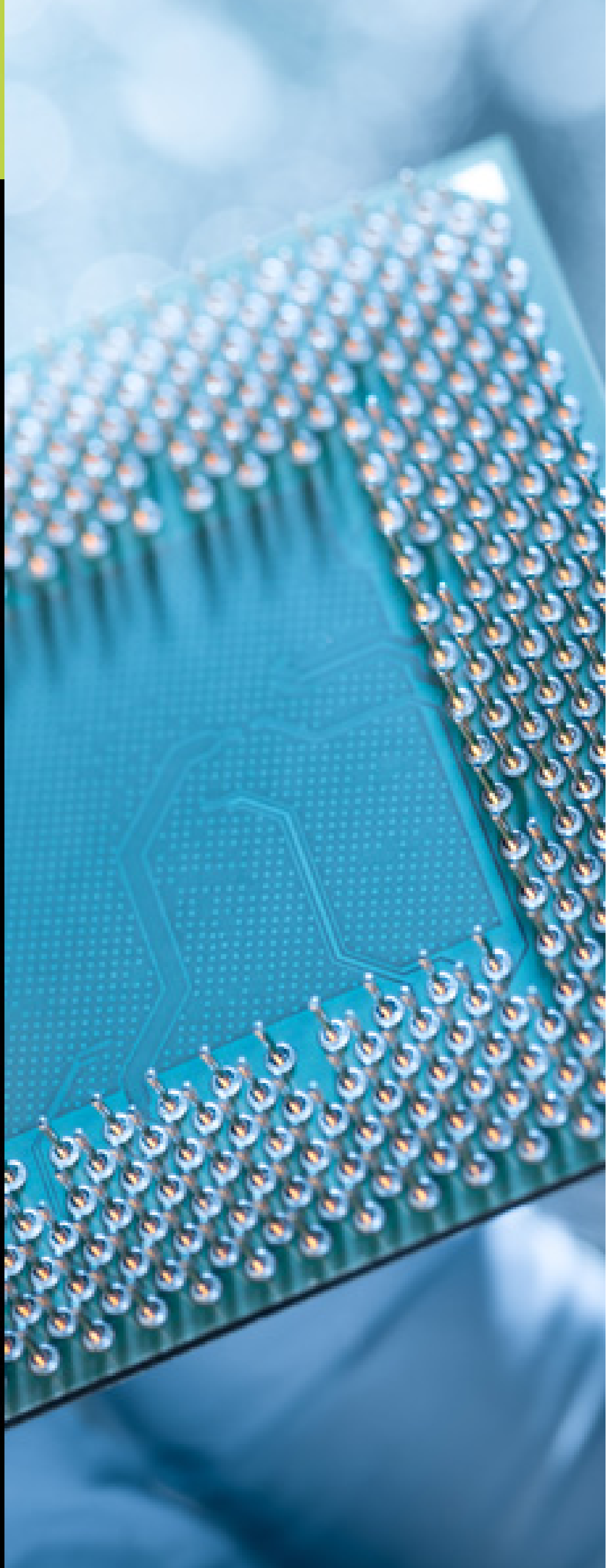
As stated in Article L. 821-55 of the French Commercial Code, our certification of the financial statements does not entail guaranteeing the viability or the quality of your Company's management.

Audits conducted in accordance with the professional standards applicable in France require that the Statutory Auditors exercise their professional judgement during the entire audit. Also:

- they identify and assess the risk that the annual financial statements may contain material misstatements, regardless if they are the result of fraud or errors, define and implement audit procedures to deal with the risks and collect the information they deem sufficient and relevant to form their opinion. The risk of non-identification of a material misstatement is greater in the case of fraud than that of a material misstatement resulting from an error given that fraud can involve collusion, falsification, voluntary omissions, false statements or the bypassing of internal controls;
- the auditors must review and understand the internal controls relevant to the audit in order to define the audit procedures appropriate for the circumstances and not for the purpose of providing an opinion on the effectiveness of the internal controls;
- they assess the suitability of the accounting methods selected and the reasonable nature of the accounting estimates made by management as well as the information about them provided in the annual financial statements;
- they assess the relevance of the application by Management of the going concern principle and, based on the information collected, whether or not there is any significant uncertainty related to events or circumstances which could potentially jeopardise the Company's ability to continue operating. The assessment is based on the information collected through to the date of the audit report, it being noted, however, that later circumstances and events can negatively impact business continuity. If they conclude that there is significant uncertainty, they must draw the attention of the readers of the report to the information provided in the annual financial statements about the uncertainty or, if the information is not provided or is not relevant, they must provide a qualified opinion or refuse to certify the financial statements;
- they must assess the overall presentation of the annual financial statements and assess if they reflect underlying transactions and events such that they provide an accurate picture;

Statutory Auditors

Labège, 25 April 2024	**BM&A**
KPMG S.A.	Mathieu Leruste
Paris, 25 April 2024	Eric Seyvos



9

SUPPLEMENTARY INFORMATION

9.1 SHARE CAPITAL AND AUTHORISATIONS GRANTED

ACTIA Group S.A. shares are listed on the Euronext Growth market in Paris.

9.1.1 SUBSCRIBED SHARE CAPITAL

The share capital amounts to €15,074,955.75, split into 20,099,941 shares with a par value of €0.75 each, fully paid up and all in the same class.

Since the last capital increase recorded on 15 September 2008, there has been no change in the share capital up to the date of production of this document.

9.1.2 TREASURY SHARES

Information on these securities is provided in Note 3.7 "Treasury shares" in the notes to the separate financial statements.

9.1.3 BONUS SHARES, STOCK OPTIONS AND CONVERTIBLE OR SWAPPABLE SECURITIES OR SECURITIES WITH WARRANTS

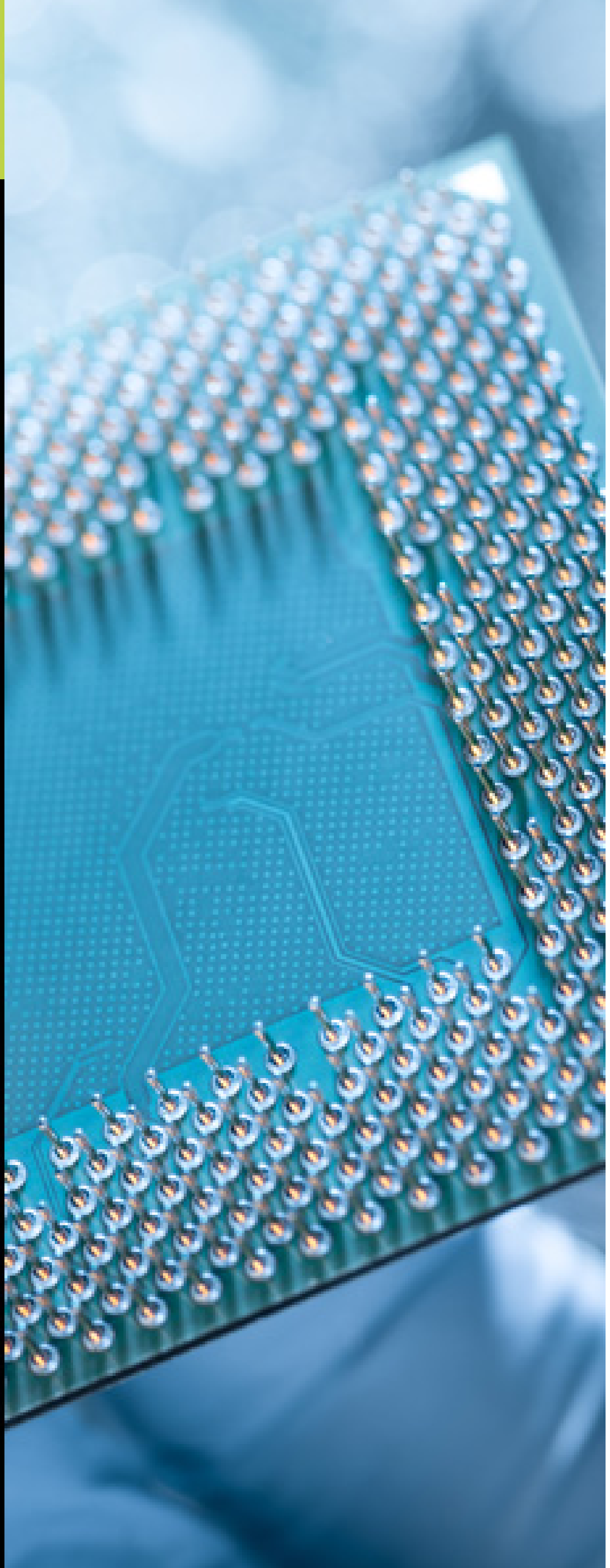
No stock option plans and no bonus share plans exist within the Company or in other Group companies.

9.1.4 DESCRIPTION OF THE COMPANY'S SHARE BUYBACK PROGRAMME

See § 4.10.8 "Share buyback programme under way" of the Management report.

9.1.5 SHARE CAPITAL INCREASE

At the balance sheet date, there is no authorisation in respect of capital increases in effect.



10

DOCUMENTS ON DISPLAY

The Articles of Association, financial statements and reports, minutes of the General Meetings and other corporate documentation may be consulted at the Company's Registered Office: 5, Rue Jorge Semprun – BP 74215 - 31432 Toulouse Cedex 4 or on its website: http://www.actia.com.

Contact us

ACTIA Group

A limited liability company with share capital of €15,074,955.75

Registered with the Toulouse trade and companies register: 542 080 791 – APE: 6420Z

5, rue Jorge Semprun

BP 74215

31432 TOULOUSE Cedex 4

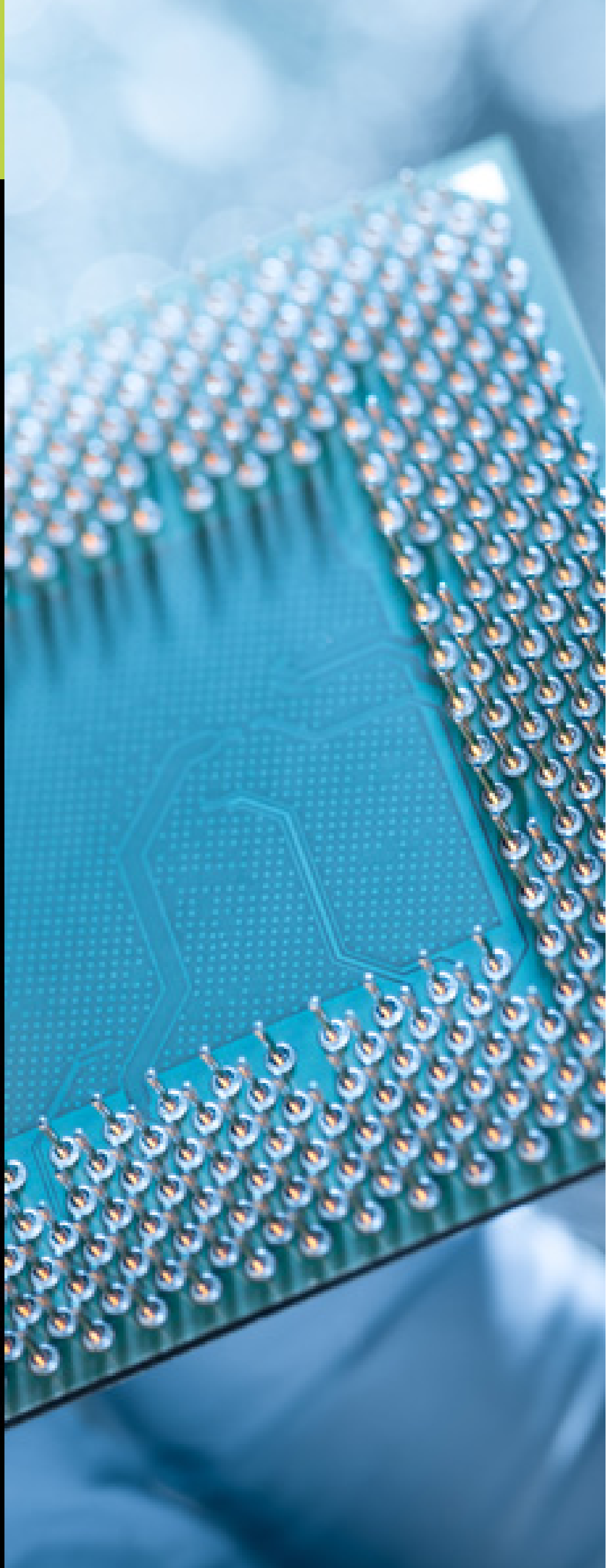
Tel.: +33 (0)5.61.17.61.98

Shareholder information:

Email: contact.investisseurs@actia.fr

Our website:

www.actia.com



11

GLOSSARY

To facilitate the reader's understanding, selected technical terms and acronyms are defined below:

- **ActiMux**: an embedded multiplexed architecture solution for buses and coaches developed by ACTIA. This solution includes a range of on-board computers, dashboard clusters and gauges.
- **ACTiVi**: latest-generation connected platform for managing the entire cockpit of a professional vehicle, including advanced on-board audio and video management functions.
- **Acti-ways**: on-board ECU designed to harmonise the characteristics and performance of hydraulic functions on off-road vehicles.
- **Actuator**: Electric motor used to activate various functions (control the oil or fuel pressure, set the headlights to a given angle, and so on) so that another system can be controlled in specific conditions.
- **Aftermarket**: the secondary market of the automotive industry. In the sector for industrial vehicles, a distinction is made between the original equipment manufacturer market (OEM) and the secondary market that covers post-equipment operations, maintenance and repairs.
- **Dual-use item**: the control of exports of dual-use goods and technologies is implemented by governments to fight against the destabilising accumulation of arms in certain regions of the world. The controls are carried out for goods subject to restrictions to certain destinations.
- **Cloud**: cloud-based IT which uses the computing and storage power of remote servers via the Internet.
- **Cluster**: a term that in our area (and which may have other meanings in other areas) refers to an electronic instrument cluster or panel ("digital dash") that includes different displays: screen, gauges (see "gauge").
- **COMCEPT**: an acronym for COMplément de Capacités en Elongation, Projection et Théâtre, a contract awarded by the French military procurement agency (DGA) to Airbus Defence and Space (ex-Astrium) and its partner ACTIA Telecom (ex-ACTIA Sodielec) to provide the French military forces access to Ka-band broadband satellite networks starting in 2014.
- **DGA**: an acronym for Direction Générale de l'Armement, the French military procurement agency. It is responsible for designing, purchasing and evaluating military systems for the French armed forces;
- **DIRISI**: Joint Directorate of Infrastructure Networks and Information Systems of the French Ministry of Defence
- **Electre**: a project for the deployment of digital substations led by RTE (see "RTE").
- **End of Line**: electronic diagnostics solution for vehicles at the end of assembly lines.
- **ETI**: an "Entreprise de Taille Intermédiaire" (in French) is a mid-market company with between 250 and 4,999 employees, and either revenue of less than 1.5 billion euros, or a balance sheet total of less than 2 billion euros.
- **Gearing**: Net debt to Equity.
- **Microwave**: the microwave technology is based on the emission and analysis of high frequency radio waves. ACTIA Group uses this technology in transmission equipment for Earth stations (see "Earth stations").
- **IATF**: International Automotive Task Force.
- **iCAN**: a telematics device designed for light vehicle fleets in the aftermarket segment. The device is connected to the OBD socket in the driver cabin to transmit vehicle operating data to a fleet management software application.
- **IHM-I**: a range of intelligent and connected solutions equipped with a control interface for buses and coaches. These products are available for the post-equipment market. They include communications protocols that make it possible to provide customers with onboard access to the Internet, telephony or different navigation, driving and operating services such as antitheft and shock detection, emergency calls, opening doors, engine ignition authorisation and fleet management.
- **Infotainment**: a term within the activities of ACTIA referring to product ranges used to provide passenger entertainment and information services on buses, coaches, subways, tramways and trains.

- **Inductance**: component characterised by its ability to create a magnetic flux when it is provided with an electrical current.
- **IRIS**: International Railway Industry Standard. This is the international railway standard. Created in 2006 at the initiative of UNIFE (see “UNIFE”), this standard is the industry quality benchmark integrating all requirements specific to this sector.
- **ISO TS 16949**: the international quality management system standard for the automotive sector. Developed by IATF (see “IATF”), the International Automotive Task Force representing European and American automotive manufacturers and equipment manufacturers, with the objective of harmonising requirements of the different stakeholders in terms of the quality system.
- **ITxPT**: a cooperative initiative for the implementation of standards for public transport IT systems. The systems are intended to operate perfectly when they are used or connected for the first time without any need for reconfiguration. An integrated test bench provides specification, test, qualification and promotion services for standardised solutions.
- **Lean**: this refers to “lean manufacturing,” a management theory developed in Japan by Toyota to reduce waste by applying a continuous improvement approach across the entire organisation. It can be applied to any type of business or production process.
- **Leverage**: Net debt to EBITDA.
- **MCO**: a French acronym for “Maintien en Condition Opérationnelle” (In-Service Support). This global support package covers all processes required to guarantee the operations of a system over time. In the case of electronic systems, these processes cover the redesign of the boards, their repair, the storage of components, etc.
- **MSA** methods: measurement and analysis methods. Validation of the number of errors in a measurement system. An analysis of measurement systems assesses the test method, the measurement instruments and all of the process to obtain measurements to ensure the integrity of the data used for the analysis.
- **High speed Internet**: this national programme is intended to quickly reduce the number of areas with low-speed Internet thanks to the modernisation of current telecommunications networks. In addition to the economic and social stakes of the new digital economy, this programme will also help to provide access to areas far from major cities.
- **Multi-Diag**: is the multi-make offering for diagnostics devices and software developed and marketed by ACTIA Group. This range is designed to maintain and repair electronic parts of passenger and commercial vehicles irrespective of the manufacturer. It is sold to Aftermarket vehicle maintenance and repair service networks worldwide.
- **Multiplexing**: a technology which enables the transmission of a very large amount of data between electronic command management devices and accessories using a reduced amount of cabling.
- **NADCAP**: National Aerospace and Defense Contractors Accreditation Program. NADCAP is a quality certification programme for subcontractors and suppliers in the aerospace and defence sectors. This programme defines the quality standard criteria for each product, manufacturing process and service. This programme was developed by major customers such as Boeing, Airbus, Safran, Rolls Royce, Bombardier and Zodiac.
- **OBD**: On-Board Diagnostic.
- **ONCF**: an acronym for Office National des Chemins de Fer, the Moroccan national railway company.
- **NATO**: North Atlantic Treaty Organisation. Founded on 4 April 1944, a political and military alliance grouping 28 member countries (Europe and North America) with the mission of protecting the liberty and security of its members.
- **PEE:** “Plan d’Epargne Entreprise” (in French) / Company Savings Plan: a collective savings system that allows employees (and directors, in small businesses) to acquire securities with help from the company.
- **PCCN**: an acronym for Poste Contrôle Commande Numérique, a digital protection and control system. This system is used by Enedis. It defines a new technical level (PCCN level) that equips all new installations and replaces previous equipment requiring overly expensive operating maintenance.
- **PODIUM**: driver’s seat system for buses and coaches
- **RTE**: is the electricity transmission system operator of France. It is responsible for the operation, maintenance and development of the French high voltage transmission system and ensuring the security of the electrical system.

- **SCADA:** (Supervisory Control And Data Acquisition): a large-scale remote-access system capable of managing large quantities of remote measurements in real time and controlling technical equipment remotely.
- **SIL 4** (Safety Integrity Level): relative level of risk reduction inherent to a safety function. It is a measure of the expected performance of a safety function. The requirements for the highest (most reliable) give a level SIL4. A SIL is determined from a given number of quantified factors in the management of the development and/or lifecycle.
- **SMART GRID**: an intelligent electrical grid for optimised energy performance with a remote control capability.
- **STAT:** Technical Section of the French Army
- **Earth station**: an Earth station is a terrestrial radio station for receiving and/or broadcasting satellite communications. It is used for both civilian and military applications.
- **Embedded systems**: a generic term referring to all on-board electronic equipment in vehicles. These systems are in most cases located at the level of the chassis but communicate with cabin devices, and mainly displays (see “cluster,” “gauges,” “switch pack”).
- **Green Taxonomy**: refers to a classification of economic activities that have a favourable impact on the environment. Its objective is to direct investments towards “green” activities.
- **Telematics**: etymologically a technology combining telecommunications and information technology. In the areas covered by ACTIA, telematics refers to vehicle connectivity and covers not only embedded communications devices capable of transmitting data, but also user services enabled by the use of the data: global positioning, vehicle fleet management, monitoring of fuel consumption, etc.
- **TGU**: Telematic Gateway Unit. The TGU is an electrical unit designed and manufactured by ACTIA equipping commercial and industrial vehicles that allows these vehicles to communicate with their environment. This communications capability serves many purposes: global positioning, monitoring of fuel consumption, maintenance, etc.
- **UNIFE**: The European Rail Industry Association (Union des Industries Ferroviaires Européennes).
- **VCI**: Vehicle Communication Interface, referring to the device connected to the OBD (see “OBD”) for vehicle connectivity. This device normally located in the vehicle cabin is connected to the vehicle’s electronic control units and gives access to a range of vehicle operating data. Exploiting this data through the VCI provides information about the electronic health of the vehicle and as such contributes to its maintenance. A VCI is consequently an embedded telematics unit.

Design and Production

POMELO
PARADIGM

pomelo-paradigm.com/pomdocpro/

For all requests for information:
ACTIA Group,
5 Rue Jorge Semprun - BP 74215 - 31432 Toulouse cedex 4
Tel: +33 (0)5 61 17 61 98