



HALF-YEARLY FINANCIAL REPORT

30 June 2024



www.actia.com

ACTIA Group
French limited liability company with a Board of Directors
with Share Capital of €15,074,955.75
Registered Office: 5, rue Jorge Semprun
31400 Toulouse
Toulouse Trade and Companies Register: 542 080 791

We present herein the interim financial report covering the six-month period ended 30 June 2024, drawn up in compliance with the provisions of Article 4.2 of the Euronext Growth Markets Rule Book.

This report is distributed in compliance with the provisions of Article 4.1.4 of the Euronext Growth Markets Rule Book. It is also available on our company site - www.actia.com.

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1 CHAIRMAN'S STATEMENT

I hereby certify, to the best of my knowledge, that the condensed consolidated interim financial statements have been drawn up in compliance with the applicable accounting standards and give a true and fair view of the assets, financial health and results of all the companies included in the scope of consolidation and that the half-yearly management report in Section 2 "Half-yearly Management Report" gives a true and fair view of the important events that have occurred during the six months under review and of their effect on the interim accounts, the principal related party transactions, and a description of the principal risks and areas of uncertainty for the remaining six months of the financial year.

23 September 2024

Jean-Louis Pech
Chairman and CEO

2 HALF-YEARLY MANAGEMENT REPORT

2.1 Activity

2.1.1 Group

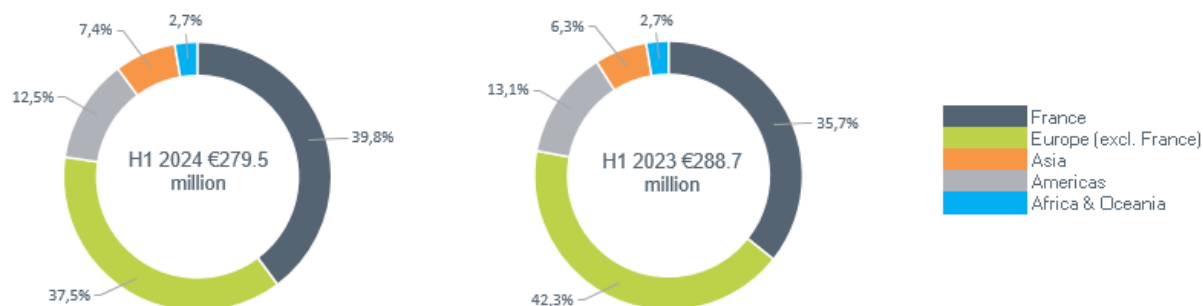
The Group's consolidated financial statements show turnover of €279.5 million for the first half of 2024, slightly down by 3.2%.

Consolidated turnover ⁽¹⁾ in M€, IFRS	2024	2023 ⁽²⁾	Variation (in M€ and as %)	
Q1	139.8	138.2	+1.5	+1.1%
of which total sales ⁽²⁾	151.6	145.5	+6.1	+4.2%
of which intra-group sales	-11.8	-7.3	+4.5	+62.4%
Q2	139.7	150.5	-10.8	-7.2%
of which total sales ⁽²⁾	150.2	157.6	-7.4	-4.7%
of which intra-group sales	-10.5	-7.1	+3.4	+47.7%
H1	279.5	288.7	-9.2	-3.2%
of which total sales ⁽²⁾	301.8	303.1	-1.3	-0.4%
of which intra-group sales	-22.3	-14.4	+7.9	+55.1%

(1) Consolidated turnover corresponds to sales from which intra-group invoices are deducted.

(2) The 2023 financial information has been restated on a quarterly basis to ensure comparability with the new divisional structure.

60.2% of consolidated turnover generated internationally.



2.1.2 Mobility Division

The Mobility Division designs and produces embedded equipment and systems to address the various challenges faced by terrestrial mobility in the areas of road and rail transport, the transportation of goods and people, and construction and agricultural machines. Smart and upgradeable technologies are integrated into the wide range of solutions and associated services in order to improve the user experience, encourage the energy transition and contribute to the sustainability of vehicles, while also accelerating progress towards new generations of vehicles (software-driven, electric and autonomous vehicles, etc.).

For the first half of 2024, the division's sales reached €238.3 million, down by 1.2% (-€2.9 million) and can be broken down as follows:

Mobility Division, Sales in €M	2024	2023(1)	Variation (in M€ and as %)	
Q1	122.8	115.2	+7.7	+6.6%
Q2	115.5	126.1	-10.6	-8.4%
H1	238.3	241.3	-2.9	-1.2%

2. Half-yearly management report

In €K	H1 2024	H1 2023	Variation in € thousand	% variation
Light vehicles	42,448	42,284	163	0.4%
HGVs	53,635	58,099	-4,464	-7.7%
Buses & Coaches	40,692	35,960	4,732	13.2%
Off highway ⁽¹⁾	34,389	47,793	-13,405	-28.0%
Rail	31,304	28,698	2,606	9.1%
Other	35,855	28,432	7,424	26.1%
Mobility Division	238,323	241,267	-2,944	-1.2%

(1) Off highway: agricultural machinery, construction machinery

Despite the positive contribution made to sales by new families of solutions, the current downturn in the sectors of plant for construction and agricultural vehicles (-28.0% vs. H1 2023), trucks (-7.7% vs. H1 2023) and light vehicles (+0.4% vs. H1 2023) was worse than at the beginning of the year. The Buses & Coaches and Rail sectors, which remained in line with the original forecasts made by customers, saw progress of +13.2% and +9.1%, respectively.

Across the period, higher sales in France (+9.1%) and China (+22.1%) partially offset the lower figures seen in the rest of Europe and the United States.

Against the backdrop of a worsened economic environment affecting short-term investments, commercial activity remained strong with large numbers of tenders. In particular, ACTIA won a major contract in the field of trucks for which production will start in 2028-2029. It is expected to produce annual revenues in the tens of millions of euros over a 5-year period, thanks to the success of a new family of solutions.

The division's EBITDA stood at €29.3 million compared to €14.3 million at 30 June 2023 (+€15.0 million). Despite the downturn in business, which affected its operating profit, the division benefited from the proceeds from the transfer of an ACTIA software solution for embedded vehicle systems, as part of the technological collaboration with Ampere, announced at the end of March 2024.

2.1.3 Aerospace Division

The Aerospace Division designs and produces embedded electronic systems for aeronautics and space, as well as complete and integrated solutions for satellite telecommunications.

Aerospace Division, Sales in €M	2024	2023(1)	Variation (in M€ and as %)	
Q1	13.2	15.2	-2.0	-13.3%
Q2	18.1	16.7	+1.5	+9.0%
H1	31.3	31.9	-0.5	-1.7%

The division generated sales of €31.3 million in the first half of 2024 (-1.7%). The usual seasonality of the SatCom business affected the start of the year with an unfavourable basis of comparison due to the Comcept programme shipments, which were completed in 2023, and the final shipments for an Egyptian programme that were extended over time. The division will also benefit from the integration of STEEL Electronique (an acquisition made in May 2024), which will further bolster its strategy in the field of space.

The division's EBITDA stood at €1.3 million compared to €1.9 million at 30 June 2023 (-€0.6 million).

2.1.4 Energy Division

The Energy Division develops, integrates and implements innovative solutions for the management, transportation and distribution of electricity for major players in the energy business.

Energy Division, Sales in €M	2024	2023(1)	Variation (in M€ and as %)	
Q1	6.0	7.7	-1.7	-22.1%
Q2	6.0	7.6	-1.6	-20.8%
H1	12.1	15.4	-3.3	-21.5%

2. Half-yearly management report

The division generated sales of €12.1 million in the first half of 2024. This decline in sales should be seen in light of the strong sales in the first half of 2023 and the slower than expected programme for the deployment of equipment for a customer in the field of network infrastructure in 2024.

The level of business in the second part of the year should make a return to growth possible, with a large number of tenders currently ongoing.

The division's EBITDA stood at €0.7 million compared to €2.1 million at 30 June 2023 (-€1.4 million).

2.1.5 Engineering Services Division

The Engineering Services Division designs and develops embedded products and systems, along with software services for the mobility and industrial sectors. This division includes technological collaborations in the field of vehicle embedded systems.

Engineering Division, Sales in €M	2024	2023(1)	Variation (in M€ and as %)	
Q1	8.7	6.9	1.8	+25.9%
Q2	9.7	6.8	2.9	+42.9%
H1	18.3	13.7	4.7	+34.4%

The division generated sales of €18.3 million in the first half of 2024, up 34.4%. This reflects the recognition of ACTIA's high level of expertise

The division's EBITDA stood at €4.1 million compared to €2.0 million at 30 June 2023 (+€2.1 million). Business growth requires the recruitment of qualified R&D staff.

2.2 Income

The consolidated results were as follows:

In €K	H1 2024	H1 2023	Variation in € thousand	% variation
Revenue	279,471	288,692	-9,221	-3.2%
Operating income	21,577	7,625	13,952	183.0%
Financial Result	-2,548	-1,491	-1,057	70.8%
Income from continuing operations	12,547	2,273	10,274	452.0%
Income from discontinued operations	0	-465	465	-100.0%
Income for the period	12,547	1,808	10,739	594.0%

In conjunction with the decline in business and the reduction in inventoried production, the **material consumption** rate stood at 51.8% compared to 55.4% at 30 June 2023. Purchases also benefited from the appreciation of the euro over the period, with the average US dollar exchange rate at 1.093 compared to 1.060 in the first half of 2023.

Personnel expenses increased to €83.2 million from €71.4 million at 30 June 2023 (+€11.8 million). This increase is due to the salary increases granted in 2023 to support employees in the face of inflation and the increase in the number of employees, which reached 4,210 compared to 3,953 at 30 June 2023 (+257 people). A large proportion of the new hires took place during the second half of 2023 (+139 people) and the integration of STEEL Electronique at the end of May 2024 (Aerospace division) also increased the workforce by 63 people. As a result of changes in our markets, recruitment to keep pace with requirements is now strictly controlled, bearing in mind that the end of tensions over supplies of electronic components has enabled our plants to return to an organisation that is better adapted to production volumes.

External expenses were kept under control at €36.2 million compared to €37.9 million at 30 June 2023 (-4.5%) mainly due to lower subcontracting and transport costs.

Provisions for depreciation remained stable at €13.4 million at 30 June 2024.

In a difficult environment, **R&D expenditure** was devoted to developments linked to commercial successes and reached €39.8 million in the first half of 2024, a decrease of €2.6 million compared to 30 June 2023. R&D expenditure corresponded to 14.2 % of turnover, compared to 14.7 % at 30 June 2023. The re-invoicing rate at 30 June is not representative, as this is an interim situation, and the capitalisation rate was stable at 15.9% of expenditure, compared to 16.8% at 30/06/23.

As a result, the Group's **current operating income** stood at €1.9 million, compared to €8.1 million at 30 June 2023 (-€6.2 million), reflecting the impact of the decline in sales from medium and large production runs (HGVs and off-highway) on the absorption of fixed costs.

The acquisition of STEEL Electronique at the end of May 2024 is therefore only included in the Group's accounts from 01/06/24 and does not have a material impact on the situation at 30 June.

The **operating profit** stood at €21.6 million, with the inclusion of the proceeds from the transfer of an ACTIA software solution for embedded vehicle systems, as part of the technological collaboration with Ampere, announced at the end of March 2024. At 30 June 2023, operating profit was €7.6 million.

EBITDA from continuing operations over the period stood at €35.2 million, compared to €20.7 million at 30 June 2023.

The **financial result** stood at -€2.5 million compared to -€1.5 million at 30 June 2023 (-€1.0 million). It includes interest charges of -€4.4 million, compared to -€3.5 million at 30 June 2023. Despite the reduction in debt, this represents an additional charge of €0.9 million, linked to the introduction of factoring solutions in the second half of 2023 and the rise in interest rates affecting the cost of short-term variable-rate financing and the new medium-term financing lines. In this way, the average interest rate of the debt stood at 4.00% compared to 2.97% at 30 June 2023.

Other financial income includes the €1.8 million change in the fair value of financial instruments at 30 June 2024, compared to €2.0 million for the same period last year.

After income tax of €6.5 million at 30 June 2024 compared to €3.9 million a year earlier, **income** for the period reached €12.5 million compared to €1.8 million at 30 June 2023 (+€10.7 million).

2.3 Net debt

ACTIA generated cash flow from operations of €19.4 million over the period, including a €3.7 million reduction in WCR, reflecting the action taken to continue reducing raw materials inventories (down €8.0 million compared to 31/12/23 and with the integration of STEEL Electronique, up €1.0 million), which had risen abnormally following component shortages (February 2021 - June 2023).

In addition, cash flow from investment activities was positive at €13.3 million, due partly to the proceeds from the transfer of an ACTIA software solution for embedded vehicle systems, as part of the technological collaboration with Ampere, and partly to the cash flow from STEEL Electronique, acquired in May 2024.

As a result, net debt stood at €176.9 million at 30 June 2024, compared to €187.9 million at 31 December 2023, down by €11.0 million (-5.9%).

2.4 Future prospects

The deteriorating economic context in the first part of this year affected several business sectors, with larger than expected declines for a number of customers, including in the field of specialist vehicles (plant for construction and agricultural equipment). It also affected new sectors such as manufacturers of light vehicles and trucks. The diversity of ACTIA's business and the start of production of new solutions have helped to limit the impact of the declines in orders seen over the year, but not enough to be able to reaffirm the objective of slight growth in 2024, the original forecast being +3 to 5%. To date, the outlook for our customers' business in the second half of the year has obliged the Group to revise its 2024 turnover target to between 0% and -5%.

The Group is also counting on uninterrupted supplies and the ongoing effectiveness of its initiatives to continue to improve its financial structure. The current year's partnerships and areas of strategic growth, particularly in the Aerospace and Engineering divisions, are expected to make a significant contribution to this.

2. Half-yearly management report

Despite the trend that is set to continue into 2025, ACTIA is maintaining its medium-term roadmap of €800 million in turnover by 2027, on the strength of contracts won in recent years and commercial successes in the first half of the year.

Consequently, the ACTIA Group Board of Directors approved the financial statements on 30 June 2024 according to the going concern principle.

2.5 Principal related party transactions

The principal transactions between related parties are described in Note 20 “Transactions with related parties” in the notes to the condensed consolidated interim financial statements at 30 June 2024.

3 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3.1 Condensed statement of the financial situation

Consolidated assets in €K	Notes	30/06/2024	31/12/2023
Goodwill	Note 4	27,324	24,148
Development costs	Note 5	52,211	51,849
Other intangible assets	Note 5	6,799	6,066
Total intangible assets	Note 4 and 5	86,334	82,063
Land	Note 6	3,168	2,778
Buildings	Note 6	35,207	32,751
Technical equipment	Note 6	13,670	14,912
Other tangible assets	Note 6	14,543	13,765
Total tangible assets	Note 6	66,589	64,207
Equity method investments		937	904
Other non-current financial assets		2,201	2,188
Deferred taxation	Note 11	12,111	15,428
Non-current tax credit		16,846	14,878
TOTAL NON-CURRENT ASSETS		185,017	179,668
Inventory and work-in-process	Note 7	192,521	200,261
Trade receivables	Note 8	161,499	154,368
Other current receivables	Note 8	29,347	23,824
Current tax credit	Note 8	9,300	12,679
Fair value of financial asset instruments	Note 10.2	688	0
Cash and cash equivalents	Note 10.1	43,967	43,577
TOTAL CURRENT ASSETS		437,321	434,710
Assets held for sale		0	0
TOTAL ASSETS		622,339	614,378

3. Condensed consolidated interim financial statements

Consolidated Equity Capital and Liabilities in €K	Notes	30/06/2024	31/12/2023
Capital	Note 13	15,075	15,075
Premiums	Note 13	17,561	17,561
Reserves	Note 13	105,956	102,715
Translation reserve	Note 13	<4,776>	<4,122>
Treasury shares	Note 13	<162>	<162>
Income for the period	Note 13	12,196	7,516
Group common shareholders' equity	Note 13	145,850	138,583
Non-controlling interests	Note 13	6,153	3,236
EQUITY	Note 13	152,003	141,819
Borrowings from credit institutions	Note 12	105,508	119,244
Debt / lease financing	Note 12	14,896	14,144
Other financial debt	Note 12	6,649	576
Total non-current debt	Note 12	127,053	133,964
Deferred tax liabilities	Note 11	580	291
Pension liabilities and other long-term benefits	Note 15	7,967	7,988
TOTAL NON-CURRENT LIABILITIES		135,600	142,243
Provisions	Note 14	6,204	6,024
Borrowings from credit institutions - current share	Note 12	41,484	46,460
Debt / lease financing - current share	Note 12	5,852	6,012
Other financial debt - current share	Note 12	2,443	234
Short-term bank borrowings	Note 12	44,025	44,794
Fair value of financial liability instruments	Note 10.2	0	1,091
Total current debt		93,804	98,591
Suppliers	Note 16	80,579	83,328
Other debt	Note 16	123,262	114,392
Corporate taxes (IS)	Note 16	3,809	2,078
Deferred income		27,078	25,902
TOTAL CURRENT LIABILITIES		334,736	330,315
Liabilities held for sale		0	0
TOTAL EQUITY AND LIABILITIES		622,339	614,378

3. Condensed consolidated interim financial statements

3.3 Condensed income statement

Consolidated income in €K	Notes	H1 2024	H1 2023
Revenue from ordinary activities (Turnover)	Note 17	279,471	288,692
- Materials and supplies		<144,305>	<163,975>
- Personnel expenses		<83,216>	<71,428>
- External expenses		<36,228>	<37,938>
- Taxes		<2,644>	<2,910>
- Provisions for depreciation	Note 17	<13,437>	<12,961>
+/- Changes in stocks of finished goods and work in progress		<660>	7,349
+/- Exchange gains / losses on operating activities		865	<980>
+ Research tax credit		2,059	2,296
Current operating income	Note 17	1,904	8,145
+ Other revenue and operating expenses	Note 1	19,673	<520>
- Impairment of goodwill	Note 4	0	0
Operating income	Note 17	21,577	7,625
+ Income from cash and cash equivalents		3	6
- Interest and financial costs	Note 17	<4,421>	<3,521>
+ Other financial income / (costs)		1,870	2,023
Financial Result	Note 19	<2,548>	<1,491>
+ Net income Group share equity method consolidated companies		59	48
+ Income tax	Note 17 and 18	<6,542>	<3,909>
Net income from continuing operations	Note 17	12,547	2,273
Net income from discontinued operations		0	<465>
Income for the period	Note 17	12,547	1,808
* attributable to Group shareholders			
Net income from continuing operations		12,196	1,854
Net income from discontinued operations		0	<465>
Net income for the period		12,196	1,388
* non-controlling interests			
Net income from continuing operations		351	419
Net income from discontinued operations		0	0
Net income for the period		351	419
Basic and diluted net earnings per share from continuing operations (in €) - Group share		0.61	0.09
Basic and diluted net earnings per share from discontinued operations (in €) - Group share		0.00	<0.02>
Basic and diluted earnings per share (in €) - Group share		0.61	0.07

3. Condensed consolidated interim financial statements

3.4 Condensed statement of comprehensive income

Statement of comprehensive income in € thousands	H1 2024	H1 2023
Income for the period	12,547	1,808
Items that will not be reclassified to profit or loss	187	<2>
Defined benefit pension plans – Actuarial differences	246	<5>
Deferred taxation on defined benefit pension plans – Actuarial differences	<59>	3
Items that may subsequently be reclassified to profit or loss	<662>	<1,135>
Cumulative translation differences	<662>	<1,135>
Other comprehensive income, net of tax	<476>	<1,136>
Comprehensive income for the period	12,071	672
Attributable:		
* to Group shareholders	11,721	199
* to non-controlling interests	350	472
Consolidated comprehensive income attributable to Group shareholders and coming from:		
* Continuing operations	11,721	665
* Discontinued operations	0	<465>
Consolidated comprehensive income attributable to non-controlling interests and coming from:		
* Continuing operations	350	472
* Discontinued operations	0	0

3. Condensed consolidated interim financial statements

3.5 Condensed 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 01/01/2023	15,075	<162>	17,561	105,368	<3,660>	134,181	1,582	135,763
Comprehensive income								
Consolidated income				1,388		1,388	419	1,808
Other comprehensive income				<6>	<1,183>	<1,189>	53	<1,136>
Comprehensive income for the period	0	0	0	1,382	<1,183>	199	472	672
Transactions with shareholders								
Distributions to shareholders				<2,414>		<2,414>	<209>	<2,623>
Changes in scope						0	1,205	1,205
Other				18		18	<4>	14
At 30/06/2023	15,075	<162>	17,561	104,354	<4,843>	131,984	3,046	135,030
At 01/01/2024	15,075	<162>	17,561	110,231	<4,122>	138,583	3,236	141,819
Comprehensive income								
Consolidated income				12,196		12,196	351	12,547
Other comprehensive income				179	<654>	<475>	<0>	<476>
Comprehensive income for the period	0	0	0	12,375	<654>	11,721	350	12,071
Transactions with shareholders								
Distributions to shareholders				<2,412>		<2,412>	<372>	<2,784>
Capital increases						0	9,200	9,200
Minority interests from business combinations				6,088		6,088	<6,088>	0
Cross call and put options of minority interests				<8,282>		<8,282>	0	<8,282>
Other				153		153	<175>	<22>
At 30/06/2024	15,075	<162>	17,561	118,153	<4,776>	145,850	6,153	152,003

3. Condensed consolidated interim financial statements

3.6 Condensed consolidated cash flow statement

Consolidated cash flow statement in € thousands	Notes	H1 2024	H1 2023
Income for the period	Note 3.2	12,547	1,808
<i>Adjustments for:</i>			
Depreciation and provisions		13,943	6,267
Profit / loss from disposal of assets		<19,942>	3,894
Interest charges	Note 3.2	4,421	3,521
Current tax charge (excl. research tax credit)		3,263	1,959
Changes to deferred taxation		3,279	1,690
Research tax credit		<2,059>	<2,296>
Other income / expense		<2,179>	<1,163>
Share of the profit / loss of associates	Note 3.2	<59>	<48>
Operating cash flow before changes to working capital requirements		13,212	15,633
Changes to working capital requirements related to the business		3,686	1,826
Income tax paid (excluding research tax credit)		<1,470>	<665>
Research tax credit collected		4,020	4,117
Net cash flow from operating activities		19,448	20,910
Of which Cash flow from discontinued operating activities		0	<36>
Capital purchases		<10,521>	<10,888>
Dividends received from associates		27	90
Income from disposal of assets	Note 1	20,012	50
Changes in loans and advances		91	156
Cash flow from changes in scope	Note 4	3,698	<5,195>
Net cash flow from investing activities		13,306	<15,787>
Of which Cash flow from discontinued investment activities		0	<4,913>
Dividends paid to the owners of the parent company		<2,412>	<2,413>
Dividends paid to non-controlling interests in consolidated companies		<372>	0
New borrowings	Note 12	1,665	1,729
Repayment of borrowings	Note 12	<22,492>	<24,196>
Lease repayment	Note 12	<3,446>	<3,120>
Interest paid		<4,421>	<3,521>
Net cash flow from financing activities		<31,477>	<31,522>
Of which Cash flow from discontinued financing activities		0	0
Effect of exchange rate changes		<119>	<263>
Cash and cash equivalents - opening balance	Note 10.1	<1,217>	7,058
Cash and cash equivalents - closing balance	Note 10.1	<58>	<19,604>
Changes in cash and cash equivalents		1,159	<26,662>

3.7 Notes to the condensed consolidated interim 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 condensed consolidated financial statements include the Company and its subsidiaries (jointly referred to as the "Group"). The principal business areas of the Group are high-added-value, on-board electronic systems for the automotive and telecommunications markets.

The condensed consolidated financial statements at 30 June 2024 were approved by the Board of Directors on 23 September 2024.

The condensed consolidated financial statements at 30 June 2024 were subject to a limited review by the statutory auditors.

Significant events of the period

At the end of March 2024, ACTIA and Ampere, the Renault Group entity dedicated to electric vehicles and software, signed an agreement providing for the sharing of expertise in the context of an ACTIA software solution, as part of their technical collaboration in vehicle embedded systems. This agreement yielded income of €20 million recognised under "Other revenue and operating expenses".

On 23 May 2024, the Group completed its merger with STEEL Electronique by paying €2.3 million and through a share swap transaction for the remaining shares to be acquired. As a result, ACTIA Aerospace holds 100% of STEEL Electronique's shares and DIADEM Industries (former shareholder of STEEL Electronique) holds 15% of ACTIA Aerospace's capital. This acquisition gave rise to the provisional goodwill of €3.1 million (Note 4).

The parties have also signed cross put and call option contracts for ACTIA Group's potential buyback of the ACTIA Aerospace shares currently held by DIADEM Industries. The current value of this buyback undertaking has been recognised under Other financial debt with a corresponding entry to shareholders' equity for the amount of €8.3 million.

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 condensed consolidated half-yearly financial statements are drawn up in accordance with the IAS 34 standard, *Interim financial reporting*. They do not include all the information required for the annual financial statements and should be read in conjunction with the Group's financial statements for the financial period ended 31 December 2023, presented in the 2023 Annual Report.

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 principal line items in the balance sheet that are affected by these estimates are deferred tax (see Note 11, "Deferred taxation"), goodwill (see Note 4 "Goodwill"), capitalised development costs (see Note 5 "Intangible assets"), and provisions (see Note 14, "Provisions").

3. Condensed consolidated interim financial statements

Note 2.3 Changes to IFRS

The new IAS/IFRS texts and interpretations that became effective on 1 January 2024 and have been applied by the Group when preparing these consolidated financial statements at 30 June 2024 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
Amendments to IAS 7 – Cash Flow Statements and IFRS 7 – Financial Instruments: Disclosure: supplier financing agreements	01/01/2024	15/05/2024	01/01/2024

The application of these texts had no impact on the Group's consolidated financial statements.

New standards, interpretations and amendments to IFRS standards published and applied early by the Group as of 1 January 2024: none.

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
Amendment to IAS 21 "The Effects of Changes in Foreign Exchange Rates" - Lack of Exchangeability.	01/01/2025	Not yet announced	Not yet announced
Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	01/01/2026	Not yet announced	Not yet announced
IFRS 18 "Presentation and Disclosure in Financial Statements".	01/01/2027	Not yet announced	Not yet announced
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	01/01/2027	Not yet announced	Not yet announced

Note 3. Consolidated companies

As presented in Note 1 "Information about the Group – Entity presenting the financial statements", STEEL Electronique has entered the scope of consolidation and is fully consolidated.

Note 4. Goodwill

In €K	Country	Net balance sheet amounts at 30/06/2024	Net balance sheet amounts at 31/12/2023
ACTIA Corp.	USA	7,501	7,501
ACTIA Aerospace	France	6,850	6,850
STEEL Electronique	France	3,176	0
ACTIA Energy	France	3,174	3,174
ACTIA Telematics Services	Belgium	2,480	2,480
ACTIA Railway	France	1,391	1,391
ACTIA Nordic	Sweden	1,351	1,351
CIPI ACTIA	Tunisia	922	922
ACTIA PCs	France	390	390
SODIMOB	France	88	88
Total		27,324	24,148

The entry of STEEL Electronique into the scope of consolidation resulted in the recognition of provisional goodwill of €3.1 million, calculated as follows:

In €K	Fair values
Total non-current assets	2,808
Total current assets	10,784
Total non-current debt	1,930
Total current debt	3,339
Total fair value of net assets acquired	8,324
Cost of securities	11,500
Goodwill	3,176

The impact of the acquisition of STEEL Electronique on the condensed consolidated cash flow statement (Note 3.6) is shown on the line "Cash flow from changes in scope". The breakdown of this line is presented below:

In €K	Amount
Cost of securities	11,500
* Of which cash disbursed (A)	2,300
Net cash flow acquired from STEEL Electronique (B)	5,997
Cash flow on acquisition of STEEL Electronique (B) - (A)	3,698

Impairment tests are conducted each year at closing on 31 December, or in the event of indications of loss of value (quantified and/or non-quantified indicators).

Tests were carried out on ACTIA Nordic and ACTIA Telematics Services at 30 June 2024. They have not given rise to any impairment.

3. Condensed consolidated interim financial statements

Note 5. Intangible assets

During the first half of 2024, capitalised development costs amounted to €6.3 million compared to €6.4 million for the same period of 2023.

Details of acquisitions of intangible assets are given in the following table:

In €K	30/06/2024	30/06/2023
Development costs		
Mobility Division	4,828	5,427
Aerospace Division	88	10
Energy Division	1,430	995
Total	6,347	6,431
Other intangible assets		
Mobility Division	197	837
Aerospace Division	1,079	1
Energy Division	18	0
Engineering Division	23	87
Total	1,317	924

Note 6. Tangible assets

During the first half of 2024, acquisitions of tangible assets amounted to €7.3 million (compared to €4.6 million for the first half of 2023); all were acquired from outside suppliers.

Details of these acquisitions are given in the following table:

In €K	30/06/2024	30/06/2023
Land		
Mobility Division	0	0
Aerospace Division	0	0
Energy Division	0	0
Engineering Division	300	0
Sub-total	300	0
Buildings		
Mobility Division	2,652	1,254
Aerospace Division	167	37
Energy Division	37	4
Engineering Division	16	0
Other (incl. Holding company)	224	3
Sub-total	3,095	1,297
Technical equipment		
Mobility Division	833	704
Aerospace Division	112	0
Energy Division	7	0
Engineering Division	52	46
Sub-total	1,004	750
Other tangible assets		
Mobility Division	1,494	1,407
Aerospace Division	98	500
Energy Division	10	26
Engineering Division	1,278	590
Other (incl. Holding company)	0	0
Sub-total	2,880	2,523
Total	7,278	4,570

Note 7. Stocks and work in progress

The net realisable value of stocks was as follows:

In €K	30/06/2024	31/12/2023	30/06/2023
Raw materials	86,805	94,847	111,015
R&D costs pursuant to the execution of contracts	43,012	43,694	44,406
Intermediate and finished products	48,214	46,198	42,654
Goods	14,489	15,522	9,557
Total	192,521	200,261	207,632

During the first half of 2024, stocks fell overall by €7.7 million (compared to a drop of €3.1 million in the first half of 2023).

Pledged inventories are set out in § Note 21 “Off-balance-sheet commitments and encumbered assets”.

Note 8. Trade receivables, Other current receivables and Current tax credit

The details of trade receivables are given in the following table:

In €K	Net value at 31/12/2023	Changes over the period	Depreciation / reversals	Changes in scope	Effect of exchange rates	IFRS 5	Net value at 30/06/2024
Trade receivables	154,368	5,782	<196>	1,670	<126>	0	161,499

Receivables assignment programmes are in place within the Group (reverse factoring and non-recourse factoring) at ACTIA Automotive, ACTIA Aerospace, ACTIA Railway, ACTIA Energy, ACTIA Italia, ACTIA Nordic, ACTIA Systems and ACTIA do Brasil.

The Group analysed the main characteristics of these programmes and with regard to derecognised receivables, the Group concluded that almost all the risks and rewards associated with the assigned receivables have been transferred to the assignees.

The total amount used by the Group (reverse factoring and factoring) was €42.2 million, including €35.6 million in derecognised non-recourse factoring, €2.4 million in non-derecognised non-recourse factoring and €4.1 million in derecognised reverse factoring at 30 June 2024.

At 31 December 2023, the total amount used was €48.5 million, including €35.9 million in derecognised non-recourse factoring, €4.1 million in non-derecognised non-recourse factoring, and €8.5 million in derecognised reverse factoring.

At 30 June 2024, 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 30/06/2024	130,565	15,378	5,840	2,187	12,644	166,614
Gross at 31/12/2023	128,916	9,851	5,092	3,747	11,683	159,288

No significant uncollectable debt was recognised at 30 June 2024 or at 30 June 2023.

The details of other current receivables and tax credit are given in the following table:

In €K	Net value at 31/12/2023	Changes over the period	Depreciation / reversals	Changes in scope	Effect of exchange rates	IFRS 5	Net value at 30/06/2024
Other current receivables	23,824	5,543	<32>	128	<118>	0	29,347
Current tax credit	12,679	<3,672>	0	334	<41>	0	9,300

3. Condensed consolidated interim financial statements

Note 9. Order book

The Group applies IFRS 15 “Revenue from contracts with customers”, which introduces the notion of a financial order book (“revenue still to be recognised for service obligations that are either as yet unexecuted or partially executed at the date of closing”).

Therefore, the total order book for the Group stood at €428,361,000 at 30 June 2024, of which 79.9% was expected to generate revenues within one year.

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	30/06/2024	30/06/2023
Order book	428,361	444,031

Note 10. Cash, cash equivalents and financial instruments at fair value through profit and loss

Note 10.1 Cash and cash equivalents

These changed as follows:

In €K	30/06/2024	31/12/2023	Change
Cash equivalents	90	92	<1>
Cash	43,876	43,486	390
Cash and cash equivalents	43,967	43,577	389
<Short-term bank borrowings>	<44,025>	<44,794>	769
Total	<58>	<1,217>	1,159

Cash and cash equivalents - closing balance presented in the Cash flow statement	<58>	<1,217>	1,159
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Short-term bank borrowings are included in “Short-term debt” under Current liabilities.

Marketable securities are recognised at their market value on the date of closing. The impact on income for the period is as follows:

In €K	Fair value at 30/06/2024	Fair value at 31/12/2023	Impact
Marketable securities	90	92	<1>

Note 10.2 Financial instruments at fair value through profit and loss

These include:

- ❖ Interest rate hedging instruments

ACTIA no longer has any interest rate hedging instruments;

- ❖ Currency hedging instruments

At 30 June 2024, ACTIA Automotive and ACTIA Systems held currency hedging contracts. Details of these hedges are given in the following table:

3. Condensed consolidated interim financial statements

In currency	Maximum amount remaining to be acquired at 30/06/2024	Maturity
Currency purchases		
Futures contract EUR / USD	\$3,300,000	< 1 year
EUR/USD Accumulator	\$98,157,183	< 1 year
EUR/USD Accumulator	\$50,699,355	< 2 years
Total	\$152,156,538	

The Group recognises these currency hedging instruments at fair value through profit and loss. They are presented in the “Financial result” on the “Other revenue and operating expenses” line of the Condensed income statement.

The impact of this treatment on the financial statements is shown in the following table:

In €K	30/06/2024		31/12/2023		30/06/2023	
	Fair value	Impact	Fair value	Impact	Fair value	Impact
ASSET / <LIABILITY> Derivatives						
EUR/USD Hedges	688	1,779	<1,091>	2,078	<1,187>	1,982
Total	688	1,779	<1,091>	2,078	<1,187>	1,982

Note 11. Deferred taxation

In €K	30/06/2024	31/12/2023
Tax assets recognised under:		
Timing differences	4,596	4,731
<i>Of which provision for pension benefits</i>	1,421	1,426
<i>Of which profits on stocks</i>	610	644
<i>Of which other adjustments</i>	2,566	2,661
Losses carried forward	7,514	10,697
Net total tax assets	12,111	15,428
Tax liabilities recognised under:		
Deferred tax liabilities	580	291
Net total tax liabilities	580	291
Net total deferred tax assets and liabilities	11,531	15,137

Note 12. Financial debt

Financial debt by type and by maturity breaks down as follows:

In €K	30/06/2024				31/12/2023			
	< 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	1,667	18,000	24,250
Borrowings from credit institutions	36,901	79,806	6,036	122,743	41,876	93,088	6,489	141,454
Other financial debt	2,443	6,572	77	9,092	234	499	77	810
Debt – lease financing	5,852	12,474	2,422	20,748	6,012	11,530	2,614	20,156
Short-term bank borrowings and overdrafts	44,025			44,025	44,794			44,794
Total	93,804	100,518	26,535	220,857	97,499	106,784	27,180	231,463

During the first half 2024, financial debt changed as follows:

In €K	01/01/2024	Monetary changes		Non-monetary changes					30/06/2024
		New borrowings	Repayment of borrowings	Changes in scope	IFRS 16	Change in fair value	Cumulative translation differences	Other	
Bond issues	24,250		0						24,250
Borrowings from credit institutions	141,454	1,665	<22,378>	1,963			0	39	122,743
Other financial debt ⁽¹⁾	810		0			0		8,282	9,092
Debt – lease financing	20,156		<3,446>		4,109		<71>		20,748
Short-term bank borrowings and overdrafts	44,794		<762>				<8>	0	44,025
Total	231,463	1,665	<26,586>	1,963	4,109	0	<79>	8,321	220,857

⁽¹⁾ As part of the acquisition of STEEL Electronique, the Group and DIADEM Industries (former shareholder of STEEL Electronique) signed promissory purchase and sale agreements aimed at providing a framework for the purchase of minority interests in ACTIA Aerospace.

The Group recognised €8,282,000 of these purchase options under “Other financial debt”, with a corresponding reduction in shareholders’ equity.

At 30 June 2024, the schedule for financial debt, including interest not yet accrued, breaks down as follows:

In €K	< 1 year		From 1 to 5 years		> 5 years		Total		
	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	36,901	2,159	79,806	3,980	6,036	180	122,743	6,319	129,062
Other financial debt	2,443	-	6,572	-	77	-	9,092	0	9,092
Debt – lease financing	5,852	121	12,474	258	2,422	50	20,748	429	21,177
Short-term bank borrowings and overdrafts	44,025	1,703	-	-	-	-	44,025	1,703	45,727
Total	93,804	5,173	100,518	8,286	26,535	1,220	220,857	14,678	235,536

Financial debt by currency breaks down as follows:

In €K	EUR	USD	Other	Total
Bond issues	24,250	0	0	24,250
Borrowings from credit institutions	122,743	0	0	122,743
Other financial debt	9,092	0	0	9,092
Debt – lease financing	12,871	29	7,849	20,748
Short-term bank borrowings and overdrafts	42,144	603	1,277	44,025
Total	211,099	632	9,126	220,857

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The breakdown between fixed and variable rate debt was as follows:

In €K	30/06/2024			31/12/2023		
	Fixed rate	Variable rate	Total	Fixed rate	Variable rate	Total
Bond issues	24,250		24,250	24,250		24,250
Borrowings from credit institutions	122,522	221	122,743	140,730	723	141,454
Other financial debt	9,092		9,092	810		810
Debt – lease financing	20,375	373	20,748	19,853	303	20,156
Short-term bank borrowings and overdrafts	4,152	39,872	44,025	4,890	39,904	44,794
Total	180,391	40,466	220,857	190,533	40,930	231,463
Percentage breakdown	81.7%	18.3%	100.0%	82.3%	17.7%	100.0%

All covenants on borrowings and bank credits must be checked on an annual basis at year end (31 December), with the exception of one covenant on borrowing which is subject to an additional review at 30 June each year.

Debt subject to a covenant				Covenant / Restrictive clause			Respected (3)		Consequence of non-compliance with covenants: reclassification under current borrowings (4)	
Level (1)	Year of inception	Balance at 30/06/2024 (€K)	Final maturity	Ratios	Basis of calculation (2)	At end 2023	At 30 June 2024	At end 2023	At 30 June 2024	
Borrowing										
L	2017	3,750	Nov 2024	Net debt to EBITDA < 4.0	CA AG	B	N/A	0	0	
L	2017	2,500	Nov 2026	Net debt to EBITDA < 4.0	CA AG	B	N/A	0	0	
L	2019	270	Feb 2025	Net debt to equity ≤ 1.20	CA AG	B	N/A	0	0	
				Net debt to EBITDA ≤ 4.00	CA AG	B	N/A			
L	2019	278	May 2025	Net debt to equity ≤ 1.20	CA AG	B	N/A	0	0	
				Net financial expense to EBITDA < 30%	CA AG	R	N/A			
				Net debt to EBITDA ≤ 4.50	CA AG	R	N/A			
L	2019	278	May 2025	Net debt to equity ≤ 1.20	CA AG	B	N/A	0	0	
				Net financial expense to EBITDA < 30%	CA AG	R	N/A			
				Net debt to EBITDA ≤ 4.50	CA AG	R	N/A			
L	2020	152	Jan 2026	Net debt to equity ≤ 1.20	CA AG	B	N/A	0	0	
				Net financial expense to EBITDA < 30%	CA AG	R	N/A			
				Net debt to EBITDA ≤ 4.50	CA AG	R	N/A			
L	2020	152	Dec. 2025	Net debt to equity ≤ 1.20	CA AG	B	N/A	0	0	
				Net financial expense to EBITDA < 30%	CA AG	R	N/A			
				Net debt to EBITDA ≤ 4.50	CA AG	R	N/A			
L	2022	1,698	August 2027	Net debt to EBITDA < 4.50	CA AG	R	N/A	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	340	August 2027	Net debt to EBITDA < 4.50	CA AG	R	N/A	0	0	
L	2023	2,592	Sept. 2028	Net debt to EBITDA ≤ 4.50	CA AG	R	N/A	0	0	
L	2023	1,817	Dec. 2028	Net debt to equity ≤ 1.20	CA AG	B	N/A	0	0	
				Net debt to EBITDA ≤ 4.50	CA AG	R	N/A			
Total		31,828						0	0	

(1) L = Loan O = Overdraft

(2) CA AG = Consolidated Financial Statements - ACTIA Group

(3) R = Respected B = Breached NA = Not Applicable

(4) Long-term portion of debt reclassified under "Current financial debt"

At 31 December 2023, by keeping banking partners regularly up to date, we were able to have these covenants suspended on that date.

The guarantees given for borrowings and financial debts are listed in Note 21 "Off-balance-sheet commitments and encumbered assets".

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.

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Note 13. Equity

The breakdown of the changes in numbers of shares over the period is as follows:

In units	31/12/2023	Capital increase	30/06/2024
ACTIA Group shares - ISIN FR 0000076655	20,099,941	None	20,099,941

Note 14. Provisions

There has been no material change to the type or amount of provisions since 31 December 2023.

Note 15. Personnel benefits

During the first half 2024, provisions for pension and other long-term benefits fell by €21 thousand to €7,967 thousand at 30 June 2024. The actuarial difference recognised under Other Comprehensive Income corresponds to a decrease in provision: <€246 thousand>. The assumptions underlying the calculation at 30 June 2024 changed as follows:

- ❖ Discount rate of 3.60% (3.20% at 31/12/23) for the French companies, 9.98% (9.40% at 31/12/23) for the Tunisian companies.

The other assumptions underlying the calculation did not change. They may be adjusted on the basis of internal analyses of the payroll.

Note 16. Trade payables, Other current liabilities, Corporate taxes (IS)

Details of Trade payables, Other current liabilities and Corporate taxes (IS) are given below:

In €K	Net value at 31/12/2023	Changes over the period	IFRS 5	Effect of exchange rates	Changes in scope	Net value at 30/06/2024
Suppliers of goods and services	83,328	<3,303>	0	<559>	1,112	80,579

In €K	Net value at 31/12/2023	Changes over the period	IFRS 5	Effect of exchange rates	Changes in scope	Net value at 30/06/2024
Other operating debt	114,392	7,800	0	<114>	1,184	123,262
Corporate taxes (IS)	2,078	1,740	0	<10>	0	3,809

Note 17. Operating segments

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 the Group, the Chairman of the Board of Directors and CEO is the chief operating decision maker.

From 30 June 2024, the Group has segmented its activities into 4 Divisions (Mobility, Energy, Aerospace, Engineering Services) to offer a clearer picture and improved visibility. The types of activities conducted by each of the segments presented may be summarised as follows:

- ❖ The **Mobility** Division designs and produces embedded equipment and systems to address the various challenges faced by terrestrial mobility in the areas of road and rail transport, the transportation of goods and people, and construction and agricultural machines. Smart and upgradeable technologies are integrated into the wide range of solutions and associated services in order to improve the user experience, encourage the energy transition and contribute to the sustainability of vehicles, while also accelerating progress towards new generations of vehicles (software-driven, electric and autonomous vehicles, etc.).
- ❖ The **Aerospace** Division designs and produces embedded electronic systems for aeronautics and space, as well as complete and integrated solutions for satellite telecommunications.

3. Condensed consolidated interim financial statements

- ❖ The **Energy** Division develops, integrates and implements innovative solutions for the management, transportation and distribution of electricity for major players in the energy business.
- ❖ The **Engineering Services** Division designs and develops embedded products and systems, along with software services for the mobility and industrial sectors.

In addition to these 4 operational divisions, there is also:

- ❖ An “Others” heading that includes the holding company ACTIA Group S.A. and the SCI Les Coteaux de Pouvoirville property management company (both accounted for by the equity method).

During the first half of 2024, the key indicators by operating segment were as follows:

In €K	30/06/2024						Total
	Mobility Division	Aerospace Division	Energy Division	Engineering Services Division	Other Division	Inter-segments (*)	
Revenue	238,323	31,325	12,057	18,345	1,736	<22,315>	279,471
Provisions for depreciation	<11,049>	<745>	<1,042>	<545>	<57>	0	<13,437>
Current operating income	<905>	753	<100>	3,579	<1,119>	<303>	1,904
Impairment of goodwill	0	0	0	0	0	0	0
Operating income	18,706	633	<166>	3,579	<1,150>	<25>	21,577
Interest and financial costs	<3,819>	<552>	<239>	<40>	<837>	1,065	<4,421>
Financial instruments	1,779	0	0	0	0	0	1,779
Income tax	<3,849>	62	23	<542>	<2,236>	0	<6,542>
Net income for the period	13,020	170	<394>	2,991	<3,241>	0	12,547
EBITDA from continuing operations	29,277	1,253	694	4,109	<165>	0	35,168
TOTAL SEGMENT ASSETS	426,884	140,920	52,979	22,035	40,517	<60,995>	622,339
INVESTMENTS							
Intangible	5,025	1,167	1,448	23	0	0	7,664
Tangible	4,979	376	54	1,646	224	0	7,278
Financial	<174>	<0>	0	83	100	0	9
TOTAL INVESTMENTS	9,830	1,543	1,501	1,752	324	0	14,951
TOTAL SEGMENT LIABILITIES	309,834	123,517	32,682	15,377	49,921	<60,995>	470,336

(*) Of which €13,658 thousand in inter-segment revenue for the Mobility division.

The information at 30 June 2023 has been restated as per the new segmentation of activities:

In €K	30/06/2023						Total
	Mobility Division	Aerospace Division	Energy Division	Engineering Services Division	Other Division	Inter-segments (*)	
Revenue	241,267	31,852	15,350	13,653	955	<14,385>	288,692
Provisions for depreciation	<11,151>	<512>	<836>	<436>	<25>	0	<12,961>
Current operating income	4,626	2,048	1,319	1,596	<782>	<662>	8,145
Impairment of goodwill	0	0	0	0	0	0	0
Operating income	4,150	1,339	1,281	1,599	<803>	59	7,625
Interest and financial costs	<3,490>	<442>	<1>	<47>	<783>	1,242	<3,521>
Financial instruments	1,982	0	0	0	0	0	1,982
Income tax	<2,643>	<501>	<9>	<237>	<519>	0	<3,909>
Net income from continuing operations	209	398	1,257	1,311	<903>	0	2,273
Net income from discontinued operations	0	0	0	0	<465>	0	<465>
Net income for the period	209	398	1,257	1,311	<1,368>	0	1,808
EBITDA from continuing operations	14,318	1,853	2,104	2,023	384	0	20,682
TOTAL SEGMENT ASSETS	483,467	75,981	47,415	15,120	48,732	<63,919>	606,795
INVESTMENTS							
Intangible	6,263	10	995	87	0	0	7,355
Tangible	4,075	81	605	636	28	0	5,425
Financial	<164>	9	0	0	<1>	0	<156>
TOTAL INVESTMENTS	10,175	100	1,599	722	27	0	12,624
TOTAL SEGMENT LIABILITIES	384,098	67,541	27,384	11,634	45,028	<63,919>	471,766

(*) Of which €7,003 thousand in inter-segment revenue for the Mobility division.

3. Condensed consolidated interim financial statements

Note 18. Income taxes

The details of the Group's income taxes are as follows:

In €K	H1 2024	H1 2023
Income from consolidated companies	12,487	1,760
Current taxation <debit>	3,263	1,959
Deferred taxation <credit>	3,280	1,950
<i>Of which</i>		
<i>Deferred taxation on temporary differences</i>	3,279	1,950
<i>Deferred taxation on changes in tax rates</i>	1	0
Income from consolidated companies before tax	19,029	5,669

Note 19. Financial Result

There has been no material change to the type of financial result since 31 December 2023.

The impact of financial instruments at fair value through profit and loss is given in Note 10.2.

Note 20. Transactions with related parties

The details of transactions with parties related to the Group that occurred during the first half 2024 are presented below.

Note 20.1 With the holding company: LP2C S.A.

There has been no material change to the type or amount of transactions with LP2C S.A. since 31 December 2023.

Note 20.2 With investments consolidated by the equity method

There has been no material change to the type or amount of transactions with SCI Los Olivos and SCI Pouvourville since 31 December 2023.

Note 20.3 With subsidiaries

These are the companies included in the scope of consolidation of the Group (see Note 3 - Notes to the consolidated financial statements of the 2023 Annual Report).

Note 20.4 With members of management bodies

This is the compensation paid to individuals who are **corporate officers of ACTIA Group S.A.** :

- ❖ By ACTIA Group: Chairman and CEO and Directors;
- ❖ By LP2C, controlling company: Chairman and CEO and the Deputy CEOs
- ❖ By the controlled companies, subsidiaries of ACTIA Group: Chairman and CEO.

There has been no material change to the compensation and benefits principles.

Note 21. Off-balance sheet commitments and encumbered assets

The off-balance sheet commitments break down as follows:

In €K	30/06/2024	31/12/2023
Commitments received		
Bank guarantees	16,409	15,989
Total commitments received	16,409	15,989

The above information does not include:

- ❖ Lease financing balances that are covered under Note 12 “Financial debt”,
- ❖ Lease financing commitments and operating leases,
- ❖ Interest on borrowings that are covered under Note 12 “Financial debt”,
- ❖ Foreign currency term sales commitments that are covered under Note 10.2 “Financial instruments at fair value through profit and loss”.

Encumbered assets corresponds to assets serving as security against debts recognised under liabilities. They break down as follows:

In €K	30/06/2024	31/12/2023
	Total	Total
Interests in consolidated companies (*)	0	3,607
<i>Secured debt balance</i>	0	257
Pledged trade receivables	2,371	0
Pledged CIR	9,746	13,213
Non-possessory pledge of stocks	3,600	4,000
Pledged equipment	1,712	1,874
Mortgages/Security (land & buildings)	12,860	12,505
Total	30,290	35,198

(*) Book value of pledged securities

Note 22. 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.

The principal risks to which Group is exposed have been identified and are described in the 2023 Annual Report (Chapter 5).

The most relevant and material risk factors identified at the date of publication of this Half-yearly Report are presented in this section.

Other than the risks presented below, the Group considers that there are no other significant risks.

Note 22.1 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 rapid response if necessary.

A detailed study of financial debt, the cash position, net debt and debt including interest is provided under Note 12 “Financial debt”.

Generally, the half-yearly accounts do not allow for the presentation of the medium-term financing required for investments in R&D for the year because these will be put in place mainly during the second half year, since the ACTIA file is processed after publication of the annual accounts.

In 2024, the various partners had been contacted, but the processing times did not allow us to record the first financing agreements at 30 June. As this document went to press, we had received some initial favourable responses.

3. Condensed consolidated interim financial statements

For the Group, an entity's risk of experiencing difficulties in honouring its financial liabilities 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 future cash needs. The parent company only intervenes in the event of difficulties. Cash is generated mainly by the business and sometimes by bank borrowings obtained 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.

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.

Note 22.2 Market risks

❖ Interest rate risk

Interest rate fluctuations pose a risk for the Group that could have an impact on its financial costs.

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.

Short-term financing, especially mobilisation of trade receivables, is through variable rate loans, while medium-term financing is either based on a fixed or variable rate, in order to control the debt burden. Depending on the decisions made, the Group may be required to set up interest rate hedging tools.

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	30/06/2024	
	Impact on pre-tax income	Impact on pre-tax equity
Impact of a variance of + 1% in interest rates	<405>	<405>
Impact of a variance of - 1% in interest rates	405	405

❖ 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.

For transactions conducted in foreign currencies such as purchases or sales in US dollars (USD) or Japanese yen (JPY) by entities in the Euro zone, the companies concerned manage their foreign exchange risk independently, putting in place currency hedging tools if necessary when the volumes involved allow for it.

At 30 June 2024, ACTIA Automotive and ACTIA Systems held foreign exchange hedging contracts, the details of which are given in Note 10.2 "Financial instruments at fair value through profit and loss".

The Group was thus able to purchase dollars at an average rate over the period of 1.0933 as compared to 1.0597 for the first half of 2023. The average rate observed on the financial markets was 1.0813 during the first half of 2024.

It should be noted that the amount of US dollars purchased fell by €13.9 million in line with the decline in sales. This is also the outcome of the action taken at the end of 2022 / beginning of 2023 with a number of major accounts for partial payment in foreign currencies, which enabled us to generate better natural hedging, which is coming into full effect in 2024.

Note 23. Post-balance sheet events

None

4 STATUTORY AUDITORS' REPORT

Actia Group S.A.

5, rue Jorge Semprun - 31400 Toulouse

Limited review report of the statutory auditors on the condensed consolidated interim financial statements

Period from 1 January 2024 to 30 June 2024

Chairman and Chief Executive Officer of ACTIA Group S.A.,

In our capacity as Statutory Auditors of ACTIA Group S.A., and in response to your request at the time of publication of the half-yearly financial report, we have conducted a review of the condensed consolidated interim financial statements of ACTIA Group S.A. for the period 1 January 2024 - 30 June 2024 (hereinafter, the "financial statements"), as appended to this report.

These "financial statements" were compiled under the responsibility of the Board of Directors. Our role, on the basis of our limited review, is to express our opinion on these financial statements.

We conducted our limited review according to the generally accepted professional standards in France and the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this assignment. A limited review primarily involves discussions with the members of management in charge of accounting and financial matters and the application of analytical procedures. The scope of this review is less extensive than that required for an audit conducted in accordance with generally accepted professional standards in France. Consequently, the assurance that the accounts, taken as a whole, are free of material misstatements, obtained within the framework of a limited review, is only a moderate assurance, with less weight than that obtained within the framework of a full audit.

On the basis of our limited review, we have noted no material misstatements leading us to believe that these financial statements do not comply with the requirements of standard IAS 34 – an IFRS accounting standard adopted by the European Union regarding interim financial information.

This report is governed by the laws of France. The French courts have sole jurisdiction to judge any dispute, complaint or disagreement arising from our letter of engagement or this report, or any other question related thereto. Each party irrevocably waives its right to oppose proceedings brought before these courts and to claim that the proceedings have been brought before an incompetent court, or that said courts do not have jurisdiction.

Labège, 23 September 2024

Paris, 23 September 2024

KPMG S.A.KPMG S.A.

BM&A

BM&A

Guillaume Salommez
Partner

Eric Seyvos
Partner

Céline Claro
Partner