

2024 HALF-YEAR FINANCIAL REPORT

including

- 2024 half-year activity report
- Condensed consolidated financial statements at 30 June 2024
- Statutory Auditors' report on the half-year financial information for 2024
- Statement by the person responsible for the 2024 half-year financial report



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2024 HALF-YEAR ACTIVITY REPORT

The half-year activity report consists of an excerpt from the press release issued by the Company and commenting on the activity and figures for the half-year as well as the outlook.

Excerpt from the press release issued on 25 September 2024

2024 half-year results: current EBITDA of 19% and strong improvement in operating cash generation

Key items of the first half of 2024

- **Strong commercial momentum:** +16% order intake and a €60 million contract signed in early July
- **Revenue up by 5% and current EBITDA margin of 19%**
- **Strong improvement in operating cash flow**
- Strong revenue growth target for the third quarter of 2024
- Prospects for a strong level of activity in the second half of 2024 on all indicators

EXAIL TECHNOLOGIES performed well in the first half of 2024 given the announced stability of the Maritime Robotics business. The order intake continued to grow, with growth of 16%. This good commercial momentum is continuing in the second half of the year, with, in July, the largest robot order in the Group's history for €60 million. It marks the change in scale of the activity which shifts to the level of industrial production. The Group's activity remains largely driven by exports, which account for nearly 90% of the Company's orders.⁽¹⁾

The first half was also marked by an improvement of €27 million, compared to the first half of 2023, in the cash flow generated by operating activities.

<i>(in million of euros)</i>	H1 2024	H1 2023 restated ⁽²⁾	Change (in millions of euros)	Change (%)
Backlog at the end of the period	630	614	+16	+3%
Revenue	163	154	+8	+5%
Current EBITDA	30	33	(3)	-9%
<i>Current EBITDA margin (%)</i>	19%	22%	(3) pts	-
Income from ordinary activities	17	21	(4)	-18%
Other items of operating income	(13)	(20)	6	-32%
Operating income	4	1	3	+200%
Net borrowing cost	(13)	(12)	(1)	+7%
Tax	4	1	2	na
Net income from discontinued operations	0	31	(31)	na
Consolidated net income	(5)	22	(27)	na

¹ Estimate including indirect exports.

² This income statement has been amended retrospectively in accordance with IFRS 3. Details of these restatements are provided in the half-year report.

€163 million in revenue in the first half of the year

EXAIL TECHNOLOGIES recorded revenue of €163 million in the first half of the year, primarily generated by the Navigation & Maritime Robotics segment. The performance is broadly in line with the Group's expectations, which had anticipated stronger activity in the second half of the year than in the first half.

A dedicated press release on the revenue and orders of the first half of the year was published on 25 July 2024.

€30 million current EBITDA

Despite the disruptions observed over the past nine months, due in particular to very substantial efforts to respond to calls for tenders, the Group's EBITDA margin stood at 19% in the first half of 2024, in line with the Group's forecasts. These disruptions are now over. They will not impact the second half of the year.

Income from ordinary activities by segment⁽³⁾

(in million of euros)		H1 2024	H1 2023	Change (in millions of euros)	Change (%)
Navigation & Maritime Robotics	Revenue	124.2	117.1	7.1	+6%
	Current EBITDA	24.0	27.2	(3.2)	-12%
	Current EBITDA margin (%)	19.3%	23.2%	-	-3.9 pts
	Income from ordinary activities	17.3	20.0	(2.7)	-14%
Advanced technologies	Revenue	43.9	41.3	3	+6%
	Current EBITDA	7.2	7.7	(1)	-7%
	Current EBITDA margin (%)	16.4%	18.7%	-	-2.3 pts
	Income from ordinary activities	4.4	5.5	(1)	-20%

Operating income

Depreciation, amortization and provisions amounted to €13 million in the first half of the year, stable compared to last year. The income from ordinary activities thus amounted to €21 million.

The other items of operating income represented an expense of €13 million, essentially with no impact on cash. They include in particular €9 million in depreciation of assets recognized at fair value in accordance with IFRS 3R (see the dedicated paragraph in the notes to the half-year financial statements or that of the 2023 consolidated financial statements) and €3 million related to the employee incentive and retention plans.

As a result, the Group's operating income amounted to €4 million.

Borrowing cost: €13 million, half with no cash impact

The net borrowing cost was €13 million, of which only €5.8 million in bank interest payments which generated a cash outflow. This share is down by 3% compared to last year thanks to debt reduction and the change in interest rates. The balance of the financial expense is related to the bonds held by ICG, the interest of which is capitalized and therefore has no impact on cash.

³ The sum of the aggregates of the two divisions must be supplemented by the intra-group eliminations, the impact of IFRS 16 and the structure to obtain the consolidated result presented above. Details of these items are available in the notes to the consolidated financial statements.

Cash generation: a clear improvement of €27 million

EXAIL TECHNOLOGIES generated operating cash flow of €22 million in the first half of the year, i.e. +€27 million compared to last year, thanks to a good level of proceeds. The working capital requirement (WCR) was particularly well controlled in the first half of the year, contrary to the Group's traditional seasonality.

In the first half of 2023, the Group exceptionally benefited from the sale of non-strategic activities.

Outlook

The Group's commercial momentum remains strong and reflects the good health of our activities and markets. The order intake increased by 16% in the first half of the year, reaching €162 million. A new large order for drones was also signed in July for €60 million for the Belgian and Dutch navies. In terms of the number of robots, this order is the largest in the Group's history. It marks the change in scale of the activity which shifts to the level of industrial production.

In view of the items already announced and the trend observed, EXAIL TECHNOLOGIES expects very significant growth in its revenue and order intake in the third quarter. The Company confirms its guidance for 2024 with the objectives of a double-digit increase in revenue and an absolute growth in current EBITDA.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2024

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	30/06/2024	30/06/2023 ⁽¹⁾
Revenue	3.2	162,625	154,259
Capitalized production		12,450	10,666
Inventories and work in progress		13,227	5,697
Other income from operations	4.1	11,599	9,884
Purchases and external charges		(93,646)	(78,043)
Personnel expenses		(74,452)	(66,860)
Tax and duties		(1,908)	(1,764)
Depreciation, amortization, and provisions (net of reversals)	4.2	(13,377)	(12,659)
Other operating income and expenses		473	(389)
Income from ordinary activities		16,992	20,790
Group share of the earnings of associates		-	-
Other items of operating income	3.1	(13,188)	(19,524)
Operating income		3,804	1,266
Interest on gross debt		(13,091)	(11,717)
Interest on cash and cash equivalents		141	88
Cost of net debt (A)	8.3	(12,949)	(11,629)
Other financial income (B)		393	187
Other financial expense (C)		(58)	(371)
Financial income and expenses (D = A + B + C)	8.3	(12,615)	(11,813)
Income tax	9.1	3,661	1,168
Net income from continuing operations		(5,149)	(9,378)
Net income from discontinued operations		-	31,365
Consolidated net income		(5,149)	21,987
Income attributable to parent company shareholders		(3,705)	22,945
Income attributable to non-controlling interests		(1,445)	(958)
Average number of shares	10.2	17,008,518	17,066,447
Earnings per share (in euros)	10.2	(0.218)	1.344
Diluted earnings per share (in euros)	10.2	(0.218)	1.344
Net earnings per share from continuing operations, in euros	10.2	(0.218)	(0.493)
Diluted net earnings per share from continuing operations, in euros	10.2	(0.218)	(0.493)

(1) The income statement at 30 June 2023 has been restated in accordance with IFRS 3R, see Note 1.3.1.

STATEMENT OF COMPREHENSIVE INCOME

<i>(in thousands of euros)</i>	30/06/2024	30/06/2023 ⁽¹⁾
Net income	(5,149)	21,987
Currency translation	16	29
Tax relating to currency translation	-	-
Actuarial gains and losses on defined benefit plans	280	(99)
Tax relating to actuarial gains and losses on defined benefit plans	(70)	25
Financial assets measured at fair value	(36)	61
Taxes on financial assets measured at fair value	9	-
Group share of gains and losses recognized directly in equity of affiliated companies	-	-
Total other comprehensive income	199	16
of which can be reclassified subsequently to profit and loss	16	29
of which cannot be subsequently reclassified to profit and loss	183	(13)
Comprehensive income	(4,950)	22,003
Comprehensive income attributable to parent company shareholders	(3,576)	23,008
Comprehensive income attributable to non-controlling interests	(1,374)	(1,005)

(1) The income statement at 30 June 2023 has been restated in accordance with IFRS 3R, see Note 1.3.1.

STATEMENT OF THE CONSOLIDATED FINANCIAL POSITION

Assets

<i>(in thousands of euros)</i>	Notes	30/06/2024	31/12/2023 ⁽¹⁾
Non-current assets		512,949	514,303
Goodwill	6.1	145,085	145,085
Other intangible assets	6.2	274,254	275,739
Property, plant and equipment	6.3	45,149	44,693
Rights of use	4.6.1	36,172	36,914
Other financial assets	8.1.4	10,059	9,739
Deferred tax assets	9.2	101	90
Other non-current assets	4.5	2,129	2,043
Current assets		340,834	296,295
Net inventories	4.3	86,333	72,913
Net trade receivables	4.4	50,393	63,295
Contract assets	4.4	66,347	75,134
Other current assets	4.5	28,697	27,204
Tax receivables payable	9.1	37,552	26,440
Other current financial assets	8.1.3	5,770	5,772
Cash and cash equivalents	8.1.2	65,741	25,538
Assets held for sale		-	-
TOTAL ASSETS		853,782	810,599

(1) The consolidated statement of financial position at 31 December 2023 has been amended as explained in Note 1.3.2.

Equity and liabilities

<i>(in thousands of euros)</i>	Notes	30/06/2024	31/12/2023 ⁽³⁾
Equity attributable to owners of the parent		127,624	130,441
Share capital ⁽¹⁾	10.1	17,420	17,425
Share capital premiums ⁽¹⁾		12,171	12,171
Retained earnings and consolidated net income ⁽²⁾		98,033	100,846
Interest attributable to non-controlling interests		84,121	85,564
Non-current liabilities		378,625	369,837
Long-term provisions	5.2	6,297	6,433
Long-term liabilities – portion due in more than one year	8.1.1	277,738	263,573
Lease liabilities – portion due in more than one year	4.6.2	31,625	32,110
Deferred tax liabilities	9.2	42,748	46,512
Commitments to purchase shares of non-controlling interests	8.2	16,494	17,978
Other non-current liabilities	4.5	3,723	3,232
Current liabilities		263,411	224,755
Short-term provisions	11	7,376	7,277
Long-term liabilities – portion due in less than one year	8.1.1	74,382	36,015
Lease liabilities – portion due in less than one year	4.6.2	7,309	7,212
Other current financial liabilities	8.1.3	3,506	4,248
Operating payables	4.5	51,465	(58,476)
Contract liabilities	4.4	46,751	39,706
Other current liabilities	4.5	72,457	71,165
Tax liabilities payable	9.1	167	655
Liabilities held for sale		-	-
TOTAL LIABILITIES		853,782	810,599

⁽¹⁾ Of the consolidating parent company.
⁽²⁾ Including profit (loss) for the period.
⁽³⁾ The consolidated statement of financial position at 31 December 2023 has been amended as explained in Note 1.3.2.

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(in thousands of euros)</i>	Notes	30/06/2024	30/06/2023 ⁽¹⁾
Net income from continuing operations		(5,149)	(9,378)
Accruals		23,460	23,255
Capital gains and losses on disposals		(689)	4,610
Group share of income of equity-accounted companies		-	-
Cash flow from operating activities (before neutralization of the cost of net financial debt and taxes)		17,621	18,487
Expense for net debt	8.3	12,949	11,629
Tax expense	9.1	(3,661)	(1,168)
Cash flow from operations (after neutralization of the cost of net financial debt and taxes)		26,909	28,948
Tax paid		(420)	(1,177)
Change in working capital requirements	7.1	(4,070)	(32,060)
Net cash flow from operating activities (A)		22,420	(4,288)
<i>Investing activities</i>			
Payments/acquisition of intangible assets		(11,140)	(10,135)
Payments/acquisition of property, plant and equipment		(5,007)	(3,544)
Proceeds/disposal of property, plant and equipment and intangible assets		742	56
Disposals net of financial investments		(234)	3,489
Net cash inflow/outflow on the acquisition/disposal of subsidiaries	7.2	250	27,310
Net cash flow from investing activities (B)		(15,390)	17,177
<i>Financing activities</i>			
Capital increase or contributions		-	-
Dividends paid		(251)	(1)
Other equity transactions	7.3	(2,452)	(1,757)
Proceeds from borrowings	8.1.1	59,370	23,352
Repayment of borrowings	8.1.1	(13,183)	(13,348)
Repayment of lease liabilities	4.6.2	(3,768)	(3,410)
Cost of net debt		(5,784)	(5,957)
Other financing flows		(804)	(498)
Net cash flow from financing activities (C)		33,129	(1,620)
Cash flow generated by activities performed (D = A + B + C)		40,158	11,268
<i>Cash flow generated by discontinued operations</i>		-	(7,520)
Effects of exchange rate changes		45	(31)
Cash and cash equivalents at the beginning of the year	8.1.2	25,538	58,756
Change in cash and cash equivalents⁽²⁾		40,158	11,268
Cash from discontinued operations		-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8.1.2	65,741	69,993

(1) The 30 June 2023 column has been restated in accordance with IFRS 3, see Note 1.3.1.
(2) The change in cash from discontinued operations does not contribute to the change in cash recognized as assets.

CHANGE IN CONSOLIDATED EQUITY

(in thousands of euros)	Group share or owners of the parent company					Equity – attributable to non-controlling interests	Total equity
	Capital	Share capital premiums	Treasury shares	Retained earnings and other reserves	Equity – attributable to parent company shareholders		
2022 CLOSING EQUITY	17,425	12,171	(4,720)	90,220	115,096	102,698	217,794
Share capital transactions	-	-	-	-	-	-	-
Free share allocation plan and stock option plan	-	-	-	(1,389)	(1,389)	(777)	(2,166)
Treasury share transactions	-	-	(1,670)	-	(1,670)	-	(1,670)
Commitments to non-controlling interests ⁽¹⁾	-	-	-	(12,054)	(12,054)	(827)	(12,881)
Dividends	-	-	-	(4,727)	(4,727)	(128)	(4,855)
<i>Net income for the period⁽²⁾</i>	-	-	9	17,767	17,775	(2,664)	15,111
<i>Gains and losses recognized directly in equity</i>	-	-	-	(1,412)	(1,412)	(838)	(2,250)
COMPREHENSIVE INCOME	-	-	9	16,355	16,363	(3,501)	12,862
Changes in interest rates ⁽³⁾	-	-	-	21,535	21,535	(14,614)	6,921
Correction of the division between group and minority shareholders ⁽⁴⁾	-	-	-	(2,713)	(2,713)	2,713	-
CORRECTED 2023 CLOSING EQUITY⁽²⁾⁽⁴⁾	17,425	12,171	(6,381)	107,308	130,441	85,564	216,005
Share capital transactions	-	-	-	-	-	-	-
Free share allocation plan and stock option plan	-	-	-	1,080	1,080	551	1,631
Treasury share transactions	-	-	(134)	-	(134)	43	(91)
Commitments to non-controlling interests ⁽¹⁾	-	-	-	589	589	894	1,484
Dividends	-	-	-	-	-	(365)	(365)
<i>Net income for the period</i>	-	-	(21)	(3,684)	(3,705)	(1,445)	(5,149)
<i>Gains and losses recognized directly in equity</i>	-	-	-	128	128	71	199
COMPREHENSIVE INCOME	-	-	(21)	(3,556)	(3,576)	(1,374)	(4,950)
Changes in interest rates ⁽³⁾	-	-	(1)	(775)	(776)	(1,194)	(1,970)
JUNE 2024 CLOSING equity	17,425	12,171	(6,618)	104,646	127,624	84,120	211,744

(1) Concerning the change in value of the call options for non-controlling interests (see Note 8.2).

(2) See explanations in Note 1.3.2. concerning the change in 2023 results.

(3) In 2023, mainly concerned the change in the minority interests of EXAIL HOLDING towards EXAIL SAS resulting from the merger of GROUPE ECA with EXAIL SAS; in 2024, change in the minority interests of EXAIL HOLDING and EXAIL SAS related to share allocations and acquisitions of non-controlling interests.

(4) See the explanations in Note 1.3.2 concerning a reclassification within equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The condensed half-year consolidated financial statements of EXAIL TECHNOLOGIES cover a period of six months, from 1 January to 30 June 2024. They were approved by the Board of Directors on 25 September 2024.

The Group notes seasonal variations in its activities that may affect the level of revenue from one half-year to another. Thus, the interim results are not necessarily indicative of those that can be expected for the full year.

The highlights of the first half of the year are described in the activity report.

Note 1 Accounting principles

Note 1.1 Accounting basis applied

The Group prepares half-year consolidated financial statements in accordance with IAS 34 – *Interim financial information*. They do not include all the information required for the preparation of the annual financial statements and should be read in conjunction with the consolidated financial statements for the financial year ended on 31 December 2023, as they appear in the Universal Registration Document filed with the French Financial Markets Authority (Autorité des Marchés Financiers – AMF) on 23 April 2024 under number D.24-0317.

The accounting principles used for the preparation of the half-year consolidated financial statements comply with the regulations and interpretations of the International Financial Reporting Standards (IFRS) as adopted by the European Union as of 30 June 2024. These accounting principles are consistent with those used in the preparation of the annual consolidated financial statements for the financial year ended on 31 December 2023.

The Group has applied all standards, amendments and interpretations that are mandatory for financial years beginning after 1 January 2024:

Standards, interpretations and amendments adopted by the European Union and whose application is mandatory as of 1 January 2024

The application over the period of the following new standards and interpretations did not have a significant impact on the consolidated financial statements at 30 June 2024:

- amendments to IAS 1 – *Presentation of the financial statements: classification of current and non-current liabilities – Deferral of the effective date; Non-current liabilities with covenants*;
- amendments to IFRS 16 – *Leases: lease liability in a sale and sale-leaseback*;
- amendments to IAS 7 – *Statement of cash flows* and IFRS 7 – *Financial instruments: disclosures of supplier financing arrangements*.

Standards, interpretations and amendments not adopted by the European Union as of 30 June 2024 or whose application is not mandatory as of 1 January 2024:

- IFRS 18 – *Presentation of the financial statements and disclosures*;
- amendments to IFRS 9 – *Financial instruments* and IFRS 7 – *Financial instruments: Disclosures on the classification and measurement of financial instruments*;
- amendments to IAS 21 – *The effects of changes in foreign exchange rates: no exchangeability*.

The process carried out by the Group to determine the potential impacts of standards not applicable as of 30 June 2024 on the Group's consolidated financial statements is ongoing. At this stage of the analysis, the Group does not expect any material impact on its consolidated financial statements.

Note 1.2 Basis of preparation

The financial statements are presented in euros and are rounded to the nearest thousand.

The financial statements are prepared on a historical cost basis, with the exception of derivative instruments and non-consolidated securities, which have been measured at their fair value. Financial liabilities are measured at amortized cost. The carrying amount of hedged assets and liabilities and the related hedging instruments corresponds to their fair value.

The preparation of the financial statements requires that the Executive Management of the Group or the subsidiaries make estimates and assumptions that affect the reported amounts of assets and liabilities on the consolidated statement of financial position, the reported amounts of income and expense items on the income statement and the commitments relating to the period under review. The actual results could be different if the reality differs from the assumptions and estimates used.

The above-mentioned assumptions mainly concern:

- the calculation of the recoverable amounts of assets;
- the calculation of research and development expense (see Note 6.2);
- the calculation of provisions for risks and charges (see Note 11);
- the calculation of income upon completion of work in progress;
- the calculation of pension and other post-employment benefit obligations (assumptions set out in Note 5.2);
- the valuation of deferred taxes (see Note 9.2).

As the Group's consolidated companies operate in different sectors, the valuation and impairment methods used for certain items may vary according to the sector.

The valuation methods and rules applied to the half-year consolidated financial statements are similar to those described in the notes to the consolidated financial statements for 2023 (Universal Registration Document filed with the AMF on 23 April 2024).

Note 1.3 Restatement of financial information for prior years

Restatements have been applied to the previous financial statements.

1.3.1 Restatements related to IFRS 3R

IFRS 3R – *Business Combinations* provides that the fair value measurement of the assets and liabilities acquired must be modified retrospectively as if the modifications had been made on the date of entry into the scope of consolidation. As part of the acquisition of IXBLUE SAS, which entered the scope on 1 October 2022, the assessments carried out in 2022 were provisional and were finalized in 2023, after the closing of the 2023 half-year accounts. The financial statements for the first half of 2023 have therefore been amended to include the finalization of this work. The key element resulting from the valuation work is the identification of intangible assets related to technology and customer relationships. Details of the valuations and changes made to the 2023 financial statements are presented in the notes to the 2023 consolidated financial statements.

As a result of these changes, the income statement flows for the first half of 2023 that have been modified are identified in the following tables.

<i>(in thousands of euros)</i>	30/06/23 published	Impacts related to the application of IFRS 3R	30/06/2023 restated
REVENUE	153,583	676	154,259
Capitalized production	10,666	-	10,666
Inventories and work in progress	5,598	99	5,697
Other income from operations	9,884	-	9,884
Purchases and external charges	(78,311)	268	(78,043)
Personnel expenses	(66,860)	-	(66,860)
Tax and duties	(1,764)	-	(1,764)
Other operating income and expenses	(967)	578	(389)
CURRENT EBITDA	31,828	1,621	33,449
Depreciation, amortization, and provisions (net of reversals)	(14,465)	1,806	(12,659)
INCOME FROM ORDINARY ACTIVITIES	17,363	3,427	20,790
Payments in shares	(3,752)	(1,023)	(4,775)
Amort. of intangible assets recognized at fair value	-	(9,161)	(9,161)
Restructuring costs	(255)	-	(255)
Acquisition/disposal costs	(582)	-	(582)
Fair value measurement of the PRODWAYS GROUP shares	(4,703)	-	(4,703)
Other	(59)	11	(48)
TOTAL OTHER OPERATING INCOME	(9,351)	(10,173)	(19,524)
OPERATING INCOME	8,012	(6,746)	1,266

<i>(in thousands of euros)</i>	30/06/2023 published	Impacts related to the application of IFRS 3R	30/06/2023 restated
Non-current assets	460,977	54,447	515,424
Goodwill	298,894	(153,808)	145,085
Other intangible assets	64,045	212,140	276,186
Property, plant and equipment	46,396	-	46,396
Rights of use	35,847	-	35,847
Other financial assets	9,613	-	9,613
Deferred tax assets	4,228	(3,885)	343
Other non-current assets	1,954	-	1,954
Current assets	379,152	(1,414)	377,739
Net inventories	74,109	-	74,109
Net trade receivables	60,869	(154)	60,715
Contract assets	111,670	(888)	110,783
Other current assets	28,909	(372)	28,537
Tax receivables payable	24,547	-	24,547
Other current financial assets	9,054	-	9,054
Cash and cash equivalents	69,994	-	69,994
Assets held for sale	-	-	-
TOTAL ASSETS	840,129	53,033	893,163

<i>(in thousands of euros)</i>	30/06/2023 published	Reclassification of the commitments to non-controlling interests	Impacts related to the application of IFRS 3R	30/06/2023 restated
Equity attributable to owners of the parent	126,287	13,322	(5,206)	134,403
Interest attributable to non-controlling interests	102,502	(13,322)	7,819	96,999
Non-current liabilities	353,874	-	48,255	402,129
Long-term provisions	5,981	-	-	5,981
Long-term liabilities – portion due in more than one year	278,892	-	-	278,892
Lease liabilities – portion due in more than one year	31,365	-	-	31,365
Deferred tax liabilities	3,946	-	48,255	52,200
Commitments to purchase shares of non-controlling interests	30,310	-	-	30,310
Other non-current liabilities	3,380	-	-	3,380
Current liabilities	257,466	-	2,166	259,632
Short-term provisions	4,145	-	2,043	6,188
Long-term liabilities – portion due in less than one year	68,339	-	-	68,339
Lease liabilities – portion due in less than one year	6,734	-	-	6,734
Other current financial liabilities	4,615	-	-	4,615
Operating payables	57,131	-	266	57,397
Contract liabilities	46,769	-	-	46,769
Other current liabilities	69,447	-	(143)	69,304
Tax liabilities payable	286	-	-	286
Liabilities held for sale	-	-	-	-
TOTAL LIABILITIES	840,129	-	53,033	893,163

Throughout the notes, the information relating to 2024 is compared with the restated information for 2023 as explained below.

1.3.2 Other restatements

Two types of changes were made to the financial statements at 31 December 2023:

- The deferred tax assets in respect of deficits carried forward justified by the existence of deferred tax liabilities were undervalued. The correction improved the profit for the financial year by €2.8 million (€1.9 million Group share and €0.9 million minority share). The deferred tax assets are charged against tax liabilities when the tax situation of the companies concerned so allows, which justifies a balance sheet reclassification of €2.6 million.
- An anomaly was detected in the sharing of equity, justifying a reclassification of €2.7 million.

The changes represent an increase in equity of €2.8 million (of which -€0.8 million in Group share). They are identified in the following table.

<i>(in thousands of euros)</i>	31/12/2023 published	Adjustment of deferred tax assets and reclassification	31/12/2023 restated
Non-current assets	516,950	(2,646)	514,303
Goodwill	145,085	-	145,085
Other intangible assets	275,739	-	275,739
Property, plant and equipment	44,693	-	44,693
Rights of use	36,914	-	36,914
Other financial assets	9,739	-	9,739
Deferred tax assets	2,736	(2,646)	90
Other non-current assets	2,043	-	2,043
Current assets	296,295	-	296,295
Net inventories	72,913	-	72,913
Net trade receivables	63,295	-	63,295
Contract assets	75,134	-	75,134
Other current assets	27,204	-	27,204
Tax receivables payable	26,440	-	26,440
Other current financial assets	5,772	-	5,772
Cash and cash equivalents	25,538	-	25,538

Assets held for sale	-	-	-
TOTAL ASSETS	813,245	(2,646)	810,599

<i>(in thousands of euros)</i>	31/12/2023 published	Reclassification of the commitments to non-controlling interests	Adjustment of deferred tax assets and reclassification	31/12/2023 restated
Equity attributable to owners of the parent	131,266	(2,713)	1,888	130,441
Interest attributable to non-controlling interests	81,904	2,713	948	85,564
Non-current liabilities	375,320	-	(5,482)	369,837
Long-term provisions	6,433	-	-	6,433
Long-term liabilities – portion due in more than one year	263,573	-	-	263,573
Lease liabilities – portion due in more than one year	32,110	-	-	32,110
Deferred tax liabilities	51,995	-	(5,482)	46,512
Commitments to purchase shares of non-controlling interests	17,978	-	-	17,978
Other non-current liabilities	3,232	-	-	3,232
Current liabilities	224,755	-	-	224,755
Short-term provisions	7,277	-	-	7,277
Long-term liabilities – portion due in less than one year	36,015	-	-	36,015
Lease liabilities – portion due in less than one year	7,212	-	-	7,212
Other current financial liabilities	4,248	-	-	4,248
Operating payables	(58,476)	-	-	(58,476)
Contract liabilities	39,706	-	-	39,706
Other current liabilities	71,165	-	-	71,165
Tax liabilities payable	655	-	-	655
Liabilities held for sale	-	-	-	-
TOTAL LIABILITIES	813,244	-	(2,646)	810,599

Throughout the notes, the information relating to 2024 is compared with the restated information for 2023 as explained below.

Note 2 Scope of consolidation

The full list of consolidated companies is included in Note 13.

There was no change in scope in the first half of 2024. The ownership percentages of EXAIL TECHNOLOGIES in EXAIL HOLDING and of EXAIL HOLDING in EXAIL SAS changed marginally, due to share buybacks from non-controlling interests and share deliveries under existing share-based compensation plans.

Note 3 Segment information

In accordance with IFRS 8 – *Operating segments*, the segment information presented below is based on the internal reporting used by Executive Management to assess the performance of and allocate resources to the various segments. Executive Management is the principal operational decision maker within the meaning of IFRS 8.

The two segments defined as operating segments from 2023 are as follows:

- the Navigation & Maritime Robotics segment includes the Group's two main activities, vertically integrated: the sale of navigation systems, positioning systems, and sonars; and the commercialization of drones and autonomous drone systems for maritime applications, integrating the Group's navigation systems and other equipment in order to offer the most effective robotic solutions;
- The Advanced Technologies segment consists of developing and selling the highest-performance photonic and quantum components (specialty optical fibers, optical modulators, quantum measurement instruments) and products using the most advanced technologies (on-board communication equipment, simulators, autonomous decision-making). These components and products are sold directly to third parties or integrated into systems in the Maritime Navigation & Robotics segment.

Note 3.1 Reconciliation of the non-IFRS indicators and segment indicators with the consolidated operating income

The Group uses non-IFRS financial information for the purposes of information, management and planning because they offer a better assessment of its long-term performance. This additional information is not a substitute for any IFRS measures of operating and financial performance.

Operating income includes all income and expenses other than:

- interest income and expenses;
- other financial income and expenses;
- corporate income tax.

To make it easier to compare financial years and monitor its operating performance, the Group has decided to isolate certain non-recurring items of operating income and present "Profit (loss) from continuing operations". It also uses a current EBITDA indicator. These non-accounting indicators do not constitute financial aggregates defined by IFRS; they are alternative performance indicators. They may not be comparable to similarly named indicators by other companies, depending on the definitions used by them.

- The operating result is the operating income before "Other items of operating income", which include the restructuring costs, recognized or fully provisioned if they are liabilities arising from a Group obligation to third parties, which stem from a decision taken by a competent body, and which materialize before the reporting date through the announcement of said decision to third parties and provided the Group no longer expects consideration for these costs. These costs consist primarily of compensation for termination of employment contracts, severance pay, as well as miscellaneous expenses. The other items included on this line of the income statement concern the costs of free share allocations, the costs of acquisition and disposals of activities, amortization of acquired intangible assets recorded under business combinations, impairment of goodwill, and all unusual items by their occurrence or amount.
- Current Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) are defined by the Group as operating income before "Net depreciation, amortization and provisions", "Group share of the earnings of affiliated companies" and "Other items of operating income".

The 30 June 2024 and 2023 segment income statements are reconciled below with the Group's consolidated financial statements. They are prepared in accordance with the Group's operational reporting.

First half of 2024 – segment information

<i>(in thousands of euros)</i>	Navigation and maritime robotics	Advanced technologies	EXAIL Technologies structure	IFRS 16 and IFRS 2	Disposals	Consolidated
Backlog at start of period						630,216
Backlog at the end of the period						629,557
REVENUE	124,173	43,896	521	-	(5,965)	162,625
CURRENT EBITDA	23,970	7,186	(679)	3,981	(4,089)	30,368
% revenue	19.3%	16.4%	n/a	n/a	n/a	18.7%
INCOME FROM ORDINARY ACTIVITIES	17,326	4,400	(720)	107	(4,123)	16,992
% revenue	14.0%	10.0%	n/a	n/a	n/a	10.4%
Payment in shares	-	-	-	(3,015)	-	(3,015)
Amort. of intangible assets recognized at fair value	(8,061)	(1,100)	-	-	-	(9,161)
Restructuring costs	(981)	-	-	-	-	(981)
Acquisition/disposal costs	-	-	(31)	-	-	(31)
Other	-	-	-	-	-	-
TOTAL OTHER OPERATING ITEMS	(9,042)	(1,100)	(31)	(3,015)	-	(13,188)
OPERATING INCOME	8,284	3,300	(751)	(2,908)	(4,123)	3,804
% revenue	6.7%	7.5%	n/a	n/a	n/a	2.3%

The eliminations column concerns eliminations of reciprocal transactions between the various segments as well as the elimination of the internal margin.

First half of 2023 – segment information

<i>(in thousands of euros)</i>	Navigation and maritime robotics	Advanced technologies	EXAIL Technologies structure	IFRS 16 and IFRS 2	Disposals	Consolidated
Backlog at start of period						628,304
Backlog at the end of the period						614,389
REVENUE	117,109	41,272	598	-	(4,720)	154,259
CURRENT EBITDA	27,169	7,715	(1,415)	3,501	(3,520)	33,449
% revenue	23.2%	18.7%	n/a	n/a	n/a	21.7%
INCOME FROM ORDINARY ACTIVITIES	20,042	5,499	(1,518)	125	(3,358)	20,790
% revenue	17.1%	13.3%	n/a	n/a	n/a	13.5%
Payment in shares	-	-	-	(4,775)	-	(4,775)
Amort. of intangible assets recognized at fair value	(8,061)	(1,100)	-	-	-	(9,161)
Restructuring costs	-	(255)	-	-	-	(255)
Acquisition/disposal costs	-	-	(582)	-	-	(582)
Fair value measurement of PRODWAYS GROUP shares distributed	-	-	(4,703)	-	-	(4,703)
Other	(37)	-	(11)	-	-	(48)
TOTAL OTHER OPERATING ITEMS	(8,098)	(1,355)	(5,297)	(4,775)	-	(19,524)
OPERATING INCOME	11,944	4,144	(6,815)	(4,649)	(3,358)	1,266
% revenue	10.2%	10.0%	n/a	n/a	n/a	0.8%

The eliminations column concerns eliminations of reciprocal transactions between the various segments as well as the elimination of the internal margin.

Note 3.2 Revenue by geographical area

First half of 2024

<i>(in thousands of euros)</i>	France	%	Europe	%	Africa	%	Americas	%	Oceania	%	Asia	%	Total
TOTAL	47,459	29%	76,895	47%	1,212	1%	15,437	9%	635	0%	20,988	13%	162,625

First half of 2023

<i>(in thousands of euros)</i>	France	%	Europe	%	Other	%	Total
TOTAL	43,463	28%	68,594	44%	42,202	27%	154,259

Note 4 Operational data

Note 4.1 Other income from operations

<i>(in thousands of euros)</i>	30/06/2024	30/06/2023
Subsidies	2,337	3,945
Research tax credit	11,217	7,755
Sub-totals of subsidies and research tax credit for the period	13,554	11,700
Subsidies and research tax credit for previous financial years recognized in profit or loss over the period	1,263	862
Subsidies and research tax credit for the period recognized as deferred income	(3,218)	(2,679)
TOTAL OF OTHER INCOME FROM THE BUSINESS	11,599	9,884

The research tax credits that could not be offset against tax payable or sold appear on the assets side of the consolidated statement of financial position under "Tax receivables payable" for €37.0 million.

Note 4.2 Net depreciation, amortization and provisions

<i>(in thousands of euros)</i>	30/06/2024	30/06/2023
Depreciation, amortization and provisions		
Intangible assets	(3,155)	(2,616)
Property, plant and equipment	(4,492)	(4,218)
Costs of obtaining and performing contracts	(267)	(829)
Rights of use	(3,874)	(3,375)
SUBTOTAL	(11,788)	(11,038)
Charges to provisions, net of reversals		
Inventory and work in progress	(854)	(2,334)
Current assets	(111)	392
Liabilities and expenses	(624)	320
SUBTOTAL	(1,589)	(1,621)
TOTAL DEPRECIATION, AMORTIZATION AND PROVISIONS	(13,377)	(12,659)

Note 4.3 Inventories and work in progress

Movements in inventories in the consolidated statement of financial position are as follows:

<i>(in thousands of euros)</i>	30/06/2024			31/12/2023
<i>(in thousands of euros)</i>	Gross value	Depreciation	Net value	Net value
Raw materials	47,389	(8,490)	38,899	37,925
Work in progress	22,441	-	22,441	18,307
Semi-finished and finished goods	26,876	(1,925)	24,950	16,562
Goods	43	-	43	119
INVENTORY AND WORK IN PROGRESS	96,749	(10,415)	86,333	72,913

Over the period, the impairment net of reversals recognized in the income statement amounted to €0.9 million.

Note 4.4 Trade receivables, contract assets and liabilities

Trade receivables are invoiced receivables entitling the issuer to payment.

The "Contract assets" and "Contract liabilities" are determined on a contract-by-contract basis. "Contract assets" correspond to contracts in force for which the value of created assets exceeds the advances received. "Contract liabilities" correspond to all contracts in a situation where the assets (receivables in progress) are less than the liabilities (advances from clients and deferred income recorded when the invoices issued exceed the revenue recognized to date). These headings result from the application of IFRS 15.

The backlog (revenue to be recognized) is indicated by division in Note 3.1.

<i>(in thousands of euros)</i>	30/06/2024	31/12/2023
Trade receivables	51,796	64,535
Provisions for expected losses	(1,403)	(1,240)
TRADE RECEIVABLES, NET VALUES	50,393	63,295

<i>(in thousands of euros)</i>	30/06/2024	31/12/2023
Work in progress (A)	2,660	2,739
Receivables in progress (B)	86,328	85,377
Down-payments received (C)	17,104	10,281
Deferred income (D)	5,537	2,701
CONTRACT ASSETS (A) + (B) - (C) - (D)	66,347	75,134

<i>(in thousands of euros)</i>	30/06/2024	31/12/2023
Work in progress (A)	622	286
Receivables in progress (B)	3,233	10,002
Down-payments received (C)	27,471	26,357
Deferred income (D)	22,806	23,319
Other liabilities (E)	329	318
CONTRACT LIABILITIES - (A) - (B) + (C) + (D) + (E)	46,751	39,706

Note 4.5 Other current and non-current assets and liabilities

	30/06/2024			31/12/2023
<i>(in thousands of euros)</i>	Gross value	Depreciation	Net value	Net value
Other non-current receivables ⁽¹⁾	2,129	-	2,129	2,043
TOTAL OTHER NON-CURRENT RECEIVABLES	2,129	-	2,129	2,043
Advances and down-payments made	8,381	-	8,381	5,282
Other receivables ⁽²⁾	7,422	(258)	7,165	8,778
Social and tax receivables	8,085	-	8,085	7,702
Prepaid expenses	5,066	-	5,066	5,441
TOTAL OTHER CURRENT RECEIVABLES	28,955	(258)	28,697	27,204
<i>(1) Receivables related to sub-leases treated in accordance with IFRS 16.</i>				
<i>(2) Including subsidies and indemnities receivable for €3.9 million.</i>				

<i>(in thousands of euros)</i>	30/06/2024	31/12/2023
Suppliers	51,461	58,141
Fixed asset suppliers	4	335
TOTAL TRADE PAYABLES	51,465	(58,476)
Advances and down-payments received	1,925	2,208
Social security liabilities	33,382	32,255
Tax liabilities	12,531	10,091
Miscellaneous debts	2,929	2,104
Deferred income	21,689	24,507
TOTAL OTHER CURRENT LIABILITIES	72,457	71,165
Conditional advances	3,723	3,232
TOTAL OTHER NON-CURRENT LIABILITIES	3,723	3,232

The deferred income corresponds to subsidies and research tax credits that will be recognized as income concurrent with the amortization of the corresponding assets (€20.6 million, see Note 4.1).

Note 4.6 Summary of leases

4.6.1 Rights of use

Right-of-use assets can be broken down by type of underlying asset as follows:

<i>(in thousands of euros)</i>	Property	Other assets	Total
Gross value			
At 31 December 2023	50,389	1,967	52,356
Acquisitions	3,044	307	3,351
Changes in scope	-	-	-
Departures	-	-	-
Other movements	(857)	(220)	(1,077)
Impact of changes in exchange rates	78	-	78
At 30 June 2024	52,654	2,054	54,707
Depreciation, amortization and impairment			
At 31 December 2023	14,241	1,200	15,442
Depreciation and amortization	3,595	279	3,874
Changes in scope	-	-	-
Impairment losses	-	-	-
Departures	-	-	-
Other movements	(611)	(190)	(801)
Impact of changes in exchange rates	21	-	21
At 30 June 2024	17,246	1,290	18,535
Net value			
At 31 December 2023	36,148	767	36,914
At 30 June 2024	35,408	764	36,172

4.6.2 Lease liabilities

Lease liabilities valued according to IFRS 16 have changed as follows:

<i>(in thousands of euros)</i>	Lease liabilities
At 31 December 2023	39,322
New leases	3,357
Redemptions	(3,768)
Disposals/revaluations ⁽¹⁾	(35)
First consolidation/Deconsolidation	-
Impact of changes in exchange rates	58
At 30 June 2024	38,934

(1) Non-cash changes related to accrued interest and revaluation of contracts.

Schedule of lease liabilities

<i>(in thousands of euros)</i>				of which breakdown of maturities at more than one year				
				1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years
	30/06/2024	< 1 year	> 1 year					
LEASE LIABILITIES UNDER IFRS 16	38,934	7,309	31,624	6,091	5,337	4,954	4,254	10,989

4.6.3 Presentation in the income statement

With IFRS 16, the nature of lease expenses has changed since the recognition of lease expenses on a straight-line basis is replaced by a depreciation expense for "right-of-use" assets, without distinction between operating leases and finance leases, and by an interest expense on lease liabilities.

At 30 June 2024, the impacts of IFRS 16 on the income statement are as follows:

<i>(in thousands of euros)</i>	Property	Other property, plant and equipment	Financial expense	Impact on the income statement
Cancellation of lease expenses	3,759	222	-	3,981
IFRS 16 impact on current EBITDA	3,759	222	-	3,981
Amortization of rights of use	(3,595)	(279)	-	(3,874)
Impairment of right-of-use assets	-	-	-	-
IFRS 16 impact on operating income	164	(57)	-	107
Interest expenses	-	-	(302)	(302)
IFRS 16 IMPACT ON NET INCOME	164	(57)	(302)	(195)

Note 5 Employee expenses and benefits

Note 5.1 Workforce

	30/06/2024	31/12/2023
Continuing operations		
Workforce	1,867	1,781
Average workforce	1,828	1,661

At 30 June 2024, approximately 7% of the total workforce was based abroad.

Note 5.2 Provisions for pensions and similar commitments

The long-term provisions related to retirement benefits for an amount of €6,225 thousand. For this half-year, the assumptions used are the same as at 31 December 2023, except for the IBOXX Euro zone reference discount rate, which changed from 3.17% to 3.66%. The impact on shareholders' equity for the period, due to this rate change, was €281 thousand (SORIE).

Note 5.3 Share-based payments

There are several EXAIL SAS free share allocation plans and stock options, set up within the company before it joined the Group in September 2022. EXAIL HOLDING also set up free preference share allocation plans in 2022 and 2023 for four executives and 34 managers respectively of EXAIL HOLDING. They are also described in Note 5.4 to the 2023 financial statements.

The impacts of these various plans are summarized in the following tables.

EXAIL HOLDING FPSA plan ⁽¹⁾	FPSA 10-2022	FPSA 09-2023
Original number of recipients	4	34
Support share	EXAIL HOLDING	EXAIL HOLDING
Balance of the preference shares to be acquired	-	772,317
Expense recognized over the period ⁽¹⁾	-	945
Cumulative expense ⁽¹⁾	1,800	1,575
Value of the potential preferential shares (in thousands of euros)	-	1,890

⁽¹⁾ In thousands of euros, excluding social security contributions.

2018 EXAIL SAS plans⁽¹⁾	FSA 1-2018	SO 2018	FSA 2-2018
Original number of recipients	573	573	573
Support share	EXAIL SAS	EXAIL SAS	EXAIL SAS
Balance of shares to be acquired	-	-	1,635,600
Expense recognized over the period ⁽²⁾	-	-	238
Cumulative expense ⁽²⁾	na	na	2,918
Value of the shares to be acquired (in thousands of euros)	-	-	3,157

⁽¹⁾ Formerly IXBLUE.

⁽²⁾ In thousands of euros, excluding social security contributions.

2020 EXAIL SAS plans⁽¹⁾	FSA 1-2020	SO 2020	FSA 2-2020
Original number of recipients	549	549	549
Support share	EXAIL SAS	EXAIL SAS	EXAIL SAS
Balance of shares to be acquired	-	-	1,599,735
Expense recognized over the period (2)	-	-	206
Cumulative expense (2)	na	na	1,890
Value of the shares to be acquired (in thousands of euros)	-	-	2,528

⁽¹⁾ Cumulative of the June, July and August 2020 plans.

⁽²⁾ In thousands of euros, excluding social security contributions.

2021 EXAIL SAS plans⁽¹⁾	FSA 1-2021	SO 2021	FSA 2-2021
Original number of recipients	95	95	95
Support share	EXAIL SAS	EXAIL SAS	EXAIL SAS
Balance of shares to be acquired	-	1,964,000	1,964,000
Expense recognized during the financial year (2)	-	488	261
Cumulative expense (2)	na	3,202	1,583
Value of the shares to be acquired (in thousands of euros)	-	3,404	2,907

⁽¹⁾ Cumulative of the August and December 2021 plans.

⁽²⁾ In thousands of euros, excluding social security contributions.

5.4 Related parties

Related parties are persons (Directors, managers of EXAIL TECHNOLOGIES or of its principal subsidiaries) or companies owned or managed by such persons (except for subsidiaries of EXAIL TECHNOLOGIES). The following transactions with related parties conducted during the year have been identified in the EXAIL TECHNOLOGIES financial statements:

<i>(in thousands of euros)</i>	GORGÉ SA	PRODWAYS GROUP	SOPROMECE	Other subsidiaries of GORGÉ SA	Executive officers of subsidiaries
30 June 2024 income statement					
Revenue	181	185	18	11	-
Purchases and external charges	(240)	(67)	-	(873)	(105)
Remuneration	-	-	-	-	-
30 June 2024 statement of financial position					
Trade accounts receivable	121	107	11	146	-
Debtors	-	-	-	-	-
Suppliers	302	43	-	336	21
Creditors	-	-	-	-	-
Deposits and guarantees received	-	-	-	-	-

GORGÉ SAS (formerly PÉLICAN VENTURE) is a holding company and the main shareholder of EXAIL TECHNOLOGIES. It is chaired by Mr. Raphaël GORGÉ, Chairman and Chief Executive Officer of EXAIL TECHNOLOGIES. PRODWAYS GROUP is chaired by Raphaël Gorgé. SOPROMECE PARTICIPATIONS is a subsidiary of GORGÉ SA, chaired by Raphaël GORGÉ.

The "Executive officers of subsidiaries" column shows transactions between a member of the Supervisory Board of EXAIL HOLDING, a subsidiary of EXAIL TECHNOLOGIES, and a company held by the person in question.

Note 6 Property, plant and equipment and intangible assets

Note 6.1 Goodwill

Net value <i>(in thousands of euros)</i>	30/06/2024	31/12/2023
At 1 January	145,085	145,085
Restatement of the assets of the discontinued operations	-	-
First consolidations	-	-
Deconsolidated	-	-
At the end of the period	145,085	145,085
Of which impairment	-	-

Note 6.2 Other intangible assets

<i>(in thousands of euros)</i>	Development projects	Costs of obtaining and performing contracts	Other intangible assets	Non-current assets in progress	Total
Gross value					
At 31 December 2023	273,757	3,151	86,530	564	364,002
Acquisitions	10,548	285	164	143	11,140
Changes in scope	-	-	-	-	-
Departures	-	-	(8)	-	(8)
Other movements	(43)	-	120	(120)	(43)
Impact of changes in exchange rates	-	-	-	-	-
At 30 June 2024	284,261	3,436	86,806	588	375,091
Depreciation, amortization and impairment					
At 31 December 2023	63,627	1,692	22,943	-	88,262
Depreciation and amortization	8,577	267	3,740	-	12,583
Changes in scope	-	-	-	-	-
Impairment losses	-	-	-	-	-
Departures	-	-	(8)	-	(8)
Other movements	-	-	-	-	-
Impact of changes in exchange rates	-	-	-	-	-
At 30 June 2024	72,204	1,959	26,675	-	100,837
Net value					
At 31 December 2023	210,130	1,459	63,587	564	275,739
AT 30 JUNE 2024	212,058	1,477	60,131	588	274,254

Note 6.3 Property, plant and equipment

<i>(in thousands of euros)</i>	Land and buildings	Fixtures and equipment	Non-current assets in progress	Advances and down-payments	Total
Gross value					
At 31 December 2023	24,851	94,791	3,344	383	123,368
Acquisitions	109	3,473	1,374	-	4,956
Changes in scope	-	-	-	-	0
Departures	-	(556)	-	-	(556)
Other movements	14	430	(402)	-	43
Impact of changes in exchange rates	6	29	-	-	35
At 30 June 2024	24,980	98,167	4,316	383	127,847
Depreciation, amortization and impairment					
At 31 December 2023	8,712	69,963	-	-	78,675
Depreciation and amortization	531	3,961	-	-	4,492
Changes in scope	-	-	-	-	-
Impairment losses	-	-	-	-	-
Departures	-	(503)	-	-	(503)
Other movements	-	-	-	-	-
Impact of changes in exchange rates	5	29	-	-	34
At 30 June 2024	9,248	73,449	-	-	82,697
Net value					
At 31 December 2023	16,138	24,829	3,344	383	44,693
At 30 June 2024	15,732	24,718	4,316	383	45,149

Note 7 Details of cash flows

The cash flows of the first half of 2024 are not comparable in all respects with the flows of the first half of 2023.

As a reminder, in the first half of 2023, EXAIL TECHNOLOGIES benefited from the proceeds from the sale of the activities of its former Engineering & Protection Systems division for a total amount of €30.1 million (proceeds from the sale and repayment of bonds, within the investment flows). This amount decreased the net debt at 30 June 2024. A significant portion of these proceeds, received before 30 June, was then used in July 2023 to acquire 5% of the share capital of EXAIL HOLDING, for €24.55 million.

Note 7.1 Change in working capital requirements

<i>(in thousands of euros)</i>	Notes	Start of the period	Changes in scope	Change over the year	Other movements ⁽¹⁾	Currency translation	Closing
Net inventories		72,913	-	13,421	-	(1)	86,333
Net receivables		63,295	-	(13,088)	-	186	50,393
Contract assets		75,134	-	(8,793)	-	6	66,347
Advances and down-payments		5,282	-	3,098	-	-	8,381
Prepaid expenses		3,600	-	403	4	3	4,010
Subtotal	A	220,224	-	(4,958)	5	194	215,465
Trade payables		58,141	-	(6,681)	-	-	51,460
Contract liabilities		39,706	-	6,987	-	58	46,751
Advances and down-payments		2,208	-	(283)	-	-	1,925
Deferred income related to operations		1,953	-	(540)	(367)	1	1,047
Subtotal	B	102,008	-	(517)	(367)	60	101,184
Working capital requirement	C = A - B	118,216	-	(4,442)	372	135	114,280
Social and tax receivables		34,142	-	11,496	(252)	(1)	45,386
Current accounts payable		16	-	(3)	-	-	13
Other receivables		7,926	-	(1,323)	237	7	6,847
Subtotal	D	42,085	-	10,170	(15)	7	52,246
Tax and social debts		43,001	-	3,065	-	14	46,080
Miscellaneous debts		5,330	-	878	(15)	155	6,347
Current accounts payable		5	-	(4)	(1)	-	-
Deferred income from subsidies and research tax credit		22,554	-	(2,279)	367	-	20,642
Subtotal	E	70,890	-	1,659	351	169	73,068
Other items of working capital requirement	F = D - E	(28,805)	-	8,511	(367)	(162)	(20,823)
WORKING CAPITAL REQUIREMENT	G = C + F	89,411	-	4,069	5	(28)	93,457

(1) The "Other movements" concerns flows that do not generate any cash flow or any reclassification from account to account.

Note 7.2 Acquisitions/disposals of subsidiaries

The cash flows recorded on the line "Acquisitions/disposals of subsidiaries" are cash flows resulting from changes in control (acquisitions or disposals of shares in subsidiaries), either at the time of the change of control or on the occasion of a subsequent adjustments to the purchase or sale price.

<i>(in thousands of euros)</i>	30/06/2024	30/06/2023
Proceeds	250	28,660
Payments	-	(1,350)
Cash and cash equivalents of acquired and sold companies	-	-
TOTAL	250	27,310

In 2024, the proceeds correspond to an earn-out relating to AI GROUP, sold in 2018.

In 2023, the proceeds corresponded to an adjustment of the price paid for the acquisition of IXBLUE in 2022 for €1.6 million and the disposal of the Engineering division (VIGIANS PROTECTION INCENDIE and SERES) for €27.0 million. The disbursements corresponded to an earn-out relating to an acquisition of business carried out in 2022 by EXAIL SAS (formerly IXBLUE).

Note 7.3 Other equity transactions

The cash flows recorded under "Other equity transactions" relate to acquisitions or disposals of shares in EXAIL TECHNOLOGIES or companies controlled by EXAIL TECHNOLOGIES (flows that do not result in a change of control).

<i>(in thousands of euros)</i>	30/06/2024	30/06/2023
Proceeds	-	-
Payments	(2,452)	(1,757)
TOTAL	(2,452)	(1,757)

In the first half of 2023, the buybacks of EXAIL TECHNOLOGIES shares represented €1.8 million.

In 2024, the Group purchased non-controlling interests in MAURIC (€0.28 million), EXAIL SAS (€1.42 million) and EXAIL HOLDING (€0.52 million). The balance (€0.24 million) corresponds to treasury shares.

Note 8 Financing and financial instruments

Note 8.1 Financial assets and liabilities

8.1.1 Gross financial debt

In the first half of 2024, the main movements in the Group's financial debt were as follows:

- the change in the outstanding amount of the use of the revolving credit line available to the EXAIL HOLDING group;
- repayments on existing loans, including the payment of a maturity of €7.7 million in respect of the syndicated loan of September 2022;
- the setting up of four new loans for €28 million with the Group's main banking partners, aimed at facilitating the management of the volatility of the working capital requirement.

Changes in borrowings and financial debt

<i>(in thousands of euros)</i>	Bond issue	Bank borrowings	Other borrowings	Financial debt	Bank overdrafts	Gross financial debt
31 December 2023	92,353	203,592	3,643	299,588	-	299,588
New loans	-	28,000	4,370	32,370	-	32,370
Revolving credit line	-	27,000	-	27,000	-	27,000
Redemptions	-	(13,096)	(88)	(13,183)	-	(13,183)
Other changes ⁽¹⁾	5,804	466	75	6,345	-	6,345
First consolidations	-	-	-	-	-	-
Currency translation	-	-	-	-	-	-
At 30 June 2024	98,157	245,962	8,001	352,120	-	352,120

(1) Changes with no impact on cash flow, related to effective interest rates and accrued interest on borrowings.

Schedule of borrowings and financial debt

<i>(in thousands of euros)</i>	30/06/2024	< 1 year	> 1 year	of which breakdown of maturities at more than one year				
				1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years
Bond issue	99,551	-	99,551	-	-	-	-	99,551
Bank borrowings	250,603	69,335	181,268	31,469	24,473	19,995	9,133	96,198
Other borrowings	8,001	5,048	2,953	37	199	74	-	2,643
Long-term debt	358,154	74,382	283,771	31,506	24,672	20,069	9,133	198,392
Bank overdrafts	-	-	-	-	-	-	-	-
GROSS FINANCIAL DEBT	358,154	74,382	283,771	31,506	24,672	20,069	9,133	198,392

The table above shows the contractual schedule of the outstanding principal. The difference between the total financial debts on the statement of financial position and the financial debts in the schedule corresponds to the impact of accounting restatements at the EIR which have no effect on cash.

The amounts due in less than one year include €27 million of revolving drawings under the credit line confirmed until January 2029 and a revolving credit facility of €2.7 million maturing in the fourth quarter of 2023.

8.1.2 Cash and net debt

<i>(in thousands of euros)</i>	30/06/2024	31 December 2023
Available cash and cash equivalents (A)	65,741	25,538
Bank overdrafts (B)	-	-
Available cash and cash equivalents appearing on the statement of cash flows (C) = (A) - (B)	65,741	25,538
Financial debt excluding bank overdrafts (D)	352,120	299,588
NET CASH (NET DEBT) (E) = (C) - (D)	(286,379)	(274,050)
EXAIL TECHNOLOGIES treasury shares	7,395	8,061
ADJUSTED NET CASH (NET DEBT) BEFORE IFRS 16	(278,984)	(265,989)

The change in treasury shares corresponds to the movements during the period as well as the impact of the valuation of all treasury shares at the closing price.

8.1.3 Derivative financial instruments

Two interest rate hedges in the form of caps partially cover the current syndicated loan. This first hedge is cap of 0.5% for an original nominal amount of €47.6 million. The hedge is recorded in financial instruments for an amount of €1.7 million after a fair value revaluation of -€0.1 million over the period. The second hedge is a cap of 1.0% for an original nominal amount of €55.1 million, gradually increased to €88.2 million at the end of 2023 before gradually decreasing after the beginning of 2024. Its premium will be paid over the term of the hedge. The debt of €3.5 million relating to the spreading of the premium is shown as a liability under "Other current financial liabilities". This second hedge is valued at €3.5 million after a fair value revaluation of -€0.1 million over the period. The value of the two hedges is recorded as assets for €5.8 million under "Other current financial assets".

8.1.4 Investments in associates and other non-current financial assets

<i>Net value (in thousands of euros)</i>	30/06/2024	31/12/2023
INVESTMENTS IN ASSOCIATES	-	-
Loans	1,428	1,367
Deposits and guarantees	2,776	2,422
Non-consolidated holdings	5,855	5,950
Other financial investments	-	-
OTHER FINANCIAL ASSETS	10,059	9,739

Breakdown of non-consolidated investments

<i>(in thousands of euros)</i>	Start of the period	Entry	Income	Equity effect	Exit	Closing
PRODWAYS GROUP	208	-	(95)	-	-	113
RYDER	3,302	-	-	-	-	3,302
WANDERCRAFT	2,441	-	-	-	-	2,441
TOTAL NON-CONSOLIDATED SECURITIES	5,950	-	(95)	-	-	5,855

Note 8.2 Commitments to buy back shares held by non-controlling shareholders

Non-controlling shareholders are present in the capital of several of the Group's fully consolidated companies. Shareholder agreements define the conditions under which the Group may have to buy back the shares held by these shareholders. The put options held by minority shareholders represent a commitment of the Company. The change in the value of the commitments amounted to -€1.5 million over the period and is explained in the following table.

<i>(in thousands of euros)</i>	Start of the period	New commitments	Options exercised	Equity effect	Closing
Non-controlling shareholders in the capital of MAURIC	1,450	-	-	14	1,464
Non-controlling shareholders in the capital of EXAIL SAS	16,530	313	(1,602)	(211)	15,030
COMMITMENTS TO PURCHASE SHARES OF NON-CONTROLLING INTERESTS	17,980	313	(1,602)	(197)	16,494

The commitments are recognized with a reduction in "Equity attributable to non-controlling interests" up to the limit of their amount and against "Equity attributable to owners of the parent" for the remainder. The changes in value are then recognized in equity.

Note 8.3 Financial income and expenses

<i>(in thousands of euros)</i>	30/06/2024	30/06/2023
Interest expense	(12,772)	(11,455)
Interest expenses on lease liabilities	(318)	(262)
Income from other securities	137	87
Net profit (loss) on disposal of investment securities	4	1
Net borrowing costs	(12,949)	(11,629)
Other interest income ⁽¹⁾	190	173
Net exchange gain or loss	145	(382)
Financial allowances net of reversals	-	25
TOTAL FINANCIAL INCOME AND EXPENSES	(12,615)	(11,813)

(1) In the absence of documentation of the hedge, the change in fair value was recognized in the income statement in June 2023; the effectiveness of the hedge was measured from the second half of 2023 and partly recognized in equity as of that date. The fair value of swap contracts is evaluated according to the valuation techniques based on observable market data, in application of IFRS 7, see Note 8.1.3.

Note 9 Income tax

Note 9.1 Details of corporate income tax

9.1 Details of corporate income tax

Breakdown of tax expense

<i>(in thousands of euros)</i>	30/06/2024	30/06/2023
Deferred taxes	4,071	2,345
Taxes payable	(410)	(1,177)
TAX EXPENSE	3,661	1,168

The income tax expense does not include research tax credits, classified as other income (see Note 4.1), but does include the CVAE. The change in deferred taxes is explained in Note 9.2.

Tax receivables and payable

<i>(in thousands of euros)</i>	30/06/2024	31/12/2023
Tax receivables	37,552	26,440
Tax payable	167	655
NET TAX RECEIVABLE/(DUE)	37,385	25,785

The tax receivables are mainly made up of research tax credit receivables, which could not yet be offset against the tax charge payable or be sold.

Note 9.2 Deferred taxes

Breakdown of deferred taxes by type

(in thousands of euros)	30/06/2024	31/12/2023 ⁽¹⁾
Differences over time		
Retirement and related benefits	797	843
Development costs	(9,029)	(8,166)
Subsidies	335	347
Rights of use	226	177
Derivative financial instruments	(181)	53
Fair value – IFRS 3	(49,523)	(51,194)
IFRS 15	1,893	1,059
Other	(3,166)	(1,835)
SUBTOTAL	(58,647)	(58,716)
Temporary differences and other restatements	865	925
Deficits carried forward	15,117	11,352
CVAE	18	16
TOTAL	(42,647)	(46,422)
DEFERRED TAX LIABILITIES	(42,748)	(46,512)
DEFERRED TAX ASSETS	101	90

(1) The 31 December 2023 column has been restated as explained in Note 1.3.2.

The change in deferred taxes in the statement of financial position amounted to €3.8 million, of which €4.1 million recognized in the income statement and -€0.3 million in equity (for example in respect of actuarial gains and losses or interest rate hedges).

The deficits carried forward may be capitalized due to the prospect of rapid allocation of these tax losses (within five years). However, most of the deferred tax assets result from the net deferred tax liabilities of the companies concerned. The capitalized deficits carried forward relate solely to the tax consolidation scope of EXAIL HOLDING (i.e. in France).

Note 10 Equity and earnings per share

Note 10.1 Equity

At 30 June 2024, the share capital of EXAIL TECHNOLOGIES SA amounted to €17,424,747, consisting of 17,424,747 fully paid-up shares, each with a nominal value of €1, of which 7,570,771 with double voting rights.

The Shareholders' Meeting decided not to pay a cash dividend in 2024.

Shareholding

	30 June 2024				31 December 2023			
	Shares	% of share of capital	Voting rights exercisable at SM ⁽²⁾	% of voting rights exercisable at SM	Shares	% of share of capital	Voting rights exercisable at SM ⁽²⁾	% of voting rights exercisable at SM
Jean-Pierre GORGÉ	118,449	0.68%	143,689	0.58%	115,409	0.66%	140,649	0.57%
Raphaël Gorgé	98,969	0.57%	181,200	0.74%	88,969	0.51%	171,200	0.70%
GORGÉ SA ⁽¹⁾	7,432,071	42.65%	14,702,899	59.85%	7,432,071	42.65%	14,675,899	59.76%
Subtotal GORGÉ family	7,649,489	43.90%	15,027,788	61.18%	7,636,449	43.83%	14,987,748	61.03%
Treasury shares	430,951	2.48%	-	-	417,663	2.40%	-	-
Public	9,344,307	53.63%	9,536,779	38.82%	9,370,635	53.78%	9,570,898	38.97%
Total	17,424,747	100%	24,564,567	100%	17,424,747	100%	24,558,646	100%

⁽¹⁾ GORGÉ SA is a company owned by the GORGÉ family, controlled by Raphaël GORGÉ.

⁽²⁾ The voting rights exercisable at the Shareholders' Meeting do not include treasury shares. The number of theoretical votes may be obtained by adding the number of votes exercisable at the shareholders' meeting to the number of treasury shares.

In the first half of the year, the shareholding structure changed marginally; EXAIL TECHNOLOGIES acquired 14,954 shares as part of its buyback program, outside the liquidity contract; GORGÉ SA benefited from 27,000 new double voting rights. During the half-year, AMUNDI first declared that it had crossed above the statutory thresholds of 4% of the share capital (January) and 3% of the voting rights (March), before declaring that the same thresholds had been crossed downwards (in April as regards voting rights and in July as regards share capital).

Note 10.2 Earnings per share

	30/06/2024	30/06/2023 ⁽¹⁾
Weighted average number of shares	17,008,518	17,066,447
Dividend per share paid in respect of the financial year (in euros) ⁽²⁾	-	-
Earnings per share (in euros)	(0.218)	1.344
Earnings per share from ongoing activities (in euros)	(0.218)	(0.493)
Potentially dilutive shares ⁽³⁾	-	-
Diluted weighted average number of shares	17,008,518	17,066,447
Diluted earnings per share (in euros)	(0.218)	1.344
DILUTED EARNINGS PER SHARE FROM ONGOING ACTIVITIES (IN EUROS)	(0.218)	(0.493)
<i>(1) The 30 June 2023 column has been restated in accordance with IFRS 3, as explained in Note 1.3.1.</i>		
<i>(2) In 2024, no dividend was paid in respect of 2023.</i>		
<i>(3) There are no potentially dilutive shares at EXAIL TECHNOLOGIES.</i>		

Note 11 Other provisions and contingent liabilities

Changes to provisions over the financial year are the following:

Provisions (in thousands of euros)	Litigation	Customer warranties	Termination losses	Fine and penalties	Other	Total
At 31 December 2023	675	4,515	1,932	97	58	7,277
<i>Appropriations</i>	<i>318</i>	<i>880</i>	<i>39</i>	<i>-</i>	<i>-</i>	<i>1,237</i>
<i>Provisions used</i>	<i>(477)</i>	<i>(128)</i>	<i>(13)</i>	<i>-</i>	<i>-</i>	<i>(618)</i>
<i>Reversals</i>	<i>(4)</i>	<i>(250)</i>	<i>(199)</i>	<i>(34)</i>	<i>(40)</i>	<i>(526)</i>
Impact on income for the period	(163)	502	(173)	(34)	(40)	93
Changes in scope	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
Impact of changes in exchange rates	6	-	-	-	-	6
AT 30 JUNE 2024	519	5,017	1,759	63	18	7,376

Note 12 Other notes

Note 12.1 Commitments

The Group's commitments, as they appear in the notes to the consolidated financial statements for 2023, have not changed significantly.

Note 12.2 Exceptional events and litigation

The Group is involved in various legal proceedings. After reviewing each case and seeking counsel, the provisions considered necessary have, as applicable, been recorded in the financial statements.

EXAIL ROBOTICS was subject to a tax audit during the first half of 2023, covering the 2019 to 2021 financial years. Following this audit, a correction proposal was received in June 2023, initially representing an amount of €0.7 million in tax. Since then, the Company has entered into a two-way dialogue with the tax authorities. The conclusions of this procedure made it possible to obtain the reduction or cancellation of most of the adjustment items proposed, in particular the most significant ones (provisions for impairment of inventories and questioning of the deductibility of intra-group services). To date, a point relating to the research tax credit remains under discussion, as the Company still wishes to make arguments in its favor. The Company remains confident in the strength of its positions on this last outstanding issue.

The other procedures mentioned in the notes to the 2023 financial statements did not change significantly during the half-year.

Note 12.3 Subsequent events

No other significant events took place between 30 June 2024 and the date of the Board of Directors meeting that approved the consolidated financial statements.

Note 13 List of consolidated companies

Companies	Parent company at 30 June 2024	% control		% interest		Method	
		2024	2023	2024	2023	2024	2023
Consolidating company							
EXAIL TECHNOLOGIES SA		Top	Top	Top	Top	FC	FC
Structure							
FINU 13 ⁽¹⁾		-	100	-	100	-	FC
SAS STONI	EXAIL TECHNOLOGIES	100	100	100	100	FC	FC
SCI DES CARRIÈRES ⁽¹⁾	EXAIL TECHNOLOGIES	100	100	100	100	FC	FC
GORGÉ EUROPE INVESTMENT (Netherlands) ⁽¹⁾⁽²⁾	VIGIANS	-	100	-	100	-	FC
GORGÉ NETHERLANDS (Netherlands) ⁽¹⁾	BALISCO	90.58	90.58	90.58	90.58	FC	FC
BALISCO (formerly VIGIANS) ⁽¹⁾	EXAIL TECHNOLOGIES	100	100	100	100	FC	FC
1ROBOTICS (United States) ⁽¹⁾	EXAIL TECHNOLOGIES	29.89	29.89	81	81	EM	EM
EXAIL HOLDING group							
EXAIL HOLDING	EXAIL TECHNOLOGIES	66.68	87.70	66.68	66.57	FC	FC
ECA DEV1 SAS ⁽¹⁾	EXAIL SAS	100	100	65.58	65.35	FC	FC
EXAIL AEROSPACE	EXAIL SAS	100	100	65.58	65.35	FC	FC
EXAIL AUTOMATION	EXAIL AEROSPACE	100	100	65.58	65.35	FC	FC
ECA DYNAMICS ⁽¹⁾	EXAIL SAS	51	51	33.44	33.33	FC	FC
EXAIL ROBOTICS	EXAIL SAS	100	100	65.58	65.35	FC	FC
EXAIL ROBOTICS BELGIUM (Belgium)	EXAIL ROBOTICS	100	100	65.58	65.35	FC	FC
EXAIL-GROUP ASIA Pte Ltd (Singapore)	EXAIL SAS	100	100	65.58	65.35	FC	FC
EXAIL Robotics Australia Pty Ltd (Australia)	EXAIL ROBOTICS	100	100	65.58	65.35	FC	FC
EXAIL SAS	EXAIL HOLDING	98.35	98.16	65.58	65.35	FC	FC
EXAIL Systems Defense Inc. (United States)	EXAIL SAS	100	100	65.58	65.35	FC	FC
EXAIL Inc. (United States)	EXAIL SAS	100	100	65.58	65.35	FC	FC
EXAIL SDN BHD (Malaysia)	EXAIL SAS	100	100	65.58	65.35	FC	FC
EXAIL BV (Netherlands)	EXAIL SAS	100	100	65.58	65.35	FC	FC
EXAIL GmbH (Germany)	EXAIL SAS	100	100	65.58	65.35	FC	FC
EXAIL DMCEST (Dubai)	EXAIL SAS	100	100	65.58	65.35	FC	FC
EXAIL Limited (Great Britain)	EXAIL SAS	100	100	65.58	65.35	FC	FC
EXAIL LTDA (Brazil)	EXAIL SAS	100	100	65.58	65.35	FC	FC
EXAIL PTE (Singapore)	EXAIL SAS	100	100	65.58	65.35	FC	FC
EXAIL Norway (Norway)	EXAIL SAS	100	100	65.58	65.35	FC	FC
MAURIC	EXAIL SAS	79.28	79	51.99	51.81	FC	FC
MAURIC BELGIUM (Belgium)	MAURIC	100	100	51.99	51.81	FC	FC

(1) Companies with no activities.

(2) GORGÉ EUROPE INVESTMENT was merged with BALISCO in the first half of 2024.

(3) SERES INGENIERIE, STEDY and the VIGIANS PROTECTION INCENDIE group were sold in February and March 2023.

Statutory auditors' report on the consolidated financial statements

(Financial year ended on 31 December 2021)

(Period from 1 January to 30 June 2024)

PricewaterhouseCoopers Audit

63 rue de Villiers
92208 Neuilly-sur-Seine Cedex

RSM Paris

26 rue Cambacérès
75008 Paris

To the Shareholders,

EXAIL TECHNOLOGIES

Registered office: 30 rue de Gramont – 75002 PARIS

Public limited company with capital of €17,424,747

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

- conducted a limited review of the condensed half-year consolidated financial statements of EXAIL TECHNOLOGIES, relating to the period from 1 January 2024 to 30 June 2024, as attached to this report;
- verified the information given in the half-year activity report.

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

I - Conclusion on the financial statements

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

A limited review consists mainly of meeting with the members of management in charge of accounting and financial aspects and implementing analytical procedures. This work is less extensive than that required for an audit conducted in accordance with the professional standards applicable in France. Consequently, the assurance that the financial statements, taken as a whole, are free from material misstatement obtained during a limited review is a moderate assurance, lower than that obtained in the context of an audit.

Based on our limited review, we did not identify any material misstatements that would call into question the compliance of the condensed half-year consolidated financial statements with IAS 34, the IFRS standard as adopted in the European Union, on interim financial information.

II - Specific verification

We have also verified the information provided in the half-year activity report commenting on the condensed half-year consolidated financial statements on which our limited review was based.

We have no matters to report as to their fair presentation and their consistency with the condensed consolidated financial statements.

Signed in Neuilly-sur-Seine and Paris, on 30 September 2024

Statutory Auditors

PricewaterhouseCoopers Audit

Christophe Drieu

RSM PARIS

Sébastien Martineau

Statement by the person responsible for the half-year report

I certify, to the best of my knowledge, that the condensed consolidated financial statements for the past half-year are prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position and results of the company and of all the companies included in the consolidation, and that the above half-year activity report presents a true and fair view of the significant events that occurred during the first six months of the financial year, their impact on the financial statements, the main transactions between related parties and a description of the main risks and uncertainties for the remaining six months of the financial year.

Raphaël Gorgé, Chairperson and Chief Executive Officer