FIGEAC AERO

The leading partner for major aerospace manufacturers

2023/24 HALF-YEAR FINANCIAL REPORT

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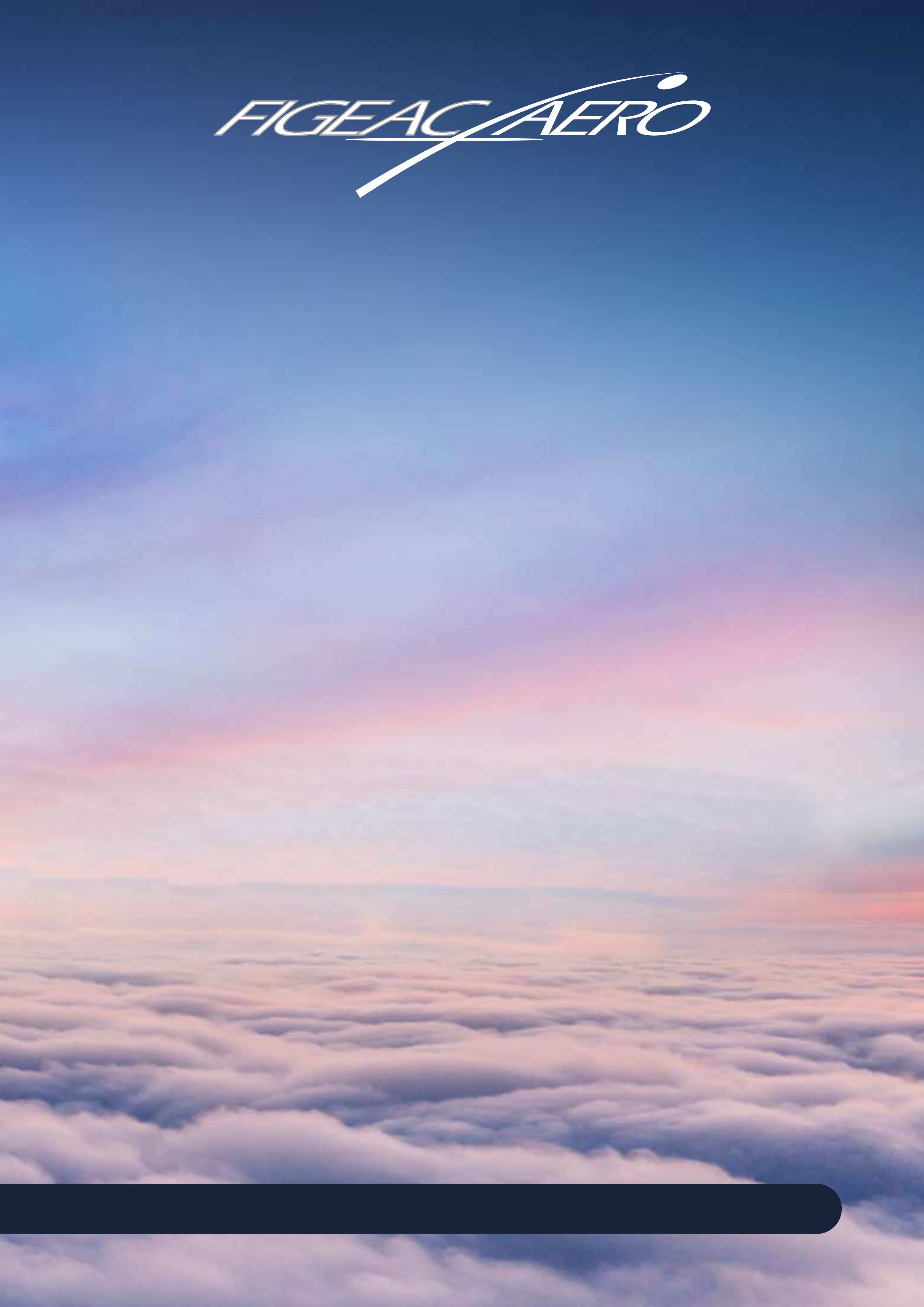
FIGEAC AERO

KPMG SA
224 rue Carmin
CS 17610
31676 Labège

Mazars SA
Green Park III
298, allée du Lac
31670 Labège

FIGEAC AERO S.A.

Statutory auditors' report on 2023 interim financial information

Period from 1 April 2023 to 30 September 2023
FIGEAC AERO S.A.
Zone Industrielle de L'Aiguille - 46100 Figeac

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Statutory auditors' report on 2023 interim financial information

Period from 1 April 2023 to 30 September 2023

Dear Shareholders,

In compliance with the audit assignment entrusted to us by your Shareholders' General Meeting and with article L.451-1-2 III of the French Monetary and Financial Code, we performed the following:

- a limited review of the company's interim financial statements for the period from 1 April 2023 to 30 September 2023, as attached to this report;
- a verification of the information provided in the interim business report.

These interim financial statements were prepared under the responsibility of the Board of Directors. Our role is to issue our conclusion on these financial statements based on our limited review.

I - Conclusion on the financial statements

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

A limited review consists mainly in holding discussions with senior accounting and finance managers and in carrying out analytical procedures. This work is less extensive than that required for an audit performed according to professional standards applicable in France. Consequently, the degree of assurance that the financial statements taken as a whole do not include any material misstatements obtained from a limited review is moderate, lower than that obtained from an audit.

Our limited review revealed no material misstatements that might cause us to doubt whether the interim financial statements were compliant with IAS 34, the interim financial reporting standard forming part of the IFRS framework as adopted in the European Union.

II - Specific verification

We also verified the information provided in the interim business report commenting on the interim financial statements that were covered by our limited review.

We have no observations to make regarding the fair presentation of this information or its consistency with the interim financial statements.

The Statutory Auditors

Labège, 18 December 2023	Labège, 18 December 2023
KPMG S.A.	Mazars
Mathieu Leruste	Hervé Kerneis
Partner	Partner

RESPONSIBILITY STATEMENT FOR THE HALF-YEAR FINANCIAL REPORT

I hereby confirm that, to the best of the my knowledge, the financial statements have been prepared in compliance with applicable accounting standards and give a true and fair view of the assets, financial position and results of the company and of all its consolidated entities, and that the management report attached provides a true and fair view of the business trends, results and financial position of the company and of all its consolidated entities, together with a description of the main risks and uncertainties they face.

Figeac,

20 December 2023

Jean-Claude Maillard

Chairman of the Board of Directors

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Business report for the 1st half of 2023:

STRONG GROWTH IN HALF-YEAR REVENUE

FIGEAC AÉRO's revenue reached €181.2 million in H1 2023/24 (ended 30 September 2023), reflecting 24.9% organic growth[1] (+20.5% reported growth) relative to the same period last year. The forex impact over the half-year amounted to €(7.0) million.

Business activity was so robust primarily because build rates in the commercial aerospace segment continued to trend upwards, which resulted among other things in 23.7% organic growth[1] (+18.6% reported growth) in the Aerostructures & Aeroengines division's revenue during the half-year period.

OPERATING MARGIN GAINS 110 BASIS POINTS

FIGEAC AÉRO's operating profitability improved at a faster pace than its revenue during the first six months of its financial year. Current EBITDA expanded by 33.3% to €19.9 million from €14.9 million in H1 2022/23, reflecting a 110-basis point gain in the margin to 11.0% of revenue.

The operational performance improved largely thanks to increased business activity and effective control over personnel expenses. However, it was held back by the portion of inflationary effects that have not yet been passed on - a portion estimated on a full-year basis at roughly €(2.6) million (versus €(3.8) million the previous year) - and by unfavourable contractual terms and conditions on a contract to purchase parts manufactured at the Group's former Hermosillo site in Mexico. A lasting industrial solution is already in place to manage these sourcing issues, so the €(4.3) million impact is non-recurring and will be significantly smaller in the second half of this financial year and zero next year.

The Aerostructures & Aeroengines division remains the Group's top earnings growth driver, generating €18.7 million in current EBITDA versus €16.2 million a year earlier. The Diversification Activities division turned in positive current EBITDA at €1.2 million versus a €(1.3) million loss a year earlier.

Net depreciation, amortisation and provisions were almost flat at €23.1 million versus €23.8 million a year earlier, which means that the current operating result was able to improve sharply by 58.8% to €(3.9) million.

The operating result came to €(4.9) million, trending broadly in line with the current operating result. It is worth remembering that the operating result in the first half of 2022/23 included a one-off gain generated from the sale of the Hermosillo site in Mexico.

Financial income amounted to €1.0 million, primarily due to higher interest expenses paid in the amount of €6.8 million (versus €3.5 million in H1 2022/23) as well as non-cash effects stemming from the application of IFRS 9 to financial liabilities and currency hedging.

All in all, FIGEAC AÉRO's net result (Group share) improved to €(5.3) million versus €(6.7) million a year earlier.

SHARP IMPROVEMENT IN CASH GENERATION

Thanks to the Group's resilient operating performance, its cash generation also surged during the half year and its financial structure proved solid despite continued strains in the supply chain.

Cash flow before cost of debt and taxes jumped by €11.4 million to €22.4 million over the half-year. Cash flow from operating activities increased significantly during the first six months of the year to €36.2 million (from €(3.4) million a year earlier) after factoring in a positive €13.7m impact generated

[1] Growth excluding the USD foreign exchange impact and changes in the consolidation scope.

by a favourable change in the working capital requirement, thanks to fewer trade receivables, as well as generally in-line trends shown by other items.

Net investments totalled €26.2 million and were mostly allocated to maintenance, R&D and growth support measures, including completion of work to expand production capacity in Morocco dedicated to parts for the LEAP-1A nacelle. Investments included non-recurring items in the amount of about €5 million (commitments made before the crisis, redeployment of production capacity in Mexico and repairs of machines repatriated to France). Capex therefore came out in line with the full-year budget of around €48 million.

All in all, FIGEAC AÉRO reported positive free cash flow of €9.3 million, which is €11.5 million higher than a year earlier despite a complex economic climate (inflation and supply chain strains) and temporary difficulties encountered in Mexico.

So, thanks to stronger cash generation, FIGEAC AÉRO'S net debt held steady at €287.3 million at 30 September 2023 (versus €283.6 million at 31 March 2023). Its cash position remained solid at €91.7 million and its shareholders' equity totalled €60.7 million (versus €70.0 million at 31 March 2023).

LOTS OF PROGRESS ON THE INDUSTRIAL AND COMMERCIAL FRONTS

FIGEAC AÉRO continued to structure itself and develop during the period, making lots of significant headway both on the industrial and commercial fronts.

First of all, the Group's governance structure saw various changes during the first half of the year in a drive to meet the economic challenges it is currently facing - with Thomas Girard appointed Deputy Chief Executive Officer and two new members appointed to the Board of Directors - and also to build on its Executive Committee's corporate responsibility capabilities - with Franck Porier appointed Head of CSR.

The Group's production facilities continue to ramp up and the capacity utilisation rate reached an estimated 75% by the end of the first half of the year. The Group is also pursuing efforts to roll out its Route 25 business plan, some aspects of which have been extended in scope. Two of the three projects geared towards transferring production to the Group's Tunisian and Moroccan sites have already been completed and further transfers are now underway, aimed at making the Group even more competitive. Other operational efficiency projects are also in progress, for instance to automate certain production lines and upgrade the new ERP to the latest version.

FIGEAC AÉRO also continued to adapt to today's market challenges, enabling it to further improve its industrial performance and customer satisfaction:

- Where sourcing is concerned, the Group now enjoys greater visibility on its raw materials supplies as it has diversified its sources in cooperation with its key clients and shortened its production cycles thanks to initiatives taken to re-insource certain surface treatment activities;
- Where human resources are concerned, FIGEAC AÉRO pursued its talent attraction and retention initiatives (1,702 new hires made since April 2021, of which 395 in the first half alone; a lower staff turnover rate) and stepped up the development of its talent pool via its best-cost sites and training institute.

All this positive progress has created powerful drivers that will enable the Group to pursue its business development. Indeed, the half-year period saw the Group awarded new contracts by Safran worth a total of €170 million, and it made positive progress on many other negotiations which should begin to materialise in the form of contracts in the very near future.

AVIATION SECTOR AND WIDEBODY SEGMENT PROVING VERY DYNAMIC

Air traffic improved further, growing by 31.2% in October and by 30.1% in September (relative to the same periods in 2022), and has now reached 98.2% of its 2019 levels so will have wiped out the effects of the crisis by the end of this year or early 2024.

This recovery initially spurred a very sharp upturn in the single-aisle segment. Now, with international traffic catching up (+29.7% in October, to 94.4% of its pre-crisis level), the widebody segment is benefiting too. Whereas close to 90% of orders placed during the Paris Air Show in June 2023 were for single-aisle aircraft, over 50% of those placed during the Dubai Air Show in November 2023 were for widebodies. Moreover, Airbus recently revised its build rate targets for the A350 upwards to 10 aircraft deliveries per month by 2026 (versus about 5 per month at present).

FIGEAC AÉRO will continue to tap into the strong momentum being created within the industry, and the prominence of the A350 in its portfolio means that its revenue and profitability are also set to benefit greatly from the market's transition to widebodies.

SHORT-TERM TARGETS REITERATED

FIGEAC AÉRO has delivered a particularly solid first half and is perfectly poised to reach all its financial targets for FY 2023/24, i.e. revenue between €375 million and €390 million, current EBITDA between €48 million and €53 million, and free cash flow between €16 million and €20 million. And the free cash flow generated over the full year, net of interest expenses and taxes, should come out positive, which will be a crucial step forward for the Group in speeding up its deleveraging.

The current impetus has also enabled the Group to reiterate its financial targets for FY 2024/25 (to recap, revenue of €420-440 million, current EBITDA of €68-73 million, and free cash flow of €20-28 million) – alongside this guidance, the Group's debt leverage ratio is set to fall below the 4 mark and its net debt below its current level to approximately €270m.

NEW STRATEGIC AMBITIONS FOR 2028 TO BE UNVEILED SOON

In an industry characterised by very long technological and commercial cycles, FIGEAC AÉRO boasts a high degree of visibility thanks to its top-tier clients and its long-term contracts and selling prices, resulting in a backlog worth more than €3.7 billion for the next 10 years. In addition, it operates in a very vibrant aviation sector fuelled by continually rising air traffic and record backlogs which are expanding on the back of a shortage of industrial capacity against very strong demand for new aircraft.

Given such favourable circumstances, FIGEAC AÉRO is already fully and confidently committed to its mid-term development projects and is scheduled to unveil its new strategic course of action out to 2028 on 11 January. The pillars of this bold new business plan, PILOT 28, will be based on the following priorities:

- Consolidation and development of the Group's leadership, mainly by gaining market share in the commercial aerospace segment, where FIGEAC AÉRO operates from a position of strength, and by expanding more intensively in other segments, where the Group is well placed to capture a whole range of growth opportunities;
- Accelerated deleveraging, by further boosting cash generation and taking initiatives to transform and optimise the Group's business model;
- Active participation in the emergence of a zero-carbon aviation industry, by building on the Group's reinforced approach to CSR and innovation.

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Consolidated financial statements for the financial period ended 30 September 2023

1.1 STATEMENT OF CONSOLIDATED FINANCIAL POSITION

ASSETS (€k)	**Notes**	**31.03.2023**	**30.09.2023**
Goodwill	Note 4	-	-
Intangible assets	Note 4	100,997	97,315
Property, plant and equipment	Note 5	123,760	131,560
Right-of-use assets	Note 6	41,124	36,448
Non-current financial assets	Note 7	4,688	4,657
Equity-accounted investments	Note 8	(732)	2,254
Non-current derivative assets	Note 14		
Deferred tax assets	Note 26	1,559	1,383
Non-current assets		**271,396**	**273,616**
Inventory and work in progress	Note 10	196,167	202,841
Contract assets	Note 9	24,400	28,171
Trade and other receivables	Note 11	59,896	35,759
Current tax assets	Note 26	7,912	7,473
Other current assets	Note 11	26,683	24,113
Cash and cash equivalents	Note 12	115,500	91,668
Current assets		**430,558**	**390,024**
TOTAL ASSETS		**701,954**	**663,640**

LIABILITIES (€k)	**Notes**	**31.03.2023**	**30.09.2023**
Share capital	Note 15	4,967	4,967
Reserves	Note 15	83,059	61,081
Income (loss) for the period		(18,068)	(5,290)
Capital issued and reserves attributable to owners of the parent company		69,958	60,758
Non-controlling interests		(5)	(23)
Total consolidated shareholders' equity		**69,953**	**60,735**
Provisions	Note 16	10,387	8,383
Non-current interest-bearing financial liabilities	Note 18	355,516	336,754
Non-current derivative instruments	Note 14.2	10,554	7,458
Non-current derivative liabilities	Note 3	4,695	4,648
Deferred tax liabilities	Note 26	921	693
Other non-current liabilities	Note 18	4,192	4,307
Non-current liabilities		**386,265**	**362,243**
Current interest-bearing financial liabilities	Note 18	54,406	50,629
Trade and other payables	Note 20	83,242	86,016
Contract liabilities	Note 19	14,297	31,001
Current tax liabilities	Note 26	18,232	9,043
Other current liabilities	Note 20	75,559	63,974
Current liabilities		**245,735**	**240,663**
TOTAL LIABILITIES		**701 954**	**663,640**

1.2 CONSOLIDATED STATEMENT OF INCOME

(€k)	Notes	30.09.2022	30.09.2023
Revenue	Note 22	150,334	181,219
Other income	Note 24	807	589
Change in inventories of finished goods and WIP		(14,010)	6,078
Cost of bought-in goods and services over the period and external expenses	Note 24	(75,964)	(121,149)
Personnel expenses	Note 24	(45,577)	(46,747)
Taxes and duties		(1,415)	(839)
Net depreciation, amortisation and provisions	Note 24	(23,759)	(23,100)
Current operating income (loss)		**(9,584)**	**(3,948)**
Other non-recurring operating income and expenses	Note 24	9,825	(1,800)
Share of net income (loss) of joint ventures	Note 8	(471)	876[2]
Operating income (loss)		**(233)**	**(4,871)**
Cost of net debt	Note 25	(5,582)	(10,000)
Currency gains and losses		9,820	5,404
Unrealised gains and losses on derivative instruments		(14,536)	5,709
Other financial income and expenses		234	(83)
Financial income (loss)		**(10,063)**	**1,029**
Profit (loss) before tax		**(10,296)**	**(3,842)**
Tax income (expense)	Note 26	3,549	(1,466)
Income (loss) for the period		**(6,747)**	**(5,308)**

Attributable:			
to owners of the parent company		(6,710)	(5,290)
to non-controlling interests		(37)	(18)

Net income (loss) per share attributable to owners of the parent company (€)	Note 27	(0.18)	(0.13)
Basic earnings per share: profit / (loss)		(0.18)	(0.13)
Diluted earnings per share: profit / (loss)		(0.18)	(0.13)

[2] In accordance with IAS 28, the FIGEAC AÉRO Group has restated its obligations towards Sami Figeac Aero Manufacturing (SFAM). At period-end, the Group estimated that it had no legal, contractual or implicit obligation to meet the company's liabilities or participate in a capital increase carried out by the company. The carrying amount of equity-accounted securities in SFAM was therefore reduced to zero.

1.3 STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

(€k)	Notes	30.09.2022	30.09.2023
Net income (loss) for the period		(6,710)	(5,308)
Items reclassifiable as income (loss)		(20,534)	(4,094)
Translation adjustments		(1,224)	(602)
Remeasurement of hedging instruments		(25,745)	(4,656)
Tax on other reclassifiable items of comprehensive income (loss)		6,436	1,164
Reclassifiable share of other items of comprehensive income (loss) of equity affiliates (net of tax)	Note 8		
Items not reclassifiable as income (loss)		651	152
Remeasurement of net liabilities (assets) of defined benefit plans	Note 17	868	202
Tax on other non-reclassifiable items of comprehensive income (loss)		(217)	(51)
Non-reclassifiable share of other items of comprehensive income (loss) of equity affiliates (net of tax)			
Total other items of comprehensive income (loss)		(19,883)	(3,942)
Total comprehensive income (loss) for the period		(26,629)	(9,250)

Attributable:			
to owners of the parent company		(26,592)	(9,232)
to non-controlling interests		(37)	(18)

1.4 STATEMENT OF CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

(€k)	Share capital	Additional paid-in capital	Treasury shares	Translation adjustments	Reserves - hedging instruments and defined benefit plans	Other reserves	Net income (loss)	Other	**Capital issued and reserves attributable to owners of the parent company**	Non-controlling interests	**Total**
01.04.2022	3,821	118,455	(5,367)	(2,388)	(418)	(32,886)	(43,089)	(849)	37,282	21	37,303
Income (loss) for the period							(18,068)		(18,068)	(26)	(18,094)
Other items of comprehensive income (loss)				(633)	29				(2,954)		(2,954)
Acquisitions / disposals of treasury shares			(133)						(133)		(133)
Dividends									-		-
Net movements in treasury shares									-		-
Allocation to income (loss)						(43,089)	43,089		-		-
Change in scope of consolidation											
Capital increase	1,146	52,354							53,500		53,500
Other						332			331		331
31.03.2023	4,967	170,809	(5,499)	(3,022)	(389)	(77,990)	(18,068)	(849)	69,958	(5)	69,953
01.04.2023	4,967	170,809	(5,499)	(3,022)	(389)	(77,990)	(18,068)	(849)	69,958	(5)	69,953
Income (loss) for the period							(5,290)		(6,799)	(18)	(6,816)
Other items of comprehensive income (loss)				(602)	152	(3,492)			(3,942)		(3,942)
Acquisitions / disposals of treasury shares			(65)						(65)		(65)
Dividends									-		-
Net movements in treasury shares									-		-
Allocation to income (loss)[3]						(18,068)	18,068		-		-
Change in scope of consolidation									-		-
Other		(131,073)[3]			3	131,167[1]			**97**		97
30.09.2023	4,967	39,736	(5,564)	(3,624)	(235)	**31,616**	(5,209)	(849)	60,758	(23)	**60,735**

[3] Under Resolution 4 of the minutes from the Shareholders' General Meeting of 29 September 2023, the retained loss of €139,677,240 is allocated to "Reserves required by the articles of association or by contract" (€131,072,737) and "Additional paid-in capital" (€8,604,503).

1.5 STATEMENT OF CONSOLIDATED CASH FLOWS

(€k)	Notes	30.09.2022	30.09.2023
Net income (loss) for the period		(6,747)	(5,308)
Depreciation, amortisation and provisions		23,761	23,121
Capital (gains)/losses on asset disposals		(12,524)	(3)
Other non-cash items		878	836
Elimination of adjustment gains/losses (fair value)		1,780	(3,143)
Cash flow after cost of debt and taxes		7,148	15,504
Tax expense		394	114
Cost of debt		3,477	6,816
Cash flow before cost of debt and taxes		11,019	22,433
Change in working capital requirement			
Change in inventories		(2,768)	(10,696)
Change in trade and other receivables		10,386	23,870
Change in trade and other payables		(22,069)	558
Net cash flow from operating activities		(3,432)	36,165
Acquisitions of fixed assets		(24,799)	(26,245)
Disposals, reductions in fixed assets		24,274	88
Change in receivables and payables on fixed assets		1,741	(711)
Impact of scope changes on the cash position			
Net cash flow from investing activities		1,216	(26,868)
Loan issues		76,199	117
Loan repayments		(42,705)	(13,470)
Debt restructuring fees		(5,739)	
Repayment of lease liabilities		(8,802)	(5,767)
Acquisitions or disposals of treasury shares		(72)	(65)
Advances received on orders - Aerotrade		(4,521)	
Capital increases		53,501	
Interest paid		(3,478)	(6,816)
Net cash flow from financing activities		64,383	(26,001)
Increase (decrease) in cash		62,168	(16,704)
Cash position - opening date		33,025	94,399
Change in translation adjustment		531	171
Other			
Cash position - closing date	Note 12	95,724	77,865

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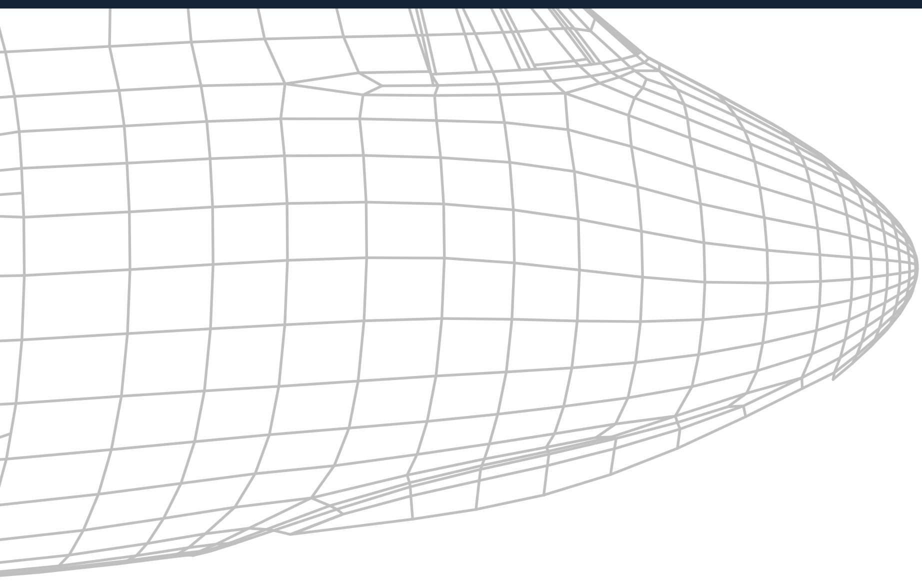
Notes to the Group’s consolidated financial statements



FIGEAC AÉRO (Zone Industrielle de l'Aiguille, 46100 Figeac, France) is a public limited company registered in France and traded continually on compartment C of the Euronext Paris exchange.

The consolidated financial statements reflect the accounts of the FIGEAC company and its subsidiaries, whether they are controlled directly or indirectly, exclusively or jointly, and over which it has significant influence (hereinafter referred to as the "Group"). The Group's main business activities are the production of aerostructure and aeroengine parts for the aerospace industry and diversification activities.

The financial statements are shown in thousands of euros, and all values are rounded up or down to the nearest thousand unless otherwise stated.

The consolidated financial statements at 30 September 2023 were approved by the Board of Directors on 20 December 2023.

NOTE 1 ACCOUNTING PRINCIPLES

Note 1.1 Changes to accounting principles and methods

The consolidated financial statements of FIGEAC AÉRO and its subsidiaries are prepared in accordance with IFRS (International Financial Reporting Standards), as published by the IASB (International Accounting Standards Board) and adopted by the European Union, as at the date on which the consolidated financial statements are closed. They include the standards approved by the IASB, i.e. the IFRS, the International Accounting Standards (ISAB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or its predecessor the Standing Interpretations Committee (SIC).

These financial statements were prepared in accordance with IAS 34. The condensed financial statements do not include all the financial information required under IFRS for annual financial statements and must be read in conjunction with the annual financial statements for the financial year ended 31 March 2023.

The accounting rules and methods applied to the interim consolidated financial statements at 30 September 2023 are identical to those applied to the consolidated financial statements at 31 March 2023, except for the following mandatory standards, amendments and interpretations applicable to financial years starting from 1 January 2023.

Changes to accounting principles and methods

New mandatory standards, interpretations and amendments to IFRS standards applied since April 1st, 2023:

- IFRS 17 and related amendments – Insurance contracts
- Amendments to IFRS 17 – First application of IFRS 17 and IFRS 9 - comparatives
- Amendments to IAS 1 – Presentation of financial statements - Practice Statement 2 – Disclosure of accounting policies
- Amendments to IAS 8 – Definition of accounting estimates
- Amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction

The mandatory regulations applicable since 1 April 2023 have no material impact on the Group's financial statements.

New standards, interpretations and amendments to IFRS standards published and adopted early by the Group from 1 April 2023:

None.

Standards, interpretations and amendments not adopted by the European Union at 30 September 2023 or not yet mandatory at 1 April 2023:

The IASB published the following regulations which the Group does not expect to have a material impact on its consolidated financial statements to date:

- Amendments to IAS 1 – Classification of liabilities as current or non-current and Non-current liabilities with covenants.
- Amendments to IFRS 16 – Lease liability in a sale and leaseback.
- Amendments to IAS 7 and IFRS 7 – Supplier finance arrangements
- Amendments to IAS 12 – International tax reform – Pillar Two model rules (OECD)

Note 1.2 Estimates

The preparation of financial statements in accordance with IFRS requires Group Management to exercise its judgement and make estimates and assumptions that affect the application of accounting policies and recognised amounts of assets and liabilities, income and expenses. The underlying estimates and assumptions are based on past experience and other factors considered reasonable given the circumstances.

Underlying estimates and assumptions are re-examined on an ongoing basis. The impact of changes in accounting estimates is recognised during the period in which the change is made when only that period is affected, or during the period in which the change is made as well as any subsequent periods if they are also affected by the change.

Estimates are made primarily for the following items:

- Capitalised development costs: Note 4
- Contract assets: Note 9
- Fair value of derivative instruments: Note 14
- Deferred tax assets: Note 25
- Employee benefits: Note 17

NOTE 2 HIGHLIGHTS

FIGEAC AÉRO continued to structure itself and develop during the half-year, making lots of significant headway both on the industrial and commercial fronts.

CHANGES TO THE GOVERNANCE STRUCTURE

First of all, the Group's governance structure saw various changes during the first half of the year in a drive to meet the economic challenges it is currently facing.

These changes included the appointment of Thomas Girard as Deputy Chief Executive Officer to replace Didier Roux who left the Group on 1 September 2023, and the appointment of Adrien Dassault and Rahima Belemcili as directors to provide the Board of Directors with additional expertise.

The Group also expanded its Executive Committee by appointing (i) Franck Porier as Head of CSR, in a management drive to refocus on sustainability matters in particular, and (ii) Pierre Albert as Chief Operating Officer for North America and Diversification Activities, in order to pursue ongoing efforts to improve operating performances at the Group's industrial sites, especially the Mexican site in Chihuahua which has recently been rescaled.

PROGRESS ON THE ROUTE 25 BUSINESS PLAN

The Group's production facilities continue to ramp up and the capacity utilisation rate reached an estimated 75% by the end of the first half of the year.

The Group is also pursuing efforts to roll out its Route 25 business plan, some aspects of which have been extended in scope. With two of the three projects geared towards transferring production to the Group's Tunisian and Moroccan sites having already been completed, further transfers are now underway aimed at making the Group even more competitive.

Other operational efficiency projects are in progress:

- Efforts to upgrade production facilities, especially in France, by automating certain production lines at Figeac Aero's historical site;

- Ramp-up of the cloud version of the new ERP (IFS) following completion of the ERP roll-out at the Group's main sites in financial year 2022/23.

ADAPTING TO THE ECONOMIC CLIMATE TO IMPROVE INDUSTRIAL PERFORMANCE

FIGEAC AÉRO continued during the first half of the year to adapt to today's economic challenges, which mainly consist of sourcing issues and labour shortages; its efforts have enabled it to further improve its industrial performance and customer satisfaction:

- Where sourcing is concerned, the Group now enjoys greater visibility on raw materials supplies as it has diversified its sources in cooperation with its key clients, particularly its supplies of titanium and steel. The Group was also able to shorten its production cycles for many of its products thanks to initiatives taken to re-insource certain surface treatment activities;

- The Group also adequately offset the current labour shortages, having increased its human resources by rolling out talent attraction and retention initiatives (1,702 new hires made since April 2021, of which 395 in the first half alone; a lower staff turnover rate) and stepped up the development of its talent pool via its best-cost sites and training institute.

FIGEAC AERO broadly managed in H1 2023/24 to maintain the improvement observed during the previous year.

STRONG COMMERCIAL MOMENTUM

All this positive progress towards improving governance and industrial performance has created powerful drivers that will enable the Group to pursue its business development.

Indeed, the half-year saw the Group awarded new contracts by Safran worth a total of €170 million.

- A first contract announced in May 2023 with Safran Nacelles worth a total of €140 million and spanning 10 years for a high value-added part of the nacelle for the LEAP-1A engine that powers most Airbus A320neo aircraft. This is a renewal and extension of a contract that has been successfully industrialised in France, with the new agreement involving the addition of new production capacity at the Group's Casablanca site in Morocco – construction was about to be completed at the time of writing this report, as initially scheduled. The first deliveries are to be made in the second half of this financial year.

- A second contract announced in early October 2023 with Safran Aircraft Engines amounting to a total of more than €30 million and spanning 10 years. This contract involves producing the TRV exhaust casing for the LEAP-1B engine that powers all Boeing 737 MAX aircraft. This new agreement reinforces the Group's position on a strategic programme for one of the market's high-runners and is also the first in which SAE is subcontracting production of this part, indicating that there is sizeable scope for the Group to expand its market share. The first deliveries are scheduled in the second half of 2024, with production ramping up in 2025.

These are transformative contracts for the Group, and the investments made in them have also benefited from significant financial support both from the client itself and from local authorities in the form of repayable advances and grants. The Group therefore presents itself as a competitive partner for its clients, as they increase their build rates to keep up with demand, while also being able to optimise its cash generation.

Thanks to a combination of these new contracts, rising build rates across the board and, to a lesser extent, a price effect, the Group was able to report a net €300 million increase in its backlog to €3.7 billion relative to its 31 March 2023 level.

Last of all, FIGEAC AÉRO's Chinese joint venture, Nanshan Figeac Aero Industry Co. Ltd, received AS9100 certification (EN9100 in Europe), a quality and risk management standard specific to the aerospace industry, in April 2023. This certification is a crucial step forward when it comes to manufacturing series parts for the aerospace industry and indicates that the joint venture now has the capacity to take on orders and become a leading player in China's very fast-growing aerospace market.

FIGEAC AÉRO has already scaled its production facilities appropriately and is therefore ideally placed to grasp new growth opportunities at a time of surging demand and restricted value chain capacity; this is reflected in the large volume of RFQ activity currently in progress. Talks underway with major systems manufacturers thus continue to make good headway and should culminate in new contracts requiring very little fresh investment.

MANAGING INFLATIONARY PRESSURES

Thanks to the excellent relations we maintain with all our clients (major aerospace manufacturers), practically all the discussions initiated with them aimed at offsetting inflation achieved favourable outcomes.

Overall, the Group reckons it has managed to offset about two-thirds of the inflation it is currently facing and estimates the impact of inflation that has not been passed on at about €2.6 million over the full year. This impact is smaller than that registered in FY 2022/23, for instance, indicating that inflation has begun to slow down in recent months.

The main solution that has been selected so far to offset inflation consists of additional invoicing, although higher prices have been negotiated in some cases. The Group intends to focus on this latter alternative in its next round of talks as it is more likely to resolve any further inflationary pressures in the long term.

NOTE 3 SCOPE OF CONSOLIDATION

The list of consolidated entities is as follows:

	Activity	% interest	Country
FULLY-CONSOLIDATED ENTITIES			
Europe			
Figeac Aéro SA	Manufacturing of structural parts	100.00%	France
M.T.I. SAS	General engineering and heavy sheet metal manufacturing	95.64%	France
Mecabrive Industries SAS	Precision machining and surface treatment	100.00%	France
FGA Picardie SAS	On-site and workshop assembly of aerospace sub-assemblies	100.00%	France
SCI Remsi	Real estate activity	100.00%	France
SN Auvergne Aéronautique	Manufacturing of structural parts	100.00%	France
FGA Group Services	Services company	100.00%	France
Ateliers Tofer	General engineering and heavy sheet metal manufacturing	100.00%	France
Tofer Holding	Services company	100.00%	France
Tofer Service Industries	Services company	100.00%	France
Tofer Europe Service	General engineering and heavy sheet metal manufacturing	100.00%	Romania
Tofer Immobilier	Real estate activity	100.00%	France
Mat Formation	Services company	100.00%	France
SPV	Inventory holding company	100.00%	France
North America			
FGA North America Inc	Precision machining and surface treatment	100.00%	USA
SCI Mexique	Real estate activity	100.00%	Mexico
Africa			
SARL FGA Tunisie	Manufacturing of structural parts	100.00%	Tunisia
Figeac Aéro Maroc	Manufacturing of structural parts	100.00%	Morocco
Casablanca Aéronautique	Manufacturing of structural parts	100.00%	Morocco
Figeac Tunisia Process	Services company	100.00%	Tunisia
Egima	Real estate activity	100.00%	Morocco
JOINT VENTURES			
Asia			
Nanshan Figeac Aero Industry	Manufacturing of structural parts	50.00%	China
Middle East			
Sami Figeac Aéro Manufacturing	Manufacturing of structural parts	40.00%	Saudi Arabia

SCI Remsi, owned by Jean-Claude Maillard, Chairman and Chief Executive Officer of FIGEAC AÉRO Group, is consolidated because it is considered a special purpose entity. This company owns a specific asset (an industrial building) that is rented by the parent company FIGEAC AÉRO. The SCI (real estate partnership) was created as part of a Group investment initiative.

Nanshan Figeac Aero Industry is a company that was created in October 2018 and must be capitalised in the amount of $20 million, of which 50% from FIGEAC AERO.

Some 30% of the capital, i.e. $6 million, has been freed up (of which $3 million by FIGEAC AÉRO).

The timeline for freeing up the capital is as follows: an additional 30% 24 months after registration, 20% 48 months after registration, and the remainder 60 months after registration. However, delays in certifying certain processes mean that the company's capital calls have been postponed. No calls for funds are scheduled over the coming 12 months.

Sami Figeac Aero Manufacturing LLC (SFAM), a company based in Jeddah, was set up on 27 April 2021, and Figeac Aero owns a 40% interest in it. This project is consistent with Saudi Arabia's economic diversification strategy "Vision 2030". It is centred around a production plant built to make light alloy and hard metal parts for the commercial and military aircraft manufactured by the world's main prime contractors (Airbus, Boeing, Lockheed Martin, Safran, etc.). A capital increase was carried out in late June 2022 in the amount of SAR25 million. On completion of this capital increase, FIGEAC AÉRO's interest in the company remained at 40%.

Figeac Aéro SA, the sole partner of Figeac Aero Saint Nazaire, decided on 3 April 2023 to dissolve the company early by way of a universal transfer of assets in order to streamline its running costs and simplify its legal structure.

NOTE 4 INTANGIBLE ASSETS

Intangible assets break down as follows:

(€k)	31.03.2023			30.09.2023		
	Gross	Amort. / deprec.	Net	Gross	Amort. / deprec.	Net
Development costs	158,304	(111,067)	47,237	161,793	(120,913)	40,880
Concessions, patents and licences	2,680	(2,334)	346	2,693	(2,433)	260
Software	53,641	(12,816)	40,825	53,722	(14,628)	39,093
Goodwill	459	(459)		459	(459)	
Other intangible assets	1	(1)		1	(1)	
Intangible assets in progress	12,590		12,590	17,081		17,081
Total	**227,674**	**(126,677)**	**100,997**	**235,749**	**(138,434)**	**97,315**

The change in the value of intangible fixed assets breaks down as follows:

(€k)	Gross	Amortisation / depreciation	Net
At 31.03.2023	**227,674**	**(126,677)**	**100,997**
Capitalisation of development costs[4]	6,479		6,479
Acquisitions	889		889
Disposals/write-offs	2	(26)	(24)
Depreciation and amortisation		(12,109)	(12,109)
Net provisions		485	485
Transfers	436	76	513
Translation adjustments	272	(183)	89
Changes in consolidation scope	(3)		(3)
At 30.09.2023	**235,749**	**(138,434)**	**97,315**

The Group is in the process of upgrading its IT system; the costs of this project are capitalised. At 30 September 2023, net capitalised development costs for the ERP project amounted to €46.8 million (versus €46.0 million at 31 March 2022).

At 30 September 2023, the continued instalment of the new ERP had incurred total costs of €0.8 million. The Group brought this new ERP on stream in April 2022.

[4] Of which €0k of interest accrued on development costs at 31 March 2023 (€0k at 31 March 2022)

Overview of net values by type:

Type	Net amount
R&D projects	56,474
ERP project	38,117
Licences and software	2,724
Total	**97,315**

The Group's Research & Development investment policy focuses on new machining systems (aerostructures and aeroengines).

FIGEAC AÉRO Group must prepare for the arrival of new products on the market, make use of the most cutting-edge technologies and develop its industrial expertise. FIGEAC AÉRO must also work closely with its export clients and find new markets overseas.

FIGEAC AÉRO Group's R&D expenditure is substantial. Its pro-active R&D policy in France entitled it to a research tax credit and significant grants (research tax credit of €0.81 million in 2023 versus €0.88 million in 2022) recognised as "other income" in the statement of financial position.

Its total R&D expenditure represented 3.57% of its revenue in the first half of 2023/2024 versus 2.76% in 2022/2023. This expenditure is testament to the Group's determination to develop its operational processes.

Asset impairments

At the end of each financial year, the Group assesses whether there is any indication that an asset may be impaired. An impairment test is conducted if there is an indication of impairment: the net carrying amount of the asset is compared with its recoverable value. If its present value falls below its carrying amount, the latter is reduced to the present value.

This impairment loss is calculated by comparing the project's value in use (based on build rates indicated in the data provided by aircraft manufacturers positioned in time and discounted at an annual rate of 10%) with the net carrying amount of these projects at 30 September 2023 (based on the impairment schedule established initially).

These intangible assets are then incorporated into the asset base tested for impairment during tests carried out on each CGU (cf. Note 5).

NOTE 5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment break down as follows:

(€k)	31.03.2023 Gross	Amort. / deprec.	Net	30.09.2023 Gross	Amort. / deprec.	Net
Land	4,524	(802)	3,722	4,573	(810)	3,763
Buildings	78,447	(32,118)	46,329	78,768	(33,829)	44,939
Plant machinery, equipment and tools	179,818	(131,631)	48,188	185,678	(139,500)	46,178
Improvement and preparation of land	23,868	(16,552)	7,316	24,413	(17,762)	6,652
Transportation equipment	396	(328)	69	405	(339)	67
Office and IT equipment	8,414	(5,861)	2,553	8,795	(6,209)	2,586
Other property, plant and equipment	587	(587)		586	(586)	
Property, plant and equipment in progress	14,077		14,077	26,533	(118)	26,415
Advances and down-payments on property, plant and equipment	1,506		1,506	960		960
Total	**311,638**	**(187,878)**	**123,760**	**330,712**	**(199,152)**	**131,560**

The change in the value of property, plant and equipment breaks down as follows:

(€k)	Gross	Amortisation / depreciation	Net
At 31.03.2023	**311,638**	**(187,878)**	**123,760**
Acquisitions	18,877		18,877
Disposals/write-offs	(938)	276	(662)
Depreciation and amortisation		(10,676)	(10,676)
Net impairment		(67)	(67)
Transfers	(462)	(50)	(513)
Translation adjustment	1,600	(756)	844
Changes in consolidation scope	(2)		(2)
At 30.09.2023	**330,712**	**(199,152)**	**131,560**

Property, plant and equipment pledged as guarantees are described in detail in Note 30.

Among the main acquisitions was an investment to construct a new building in Casablanca as part of a customer contract and another to relocate the Hermosillo plant to Chihuahua.

All new property, plant and equipment were acquired from external suppliers.

Asset impairment tests:

The Group carried out interim impairment tests on its Cash Generating Units (CGUs) by comparing their values in use with their net carrying amounts.

The main CGUs identified and tested were the following:

- Figeac Aéro CGU, consisting of Figeac Aéro, FGA Tunisie, FGA Maroc, FGA Picardie and FGA Saint Nazaire;
- Figeac Aero North America CGU;
- CGU manufacturing structural parts from metal sheets (SN Auvergne Aero, Casa Aero).

The main assumptions used to measure the values in use of CGUs can be summarised as follows:

- projected cash flows are calculated based on forecasts for the CGU for the next five years;
- operating forecasts used to calculate projected cash flows incorporate general economic data, specific rates of inflation for each region, US dollar exchange rates depending on available market information, and macroeconomic assumptions for the medium term and long term. These forecasts and assumptions are those used by the Group in its medium-term business plan for the next four years; going further forward, they are based on Group Management's best estimates for its activities over the longer term;
- the value in use of each CGU is equal to the sum of these discounted projected cash flows plus a terminal value calculated by applying the growth rate expected for the activities concerned to a normative level of cash flow representative of activity in the long term, often corresponding to the last year of the long-term business plan;
- the growth rate used to determine the terminal value was set at 2% for all CGUs;
- the reference discount rate used is 10% (10% at 31 March 2023) applied to cash flows after tax. The discount rate does not include an inflation parameter as the business plan established already factors in inflationary assumptions for the items concerned.

The operating forecasts used to calculate projected cash flows have been updated to factor in the new aircraft delivery schedules and the expected revision to the margin owing to the updated operational action plan approved by Group Management.

Activity levels are expected to return to normal in the financial year ending March 2026.

At 31 March 2023, the test had prompted the Group to maintain the following impairment losses:

- €0.5 million for the FIGEAC AÉRO CGU;
- €8.2 million for the Figeac Aero North America CGU.

The asset impairment test carried out at 30 September 2023 led to no additional impairment charge.

At 30 September 2023, the impairment losses recognised on the CGUs break down as follows:

- €0.5 million for the FIGEAC AÉRO CGU;
- €8.2 million for the Figeac Aero North America CGU.

These impairment losses were recognised on the CGU assets, allocated first of all to the value of goodwill and then, on a *pro rata* basis, to the value of the CGU assets.

A value-in-use sensitivity analysis was carried out on the CGUs by adjusting the main assumptions used for the discount rate and perpetual growth rate.

The table below shows the impacts of the impairment losses recognised.

Sensitivity

WACC / Growth rate	1.50%	2.00%	2.50%
9.70%	(3,157)	13,427	32,313
10.00%	(16,201)		16,225
10.30%	(28,356)	(14,387)	1,372

The impact of changes in CGU value in use on impairment losses recognised at 30 September 2023 is estimated as follows:

- Downward change: impacting only on the Figeac Aero North America CGU and limited to €2 million;
- Upward change: impairment reversals estimated to be limited to €1.1 million, which is the amount of the provision recognised.

NOTE 6 LEASES

Right-of-use assets break down as follows:

(€k)	31.03.2023 Gross	31.03.2023 Amort. / deprec.	31.03.2023 Net	30.09.2023 Gross	30.09.2023 Amort. / deprec.	30.09.2023 Net
Right-of-use property assets	11,644	(9,243)	2,401	12,249	(10,027)	2,223
Right-of-use production equipment assets	110,218	(80,334)	29,885	110,206	(84,349)	25,857
Right-of-use transportation equipment assets	941	(695)	246	1,009	(840)	170
Other right-of-use assets	11,721	(3,128)	8,593	11,754	(3,555)	8,199
Total	**134,524**	**(93,400)**	**41,124**	**135,218**	**(98,771)**	**36,448**

The change in the value of right-of-use assets breaks down as follows:

(€k)	Gross	Amortisation / depreciation	Net
At 31.03.2023	**134,524**	**(93,400)**	**41,124**
Increase in right-of-use assets	665		665
Terminations and transfers	(1)		(1)
Depreciation and amortisation		(5,359)	(5,359)
Net impairment			
Transfers			
Translation adjustment	30	(11)	18
Changes in consolidation scope			
At 30.09.2023	**135,218**	**(98,771)**	**36,448**

NOTE 7 FINANCIAL ASSETS

Financial assets include the following:

(€k)	31.03.2023			30.09.2023		
	Gross	Amort. / deprec.	Net	Gross	Amort. / deprec.	Net
Non-consolidated investments	620	(496)	124	642	(496)	146
Loans	2,053		2,053	2,056		2,056
Other financial assets	7,808	(5,296)	2,512	7,751	(5,296)	2,455
Total	**10,480**	**(5,792)**	**4,688**	**10,448**	**(5,792)**	**4,657**

The change in other financial assets breaks down as follows:

(€k)	Gross	Amortisation / depreciation	Net
At 31.03.2023	**10,480**	**(5,792)**	**4,688**
Acquisitions	11		11
Disposals/write-offs	(47)		(47)
Depreciation and amortisation			
Net impairment			
Transfers			
Translation adjustments	5	(5,792)	5
Changes in consolidation scope			
At 30.09.2023	**10,448**	**(5,792)**	**4,657**

NOTE 8 EQUITY-ACCOUNTED INVESTMENTS

The Group owns interests in the Nanshan Figeac Aero Industry joint venture, which it recognises according to the equity-accounted method, as well as in Sami Figeac Aero Manufacturing (SFAM).

The financial information on equity-accounted companies is summarised below:

(€k)	31.03.2023	30.09.2023		
	Total	Nanshan Figeac Aero Industry	Sami Figeac Aero Manufacturing	Total
Non-current assets	10,420	2,275	17,112	10,420
Current assets other than cash and cash equivalents	9,521	45	4,188	9,521
Cash and cash equivalents	7,453	2,295	5,509	7,453
Subscribed share capital uncalled	-	-	-	-
Other non-current liabilities	-	-	-	-
Non-current financial liabilities	-	-	-	-
Other current liabilities	(9,696)	(47)	(12,629)	(9,696)
Current financial liabilities	(15,214)		(17,445)	(15,214)
Net assets	2,485	4,568	(3,265)	2,485
Group share		50%	40%	
Gross value of equity-accounted investments	**1,492**	**2,284**	**(1,306)**	**978**
Limit on the net carrying amount (IAS 28)			1,275[5]	1,275[5]
Restatement of internal transactions (IAS 28)	(2,223)		2,223	
Net value of equity-accounted investments	**(731)**			**2,254**

(€k)	31.03.2023	30.09.2023		
	Total	Nanshan Figeac Aero Industry	Sami Figeac Aero Manufacturing	Total
Revenue			740	
Operating income (loss)	(5,622)	(247)	38	(209)
Cost of debt	(1,072)		(711)	(711)
Tax	(151)		(20)	(20)
Net income (loss)	(6,542)	(247)	(693)	(940)
Other items of comprehensive income (loss)				
Total comprehensive income (loss)	(6,542)	(247)	(693)	(940)
Group share		50%	40%	
Share of net income (loss) of equity-accounted companies	(2,625)	(124)	(277)	(401)
Limit on the share of deficit (IAS 28)			1,275[5]	1,275[5]
Share of net income (loss) of equity-accounted companies	(2,625)			876

[5] In accordance with IAS 28, the Figeac Aéro Group has restated its obligations towards Sami Figeac Aero Manufacturing (SFAM). At period-end, the Group estimated that it had no legal, contractual or implicit obligation to meet the company's liabilities or participate in a capital increase carried out by the company. The carrying amount of equity-accounted securities in SFAM was therefore reduced to zero.

NOTE 9 CONTRACT ASSETS

The change in assets recognised on costs incurred to obtain or execute contracts signed with customers breaks down as follows:

(€k)	31.03.2023			30.09.2023		
	Gross	Amort. / deprec.	Net	Gross	Amort. / deprec.	Net
Cost of obtaining contracts	-	-	-	-	-	-
Cost of executing contracts	29,393	(4,993)	24,400	33,345	(5,174)	28,171
Total	**29,393**	**(4,993)**	**24,400**	**33,345**	**(5,174)**	**28,171**

After revising certain assumptions regarding aircraft manufacturer build rates, the recoverable value of certain contracts was adjusted by €0.2 thousand.

The change in the value of contract assets and liabilities breaks down as follows:

(€k)	Contract assets				Contract liabilities			
	Retained amount	Additions	Reversals	Balance	Retained amount	Additions	Reversals	Balance
TOTAL	**29,392**	**6,541**	**(2,589)**	**33,345**	**14,297**	**18,512**[6]	**(1,808)**	**31,001**

[6] Change described in Note 19

NOTE 10 INVENTORY AND WORK IN PROGRESS

Inventory and work in progress break down as follows:

(€k)	31.03.2023			30.09.2023		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Inventories of raw materials	43,655	(1,653)	42,001	42,330	(1,827)	40,503
Inventories of other supplies	43,890	(51)	43,839	43,969	(58)	43,910
Production and services in progress	64,548	(4,119)	60,429	69,593	(672)	68,921
Inventories of finished goods	53,311	(3,414)	49,897	54,473	(4,966)	49,507
Total	**205,404**	**(9,237)**	**196,167**	**210,364**	**(7,523)**	**202,841**

The raw materials inventory includes inventory carried by Aerotrade.

Inventories of raw materials decreased by €1.3 million as requirements were managed more effectively.

Inventories of other supplies were stable against an increase in activity.

Inventories of production in progress increased by €5 million, due in particular to the costs of transferring non-core business production activities to best-cost sites and also to longer surface treatment production cycles.

Inventories of finished products remained stable.

The change in inventory and work in progress breaks down as follows:

(€k)	Gross	Depreciation	Net
At 31.03.2023	**205,404**	**(9,237)**	**196,167**
Change over the period	8,972		13,956
Net impairment		1,724	1,724
Transfers	(4,318)		(4,318)
Translation adjustment	306	(10)	296
Changes in consolidation scope			
At 30.09.2023	**210,364**	**(7,523)**	**202,841**

In days of sales, net inventory represented 204 days at 30 September 2023 versus 210 days at 31 March 2023.

NOTE 11 TRADE RECEIVABLES AND OTHER ASSETS

(€k)	31.03.2023			30.09.2023		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Trade receivables and related accounts	65,000	(5,104)	59,896	40,966	(5,208)	35,759
Tax receivables	7,912		7,912	7,473		7,473
Other current assets						
Advances and down-payments made on orders	1,742		1,742	2,508		2,508
Other receivables	20,813	(388)	20,425	17,895	(390)	17,895
Prepaid expenses	4,515		4,515	4,099		4,099
Total other current assets	**27,070**	**(388)**	**26,683**	**24,503**	**(390)**	**24,113**
Total	**99,982**	**(5,492)**	**94,491**	**72,942**	**(5,598)**	**67,344**

The change in trade and other receivables breaks down as follows:

(€k)	Gross	Depreciation	Net
At 31.03.2023	**99,982**	**(5,492)**	**94,491**
Change over the period	(27,218)		(27,218)
Net impairment		(106)	(106)
Translation adjustment	178		178
Changes in consolidation scope			
At 30.09.2023	**72,942**	**(5,598)**	**67,344**

The Group transfers trade receivables to a factoring company.

Trade receivables transferred to the non-deconsolidating factoring company amounted to €13.5 million at 30 September 2023 versus €20.8 million at 31 March 2023.

Under the factoring agreement, transfers involving the transfer of rights to future cash flows from receivables and the transfer of the risks and benefits associated with ownership of receivables (payment default, risk of late payment and other reasons) resulted in the derecognition of these receivables from the balance sheet in the amount of €26.6 million (€20.9 million in March 2023).

The Group fine-tuned the terms and conditions for applying article 14-1 of the law of 31 December 1975 which stipulates that a subcontractor has a direction right of action vis-à-vis the end client should the third-party company that makes use of its services be liquidated. In this case, not all the risk is transferred to the factoring company and the receivable can therefore not be derecognised.

The Group has identified certain other operations that do not meet these criteria (such as surface treatment, a service that does not apply any specific client requirements) and now therefore derecognises any receivables relating to the suppliers involved. This specification resulted in an additional derecognition in the amount of €6 million.

The payment schedule for trade receivables and related accounts is as follows:

(€k)	30.09.2023	Not yet due	<30 days	31 to 90 days	90 to 180 days	181 days to 1 year	>1 year
Trade receivables and related accounts	36,935	17,672	2,768	3,989	4,014	1,255	7,236
Non-performing trade receivables	4,032						4,032
Provisions	(5,208)				0	(110)	(5,097)
Net amount	**35,759**	**17,672**	**2,768**	**3,989**	**4,014**	**1,145**	**6,171**[7]

NOTE 12 CASH AND CASH EQUIVALENTS

(€k)	31.03.2023	30.09.2023
Marketable securities	147	81
Sight deposits	115,353	91,586
Total	**115,500**	**91,668**
Short-term bank overdrafts & advances and similar	(282)	(197)
Factoring	(20,820)	(13,605)
Net cash in the statement of consolidated cash flows	**94,399**	**77,865**

The change in cash and cash equivalents breaks down as follows:

(€k)	
At 31.03.2023	**115,500**
Changes over the period	(24,009)
Translation adjustments	176
Changes in consolidation scope	
At 30.09.2023	**91,668**

[7] The balance is made up of receivables the recoverability of which is in no doubt

NOTE 13 FAIR VALUE OF FINANCIAL ASSETS

The table below shows the net carrying amount of the Group's financial assets at 30 September 2023 and at 31 March 2023:

At 30.09.2023	**Balance sheet value**			
(€k)	**Amortised cost**	**Fair value through profit or loss**	**Fair value through other items of comprehensive income**	**Total**
Non-current financial assets	4,657			4,657
Non-current derivative assets				
Other current assets	24,113			24,113
Trade and other receivables	35,759			35,759
Cash and cash equivalents	91,586	81		91,668
Total financial assets	**156,114**	**81**	**-**	**156,195**

At 31.03.2023	**Balance sheet value**			
(€k)	**Amortised cost**	**Fair value through profit or loss**	**Fair value through other items of comprehensive income**	**Total**
Non-current financial assets	4,688			4,688
Non-current derivative assets				
Other current assets	26,683			26,683
Trade and other receivables	59,896			59,896
Cash and cash equivalents	115,353	147		115,500
Total financial assets	**206,620**	**147**		**206,767**

At 30 September 2023 and at 31 March 2023, the fair value of the Group's financial assets was identical to their net carrying amount.

<u>Fair value of financial assets</u>

The Group used the fair value hierarchy established by IFRS 13 to determine the levels at which financial assets recognised at their fair value should be classified:

- Level 1 "market price": financial instruments that are listed on an active market;
- Level 2 "model with observable inputs": financial instruments measured using valuation techniques based on observable inputs; and
- Level 3 "model with unobservable inputs": financial instruments measured using valuation techniques based for all or part on unobservable inputs; an unobservable input being defined as an input whose value is the result of assumptions or correlations that are based neither on transaction prices observable in markets for the same instrument on the valuation date, nor on observable market data available on the same date.

At 30 September 2023, the Group held the following financial assets recognised at their fair value:

(€k)	Level 1	Level 2	Level 3	Total
Non-current derivative assets				
Current derivative assets				
Cash and cash equivalents	81			81
Total at 31.03.2023	**81**		**-**	**81**

At 31 March 2023, the Group held the following financial assets recognised at their fair value:

(€k)	Level 1	Level 2	Level 3	Total
Non-current derivative assets				
Current derivative assets				
Cash and cash equivalents	147			147
Total at 31.03.2022	**147**		**-**	**147**

NOTE 14 DERIVATIVE INSTRUMENTS

14.1. Mark-to-Market (MtM)

The Group faces currency risks as it operates in an international environment and some of its French clients pay their bills in US dollars (USD). US dollar risk is hedged using futures and option tunnels.

Invoices issued by the Group's French companies in US dollars correspond to 63.7% of consolidated full-year revenues.

The Group has developed a natural hedging policy by making some of its purchases in US dollars, mainly its purchases of raw materials, supplies and sub-contracting.

The Group also holds some of its debt in US dollars.

This year, the Group's natural USD dollar hedge covered around 50% of its exposure.

The Group uses currency hedging and interest-rate hedging instruments to hedge its remaining net exposure.

Information on the value of derivative instruments

(€k)	Balance sheet value			Maturity		
	Assets	Liabilities	Notional amount	<1 year	1 year to 5 years	>5 years
EUR cap		626		20,224		
EUR collar		85		5,544		
Total interest-rate derivative instruments		**711**		**25,768**		

Interest-rate derivative instruments

(€k)	31.03.2023	30.09.2023
Fair value at beginning of period	**(4)**	**772**
Pre-tax impact on income (loss)	150	(61)
Balance sheet impact	626	
Fair value at end of period	**772**	**711**

Foreign exchange derivative instruments

(€k)	Balance sheet value			Maturity		
	Assets	Liabilities	Notional amount	<1 year	1 year to 5 years	>5 years
Instruments that do not qualify for hedge accounting:						
EUR/USD accumulators		(181)	3,495	3,495		
EUR/USD currency options						
Cash-flow hedges:						
EUR/USD currency futures		(4,383)	160,680	65,580	95,100	
EUR/USD currency options		(2,895)	52,500	52,500		
Total foreign exchange derivative instruments		**(7,459)**	**216,675**	**121,575**	**95,100**	
Instruments that do not qualify for hedge accounting		(181)	3,495	3495		
Instruments that qualify for hedge accounting		(7,278)	213,180	118,080	95,100	

Impact of derivative instruments not eligible for hedge accounting:

(€k)	31.03.2023	30.09.2023
Fair value at beginning of period	**(4,687)**	**(2,432)**
Pre-tax impact on income (loss)	2,254	2,187
Fair value at end of period	**(2,432)**	**(245)**

Impact of future cash flow hedges:

(€k)	31.03.2023	30.09.2023
Shareholders' equity - hedging instruments (net of tax) at start of period	**1,410**	**(940)**
Effective portion of the fair value adjustment	(3,133)	(4,656)
Reclassification to income (loss)		
Tax effect on changes during the period	783	1,164
Fair value at end of period	**(940)**	**(4,432)**

Breakdown of unrealised gains / losses on derivative instruments:

(€k)	31.03.2023	30.09.2023
Unrealised gains and losses on derivative instruments	**6,932**	**5,709**
Income (loss) from forex hedging	2,254	2,187
Income (loss) from interest-rate hedging	147	(61)
Income (loss) from the ORNANE derivative	3,571	3,142
Restatement of treasury shares	959	440

14.2. Derivative component of the bond redeemable into cash and/or new and/or existing shares (ORNANE)

Under IFRS 9, the ORNANE is a bond liability made up of two components:

- A bond component recognised as debt at amortised cost;
- A derivative component recognised as debt at mark-to-market value.

The allocation of value between the bond component and the derivative component was determined by an external expert. The change in the value of this component is recognised in the statement of income.

The change between 31 March 2023 and 30 September 2023 was recognised in the statement of income.

(€k)

Value of the derivative component at 31 March 2023	**€10.6m**
Change recognised in the statement of income	**+€3.2m**
Value of the derivative component at 30 September 2023	**€7.4m**

NOTE 15 SHAREHOLDERS' EQUITY

The Group's primary objective in terms of capital management is to maintain a balance between its shareholders' equity and its debt in order to support its business activity and increase shareholder value.

In order to maintain or adjust the structure of its shareholders' equity, the Group may propose to pay dividends to its shareholders or carry out further capital increases.

The main ratio monitored by the Group to manage its shareholders' equity is the debt/equity ratio.

The objectives, policies and procedures for managing share capital remain unchanged.

At 30 September 2023, the Share Capital consisted of 41,393,044 shares, of which 22,403,585 had double voting rights.

The par value of one share stood at €0.12.

Liquidity contract – Treasury shares – Share price

Since 13 January 2014, the Company has entrusted TP ICAP (formerly Louis Capital Markets) with implementing a liquidity contract for its shares as part of an agreement that complies with the Code of Ethics of the AMAFI (French association of financial markets). This contract aims to support trading liquidity and the regular trading of shares as well as to avoid share price timing differences that are not justified by market trends.

An amount of €2,000,000 is allocated to this liquidity contract.

At 30 September 2023, the Company held 149,869 treasury shares acquired solely under this contract.

Under the share buyback agreement which expired last year, the Company held 333,423 shares at 30 September 2023.

The share price at 30 September 2023 stood at €3.96.

NOTE 16 PROVISIONS

Provisions break down as follows:

(€k)	31.03.2023	Additions	Reversals		Changes in consolidation scope	Other	30.09.2023
			Used	Unused			
Provisions for risks and litigation	6,271	1,433	(3,170)				4,535
Provisions for restructuring	129		(23)				106
Provisions for loss-making contracts	1,943		(196)	-	-	-	1,748
Other provisions							
Total provisions	8,344	1,433	(3,388)	-	-	-	6,388

Non-current provisions mainly consist of:

- Provisions for risks and labour litigation: €1,054k
- Provisions for customer litigation: €3,478k
- Provisions for FIGEAC AÉRO'S restructuring: €106k
- Provisions for loss-making contracts: €1,748k

The Group is currently involved in labour disputes with some of its employees.

With no specific guidelines set out in IFRS 15, provisions are set aside for loss-making customer contracts in accordance with IAS 37 applicable to onerous contracts. The amount to be provisioned corresponds to the surplus of unavoidable costs over and above the economic benefits expected from the contract.

NOTE 17 EMPLOYEE BENEFITS

Pension liabilities

Pursuant to IAS 19 “Employee benefits”, the purpose of the provision for pensions recognised as liabilities in the balance sheet is to record the pension benefits of employees vesting at the end of the period. Pension liabilities are fully provisioned and not covered by dedicated plan assets.

The assumptions used in the calculations for French companies are as follows:

- a retirement age of 67 years;
- reference to the INSEE 2022 mortality table;
- an average salary increase rate of 2%;
- a staff turnover rate depending on the company and employee status (managerial or non-managerial);
- a discount rate of 4.1%.

A sensitivity analysis of changes in the discount rate shows that:

- a +0.5% variation in the discount rate would have a negative impact of €(130) thousand on consolidated income (loss);
- a -0.5% variation in the discount rate would have a positive impact of €143 thousand on consolidated income (loss).

The change in gross liabilities is as follows:

(€k)	31.03.2023	30.09.2023
Liabilities at beginning of period	**2,008**	**1,957**
Change in accounting policy - IAS 19		
Cost of services rendered	53	108
Interest expense	36	70
Actuarial gains or losses	(139)	(214)
Liabilities at end of period	**1,957**	**1,922**

Long-service awards

The assumptions used in the calculations for French companies are as follows:

- a retirement age of 67 years;
- reference to the INSEE 2022 mortality table;
- an average salary increase rate of 2%;
- a staff turnover rate depending on the company and employee status (managerial or non-managerial);
- a discount rate of 4.1%.

The change in gross liabilities is as follows:

(€k)	31.03.2023	30.09.2023
Liabilities at beginning of period	**113**	**94**
Change in accounting policy - IAS 19		
Cost of services rendered	9	7
Interest expense	2	3
Actuarial gains or losses	(29)	(29)
Liabilities at end of period	**94**	**76**

Impact of the pension reform (in effect since 14 April 2023)

France's pension reform law (adopted on 17 March 2023 and in effect since 14 April 2023) changes the age of retirement. However, in its model Figeac Aero had assumed a retirement age of 67 as the age at which retirees are entitled to a full pension. This age has not been modified, so the pension reform's impact on Figeac Aero's pension liabilities is not material.

NOTE 18 INTEREST-BEARING AND NON-INTEREST-BEARING FINANCIAL LIABILITIES

Interest-bearing and non-interest-bearing financial liabilities include the following:

(€k)	31.03.2023	30.09.2023
Bond issues (ORNANE)	55,873	56,969
Other bond issues	22,775	23,975
Loans from credit institutions	244,867	234,145
Lease liabilities	17,573	14,082
Repayable advances	11,609	4,801
Other financial liabilities	1,265	1,214
Accrued interest not yet due	1,555	1,567
Total non-current interest-bearing financial liabilities	**355,516**	**336,754**
Bond issues (ORNANE)		
Other bond issues		
Loans from credit institutions	20,711	21,359
Lease liabilities	10,727	9,153
Repayable advances	1,862	6,311
Other financial liabilities	3	4
Short-term bank overdrafts & advances and similar	286	197
Factoring	20,816	13,605
Total current interest-bearing financial liabilities	**54,406**	**50,629**
Total interest-bearing financial liabilities	**409,922**	**387,382**

On 18 October 2017, FIGEAC AÉRO issued 3,888,025 bonds redeemable into cash and/or convertible into new and/or existing shares (ORNANEs) for a nominal amount of €25.72 each, i.e. a total nominal amount of €100 million. The ORNANEs were issued with a maturity date of 18 October 2022 and yielding interest at a rate of 1.125%

The Group redeemed 454,310 ORNANEs in order to cancel them during the financial periods prior to its financial restructuring.

Some 777,605 bonds were redeemed over the course of 2022 for the purposes of the Group's financial restructuring, while the remaining bonds formed part of the debt restructuring arrangements. The new maturity date is 18 October 2028.

The bonds yield interest at a rate of 1.75% following the 62.5-basis point increase agreed on when the maturity date was extended.

ORNANEs are considered to be instruments containing an equity component and a debt component.

During the restructuring process, FIGEAC AÉRO also issued bonds that were subscribed by ACE Capital.

The "other bond issues" item consists of bonds held by ACE and bonds issued by the consolidated SPV.

The outstanding amount of the transaction with Aerotrade (€7.8 million) is not included in interest-bearing financial liabilities.

The change in this item breaks down as follows:

(€k)

At 31.03.2023	**409,922**
Increase in long-term borrowings	117
Decrease in long-term borrowings	(13,470)
Change in short-term financing	(94)
Total changes resulting from cash flows	**(13,447)**
Net change in lease liabilities	(5,085)
Accrued interest	12
Change in short-term financing	(7,210)
Capitalisation	1,200
Translation adjustments	5
Fair value adjustment of liabilities hedged using interest-rate instruments	1,984
Transfers	
Total non-cash changes	**(9,093)**
At 30.09.2023	**387,382**

The table below shows the net carrying amount of the Group's financial liabilities at 30 September 2023 and at 31 March 2023:

(€k)	31.03.2023	Cash flows	Fair value adjustment	Change in scope of consolidation	Currency effects	Other changes	Non-cash total	30.09.2023
Bond issues (ORNANE)	**55,873**		1,096				**1,096**	**56,969**
Other bond issues	**22,775**						**1,200**[8]	**23,975**
Loans from credit institutions	**265,593**	**(10,848)**	888		(18)		**870**	**255,600**
Lease liabilities	**28,300**				19	(5,085)	**(5,066)**	**23,235**
Repayable advances	**13,471**	**(2,359)**						**11,111**
Other financial liabilities	**1,265**	**(146)**						**1,119**
Accrued interest not yet due	**1,555**					**12**	**12**	**1,567**
Interest paid	**(15)**							**(15)**
Short-term bank overdrafts & advances and similar	**286**	**(94)**			5		**5**	**197**
Factoring	**20,816**					(7,210)	**(7,210)**	**13,605**
Available cash and cash equivalents	**21,102**	**(94)**			5	(7,210)	**(7,205)**	**13,803**

[8] Accrued interest.

Total non-current interest-bearing financial liabilities	**409,923**	**(13,447)**	1,984		5	(11,082)	**(9,093)**	**387,382**

Analysis of interest-bearing and non-interest-bearing financial liabilities by maturity (local currencies converted into euros):

(€k)	31.03.2023	30.09.2023
<1 year	54,406	50,629
>1 year and <5 years	174,378	251,151
5 years and more	181,138	85,602
Total	**409,922**	**387,382**

Breakdown of liabilities by currency (local currencies converted into euros):

(€k)	31.03.2023	30.09.2023
EUR	393,534	371,423
TND	227	171
MAD	2,542	2,791
USD	13,619	12,997
Total	**409,922**	**387,382**

Analysis of interest-bearing financial liabilities by interest rate (local currencies converted into euros):

(€k)	31.03.2023	%	30.09.2023	%
Fixed rate	250,882	63%	294,322	78%
Floating rate	148,249	37%	84,325	22%
Total	**399,131**	**100%**	**378,647**[9]	**100%**

[9] Amount excluding non-interest-bearing debt.

NOTE 19 CONTRACT LIABILITIES

Contract liabilities break down as follows:

(€k)	31.03.2023	30.09.2023
Advances and down-payments received	14,297	31,001
Deferred income		
Other contract liabilities		
Total	**14,297**	**31,001**

Figeac Aero arranged permanent advances with two of its key clients in late September. Figeac Aero will receive advances from these clients, which will then be deducted from the payments made on sales invoices to be issued for the delivery of products manufactured as part of a firm order. These advances correspond to the IFRS 15 definition of contract liability and were therefore reclassified as such.

NOTE 20 TRADE AND OTHER PAYABLES

Trade and other payables break down as follows:

(€k)	31.03.2023	Changes over the period	Changes in consolidation scope	Translation adjustments	Transfers	30.09.2023
Trade payables	81,688	3,307	-	179	-	85,173
Payables on fixed assets and related accounts	1,554	(711)	-		-	834
Total trade and other payables	**83,242**	**2,595**	**-**	**179**	**-**	**86,016**
Tax liabilities	18,232	(9,143)	-	(45)	-	9,043
Other current liabilities:						
Advances and down-payments received on orders	31,476	(2,496)	-	73	(3,704)	25,348
Social security liabilities	26,619	(2,892)	-	32	-	23,758
Other payables	10,464	(10,397)	-	(0)		66
Deferred income	7,000	5,228	-	56	2,517	10,356
Total other current liabilities	**75,559**	**(10,558)**	**-**	**160**	**(1,187)**	**63,974**
Total	**177,033**	**(17,106)**	**-**	**294**	**(1,187)**	**159,033**

NOTE 21 OVERVIEW OF FINANCIAL LIABILITIES

The table below shows the net carrying amount of the Group's financial liabilities at 30 September 2023 and at 31 March 2023:

At 30.09.2023	Balance sheet value			
(€k)	Amortised cost	Fair value through profit or loss	Fair value through other items of comprehensive income	Total
Non-current interest-bearing financial liabilities	336,754			336,754
Current interest-bearing financial liabilities	50,629			50,629
Non-current derivative liabilities		12,106		12,106
Current derivative liabilities				
Other liabilities				
Trade and other payables	147,767			147,767
Total financial liabilities	**535,149**	**12,106**		**547,256**

At 31.03.2023	Balance sheet value			
(€k)	Amortised cost	Fair value through profit or loss	Fair value through other items of comprehensive income	Total
Non-current interest-bearing financial liabilities	355,516			355,516
Current interest-bearing financial liabilities	54,406			54,406
Non-current derivative liabilities		15,249		15,249
Current derivative liabilities				
Other liabilities				
Trade and other payables	158,801			158,801
Total financial liabilities	**568,723**	**15,249**		**583,972**

At 30 September 2023 and at 31 March 2023, the fair value of the Group's financial liabilities was identical to their net carrying amount.

The Group used the fair value hierarchy described in Note 13 "Overview of financial assets" to determine the levels at which financial liabilities recognised at their fair value should be classified.

At 30 September 2023, the Group held the following financial liabilities recognised at their fair value:

(€k)	Level 1	Level 2	Level 3	Total
Non-current derivative liabilities		12,106		12,106
Current derivative liabilities				
Total		**12,106**		**12,106**

At 31 March 2023, the Group held the following financial liabilities recognised at their fair value:

(€k)	Level 1	Level 2	Level 3	Total
Non-current derivative liabilities		15,249		15,249
Current derivative liabilities				
Total		**15,249**		**15,249**

NOTE 22 REVENUE

Breakdown of revenue by business segment

(€k)	30.09.2022	30.09.2023
Aerostructures & Aeroengines	135,247	163,722
Diversification Activities	15,087	17,497
Total	**150,334**	**181,219**

Breakdown of revenue by region

(€k)	30.09.2022	30.09.2023
France	89,886	98,103
Export	60,447	83,116
Total	**150,334**	**181,219**

NOTE 23 SEGMENT INFORMATION

In accordance with IFRS 8, the information provided by business segment is based on the approach taken by Group Management, meaning the manner in which Group Management allocates resources depending on how well the different segments perform. The Group presents information on two segments which offer distinct products and services and are managed separately insofar as they require different technological and commercial strategies.

Breakdown of Group companies by business segment

	Aerostructures & Aeroengines		
Figeac Aéro SA	Manufacturing of structural parts	Europe	France
SCI Remsi	Real estate activity	Europe	France
SN Auvergne Aéronautique	Manufacturing of structural parts	Europe	France
FGA Group Services	Services company	Europe	France
SPV	Inventory holding company	Europe	France
SARL FGA Tunisie	Manufacturing of structural parts	Africa	Tunisia
Figeac Aéro Maroc	Manufacturing of structural parts	Africa	Morocco
Casablanca Aéronautique	Manufacturing of structural parts	Africa	Morocco
Figeac Tunisia Process	Services company	Africa	Tunisia
Egima	Real estate activity	Africa	Morocco
FGA North America Inc	Precision machining and surface treatment	North America	USA
FGA Picardie SAS	On-site and workshop assembly of aerospace sub-assemblies	Europe	France
SCI Mexique	Real estate activity	North America	Mexico
	Diversification Activities		
M.T.I. SAS	General engineering and heavy sheet metal manufacturing	Europe	France
Ateliers Tofer	General engineering and heavy sheet metal manufacturing	Europe	France
Tofer Holding	Services company	Europe	France
Tofer Service Industries	Services company	Europe	France
Tofer Europe Service	General engineering and heavy sheet metal manufacturing	Europe	Romania
Tofer Immobilier	Real estate activity	Europe	France
Mecabrive Industries SAS	Precision machining and surface treatment	Europe	France
Mat Formation	Services company	Europe	France

23.1. Consolidated operating income (loss) by activity

(€k)	Aerostructures & Aeroengines		Diversification Activities	
	30.09.2022	30.09.2023	30.09.2022	30.09.2023
Revenue	135,247	163,722	15,087	17,497
Other income	324	531	484	59
Change in inventories of finished goods and WIP	(15,993)	5,322	1,983	756
Cost of bought-in goods and services over the period and external expenses	(67,062)	(112,159)	(8,903)	(8,990)
Personnel expenses	(38,322)	(38,732)	(7,255)	(8,015)
Taxes and duties	(1,223)	(720)	(192)	(119)
Net depreciation, amortisation and provisions	(22,087)	(21,419)	(1,672)	(1,680)
Current operating income (loss)	**(9,116)**	**(3,454)**	**(468)**	**(493)**
Other non-recurring operating income and expenses	9,817	(1,644)	6	(156)
Share of net income (loss) of joint ventures	(471)	876	-	-
Operating income (loss)	**231**	**(4,222)**	**(462)**	**(649)**

Aerostructures & Aeroengines:

The rapid revenue growth was attributable to higher build rates on the flagship programmes run by aircraft manufacturers (A320, B737 and A350) and the Group's ability to pass its inflationary impact on to clients. Increased business activity combined with careful management of fixed costs pushed the Aerostructures & Aeroengines segment's operating margin upwards.

Diversification Activities:

Revenue in the Diversification Activities segment was driven by the energy business, where sales of hydropower turbines increased sharply, and by the oil & gas business, which is experiencing a period of stability in the backlog. In association with rising energy prices, prices in the precision machining and surface treatment segments also increased, hence the revenue growth achieved in these businesses.

23.2. Statement of consolidated financial position by activity

ASSETS	Aerostructures & Aeroengines		Diversification Activities	
(€k)	**31.03.2023**	**30.09.2023**	**31.03.2023**	**30.09.2023**
Intangible assets	97,914	94,746	3,083	2,569
Property, plant and equipment	116,859	125,506	6,901	6,053
Other fixed assets	40,643	40,743	5,997	3,999
Fixed assets	**255,416**	**260,995**	**15,980**	**12,621**
Inventory and work in progress	180,122	186,210	16,045	16,631
Trade and other receivables	50,039	31,164	9,857	4,594
Other assets	170,913	145,850	3,582	5,574
Current assets	**401,075**	**363,225**	**29,483**	**26,799**
TOTAL ASSETS	**656,491**	**624,220**	**45,463**	**39,420**

LIABILITIES	Aerostructures & Aeroengines		Diversification Activities	
(€k)	**31.03.2023**	**30.09.2023**	**31.03.2023**	**30.09.2023**
Provisions	9,665	7,901	722	482
Non-current interest-bearing financial liabilities	344,955	329,494	10,561	7,260
Other non-current liabilities	18,943	16,085	1,420	1,022
Non-current liabilities	**373,563**	**353,480**	**12,703**	**8,763**
Current interest-bearing financial liabilities	50,152	46,452	4,254	4,177
Trade and other payables	74,798	79,280	8,445	6,737
Other liabilities	98,756	95,294	9,331	8,723
Current liabilities	**223,705**	**221,026**	**22,030**	**19,637**
TOTAL LIABILITIES	**597,268**	**574,505**	**34,733**	**28,400**

NOTE 24 BREAKDOWN OF OTHER COMPONENTS OF OPERATING INCOME (LOSS)

Other income

(€k)	30.09.2022	30.09.2023
Research tax credit	665	934
Operating grants	55	1,350
Other operating income	88	(1,695)
Total	**807**	**589**

Cost of bought-in goods and services over the period and external expenses

(€k)	30.09.2022	30.09.2023
Supplies, raw materials and other	(51,185)	(77,008)
Goods for resale		
Change in inventory	17,631	2,965
Contract assets	(675)	3,011
Sub-contracting	(15,083)	(21,848)
Purchases not held in inventory	(7,487)	(7,585)
External services	(19,165)	(20,684)
Total	**(75,964)**	**(121,149)**

Personnel expenses

(€k)	30.09.2022	30.09.2023
Wages and salaries	(32,052)	(32,095)
Payroll taxes	(10,455)	(11,293)
Temping staff expenses	(2,111)	(2,907)
Other payroll expenses	(1,444)	(1,393)
Operating expenses transferred (presented as a reduction in personnel expenses)[10]	485	941
Total	**(45,577)**	**(46,747)**

[10] Furlough compensation

Net depreciation, amortisation and provisions

(€k)	30.09.2022	30.09.2023
Net depreciation and amortisation charges		
on intangible assets	(12,202)	(11,606)
on property, plant and equipment	(8,239)	(10,051)
on finance leases	(4,816)	(4,339)
on right-of-use assets	(751)	(1,024)
Share of grants transferred to the statement of income	3,027	354
Total net depreciation and amortisation charges	**(22,981)**	**(26,666)**
Total net provisions	**(778)**	**3,567**
Net depreciation, amortisation and provisions	**(23,759)**	**(23,100)**

Other non-recurring operating income and expenses

(€k)	30.09.2022	30.09.2023
Reversals of non-current provisions	469	160
Other non-recurring income	526	(365)
Capital gains / losses from asset disposals	15,023	3
Allocations to non-current provisions	(3,617)	(181)
Other non-recurring expenses	(2,577)	(1,416)
Total	**9 825**	**(1,800)**

At 30 September 2023, other non-recurring expenses consisted of:

- €0.3 million in legal fees
- €0.6 million of expenses arising from the discontinuation of a development project
- €0.5 million of other non-recurring expenses.

NOTE 25 COST OF NET DEBT

(€k)	30.09.2022	30.09.2023
Financial income	1,923	10
Financial expenses - borrowings	(3,478)	(6,074)
Financial expenses - factoring	(283)	(1,754)
Interest expense on lease liabilities	(261)	(238)
Additional financial expenses under IFRS 9	(3,103)	(1,984)
Other financial expenses	(380)	40
Financial expenses	(7,505)	(10,010)
Cost of net debt	**(5,582)**	**(10,000)**

The average debt rate for the financial period ended 30 September 2023 was 5.22% versus 3.74% for the financial period ended 30 September 2022.

NOTE 26 TAX

Reconciliation between theoretical tax and effective tax

(€k)	31.03.2023	30.09.2023
Income (loss) for the period	(18,094)	(5,308)
Current tax income (expense)	(899)	(114)
Provisions for tax		
Deferred tax income (expense)	(387)	(1,353)
Total tax income (expense)	(1,287)	(1,466)
Profit (loss) before tax	(16,808)	(3,842)
Legal tax rate of the parent company	25%	25%
Theoretical tax	4,202	960
Impact of permanent differences		
Impact of tax loss carryforwards	(6,513)	(2,296)
Impact of changes in tax rates		
Impact of overseas tax rates	244	208
Impact of tax credits	308	203
Other impacts	472	(541)
Total tax income (expense)	(1,287)	(1,466)
Effective tax rate	N/A	N/A

Deferred tax assets and liabilities

Deferred taxes are recognised using the balance sheet liability method.

The change in deferred taxes was as follows:

(€k)	31.03.2023	30.09.2023
Deferred tax assets	11,195	2,467
Deferred tax liabilities	(10,904)	(1,830)
Opening deferred taxes	**291**	**637**
Deferred taxes recognised in the statement of income	(387)	(1,353)
Deferred taxes recognised directly in shareholders' equity	728	1,113
Transfers		303
Translation adjustments	6	(11)
Changes in consolidation scope		
Closing deferred taxes	**637**	**690**
of which deferred tax assets	2,467	1,383
of which deferred tax liabilities	(1,830)	(693)

The main types of deferred taxes were as follows:

(€k)	31.03.2023	30.09.2023
Property, plant and equipment and intangible assets	(4,506)	(4,592)
Financial instruments	3,231	3,368
Employee benefits	1,062	1,049
Regulatory provisions	(387)	(387)
Capitalisation of tax losses	6,962	6,969
Construction contracts IAS 11 / IFRS 15	(2,341)	(2,650)
Other	(3,385)	(3,067)
Net deferred tax assets / (deferred tax liabilities)	**637**	**690**

Tax loss carryforwards

Deferred tax assets not recognised as tax loss carryforwards amounted to €2.6 million at 30 September 2023.

NOTE 27 EARNINGS PER SHARE

(€k)	31.03.2023	30.09.2023
Average number of outstanding shares	36,616,259	41,393,044
Treasury shares	441,721	483,292
Weighted average number of shares	**36,174,538**	**40,909,752**
Stock option plan		
Earnings (group share) in euros	(6,709,712)	(5,290,143)
Earnings per share	(0.18)	(0.13)
Diluted earnings per share	(0.18)	(0.13)

Treasury shares

(€k)	31.03.2023	30.09.2023
Liquidity agreement	121,993	149,869
Share buyback plan	333,423	333,423
Total	**455,416**	**483,292**

NOTE 28 RELATED PARTIES

Related parties of the FIGEAC AÉRO Group are defined in accordance with IAS 24 and presented below with details of the transactions carried out at 30 September 2023.

Related parties are defined as such due to the equity investments made by Jean Claude Maillard in MP USICAP and Avantis Engineering.

Related-party transactions

Permanent services cover the following areas:

- legal, accounting and administrative assistance;
- programming services for production equipment; and
- sub-assembly study services.

(€k)	Income	Expenses	Receivables	Payables
MP USICAP	96	40		(13)
AVANTIS ENGINEERING	60		35	
AVANTIS MANUFACTURING				
AVANTIS PROJECT		873		(247)
AVANTIS Concept				
Total	**156**	**913**	**35**	**(260)**

NOTE 29 WORKFORCE

(€k)	31.03.2023	30.09.2023
Headcount - France	1,474	1,486
Headcount - outside France	1,114	1,212
Total[11]	2,588	**2,698**

The workforce at 30 September 2023 breaks down by business segment as follows:

(In number of employees)	Managerial staff	Non-managerial staff	Total
Aerostructures & Aeroengines	247	1,992	2,239
Diversification Activities	80	379	459
Total[5]	**327**	**2,371**	**2,698**

[11] Data excluding temping staff and persons working in Mexico who are associated with FIGEAC AÉRO via a shelter programme. Economically, the Group employs a workforce of more than 3,000 people.

NOTE 30 OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT LIABILITIES

Commitments received by the Group at the end of the financial period were as follows:

	30.09.2023				31.03.2023
(€k)	<1 year	1 to 5 years	>5 years	Total	Total
Pledges, mortgages and collateral securities	10,561	140,890	2,585	154,036	158,798
Total	**10,561**	**140,890**	**2,585**	**154,036**	**158,798**

Guarantees received consisted of:

- Guarantees on PGE loans corresponding to 90% of the outstanding amount;
- Guarantees on BPI export pre-financing credit contracts corresponding to 50% of the outstanding amount.

Commitments given by the Group at the end of the financial period were as follows:

	30.09.2023				31.03.2023
(€k)	<1 year	1 to 5 years	>5 years	Total	Total
Pledges, mortgages and collateral securities	3,258	30,086	9,260	42,604	44,285
Total	**3,258**	**30,086**	**9,260**	**42,604**	**44,285**

NOTE 31 EVENTS AFTER THE CLOSING DATE

None.

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