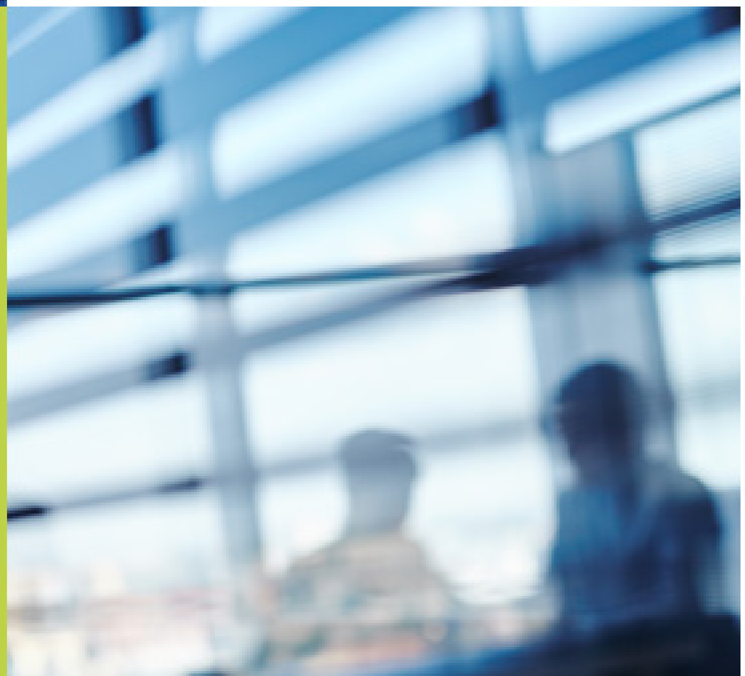
UNIVERSAL REGISTRATION DOCUMENT

2021

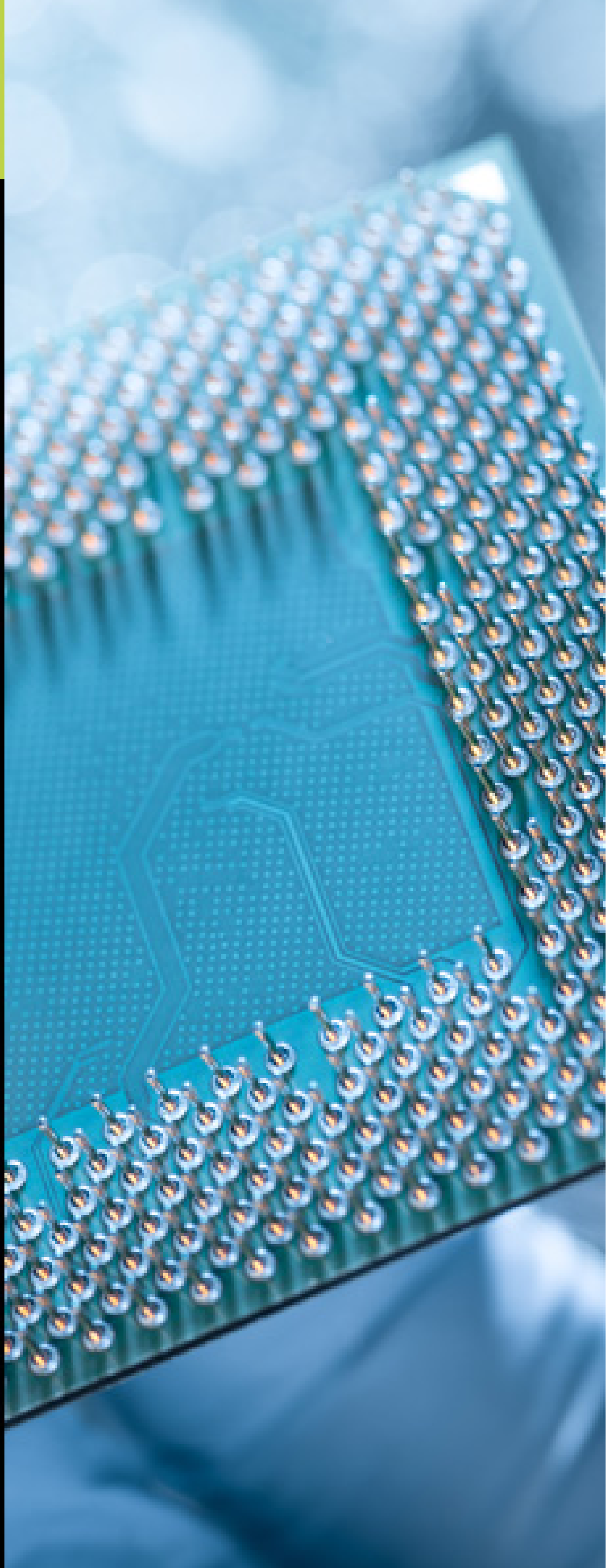


ACTIA®

AUTORITÉ
DES MARCHÉS FINANCIERS

AMF

The Universal Registration Document was filed on 29/04/2022 with the French Financial Markets Authority (AMF) as the competent authority under the terms of Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of said regulation. The Universal Registration Document may be used for the purpose of a public offering of securities or the listing of securities for trading on a regulated market if it is supplemented by a prospectus and, where appropriate, a summary and all the amendments made to the Universal Registration Document. The whole thus formed is approved by the AMF in accordance with Regulation (EU) 2017/1129.



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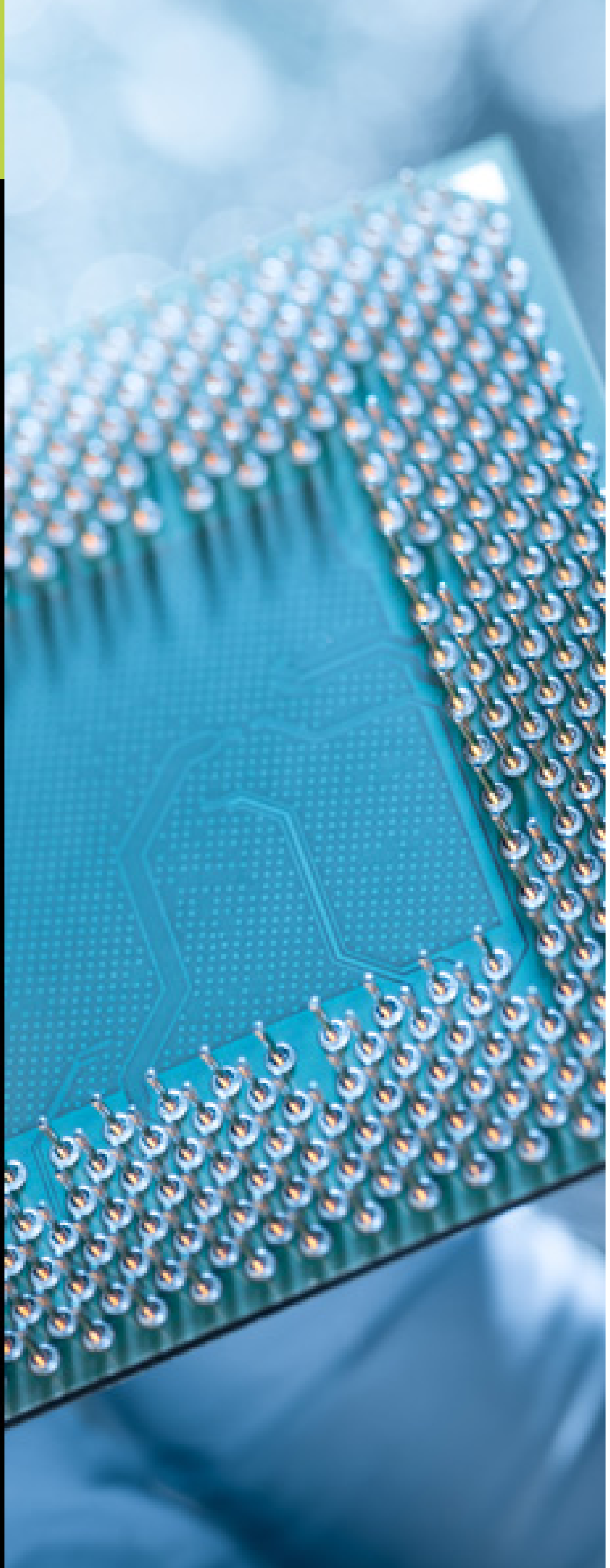
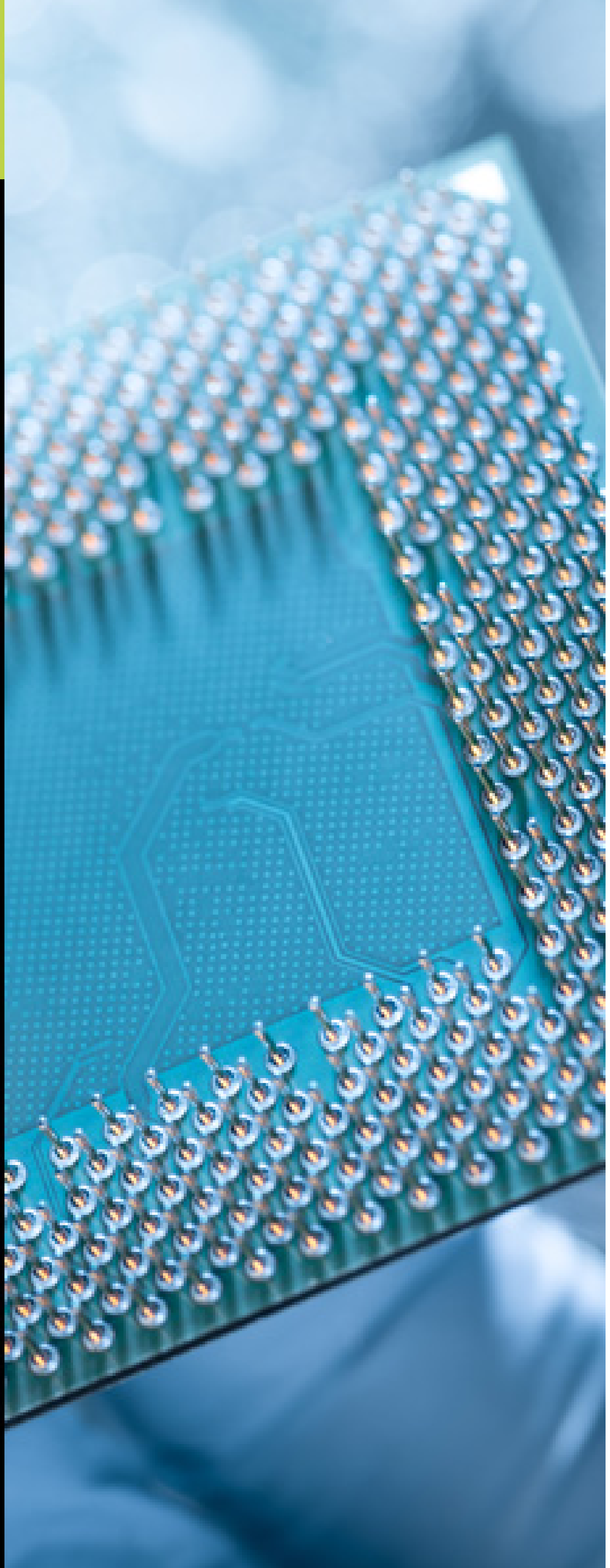




MESSAGE FROM THE CHAIRMAN AND CEO OF ACTIA GROUP

Whereas 2020 was the year of the health crisis due to Covid-19, the year 2021 was marked by the shortage of electronic components, in particular semiconductors.

This unprecedented, deep crisis led to a paradigm shift in the electronics field. It once again corroborates the fact that we have just entered a new era marked by abrupt changes.

I will only quickly touch on the reasons for this crisis and its main underlying causes: fragility and structural complexity of the international electronics industry, imbalance between global supply and demand, and no doubt also, the smouldering, insidious economic war, which is the expression of an increasingly aggressive economic world against a backdrop of geopolitical tensions.

I will focus more on the impacts for ACTIA, an avant-garde economic operator as a designer and manufacturer of electronic systems.

While not all of our subsidiaries were affected at the same time and with the same intensity, this crisis is undoubtedly the hardest that ACTIA has ever faced:

- Sudden applications of quotas for major components;
- Sharp price increases;
- Disruption of our production lines;
- Sudden increase in inventory levels;
- Extreme tensions among our customers with potentially catastrophic impacts downstream of ACTIA with each new application of quotas.

In this particularly chaotic backdrop, we had to take a number of actions very quickly:

- Create a dedicated structure, in early 2021, to find components by setting up a crisis unit, which has now developed into a dedicated organisation: the “Command Centre”;
- Strengthen our technical research to find alternative components by qualifying them and taking the countermeasures necessary for using them;
- Conduct more or less deep re-design operations;
- Implement reinforced purchasing / procurement processes by relying on the network of brokers, in an unstable world where prices are constantly buffeted by supply and demand, sometimes leading to auctions or 100-fold increases in the usual price;
- Strengthen the means to investigate and qualify these components from uncertain sources;
- Reinforce the agility of our factories so that they can react in record time to the much-awaited arrival of certain components in order to be able to produce day and night on a war footing and thus avoid shutdowns of our customers’ factories as much as possible;

- Work closely with our customers to address the lack of information from our suppliers, who were themselves victims of upstream suppliers, make quick decisions in terms of purchases and additional costs, avoid catastrophic impacts but also justify and make acceptable the price increases inherent in the crisis;
- And sometimes, out of solidarity, even help some of our competitors caught in the turmoil and who could cause serious production disruptions for our customers.

It was an extremely challenging year for the teams and, once again, I can only admire and take pride in the mettle of the men and women who make up ACTIA. They were able to adapt, grow, find solutions and show extraordinary energy. And, all in all, by dint of all these efforts, we succeeded in limiting disruptions for our customers that would undoubtedly have been catastrophic economically and socially.

Thus, despite the repeated breakdowns in the supply chain, abrupt applications of quotas, the collapse of the automotive business and, in total, scheduled orders worth nearly €70 million not received or not processed, the revenue for the year amounted to €462.8 million, an increase of 5.5%. I must underscore the very strong increase in industrial vehicle activities which offset the collapse of the light vehicle telematics business. And though, in 2021, the Aeronautics segment did not return to its pre-pandemic level, the areas of diversification, driven by the Telecoms Division, provided the expected contribution. This division grew by 34.5% with very significant growth in the fields of energy and communications. These developments structured on multi-year contracts consolidate the Group's diversification strategy.

The bottom line was marked by sustained investment efforts, particularly in the field of vehicle electrification. Thus, without this special effort, the bottom line for the year could have been positive with an EBITDA more in line with our operational objectives. The net result for 2021 was negative at <€6.1 million> compared to <€19.4 million> in 2020. Finally, indebtedness was under control, despite a 9.4% increase mainly due to the increase in our raw materials stocks, directly linked to supply chain difficulties, a shortfall causing the stockpiling of other components waiting to go into production.

However, the prevalent difficult context has not prevented us from pursuing our commitments to our various regions. I commend the network of all the Group's General Managers who, through their local actions, uphold the human values that are dear to us, meeting the needs of each region, while striving to reduce our environmental footprint.

Overall, ACTIA has thus coped well, by absorbing the crisis and preserving its growth prospects. Thanks to its multi-year contracts and a close relationship with its customers, our positioning as a strategic partner was thus strengthened by the way we managed the crisis.

The year 2021 was also marked by the preliminary discussions on possible disposals or the opening of the capital to outside investors, which are being implemented at the beginning of 2022. This is the first time in its history that the Group has decided to undertake disposals.

Faced with the crisis, heavy debt burdens, and also very significant growth prospects requiring substantial resources, we have decided to reaffirm our position in the world of embedded electronics to foster sustainable development.

Therefore, it was decided to divest two activities not directly related to this positioning:

- Vehicle inspection and garage equipment;
- Electrification including powertrain and battery manufacturing activities newly structured in a dedicated division.

The first operation, carried out with the BASE Group which is a specialist in the sector, was completed at the date of writing this document. The second operation, for which discussions are at a very advanced stage with the PLASTIC OMNIUM Group, is scheduled for the second quarter of 2022.

These two disposal operations at the same time open up particularly interesting partnership prospects for all stakeholders in the fields considered.

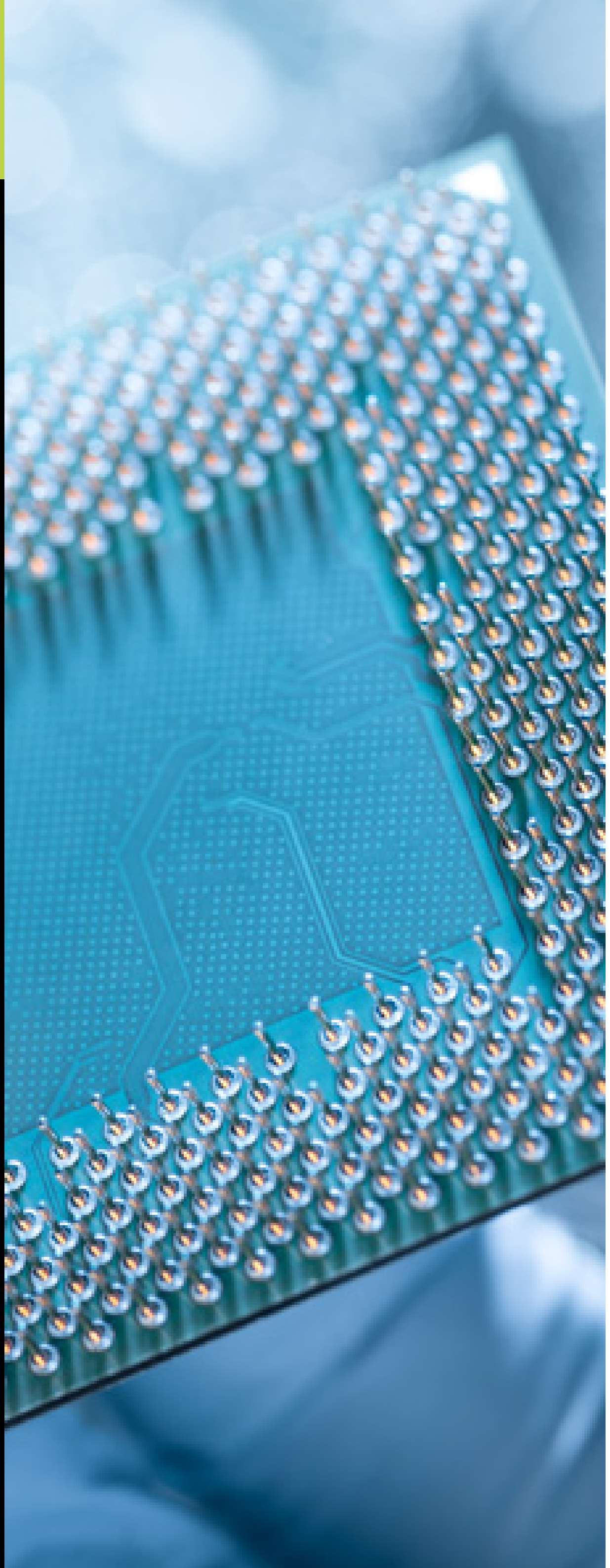
They also help ACTIA to have a substantial cash position, regain financial ratios in line with our expectations and those of the market and calmly pursue our development in a context that is still likely to be challenging, while remaining consistent with a demanding business plan: that of a family-run, industrial, independent, and innovative business, proud of its values and resolutely turned towards the global market and the future.

The medium-term outlook is confirmed and, based on the contracts won in recent years, it will propel ACTIA beyond the €800 million mark by 2025. Thus, despite the turmoil in the world and driven by the remarkable commitment of all of our teams, we are still on the right course toward the goal!

Jean-Louis Pech

Chairman and CEO

ACTIA Group



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INDIVIDUAL RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

1.1 INDIVIDUAL RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Jean-Louis Pech – Chairman and CEO

ACTIA Group

5 rue Jorge Semprun - BP 74215 - 31432 TOULOUSE Cedex 4

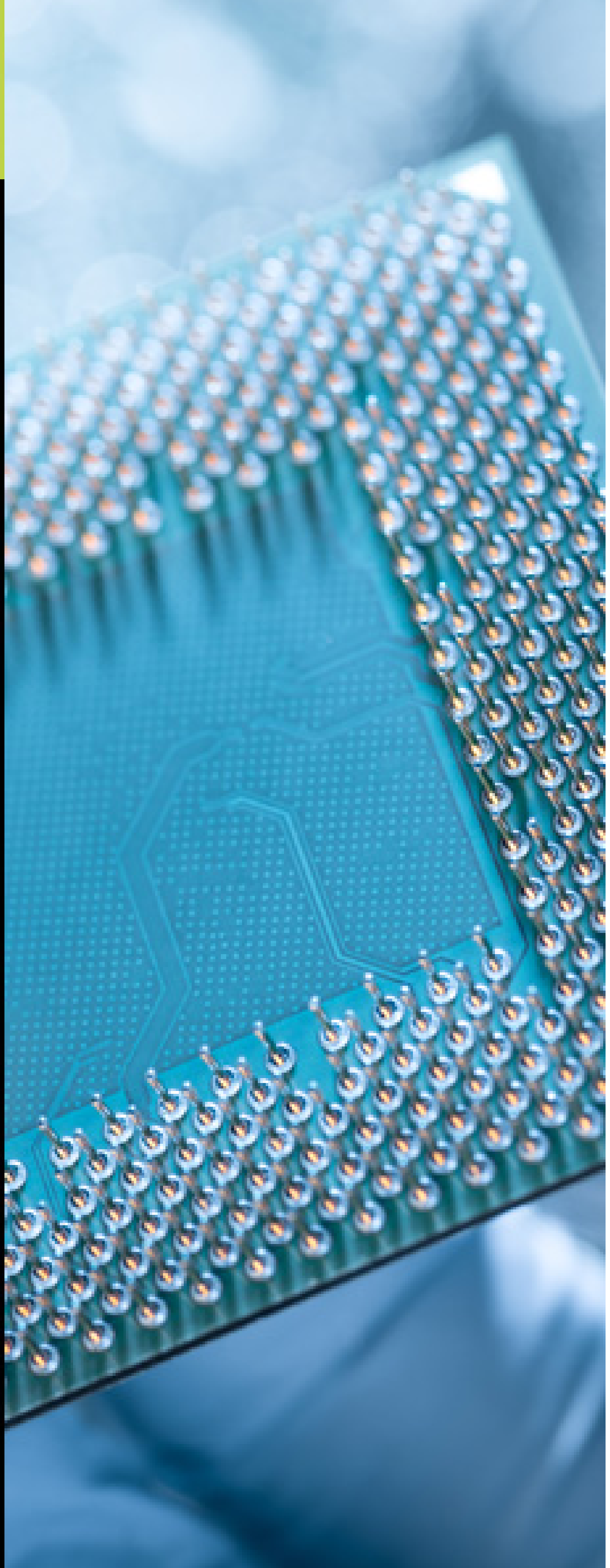
Tel: +33 (0)5 61 17 61 98

1.2 UNIVERSAL REGISTRATION DOCUMENT RESPONSIBILITY STATEMENT

I declare that to the best of my knowledge the information presented in this Universal Registration Document is accurate and there are no omissions likely to alter its import.

I declare, to the best of my knowledge, that the financial statements have been prepared in accordance with applicable accounting standards and are a fair reflection of the assets and income of the Company and of all the companies included in the scope of consolidation, and that the Management Report on page 21 presents an accurate picture of the business, results and financial situation of the Company and of all the companies included in the scope of consolidation and that it describes the principal risks and uncertainties that they face.

Jean-Louis Pech
Chairman and CEO



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STATUTORY AUDITORS

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

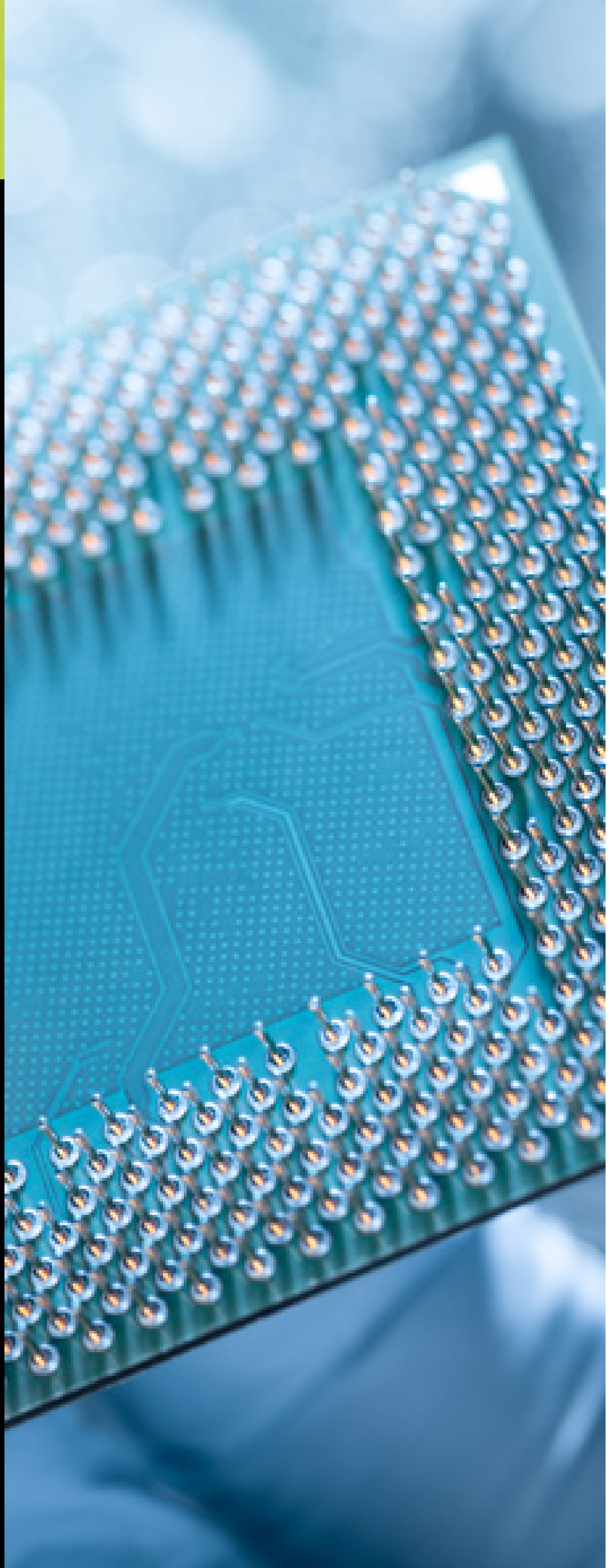
Appointed at the Combined Ordinary and Extraordinary General Meeting of 30 May 2018, for a term of office of six financial years that will expire at the end of the Annual General Meeting in 2024 called to approve the financial statements for the financial year ending 31 December 2023.

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

- **BMA** – 11, rue Laborde – 75008 PARIS

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

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



3

INFORMATION ABOUT THE ISSUER

3.1 LEGAL INFORMATION

3.1.1 LEGAL AND COMMERCIAL NAME

Legal name: ACTIA Group

3.1.2 REGISTRATION PLACE AND NUMBER AND LEGAL ENTITY IDENTIFIER

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

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

Its LEI number is 969500UPP3G1EYL1UI19.

3.1.3 DATE OF INCORPORATION AND TERM

Article 5 of the Articles of Association

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

3.1.4 REGISTERED OFFICE AND LEGAL FORM

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

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

Share Capital: €15,074,955.75

Legislation governing the issuer's activities: French law

Country of origin: France

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

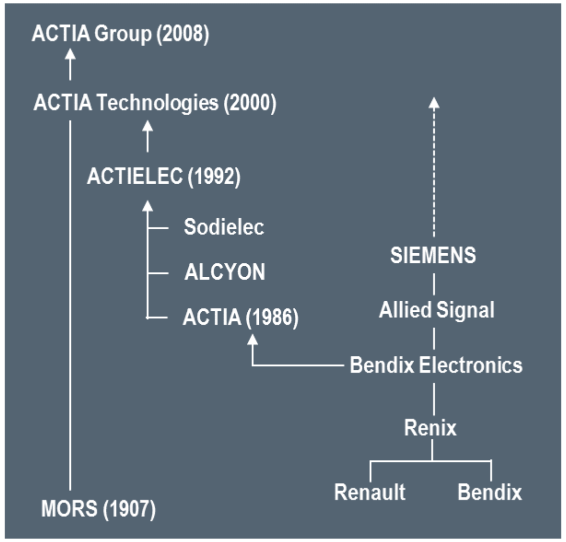
Telephone and website: +33 (0)5 61 17 61 98 / www.actia.com

3.2 HISTORY

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

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

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



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

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

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

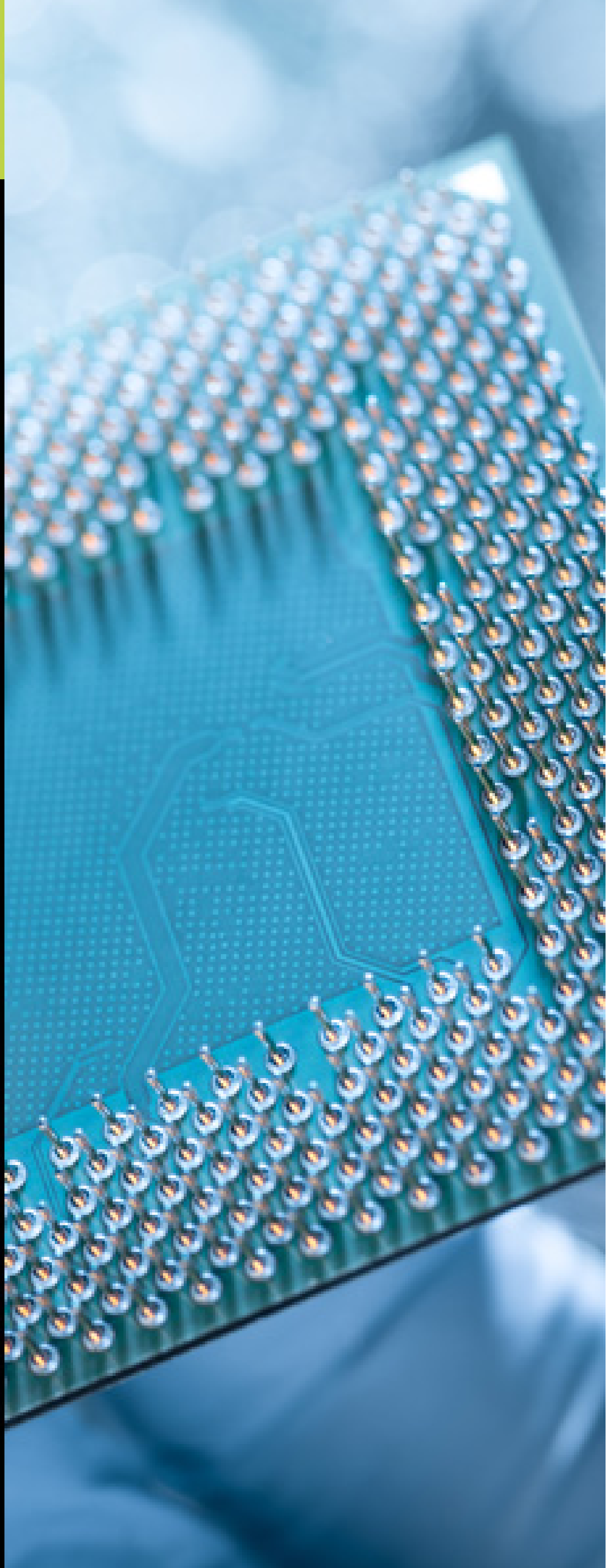
- 1989: MEIGA (France);
- 1990: AIXIA, renamed ACTIA 3E (France) and ACTIA UK (UK);
- 1991: TEKHNE, renamed ACTIA Muller UK (UK), wound up in 2014;
- 1992: VIDEO BUS, renamed ACTIA Systems (Spain) and ATAL, renamed ACTIA CZ (Czech Republic);
- 1993: ACVIBUS, renamed ACTIA de Mexico (Mexico) and I+Me, renamed ACTIA I+Me (Germany);
- 1994: ACTIA Inc. (USA) and DATENO S.A. (France);
- 1996: ATON Systèmes, renamed ACTIA PCs (France);
- 1997: ACTIA Do Brasil (Brazil) and CIPI, renamed CIPI ACTIA (Tunisia);
- 2000: ACTIA Italia (Italy), Advanced Technology Inc., renamed ACTIA Corp. (USA), BERENISCE SAS (France), ACTIA Nederland (the Netherlands) liquidated in 2020, merger of ACTIELEC S.A. and MORS S.A., a listed company, and creation of MORS Technologies and of OCEANO Technologies;
- 2001: ACTIA Polska (Poland) and EBIM S.A. (France);
- 2002: ACTIA India (India) and merger of ALCYON Production System and ACTIA;
- 2003: ACTIA China (China), LUDICAR, renamed ACTIA Muller España (Spain), acquisition of MULLER Bem (France) and MEIGA/BERENISCE SAS/MULLER Bem merge to become ACTIA Muller;
- 2004: NIRA Components A.B., renamed ACTIA Nordic (Sweden) and merger of DATENO/MORS Technologies (originating from MORS)/EBIM into SODIELEC;
- 2005: ARDIA, now ACTIA Engineering Services (Tunisia);
- 2008: ACTIA Tunisie (Tunisia);

- 2015: merger of ACTIA Automotive and ACTIA Muller;
- 2017: Market-IP, now ACTIA Telematics Services (Belgium), merger of ACTIA Systems (Spain) and ACTIA Muller España (Spain);
- 2018: ACTIA Africa (Tunisia) and ACTIA Electronics (USA);
- 2019: ACTIA Japan;
- 2020: ACTIA EMS (Sweden), ACTIA Power (France), ACTIA Power France.
- 2021: ACTIA Power US, ACTIA Power Deutschland (Germany).

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

In 2021, ACTIA seized the opportunity to acquire a small R&D team, specialising in the development of supervision software, with around twenty people, in Montpellier (France), thus completing the ACTIA Telecom offer, after two years of partnership.

At the end of 2021, the project to create the new Power Division, dedicated to electrification activities, was completed with the creation of ACTIA Power US and ACTIA Power Deutschland, after ACTIA UK Limited, an ACTIA Automotive subsidiary, was added to the division being set up in July 2021.

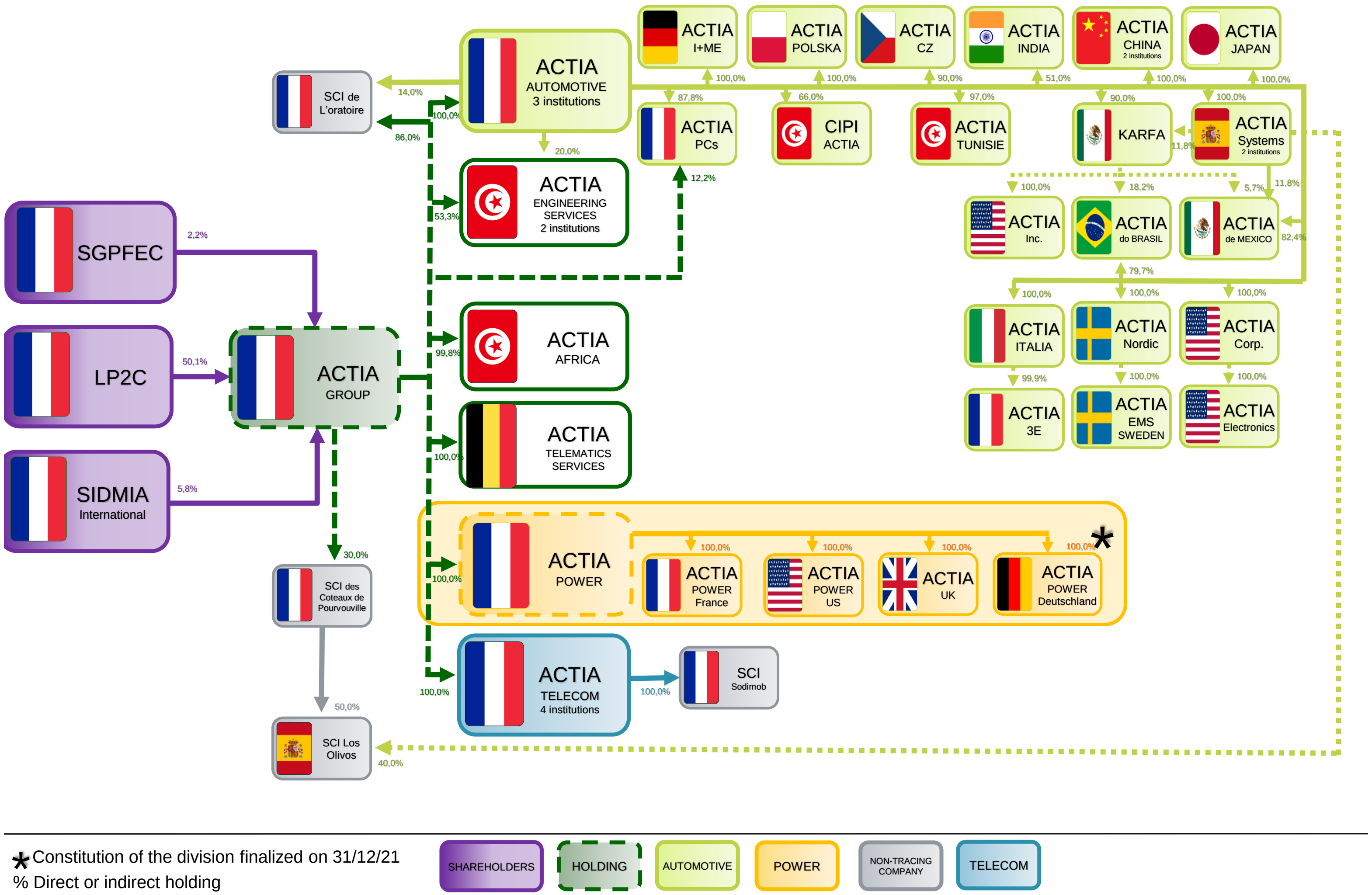


4

ORGANISATIONAL STRUCTURE

4.1 ORGANISATIONAL STRUCTURE

The Group's organisational chart on 31 December 2021 was as follows:



4.2 SCOPE OF CONSOLIDATION

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

4.3 BRIEF OVERVIEW OF THE GROUP

ACTIA Group is the publicly traded company of the Group. The “Notes” to the separate financial statements in § 9.2.3 provide a clearer explanation of its role and balance sheet structure.

The Group is organised as follows:

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

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

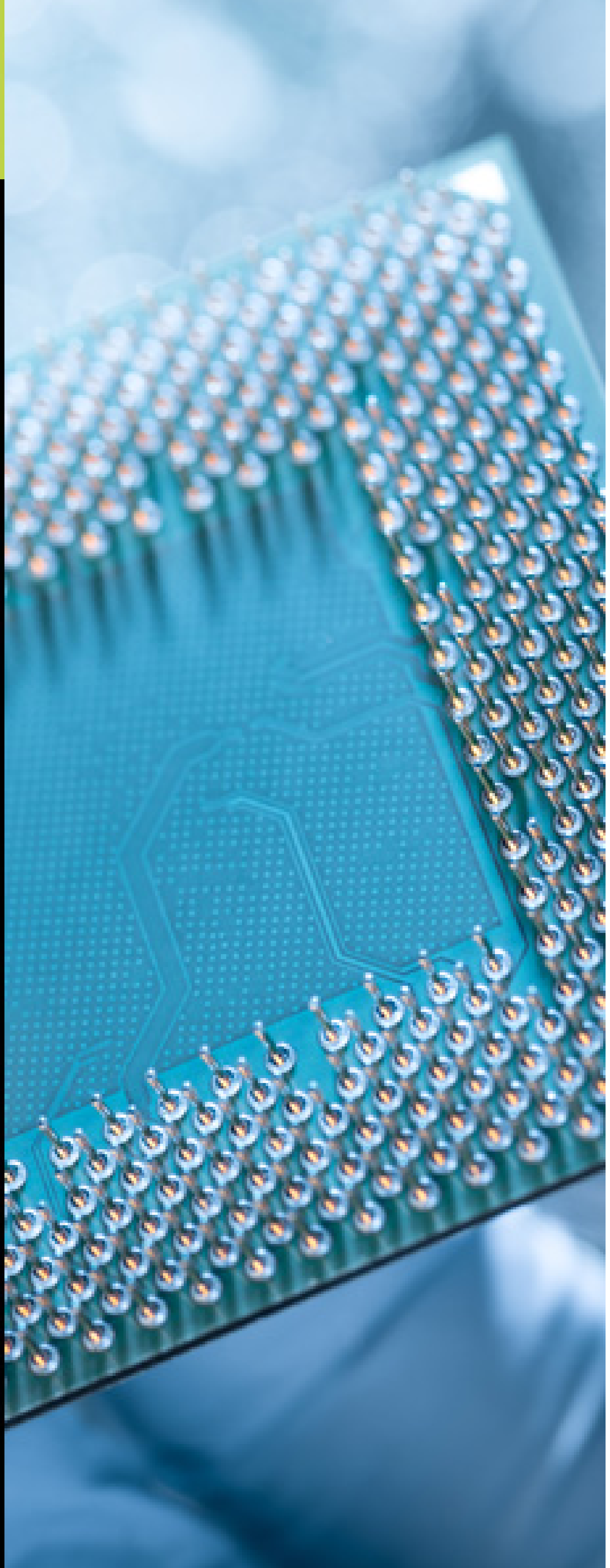
- administrative, legal, accounting and financial;
- quality;
- communication;
- human resources;
- real estate;
- internal Group management and procedures;
- business development.

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

These dealings result in regulated agreements, the scope and financial details of which are set out in § 5.9.10 “Special report of the Statutory Auditors on regulated agreements”.

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

A third **Power Division**, which brings together vehicle electrification activities, was structured during the 2021 financial year so as to be set up as of 1 January 2022.



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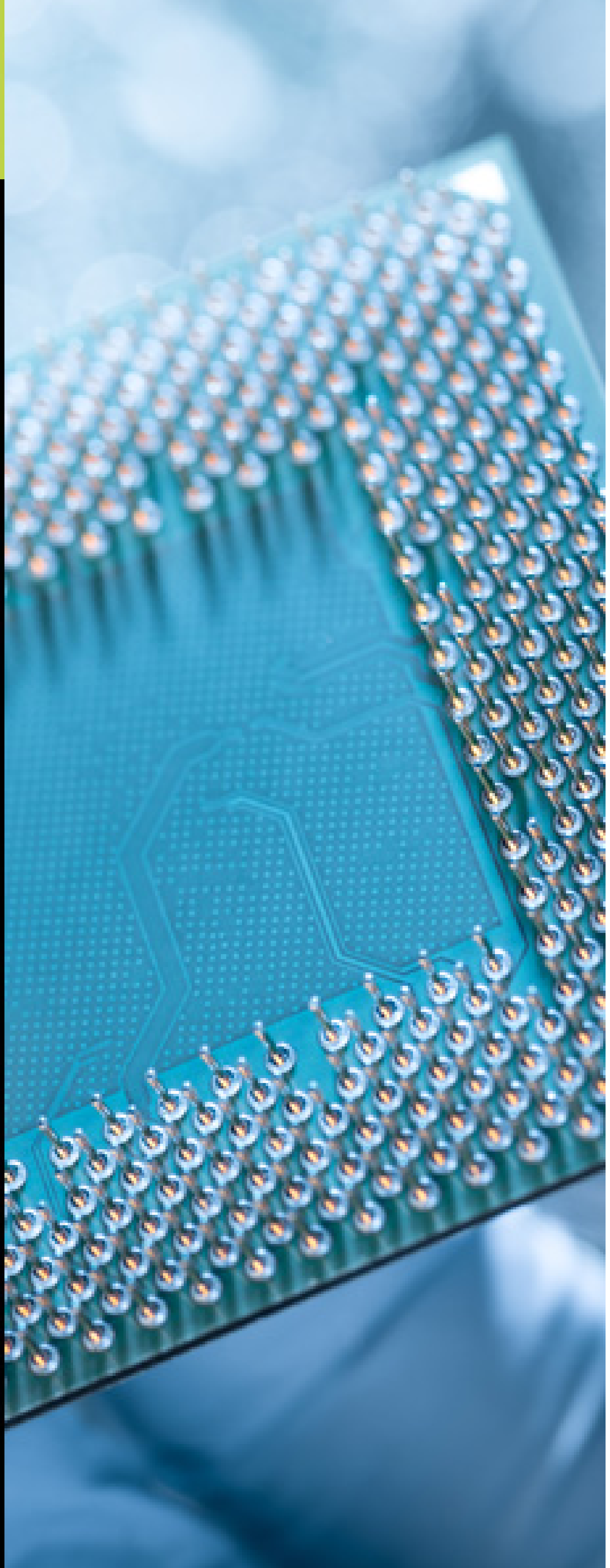
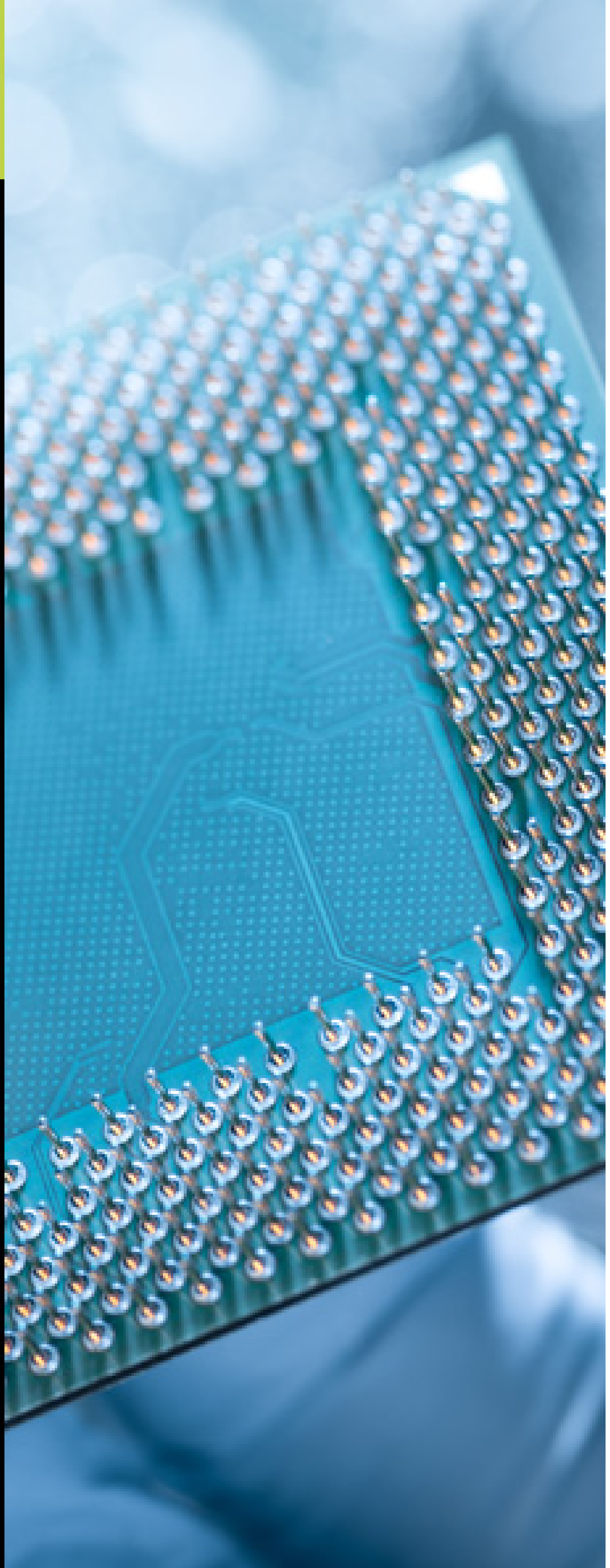
MANAGEMENT REPORT INCLUDING THE GROUP MANAGEMENT REPORT





5.1 PRESENTATION OF RESOLUTIONS

On 24 May 2022, we will call an Ordinary General Meeting as required by statute and pursuant to the provisions of the Company's Articles of Association, to report on the Company's activities during the financial year ended 31 December 2021, to present the reports of the Board of Directors and the Statutory Auditors, and to ask shareholders to approve the financial statements in respect of this financial year, the appropriation of earnings and the agreements covered by Articles L.225-38 et seq. of the French Commercial Code.

5.1.1 AGENDA OF THE ORDINARY GENERAL MEETING

- Approval of the financial statements for the year ended 31 December 2021 - Approval of non-tax-deductible expenses;
- Approval of the consolidated financial statements for the year ended 31 December 2021;
- Appropriation of earnings for the period;
- Special report of the Statutory Auditors on regulated agreements and approval of said agreements;
- Annual fixed amount to be allocated to members of the Board of Directors;
- Approval of the compensation policy for the Chairman and CEO and any other Executive Corporate Officer;
- Approval of the compensation policy for members of the Board of Directors;
- Approval of the information referred to in point I of Article L22-10-9 of the French Commercial Code;
- Approval of the fixed, variable and exceptional elements comprising the total compensation and benefits of all kinds paid during the previous financial year or due for the same financial year to Jean-Louis Pech, Chairman and CEO;
- Grant of authority to the Board of Directors for the purchase of Company shares in accordance with the procedures provided for under Article L22-10-62 of the French Commercial Code, duration of the authorisation, purposes, procedures and maximum amount;
- Powers to carry out formalities.

5.1.2 DRAFT RESOLUTIONS

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

RESOLUTION I: APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 - APPROVAL OF NON-TAX-DEDUCTIBLE EXPENSES

After taking note of the reports submitted by the Board of Directors and the Auditor concerning the business year ending on 31 December 2021, the General Meeting approved the separate financial statements closed on that date as presented, showing a net income of €758,956.48.

It also approved the transactions recorded in these accounts or summarised in these reports.

The General Meeting approved the expenses which are non-deductible from corporate tax, as stipulated in article 39-4 of the French General Tax Code, which stood at €2,736 for this financial year, corresponding to excess depreciation on company vehicles.

RESOLUTION II: APPROVAL OF THE CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDING ON 31 DECEMBER 2021

After taking note of the reports submitted by the Board of Directors and the Auditor concerning the consolidation exercise ending on 31 December 2021, the General Meeting approved the consolidated accounts drawn up on that date as presented, showing a financial year loss of (€6,073,523) for the Group.

RESOLUTION III: APPROPRIATION OF EARNINGS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2021

On a proposal from the Board of Directors, the General Meeting decided to appropriate the earnings for the financial year ending 31 December 2021 as follows:

Origin		
"Retained Earnings" account on 31 December 2021		€12,715,098.27
Earnings for the financial year: profit of		€758,956.48
Appropriation		
To the "Retained Earnings" account, which will stand at	€13,474,054.75	
TOTAL	**€13,474,054.75**	**€13,474,054.75**

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

For the financial year	Earnings eligible for a rebate		Earnings not eligible for a rebate
	Dividend	Other revenue distributed	
2018	€2,009,994.10* , i.e.: €0.10 per share	-	-
2019	€ 3,014,991.15* , i.e.: € 0.15 per share	-	-
2020	0		

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

RESOLUTION IV: SPECIAL AUDITOR'S REPORT ON THE REGULATED AGREEMENTS AND APPROVAL OF SAID AGREEMENTS

Ruling on the special Auditor's report on regulated agreements with which it was presented, the General Assembly approved the new agreements mentioned therein.

RESOLUTION V: ANNUAL FIXED AMOUNT TO BE ALLOCATED TO MEMBERS OF THE BOARD OF DIRECTORS

The General Meeting decided to raise the annual fixed amount to be allocated to the Board of Directors to €34,000.

This decision will be applicable to the current period and remain in force until superseded by a new decision.

RESOLUTION VI: APPROVAL OF THE COMPENSATION POLICY FOR THE CHAIRMAN AND CEO AND ANY OTHER EXECUTIVE CORPORATE OFFICER

The General Meeting, ruling pursuant to Article L22-10-8 of the French Commercial Code, approved the compensation policy for the Chairman and CEO and any other Executive Corporate Officer presented in the Corporate Governance Report included in the 2021 Universal Registration Document, paragraph 8.3.1 "Corporate officer compensation policy (ex ante "say on pay")".

RESOLUTION VII: APPROVAL OF THE COMPENSATION POLICY FOR MEMBERS OF THE BOARD OF DIRECTORS

The General Meeting, ruling pursuant to article L22-10-8 of the French Commercial Code, approved the compensation policy for the members of the Board of Directors presented in the Corporate Governance Report included in the 2021 Universal Registration Document, paragraph 8.3.1 "Corporate officer compensation policy (ex ante "say on pay")".

RESOLUTION VIII: APPROVAL OF THE INFORMATION REFERRED TO IN POINT I OF ARTICLE L22-10-9 OF THE FRENCH COMMERCIAL CODE

The General Meeting, ruling pursuant to article L22-10-34 I of the French Commercial Code, approved the information referred to in article L22-10-9 of the French Commercial Code presented in the Corporate Governance Report included in the 2021 Universal Registration Document, paragraph 8.3.2 "Compensation and benefits of corporate officers and other information referred to in point I of article L22-10-9 of the French Commercial Code (general ex post "say on pay")".

RESOLUTION IX: APPROVAL OF THE FIXED, VARIABLE AND EXCEPTIONAL ELEMENTS COMPRISING THE TOTAL COMPENSATION AND BENEFITS OF ALL KINDS PAID DURING THE PREVIOUS FINANCIAL YEAR OR DUE FOR THE SAME FINANCIAL YEAR TO JEAN-LOUIS PECH, CHAIRMAN AND CEO

The General Assembly, ruling pursuant to Article L22-10-34 II of the French Commercial Code, approved the fixed, variable and exceptional components comprising the total compensation and benefits paid out in the course of the previous financial year or allocated for the same financial year to Mr Jean-Louis Pech, Chairman and CEO, presented in the corporate governance report included in the 2021 Universal Registration Document, paragraph 8.3.3 “Compensation components subject to vote (ex post individual “say on pay”)”.

RESOLUTION X: AUTHORISATION TO BE GIVEN TO THE BOARD OF DIRECTORS TO ALLOW THE COMPANY TO BUY BACK ITS OWN SHARES UNDER THE SCHEME LAID DOWN IN ARTICLE L22-10-62 OF THE FRENCH COMMERCIAL CODE

The General Meeting, having taken note of the Board of Directors’ report, authorised the latter, for a period of eighteen months, in accordance with articles L225-10-62 et seq. and articles L225-210 et seq. of the French Commercial Code, to buy back, either once or on several occasions as required, company shares, up to a maximum of 2% of the number of shares comprising the total share capital, adjusted if necessary to take account of any increase or reduction of share capital that may occur during the period throughout which the programme runs.

This authorisation cancels the authorisation granted to the Board of Directors in the ordinary 10th resolution of the General Meeting held on 20 May 2021.

Acquisitions may be made in order to:

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

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

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

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

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

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

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

RESOLUTION XI: POWERS TO CARRY OUT FORMALITIES

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

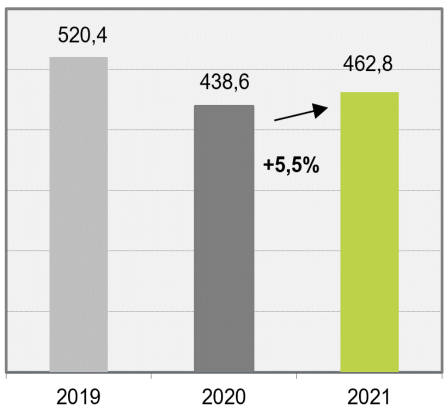
5.2 SELECTED FINANCIAL INFORMATION FOR THE PERIOD

The following tables and charts represent audited figures. To facilitate the reader's understanding, in the presentation of data in the Management Report, we have given preference to figures for contributions by division as an alternative to the divisions' consolidated figures. The differences between these two approaches are minor, but this makes it possible to present consistent information throughout this Universal Registration Document.

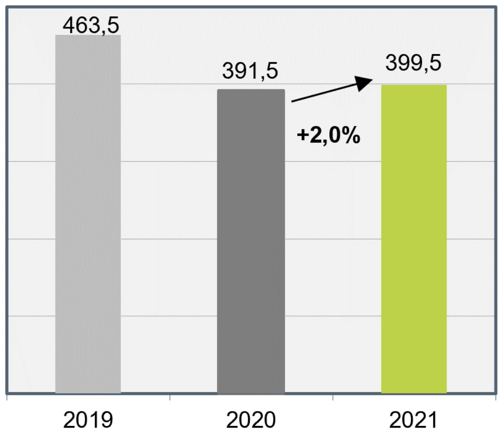
The Group's separate annual and consolidated financial statements as they stood on 31 December 2021 were approved by the Board of Directors on 28 March 2022.

5.2.1 KEY FIGURES

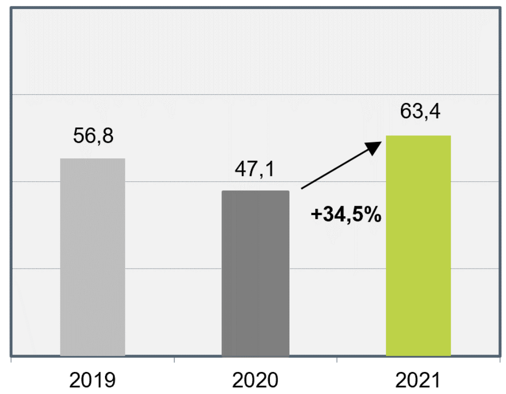
Consolidated revenue (M€)

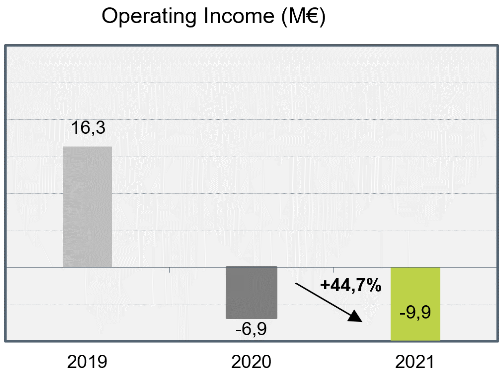


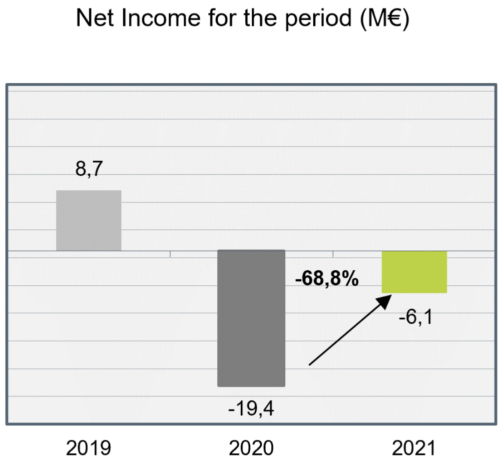
Revenue contribution from the Automotive Division (M€)

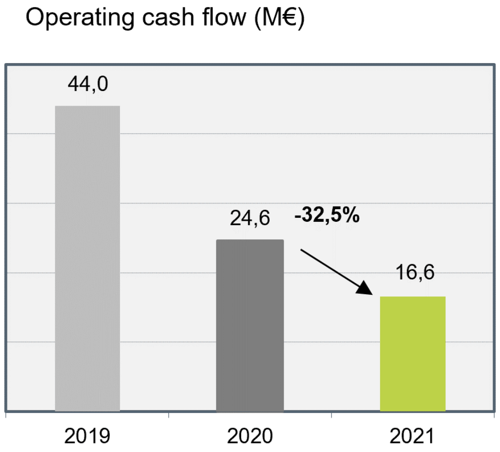


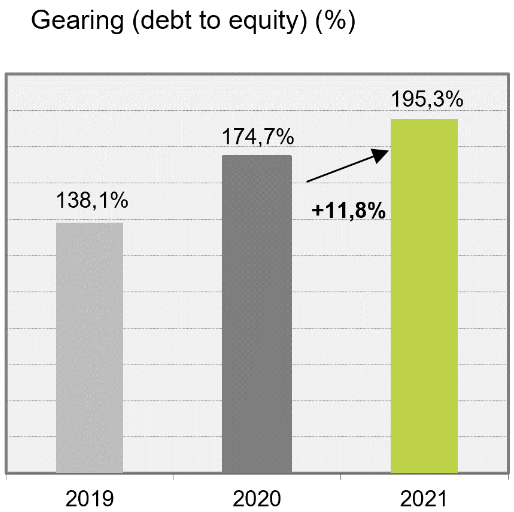
Revenue contribution from the Telecommunications Division (M€)

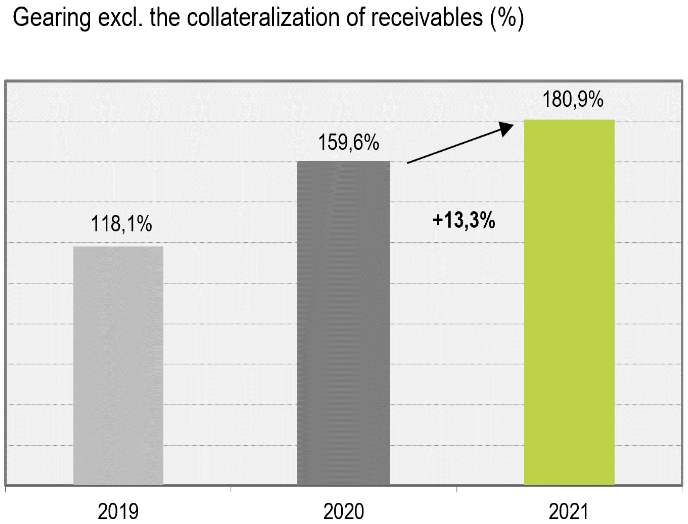












Details of how the debt ratio is calculated are set out in Note 14 “Financial liabilities” in the notes to the consolidated financial statements.

5.2.2 CONSOLIDATED RESULTS

The consolidated financial statements of our Group show revenue up by 5.5% to €462.8 million, and profit attributable to the Group of <€6.4> million compared with <€19.0> million in 2020.

Consolidated results for the 2021 financial year break down as follows:

Consolidated Group results (€K)	2021	2020	2019
Revenue	**462,839**	**438,593**	**520,411**
Current operating income	<11,241>	<7,248>	15,406
Operating income	**<9,921>**	**<6,857>**	**16,276**
Financial result	**3,592**	**<12,379>**	**<3,884>**
Net income for the period (A)	**<6,074>**	**<19,441>**	**8,724**
✓ *attributable to Group shareholders*	<6,379>	<19,043>	8,604
✓ *Non-controlling interests*	306	<398>	120
Tax (B)	160	<308>	<3,722>
Impairment of goodwill (C)	0	0	0
Interest and financial costs (D)	<3,921>	<3,706>	<3,940>
Change in value of hedging instruments (E)	8,377	<8,703>	7
Depreciation (F)	<32,826>	<30,928>	<29,375>
EBITDA = (A)-(B)-(C)-(D)-(E)-(F)	**22,136**	**24,203**	**45,755**

We will ask shareholders to approve these consolidated financial statements.

5.2.3 BRIEF OVERVIEW OF THE GROUP'S POSITION DURING THE 2021 FINANCIAL YEAR

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

After a 2020 financial year marked by the Covid-19 crisis, accompanied by a sharp drop in customer demand in the first half and a significant business recovery in the second half, a shortage of electronic components arose in the first months of 2021 and only worsened during the financial year. As a result, ACTIA was unable to meet the demand of its customers fully, even if growth of €24.2 million (+5.5%) was recorded compared to 2020, with revenue of €462.8 million.

In 2021, international sales accounted for 69.5% of total consolidated revenue, very close to the 2020 figure (70.5%).

AUTOMOTIVE DIVISION

The Automotive Division (86.3% of the Group's revenue) posted an increase of 2.0%, and stood at €399.5 million. The three business segments, namely "Original Equipment Manufacturer", "Aftermarket" and "Manufacturing-Design & Services", recovered some of the ground lost in 2020.

The Original Equipment Manufacturer segment accounted for 77.6% of the revenue of the Automotive Division, and grew by 0.4% during the reporting period. All customer segments grew with the exception of the Light Vehicles segment, which was particularly affected by shortages in both electronic components and raw materials. Thus, our telematics contract linked to the automotive sector and which is due to end during the first half of 2022 is already recording a very strong decline, which the other markets are offsetting, despite supply chain challenges.

Aftermarket, which accounted for 10.7% of the revenue of the Automotive Division, increased by 5.8%, most notably in the garage equipment and fleet management segment. The Vehicle Inspection activity experienced a difficult year (<16.0%>), as international business did not recover due to the ongoing global pandemic.

Finally, the Manufacturing - Design & Services activities represented 11.8% of the Automotive Division's revenue, up 8.9%, with the Home automation and Aerospace segments compensating for the very late recovery of Aeronautics at the end of the financial year.

The geographical breakdown of sales remained stable within the division. Europe is the major geographical region and accounted for 75.1% of revenue. Within Europe, France grew by 13.9%, with smaller production runs, which were less impacted by shortages. America's share was 12.6%, while Asia accounted for 8.7%.

EBITDA[1] fell (<26.6%>) to €15.3 million for the year compared to €20.9 million in 2020.

This result is due to the challenges ACTIA faced during the exceptional 2021 financial year while building on its strengths, namely:

- Assertion of ACTIA's guiding principles, whereby the identification of profitable technological niche markets provides a way of keeping customer confidence, holding on to the markets we already have and progressively renewing the portfolio of products and services;
- Continued supply shortages of certain electronic components, including active components such as microprocessors and memories. These components are essential to ACTIA's production activity. The vagaries of supplies therefore greatly disrupted the industrial activity, leading to planning difficulties, such that preference was given to small production runs to limit the impact on our customers. In addition, since the shortage was worldwide, demand from vehicle manufacturers was itself impacted, with no visibility on schedules. Finally, and paradoxically, the shortage of certain essential components led to high stocks of other components, which remained on hold. ACTIA set up a crisis organisation in order to protect the industrial flow as much as possible, to keep all customers informed transparently and as quickly as possible, and to work rigorously to find solutions.
- The cost-saving plan pursued in the whole division, using the long-term part-time working (APLD) scheme and a concerted effort to keep overheads under control;
- Management efforts aimed at reorganising staff and departments in a changing context, with the widespread use of home-working, as well as efforts to manage the human and relational aspects stemming from the external context, between health constraints and shortage of components.
- Continued R&D efforts, in particular in the programmes won, and the constitution of the Power Division by grouping the vehicle electrification activities, which was completed on 31 December, and the continuation of ongoing developments, which heavily impacted the division's income statement.

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

TELECOMS DIVISION

ACTIA Telecom generated revenue of €63.4 million in 2021, the equivalent of 13.7% of Group sales. This was the best year in the history of this division and represented a 34.5% increase. The Telecoms Division gave a boost last year to its long-term growth trajectory by catching up on projects that could not be invoiced at the end of 2020 due to pandemic-induced difficulties which hampered the movement of goods and people. SatCom activity thus increased by 35.6%. The ramp-up of the Energy segment continued in 2021 (up 62.2%). The Railway segment was stable (+1.4%), with the sector's major programmes falling behind due to the health crisis and shortages of raw materials for our customers.

The international share had been exceptionally high in 2018-19 with the upswing in international SatCom contracts, only to fall to 22.0% in 2020 with the health crisis. It stabilised in 2021, accounting for 27.9% of revenue, with the growth of the Energy sector, which remained a French activity.

In this context, the division achieved an EBITDA[1] of €5.9 million, i.e. 9.3% of Telecom revenue compared to 7.6% in 2020. The strong activity in the second half absorbed the fixed costs after the first half recording an EBITDA of €1,539,000 (5.7% of revenue). Operating profit amounted to €2,874,000, or 4.5% of revenue compared to 1.7% in 2020.

GROUP

The year 2021 was particularly disrupted by supply chain challenges throughout the year, which persist in 2022, affecting the entire electronics sector.

ACTIA's consolidated revenue stood at €462.8 million, up 5.5%. The breakdown over the year was smoother than in 2020, even if, as in 2020, the fourth quarter was slightly more significant, with revenue of €128.9 million, i.e. 27.9% of the annual business.

Manoeuvring between very strong customer demand, limited resources (shortage of components leading to price hikes and delayed supplies, a tight job market and recruitment difficulties, tensions in transport), ACTIA was unable to generate the expected profitability for the financial year, due in particular to production delays estimated at €28 million at 31 December and orders not received or not processed estimated at more than €70 million, more than half of which in the Light vehicles telematics segment.

The cost of materials and supplies increased by +8.5% (+€20.0 million) due to the dual impact of business growth and price hikes linked to the shortage of components. Part of this increase could be re-invoiced to customers, in particular when it came to finding substitute components or when the increase imposed by the supplier was disproportionate. Out of the impact of exceptional costs estimated at €17.7 million, ACTIA was able to have its customers accept an additional invoice of up to 70%. With State aid limited to France (€1.8 million compared to €4.7 million in 2020 when several states supported companies during the crisis), personnel costs increased to €131.6 million compared to €120.0 million in 2020 (+9.7%). This included salary increases to limit turnover, lesser R&D cost capitalisation and an increase in the provision for paid leave, in consequence of the use of APLD in France. Expenditure on outsourcing and temporary work also increased by 21.3%, reflecting the challenges in recruitment and the use of outside staff to overcome hiring difficulties while limiting firm contracts. External expenses increased by €3.5 million (+6.0%), with an increase in R&D outsourcing (+17.7%), in transport costs (+48.8%) and more exceptionally in fees (+29.8%) due to carve-out operations to set up the Power Division. It should be noted that the cost of developing this division is estimated at more than €12 million.

In 2021, ACTIA continued to manage its operations to limit the impact of the pandemic and the shortage of components on its outlook, i.e. without undermining its capacity for innovation and its ability to serve its current and future customers. R&D expenses increased to €80.2 million, compared to €76.0 million in 2020, returning to their 2019 level (€83.2 million). They represent an intense sales activity with major programmes won that require significant developments but better supported by customers (re-invoicing rate of 42.2% compared to 32.9% in 2019).

As a result, the Group generated EBITDA of €22.1 million, 4.8% of revenue for 2021, compared to 5.5% for 2020. After taking into account depreciation allowances of €32.8 million (+6.1%), the Group's operating income stood at <€9.9 million>. The Group's workforce fell from 3,718 at the year-end 2020 to 3,685 at the end of 2021 (<0.8%>), with hiring resuming in the second half of the reporting period after coming under severe strain during the health crisis. That said, the profiles sought remain difficult to recruit, because our professions are still under pressure.

The constant renewal of the business portfolio aimed at maintaining diversification in the various segments imposed a sustained pace in the Research & Development programmes. The health crisis and the impact of component shortages forced us to make choices or push back some non-priority subjects, to keep expenditure under control. In 2021, R&D expenditure amounted to €80.2 million, up compared to 2020 (+5.5%, from €76.0 million), close to the 2019 amount (€83.2 million). As a result, the ratio of R&D expenditure as a percentage of revenue remained stable at 17.3%, as in 2020. However, the decrease in the capitalisation rate (15.9% compared to 18.3%) and the mechanical rise in the customer re-invoicing rate to 42.2% compared to 37.0% in 2020 reflect our focus on the development of projects won which will ensure our business in the next few years. Thus, charges recognised in the income statement represented 9.0% of revenue compared to 9.5% in 2020. Research tax credits continued to grow, rising from €5.6 million to €6.5 million, demonstrating the high level of innovation in the new products developed by ACTIA.

The level of interest and financial expenses, at €3.9 million (+5.8%), reflects the activation of state-guaranteed loans in 2020 (€41.4 million) and in 2021 (€49.9 million). The final release of €800,000 was made in early 2022 and has raised the rate of consumption of the amount to 98.9%. When granted, these loans only bear the cost of the state guarantee, since the interest rate is 0% for the first year. The Group's decision to opt for payback over 5 years will affect the cost, because the guarantee fees increase over time and interest is invoiced according to the cost of the resource by the banks. Thus, the gross interest rate decreased to 1.41% compared to 1.45% in 2020. As the EUR/USD exchange rate changed significantly during the 2021 financial year with a stronger US dollar, the valuation of hedging instruments generated a capital gain of €8.4 million against a loss of €8.8 million at 31 December 2020. Currency hedging instruments enabled the Group to purchase USD at an average exchange rate of 1.179 over the period compared to 1.162 in 2020, generating little difference from the average exchange rate on the spot market (1.1835). On the other hand, the EUR/USD exchange rate fell from 1.2271 to 1.1326 in 12 months, thus confirming the protective tunnel effect put in place by ACTIA.

The new requirements of IFRS 16 do not lead to any significant variation compared with last year.

These elements brought the net income for the period to <€6.1 million> compared to <€19.4 million> for 2020, once a tax income of €0.2 million (as opposed to a tax expense of €0.3 million at year end 2020) has been taken into account.

The Group's operations generated €16.6 million in cash during the financial year compared to €24.6 million at the end of 2020, as the Working Capital Requirement was impacted by the constitution of surplus stocks (the shortage of a component leads to the stockpiling of correctly delivered items). Investments, which stood at €20.5 million compared to €22.8 million in 2020, remained under pressure to meet the challenge of a financial year greatly disrupted by the health crisis and electronic component shortages. Trade-offs were made in R&D in order to prioritise programmes related to contracts and items in production, to ensure equipment is maintained. Without calling into question investments in digitisation, the roll-out of some programmes, such as the switch to a new ERP, was further postponed. The funds from new medium-term loans to the tune of €68.6 million, including State Guaranteed Loans (€49.9 million), made it possible to free up €13.3 million to offset the drop in business.

On the balance sheet, the stocks of €172.7 million at year end 2021 grew by €23.1 million (+15.4%), trade receivables were stable at €144.7 million (+2.4%) and accounts payable increased by +32.2% to €92.4 million. The working capital requirement had an impact of €4.4 million on the financial position.

At year end 2021, the increase in net debt, at €221.8 million, was €19.0 million (+9.4%), impacted by the increase in stocks. Medium-term loans amounting to €44.0 million were repaid during the year, with the first repayments of the State-guaranteed loans (PGE) granted in 2020 starting in the summer. At the end of the reporting period, only 33.0% of the short-term lines of credit that were renewed in 2021 had been used, compared to 30.8% on 31 December 2020. The level of use of the deconsolidating factoring contract by our Swedish subsidiary decreased by 38.1% compared to 2020, due to the significant drop in customer invoicing related to the shortage of components. The request to suspend covenants on 31 December 2021 was accepted by all the banking partners we contacted. Excluding the capitalisation of receivables, gearing was 180.9% compared with 159.6% at the end of 2020. The Group only mobilised 3.5% of its receivables and leverage was 10.02 compared with 8.38 as of 31 December 2020. The strategy implemented to aid the recovery of the components market to meet customer demand aimed to conserve free cash at €56.6 million (+6.0%).

For 2021, Free Cash Flow stood at <€2.6 million>, compared with €0.4 million in 2020.

While the Group is structured to absorb the strong growth stemming from its commercial successes, the ongoing health crisis and the shortage of electronic components are delaying the expected growth and masking the effectiveness of the initiatives deployed by ACTIA to optimise its operations.

SUBSIDIARIES AND DEALINGS IN EXISTING INTER-COMPANY HOLDINGS

In 2021, ACTIA continued to structure its activities related to electromobility within the Automotive Division. After the creation of ACTIA Power and ACTIA Power France at the end of 2020, the corresponding businesses in Germany and the United States were split into two companies, ACTIA Power Deutschland and ACTIA Power US, both 100% owned by the Group. These operations were completed at the very end of 2021 and no information is yet available on the new division thus formed.

The decision was made in 2020 to close our ACTIA India subsidiary further to disagreements about governance with our minority shareholder. To date, this subsidiary has not yet been effectively closed due to the disruptions caused by the health crisis.

The other Group subsidiaries and holdings require no particular comments, and further information is provided in Note 3 “Scope of consolidation” in the notes to the consolidated financial statements.

5.2.4 DEBT SITUATION

ACTIA Group S.A. took new medium-term financing of €3.1 million for the 2021 financial year.

At 31 December 2021, three commercial papers were issued for a total amount of €2.35 million, i.e. 85% use of the authorised short-term lines of credit. Furthermore, this structure does not benefit from the possibility of financing its receivables as it is entirely dedicated to the Group and affiliated companies.

At **Group level,** debt rose by 9.4% in line with the determination to keep debt under control despite the losses sustained due to the component crisis, which had a severe impact on ACTIA, as well as the ongoing health crisis. Debts and associated ratios changed as follows:

(€m)	2021	2020	2019
Income	<6.1>	<19.4>	8.7
+ Taxation	<0.1>	0.3	3.7
+ Financial interest	3.9	3.7	3.9
+ Net depreciation	32.8	30.9	29.4
- Impairment of goodwill	0	0.0	0.0
+/- Impact JV financial instruments	<8.4>	8.7	0.0
EBITDA[1]	**22.1**	**24.2**	**45.8**
including IFRS 16	**5.9**	**4.7**	**4.6**
Gross debt	278.4	256.2	240.5
including IFRS 16	20.7	18.8	16.0
Cash	56.6	53.4	46.6
Net liabilities	**221.8**	**202.8**	**193.9**
Shareholder equity	113.6	116.1	140.4
Leverage	**10.02**	**8.38**	**4.24**
Gearing	**1.95**	**1.75**	**1.38**
Real estate liabilities	22.9	24.2	24.1
Net liabilities excluding real estate	**198.9**	**178.6**	**169.9**
Leverage excluding real estate	**9.0**	**7.38**	**3.71**
Gearing excluding real estate	**1.75**	**1.54**	**1.21**
Liabilities related to the capitalisation of receivables	16.3	17.5	28.1
Net liabilities excluding the capitalisation of receivables	**205.5**	**185.3**	**92.4**
Leverage excluding capitalisation of receivables	**9.30**	**7.65**	**3.62**
Gearing excluding capitalisation of receivables	**1.8**	**1.6**	**1.18**
Net liabilities excluding real estate and capitalisation of receivables	**182.6**	**161.1**	**141.8**
Leverage excluding real estate and capitalisation of receivables	**8.26**	**6.66**	**3.10**
GEARING EXCLUDING REAL ESTATE AND CAPITALISATION OF RECEIVABLES	**1.61**	**1.39**	**1.01**

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

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

However, it should be noted that the 2017-2019 real estate investment programme launched by the Group was virtually entirely accounted for as of 31 December 2019. This programme concerned the construction, extension and renovation of the sites in Toulouse, Chartres, Dinard, Puy-Sainte-Réparade, Millau, Manosque, Madrid (Spain), Tunis (Tunisia) and Romulus (USA), and the acquisition of the offices of our Italian subsidiary, and represents direct and indirect investment of €40.5 million over three years. Completion of the work for our ACTIA Tunisie subsidiary was put on hold due to the health situation. Work to ramp up production for the home automation segment and to launch the micromobility segment resumed at the start of 2022. The budget for works and developments is estimated at between €2 and €3 million.

At year end 2021, the increase in net debt, at €222.8 million, was €19.0 million (+9.4%), impacted by the increase in stocks. Medium-term loans amounting to €51.4 million were repaid during the year, with the first repayments of the state-guaranteed loans (PGE) granted in 2020 starting in the summer.

Furthermore, it should be noted that cash in hand of €56.6 million as of 31 December, and the limited use of short-term lines of credit at 33.0% of their full potential, gives the Group flexibility. The level of use of the deconsolidating factoring contract by our Swedish subsidiary decreased by 38.1% compared to 2020, due to the significant drop in customer invoicing related to the shortage of components.

It should also be noted that the balance sheet presentation does not take the valuation of the real estate assets into account. As presented in para. 5.7.1 “Major existing or planned tangible assets”, the appraised value in 2018 was €38.0 million (value weighted by the holding rate excluding equity-consolidated companies) whereas the net book value was €25.4 million.

The request to suspend covenants on 31 December 2021 was accepted by all the banking partners we contacted. Excluding the capitalisation of receivables, gearing was 180.9% compared with 159.6% at the end of 2020. The Group only mobilised 3.5% of its receivables and leverage was 10.02 compared with 8.38 as of 31 December 2020.

5.2.5 OFF-BALANCE SHEET COMMITMENTS

This information is detailed in Note 27 “Off-balance-sheet commitments” and Note 28 “Encumbered assets” in the notes to the consolidated financial statements.

5.3 BUSINESS OVERVIEW

ACTIA Group remains organised around two sectors:

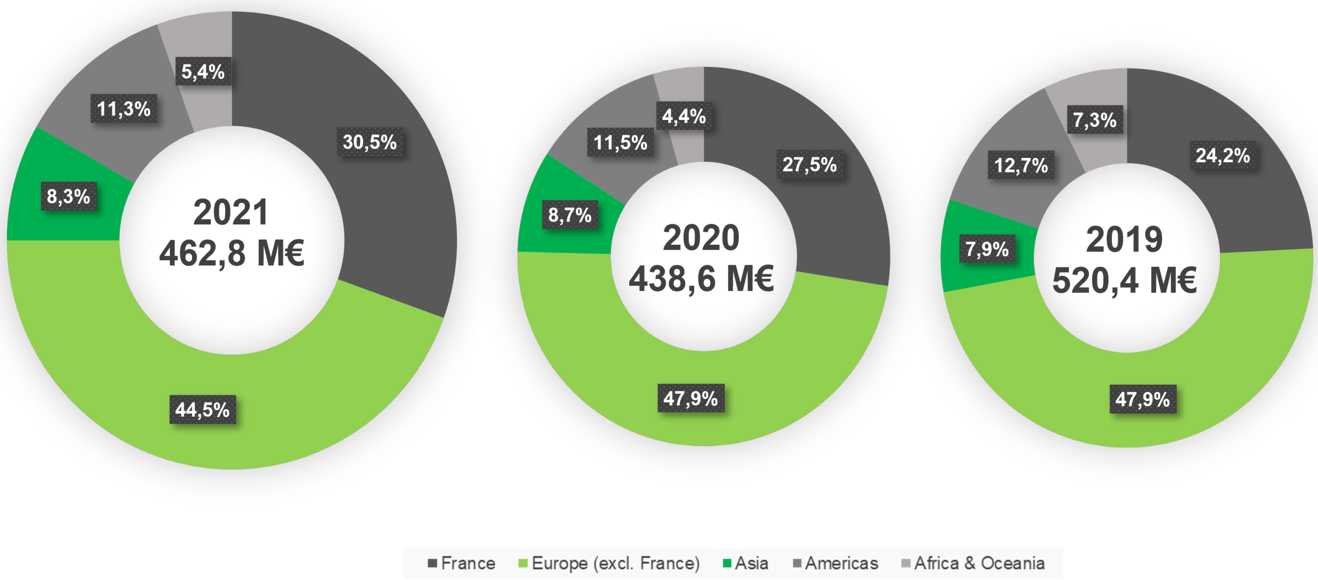
- Automotive Division
- Telecommunications Division

which are described below.

Over a number of years, the two divisions have developed their own technologies and specific know-how. We continue to implement synergies in the rail and public transport sectors to propose offerings common to the two divisions combining telecommunications equipment with different systems developed by the Automotive Division. These markets take time to develop, but the commercial successes so far support the strategy.

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

With a strong international presence, the Automotive Division contributes to the widespread availability of products across all continents. At the same time, the Telecoms Division also significantly developed its international business over time, even if these two years of health crisis greatly disrupted its efforts.



Regarding the international breakdown of revenue, the year 2021 recorded an increase in the French share, whereas it had been steadily declining before the pandemic. This is the result of many factors: in particular, our large production runs, which were disrupted by the component shortage and which could not be utilised as the order book required, and the growth of Telecom business in the Energy field, an activity strictly limited to France. In contrast, the rest of Europe fell from 47.9% to 44.5%. The shares of America and Asia decreased negligibly, from 11.5% to 11.3% and from 8.7% to 8.3%, respectively. The Africa-Oceania share was 5.4%, with some Telecom contracts catching up from 2020.

It is worth noting, in 2021, the continuation of the project to set up a **Power Division** bringing together a range of activities related to the electrification of vehicles (batteries, Battery Management System, powertrain, converters), repatriated from several departments in the Automotive Division (France, Germany, USA, UK) with the aim of improving the Group's visibility in this area. The legal and operational structure was built throughout 2021, with the final operations completed on 31 December 2021. As the transfers of activities took place over the course of the year, ACTIA does not have any certifiable information for analysis to present the division in this document. These activities are included and commented on within the Automotive OEM Division.

5.3.1 AUTOMOTIVE DIVISION

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

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

Combining expertise in embedded electronics with know-how in electronic manufacturing, this division has been growing since its inception through business with manufacturers of automobiles, heavy vehicles, buses and coaches, and specialist vehicles (handling, agriculture, construction, etc.), and also in the fields of electric vehicles, aeronautical, and rail.

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

Contribution of the Automotive Division (€K)	2021	2020	2019
Revenue	**399,480**	**391,480**	**463,516**
Current operating income	**<14,986>**	<7,672>	11,609
Operating income	**<13,563>**	**<7,138>**	**12,505**
Net income for the period (A)	**<8,230>**	**<18,647>**	**5,964**
Tax (B)	<656>	158	3,615
Impairment of goodwill (C)	**0**	0	0
Interest and financial costs (D)	**2,827**	2,583	2,962
Valuation of hedging instruments (E)	<8,377>	8,697	<19>
Depreciation (F)	29,772	28,091	26,925
EBITDA[1] (A+B+C+D+E+F)	**15,336**	**20,882**	**39,448**

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

These figures are presented in accordance with Note 20 “Operating segments” in the notes to the consolidated financial statements.

The Automotive Division (86.3% of Group sales) recorded a revenue increase of 2.0%.

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

Operating segment (€K)	2021	2020	2019
OEM	309,184	304,652	361,382
Aftermarket	42,844	42,731	49,446
MDS	47,439	44,097	52,688
TOTAL	**399,468**	**391,480**	**463,516**

The revenue of the Telecoms Division (13.7% of Group sales) grew by 34.5% and its operating income and profit for the period were below the 2019 figures.

Original Equipment Manufacturer (OEM) Business Unit

- **ACTIA products and solutions**

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

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

Electronic architecture and multiplexing

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

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

- for facilitating the design of new vehicles;
- for production savings;
- for facilitating diagnostics and reliability.

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

The multiplexing range of ACTIA is a benchmark product in the world of vehicles for professionals. In the bus and coach segment, in particular, it constitutes the standard equipment that forms the basis of the vehicle’s electronic system for several major manufacturers and ACTIA has developed the ACTIMUX system, which constitutes the third generation of generic multiplexed architecture. In the special vehicles segment, the ACTIWAYS range provides control solutions offering a high level of security.

Instrumentation and driver’s seat systems

This range includes instrument displays, dashboards and complete driver’s seat systems for all types of professional vehicles. In current electronic architecture, this device often acts as the central or master computer which controls the multiplexed architecture computers. In this respect, the dashboard is a genuine computer with ever-increasing processing power and software functions. PODIUM 2, a driver's seat system for buses and coaches, is one example of the wealth of possibilities and integration of these types of systems.

PODIUM 2

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

- more modular dashboards that can be configured as needed;
- dashboards made more flexible through the increasingly intensive use of screens.

Audio and video systems

In this area, ACTIA supplies professional solutions for:

- CCTV (video) surveillance;
- infotainment broadcasting systems for mass transit passengers to provide information and entertainment such as music, films, radio, Internet, and video-on-demand;
- radio and audio systems for vehicles, combining professional quality with specialised functions such as audio-guidance (passenger vehicles), multi-region broadcasting, etc.;

Telematics systems

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

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

TGU-R

- connectivity for the driver and passengers;
- optimisation of vehicle and driver performance, for example in terms of eco-driving;
- safety, with automated emergency calls (E-call);
- diagnostics and maintenance.

Electromobility

ACTIA has expertise in electric and electronic power engineering which is applied to motors for light electric vehicles, utility vehicles and even buses. ACTIA designs and produces complete electric powertrains starting from 50 kW for light vehicles and up to the 200 kW necessary for buses. These powertrains are typically integrated into electric vehicle fleets for professionals (last mile delivery services) and rental companies or urban buses.

In addition, ACTIA is also a designer and manufacturer of batteries for industrial vehicles. The Group is present on specialised markets requiring high levels of customisation, with an offering ranging from low-power batteries to 600V batteries for the public transport sector. The control-command electronics designed by ACTIA (Battery Management System or BMS) guarantee the battery's performance and safety, and are known for being easy to use and adapt.

Moreover, the auxiliary power converter specially developed for the rail segment was certified in 2020 and is now available for commercial application.

Auxiliary power converter

Most of the electromobility businesses were detached from the various legal entities to which they belonged in order to constitute the new **Power Division** as of 1 January 2020.

Micro-mobility

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

ACTIA has developed an electrical assistance solution for comfortable pedalling for maximum pleasure and minimum effort.

Comfort is guaranteed by the electronic and software control of the electric motor, which provides both smart and progressive electrical assistance, and flexibly and intuitively adapts to the cyclist's needs at all times. High-precision ACTIA torque sensors are at the heart of an optimised management algorithm. These intelligent sensors allow progressive assistance according to the effort made by the user, providing smooth pedalling for a jolt-free ride. Fitted with these sensors, the motor torque makes the motor extremely reliable.

ACTIA's E-bike kits have a wide range of power and torque performances to serve a varied customer base with very different requirements, for users cycling:

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

ACTIA has solutions for cyclists with high expectations.

ACTIA offers customers both hub and crank drive motors.

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

For the battery, ACTIA also uses the latest generation of cells, the same as are used by the major American electric car manufacturer. This high-performance battery technology is a sign of quality, safety and lifespan, providing more than 1,100 charge/discharge cycles.

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

- Dynamic bike data dashboard (speed, assistance, battery status, distance travelled, etc.),
- geolocation and tracking/saving routes and performances,
- remote diagnostics and predictive maintenance,
- monitoring the cyclist's performance and health (e.g., heart rate),
- locking and theft alarms,
- sending a distress signal and remotely blocking electric assistance,
- wireless software updates, etc.

Vehicle diagnostics

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

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

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



- **The market**

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

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

With the driver's seat products with which it can be combined and increased research on safety, respect for the environment and comfort, and the control and optimisation of costs, growth areas are concentrated in the developed markets of Europe, the United States and Asia. ACTIA has also developed solutions better suited to the needs of emerging countries.

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

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

To conclude, the OEM markets covered by ACTIA include the entire road and rail sectors while at the same time addressing the needs of special vehicles (agricultural and construction machinery, handling equipment, etc.).

Customers

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

The vehicle manufacturers cover a very large range of customers:

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

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

In the area of diagnostics, it is appropriate to note that the PSA Group has acknowledged ACTIA as a “Major Supplier.” This very close technical partnership is set to continue. ACTIA supports the PSA Peugeot Citroën Group with a complete range of hardware and software solutions as well as services for both the industrial sites and the aftermarket network of the French automaker throughout the world.

In the field of telematics, ACTIA is the supplier of standard equipment to several major manufacturers including Volvo Cars, Volvo AB (Volvo Trucks, Renault Trucks, UD Trucks, Mac Trucks, etc.), CNH Industrial and Scania.

Competitors

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

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

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

Business

In 2021, the OEM business experienced a slight recovery in revenue, from €307.7 to €309.2 million, an increase of 0.5%, below the Group’s expectations. In the wake of 2020 impacted by the Covid-19 pandemic, the shortages of electronic components and their consequences slowed down the upturn in business in 2021.

The situation presents a contrasting picture from segment to segment. The Light Vehicles segment decreased drastically (<28.0%>), which reflects the strong turbulence caused by shortages of both raw materials and components. However, this brought forward, by a few months, the termination of a major contract in this segment, which was not renewed. This effect was nevertheless more than offset by gains in the other major segments, such as trucks (+42.0%), Off-Highway (+39.9%), buses and coaches (+11.9%), which, however, could not be utilised as requested by customers due to shortages. These areas remain the cornerstones of ACTIA’s strengths. The rail segment consolidated its solid growth from previous years and gained a further 6.3%, as certain programmes had fallen behind with our customers due to the pandemic.

Geographically, the OEM business was very largely stable in Europe (<0.1%>), North America (<0.8%>) and Asia (+0.2%). There was a remarkable growth in Oceania, where business doubled after a major Bus & Coaches contract worth more than €5 million was won.

AFTERMARKET BUSINESS UNIT

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

- aftermarket networks;
- garages;
- vehicle inspection centres;
- transport equipment lessors and operators;
- fleet managers.

The ACTIA solutions®

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

- Telematics systems (TGU-R, iCAN®);
- Physically embedded systems (SAM ATOM, PES) and Intelligent or smart Human Machine Interaction (IHM-I) screens;
- On- and off-board telecommunications products;
- On-board audio and video systems.

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

Multi-make diagnostic systems

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

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

Multi-Diag 360

Workshop equipment

ACTIA provides inspection and repair equipment for light vehicles, utility vehicles and trucks. The main tools for garages are equipment for the verification of wheel alignment (4G system, by 3D imaging analysis), wheel balancing, gas analysers, car lifts and other garage equipment.

ACTIA entered into the new field of the “connected workshop” a number of years ago, by developing solutions integrating diagnostics solutions within the garage’s information system, making it possible to either improve interactions with other repair tools or optimise the management of the garage or network of garages. This technological development brings customers improvements in performance, productivity and quality for their workshops.

Vehicle inspection solutions

Opaci-Diag

For the vehicle inspection centres, the Group has developed a product line for the pre-inspection diagnostics segment as well as for vehicle inspections for distribution worldwide. These represent comprehensive solutions integrating precision equipment around a software package and secure communications channel. Equipment included covers break testers, suspension, tyre scrubbing, headlamp control equipment and exhaust emission test units for all types of vehicles, (motorbikes, light vehicles and trucks). Paying close attention to local needs, ACTIA has been marketing for several years a mobile station for testing light vehicles or trucks ideally suited for regions with low population densities. Henceforth, the Group's multi-make diagnostic solutions are also for vehicle inspection operations for access to the pollution data – on-board diagnostic (OBD) systems – in several European countries.

As with all multi-make diagnostic systems and workshop equipment, service quality is decisive. The Group benefits from a very good image and always seeks to innovate: installation and on-site commissioning, training, software upgrades, hotline, tele-assistance, aftermarket service and maintenance. Innovative service offerings have met with a positive response from customers such as the online repair solution, the "ACTIA Connect" connected vehicle solution for owners of Multi-Diag, or the "courtesy" service for tyre changers.

Given the changing regulatory situation, the evolution of the automotive fleet and more complex vehicle diagnostics, ACTIA brings all of its know-how to bear to create innovative and reliable tools. At the same time, ACTIA is one of the equipment manufacturers working on the future generation of testing equipment, by participating in various working groups in France and elsewhere in Europe. Against this background, the Group is at the cutting edge, able to offer equipment to test for emissions of pollutants in conditions that simulate the actual environment for engines.

Vehicle fleet management solutions

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

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

For light vehicles, the iCAN product has had its first significant commercial successes. This compact box facilitates the management of fleets of light or utility vehicles of all sizes and all makes. This moderately priced, easy-to-install unit brings together all of ACTIA's expertise and features:

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

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

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

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

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

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

Finally, the Group has developed an embedded information technology solution built around "EasyTach" services that has opened up the market of managers of transport fleets for goods.

The market

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

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

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

Vehicle inspections represent a growing worldwide market bolstered by the adoption of regulations in certain regions such as Africa, South America and the Middle East. Our global offering includes management software applications and fixed or mobile station solutions perfectly adapted to the needs of these countries to test their fleets of vehicles and thereby improve road safety.

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

Customers

Multi-make diagnostics, heavy garage equipment and testing devices are marketed by a specialised team in France, some Group subsidiaries and a network of distributors and agents organised across 140 countries. This organisation, combined with high quality products, has made it possible to meet the needs of express repair networks such as Feu Vert, Midas, Euromaster and EuroRepar Car Service, etc.

In the vehicle inspection segment, ACTIA responds to calls for tender in countries adopting regulations or expanding their service to better meet environmental and safety requirements, either directly or in partnership with large international vehicle inspection groups operating in this area, tasked with managing the inspection centres.

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

Competitors

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

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

For repair workshop equipment, there is the additional requirement of access to a distribution network and the appropriate services along with brand name recognition.

ACTIA's competitors include:

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

Business

In 2021, the Aftermarket business represented €42.8 million in revenue, up 5.0% compared to 2020, without however returning to the 2019 level, which had been €49.4 million.

The vehicle inspection segment declined significantly (<16.0%>). This segment is inherently fluctuating, because it reflects the pace of orders resulting from international calls for tender, which are themselves influenced by changes in national regulations. The health crisis further delayed international calls for tenders, with many countries delaying the implementation of new regulations.

The Garage equipment business enjoyed strong growth with the resumption of short-distance travel, recording a growth of +16.8%, almost returning to its 2019 level.

Lastly, revenue with vehicle fleet managers grew by 7.3%. Although results were up in France, this rise was overwhelmed by the sharp decline in business in Latin America, which was still strongly impacted by the consequences of the pandemic.

MANUFACTURING-DESIGN & SERVICES BUSINESS UNIT

Products

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

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

ACTIA has three integrated electronic production facilities located in Toulouse-Colomiers (France), Tunis (Tunisia) and Detroit-Romulus (USA).

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

ACTIA also has specific expertise in long-term maintenance for complex electronic systems with a team of experts which uses a platform for monitoring component obsolescence which enables it to:

- monitor systems;
- propose alternative solutions on a predictive basis;
- make any necessary changes;
- carry out functional validations;
- manage related documentation.

Since 2008, ACTIA has been the holder of the first NADCAP (National Aerospace and Defense Contractors Accreditation Program) certification in Europe for special circuit board assembly processes. The Toulouse plant is also certified IRIS (railways) and ISO TS 16949 (automotive). The aircraft equipment activity has also received Part 145 certification for repair stations.

The market

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

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

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

Customers

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

In the field of long-term maintenance, our main customers are major industrial users of systems with very long lifecycles (up to 30 years or more).

Competitors

Apart from the major large-scale Asian manufacturers, there are fewer and fewer competitors in Europe.

Business

ACTIA has gained the loyalty of its major customers thanks to its qualitative and quantitative investments over the past years.

In 2021, business picked up sharply (+10.4%), rising from €43.0 million in 2020 to €47.4 million, reflecting the recovery of our own customers after the difficulties faced in 2020. Moreover, the Aerospace segment offset the Aeronautics segment, which was still down compared to 2020, when the first quarter, before the lockdown due to Covid-19, had been very good.

5.3.2 TELECOMS DIVISION

The Telecoms Division operates in three markets:

- SatCom;
- Energy;
- Rail.

With the regrouping of staff on the Puy-Sainte-Réparade site, the Infrastructure Networks Telecom business joined the energy business. The Telecoms Division's contribution to Group results was as follows:

Contribution of the Telecoms Division (€K)	2021	2020	2019
Revenue	**63,052**	**47,087**	**56,789**
Current operating income	2,940	818	3,574
Operating income	**2,874**	**785**	**3,558**
Net income for the period (A)	**2,085**	**396**	**3,183**
Tax (B)	531	119	79
Impairment of goodwill (C)	**0**	**0**	0
Interest and financial costs (D)	251	**266**	288
Valuation of hedging instruments (E)	0	5	11
Depreciation (F)	3,002	**2,795**	2,405
EBITDA[1] (A+B+C+D+E+F)	**5,869**	**3,582**	**5,966**

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

These figures are presented in accordance with Note 20 "Operating segments" in the notes to the consolidated financial statements.

Group management control provides us with the following overview of changes in revenue between the three business units, since the Infrastructure Networks Telecom business is now included in the results of the Energy business unit:

Operating segment (€K)	2021	2020	2019
SatCom	28,272	**20,844**	37,572
Energy	22,578	13,916	8,932
Rail	12,502	12,327	8,720
Infrastructure Networks Telecom	/	/	1,565
TOTAL	**63,352**	**47,087**	**56,789**

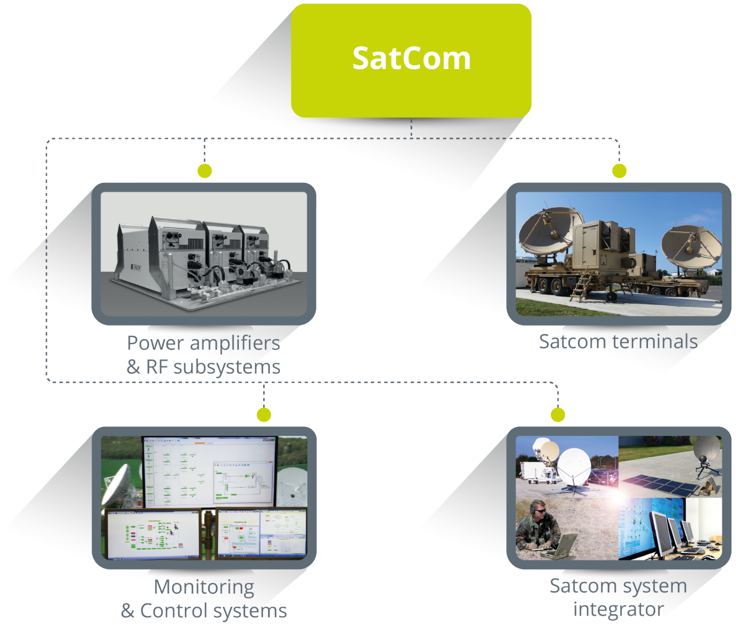
The Telecoms Division (13.7% of Group sales) recorded a revenue increase of 34.5%.

SATCOM BUSINESS UNIT

Products

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

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



The market

The traditional market is domestic. For over 15 years, the Group has supported the different programmes of the French defence procurement agency (DGA) relating to the military telecommunications segment, through multi-year contracts. These also include In-Service Support for stations for periods of more than 10 or 15 years after delivery. To address the domestic market, the Group either chooses to enter into partnerships with the big French systems manufacturers (AIRBUS, THALES), or offers its services and products directly to the different entities within the Armed Forces Ministry (STAT, DIRISI). In 2020, and then in 2021, the Group confirmed its position as a recognised partner of the French Armed Forces after it was selected by the prime contractor for the Syracuse 4 system (THALES)

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

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

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

Customers

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

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

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

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

Competitors

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

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

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

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

Business

In 2021, revenue from the military procurement business in France was mainly made up of the contract for developing Syracuse 4 stations in packages for THALES (Flyaway). This development contract is part of the DGA SYRACUSE 4 programme and the Group was notified in mid-2021 of a new order to be produced between 2022 and 2023. Revenue from the military procurement business in France is still strengthened by annual activities of In-Service Support contracts for stations delivered to the DGA, either under the COMCEPT programmes (Ka band), or the SYRACUSE3 programme (X band) with positive feedback about the operation of our stations. ACTIA also continued the production of new-generation liquid-cooled power amplifiers for French Navy ships (THALES contract).

In addition, THALES awarded the Group a contract in early 2021 to develop two prototypes for Syracuse 4 HGC (large capacity hubs) stations, which will lead to mass production from 2023 / 2024.

At the end of 2021, the Group successfully passed the final acceptance milestone for the SAKARA terrestrial SatCom system for the Egyptian MoD.

ENERGY BUSINESS UNIT

Products

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

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

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

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

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

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

The range of products includes:

- outdoor units;
- low-voltage power supply systems;
- continuous power supply systems;
- rapid deployment telecommunications sites;
- complementary solutions including: shelter in fixed and mobile versions, lightning protection systems, galvanic isolation systems, etc.

The market

New digital technology related to the digitisation of power networks (Smartgrids), integration of renewable energies, strengthening of networks so that operators can meet the future requirements of electric vehicles and decarbonisation solutions.

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

The two main markets are:

- Mobile telephony;
- Higher Internet speeds;
- Digitisation of electrical networks;
- Command and control of source and MV/HV/LV substations;
- Communicating units for the metering market;
- SCADA (electrical network supervision systems).

Customers

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

- in the French market: ENEDIS, RTE, EDF, SNCF;
- in export markets: Burundi electricity provider, ONCF and ONE in Morocco, Togo, Benin, Luxembourg;
- a strong position in the segment for island networks (Tahiti, Mayotte, Reunion, etc.).

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

Partners

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

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

Competitors

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

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

Business

Business grew strongly in 2021 (+62.2%), the division being fully focused on the essential challenges of energy transition and Smartgrids. ACTIA regularly adds to its equipment range by addressing various markets: SCADA, control-command of HV/MV substations, management of LV substations and smart metering. Thus, we were selected by RTE in 2021 as a supplier for the integration of stations for the deployment of the R#SPACE programme and by ENEDIS for a new-generation IP box in LTE-M.

In the telephony sector, the division is currently delivering products to power GSM 4G and 5G telephony sites for Bouygues Telecom and Altice SFR. We have been positioned on a new Fibre market with ORANGE (RIPOST project) since the end of 2019. The challenge is to provide a new solution for the rapid deployment of high-speed Internet networks..

RAIL

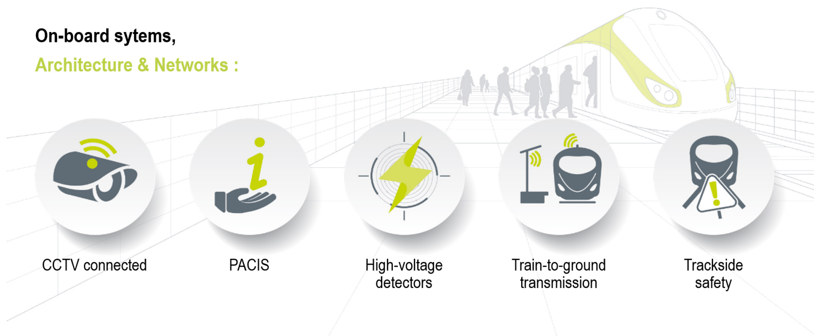
Products

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

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

The various solutions consist of:

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



The market

The development of the rail market is driven by urban development and the resulting public transport challenges but also network repairs (ageing infrastructure). Rail, with the lowest carbon impact among means of transport, fuels the determination of the local authorities to develop this transport facility for both people and goods.

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

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

For infrastructure, the need for network repairs, the challenges with respect to competitiveness and worksite safety, combined with the requirement to maintain traffic, result in demand for trackside safety systems. Within this framework, ACTIA Telecom provides innovative, rapid implementation and secure wireless announcement systems (SIL4 compliant).

Customers

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

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

The manufacturers ALSTOM (metro, urban trains, trains) and SIEMENS (automatic metro) and the operators SNCF and RATP are currently the main customers of the Telecoms Division, but the opening up of the market to international competition with contracts for ONCF (Morocco) and the synergies with ACTIA Systems should make it possible to achieve stronger positions with manufacturers such as CAF, or even acquire new customers.

The takeover of Bombardier Transport by Alstom has opened doors for our customer at international level. Its development on certain international markets, especially in regions where ACTIA has a subsidiary, may usher in new opportunities.

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

Competitors

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

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

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

Business

The year 2021 was marked by the pandemic and the electronic component crisis, which impacted the business due to electronic component supply chain disruptions and by the challenges of our customers who postponed deliveries to 2022 and 2023. Despite this environment, business continued at the same level as in 2020. At the same time, the order book increased by 12%. The winning of new contracts with SNCF and Alstom consolidated the growth of the short- and medium-term business.

ACTIA acquired the software and support R&D activity from Hymatom in 2021. This helps to consolidate ACTIA's position in ground-based hypervision for video surveillance and improve skills in the development of ground-based applications in the mobility segments while benefiting from the dynamics of the long-established urban safety activity.

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

5.3.3 GENERAL INFORMATION ABOUT THE SUBSIDIARIES

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

5.3.4 COMPETITIVE POSITION

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

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

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

Whenever it was possible to do so, we provided information for each division in § 5.3.1 “Automotive Division” and 5.3.2 “Telecoms Division”.

5.3.5 FACTORS MATERIALLY AFFECTING OPERATING INCOME

The table presented below represents audited figures.

	2021			2020			2019
	First half-year	**Second half-year**	**TOTAL**	First half-year	Second half-year	TOTAL	TOTAL
Revenue (excluding Group)	**225,455**	**237,384**	**462,839**	**201,988**	**236,605**	**438,593**	**520,411**
of which, Automotive	*198,349*	*201,131*	*399,480*	185,064	206,416	391,480	463,516
of which, Telecoms	*27,110*	*36,242*	*63,352*	16,935	30,152	47,087	56,789
Current operating income	**<2,852>**	**<8,389>**	**<11,241>**	**<14,331>**	**7,084**	**<7,248>**	**15,406**
of which, Automotive	*<4,000>*	*<10,987>*	*<14,986>*	<12,482>	4,810	<7,671>	11,609
of which, Telecoms	*264*	*2,676*	*2,940*	<1,856>	2,674	818	3,574
% Current operating income/Revenue	**<1.3%>**	**<3.5%>**	**<2.4%>**	**<7.1%>**	**3.0%**	**<1.7%>**	**3.0%**
of which, Automotive	*<2.0%>*	*<5.5%>*	*<3.8%>*	<6.7%>	2.3%	<2.0%>	2.5%
of which, Telecoms	*1.0%*	*7.4%*	*4.6%*	<11.0%>	8.9%	1.7%	6.3%
Operating income	**<2,488>**	**<7,432>**	**<9,921>**	**<14,332>**	**7,474**	**<6,857>**	**16,276**
of which, Automotive	*<3,562>*	*<10,001>*	*<13,563>*	<12,385>	5,248	<7,138>	12,505
of which, Telecoms	*225*	*2,649*	*2,874*	<1,836>	2,621	785	3,558
% Operating income/Revenue	**<1.1%>**	**<3.1%>**	**<2.1%>**	**<7.1%>**	**3.2%**	**<1.6%>**	**3.1%**
of which, Automotive	*<1.8%>*	*<5.0%>*	*<3.4%>*	<6.7%>	2.5%	<1.8%>	2.7%
of which, Telecoms	*0.8%*	*7.3%*	*4.5%*	<10.8%>	8.7%	1.7%	6.3%
Net income	**<1,442>**	**<4,632>**	**<6,074>**	**<16,277>**	**<3,164>**	**<19,441>**	**8,724**
of which, Automotive	*<1,956>*	*<6,274>*	*<8,230>*	<13,821>	<4,826>	<18,647>	5,965
of which, Telecoms	*<25>*	*2,111*	*2,085*	<2,078>	2,474	396	3,183

The major structural factors affecting the results are as follows:

- Level of demand from OEM customers, reflecting their production level;
- Pace of projects with R&D developments, especially in the Telecoms sector;
- Production capability utilisation rate;
- The USD-Euro exchange rate (tempered by hedging instruments), with a very large share of component purchases in USD and a low level of invoicing in this currency;
- in the medium term, renewal of the product portfolio through customer calls for tender.

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

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

The consequences for producers like ACTIA were as follows:

- Longer lead times for delivery to customers;
- Difficulties in meeting scheduled deadlines;
- Industrial planning disrupted, forcing sub-optimal production rates;
- Additional logistics costs to set up alternative supply chains;
- Large stocks of components not affected by the crisis.

In response to a new major risk, ACTIA immediately set up a resilient organisation to monitor the situation in real-time, create alternative solutions and maintain close contact with customers at all times. Actia set up a crisis unit, led by Jean-Louis Pech, Chairman and CEO, bringing together buyers, procurement staff, sales staff, members of the design office, production and legal departments, tasked with making the best decisions based on discussions with customers and suppliers. The aim was to keep the effect of this shortage to a minimum.

As this component crisis crystallised into a profound change in the market, with a risk that matching demand to supply would take several more months or even years, with the health crisis regularly shutting down production centres in Asia, ACTIA decided to modify the organisation of this crisis unit in order to integrate it into its own organisation and to pursue the challenge of finding missing or alternative components as soon as possible in liaison with customers. This would also allow it to better manage its production according to the components available and thus offer its customers the possibility of setting up opportunistic stocks, putting an end to a just-in-time approach, until then imposed by the customers.

The operational impact of the Covid-19 crisis was limited in 2021. Customer demand was much more affected by the component crisis. In each of its sites, ACTIA continued to implement the prescribed prevention measures, which have become standard practice.

Significant fluctuations in the EUR/USD exchange rate in 2021 did not have a major impact on our purchases, as the hedging instruments made it possible to work with an exchange rate that was very close to that of 2020, with an average rate of 1.1792 vs. 1.1616 in 2020, thus protecting our margins against the market's significant fluctuations. Even if ACTIA did not take full advantage of a strong euro at the start of the year, its hedging strategy allowed it to work with a relatively stable exchange rate, which is essential in its multi-year contracts to maintain its margin.

Finally, with a sharp increase in valuation at the end of the reporting year with a EUR/USD exchange rate of 1.133 on 31 December (compared to 1.227 on 31/12/2020), the Automotive Division recorded a valuation of €8.4 million for its currency hedging instruments against a provision of €8.8 million on 31 December of the previous year.

5.4 TREND-RELATED INFORMATION

5.4.1 SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

In addition to the Covid-19 pandemic and the shortages in the component market which persist in 2022 and will continue to impact ACTIA's activities, five notable events may be mentioned since the end of 2021:

- War in Ukraine

The Group has no business directly linked to Ukraine or Russia (€1.4 million in revenue in 2021 when including Belarus). However, commercial activities had led to the start of a relationship with a Russian bus manufacturer in order to support it in electrification. The relations were interrupted when the conflict broke out. Our European customers have not informed us of any change in their order book related to this event.

ACTIA is not dependent on Russian supplies and has not identified any strategic suppliers in the area. But medium-term consequences on the electronic component market are likely and will certainly delay a return to normalcy expected for 2023.

Finally, even if the change in energy price will lead to an increase in costs, the impact will remain limited because ACTIA is not an energy-intensive industry.

- Price increase

Due to price increases imposed by our suppliers and the increase in resources made available to minimise the impact of component shortages, ACTIA negotiated a price increase for its main contracts, contrary to the downward revision clauses systematically imposed by our customers. This trend will allow ACTIA to regain a margin level close to that initially provided for in the contract.

- Impacts of Covid-19 resurgence in China

In recent weeks, the resurgence of Covid-19 and the management of the health crisis by the Chinese authorities have led to major factory shutdowns, which portend fresh challenges in the supply chain.

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

- Disposals of non-strategic businesses

In order to focus its resources on embedded electronics for mobility and energy management and to strengthen its financial structure, ACTIA Group is in the process of completing two operations to sell non-strategic businesses in the Automotive Division. This is expected to reduce the Group's debt by approximately €70 million.

The first operation concerns the disposal of the **Vehicle Inspection & Garage Equipment** business: after consultation with the Social and Economic Committee (CSE), the Board of Directors of our subsidiary ACTIA Automotive authorised the sale of its garage equipment and vehicle inspection business to the BASE Group. This sale also includes the real estate site in Chartres, France, and 30% of the shares of its subsidiary ACTIA Cz in the Czech Republic, a specialist in gas analysers. This operation allows the two Groups to amalgamate their actions in France and also internationally. The industrial project is based on the MULLER brand owned by the ACTIA Group and thus transferred to the BASE Group. This business employs 115 people and represented an estimated revenue of €21 million in 2021.

The second operation concerns the disposal of the **Power Division**: in its meeting of 28 March, the ACTIA Group Board of Directors authorised the proposed sale of the shares of its Power Division to Plastic Omnium. This disposal allows ACTIA to focus its investments on embedded electronics for mobility and energy management. It thus gives the means to its ACTIA Power Division, whose structure was finalised on 31 December 2021 and which specialises in vehicle electrification, to continue its development within Plastic Omnium, in synergy with the activities of their New Energies and Clean Energy divisions. The process should be completed during the second quarter and concerns 200 ACTIA employees for an estimated annual revenue of €22.3 million in 2021. The operation has entered into the exclusive discussions phase and remains subject to negotiations concerning legal documentation and approval by the relevant authorities.

- Recovery Bonds funding

On the financial front, ACTIA had €56.6 million in cash at 31 December 2021, meaning it was able to meet its short-term repayment obligations. Nevertheless, in a particularly uncertain context and in order to secure the Group's funding requirements identified for the next 12 months, management has decided to set up a Recovery Bond package (Obligations Relance), authorised by the Board of Directors to the tune of €30 million. To this end, a financial partner has already approved a first agreement for €18 million.

5.4.2 TARGETS – PERFORMANCE AND OUTLOOK

SALES PERFORMANCE

The year 2022 is characterised by a high level of uncertainty. The very strong tensions in the procurement of electronic components persist in the first quarter of 2022, posing a risk to revenue and costs.

In addition, ACTIA remains vigilant in the event of a resurgence of the Covid-19 epidemic, which could have direct effects on its staff, and indirect effects through the demand of user customers.

In this context of the ongoing pandemic and the need to comply with the measures taken by various governments, ACTIA continues to take the steps best adapted to its business activities, such as home-working, long-term part-time working and imposed leave. In this manner, it aims to achieve the best balance between business continuity, productivity and compliance with the lockdown rules that are alternately imposed then lifted. However, the impact of the Covid-19 epidemic on business is now mitigated compared to 2020 and 2021, even if our Chinese subsidiary is closed at the time of writing this document. Thus, considering a supply chain still disrupted by shortages, the order book at the end of the reporting year should earn close to €500 million in revenue, taking into account the disposals in progress.

In addition to the current uncertainty weighing on the global economy, the Group, which is broadly diversified and present internationally, is making every effort, as it has always done, to ensure its long-term development, driven by cutting-edge expertise on major markets. Its customer portfolio and order book for the next few years give us reason to forecast solid growth which should enable it to aim for revenue of more than €800 million within 4 to 5 years' time, taking into account the disposals in progress.

Despite a particularly complex environment generated by the health crisis and its consequences on the components market, ACTIA can draw on various markets geared to environmental and societal challenges, thereby guaranteeing its long-term future. Partnerships in place for many years, with customers, suppliers and banking partners, also provide a solid framework which secures the Group's future.

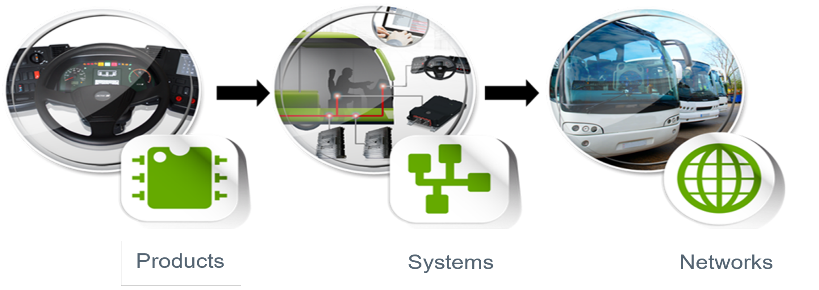
OUTLOOK

ACTIA has always shown its ability to adapt and its high degree of resilience, as it constantly repositions itself on new, profitable markets. The solid base provided by multi-year contracts makes it possible to increase revenue significantly over the long term, with the end of the lifecycle of certain products, especially the long production runs for automotive, being offset by the ramping up of new families of products.

In the coming years, the challenge for the Group will be to renew its revenue by ramping up several customer / market pairs, so as to maintain a situation whereby no single customer accounts for more than 10% of consolidated revenue.

◎ Automotive Division

ACTIA is pursuing its strategy based on know-how developed over a period of more than 30 years during which it has gradually expanded across the value chain. This is a niche strategy in which ACTIA focuses on specialised applications, for example, diagnostics, vehicle power management, vehicle communications inside vehicles and with the outside, electromobility, etc.



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

- Original Equipment Manufacturer (OEM) Business Unit

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

In 2021, ACTIA completed the structuring of its electromobility activities, by setting up the "ACTIA Power" Division with a consistent approach and an international reach, making it easier to understand and boosting its visibility among our stakeholders with a view to secure the backing of an industrial group.

During the year, ACTIA also structured an offer bringing together all its expertise in response to developments in the micro-mobility market, in particular with connectivity, security and battery optimisation solutions.

- Aftermarket:

The Aftermarket business offers little visibility as sales do not have the benefit of multi-year contracts, unlike OEM. Unless there are regulatory changes affecting vehicle inspections, which may give rise to high levels of activity, the main aim is to repeat the same revenue each year, while reaping the benefits of maintenance contracts, especially in the Periodic Vehicle Inspection field, in which the regulations require annual checking of equipment. Also, ACTIA decided to rely on another market player for its Vehicle Inspection and Garage Equipment businesses, to keep only its original business of electronic diagnostics for vehicles.

The field of fleet management, which is an exception to this configuration, with a large proportion of subscriptions where the renewal rate is high, will continue to grow, in particular by relying on telematics which connects the vehicle to its environment. Boosted by the fleets already in place, ACTIA aims to capitalise on growing revenue.

- Manufacturing-Design & Services or "MDS":

The design, industrialisation and production of systems on behalf of third parties helps to ensure that the industrial facilities remain at the cutting edge of technology with the right costs for the market. This business is expected to grow and continue to represent around 10% of consolidated revenue, with the arrival of new customers, especially in the field of satellite constellations, to replace some contracts that are nearing their end. The aeronautics sector is expected to recover after two difficult years due to the pandemic; however, the repercussions of the war in Ukraine could delay this recovery. Offsetting the markets that have been affected by the health crisis, home automation continues to grow, demonstrating the advantage of opening our factories to customers very different from those for whom ACTIA designs and develops products, systems and related services.

◎ Telecommunications

In a difficult economic context marked by the shortage of components in 2021, the Telecoms Division managed to consolidate its outlook for 2022 despite the obstacles, on both national and international markets.

- SatCom:

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

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

- Energy:

Thanks to the transition towards digital energy networks, which is forecast to continue over the coming years, ACTIA is consolidating its business growth in this segment in 2022. In the medium term, technological progress will continue and ACTIA will consolidate its business through its efforts in R&D.

In the telephony sector, with the start of 5G deployment in France, business in 2022 should be at the same level as 2021.

- Rail:

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

PRIORITIES FOR 2022

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

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

In 2022, ACTIA will complete the projects to secure backing for:

- ✓ its new Power Division, specialising in vehicle electrification, from an industrial group which will allow it to pursue its growth, so that ACTIA can focus its investments on embedded electronics for mobility and energy management;
- ✓ its Vehicle Inspection and Garage Equipment businesses, through its MULLER brand;

These disposals of non-strategic businesses will enable ACTIA to consolidate its financial position, with an expected debt reduction of approximately €70 million.

In operational terms, the project aimed at getting the new ERP up and running on the main structures of the Automotive Division is progressing, in connection with the PLM tool deployed in 2019, as well as the various digitisation programmes, particularly in the factories. ACTIA is also continuing its ACTIA Cross Border Engineering programme for structuring R&D and developing engineering activities.

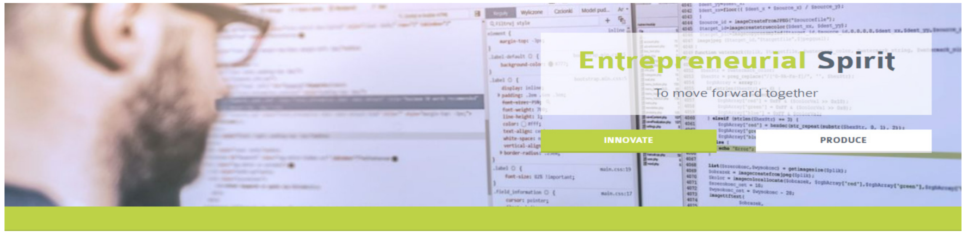
In 2022, work for the new ACTIA Tunisie site resumed with a view to starting operations on the new site at the end of the summer, in particular to accommodate the production of micro-mobility and energy.

With an order book loaded beyond supply capacities, the topmost priority for ACTIA in 2022 will be to maintain the great agility of its teams in an environment that continues to be very complex, due to the continuation of health restrictions, the shortage of electronic components and the medium-term consequences of the war in Ukraine on our suppliers and our customers. The Group is also constantly adapting its organisation. The crisis unit which managed shortages in an emergency is being transformed into a business management department. The aim is to take up the challenge of finding missing or alternative components, as quickly as possible, in liaison with customers, but also to better manage its production according to the available components and thus offer its customers the possibility of setting up opportunistic stocks. This will put an end to a just-in-time approach, until now imposed by the customers.

5.5 STRATEGY

ACTIA is pooling all of its internal energy in a shared and dynamic framework via:

- Our positioning;
- Our mission, vision and values;
- Our analysis of our strengths/weaknesses and opportunities/risks;
- Our quantitative and qualitative strategic goals;
- Our key success factors;
- Our strategies implemented in the Strategic Business Areas (SBAs);



The Group has experienced a sustained pace of growth over the long term given its size in relation to its customers, its competitors and its suppliers. The above-mentioned outlook for the future boosts our confidence in its growth prospects.

ACTIA's external environment takes into account the challenges of several fields: international, domestic, regional and local:

- Awareness of global environmental issues. ACTIA is ideally placed to provide solutions to the various challenges in order to achieve sustainable mobility.
- Legal environment and increase in the number of national and international regulations: GDPR, fight against money laundering and terrorism financing, and so on.
- The technological environment: e.g., the arrival of 5G, the available power of Smartphones, battery technology, Cyber security, etc.
- The competitive environment: merger & acquisitions of competitors (Wabco, Bosch, etc.), concentration of players (acquisition of Bombardier by Alstom, merger of the PSA Group with Fiat-Chrysler, etc.), new business models, digital transition, emergence of start-ups, and more.
- Social and economic environment: changes in China, social climate in Mexico, Brazil, India, etc.

ACTIA's strategic positioning reflects a very precise mission:

Design and manufacture electronics for systems

meeting uncompromising quality standards

for international customers.

It corresponds to a strategic vision:

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

Based on our values:

- A company that is proud of its roots (history, origins, etc.) and focused on the future;
- A company driven by strong values: ethics, respect, commitment, agility, proximity.

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

5.5.1 KEY SUCCESS FACTORS

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

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

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

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

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

- ISO 9001; Quality management systems:
- ISO TS 16949: Quality management systems – automotive industry;
- ISO 14001; Environmental management systems;
- EN 9100 and EN 9110: Quality management systems – aeronautics/aerospace and defence;
- ISO TS 22163 (IRIS): Quality management systems – railway industry standard;
- NADCAP: Aerospace standard for suppliers of electronic printed circuit boards;
- PART 145 - FAA - TCCA: maintenance and repair approval;
- ISO 45001; Total Quality according to Appendix V of the R&TTE directive (Telecom);
- ISO 27001; Information Security Management System;
- ISO 17025: Competence of testing and calibration laboratories;
- CMMI DEV V1.2: Process improvement for better products.

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

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

- Key success factor - **INNOVATION**
  - Creating and developing the conditions for innovation and teamwork;
  - Selecting the key programmes, business intelligence in strategic areas;
  - Contributing to making our offers the best;
  - Strengthening the industrial property policy, particularly for patents;
  - Building a portfolio of key technologies and securing into key strategic partnerships.
- Key success factor - **SAFETY**
  - Pursuing our efforts to strengthen safety and our risk management culture:
    - Legal;
    - Technical;
    - Organisational and IT.
  - Guarantee the safety, security and resilience of products and systems.

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

With regard to its own operation, and in the light of the Covid-19 crisis and the electronic component supply crisis, ACTIA revamped its operating methods to move towards **RESILIENCE**, i.e. the ability to cope with crises. This particularly strengthened the “nervous system” that constitutes the chain of information and operational decision-making.

5.5.2 STRATEGIC PRIORITIES

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

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

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

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

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

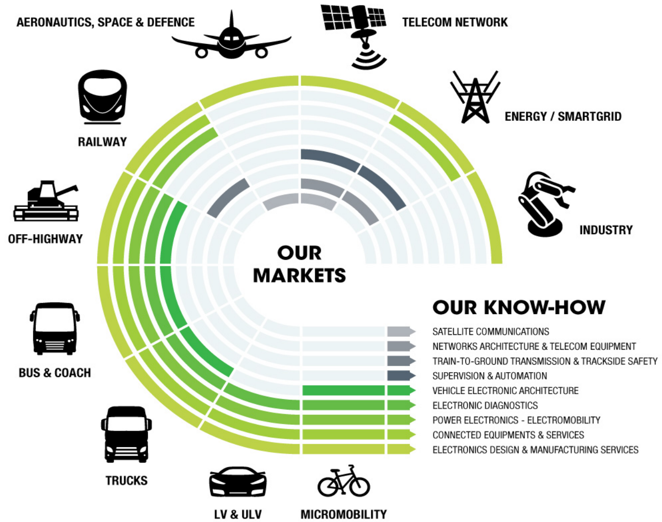
ACTIA uses raw materials in the form of electronic components (on-board computers, memories, resistors, inductors, capacitors, etc.) mechanical units (base, top, front) making up the boxes and items capable of providing electrical power at the desired current and voltage levels and the parts used as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

ACTIA also uses intangible materials, and namely software.

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

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

- **Connectivity**: as an expert in embedded systems designed for demanding environments, ACTIA ensures the connectivity of all types of vehicles thus providing access to a large number of connected services;
- **Safety**: both within and outside the Company, safety is built into our processes, our quality standards and our products;
- **Mobility:** the transportation of people and goods lies at the heart of the technological challenges that ACTIA rises to on a daily basis. We are committed to connected, sustainable and safe mobility;
- **The environment:** ACTIA works consistently to ensure the development of sustainable mobility – anti-pollution systems, electric powertrains, eco-friendly driving -– and encourages eco-responsible behaviour: carpooling, use of electric vehicles and so on. The objective is to reduce the environmental footprint of products and services (reducing consumption of resources, particle emissions, sound emissions, dismantling aircraft, etc.), developing new approaches for monitoring and managing the environment, taking into account new applications;
- Our markets & know-how:



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

5.5.3 STRATEGIC BUSINESS AREAS

Faced with existing competition and up and coming players in low-cost countries like China and Korea, the challenge for a French mid-cap is to improve the economic performance of its products: purchasing costs, operating costs, etc., to improve technical performance and to reduce costs and cycle times: development, time to market, redesign, etc.

On the strength of its strategy based on technological innovation, quality and competitiveness, ACTIA must ensure its sustainability over the long-term by pursuing its diversification to maintain its growth trajectory and focus on higher profit markets.

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

SBA = product line x market segment.

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

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

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

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

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

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

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

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

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

VEHICLE ELECTRONIC ARCHITECTURE (VEA) SBA

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

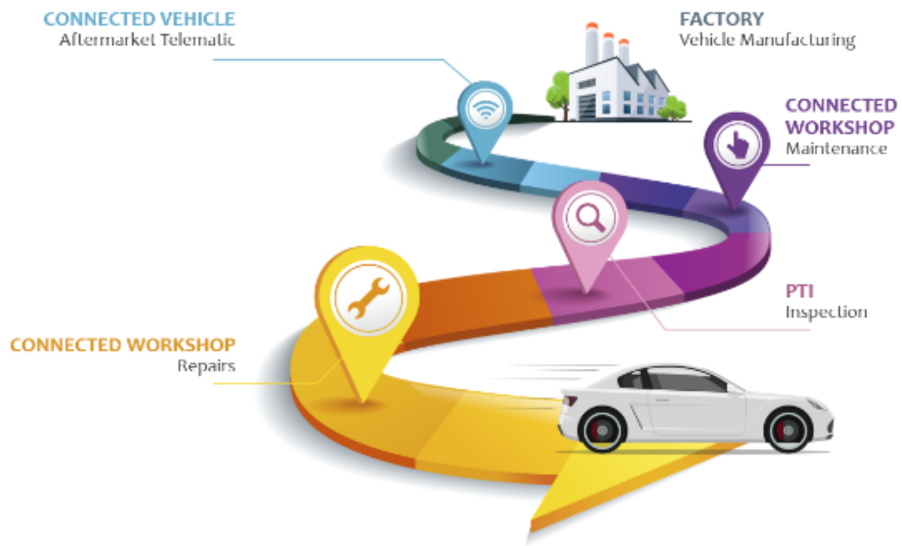
The VEA SBA must meet the main strategic challenges and drivers. A number of these challenges will require breaking down new technological barriers or increasing the scope of innovation initiatives focusing on selected priority areas, and namely:

- Developing new applications and associated services. New applications have already been identified in the areas of mobility, particularly urban mobility, agriculture, the digital divide, etc.
- Improving the efficiency and attractiveness of transportation systems;
- Improving the performance of industrial vehicles: Multiplexing - Smart Power - ARM - Linux;
- Designing new architectures and innovative configurations: Standardisation - Openness - Flexible solutions - Ethernet;
- Optimising and improving the driver's working environment: Driver's seats - Eco-driving - Operating support systems - Embedded climate control systems;
- Exploiting new technologies to develop new applications: Understanding behaviour – Multimodal (combining several types of transport) - ITS (Intelligent Transport System) – GIS (Geographical Information Systems).

VEHICLE LIFECYCLE MANAGEMENT (VLM) SBA

This department captures the potential of the VLM market through the synergies created by our expertise:

- Connected diagnostics;
- Connected workshop;
- Connected vehicles;
- Vehicle Inspection.

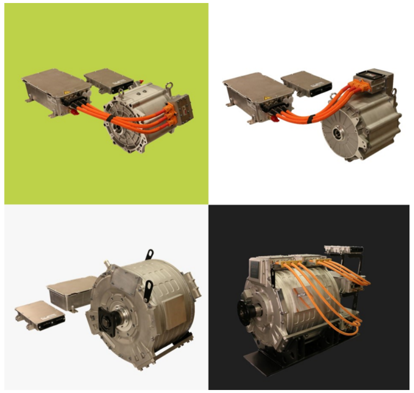


The VLM SBA must meet the main strategic challenges and drivers in this field. This SBA guides innovation for new priority services such as:

- Developing new applications and associated services. New applications have already been identified in the area of connected vehicles;
- Enhancing the performance of on-board diagnostics in industrial vehicles: ExVE, OBD, etc.;
- Designing new architectures and innovative configurations: Standardisation - Openness - Cloud;
- Optimising and improving the environment, diagnostic tools:
- Rolling out and automating supervision, diagnostics and maintenance: Safety - Dependability - Autonomous behaviour – Management of electric vehicles;
- Exploiting new technologies to develop new applications: Multimodal (combining several types of interface) - ITS (Intelligent Transport System) – IS (Information Systems).

ELECTROMOBILITY SBA

It is capable of deploying a sales drive to sell an "off-the-shelf" range of power electronics for commercial and light vehicles (niches/opportunities).



The Electromobility SBA must meet the main strategic challenges and drivers in this field. This SBA manages innovation for power electronics and electrotechnology (new electric motor) and some new services, namely:

- Efficient and dynamic vehicle power management: energy storage, power electronics, powertrains, support for hybrid solutions;
- Rolling out and automating vehicle supervision and maintenance: safety, dependability, power management;
- Offering vehicle manufacturers complete electrification solutions, in order to switch their ranges quickly and with little risk to electric traction.

MANUFACTURING – DESIGN & SERVICES (MDS) SBA

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

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

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

The MDS SBA can also call upon the new production facility in America, which has reached a sufficient level of maturity to support the Group's external customers.

In this way the SBA offers a series of services ranging from the design to the manufacturing of circuit boards, not to mention testing and integration.

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

5.5.4 PRODUCTION CONTROL

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

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

By regularly investing in new production capabilities over the past few years, ACTIA Group has been able to support its recent revenue growth, before the pandemic. Ever aware of the latest technological advances, the production equipment is regularly replaced, thus ensuring a high level of performance and an increase in capacity. The technological and innovative aspects of the Industry 4.0 ("smart factory") approach and digitisation are part of the upgrade plans to be rolled out over the next few years.

The years 2016-2019 were characterised by significant investments which have enhanced performance, technological skills, maturity, competitiveness and the industrial capacity of the sites concerned, and enabled the deployment of the Industrial Management Control process. Some fundamental challenges still remain, such as the ongoing modernisation of the ERP system and the digitisation of processes. During the years of the health crisis, capacity was maintained in order to be able to respond immediately to the sharp acceleration in growth at the end of the shortage of components.

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

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

ACTIA Electronics for the American market

5.5.5 RESEARCH & DEVELOPMENT IN VERY HIGH TECHNOLOGY

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

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

- Acquiring and maintaining expertise with new development tools, systematic validations, widespread adoption of management and design tools, knowledge management, a network of outside experts, an expanded design office, etc.;
- Focusing on a modular and scalable design with technological building blocks structured around:
  - A modular architecture in terms of mechanics, electronics, information technology and energy;
  - Modules that are validated and are able to be reused;
  - Taking into account changes in customer needs, changing market demand and the emergence of new technologies.
- Thinking globally to express an innovative vision of systems and services by:
  - Imagining and validating the systems of tomorrow for garages and vehicle inspection service centres, vehicles and vehicle fleets;
  - Designing specifications for and developing new products;
  - Developing and selling related services.
- Relying on the local environment in all countries where ACTIA is present.

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

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

- In France, by making use of innovation support: Research tax credits, participation in the IRT Saint-Exupéry in Toulouse (aeronautics and space) and in local competitiveness clusters, partnership with CEA-Tech, and so on;
- In Tunisia, the close relationship with engineering schools and research laboratories;
- In China, the establishing of partnerships with the ecosystem constituted by the public authorities, vehicle manufacturers and technological partners, making use of support for innovation;
- By being agile and capable of moving fast thanks to its industrial integration;
- By providing a high level of safety in the solutions it offers;
- By having sufficient financial resources to undertake joint investments.

The Group invests heavily in R&D with nearly 1,200 engineers and technicians employed throughout the organisation.

Through a procedure that revolves around Executive Committee decisions, the corporate governance body comprised of the executive officers of the most important subsidiaries and department managers, and validated by the Board of Directors, major R&D programmes are selected that will provide the foundations, by business line, of tomorrow's strategy.

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

5.5.6 TECHNOLOGICAL ENVIRONMENT

In response to these growing markets and the challenges, in particular technological challenges, of the sectors in question, the Occitanie region today occupies a specific, original and key position at both the European and the global levels.

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

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

Type of relation:	Description
Relationship by market segment	Aeronautics – Space – Embedded systems: **TOMPASSE**, The Subsidiary's Regional Strategic Committee Rail: **MipyRail, FIF, CS2F** **CNPA**: French National Federation of Automotive Industry Professionals Automotive: **Automotech (ARIA - PFA), SIA** Workshop and diagnostic equipment: **GIEG** Electronic manufacturing: **PLEIADE** (WE Network) Digital: **La Mêlée, IOT Valley, Digitalplace**
Relations with clusters	**Aerospace Valley**, a world-class competitiveness cluster (aeronautics, space and embedded systems) **Agri Sud-Ouest Innovation** – Agricultural, agro-food and agro-industry competitiveness cluster, **RobAgri**on the market for innovative robots Energy: **Capénergie, Smart Occitania** CARA, **European Cluster for Mobility Solutions** (formerly LUTB)
Relations and technology	**IRT Saint-Exupéry**in Toulouse (aeronautics and space) **Institut 3IA ANITI**- Artificial and Natural Intelligence Toulouse Institute **INSA** Foundation Projects with **CEA-Tech** in Toulouse, **CEA Leti**and **CEA Liten** in Grenoble Group Obsolescence: **AFNOR/UTE, PRECONOB**

In 2021, ACTIA supervised several CIFRE theses with the laboratories present in the Occitanie region.

The Group has submitted several applications within the framework of the programme for future investments (PIAVE), including PSPC, ANR, Region-FEDER and Horizon 2020.

The year 2021 saw the continuation and completion of a number of programmes corresponding to our know-how:

- Recovery Plan:

The Power 2024 collaborative project led by ACTIA for a total amount of €11 million was selected under the Coram programme, which spearheads the initiative to foster the modernisation of the automotive industry. ACTIA's partners are CEA Tech and Surplus Recyclage Group. The topics covered are technological research in the field of energy storage and power electronics.

ACTIA also participates in two other innovative consortia:

- the EFIBA project, Emergence of the Autonomous Bus Industry, which will lead to advances in the field of autonomous mobility;
- the NeVeOS project, which aims to develop a new electronic architecture for vehicles, based on high-performance computers.

◎ Telematics and Telecommunications:

ACTIA is a member of the Board of the **IRT Saint-Exupéry (Institute for Technological Research).** The Group's positioning is consistent with the challenges and research programmes of Saint-Exupéry Institute for Technological Research;

Several platforms have already been selected, and ACTIA is involved in several projects.

◎ Artificial Intelligence

In the context of an Interdisciplinary Artificial Intelligence Institute (3IA), ACTIA is involved in the 3IA ANITI project - Artificial and Natural Intelligence Toulouse Institute;

This project focuses its research activities on hybrid artificial intelligence which combines different methods and technologies. The ecosystem in Toulouse has been studying and experimenting with it for a number of years, especially in autonomous transport and smart agriculture.

◎ Electronic architecture

EBSF-2 (European Bus System of the Future) and the IT x PT organisation: a European research programme for terrestrial transport that takes a comprehensive approach to the bus system.

◎ EMS – process engineering for electronics manufacturing

- Factory of the future: industrial excellence project, Colomiers (France);
- Flexicube: integration of flexible robotics in factories;
- FUI Vision 4.0 project covering the issue of interconnection between automated machines.

5.5.7 PATENTS AND PROTECTION OF INDUSTRIAL PROPERTY

In order to protect the intellectual property of its products, ACTIA has a legal department responsible for taking all measures required related to patents, makes and models. In addition, the Group has recourse on a periodic basis to an outside firm specialised in this area.

To date, a number of patents have been filed by the Group at both the national and international levels.

Concerning software, ACTIA regularly files source code with the French agency for programme protection (APP).

5.6 INVESTMENTS

The total capital expenditure for tangible and intangible assets capitalised by the Group amounted to €28.9 million, compared with €25.8 million in 2020.

5.6.1 TANGIBLE

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

In the specific context of 2021, the Group limited its investments in production facilities in France and Tunisia to the renewal of ageing equipment posing a major risk of permanent failure, and various equipment items geared to improving productivity and the flexibility of our production facilities. As happens every year, equipment was purchased for specific programmes such as test benches and interfaces, as well as tooling.

With regard to IT equipment, of which around one quarter is usually renewed per financial year on average in the Group, the action was maintained, with the replacement of the existing stock by laptops rather than desktops, as staff were regularly asked to work from home. Launched in 2017, the digitisation investment programme continued despite delays in the setting up of the new ERP for the Automotive Division.

The 2017-2019 investment programme put in place to drive the Group’s business to cross the €700 million threshold was almost complete when the health crisis started. All the remaining investments were completed in 2020, barring the construction of a 6,700 m² factory (land already acquired) in Tunis (Tunisia), to replace the existing lease for our subsidiary ACTIA Tunisie, where work has been suspended. The structural work having been carried out, the site was secured at the start of the pandemic. At the start of 2022, work resumed so that the new site would be operational at the end of the summer and could accommodate new production in the best conditions, in particular for micro-mobility.

5.6.2 INTANGIBLE

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

In 2021, R&D expenditure amounted to €80.2 million, up compared to 2020 (+5.5%, from €76.0 million), close to the 2019 amount (€83.2 million). This level of expenditure reflects both the trade-offs that have continued to be made to mitigate the impacts of the health crisis and component shortage, but also the high demand resulting from contracts won in recent months / years. Also, continued priority was given to the support needs of customer programmes in connection with the latest commercial successes and the first production launches. Thus, the re-invoicing rate for R&D costs stood at 42.2% compared to 37.0% in 2020, but above all compared to 32.9% in 2019 prior to the health crisis. This rate reflects the choices made in 2020 and 2021. For the new programmes won, ACTIA also asked its customers for better support in bearing specific development costs during the product development phase rather than have these costs amortised in the final product price.

As a result, the ratio of R&D expenditure as a percentage of revenue remained stable at 17.3%, as in 2020.

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

In €K	2021	2020	2019
Total cost of R&D	80,158	75,964	83,193
Cost of R&D services sold	33,810	28,128	27,399
R&D capitalised during the financial year	12,715	13,892	19,225
Expensed during the period (A)	33,633	33,945	36,568
Amortisation during the period of capitalised R&D (B)	15,948	14,072	15,287
Research tax credit recognised under income in the period and grants (C)	8,012	6,453	5,575
Impact of R&D on the income statement (A) +(B) – (C)	41,569	41,563	46,280
Headcount:	1,182	1,080	1,091

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

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

Furthermore, a portion of its work has benefited from research tax credits, grants and/or repayable advances. In 2021, expenses for the implementation of new innovative solutions for customers, in particular within the framework of the France Relance programmes, state aid (research tax credits and subsidies) increased by 23.4%, reflecting a period of new innovative product development for our customers.

The portion of capitalised R&D costs in 2021 was 15.9%, down compared to 2020 (18.3%), owing to the many programmes to prepare for the replacement of the light vehicle telematics business due to come to an end in early 2022, with the end of the manufacturer contract and the decision to focus efforts on developments for contracts already signed. Also, capitalisation was significantly below amortisations, which stood at €15.9 million in 2021, up by 13.3%. In addition, the weight of R&D borne by the Group in its income statement, excluding the portion invoiced to customers and government subsidies, decreased slightly to 9.0% compared to 9.5% of revenue in 2020. However, the amount expensed during the period remained stable, a reflection of the Group's ongoing effort to remain at the top of its game while at the same time striving to limit the impacts of the health crisis on its income statement without putting pressure on its future profitability.

At the divisional level, the breakdown is as follows:

AUTOMOTIVE DIVISION

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

R&D expenditure in 2021 totalled €68.0 million compared with €62.5 million in 2020, breaking down as follows:

In €K	2021	2020	2019
Cost of R&D services sold	26,188	20,794	22,597
R&D capitalised during the financial year	11,913	12,956	16,529
Expensed during the period	29,911	28,773	30,398
Headcount:	1,074	1,006	1,019

The portion of the cost of R&D services sold increased sharply by 15.9% and represented 38.5% of expenses. Maintaining partial coverage of R&D expenses is a major asset for the Group in the partnership relationship with customers and in 2021, customers agreed to better fund in advance the development of their custom products.

TELECOMS DIVISION

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

R&D expenditure in 2021 totalled €12.1 million compared with €13.4 million in 2020, breaking down as follows:

In €K	2021	2020	2019
Cost of R&D services sold	7,622	7,334	4,802
R&D capitalised during the financial year	802	935	2,696
Expensed during the period	3,722	5,172	6,170
Headcount:	108	74	72

The level of re-invoicing in this division rose further this year, jumping to 62.8% (54.6% in 2020), benefiting from better support for export markets and the military telecommunications and energy programmes of its customers. The level of R&D expenditure fell slightly this year because in addition to the multi-year programmes, the major equipment delivery phase required technical teams to be mobilised for the development of equipment in the field. The Telecoms Division also recorded a drop in these R&D outsourcing expenses, in particular with the acquisition of the software business from Hymaton (July 2021) with which it had been working for several months, and which also contributed to the increase in the workforce.

5.6.3 COMMITTED FUTURE INVESTMENTS

On the date this document was issued, the Group had budgeted a certain number of investments relating to its normal operating activities. In the context of the ongoing health crisis, ACTIA is being extra careful about its investment choices to make sure it does not put a strain on its future while still keeping its expenditure under control.

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

- 6th generation **telematics units** with the opening of new markets for small connected objects dedicated to the special machines and motorbikes markets;
- **Connected services for fleet management** in markets where ACTIA has robust business knowledge (buses & coaches, light vehicles, etc.);
- **Control command ECUs** for original equipment to make further inroads into the truck market and meet future requirements and regulations in terms of cybersecurity and operational safety;
- **Dashboard displays** to finish revamping our Buses & Coaches offering and expand it to the construction machinery market. ACTIA is also launching a new programme in 2022 to respond to new trends in electronic vehicle architectures integrating high computing capabilities as well as the perception of the environment through vision and artificial intelligence;
- **Multi-make and manufacturer diagnostic tools** to ensure coverage of the automotive fleet as well as the latest electronic functions offered to users. ACTIA is also investing in this area to promote dematerialisation while complying with the latest major standards;
- **Digital control centres** for power grids and wireless connectivity for remote metering.

The Group has also been working for several years to change the Automotive Division's ERP, and will continue this effort in 2022. In 2022, the Telecoms Division will also launch the upgrade of its ERP system. As usual, IT equipment will continue to be renewed this year, with emphasis on the purchasing of mobile equipment to make it easier for staff to work from home.

Concerning production facilities, the level of commitment will be limited to installing a new CMS line in Tunisia and to replacing end-of-life equipment to increase capacity and productivity and to meet the production needs for new products requiring specific tooling in France, Tunisia and the United States. Indeed, the production facility must be at the level expected by customers and ready to handle the strong growth in production rates when the component market returns to the appropriate level to match supply and demand.

Finally, with a strong order book and in particular the start of production of new products for micro-mobility and energy requiring significant integration, work to complete the building for our subsidiary ACTIA Tunisie was restarted in early 2022.

5.7 PROPERTY, PLANT AND EQUIPMENT

5.7.1 MAJOR EXISTING OR PLANNED TANGIBLE ASSETS

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

Name		Site	Business sector	Type of interest
ACTIA Group		Toulouse	Holding company	t (1)
	AUTOMOTIVE			
	ACTIA Automotive	Toulouse	Electronic studies and marketing	t (1)
		Colomiers	Electronics manufacturing	O (2)
		Chartres	Manufacturing and distribution of mechanical equipment for garages and inspection centres	O (2')
		Toulouse	Logistics	T
	ACTIA PCs	Maisons Alfort	Electronics research & manufacturing	T
	ACTIA 3E	Le Bourget du Lac	Electronics research & manufacturing	T
	ACTIA Systems	Getafe, Madrid (Spain)	Research and manufacturing of audio and video equipment	t (3)
		Getafe, Madrid (Spain)	Research and power electronics	T
		Linares (Espagne)	Electronics research & manufacturing	T
	ACTIA de Mexico	Mexico City (Mexico)	Manufacturing and distribution of audio and video equipment	T
	ACTIA do Brasil	Porto Alegre (Brazil)	Electronics research & manufacturing	T
	ACTIA Inc.	Dearborn - Michigan (USA)	Electronics research & manufacturing	T
	ACTIA CZ	Tabor (Czech Republic)	Electronics research & manufacturing	P
	ACTIA Italia	Torino (Italy)	Electronics research & manufacturing	P
		Rho (Italy)	Logistics	T
	ACTIA I + Me	Braunschweig (Germany)	Electronics research & manufacturing	O/T
	ACTIA Corp.	Elkhart - Indiana (USA)	Electronics research & manufacturing	P
	ACTIA Electronics	Romulus - Michigan (USA)	Electronics manufacturing	P
	ACTIA Polska	Piaseczno (Poland)	Electronic studies and marketing	T
	CIPI ACTIA	Tunis (Tunisia)	Electronics manufacturing	P
	ACTIA Tunisie	Tunis (Tunisia)	Electronics manufacturing	T
	ACTIA India	New Delhi (India)	Electronics research & manufacturing	T
	ACTIA China	Shanghai (China)	Electronics research & manufacturing	T
		Wuhan (China)	Electronics research & design	T
	ACTIA Nordic	Sollentuna (Sweden)	Electronics research & manufacturing	T
		Linköping (Sweden)	Electronics research & design	T
		Göteborg (Sweden)	Electronics research & design	T
	ACTIA EMS Sweden	Linköping (Sweden)	Electronics research & manufacturing	T

Name	Site	Business sector	Type of interest
TELECOM			
ACTIA Telecom	Saint-Georges-de-Luzençon	Electronics research & manufacturing	O (4)
	Dinard	Electronics research & manufacturing	O/T
	Puy-Sainte-Réparade	Electronics research & manufacturing	P
OTHER			
ACTIA Engineering Services	Tunis *(Tunisia)*	Electronics research & design	P
	Sfax *(Tunisia)*	Electronics research & design	T
ACTIA Africa	Tunis *(Tunisia)*	Marketing, sales and technical support	T(5))
ACTIA Telematics Services	Namur *(Belgium)*	Electronics research & design	T
ACTIA Power	Toulouse (France)	Battery production	T
ACTIA Power France	Toulouse (France)	Battery production	T
ACTIA UK	Newtown (United Kingdom)	Electronics and batteries research & manufacturing	P
ACTIA Power US	Elkhart - Indiana (USA)	Battery production	T
ACTIA Power Deutschland	Salzgitter (Germany)	Battery production	T

(1) *SCI des Coteaux de Pouvourville*
(2) *SCI de l'Oratoire*
(2') *SCI de l'Oratoire, the building located in Chartres, France, is presented as of 31 December 2021 on the "Assets held for sale" line of the consolidated balance sheet in accordance with IFRS 5 - Non-current assets held for sale and discontinued operations (Note 19)*
(3) *SCI Los Olivos*
(4) *SCI Sodimob*
(5) *ACTIA Engineering Services*

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

For the purpose of improving the disclosure of information, it has been decided to retain the services of independent firms of appraisers to measure the value of these assets on a regular basis. The Group's real estate assets were valued at the end of the 2018 financial year. Their total assessed value was €61.3 million gross on average. When weighted for ownership, the average value was €43.8 million. This valuation did not take into account the ongoing construction of new buildings or extensions, whose gross value was close to €14.1 million.

Independently of the equity accounted companies and therefore in comparison to an assessed value of €38.0 million, the net carrying amount of the assets directly owned by the Group was €25.4 million.

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

Property assets considered strategic relate to, above all, manufacturing activities. The French production sites of ACTIA Automotive S.A., located in Colomiers and Chartres are thus 100% owned by the Group through SCI de l'Oratoire. The second circuit board production site located in Tunis (Tunisia) is entered in the assets of our CIPI ACTIA subsidiary, which is 65.8% owned by the Group. Regarding the integration site also located in Tunis, ACTIA Tunisie is currently the tenant. The construction of a new self-owned site had been suspended due to the impacts of the health crisis. Work has resumed and the new building is being completed. The relocation is now planned for 2022. Finally, the last production site, located in Romulus (Michigan, USA) belongs to its parent company ACTIA Corp. which is wholly owned by the Group.

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

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

In 2021, the **Colomiers facility** (France) had the following activities:

- Electronics manufacturing;
- Support services.

After the year 2020 marked by a major health crisis, ACTIA was able to respond quickly to recover a sustained business at the end of 2020. However, this upturn in business was not reported in all areas. This was the case in particular for aeronautics, an important business for the Colomiers site, but the decline was offset by the Truck and Automotive businesses. 2021 then appeared as year of a return to normalcy, with the order book having already been filled over and above the volumes achieved in 2019. However, during the first quarter of 2021, tensions in the supply of electronic components worsened into an unprecedented crisis primarily affecting microprocessors. This crisis undermined the entire supply chain with strong impacts on the profitability and efficiency of the factory, due to alternating shutdowns and restarts of various production lines resulting from shortages, generating an inflation of concurrent operations, but also due to the absence of staff who were positive or had been in contact with Covid-19 cases.

In this unfavourable context, the rehabilitation of the infrastructure as planned 5 years earlier was finished with the workshops fully relocated and the various outdoor works completed. In the course of 2021, the new double-sided wave soldering process was qualified and introduced into production, providing the factory with a unique tool that combines flexibility and performance. The various support teams continued to work to prepare for the ramp-up of aerospace activities and the arrival of associated equipment, but also for the introduction of new aeronautical products, as ACTIA had entered into a new contract with Airbus.

At the same time, the Operational Excellence programme initiated in early 2020 in its definition phase was able to be implemented. It started off with comprehensive staff training and laid the foundations for continuous improvement, in particular 5S, visual management, and daily routines in workshops. The full training for the staff was completed in the fourth quarter of 2021.

The factory digitisation programme continued with a very significant first step in the quest for factory performance: the MES (Manufacturing Execution System).

In 2021, our **Tunisian sites** experienced an upturn in business activity despite the component crisis. They had to adapt their working method to serve customers as soon as they received missing items. For this, they have been working 24/7 since October to limit the crisis for our customers. As a result, approximately 80 people were hired for the two sites. These activities and the increase in orders generated a 56% increase in cumulative production man-hours, clocking a total of 576,925 hours. These adjustments made in response to the Covid-19 pandemic were maintained and have made it possible to overcome the different waves unhindered.

Finally, the **American site** was still sensitive to the economic slowdown and its consequences. This was because the commercial activity aimed at setting up production on behalf of third parties pending the ramp-up of the first ACTIA productions was unable to proceed as planned, especially due to difficulty in hiring new employees, in particular sales representatives.

All our manufacturing sites proved their ability to take full ownership of their emergency plan, as well as their resilience and agility in adapting to the new circumstances.

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

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

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

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

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

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

5.7.2 ENVIRONMENTAL IMPACT RESULTING FROM THE USE OF THESE FIXED ASSETS

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

5.8 INTERNAL CONTROL PROCEDURES ESTABLISHED BY THE COMPANY

Our Group has established internal control procedures to ensure financial management and risk control and draw up the information provided to shareholders on the financial position and the financial statements. General Management has decided to refer to the internal control reference framework, an implementation guide for small and mid-caps published by the French securities market regulator, the AMF. To date, the Group has not carried out an evaluation of its internal control procedures.

The procedures implemented constitute a framework to prevent and control risks stemming from our activities and the risk of error or fraud, in particular in accounting and financial matters, so as to safeguard the Group's assets and sustainability.

Internal control, implemented by the Group's General Management, management and employees at the level of the parent company and all consolidated subsidiaries, is designed to provide us with assurance that the financial information is accurate, comprehensive and reliable, drawn up in compliance with the general rules applicable in this regard, and that applicable laws and regulations are respected. This process is subject to regular adjustments by management, to ensure ongoing improvements and its suitability to the Group's organisational structure.

CONTROL OF OPERATING-RELATED RISKS

ACTIA is an electronics equipment manufacturer operating in two business segments:

- The Automotive Division through ACTIA Automotive S.A. and its subsidiaries;
- The Telecoms Division through ACTIA Telecom S.A.

Referring to the recommendations issued as part of the business coordination role exercised by the holding, LP2C, the Company's Board of Directors determines the guiding principles, the strategy and the markets in which it wishes to develop.

Business monitoring is structured by business unit. As a reminder, this means:

- For the Automotive Division:
  - OEM (Original Equipment Manufacturers): telematics systems, electronic architecture and multiplexing, instrumentation, audio and video systems, power electronics, electric motors, batteries, diagnostics and associated services;
  - Aftermarket: multi-make diagnostics, workshop equipment, vehicle inspection and fleet management solutions, telematics systems and associated services;
  - MDS (Manufacturing-Design & Services): electronic production and associated services, lifecycle optimisation.
- For the Telecoms Division:
  - SatCom: equipment and systems for ground stations and In-Service Support;
  - Energy: control-command equipment for energy transmission and distribution systems, special transmission systems, In-Service Support, equipment and systems for telephone operators;
  - Rail: equipment for railway applications;

In all these areas, the Group has obtained the certifications necessary to exercise its activities, including ISO 9001. Information on Group certifications is provided in § 5.8.3 "Certification of Group company quality systems at 31 December 2021". The Group has risk management expertise for risks relating to the main design, purchasing, procurement, manufacturing, product control and aftermarket support processes. Quality standards are subject to an annual external audit by several authorities and independent certification agencies as well as multiple customer audits at each of our sites. Many customer audits and internal cross-division audits (ACTIA Automotive, ACTIA Telecom) also contribute to improving the quality management system.

Several other certifications both specific to the different fields/markets (automotive, aeronautics, rail, etc.) and related to special challenges such as the environment (ISO 14001) or IT security (ISO 27001), obtained and/or in the process of being obtained, attest to the Group's desire to continue improving quality levels in line with customer demand.

- Stakeholders

The Boards of Directors, in particular that of the ACTIA Group holding company, the Management Committees and their related teams in the subsidiaries, play an essential role in internal control. In addition, the Group has recourse, as necessary, to specialists, including for example in the field of insurance, research tax credits, social security taxes and fiscal matters.

- Their role

At their regular meetings, the Boards of Directors and the Management Committees of the subsidiaries track the risks already identified, and continually monitor the markets, technological developments and the competition in order to identify possible new risks that may arise.

They are responsible for establishing and regularly checking indicators in various fields under the supervision of the Chairman and CEO of the ACTIA Group, the Deputy CEO in charge of Finance and Communication and the Director in charge of Consolidation and Financial Performance, taking appropriate preventive and/or corrective measures and exercising a key role in risk prevention.

They also coordinate the process of developing budget forecasts produced by the divisions and monitor actual performance.

- The main areas of intervention identified are related to:
  - Financial, technological, industrial and commercial risks;
  - Risks relating to the main design, development, industrialisation, purchasing, procurement, manufacturing and product control processes;
  - Environmental risks;
  - Inventory risks (turnover, shortages, supply delays, etc.);
  - Interest rate and exchange rate risks;
  - Overheads and other expenses;
  - R&D goals and monitoring;
  - Legal and litigation risks;
  - Risks of fraud and cyber fraud.

An analysis of potential implications and the estimated degree of control over the principal risks identified is conducted in accordance with the information provided in chapter 7 “Risk factors.”

Depending on their nature, internal discussions about risks are primarily conducted at Management Committee meetings, Budget meetings, Executive Committee meetings, etc. and each time a sensitive event occurs (CEO impersonation fraud, for example). Email and the various digital means of communication available within the Group, Yammer, Intranet, are also used when communicating as widely as possible.

Lastly, they define the stakeholders and tools, and set up the special units required to manage a crisis, depending on its characteristics.

INTERNAL CONTROL

With respect to accounting and financial matters, management control and internal audit are organised by the two divisions for each strategic business department and/or operating department/business unit.

Internal control is carried out by a dedicated management control team or by the financial manager of the subsidiary, depending on the size of the latter.

Accounting procedures are in place and specifically adapted to the business activity, identified risks, computer systems and the size of the different subsidiaries concerned.

With respect to Group financial control, a dedicated team provides financial control for the Group at the international level. Control is implemented via reporting procedures which are revised on a regular basis. It is backed by visits to the subsidiaries as well as occasional meetings of the accounting and financial teams, notably when a specific topic must be addressed. The main areas of work cover:

- Supervising, organising and coordinating the supply and control of financial information by the Group’s administrative, accounting and finance departments; ensuring the consistency of the accounting methods applied;
- Collecting all the necessary information from line managers and the Statutory Auditors;
- Structuring the information representative of the Group’s performance for decision-making purposes (balance sheets, income statements, dashboards);
- Advising senior management on short- and medium-term forecasts and in crisis situations, providing operational support, particularly in terms of cash flow forecasts and sourcing financing;
- Coordinating the monitoring of internal control procedures and the implementation of the recommendations made by the Statutory Auditors;
- Making proposals regarding the Group’s management systems, developments and their implementation;
- Carrying out the necessary financial and economic analyses (selection of capital expenditure programmes, M&A activity, etc.).

The Group's reporting procedure consists of:

- Monthly reporting using computer applications developed in-house and regularly adapted to changing conditions and software packages;
- A quarterly update on the separate financial statements of the various entities;
- The quarterly consolidation of the Group's financial statements.

In addition, the Finance Committee, chaired by the Deputy CEO in charge of Finance and Communication and the Director in charge of Consolidation and Financial Performance, is responsible for monitoring the main subsidiaries to ensure the consistency of the various accounting and financial systems and the reliability of the financial and economic summaries drawn up. The Finance Committee addresses the following areas at its fortnightly meetings:

- Budget and cost accounting monitoring;
- Improving existing reporting procedures;
- The time taken to draft the financial statements;
- Monitoring the Group's accounting rules and methods, and in particular those relating to development costs, capitalised and inventoried, revenue recognition;
- Monitoring local rules on drawing up the separate financial statements;
- Monitoring IFRS developments for the purpose of preparing consolidated financial statements;
- Monitoring of working capital requirements, and of changes in inventories and customer payment times;
- Monitoring of investments, related financing and the resulting banking relationships.

The accounting principles used by Group companies are those required under local GAAP (for example in France, Regulation No. 2014-03 of the CRC, the national standards setting body) for producing separate financial statements (statutory accounts). The accounting policies and IFRS restatements are centralised at the parent company at the time of consolidation.

In light of the regulatory compliance required for all listed companies, a schedule of recurring obligations has been drawn up with regard to both disclosure issues and other regulatory matters (legal, fiscal, etc.). Regulatory monitoring is the responsibility of the consolidation unit and the Group's Finance Department.

Prior to its disclosure, information from the consolidation unit is submitted to management control and approved by the Deputy CEO in charge of Finance and Communication. All of the information to be published is then approved by General Management and the Board of Directors.

Information system development is designed to meet the requirements for reliability, availability, effectiveness, security and relevant accounting and financial information.

The rationalisation of servers and ERP software used (MOVEX, SAP Business One and AX-dynamix-Microsoft) in the main Group structures of both France and foreign operations is ongoing, with the ERP software supporting operating activities. IT investments have been focused on system robustness, the deployment of recent developments in terms of networks and software solutions for project management and scientific applications. The replacement of the MOVEX ERP by the M3 business software from the same publisher, Infor, is ongoing. The operational deployment of the new ERP M3 system has been postponed to the second half-year of 2022.

Access to the technical (ERP), human resources, finance, messaging, systems etc. is only possible after the user has identified him/herself via a password with a restrictive procedure in place for changing it.

The tools used are off-the-shelf software packages. The way they process information is checked when brought online on-site and over the course of their utilisation.

Our servers are managed externally on a facilities management basis with third parties or internally by the Group's IT teams. For facilities management, we have service level agreements with our IT service providers that guarantee daily and weekly data back-ups and the physical integrity of the data on the data servers.

The first audits for IT security certification were performed in 2015. ISO 27001 certification was thus obtained by our subsidiary ACTIA Engineering Services (design office in Tunisia) in 2015, then by ACTIA Automotive and ACTIA Telematics Services in 2018; finally, ACTIA Systems (Spain) obtained its certification in March 2022 and ACTIA Telecom is in the process of certification.

In accordance with the strategies defined, the Group has strengthened its teams with high-level, specialised talent in the field of Information Systems Security, which is responsible for the ongoing selection of measures to be taken in terms of:

- Prevention, training, information for management and for all staff involved;
- Processes, procedures and provisions applicable to the different types of data and IT resources (network architecture, personal workstations, etc.) with the goal of reducing risk and, should any occur, minimising the consequences of any incidents.

It should also be noted that the cybersecurity risk generated by products for our customers' systems is now covered by our Group civil liability insurance policy.

AREAS FOR IMPROVEMENT - MONITORING EXECUTION OF ACTIONS

Certification monitoring audits were successfully performed at the end of 2021 and on that basis the certifications were confirmed, with selected areas for improvement identified, but above all with a positive assessment regarding the maturity of the system.

Detailed information on current certifications in force in the Group is provided in § 5.8.3 "Certification of Group company quality systems at 31 December 2021".

With regard to IT systems, the following main actions were taken:

- Office automation services: continuing renewal of office automation equipment (25%) and standardisation, taking into account the new demand for laptops to make it easier for staff to work from home;
- Communication services: development of collaborative services;
- Administrative services: ongoing digitisation of the financial, purchasing and production services – upgrading of the reporting process;
- Software development services: use, maintenance and optimisation of software development and validation tools;
- Infrastructure services: renewal of servers;
- Security services: deployment of an access control system and CCTV on our French sites.

5.8.1 FINANCIAL RISKS RELATED TO THE EFFECTS OF CLIMATE CHANGE

The Group has not identified any major risks related to possible climate changes that could affect its activity. We remind you that information related to climate change is provided in § 6.5.3 "Fight against climate change" of chapter 6 "Sustainable development". The Group's risks are further discussed in chapter 7 "Risk factors".

5.8.2 CERTIFICATION OF GROUP COMPANY QUALITY SYSTEMS AT 31 DECEMBER 2021

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

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

Other certifications:

- ACTIA Telecom: IRIS (Quality management systems – railway industry standard); Total Quality according to Appendix V of the R&TTE directive (Telecom) for the Millau and Dinard sites - PART 21 G + PART 145 (aeronautic requirements for the Provence site);
- ACTIA CZ: approval of the QMS;
- ACTIA Automotive:
  - in Chartres: certification of the quality system by LNE (legal metrology, gas analyser and opacimeter repairs and authorisation delivered by the DRIRE for the inspection of pollution measurement devices);
  - in Toulouse: EN 9110 (aircraft repair); PART 145 (aeronautical scope); IRIS (quality management systems - railway industry standard); NADCAP (electronic board manufacturing processes - aeronautics);
- ACTIA Telematics Services ISO 27001;
- ACTIA Engineering Services: ISO 17025, and CMMI DEV V1.2.

5.9 INFORMATION ABOUT THE ISSUER

The separate financial statements of ACTIA Group S.A. show revenue of €3.3 million, an increase of 39.0% compared to 2020. In fact, with the creation of its new ACTIA Power Division, ACTIA Group has invested additional internal resources to meet the exceptional needs related to structuring and managing of internal carve-outs, since this new division is built from various assets held by several entities of the Automotive Division. Invoicing by LP2C to ACTIA Group stood at €71,400 for the reporting period. The resulting net income stood at €759,000 compared with a profit of €1,640,000 for the previous financial year. This drop is primarily the consequence of two factors:

- Decline in financial result due to the 75% decrease in dividends after a first drop recorded in 2020, directly linked to the decreased earnings in the subsidiaries;
- Exceptional entry linked to the liquidation declared for COOVIA SAS.

ACTIA Group S.A. does not have its own operating activities, except for the financial holding company. All functions exercised on behalf of its subsidiaries or the investment holding company are invoiced to the entities concerned on the basis of actual cost plus a margin of 15% corresponding to management fees. These amounts invoiced do not cover all statutory auditing expenses, communications, tax and legal consulting services, and other expenses related to the Company's status as a listed company that cannot be allocated to all subsidiaries under existing legal and regulatory provisions. Only services specified in support agreements and described in § 4.3 "Brief overview of the Group" are invoiced.

The Company's operating loss therefore stems from costs incurred as a publicly traded company and its role as a holding company involving external interventions in legal and tax matters, communications, statutory auditing for separate and consolidated financial statements, etc. that by themselves represented a cost of €301.2 for the financial year, compared to €306.3 in 2020.

Highlights of the 2021 separate financial statements are presented below:

Net income (€K)	**2021**	**2020**	**2019**
Net revenue	3,269	**2,352**	2,301
Operating revenue	4,366	**3,375**	3,280
Operating expenses	4,307	**4,676**	3,972
Operating income	59	**<1,301>**	<692>
Financial result	927	**2,951**	3,456
Non-recurring items	<198>	**7**	0
NET INCOME	**759**	**1,640**	**2,737**

We will ask shareholders to approve these separate financial statements.

5.9.1 HIGHLIGHTS

Over the past financial year, ACTIA Group's efforts mainly focused on structuring the Power Division and supporting the management of the health and component crises.

On 13 April 2021, the liquidation of COOVIA was ordered by the Commercial Court of TOULOUSE.

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

5.9.2 APPROPRIATION OF EARNINGS

In accordance with the law and our Articles of Association, the following appropriation of earnings for the period ended 31 December 2021 will be proposed at the General Meeting:

Origin		
"Retained Earnings" account on 31 December 2021		€12,715,098.27
Earnings for the financial year: profit of		€758,956.48
Appropriation		
To the "Retained Earnings" account, which will stand at	€13,474,054.75	
Paid in the form of dividends	-	
TOTAL	**€13,474,054.75**	**€13,474,054.75**

5.9.3 PREVIOUS DIVIDEND DISTRIBUTIONS

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

	Earnings eligible for a rebate		Earnings not eligible for a rebate
For the financial year	Dividend per share*	Other revenue distributed	
2018	€2,009,994.10*, i.e.: €0.10 per share		
2019	€ 3,014,991.15*, i.e.: € 0.15 per share		
2020	€ 0		

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

5.9.4 DEBT SITUATION

For the 2021 financial year, ACTIA Group took new medium-term financing to the tune of €3.1 million.

We underscore the fact that ACTIA Group does not benefit from the possibility of financing its receivables as they are entirely dedicated to the Group. Details of the debt level of ACTIA Group S.A. are provided in the notes to the separate financial statements, in § note 3.10 “Debts”.

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

The General Meeting will be asked to approve the total amount of expenses covered by Article 39-4 of the French General Tax Code, namely the sum of €2,736, relating to surplus depreciation on company cars.

No taxes are due for the 2021 financial year.

5.9.6 EQUAL OPPORTUNITY EMPLOYMENT

ACTIA Group S.A. is the Group’s holding company. As of 31 December 2021, it had 8 employees to handle its holding company functions.

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

5.9.7 ANALYSIS OF ACCOUNTS PAYABLE

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

Invoices due and received but not paid on 31/12/2021

IN €	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day and more)
(A) AGEING BUCKETS						
Number of invoices	55					12
Total of all invoices, excluding VAT	798,504	26,366	1,632	41,287	211,398	280,683
% of the total amount of purchases for the financial year, excluding VAT	17.43%	0.58%	0.04%	0.90%	4.62%	6.13%
(B) INVOICES NOT INCLUDED IN (A) FOR DEBTS AND RECEIVABLES IN DISPUTE OR NOT RECOGNISED						
Number of invoices excluded						0
Total amount of invoices excluded						0
(C) REFERENCE PAYMENT TERMS USED (CONTRACTUAL OR LEGAL TIME LIMITS)						
Payment terms used to calculate late payments	X Contractual time limits: Based on the general terms and conditions of sale of our suppliers Legal time limits					

5.9.8 ANALYSIS OF ACCOUNTS RECEIVABLE

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

Invoices due and issued but not paid on 31/12/2021

IN €	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day and more)
(A) AGEING BUCKETS						
Number of invoices	143					48
Total of all invoices, excluding VAT	3,192,664	621	0	240,312	1,817,896	2,058,829
% of the total amount of purchases for the financial year, excluding VAT	90.88%	0.02%	0.00%	6.84%	51.75%	58.60%
(B) INVOICES NOT INCLUDED IN (A) FOR DEBTS AND RECEIVABLES IN DISPUTE OR NOT RECOGNISED						
Number of invoices excluded						0
Total amount of invoices excluded						0
(C) REFERENCE PAYMENT TERMS USED (CONTRACTUAL OR LEGAL TIME LIMITS)						
Payment terms used to calculate late payments	Contractual time limits X Legal time limits: 30 days end of month					

5.9.9 FINANCIAL RESULTS OVER THE PAST FIVE YEARS

In Euros	2021	2020	2019	2018	2017
FINANCIAL POSITION AT YEAR END					
Share Capital	15,074,956	15,074,956	15,074,956	15,074,956	15,074,956
Number of shares issued	20,099,941	20,099,941	20,099,941	20,099,941	20,099,941
Number of convertible bonds				0	0
RESULTS FROM OPERATIONS					
Sales excluding tax	3,268,899	2,352,361	2,301,500	1,712,968	2,777,018
Earnings before tax, depreciation, amortisation and provisions	1,824,644	1,666,838	2,772,682	3,093,994	5,818,496
Income tax	29,165	17,333	27,391	40,722	<156,586>
Earnings after tax, depreciation, amortisation and provisions	758,956	1,639,673	2,737,515	2,219,272	5,766,829
Earnings distributed	0.0	3,014,991	2,009,994	2,411,993	3,014,991
EARNINGS PER SHARE					
Earnings after tax but before depreciation, amortisation and provisions	0.09	0.08	0.14	0.15	0.30
Earnings after tax, depreciation, amortisation and provisions	0.04	0.08	0.14	0.11	0.29
Dividends allocated to each share	0	0.15	0.10	0.12	0.15
PERSONNEL					
Number of employees (average headcount)	8	11	9	8	7
Payroll for the financial year	975,144	1,277,597	891,360	953,523	667,535
Sums paid out in respect of employee benefits in the financial year (social security, social action, etc.)	421,112	540,030	393,098	375,186	283,796

5.9.10 SPECIAL REPORT OF THE STATUTORY AUDITORS ON REGULATED AGREEMENTS

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

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

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

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

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

Agreements submitted for approval to the Shareholders' Meeting

Agreements approved and signed in the financial year ended

Pursuant to Article L. 225-40 of the French Commercial Code, we have been informed of the following agreements concluded during the past financial year which had been authorised previously by your Board of Directors.

With the companies Actia Power, Actia Power France, Actia Power US and Actia Japan

Nature and purpose: Assistance and service agreements.

Parties concerned:

- Actia Power: Catherine Mallet, Marine Candelon, Jean-Louis Pech and Jean-François Calmels
- Actia Power France: Jean-Louis Pech
- Actia Power US: Jean-Louis Pech and Jean-François Calmels
- Actia Japan: Jean-Louis Pech

Procedures:

The recurring services provided by Actia Group to the Group include:

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

The procedures used to set the amounts invoiced, excluding VAT, for the services rendered by Actia Group are as follows: in exchange for the services provided, Actia Group receives from each of the subsidiaries and sub-subsidiaries a fee based on a provisional budget established at the start of the financial year. The amount is set based on the direct and indirect costs actually incurred by Actia Group, plus a margin of 15%.

In 2021, the entities concerned acceded to the Group assistance and services agreement initially concluded on 1 January 2018 for a period of 5 years, automatically renewable for consecutive twelve-month periods.

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

Sums invoiced for the previous financial year: at 31 December 2021, the amounts invoiced excluding VAT by Actia Group was:

Companies	Assistance & services agreement	Current account interest	Current account debit balance
ACTIA Japan	292 €		
ACTIA Power France	44 578 €		
ACTIA Power US	26 910 €		
ACTIA Power	610 545 €	10 951 €	3 316 826 €
TOTAL	**682 325 €**	**10 951 €**	**3 316 826 €**

Agreements previously approved by the General Meeting

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

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

With LP2C S.A.

Nature and purpose: Coordination agreement.

Parties concerned: Marine Candelon, Catherine Mallet, Jean-Louis Pech

Reasons justifying their interest in the company / Procedures: LP2C plays an active role in managing the Actia Group policy; it sets out the strategic priorities and areas for development outlined in said policy. It oversees the coordination and implementation of the various actions between the companies which make up Actia Group.

- LP2C coordination agreement for each of the subsidiaries and sub-subsidiaries of LP2C, for the role it plays alone and exclusively in the definition of the general Actia Group strategy and which it coordinates for the benefit of all Actia Group companies.
- As such, LP2C invoices an annual total amount of €370,000 for all the Group companies, broken down according to the added value of the previous year.
- The coordination agreement is agreed for a period of five years as of 1 January 2018 and is automatically renewable for consecutive twelve-month periods.

Sum invoiced for the previous financial year: at 31 December 2021, the total amount invoiced by LP2C to Actia Group was € 1,000 excl. VAT.

Nature and purpose: Assistance and service agreements.

Parties concerned: Marine Candelon, Catherine Mallet, Jean-Louis Pech

Reasons justifying their interest in the company / Procedures: The shared interest of LP2C and ACTIA Group coincides with those of each of the subsidiaries which can, therefore, increase their effectiveness and profitability via these operations. At the LP2C/Actia Group level, the arrangements result in a reduction in overall management costs and economies of scale for fixed costs and, therefore, in greater effectiveness and profitability. The subsidiaries and sub-subsidiaries benefit from the reduced costs, therefore enabling them to focus their energies on their core businesses and improve their economic performance.

- LP2C assistance and services agreement for each of the LP2C subsidiaries and sub-subsidiaries for the recurring services LP2C provides to the Group, including:
  - Administrative, legal, accounting and financial assistance
  - Quality support;
  - Communications support;
  - Human resources support;
  - Real estate support;
  - Support for Group management and internal procedures;
  - Business development support;

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

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

Sum invoiced for the previous financial year: at 31 December 2021, the total amount invoiced by LP2C to Actia Group was €70,417 excluding VAT.

Nature and purpose: Assistance and specific services agreement.

Parties concerned: Marine Candelon, Catherine Mallet, Jean-Louis Pech

Reasons justifying their interest in the company / Procedures: This agreement is in the common interest of LP2C and Actia Group and will enable LP2C to increase its effectiveness and profitability through these operations. At the LP2C and Actia Group level, the arrangements will result in a reduction in overall management costs by creating economies of scale for fixed costs and, therefore, in greater effectiveness and profitability.

The specific services which Actia Group provides to LP2C are for accounting and executive secretarial services.

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

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

Sum invoiced for the previous financial year: at 31 December 2021, the total amount invoiced by Actia Group to LP2C was €21,220 excluding VAT.

With the subsidiaries listed below

Nature and purpose: Assistance and service agreements.

Parties concerned:

- Actia Automotive: Marine Candelon, Laura Pech, Jean-Louis Pech
- Actia 3E: Catherine Mallet, Marine Candelon and Jean-Louis Pech
- Actia Telecom: Catherine Mallet, Marine Candelon, Jean-François Calmels and Jean-Louis Pech
- Actia PCs: Catherine Mallet, Marine Candelon and Jean-Louis Pech
- SCI Les Coteaux de Pouvourville: Catherine Mallet and Marine Candelon
- SCI de l'Oratoire: Catherine Mallet and Marine Candelon
- SCI Sodimob: Jean-Louis Pech
- Actia I+ME: Jean-Louis Pech
- Actia Systems: Catherine Mallet, Marine Candelon, Jean-Louis Pech and Jean-François Calmels
- SCI los Olivos: Catherine Mallet, Marine Candelon and Jean-Louis Pech
- Actia UK: Catherine Mallet, Jean-François Calmels and Jean-Louis Pech
- Actia Italia: Catherine Mallet, Marine Candelon and Jean-Louis Pech
- Actia Polska: Jean-Louis Pech
- Actia Nordic: Catherine Mallet, Jean-François Calmels and Jean-Louis Pech
- KARFA: Jean-Louis Pech
- Actia do Brasil: Catherine Mallet, Jean-François Calmels and Jean-Louis Pech
- Actia de Mexico: Catherine Mallet, Jean-François Calmels and Jean-Louis Pech
- Actia Electronics: Catherine Mallet, Jean-François Calmels and Jean-Louis Pech
- Actia Corp: Catherine Mallet, Jean-François Calmels and Jean-Louis Pech
- Actia China: Catherine Mallet, Marine Candelon and Jean-Louis Pech
- Actia India: Catherine Mallet and Jean-Louis Pech
- CIPI ACTIA: Marine Candelon, Catherine Mallet, Jean-François Calmels and Jean-Louis Pech

- Actia Engineering Services: Catherine Mallet, Jean-François Calmels and Jean-Louis Pech
- Actia Tunisie: Marine Candelon, Jean-François Calmels and Jean-Louis Pech
- Actia Telematics Services: Jean-Louis Pech
- Actia Africa: Catherine Mallet, Jean-François Calmels and Jean-Louis Pech

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

The recurring services provided by Actia Group to the Group include:

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

The procedures used to set the amounts invoiced, excluding VAT, for the services rendered by Actia Group are as follows: in exchange for the services provided, Actia Group receives from each of the subsidiaries and sub-subsidiaries a fee based on a provisional budget established at the start of the financial year. The amount is set based on the direct and indirect costs actually incurred by Actia Group, plus a margin of 15%.

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

Sums invoiced for the previous financial year: at 31 December 2021, the amounts invoiced excluding VAT by Actia Group was:

Companies	Assistance & services agreement	Current account interest	Current account debit balance
ACTIA Automotive S.A.	805 794 €	218 367 €	8 460 437 €
SCI de l'Oratoire	-24 055 €		
SCI les Coteaux de Pouvourville	-13 858 €		
ACTIA 3E S.A.	5 755 €		
ACTIA PCs S.A.	1 182 €		
ACTIA Telecom S.A.	187 753 €	23 653 €	3 225 375 €
ACTIA Telecom Services	788 €		
ACTIA Nordic	90 989 €		
ACTIA Polska	4 097€		
ACTIA I+ME	729 615 €		
ACTIA Italia	16 234 €		
ACTIA Systems	26 171 €		
ACTIA UK	9 028 €		
ACTIA Tunisie	13 452 €		
ACTIA China	16 263 €		
CIPI ACTIA	50 605 €		
ACTIA Electronics	124 955 €		
ACTIA do Brasil	50 400 €		
ACTIA de Mexico	11 453 €		
ACTIA Corp	74 286 €		
ACTIA Engineering Services	251 843 €	1 614 €	318 351 €
ACTIA Africa	3 533 €	760 €	150 000 €
TOTAL	**2 436 283 €**	**244 395 €**	**12 154 162 €**

With ACTIA Automotive

Nature and purpose: Guarantee for an Airbus contract.

Parties concerned: Marine Candelon, Laura Pech, Jean-Louis Pech

Reasons justifying their interest in the company / Procedures: Airbus requested a first-demand full guarantee for all Actia Automotive rights and obligations from Actia Group in 2017. The guarantee covers financial, judicial, legal and civil responsibility.

Under the contract, Actia Automotive can be held liable up to the amount of the contract which, in 2021, was close to €9,365,000. Actia Automotive has taken out special insurance for aeronautical products, for a maximum amount of € 200,000,000 per claim, it being understood that Actia Group cannot be held liable for any sum in excess of that amount. With respect to civil liability, Actia Group will be required to activate the insurance in the event of the failure of its Actia Automotive subsidiary.

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

Amount invoiced during the past year: this guarantee did not result in any invoicing by your company during the financial year.

Nature and purpose: Guarantee for an Airbus contract.

Parties concerned: Marine Candelon, Laura Pech, Jean-Louis Pech

Reasons justifying their interest in the company / Procedures: Actia Automotive signed a contract with Airbus for the design, development, manufacturing, supply and maintenance of avionics equipment. As part of the contract, Airbus requested that Actia Group provide a full first demand guarantee for all Actia Automotive rights and obligations. The guarantee covers financial, judicial, legal and civil responsibility.

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

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

Amount invoiced during the past year: this guarantee did not result in any invoicing by your Company during the financial year.

With ACTIA Telecom

Nature and purpose: Authorisation to pledge securities.

Parties concerned: Catherine Mallet, Marine Candelon, Jean-François Calmels and Jean-Louis Pech

Reasons justifying their interest in the company / Procedures: pursuant to the €3.5 million loan granted to your subsidiary for seven years by a French bank in 2016, your Board authorised as collateral the pledging of Actia Telecom shares held by your company up to 120% of the financing based on the minority buyback value, i.e., €12.20 per share, for a total of 344,262 shares. This authorisation is valid until 21 July 2023.

Amount invoiced during the past year: this authorisation did not result in any invoicing by your company during the 2021 financial year.

With ACTIA Automotive

Nature and purpose: Assistance and services agreement between Actia Automotive, as service provider, on behalf of Actia Group companies concerning recurring services provided by Actia Automotive to Actia Group companies.

Parties concerned: Marine Candelon, Laura Pech, Jean-Louis Pech.

Procedures: the recurring services provided by Actia Automotive to Actia Group companies include:

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

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

Any re-invoicing of services provided by external parties is subject to a margin of 3% as a contribution to Actia Automotive's overheads as a service provider.

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

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

Sum invoiced for the previous financial year: at 31 December 2021, the amount invoiced by Actia Automotive to Actia Group was €54,885 excluding VAT.

Labège, 28 April 2022

KPMG S.A.

Mathieu Leruste
Partner

Paris, 28 April 2022

BM&A

Eric Seyvos
Partner

5.10 MAJOR SHAREHOLDERS

5.10.1 BREAKDOWN OF THE SHARE CAPITAL AND VOTING RIGHTS

The identity of those persons directly or indirectly holding more than 1% - 5% - 10% - 15% - 20% - 25% - 30% - 33.33% - 50% - 66.66% - 90% and 95% of the share capital or voting rights at General Meetings on the dates cited are given below.

SHARE CAPITAL AND VOTING RIGHTS AT 31 DECEMBER 2021

	Number of shares	% of share capital	Gross voting rights		Net voting rights	
LP2C	10,077,510	50.14%	20,093,676	62.12%	20,093,676	62.15%
Natural persons - Pech and Calmels families	6,052	0.03%	11,904	0.04%	11,904	0.04%
SUBTOTAL PECH AND CALMELS FAMILIES	**10,083,562**	**50.17%**	**20,105,580**	**62.15%**	**20,105,580**	**62.18%**
SIDMIA International	1,171,848	5.83%	2,343,696	7.25%	2,343,696	7.25%
Natural persons - Thrum family	213	0.00%	426	0.00%	426	0.00%
THRUM FAMILY SUBTOTAL	**1,172,061**	**5.83%**	**2,344,122**	**7.25%**	**2,344,122**	**7.25%**
TOTAL SHAREHOLDERS' AGREEMENT	**11,255,623**	**56.00%**	**22,449,702**	**69.40%**	**22,449,702**	**69.43%**
SGPFEC	1,037,141	5.16%	2,074,282	6.41%	2,074,282	6.42%
Public	7,792,003	38.77%	7,809,429	24.14%	7,809,429	24.15%
Treasury shares	15,174	0.08%	15,174	0.05%	0	0.00%
TOTAL	**20,099,941**	**100.00%**	**32,348,587**	**100.00%**	**32,333,413**	**100.00%**

SHARE CAPITAL AND VOTING RIGHTS AT 31 DECEMBER 2020

	Number of shares	% of share capital	Gross voting rights		Net voting rights	
LP2C	10,016,166	49.83%	20,032,332	61.81%	20,032,332	61.84%
Natural persons - Pech and Calmels families	67,396	0.34%	134,592	0.42%	134,592	0.42%
SUBTOTAL PECH AND CALMELS FAMILIES	**10,083,562**	**50.17%**	**20,166,924**	**62.23%**	**20,166,924**	**62.26%**
SIDMIA International	1,171,848	5.83%	2,343,696	7.23%	2,343,696	7.24%
Natural persons - Thrum family	213	0.00%	426	0.00%	426	0.00%
THRUM FAMILY SUBTOTAL	**1,172,061**	**5.83%**	**2,344,122**	**7.23%**	**2,344,122**	**7.24%**
TOTAL SHAREHOLDERS' AGREEMENT	**11,255,623**	**56.00%**	**22,511,046**	**69.46%**	**22,511,046**	**69.49%**
SGPFEC	1,037,141	5.16%	2,074,282	6.40%	2,074,282	6.40%
Public	7,791,223	38.76%	7,807,148	24.09%	7,807,148	24.10%
Treasury shares	15,954	0.08%	15,954	0.05%	0	0.00%
TOTAL	**20,099,941**	**100.00%**	**32,408,430**	**100.00%**	**32,392,476**	**100.00%**

SHARE CAPITAL AND VOTING RIGHTS AT 31 DECEMBER 2019

	Number of shares	% of share capital	Gross voting rights		Net voting rights	
LP2C	10,016,166	49.83%	19,857,065	61.63%	19,857,065	61.66%
Natural persons - Pech and Calmels families	67,196	0.33%	134,392	0.42%	134,392	0.42%
SUBTOTAL PECH AND CALMELS FAMILIES	**10,083,362**	**50.17%**	**19,991,457**	**62.05%**	**19,991,457**	**62.08%**
SIDMIA International	1,171,848	5.83%	2,330,434	7.23%	2,330,434	7.24%
Natural persons - Thrum family	213	0.00%	426	0.00%	426	0.00%
THRUM FAMILY SUBTOTAL	**1,172,061**	**5.83%**	**2,330,860**	**7.23%**	**2,330,860**	**7.24%**
TOTAL SHAREHOLDERS' AGREEMENT	**11,255,423**	**56.00%**	**22,322,317**	**69.28%**	**22,322,317**	**69.31%**
SGPFEC	1,037,141	5.16%	2,074,282	6.44%	2,074,282	6.44%
Public	7,792,619	38.77%	7,808,158	24.23%	7,808,158	24.25%
Treasury shares	14,758	0.07%	14,758	0.05%	0	0.00%
TOTAL	**20,099,941**	**100.00%**	**32,219,515**	**100.00%**	**32,204,757**	**100.00%**

GROSS OR THEORETICAL VOTING RIGHTS:

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

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

LP2C is equally owned by the Pech and Calmels families.

SIDMIA International is held by the Thrum family.

The shareholders' agreement between the Pech, Calmels and Thrum family shareholder groups covers all the shares held by the companies. The shares not included at the outset of the agreement do not represent a sufficiently material percentage to be detailed. It should be noted that the agreement does not have an expiry date. The main provisions of this agreement are described in § 5.10.3 "Shareholders' agreement".

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

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

CROSSING OF THRESHOLDS

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

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

OTHER SECURITIES GRANTING ENTITLEMENT TO THE SHARE CAPITAL

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

ADJUSTMENT OF THE CONVERSION BASES OF SECURITIES GRANTING RIGHTS TO THE SHARE CAPITAL, SUBSCRIPTION AND PURCHASE OPTIONS AND BONUS SHARES

In 2021, there were no adjustments made to the conversion bases of securities.

MARKET IN ACTIA GROUP SHARES

ACTIA Group S.A. is traded on Euronext Paris (Segment C), ISIN Code FR0000076655.

During 2021, the total volume of ACTIA Group shares traded was 5,659,705 compared to 6,104,872 in 2020 and 5,277,576 in 2019, representing an average daily trading volume of 21,937 shares over 258 trading days compared with 23,754 shares in 2020 and 20,696 in 2019.

In 2021, the share price trading range was as follows:

- Highest: €3.92 achieved on 1 November 2021;
- Lowest: €2.67 on 25 January 2021;
- And a close on 31/12/2021 of: €3.65.

The number of ACTIA Group shares traded declined 7.2% compared to 2020; with a rebound reported in the last few months of the year, the share price ended the year up by 34.2% compared to 31 December 2020, while the CAC Small index rose by 22.9%.

Trading in liquidity contract shares stood at 155,059 shares purchased and 155,839 shares sold for the whole of 2021. These daily flows contributed to optimising the day-to-day and intra-day trading activity for the share by reducing sharp fluctuations.

It should be noted that ACTIA Group was among the 70 companies forming the **GAÏA** Index, the benchmark Sustainable Development Index for mid-caps. Among the 700 companies listed on the Paris stock exchange, the top 70 are selected from a panel of 230 French SMEs and mid-market companies assessed and ranked according to their level of transparency on environmental, social and governance (ESG) criteria and their Corporate Social Responsibility (CSR) performance (governance, human capital, environment and relations with stakeholders). ACTIA Group entered the ranking in 2015 with a score of 81/100, confirming its involvement and its constant desire for progress. The Group's General Management, which is keenly aware of this issue, is considering various ways in which performance can be further improved.

On 8 April 2022, ACTIA Group was included in the following indices:

INDEX	ACTIA Group weighting in the index		
CAC ALL SHARES	0.00%	CAC MID&SMALL NR	0.02%
CAC ALL SHARES NR	0.00%	CAC SMALL	0.15%
CAC ALL-TRADABLE	0.00%	CAC SMALL GR	0.15%
CAC ALL-TRADE GR	0.00%	CAC SMALL NR	0.15%
CAC ALL-TRADE NR	0.00%	EN TECH CROISS GR	0.27%
CAC INDUSTRIALS	0.02%	EN TECH CROISS NR	0.27%
		EN TECH CROISSANCE	0.27%

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

	Performance		Volatility	
	ACTIA Group	**CAC MID & SMALL**	**ACTIA Group**	**CAC MID & SMALL**
2019	27.51%	19.03%	38.38%	13.39%
2020	<36.89%>	<1.29%>	36.20%	13.48%
2021	**34.19%**	**16.49%**	**43.34%**	**21.43%**

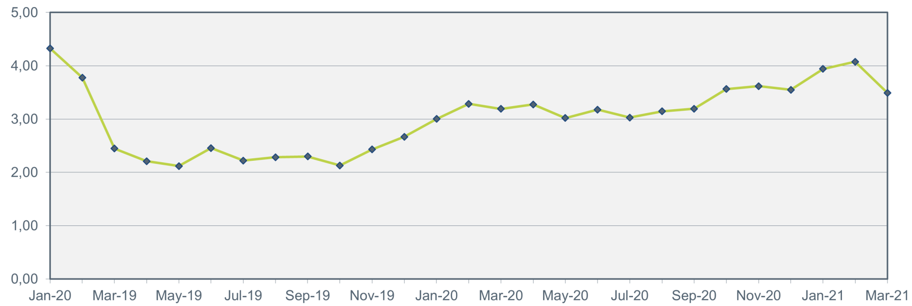
CLOSING PRICES AND TRADING VOLUMES FROM 1 JANUARY 2019 TO 26 MARCH 2021 (CLOSING PRICE IN EUROS)

2022	High	Low	Average	Trading volume
Jan-22	4.54	3.53	3.94	489,127
Feb-22	4.34	3.47	4.07	205,221
March-22	4.15	2.88	3.49	193,098

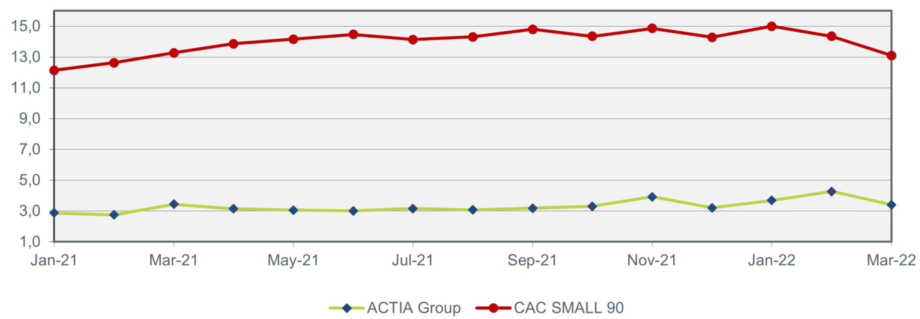
2021	High	Low	Average	Trading volume
Jan-21	3.36	2.67	3.00	840,790
Feb-21	3.73	2.75	3.28	1,051,841
March-21	3.50	2.81	3.19	879,097
Apr-21	3.44	3.12	3.27	448,042
May-21	3.19	2.83	3.02	287,366
June-21	3.56	2.99	3.18	334,275
July-21	3.19	2.86	3.03	187,872
August-21	3.24	3.03	3.15	148,945
Sept-21	3.39	2.99	3.20	292,541
Oct-21	3.83	3.24	3.56	345,969
Nov-21	3.92	3.20	3.62	398,430
Dec-21	3.70	3.15	3.55	409,922

2020	High	Low	Average	Trading volume
Jan-20	4.58	4.04	4.33	296,325
Feb-20	4.17	3.14	3.78	597,113
March-20	3.33	1.96	2.45	796,030
Apr-20	2.31	2.01	2.21	391,178
May-20	2.22	2.02	2.12	394,021
June-20	2.79	2.22	2.46	743,329
July-20	2.29	2.18	2.22	162,436
August-20	2.33	2.22	2.28	219,223
Sept-20	2.47	2.02	2.30	522,181
Oct -20	2.28	1.82	2.13	305,176
Nov-20	2.77	1.89	2.43	946,645
Dec-20	2.82	2.53	2.67	686,304

Share price trends (average monthly closing price in euros)



Share price trends since 1 January 2020 (closing price on first day of the month)



5.10.2 CONTROL AND OWNERSHIP

Information about holding and voting rights is provided in § 5.10.1 "Breakdown of the share capital and voting rights". It shows that the Group is majority owned and controlled, directly and indirectly, by the Pech and Calmels families, the families of the Group's founders, Louis Pech and Pierre Calmels, via LP2C.

Details of the membership of the Board of Directors are given in § 8.1.1 "Membership of the Board of Directors and General Management". The Pech and Calmels families hold the positions of Chairman and CEO, Jean-Louis Pech (son of Louis Pech), Deputy Chief Executive Officers, Catherine Mallet (daughter of Louis Pech) and Marine Candelon (daughter of Pierre Calmels), Jean-François Calmels (son of Pierre Calmels) and Director, Laura Pech (grand-daughter of Louis Pech). Of the five other members of the Board, two are fully independent and ensure effective governance for the Group. Two Directors representing the employees, Martine Chupin and Marie-Louise Ribaut, were elected on 23 March 2021, in accordance with the legal and statutory provisions.

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

5.10.3 SHAREHOLDERS' AGREEMENT

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

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

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

As of 31 December 2021, this agreement covered a total of 11,255,623 shares (56.0% interest) and 22,449,702 voting rights (69.40% control).

5.10.4 COMMITMENTS TO RETAIN SHARES

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

5.10.5 SHARE OR ASSET PLEDGES

Name of registered shareholder	Beneficiary	Date pledge was established	Date pledge expires	Exercise conditions	Number of issuer's shares pledged	% of issuer's share capital pledged
LP2C	LCL	22-Sept-16	22-March -22	Loan repayment	230,770	1.1%
TOTAL SHARES PLEDGED					230,770	1.1%

To the best of the Company's knowledge, 230,770 shares were thus pledged in favour of financial institutions on 31 December 2021, representing 1.1% of the Company's share capital.

5.10.6 TREASURY SHARES

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

5.10.7 TRADING IN COMPANY SHARES

To the knowledge of the Company, the Corporate Officers carried out the following transactions on the Company's shares during the 2021 financial year:

- 11 February 2021: the French limited corporation LP2C acquired 61,344 shares at a price of €3.10;
- 11 February 2021: Catherine Mallet sold 11,502 shares at a price of €3.10;
- 11 February 2021: Jean-Louis Pech sold 11,502 shares at a price of €3.10.

These disposals/acquisitions were carried out as part of family succession and did not lead to any change in the ownership of the Group's founding families.

5.10.8 SHARE BUYBACK PROGRAMME UNDER WAY

In accordance with the provisions of Article L22-10-62 of the French Commercial Code and Article 241-2 of the General rule of the French financial markets authority, we hereby provide information about the share buyback programme under way within the company.

During the Ordinary General Meeting of 20 May 2021, the company shareholders authorised the Board of Directors to purchase or sell company shares for a period of 18 months, in the framework of a share buyback programme. The maximum purchase price was fixed at 8 euros per share, and the number of shares to be acquired was not allowed to exceed 2% of the number of shares comprising the total share capital.

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

- Number of shares purchased during the financial year: 155,059;
- Number of shares sold during the financial year: 155,839;
- Average purchase price: €3.25;
- Average sales price: €3.27;
- Trading costs: €12,057.80;
- Number of shares registered in the Company's name at the close of the financial year: 11,846;
- Value of the securities at the average purchase price: €38,535.87;

- Par value for each purpose: the totality of the share buyback programme was used to support the secondary market or the liquidity of the stock through a market maker (French PSI) under a liquidity agreement complying with the French Financial Markets Association (AMAFI) Code of Ethics as recognised by the AMF;
- Number of shares used: none;
- Any re-allocations: none;
- Portion of the share capital they represent: 0.06%.

5.10.9 AUTHORISATION TO IMPLEMENT A SHARE BUYBACK PROGRAMME

Under the tenth resolution, we propose that the Chairman and CEO be granted an authorisation, for a period of eighteen months, to buy back, either once or on several occasions as required, company shares, up to a maximum of 2% of the number of shares comprising the total share capital, adjusted if necessary to take account of any increase or reduction of share capital that may occur during the period throughout which the programme runs.

This authorisation would cancel the authorisation granted to the Board of Directors in the ordinary 10th resolution of the General Meeting held on 20 May 2021.

Acquisitions may be made in order to:

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

These shares may be purchased by any means, including via block orders, whenever the Chairman and CEO considers said transaction to be appropriate. However, these transactions may not be carried out while tender offers are pending, initiated by a third party for the Company's shares and until the end of the period of the offer.

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

We propose that the maximum purchase price be set at €8 per share with the maximum amount for the share buyback programme to be set at €3,215,984.

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

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

There is no Group Savings Plan (PEG) or International Group Savings Plan (PEGI).

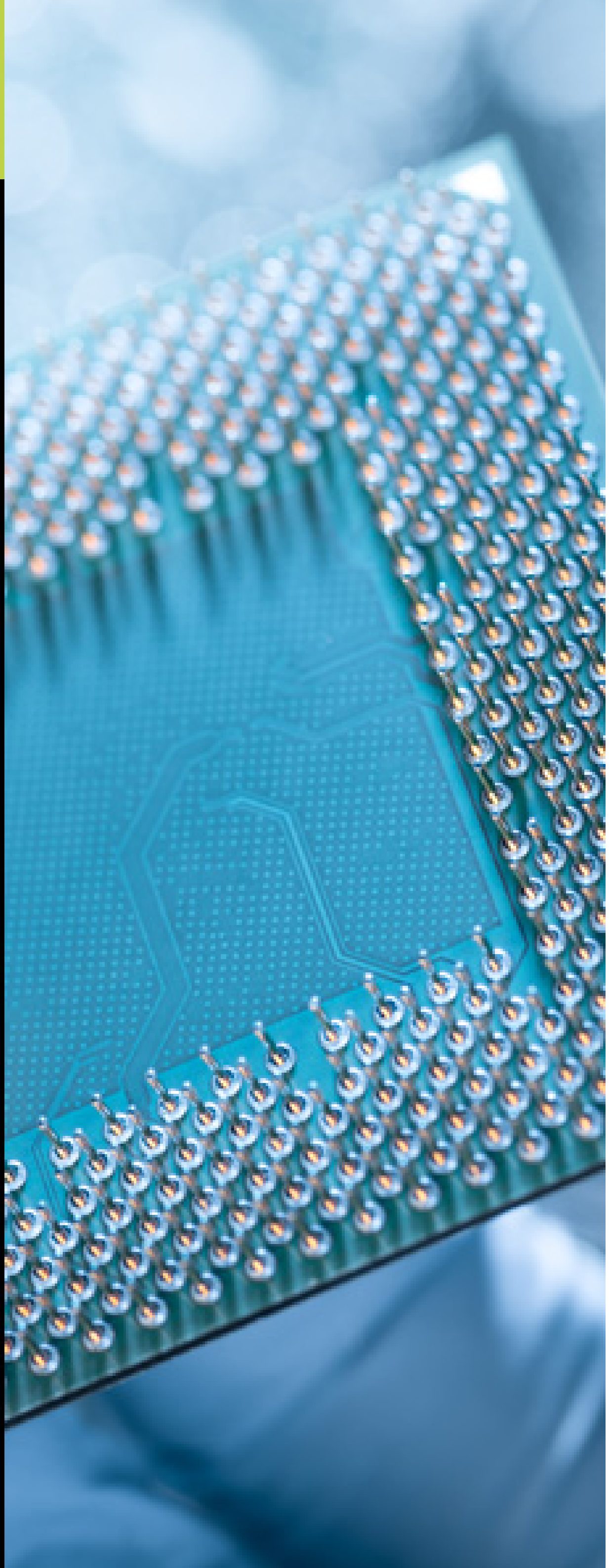
5.10.11 PERCENTAGE OF SHARE CAPITAL HELD AT THE END OF THE REPORTING PERIOD

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

5.11 CONCLUSION

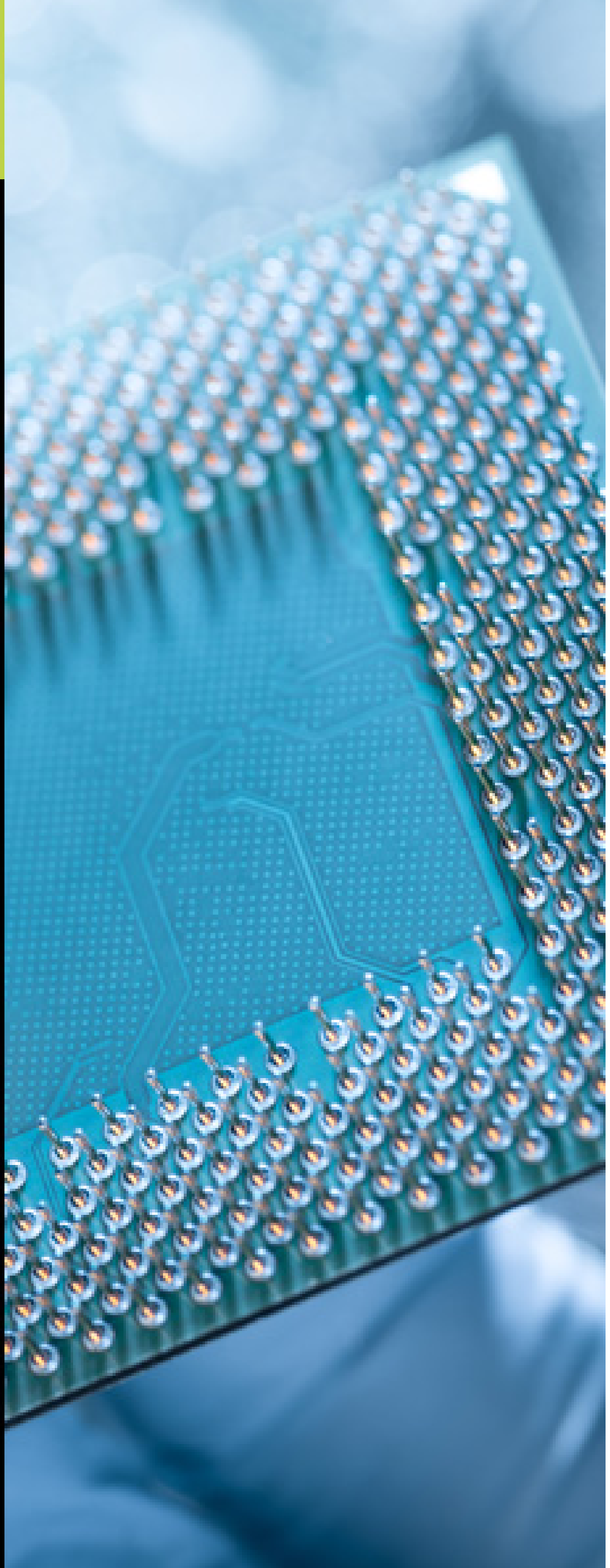
The Board of Directors asks all shareholders to vote in favour of the proposed resolutions.

The Board of Directors



6

SUSTAINABLE DEVELOPMENT



In line with a sustainable development approach and the desire to make a positive contribution to the world, ACTIA was once again recognised and awarded in 2021 by the GAÏA Index, the benchmark Sustainable Development Index for mid-caps. With a score of 81/100 this year, ACTIA Group confirms its involvement in the CSR approach.

In 2021, ACTIA Automotive and ACTIA Telecom were also rewarded by ECOVADIS, and retained their silver medal with scores of 62 and 63/100, respectively.

6.1 THE ACTIA BUSINESS MODEL

6.1.1 OUR IDENTITY

As a family-owned mid-cap, the co-founders and their families directly or indirectly hold more than 50% of the Group’s share capital and 62% of the voting rights, which ensures the long-term nature of the Company and a consistency of approach, in terms of both company culture and strategy.

6.1.2 OUR VALUES

ACTIA’s strategic positioning reflects a very precise mission: Design and manufacture electronics for systems meeting uncompromising quality standards for international customers.

It corresponds to a strategic vision:

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

Based on our values:

- A company that is proud of its roots (history, origins, etc.) and focused on the future;
- A company driven by strong values: ethics, respect, commitment, agility, proximity.

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

6.1.3 OUR BUSINESS MODEL

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

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

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

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

Some of the Group's stakeholders are presented in the management report and are described in § 5.3 "Business overview" in the Universal Registration Document.

6.2 SCOPE OF CONSOLIDATION

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

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

Within the 2021 scope, the subsidiary ACTIA Power US was not taken into account because it only had one employee for 6 months of the year, nor was ACTIA Japan, which had only one employee.

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

Name	Country	Business lines	Comments
SCI Los Olivos	Spain	Real estate	No headcount
KARFA	Mexico	Administration of holdings	No headcount
ACTIA India	India	Electronics research & manufacturing	In the process of being closed down
SCI Sodimob	France	Real estate	No headcount
SCI de l’Oratoire	France	Real estate	No headcount
ACTIA Japan	Japan	Electronics research & manufacturing	Non-significant headcount
COOVIA *(removal in April 2021)*	France	Mobility consulting	No headcount
SCI Les Coteaux de Pouvourville	France	Real estate	No headcount
ACTIA Power US	USA	Electronics research & manufacturing	Non-significant headcount

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

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

- Automotive France
- Automotive Europe (excl. France)
- Automotive Tunisia
- Automotive rest of the world
- Total Automotive;
- Telecoms (France);
- Total France
- Total Group

The tables have been produced according to the following methodology:

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

Note that in all of the tables and charts:

- The “Europe” information does not include France, as the information is detailed apart;
- The figures in the following tables and charts are derived from data in the management control system.

6.3 MAIN RISKS AND CHALLENGES

ACTIA reviews its main non-financial risks annually based on an analysis of their current materiality, their relevance and the seriousness of their possible repercussions in financial terms.

Therefore, risk mapping is updated jointly by the Group’s general management, the Group’s Legal Compliance Committee which is responsible for monitoring CSR and the Risk Management Committee in order to review the major risks for the Group. No major societal risk was reported for this reporting period.

This mapping is planned to be shared with all Group subsidiaries in 2022.

To date, this mapping has highlighted the following **risks and challenges** for the Group, with the key points to be monitored, i.e.:

- **Talent recruitment** and **retention**: In countries with a flexible job market such as China and the United States, some employees, once trained, do not show a great deal of loyalty to the Company and move on to the best offer. This trend is also present in Europe in certain professions, such as software engineering, where demand for these skills has increased significantly due to digitisation. The same holds true in Tunisia where major international groups have headhunted and hired employees of our Tunisian design office. In addition to the induction and training costs covered by the Group, the situation can lead to problems in terms of sharing key know-how and impact the Group’s business and, therefore, its results, in a more or less permanent way;
- The **safety of our employees**, especially through monitoring of accidents within the Group and more particularly during the development of new production processes such as batteries or power converters;
- The **fight against absenteeism**, with monitoring of the associated indicators and policies;
- **Skills management**, via training monitoring and employee career management tools. In countries where there is full employment, as in the United States and China, or where there are skills shortages, for example software engineers, the recruiting of employees can be difficult, all the more so because the Group is often on the lookout for skills that are in high demand;
- **Vigilance in terms of the fight against pollution**, mainly through the management of waste and water consumption;
- **Climate change**, with tracking and preventive measures in terms of energy consumption.

6.4 OUR SOCIAL RESPONSIBILITY APPROACH

6.4.1 OUR EMPLOYEES

6.4.1.1 Respect for Human rights

All entities within the Group actively promote the application of and compliance with the core conventions of the **International Labour Organisation**, namely respecting the right of freedom of association and collective bargaining, eliminating discrimination in employment and professional life, abolishing forced labour and the effective abolition of child labour.

Within this framework, CIPI ACTIA, the Tunisian subsidiary, has been a partner of the United Nations Global Compact since 2006. The purpose of the Global Compact is to encourage companies around the world to adopt a socially responsible attitude by committing to taking on board and promoting a number of principles regarding human rights, international labour standards and the fight against corruption. Signing the Global Compact is a deliberate act by the Company. In fact, the member companies commit to making progress every year in each of the four areas covered by the Global Compact and must submit an annual report called Communication on Progress (COP) explaining the progress they have made.

Finally, the entities using the services of subcontractors declare that the latter take care to comply with the core conventions of the International Labour Organisation.

6.4.1.2 Headcount

Given that ACTIA operates in a global environment which is constantly changing, its on-going growth depends on its ability to attract and retain the best talent, notably to meet the new technology challenges arising within the Group's business lines.

In addition, emphasis is now being put on structuring the induction and training process for new employees. Support tools for the employees have been implemented in several Group subsidiaries with, in particular, a new employee induction programme and actions to address quality of life at work, the fight against all forms of discrimination and the promotion of gender equality.

Although headcount had been rising constantly until 2019 in keeping with the growth of the Group, it fell due to the pandemic in 2020. It started to rise again in 2021 to meet the significant demand for activity for this year and the years to come; the situation is therefore as follows for the last three financial years:

- 2019: 3,854 people, i.e. + 4.2%;
- 2020: 3,652 people, i.e. <5.2%>;
- 2021: 3,685 people, i.e. +0.9%.

The breakdown of staff at year-end for the last three financial years is presented below:

Breakdown of staff at year-end	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Total Automotive	Telecoms	Total France	Total Group
2019	922	638	1,377	605	3,542	301	1,234	3,854
2020	907	627	1,344	459	3,337	301	1,222	3,652
2021	**865**	**633**	**1,430**	**419**	**3,347**	**330**	**1,203**	**3,685**
% change	<4.6%>	+1,0 %	+6.4%	<8.7%>	+0.3%	+9.6%	<1.6%>	+0.9%

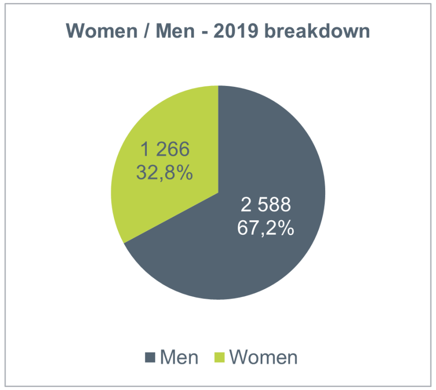
These numbers include open-ended employment contracts (CDI: contract with no fixed term that can only be terminated by dismissal, resignation, retirement, an amicable departure or any other voluntary departure by the employee), the fixed-term employment contracts (CDD: contract entered into for a pre-determined period), and apprenticeship contracts and work-study contracts that are included in fixed-term contracts.

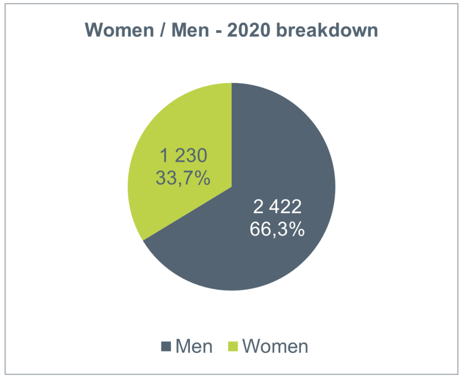
There was a decrease in Automotive France because its structure was adapted to the 2021 economic situation, in particular linked to the impacts of the pandemic and the component crisis.

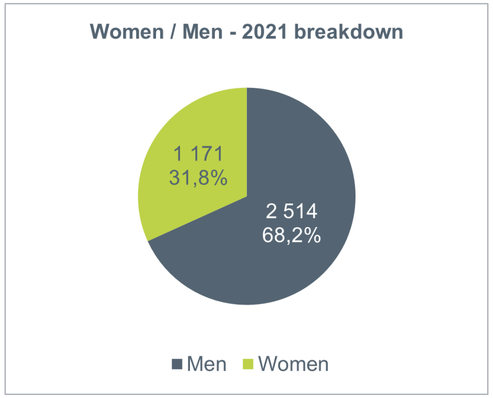
Tunisia confirmed its growth with another +6.4% additional workforce in 2021, in particular in the design office.

6.4.1.2.1 GENDER BREAKDOWN

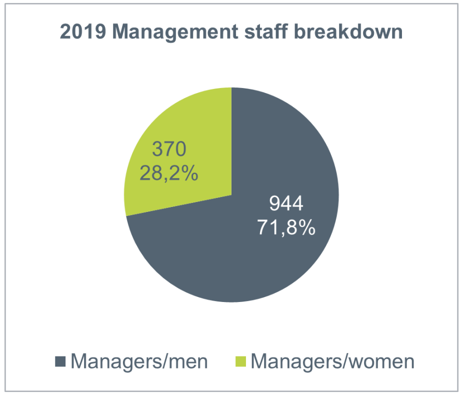
In 2021, the gender breakdown showed an average of 31.8% women, down from the previous year. The low percentage of women employees at ACTIA is due to the difficulty of finding candidates who have the technical skills required by the Group. On the Tunisian production site, for example, the number of women in the subsidiary dropped after the retirement of a large number of female employees, replaced by technical jobs where it is difficult to find suitable female candidates.

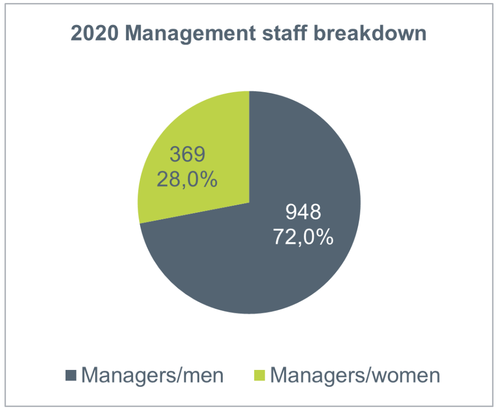


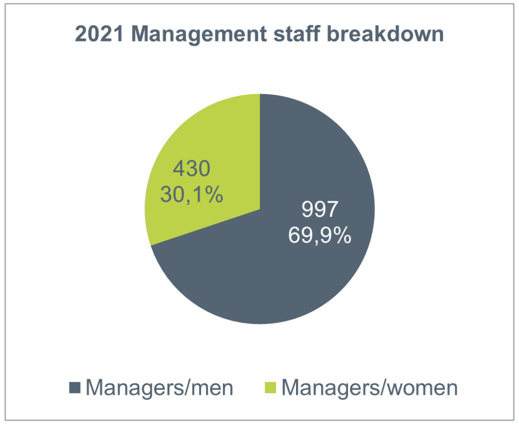


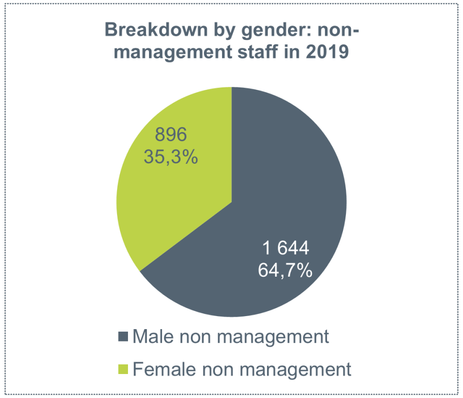


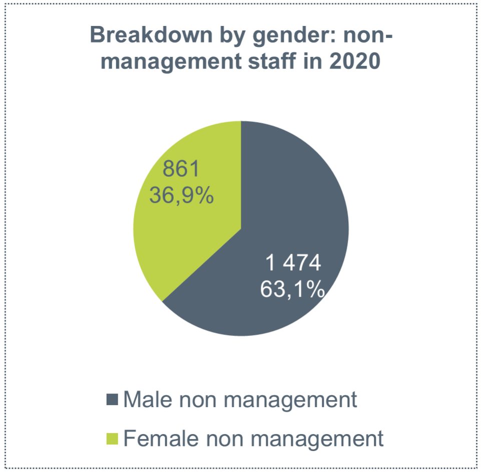
The graphs below present the breakdown of management and non-management staff by gender.

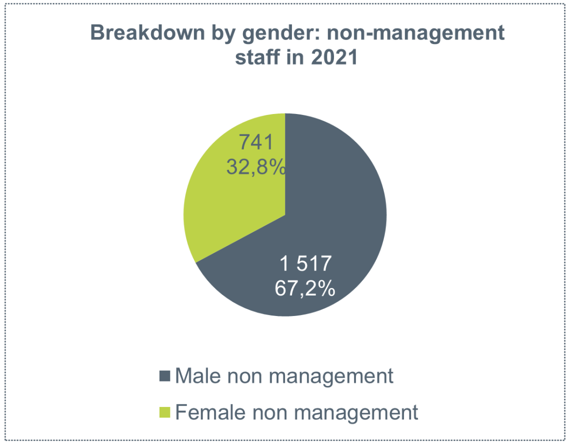










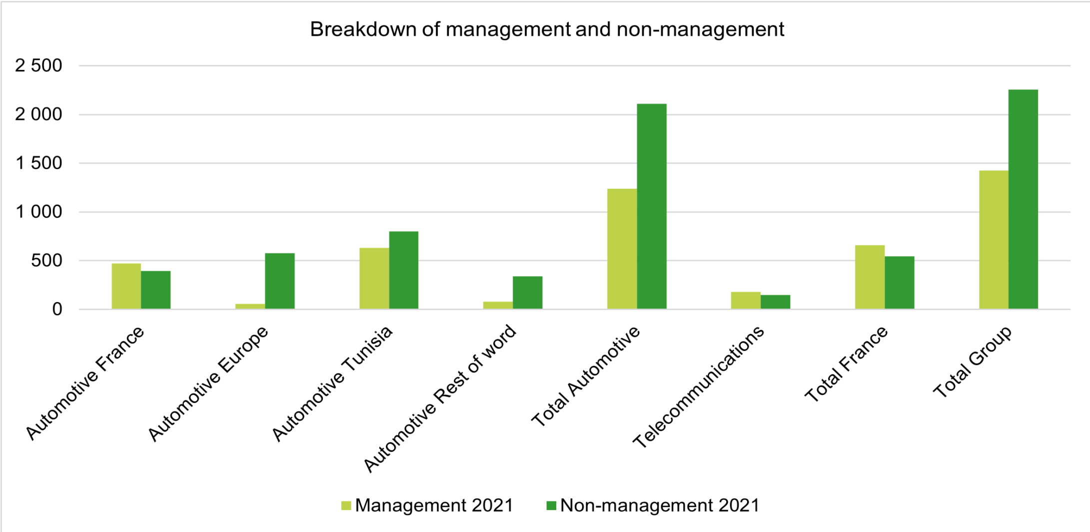


This year again, the percentage of women in management positions is lower than that of women in non-management positions. But the representativeness of women in management positions increased again with 30.1% of the overall management headcount, compared to 28.0% at the end of 2020.

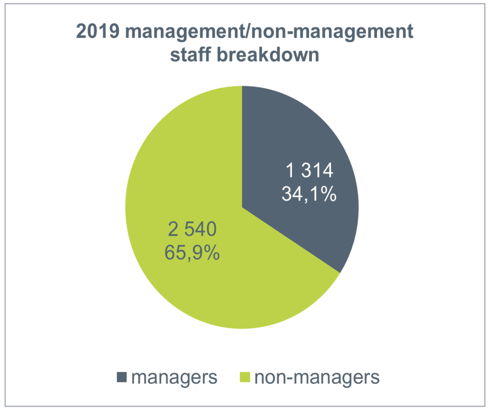
Given the persistent lack of women candidates for these types of positions, the Group finds it difficult to hire women managers.

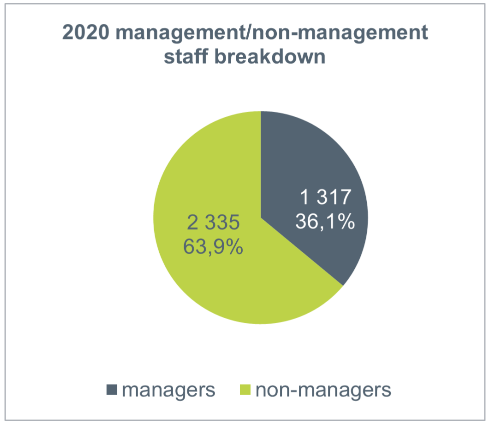
Within the Group's governance bodies, women accounted for 36.6% of Boards members, all subsidiaries included, and for 51.5% in France. They accounted for 23.8% of the members of Group management committees and 32.4% in France. Women are better represented on French executive bodies and on Group executive committees than in the management category.

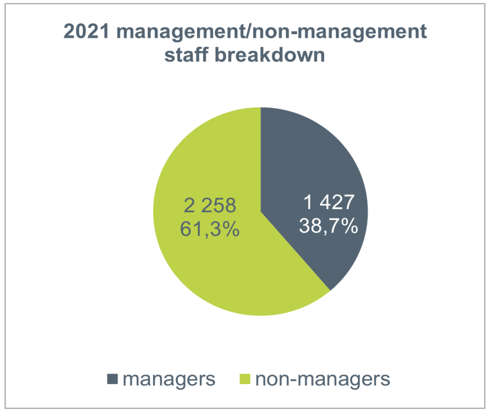
6.4.1.2.2 BREAKDOWN OF MANAGEMENT AND NON-MANAGEMENT STAFF



Change in workforce over 3 years is as follows:



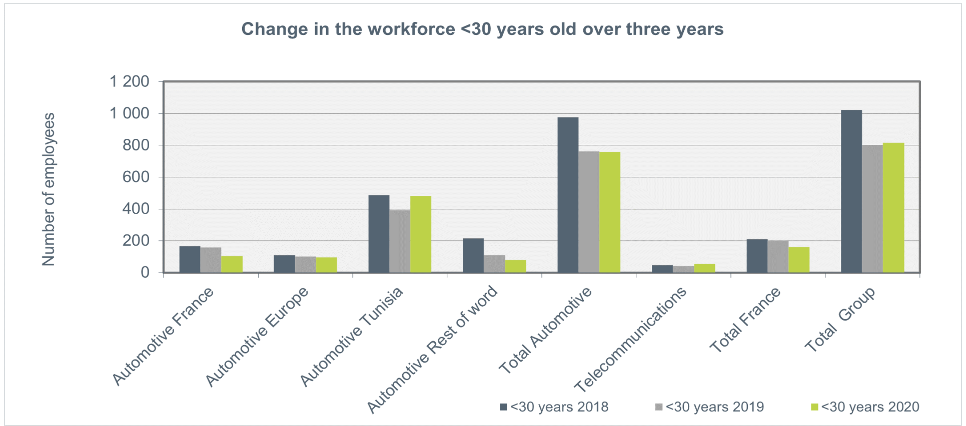


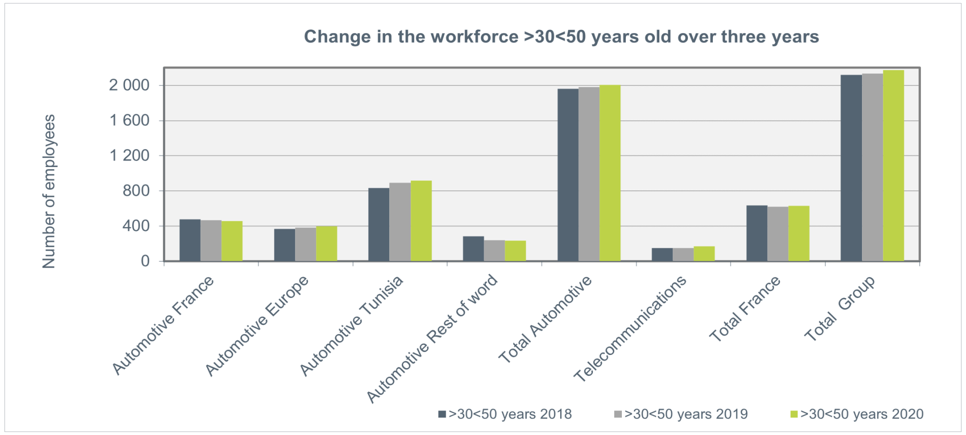


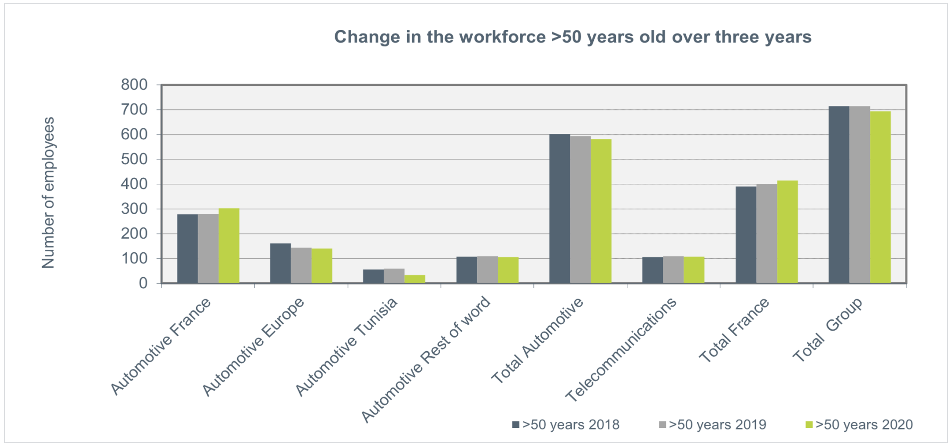
At the end of the financial year, management represented 38.7% of Group headcount. The recovery in business and therefore in R&D, as well as the increase in more technical professions linked to the automation of production lines, are the reasons for these figures.

6.4.1.2.3 BREAKDOWN BY AGE

This changed as shown below:



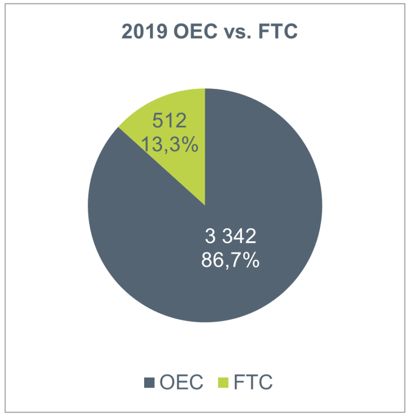


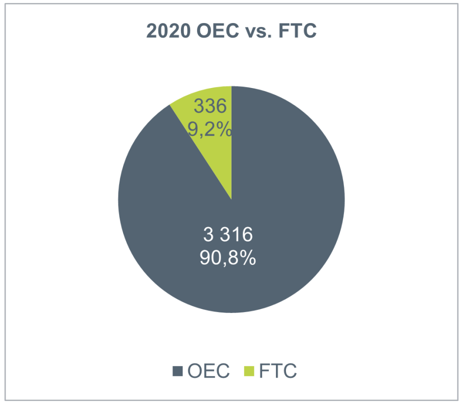


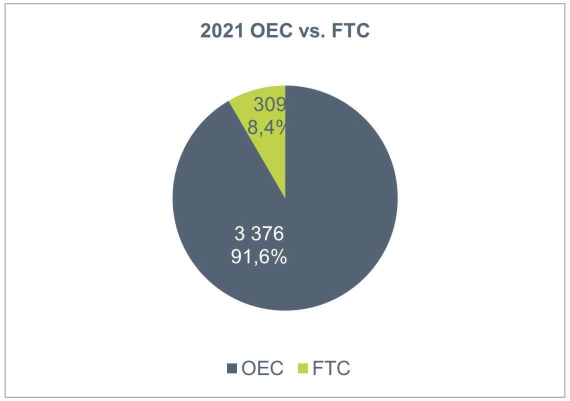
6.4.1.2.4 BREAKDOWN BETWEEN OPEN-ENDED AND FIXED-TERM EMPLOYMENT CONTRACTS

With 67.6% of hires being given open-ended contracts, the Group continued to favour mostly long-term recruitments in order to develop the skills needed for its business. The percentage of hires with a fixed-term employment contract fell for the 5th consecutive year.

The breakdown between fixed-term and an open-ended contract is as follows:







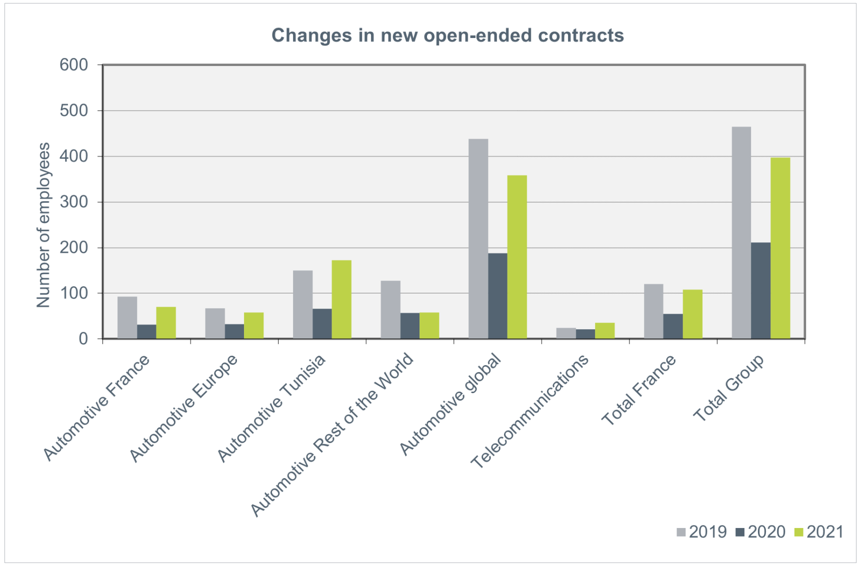
As a direct consequence, people with a fixed-term employment contract now account for 8.4% of the headcount, compared to 9.2% in 2020 and 13.3% in 2019.

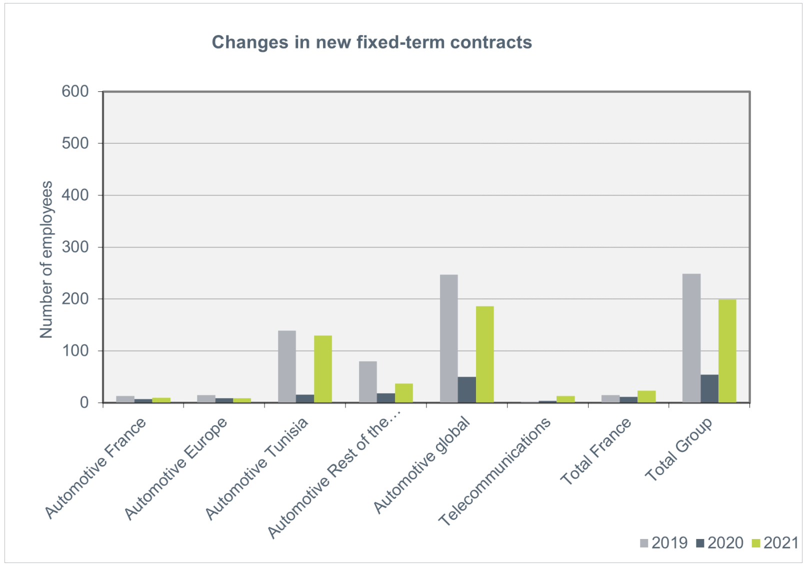
Furthermore, the Group has also observed changes with respect to its average headcount. This indicator enables the establishment of profitability analysis ratios for the companies.

Average headcount	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Total Automotive	Telecoms	Total France	Total Group
2019	902	644	1,353	598	3,496	292	1,203	3,797
2020	912	633	1,363	504	3,412	298	1,222	3,722
2021	**889**	**642**	**1,358**	**448**	**3,338**	**311**	**1,210**	**3,659**
% change	<2.5%>	+1.5%	<0.4%>	<11.1%>	<2.2%>	+4.2%	<0.9%>	<1.7%>

6.4.1.2.5 HIRES

In 2021, there was a clear upturn in hiring with the rebound in economic activity after the pandemic-driven lockdown in 2020. However, faced with the shortage of components, ACTIA tried to balance the growth of its workforce between a growing need for resources linked to a sharply increasing order book and crisis management requiring human resources, and profitability under pressure.





The use of fixed-term employment contracts accounted for 33.4% of hires, up from 20.4% the previous financial year. The use of fixed-term employment contracts was most common in hires made in Tunisia and China, 65.3% and 15.1%, respectively.

Furthermore, 87 fixed-term employment contracts signed before 2021 were converted into open-ended contracts during the year and 102 fixed-term employment contracts predating the financial year were renewed in 2021.

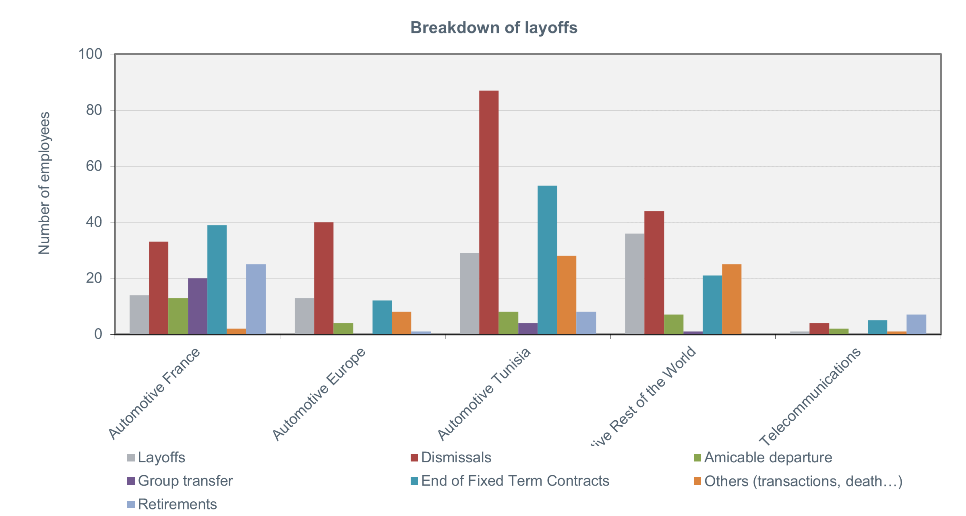
The Group continued to experience difficulty hiring. There are multiple recurring reasons for this: high levels of recruiting, a shortage of candidates with the skills specifically sought after, sites located outside of big urban areas, etc.

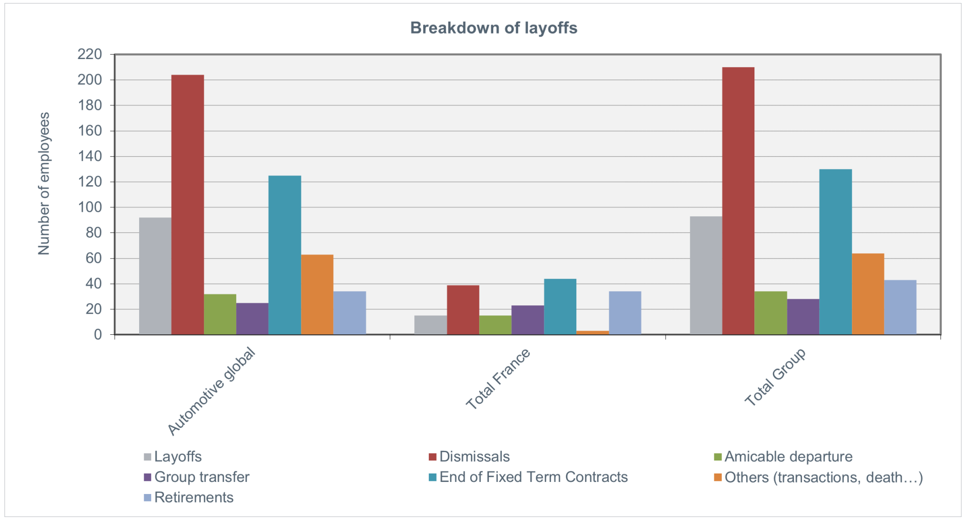
The use of temporary staff accounted for 4.2% of Group jobs, with 153 temporary staff compared to 132 last year. This type of contract clearly played its role during the health crisis, which still continued to cause disruptions in 2021 with regular absences from work due to illness or contact with cases. France, Sweden and Tunisia were the main countries that used this type of contract. It should be noted, however, that not all offers to convert temporary positions into open-ended employment contracts are accepted by the persons in question, especially in France.

ACTIA makes use of subsidised contracts (apprenticeships, work-study contracts, etc.) in those countries where they are permitted by local regulations. Specifically, the Group employed 75 people on subsidised contracts in 2021, a figure substantially down by 34.8% compared to the previous period, especially in France. France accounted for 88.0% of the Group's subsidised contracts, followed by Tunisia, with 8.0%. In 2021, these contracts resulted in 10 hires, compared to 17 in 2020, primarily in France, in the Design Office.

Finally, the Group took in 144 students on work placements as part of training with a formal qualification. Internships ranged from 30 to 229 days with an average duration for the Group of 92 days. In addition, it should be noted that 35 of interns were hired following their internship, compared to 13 in 2020. France and Tunisia remain the largest contributors for this type of subsidised contract with a formal qualification. The strong tie with schools, especially engineering schools, continues to ensure future hires while providing for an immersion training period beforehand.

6.4.1.2.6 LEAVERS





602 people left the company during the financial year, up compared to 2020.

More specifically, 93 people were made redundant, mainly at the international level (83.9%); this figure is fairly high.

During the reporting period, 71.0% of redundancies were for economic reasons and concerned 66 people. They are linked to the current component crisis.

Resignations increased by 21.4% for the period and involved 210 employment contract terminations, probably related to the impacts of the pandemic on the job market. The area most affected by this type of departure was Tunisia (41.4%), a result of high mobility which continues to exist in this country despite the health crisis.

There were 34 amicable departures over the period: 24 non-management employees and 10 managers, of which 44.1% in France.

In addition, 43 people retired, of which 27 non-management employees, France still accounting for most retirements within the Group (79.1% compared to 58.6% in 2020).

Lastly, other reasons for departure including amicable departures during the trial period, position changes and intra-group transfers involved 92 people, a figure which is up compared to the previous year.

In addition to these figures, we need to add 130 departures of people with a fixed-term employment contract, for reasons which included the reaching of the contract term, the end of the apprenticeship or work-study contract and early termination.

6.4.1.2.7 EMPLOYEE TURNOVER

ACTIA uses the following definition to account for turnover:

$$\frac{[(\text{number of open-ended contract departures during year N} + \text{number of new employees with open-ended contracts during year N})/2]}{\text{Headcount as of 31 December of year N-1.}}$$

Turnover rate	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Total Automotive	Telecoms	Total France	Total Group
2019	9.0%	11.5%	14.8%	26.2%	14.6%	7.5%	8.7%	14.1%
2020	4.8%	7.2%	5.2%	18.2%	7.7%	8.0%	5.6%	7.7%
2021	**9.9%**	**10.3%**	**13.7%**	**17.3%**	**12.5%**	**9.5%**	**10.0%**	**12.3%**
Change / 2020	5.1%	3.1%	8.5%	<0.9%>	4.8%	1.5%	4.4%	4.6%

With the recovery of business activity worldwide, turnover returned to its pre-pandemic level, while North America still remained particularly sensitive to the health crisis.

The figure remained high in the USA due to a high local turnover rate, and in Mexico, due to the health crisis, which aggravated an already difficult economic situation. Despite major steps by the Design Office in Tunisia, turnover returned almost to the 2019 rate with 26.1%. The pandemic brought about a new phenomenon where foreign companies offer salaries paid in their country to hire people who can work from home in Tunisia, significantly distorting local salaries. Many departures from the Tunisian Design Office are due to such new practices.

ACTIA is doing its best to reduce this turnover and retain its talents, in particular by strengthening career management within the Group and paying particular attention to the quality of life at work. ACTIA is also striving to establish itself outside capital cities in order to attract less volatile staff.

6.4.1.3 Talent management

6.4.1.3.1 TRAINING

An annual training plan is in place in most the Group's entities.

These plans are developed based on:

- Annual employee performance assessment meetings;
- Strategic workforce planning;
- Discussions with employee representatives or the site manager.

Though the training hours per employee had fallen in 2020 due to Covid-19, they increased in 2021 without reaching the 2019 level, as the complicated health conditions still persisted. In France, support for training during the Long-term part-time working hours was particularly useful in making up for the delay incurred in 2020.

These indicators are evidence of the ACTIA's desire to be proactive about the performance level of its employees in order to maintain a high level of expertise within the Group.

The number of training hours in relation to the average 2021 headcount expressed in Full-Time Equivalent (FTE) was 13 hours per employee, compared with 8 hours for the previous year.

The training policy for the main French subsidiary, ACTIA Automotive, and at Group level, is primarily implemented based on the strategic priorities set out by management through:

- Upskilling to be able to follow the technological roadmap of all the core functions in electronics and software;
- The development of projects and skills: project management, change management;
- Support for industrialisation and production: Lean method, new equipment, testing tools, MSA methods;
- Continuity in support for customer certifications and quality standards, as well as in safety and risk prevention.

6.4.1.3.2 SKILLS MANAGEMENT

ACTIA has gradually implemented skills management at a worldwide level, providing mobility within the Group while maintaining a responsible compensation policy. ACTIA created the ACTIA Academy training tool which works hand in hand with career management. Originally implemented in Tunisia in the Design Office, the tool will be gradually rolled out across the Group to help retain the teams. Unfortunately, the health crisis delayed the roll-out, because Human Resources teams had to focus their full attention on managing the consequences of the pandemic.

At the same time, in-depth work is also being done on the employer brand to illustrate the family company values ACTIA has implemented since its creation.

6.4.1.3.3 PROMOTION OF DIVERSITY AND INCLUSION

Diversity:

The Group is present in 16 countries and diversity is a reality, part of the daily life of the teams via the collaborative work environment developed by the Group and, therefore, during meetings and joint actions, in a range of areas including research, sales, management, and inter-departmental functions. The breakdown of the Group's 3,685 employees in terms of country is as follows:

- 96.1% are of the same nationality as the subsidiary;
- For employees who do not have the same nationality as the subsidiary:
  - 1.6% are EU nationals,
  - 2.3% come from other countries.

This breakdown varies very little country by country and remains relatively stable from one year to the next.

Equal opportunity is ensured within each organisation and internal mobility within the Group and internationally is gradually being put in place, particularly for the ACTIA Engineering Services design office. The Group reinforced support for internal mobility, especially through communication; opportunities for mobility are henceforth monitored at the time of performance appraisals and the Group would like to see an increase in the figures, along with specific support for individuals. In 2021, the Group recorded 78 internal mobility actions, 46 of which concerned managers, a sharp rise compared with 2020 (35 mobility actions). However, the Group is hampered by different local regulations with regard to labour law whenever it attempts to promote international mobility.

Disability:

In 2021, 64 disabled workers were employed within ACTIA. As some local regulations impose quotas, legally 93 jobs should be held by disabled workers across the Group. In order to make up for the balance, the sites in France continue to make use of outsourcing to vocational support centres (CAT). This outsourcing represented the equivalent of 14 people and, unfortunately, was not sufficient to cover the shortfall in 2021. The Group was obliged to pay a total fine of €88,400 for non-compliance with its obligations in this area. The Group has still only partially reached its goals, but the indicators show constant improvement and are evidence that the Group is making efforts to ensure that it gradually makes up the lost ground. Some people in France still refuse to benefit from the status of disabled worker, and that is why ACTIA continues to raise the awareness of its employees to the need to accept disabilities.

To continue to raise employee awareness, ACTIA organised a “DUODAY” week in the autumn of 2021, during which Group volunteers welcomed people with disabilities to present their work to them.

Determined to foster inclusion to make it a strength within the Group, ACTIA launched an audit carried out by AGEFIPH in 2021. Following this diagnosis, an action plan was formalised in early 2022. It will be implemented this year.

6.4.1.4 Gender equality

ACTIA has had a proactive policy in place for many years to ensure gender equality, particularly in terms of compensation. As part of this policy, a study is conducted once a year in order to correct any gaps.

The results obtained in the French "Gender equality" index, are as follows:

This index is based on 5 criteria established by the French government:

- Pay gap indicator;
- Increase rate gap indicator;
- Promotion rate gap indicator;
- Return from maternity leave indicator;
- Highest pay indicator.

In 2021, the return from maternity leave indicator could not be assessed at ACTIA Automotive France. ACTIA Automotive's 2022 Gender Equality Index in France (relating to 2021 data) was therefore **58 points out of 85** (68%). The drop in the "individual increase rate gap" indicator is due to the health crisis and the electronic component shortage, which forced the company to freeze its salary policy, with the exception of individual pay increases following the reorganisation of activities. They mainly concern activities in the fields of vehicle inspection and garage equipment with mobile teams made up of men.

ACTIA Telecom's 2022 Gender Equality Index (relating to 2021 data) was **86 points out of 100**.

The goal is to ensure that the results improve over time even though in France, in particular, it is difficult to find female candidates for a significant number of open positions, even with the support of recruitment firms. We are implementing a number of action plans to ensure improvement is made.

ACTIA is focusing on four key areas to promote gender diversity and professional equality:

- Recruitment, to ensure that all applications are equally considered,
- Pay, to guarantee the principles of equality throughout professional careers,
- Professional training, to ensure equal skills development opportunities,
- Professional promotion, to offer men and women the same opportunities in terms of jobs, career development and access to management positions, and ensure they are employable.

Visible actions in favour of gender equality are implemented, in particular by promoting the work-life balance. The Group offers employees a range of options, including:

- Flexitime (one or more days per month);
- Home-working (for longer periods, in certain specific situations);
- Shift to part-time work, which is carefully studied and analysed on a case-by-case basis;
- Flexibility with regard to working hours (clock-in/clock-off times).

Over the period, in light of the very specific context, more people worked from home in nearly all the subsidiaries.

Work groups have also been created to promote a collaborative approach to well-being and work-life balance. In addition, the right to disconnect and the workday are reviewed during the annual performance assessment meetings.

The implementation of the work-life balance also includes concierge services, implemented several years ago for the employees of ACTIA Automotive, the main Group subsidiary.

6.4.1.5 Health & Safety

As a real priority for the Group, personal safety is managed through the following actions:

- Detailed identification, analysis and management of risks;
- Implementation of prevention, surveillance, protection and first aid systems;
- Training of first aiders;
- Raising awareness of personnel.

Given the current situation of the global COVID-19 health crisis, the Group has put in place a number of measures in order to guarantee the health and safety of all its employees, namely:

- A drastic reduction in all business travel at the very start of the crisis in China in February 2020;
- Shutdown of all sites if it was not possible to take adequate measures to protect health in compliance with the lockdown instructions issued by various governments, and making use of furlough or part-time work schemes wherever such schemes were available;

- The targeted use of home-working to ensure management of the Group, key functions, the continuity of the most sensitive projects and the interface with customers and suppliers;
- The setting up of specific prevention plans.

Communication tools were developed as part of the management of this crisis in order to help maintain links with managers and all employees, so that no one was left isolated, notably via conversations on Yammer.

The main subsidiary, ACTIA Automotive, has a safety manual describing the measures necessary to protect assets and people; this manual has led to certification by the French customs services as an approved economic operator (OEA).

Fire safety and electrical installation standards are met by all subsidiaries. Subsidiaries that do not perform the inspections themselves benefit from this service specifically provided for under their leases.

The Group therefore has 92 people playing an active role in the prevention and the protection of the physical and mental health of employees, as well as their safety and the improvement of working conditions, especially with a view to facilitating access for women to all jobs while addressing problems related to maternity, adapting and refitting work stations to facilitate access for the disabled to all jobs and to help ensure that they remain in employment throughout their working lives.

6.4.1.5.1 OCCUPATIONAL ACCIDENTS

In 2021, 30 occupational accidents occurred resulting in lost working days; accidents occurring while commuting have been excluded from this figure in order to be in full compliance with the indicators used in France and thus report reliable information. These accidents represented 281 lost working days. In addition, 261 lost working days were recorded in 2021 due to occupational accidents that occurred in previous periods, the consequences of which continued into the new financial year.

The Company has put in place monitoring of the following indicators based on current standards:

- **Frequency**, which corresponds to the number of occupational accidents, excluding while commuting, occurring over the year and resulting in lost working days x 1,000,000/total number of hours worked during the year;
- **Severity**, which includes the total number of lost working days resulting from accidents occurring during the year or in prior years, excluding while commuting, x 1,000/total number of hours worked during the year;
- **Frequency index** which corresponds to the number of occupational accidents, excluding while commuting, occurring during the year resulting in a lost working day x 1,000/average Group headcount.

Changes to these indicators over the period in question were as follows:

Frequency of occupational accidents with lost working days	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Automotive	Telecoms	France	Group
2019	10.4	0.8	1.9	0.9	3.2	5.7	8.9	3.4
2020	6.4	3.7	2.0	2.3	3.5	0.0	4.8	3.2
2021	**8.8**	**4.8**	**3.**	**1.1**	**4.6**	**6.1**	**7.9**	**4.7**

Severity of occupational accidents with lost working days	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Automotive	Telecoms	France	Group
2019	0.1	0.0	0.0	0.0	0.0	0.1	0.1	0.0
2020	0.3	0.0	0.0	0.0	0.1	0.0	0.2	0.1
2021	**0.3**	**0.1**	**0.0**	**0.0**	**0.1**	**0.1**	**0.2**	**0.1**

Frequency index	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Automotive	Telecoms	France	Group
2019	14.4	1.6	3.7	1.7	5.7	10.3	13.3	6.1
2020	9.9	6.3	3.7	4.0	5.9	0.0	7.4	5.4
2021	**13.5**	**7.8**	**6.6**	**2.2**	**8.1**	**9.6**	**12.4**	**8.2**

The Group recorded no cases of occupational illness.

Ever mindful of the health of its employees, our subsidiary ACTIA Engineering Services in Tunisia has even put in place an ambitious health-related action plan covering:

- The fight against cancer through World Cancer Day, with input from the occupational health department and collection of funds to be donated to the “Tunisian cancer association”, along with the organisation of a “pink October” day and awareness-raising via video conference;
- A health survey conducted to find out how employees felt about the lockdown period; the findings helped us identify “vulnerable” people, to improve the way we provide them with support, offering virtual appointments if required;
- Organisation of various activities outside of working hours, such as music and football clubs, and running sessions;
- Organisation of various Team building activities, such as lunches and breakfast get-togethers, when the health situation allows such events to go ahead.

6.4.1.5.2 ABSENTEEISM

Sick leave accounted for 25,433 lost working days in 2021, 8,105 of which were in France.

Sick days remained very high in Tunisia where the year 2021 was again severely impacted by Covid-19. The breakdown by division and by employee is given in the following table:

Number of days of sick leave per employee	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Automotive average	Telecoms	Average France	Average Group
2019	7.1	7.8	7.7	1.2	6.5	4.4	6.4	**6.3**
2020	7.6	8.6	6.4	0.9	6.3	3.6	6.6	6.1
2021	**7.2**	**7.7**	**8.9**	**0.8**	**7.1**	**5.5**	**6.7**	**7.0**
Change / 2020	<0.5>	<0.9>	+ 2.4	<0.1>	+0.8	+1.8	+0.1	+0.9
% change	<6.0%>	<10.4%>	+37.7%	<8.6%>	+12.2%	+50.4%	+1.6%	+13.9%

Within the Group, there is a return to work policy, even if it is not systematically documented. The policy means a close working relationship with the occupational health department on issues such as workstation design, the examination of specific jobs and pre-return to work visits, the organisation of meetings during sick leave to prepare for the return, a formal interview to identify the causes and characteristics of the illness and how best to prevent the recurrence of sick leave.

A crisis and training line to help manage psychosocial risks exists within ACTIA Automotive.

Improving the quality of life in the workplace is an important issue for ACTIA. The concierge service made available to the employees is one of the tools that facilitates the work-life balance and its range of services is being added to all the time. There are also many other initiatives under way at other sites that aim to facilitate quality food service, organise on- or off-site sporting activities or provide relaxation rooms for the employees.

6.4.1.5.3 PROMOTING PHYSICAL ACTIVITY AND SPORTS

In the Toulouse subsidiary, many sports associations offer several activities to employees throughout the year. Employees can do Pilates on site using the infrastructure provided (room, changing rooms), or enjoy outdoor activities such as golf, mountain biking, skiing, football, petanque and many others. Groups are also organised to participate in certain public races such as the solidarity race organised by the ODYSSEA association against breast cancer.

The Design office in Tunisia also has a football and running club. It participates in various competitions and has two agreements with sports centres.

6.4.1.5.4 HUMAN RESOURCES

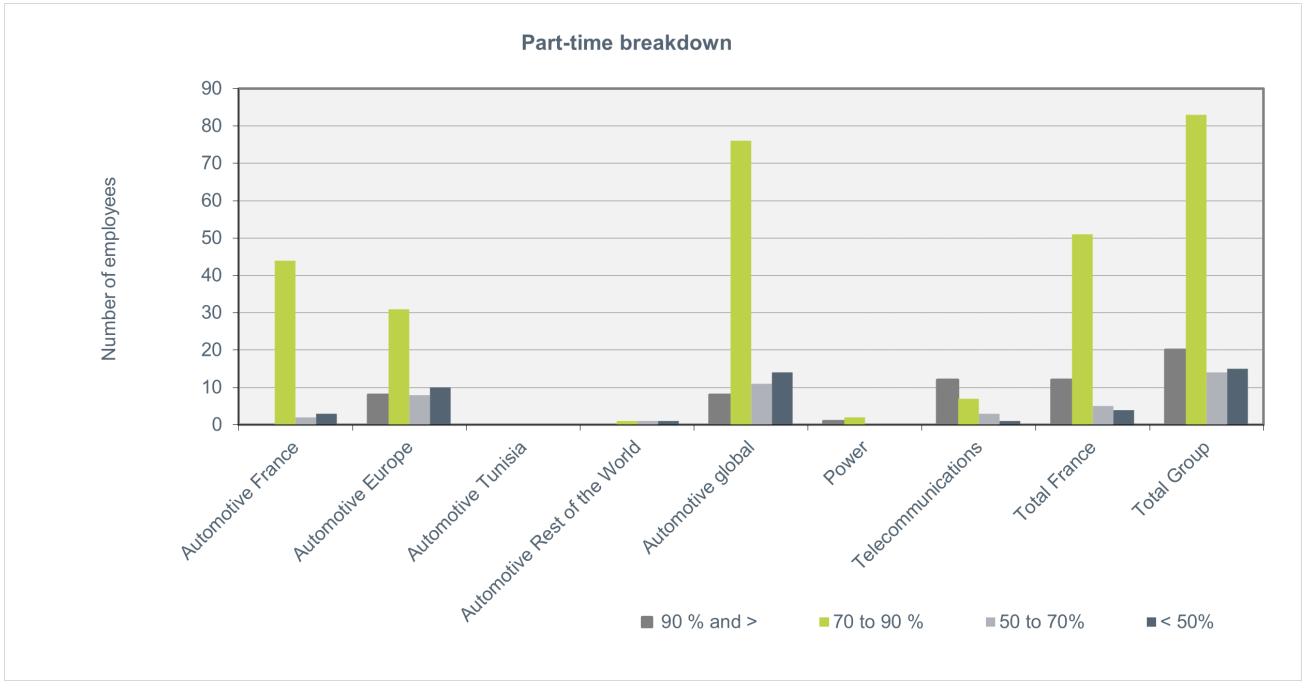
Working hours

In the majority of countries where the Group is present, the working week consists of five days. Only the Mexican subsidiary, in accordance with local regulations, operates according to six-day working weeks.

It should be noted that in France, management and equivalent positions are employed on the basis of 218 working days per year, which is the maximum legally authorised; the other employees benefit from the full-time, legally applicable 35-hour working week on an annualised basis.

As for circuit board manufacturing plants, the Colomiers site in France generally operates according to two 8-hour shifts and can operate on three 8-hour shifts if required to meet specific production demand. With respect to the Tunisian site of CIPI ACTIA, a significant number of production lines are organised on a shift work basis (two or three 8-hour shifts) depending on production volumes, performance and/or the workload of the production facilities. These production sites can have a six-day working week.

Group-wide, there were 132 part-time employees compared to 126 in 2020. Of these, 66.0% were women. The part-time breakdown is shown in the graph below:



Up sharply compared to 2020 due to business recovery, the overall volume of overtime hours stood at 93,152 hours, 89.0% of which were worked by non-management staff, compared with 40,408 hours in 2020, bearing in mind that managerial staff with a fixed-rate employment contract (no specified number of working hours) are not included in the calculation. The production sites in Tunisia put in 61.0% of the overtime hours in order to limit the impact on our customers, reflecting the difficulty of organising production while managing shortages.

Labour relations

All the Group's French facilities are subject to the national Metallurgy industry collective bargaining agreement. The two Tunisian circuit board production sites are covered by the collective bargaining agreement for the electricity and electronics industry. It should be noted that this notion of collective bargaining does not exist in all countries where the Group operates.

61.2% of the Group's staff work in entities where trade unions are present.

There are 115 employee representatives.

All ACTIA employees periodically receive information from management via different media depending on the subsidiary. Bulletin boards are systematically used, along with email, meetings and internal newsletters. Employees at all facilities are informed of Company results and targets. Since the first lockdown, the main French subsidiary has set up a means of ensuring regular communication with all of its employees, namely, a dedicated Yammer network. The latter provides a specific framework for communication, via an extended network when required, to reach out to people working a long way from their usual place of work (lockdown, home-working, illness, and so on).

In addition to measures imposed by local legal obligations, the following benefits are offered:

- Health: supplementary healthcare scheme for 92.0% of employees [(1)];
- Luncheon vouchers for 59.3% of employees;
- Maternity (maternity bonus) for 20.1% of employees;
- Supplementary pension scheme for 12.9% of employees.

[(1)] *Data excluding France where supplementary health insurance is mandatory.*

73.6% of employees, depending on the entity, are also eligible for various bonuses such as: "13th month" bonus, one-off bonuses, funeral expenses, marriage allowances, travel insurance benefits, supra-legal bonuses for quality, attendance, behaviour, productivity and other bonuses.

With respect to annual compensation, trends for the last three financial periods are presented below:

Average salary expense	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Total Automotive	Telecoms	Total France	Total Group
2019	60,643	56,741	10,542	26,617	34,721	66,487	62,676	37,420
2020	57,270	54,395	11,295	26,934	33,884	60,938	59,110	36,436
2021	**61,311**	**56,342**	**12,474**	**32,057**	**36,553**	**65,910**	**64,934**	**39,326**
% change	7.1%	3.6%	10.4%	19.0%	7.9%	8.2%	9.9%	7.9%

The average salary expense corresponds to gross payroll, increased by social charges as presented in the accounting of each subsidiary, divided by average headcount. The increase in 2021 results from the recovery of economic activity with an upturn in hiring and higher salaries in Tunisia and the United States to try to reduce the turnover.

Furthermore, the percentage of social charges in relation to the gross salary breaks down as follows:

Social security/ Payroll	Automotive France	Automotive Europe	Automotive Tunisia	Automotive rest of the world	Total Automotive	Telecoms	Total France	Total Group
2019	49.4%	29.6%	14.7%	27.4%	35.3%	51.9%	50.0%	37.5%
2020	42.0%	28.1%	15.0%	23.0%	31.3%	42.7%	42.2%	32.9%
2021	**42.5%**	**28.3%**	**15.0%**	**31.6%**	**32.5%**	**45.8%**	**43.3%**	**34.3%**

With regard to the weight of social security / payroll, it should be noted that social contributions remain exceptionally high in France compared to other countries. The decrease in social contributions seen since 2020 is partly due to government-run furlough schemes which took over the payment of social contributions for the periods concerned, depending on the country.

6.4.1.5.5 PROFIT SHARING

The following table summarises amounts expensed by the Group in connection with profit sharing and/or incentive scheme agreements signed by the different subsidiaries:

Profit sharing (€K)	Automotive France	Automotive Europe	Automotive Tunisia	Automotive rest of the world	Total Automotive	Telecoms	Total France	Total Group
2019	0	319	0	177	496	0	0	496
2020	0	133	0	177	310	0	0	310
2021	**0**	**124**	**0**	**0**	**124**	**0**	**0**	**124**

Incentive scheme (€K)	Automotive France	Automotive Europe	Automotive Tunisia	Automotive rest of the world	Total Automotive	Telecoms	Total France	Total Group
2019	0	416	0	216	632	854	854	1,487
2020	56	420	0	189	665	0	56	665
2021	**0**	**48**	**0**	**444**	**492**	**0**	**0**	**492**

For both profit sharing and incentive schemes, procedures of application vary from one company and country to the next, according to local regulations.

6.5 OUR ENVIRONMENTAL RESPONSIBILITY APPROACH

The Group is not subject to any specific environmental regulatory constraints with regard to its activities.

The environmental management systems put in place at the certified facilities, regulatory monitoring and the resulting follow-up processes ensure that they remain in compliance with regulations.

The sites of ACTIA Automotive and ACTIA Telecom (France), ACTIA I+Me and ACTIA Power Deutschland (Germany), ACTIA Nordic (Sweden), CIPI ACTIA and ACTIA Tunisie (Tunisia), ACTIA Electronics and ACTIA China (China) are ISO 14001-certified. Therefore, 69.8% of the Group headcount is covered by a clearly defined and fully validated environmental policy. Companies certified under ISO 14001 follow all the regulations applicable to their businesses and their facilities, including national and local rules (for example, in France the French local urban planning rules or PLU). ACTIA Systems (Spain) has started this certification process, which should be completed in 2023.

Through its proactive policy, the Group has been taking this aspect into account for many years and is making every effort to progress in this area by managing the end of the lifecycle of this potentially polluting waste.

6.5.1 MANAGING WATER RESOURCES

Apart from the production sites, water consumption is mainly for domestic purposes. In the factories, water is used in a number of ways:

- Humidification of the air in workshops where circuit boards are produced, in order to reduce the risk of electrostatic discharges (ESD), combined with permanent control of the temperature;
- Washing machines made available to the maintenance service to clean equipment.

The Group has already implemented a number of measures to ensure the responsible use of water resources:

- An end to pumping from wells on the sites where this used to be standard practice (mainly Colomiers, France and Tunis, Tunisia);
- Working on equipment in a closed circuit;
- Recycling water for the washing machines to avoid any risk of pollution.

The Group's total water consumption was 27,636 m³, down by 9.9% compared to 2020. Average daily consumption per employee was 21L per employee per day compared to 23L in 2020.

Water consumption increased at two subsidiaries, for different reasons:

- After a very dramatic drop in 2020 linked to the health crisis and the widespread use of home-working, ACTIA do Brasil's consumption in 2021 increased without however returning to the 2019 level.
- Leaks that developed in 2021 at ACTIA I+Me (Germany) have been repaired, which should bring consumption back to normal levels in 2022.

At the same time, Tunisia recorded a drastic drop (<30.5%> for consumption per employee). This was the result of the relocation of the ACTIA Engineering Services subsidiary to a modern, water-efficient building, as well as the installation of water savers on taps in the CIPI ACTIA production plant.

Overall, water consumption is regularly monitored by the Group, which makes it possible to analyse all variances and contributes to improved awareness.

It should be noted that certain subsidiaries still do not have access to their water consumption figures, as the information is included in local rental costs: for these entities, the Group continues to take into account estimated water consumption based on the national or industry average, depending on the available information. This includes two French subsidiaries (44 people), representing 1.2% of the Group's headcount.

Water consumption at all facilities is drawn from the drinking water system.

In relation to the number of employees, water consumption across all sites in 2021 was close to 7.6 m^3 per annum per employee, down by 8.3% for the year, although on-site activity had recovered on the whole in 2021:

Water consumption per employee (in m3/ year/employee)	Automotive France	Automotive Europe	Automotive Tunisia	Automotive rest of the world	Total Automotive	Telecoms	Total France	Total Group
2019	9.9	5.7	10.2	6.3	8.6	4.9	8.6	8.3
2020	8.4	5.4	10.9	6.7	8.6	4.8	7.4	8.2
2021	**9.1**	**7.2**	**7.6**	**6.4**	**7.7**	**5.9**	**8.2**	**7.6**
% change	+8.2%	+33.6%	<30.5%>	<4.4%>	<9.8%>	+24.3%	+10.3%	<8.3%>

6.5.2 WASTE MANAGEMENT

Waste from all operations consists primarily of packaging materials (cardboard boxes, pallets, plastic covers, etc.), office waste and manufacturing waste, with 6.6% falling under the category of “hazardous industrial waste” or HIW. This waste is not eliminated or treated on-site. Instead, it is temporarily stored in areas designated and equipped for each type of waste (skips, compactors, holding tanks, etc.) before being properly removed to approved disposal facilities for recycling, recovery or treatment.

Existing recycling arrangements at the sites concerns all types of packaging: cardboard, paper, plastics as well as metals; batteries are also recovered through a specific waste separation collection process at several facilities. For the sites with waste separation and collection, a recovery strategy is encouraged, as opposed to energy recovery, whenever possible.

The following actions have been taken to reduce and recycle waste:

- Installation and rental of waste storage containers and equipment destined for processing waste, and compacting certain categories of waste;
- Production methods taking into account environmental considerations, by recovering and reusing raw materials in the process, seeking to reduce the use of plastic packaging, waste, reducing the environmental impact of the product, and incorporating environmental requirements in the manufacturing documentation;
- Reducing and recovering waste from production, recycling and treatment of electrical and electronic waste;
- Recycling and reprocessing cardboard, paper and soiled packaging;
- Setting up a “zero paper” objective;
  - By the Toulouse production unit, where several steps had already been taken with the centralisation of databases, an action to open up the process sheets, routing sheets and the gradual deployment of screens in the workshop;
  - In Spain, where all the workshops are now paperless; to achieve the objective, screens were installed to make it possible to monitor the steps in the manufacturing process, with actions taken on the portal, the skills matrices and the control units in the factory to achieve “zero paper”.
  - Incentivising employees to comply with the instructions for paper (reasonable usage, sorting of paper, recycling, incentives not to print out emails, etc.);
- Keeping up the raw material recovery rate.

Also, the active waste separation collection policy is already in place at most facilities and covers 84.6% of all employees worldwide. The rate of coverage for French sites remained at 100% in 2021.

An increasing number of sites have formal reporting systems for tracking the quantity of waste produced and/or recycled. In 2021, the subsidiaries producing a complete or partial qualitative or quantitative report on the amount of their waste represented 80.0% of the Group's headcount. Based on assessments performed, it is possible to provide the following (partial) summary on recycling:

Quantity of waste produced by type of recycling (tonnes)	Automotive France	Automotive Europe	Automotive Tunisia	Automotive rest of the world	Total Automotive	Telecoms	Total France	Total Group
Recovery	175.2	25.9	109.3	37.2	347.7	13.1	188.3	360.7
Energy recovery	113.1	12.3	7.6	0.0	133.1	12.1	125.2	145.2
Controlled disposal	4.9	0.0	157.2	13.8	175.9	0.0	4.9	175.9
Special treatment*	4.6	0.0	0.0	0.0	4.7	0.0	4.6	4.7
Unknown treatment	0.0	14.7	0.0	1.8	16.5	0.0	0.0	16.5
TOTAL	**297.9**	**53.0**	**274.2**	**52.7**	**677.8**	**25.2**	**323.0**	**703.0**
% HIW** / waste	5.2%	10.0%	7.3%	8.4%	6.7%	5.7%	5.2%	6.6%
% waste recovered / waste	96.8%	72.1%	42.7%	70.5%	70.9%	100.0%	97.0%	72.0%

** Special treatment means either a chemical process or incineration.*

*** HIW: Hazardous Industrial Waste*

The subsidiary is not aware of how some of its waste is treated; this mainly concerns Germany and the USA. This data represented 16.5 tonnes for the reporting year, a marked decrease compared to 2020 (32.8 tonnes).

The 2021 financial year generated a higher quantity of waste than the previous financial year (an increase of 108 tonnes). Hazardous Industrial Waste also increased by 9.7 tonnes. This increase is largely due to the fact that the CIPI ACTIA plant (Tunisia) recorded an increase of 119 tonnes in 2021 following the closure of waste collection centres in 2020. The waste was kept on site until these waste collection centres opened and resumed full operations.

Some subsidiaries are still not in a position to be able to report the data concerning quantities of waste insofar as it is treated by external service providers, such as municipalities, in accordance with local practices. In this case, estimates are provided and then analysed at Group level in order to validate the consistency of the data.

Insofar as the Group remains focused on putting in place the means to sort and recycle waste, every possible resource is allocated to the subsidiaries in support of a local policy wherever this is feasible.

Finally, to allow for a comparison between waste from one financial year to the next and maintain consistency in the figures in relation to the business, the Group has decided to monitor only the waste directly linked to its own activities. Therefore, building sites generating one-off waste are not included in the figures.

6.5.3 FIGHT AGAINST CLIMATE CHANGE

6.5.3.1 Energy

Throughout the Group the priority of limiting energy consumption is reflected through a range of actions implemented at local levels for identified targets:

- **Buildings:** by installing presence detectors, air-conditioning controls, timers, programmers, automatically closing doors to insulate heated areas, and replacing doors and windows to improve the insulation of the premises, by automatic shutdowns at night and replacing gas-powered boilers by heat pumps;
- **Equipment:** by changing over to low energy consumption equipment, buying LED lighting and other energy-efficient equipment, new low consumption servers, the replacement of ageing computer equipment and the replacement of air-conditioning systems;

- **Individual behaviour:** awareness-raising campaigns on shutting down equipment in the evening, the judicious use of heating and air-conditioning units, a centralised switch to shut off electricity, and installing presence detectors and timers, and putting in place indicators to further raise awareness and motivate personnel;
- **Organisation:** with the control of air-conditioning in the summer and the organisation of working hours (through leave management), in order to avoid summer consumption peaks, general awareness-raising for staff, conducting an energy audit through a third party in order to examine areas for improvement;
- **Eco-design:** designing and developing our products to limit the effects of the manufacturing processes used and attempt to reduce the number of components and the amount of materials consumed, encouraging dual sourcing and local origins where possible, favouring eco-responsible components and suppliers, organising traceability and working with the customer to prepare the end of the useful life of the products through recyclability;
- **Strategy in favour of sustainable mobility:** developing products and software that can help to bring about a reduction in the consumption of fuel and energy in general, thanks to monitoring the consumption of vehicles and the performance of drivers as described in the Management Report and discussed in § 5.3.1 “Automotive Division” of this Universal Registration Document, but also through designing eco-mobility systems as deployed in public transport in particular.

These measures supplement those already undertaken in previous periods and highlight a strong commitment to environmental responsibility.

The two types of energy used on all sites are:

- Electricity: 16,059 MWh, up 11.7% compared to 2020, as a direct consequence of business recovery following the pandemic;
- Natural gas: 1,846 MWh, representing an increase of 16.9% compared to 2020; in the USA, lower than normal temperatures required more heating than usual. In France, it was its first year of actual operation for the Chartres building.

The consumption of fuel oil previously used in certain subsidiaries continued to decline. It fell further by 84.8% during 2021.

Total energy consumption amounted to 19,608.9 MWh in 2021 compared to 17,435.8 MWh in 2020 and 20,439.1 MWh in 2019, i.e. a 14.4% increase without however reaching the 2019 consumption level. This increase was due to business recovery.

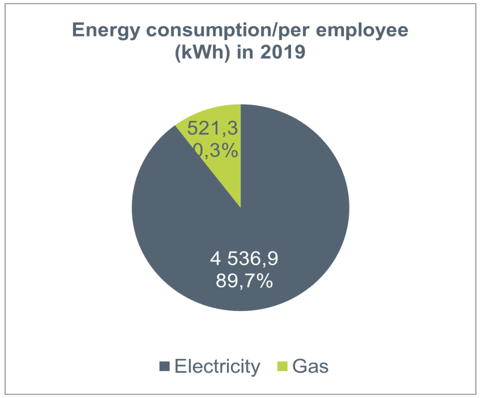
As for water, the Group monitors its energy consumption and seeks to provide coherent explanations for all fluctuations. To sum up, some subsidiaries continued their in-house efforts by raising awareness among staff about energy saving and more reasonable behaviour: switching off equipment in the evening, adjusting the settings of the heating and air conditioning systems, replacing certain equipment items, conducting an energy audit at the end of the year, etc.

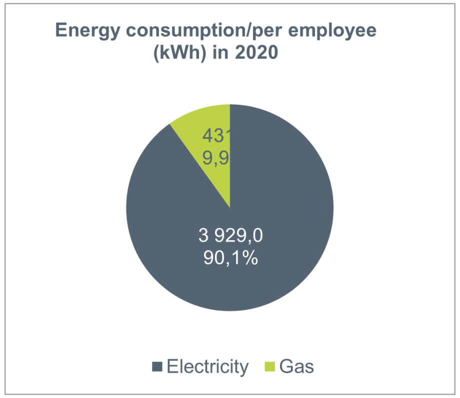
Energy consumption can be summarised as follows:

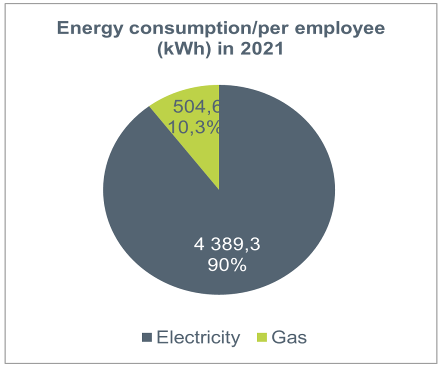
Energy consumption per employee (in kWh / year / employee)	Automotive France	Automotive Europe	Automotive Tunisia	Automotive rest of the world	Automotive average	Telecoms	Average France	Average Group
Overall 2019	6,233.6	5,349.1	5,438.5	4,608.8	5,485.2	6,315.5	6,206.8	5,536.0
Overall 2020	5,015.2	4,693.7	4,223.3	4,783.4	4,604.9	5,784.7	5,155.5	4,685.1
Overall 2021	**5,694.0**	**5,273.3**	**4,925.5**	**6,148.7**	**5,361.4**	**5,516.3**	**5,599.9**	**5,359.4**
% change	+13.5%	+12.3%	+16.6%	+28.5%	+16.4%	<4.6%>	+8.6%	+14.4%

Energy consumption increased in 2021 due to the economic recovery during this financial year. However, consumption did not return to the 2019 level.

The graph below illustrates the changes in energy consumption per employee:







Energy consumption	Production	Non-production	Total Group
2019	10,690,182	10,332,023	21,022,205
2020	9,299,273	8,136,512	17,435,785
2021	**10,295,257**	**9,313,657**	**19,608,914**
% change	+10.7%	+14.5%	+12.5%

This table clearly shows the recovery in non-production-related consumption at the subsidiaries (+14.1%), a direct consequence of the resumption of on-site activity. Similarly, at the production sites, consumption rose again after the drop in activity in 2020. However, consumption levels did not return to 2019 levels.

The direct consumption of renewable energy remained stable for the period and concerns Tunisia where hot water is provided by solar energy (four 2 m² panels producing 2,200 watts) and in Sweden where all electricity consumption is supplied by wind turbines (31.8 MWh) and tidal power (127.0 MWh). Accordingly, 177 MWh, without counting solar-heated water for which we do not have any equivalent consumption, originate from renewable energy sources that still account for 1.0% of the Group's total energy consumption.

Although the French subsidiary located in the Paris region and the 3 ACTIA Automotive France sites do not directly use renewable energy, they selected a 100% green energy provider in 2021. The supplier undertakes in this contract to inject into the grid as much electricity from renewable sources as electricity consumed by customers.

Furthermore, the premises of our Swedish subsidiary are heated by hot water supplied by a waste incineration facility and this corresponded to an estimated consumption of 167.5 MWh, compared to 185.9 MWh in 2020. Our German subsidiaries also use energy originating entirely from energy recovery for heating. This consumption represents a total of 1,490.9 MWh compared to 1,141 Mwh in 2020 MWh. The total amount of green energy, including renewable energy and recovered energy, now accounts for 9.5% of the Group's total consumption compared to 9.9% in 2020.

The Belgian subsidiary ACTIA Telematics Services continued to use geothermal energy, but still has no means of measuring the corresponding consumption.

It is worth noting that the electricity produced in France is more than 90% decarbonated.

6.5.3.2 Air emissions and greenhouse gases

As part of the ongoing development of the Company's mobility plans, the sites in Toulouse continue to make available electric vehicles for business travel over short distances (light and utility vehicles). Actions aimed at encouraging carpooling had to be suspended due to the health constraints.

Since 2019, the subsidiary in Spain has been using two electric vehicles for employees' business travel.

In Tunisia, the production facility continued to offer a collective transport solution for the personnel, outsourced to an external service provider, and the Design Office provides a 50-seater shuttle bus for employees to use when commuting. The production facility has also acquired an electric shuttle to transport different products, packaging, parcels, components and other items around its site.

In Sweden, rail is the preferred form of transport for travel between sites.

Finally, in Belgium, carpooling and bicycles are encouraged whenever possible, although home-working was widely used during the reporting period.

The operations carried on at the facilities do not generate any significant air emissions. However, some sites voluntary conduct quantitative and qualitative tests on their air emissions, including two of the three production facilities: the results remain satisfactory.

In 2021 ACTIA Automotive, a subsidiary based in Toulouse, adopted procedures for conducting a greenhouse gas emission assessment.

In addition, as part of an initial global approach, we sought to identify greenhouse gas emissions originating from energy consumption of the different Group entities using electricity for industrial purposes (ovens, soldering machines, environmental test chambers, etc.) and gas used exclusively for heating premises. The emissions factors taken into account are based on ADEME (the French environmental agency) data on www.basecarbone.fr. Emissions expressed in tonnes CO^2 eq. reflect a rigorous policy for monitoring energy consumption through the ISO 14001-certified Environmental Management System implemented in 69.8% of Group entities.

Greenhouse gas emission in tonnes CO^2 eq.	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Total Automotive	Telecoms	Total France	Total Group
2019	335	565	3,111	956	**4,967**	220	**556**	**5,188**
2020	314	616	2,659	782	**4,372**	150	464	**4,522**
2021	**365**	**536**	**3,095**	**832**	**4,827**	**138**	**504**	**4,966**

Moreover, the Group takes into account emissions from the vehicles it operates. To make the calculation, we started with the fleet of vehicles, their mileage for the year and/or the fuel consumption whenever this figure was available. The emission factors are taken from the ADEME carbon data base; as only the emission factors in France were available, they were used by default for the whole ACTIA Group.

In 2021, the Group achieved the following results:

In tonnes CO² eq.	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Total Automotive	Telecoms	Total France	Total Group
Emissions from operated vehicles	613	208	12	42	875	50	663	925
Emissions from operations	365	536	3,095	832	4,827	138	504	4,966
% operated vehicles / operations	167.9%	38.8%	0.4%	5.1%	18.1%	36.0%	131.6%	18.6%

In 2020, the Group achieved the following results covering 82% of the scope in question, with some subsidiaries unable to report the information needed for the calculation:

In tonnes CO² eq.	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Total Automotive	Telecoms	Total France	Total Group
Emissions from operated vehicles	650	538	15	67	1,271	83	733	1,354
Emissions from operations	314	616	2,659	782	4,372	150	464	4,522
% operated vehicles / operations	206.9%	87.4%	0.6%	8.6%	29.1%	55.3%	157.9%	29.9%

In 2019, the following amounts were recorded:

In tonnes CO² eq.	Automotive France	Automotive Europe	Automotive Tunisia	Automotive Rest of the World	Total Automotive	Telecoms	Total France	Total Group
Emissions from operated vehicles	755	431	13	138	**1,336**	132	**887**	1,468
Emissions from operations	335	565	3,111	956	4,967	220	556	5,188
% operated vehicles / operations	225.1%	76.2%	0.4%	14.4%	26.9%	67.0%	162.4%	28.6%

6.5.3.3 Climate change and biodiversity

As can be seen from the information presented above, the Group's activities have little impact on the environment and everything possible is done to take into account the climate change we are experiencing, in terms of both the measures taken to limit the consumption of water and energy and raising the awareness of employees, who are informed by:

- Brochures;
- Regularly displaying objectives, plans for improvement and the results of audits;
- Certification audits;
- Intranet and emails;
- Promoting environmental days and weeks in France and abroad;
- Information provided when employees are hired and/or during the year; annual, quarterly and bi-monthly meetings depending on the site; instructions to promote energy savings.

For example, staff from the French subsidiary ACTIA Telecom are provided with environmental awareness training when they are hired, as well as yearly information about the annual targets.

Taking into account the environment and biodiversity has also contributed to the design and development process of ACTIA products in the following areas:

- Adopting a different approach in terms of the choice of materials and certain components;
- Taking into account the notion of eco-design for new products;
- Certification criteria or the environmental approach integrated within the system for evaluating suppliers, developing a manual defining requirements for their classification, verification of ISO 14001 certification, supplier audits and/or annual evaluations, developing environmental initiatives with key suppliers;
- Locally, in Brazil for example, a supplier manual has been developed to set out the requirements for classification: every supplier classified as having an activity with an environmental impact must present their operating licence issued by the relevant environmental authority. The objective is to develop environmental measures with key suppliers.

At the present time, the Group has not identified any major risks related to possible climate changes that could potentially affect its activity. We remind you that all the risks faced by the Group are discussed in chapter 7 “Risk factors” of the Universal Registration Document.

6.5.3.4 Internal organisation of environmental management

ACTIA’s Executive Management is responsible for coordinating all environmental actions.

Implementation of environmental management actions is managed by an Environment Manager reporting to the Systems – Quality/Environment Department of ACTIA Automotive S.A. for the two Toulouse sites. This manager shares his/her experience with the Group by assisting one of the Group’s entities on a as-needed basis.

The Environment Manager has taken environmental management training.

In line with the implementation of the ISO 14001 standard, the general awareness session to train and inform employees on environmental matters is carried out regularly for the sites concerned. A training plan and a timetable to raise awareness have been drawn up as part of the Environmental Management System (EMS). ACTIA Automotive also holds awareness sessions for all new employees on their day of induction. Staff are informed of actions taken and the channels are available to them to report all relevant information.

The in-house organisation of risk management concerning accidents has been put in place at the ACTIA Automotive sites. The latter has embarked on the setting up of an Environmental Management System using the FMECA method, a system that requires potential emergency situations, including incidences of pollution, to be identified and assessed in order to remedy them with an obligation to document a “response to emergency situations” procedure, having identified them.

The Group companies with a department devoted to the environment, such as ACTIA Automotive and ACTIA Telecom (France), CIPI ACTIA and ACTIA Tunisie (Tunisia), ACTIA Nordic (Sweden), ACTIA I+Me (Germany) and ACTIA China (China), have a combined dedicated staff totalling more than 15 people. This means that 84.0% of the Group’s employees have access to environmental assistance, a figure which increased by 0.7% for the reporting period.

Furthermore, these sites also take into account environmental impacts when designing new products and vendor/supplier procedures and gather regulatory intelligence.

6.5.3.5 Consumption and waste

Consumption of raw materials and packaging

The Group's operations do not directly consume raw materials drawn from the natural environment since it uses only manufactured products (electronic components, electrical wiring, etc.), primarily consisting of metals and plastic. Most facilities have had waste separation systems in place for a number of years, especially for packaging (cardboard, wood, packing fill materials, plastics, and pallets), and procedures providing for the reuse of wooden crates, plastics and cardboard boxes and promoting the recovery of materials from these items. Measures in favour of standardisation and reducing the number of packaging items remain in place.

Concerning packaging, the Group uses different types of products: cardboard, wooden filling materials, plastic films, paper, extruded foam. It remains very difficult to obtain quantitative reporting data on the consumption of these materials as there is no specific monitoring tool in place. Certain data is today reported in units, tonnes or m³.

In line with its increasing commitment to environmental monitoring of its activities, ACTIA has developed reporting on data relating to its consumption of chemical products. The study shows that the Group used roughly 39.7 m³ of various chemical products, compared to 25.1 m³ in 2020 and 30.0 m³ in 2019. The 32.3% increase is due to the business recovery in 2021 as well as to the addition of products used for production in Tunisia in the soldering process to clean and to ionise soldering pins, which had not been included in the calculation previously. These chemicals primarily include varnishes, solvents, diluents, solder paste and isopropyl alcohol. It should be noted that these figures only concern the main products used at the Group's major production facilities in order to be consistent and effectively track any changes.

Ground use

None of our facilities uses the ground as such, other than to serve as sites for buildings.

The facilities taken together cover a total of 30.5 hectares. Of this surface area, 38.7% is covered by landscaped green areas (55.2% in France). Wooded areas represent 0.7% of these green spaces.

Water and ground discharges

The operations carried on at the facilities do not generate significant water or ground discharges:

- Wastewater is of the "domestic" type and is discharged into the public sewage system to be treated; several alternatives exist: wastewater system, septic tank, drainage or, in China, a sewage farm;
- Potential pollutants (varnishes, solvents, etc.) are not stored on the ground but rather in ad hoc storage containers prior to treatment in compliance with the standard in force (see § 6.5.2 "Waste management").

Noise and odour pollution

Our activities are not noisy and are odourless.

No incident has been recorded by the various facilities and there were no complaints from neighbours in 2021 or indeed before that.

6.5.3.6 Amount of provisions and guarantees

Given that the Group's operations do not present any material environmental risk, no provision or guarantee was put in place in 2021, or in previous financial years.

6.5.3.7 Amount of indemnities paid during the period and remediation work

In 2021 no indemnity had to be paid for any environmental problem or accident and no environmental remediation work was required.

6.6 OUR SOCIETAL RESPONSIBILITY APPROACH

6.6.1 FOOD WASTE

The Group overall is not impacted by this indicator. However, some subsidiaries have decided to question their subcontractors and include this issue, insofar as possible, in negotiations with the various service providers responsible for supplying the different sites. In particular, when renewing its catering contract, ACTIA Automotive (France) selected a service provider who is highly involved in this issue. Among other things, they have proposed many initiatives to reduce waste and improve recycling, along with a short supply chain for food. They also track their environmental, social and societal indicators on a regular basis. A change which had an immediately measurable effect consisted in allowing every employee to serve themselves. This reduced waste on the trays to virtually zero. Unfortunately, we were not able to continue this practice due to the health constraints, and were forced to reinstate individually prepared portions. This practice will be reinstated in 2022.

This option, which was promoted by employee representatives, was also intended to offer healthier food. The immediate result was to increase traffic in the restaurant which led to:

- A positive impact on well-being at work: employees say that they are more alert in the afternoon. Eating on-site is less stressful because wait times are shorter;
- An ecological impact by limiting travel by car: the employees leave the site less often to eat;
- An impact on relationships between employees: i.e. increased conviviality and the opportunity to meet and talk with new people.

Our catering service provider promotes many benefits:

- Local or regional purchasing, with no central purchasing: the manager is free to select the suppliers;
- Employee training is their primary concern;
- All new hires meet the Chairman-CEO during a Company discovery day;
- Every employee becomes a shareholder of the Company when they reach ten years' seniority;
- The food delivered to the site is fresh. There can be more waste (peels, crates), but it is easy to recycle (composting, recycling) and the process is well understood;
- The facility manager is a cook and is, therefore, a stakeholder in any improvements and the satisfaction level of the users of the services provided;
- Charitable activities are organised on a regular basis, including bake sales for the benefit of an association for the disabled and the operation "Dessert Solidaire" ("solidarity dessert") at the end of the year for the benefit of the NGO "Action against hunger."

The other challenges of food waste, i.e. the fight against food poverty, respect for the well-being of animals, and responsible, fair and sustainable food are not relevant for the Group.

At the end of 2021, a study was launched to organise the sorting of organic waste from 2022 in the main dining area.

The Tunisian subsidiary ACTIA Engineering Services also opted for a responsible catering service provider.

6.6.2 OUTSOURCING

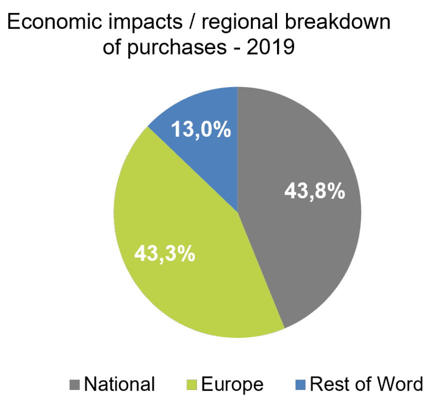
Most of the sites covered outsource different tasks of which there are two main types:

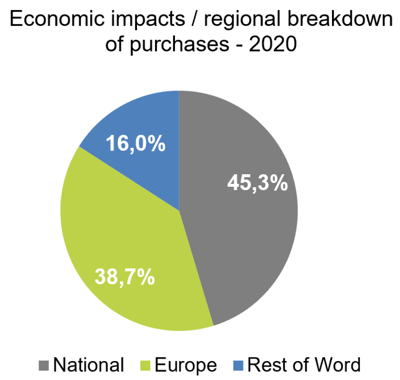
- In manufacturing, some sub-assemblies, such as embedded audio and video systems, may be outsourced by certain subsidiaries. This production is performed directly at the sites of subcontractors approved by the Group;
- For R&D, depending on the specific nature of the requests, the subcontractors may intervene directly on ACTIA's premises, on our customers' sites or according to their own organisation (office, home-working).

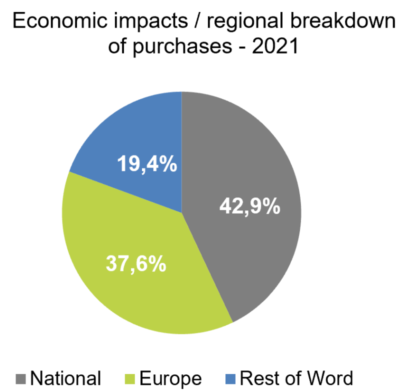
Current subcontractors vary according to Group entity and some subsidiaries have adopted assessment procedures (audits) to comply with requirements relating to quality standards, employee working conditions and the desired environmental standards depending on their certification level.

6.6.3 RELATIONS WITH THE LOCAL ENVIRONMENT

The economic impact of the Group's operations is calculated on the basis of the breakdown of production-related purchases, as follows:







There was an upward trend in international purchases in 2021, fuelled by purchases of components from international brokers to compensate for the lack of components from the usual suppliers. This trend could continue into 2022.

Generally speaking, for electronics, as the global manufacturing of basic products (components, printed circuits, etc.) is mainly concentrated in Asia and North America, it is impossible to favour local supply chains as the sought-after resources are just not available.

6.6.4 RELATIONS WITH STAKEHOLDERS AND SOCIAL WORKS

Some Group entities belong to **trade bodies**: In France, Union des Industries et Métiers de la Métallurgie (UIMM), MEDEF (employers' union), the movement for mid-market companies (METI), scientific bodies such as Aerospace Valley, Tompasse and social bodies such as Action Logement, a body that collects the tax for the construction of housing, financing construction and helping employees to find housing. Elsewhere, with the CIPI ACTIA membership of the United Nations Global Compact for human rights and the environment, the metal industry employers' union in Madrid (Spain), SMMT (local union in England), and the Chinese Bus and Coach Association.

The Group also has good relations with **post-secondary educational institutions** with which it participates in research activities and has end-of-studies internship programme partnerships.

In France, ACTIA Group has signed a partnership agreement with six major educational establishments ("Grandes Écoles"): Ecole des Mines Albi-Carmaux (engineering), the Toulouse Business School, ENSEEIHT (electro-technical, electronics, IT, hydraulics and telecommunications), ENSIL (engineering in Limoges), INSA (applied sciences in Toulouse) and ISAE (aeronautics and space).

ACTIA Group also supports the INSA Foundation, the purpose of which is to provide long-term support in terms of equal opportunities for student engineers who find themselves in financial straits by offering them the possibility of obtaining a grant. Jean-Louis Pech, Group Chairman and CEO, has been president of the INSA University Foundation since its creation in 2016. ACTIA contributes €85,000 to the budget of this Foundation. This budget is used in particular to fund part of the scholarships of the INSA Foundation for students: "Donner une chance" (Giving an opportunity), High school scholarship, "Coup de pouce entrepreneuriat" (A boost for entrepreneurship), "Engineer &". This budget also helped the Toulouse Ingénierie Multidisciplinaire (TIM) association to carry out its mission and thus meet innovative technological challenges by designing, manufacturing and optimising highly fuel-efficient vehicles.

On the international front, partnerships have been entered into with Politecnico and the University in Turin (Italy), London University and Learnex (Mexico), the University of Shanghai (China), and with a number of engineering schools in Tunisia.

ACTIA also supports the Toulouse Capitole National Orchestra, through the Aïda Foundation.

Some subsidiaries support various local associations. For instance, in Toulouse, ACTIA showed its commitment by becoming a founding member of the "Le Cœur des Entreprises" association. Businesses are rallying around to serve the most vulnerable. The goal is to "Pool human, financial and real estate resources in businesses to make them available to the stakeholders working in the region to take care of the homeless and people in great difficulty" as well as to foster the inclusion of disabled people.

Group actions can take the form of:

- Donations, such as IT equipment donated to a school which helped keep a satisfactory number of computers up and running, for use by pupils to help them learn, and to a parents' association, for pre-school and primary school children.
- Involvement of teams in supporting young people from disadvantaged neighbourhoods in finding their first job ("Nos Quartiers ont du Talent" (Our Neighbourhoods have Talent));
- Financial contribution to certain selected associations.

As for ACTIA Engineering Services (Tunisia), it is a partner in the Elife programme launched by the Tunisia Foundation for development, for the following activities:

- Opening of technological centres specifically for young Tunisians in the most marginal and underprivileged regions;
- Selection of young ISET graduates mainly on the criterion of motivation;
- Upskilling to improve their chances of finding a profession thanks to a 180-hour training programme including language, communications and preparation for digital professions.

This subsidiary continues to support the Sidi Ammar primary school in the region of Fernana (Governorate of Jendouba) by sponsoring the renovation of the premises and improving the circumstances in which the students study.

In addition, ACTIA has been an ambassador for La Saison Bleue in Tunisia since 2018; the goal of this project is to promote Tunisia's marine environment and boost the blue economy, while raising awareness about the vulnerability of the sea and coastline. In relation to this project, two days of discussions with experts and get-togethers with the general public are organised, based on themes such as the marine environment, technology and the sea, the sea and related professions, and marine leisure activities and culture.

ACTIA I+ME, our German subsidiary, made a donation to the association "Kinder and Jugendhospis Löwenherz", which helps children and young people with terminal cancer, as well as their parents and families, to support them and help them find the strength to cope with their situation.

Finally, ACTIA Systems, our Spanish subsidiary, supported the "Porqueviven" association in 2021, which develops paediatric palliative care.

ACTinCube incubation programme:

Set up in the ACTIA Engineering Services subsidiary, the incubation programme helped 6 selected start-ups to reach TRL9 *(Technology Readiness Level)*, which corresponds to the industrialisation phase and which requires certain critical processes to be implemented. The programme aims to further strengthen, structure and enhance the ecosystem of entrepreneurship and innovation in Tunisia. It also strives to strengthen partnerships within the innovative entrepreneurship ecosystem in Tunisia while having access to international opportunities through ACTIA.

The start-up "HAWKAR" has been part of the incubator for 3 years; the ambitious plan driven by this start-up is to build a compact and ecological electric vehicle that is economic to buy and run. The aim is to enable people with reduced mobility to travel more easily and independently, thus mitigating the shortfalls of existing infrastructure and public transport. This small vehicle is expected to:

- Facilitate parking and make it easier to safely stow and remove a wheelchair;
- Be rechargeable directly by connecting to the standard grid;
- Protect the environment, be silent, more economic than a petrol model, with low maintenance costs, and adaptable to different types of physical disability.

From the outset, ACTIA Engineering Services has provided HAWKAR with advice, technical support and finance to enable it to produce the first prototype. In 2020, despite the unusual circumstances, the first product was developed. Building on this experience, HAWKAR and ACTIA Engineering Services aim to improve this first model and obtain its approval in 2022.

6.6.5 FAIR PRACTICES AND TAX EVASION

In 2018, the Group adopted an Anti-corruption Code and an internal whistleblower scheme. E–training was carried out in 2019 to raise the awareness of the issue and inform employees who are exposed to the risk of corruption. The training programme is intended to be accessible to all Group employees. The Group's internal control function has also been reinforced with the creation and implementation of procedures in sensitive areas such as conflict of interest.

A Gifts policy was rolled out in 2021 throughout the Group.

The Code of conduct, the Code of ethics and the whistleblowing scheme were updated in 2021 following regulatory changes. They are available on the Group's website: https://www.actia.com/en/the-group/commitments.

Concerning the measures taken for the health and safety of consumers, products developed by the Group are subject to the safety concerns and the improvement of respect for the environment, particularly in the field of the mobility of goods and people.

ACTIA in most cases intervenes in one of the components of a more complex product that may subsequently be used by the end customer. On this basis, the Group meets the requirements established set for this purpose by the manufacturer of the end product, while being proactive about making suggestions.

With respect to tax evasion, it should be noted that the Group does not have any facilities in countries on the tax haven blacklist. The Group opened facilities in Tunisia between 1997 and 2005 to develop its printed circuit board production and integration and R&D sites at a lesser cost. The aim was and still is to ensure the Group is competitive for international calls for tender. In accordance with the legislation on foreign capital in effect at the time, the companies have offshore status. The growth of the Group's business has enabled the creation of many local jobs. The Group remained committed to supporting the business during the Tunisian crisis of 2011, although many customers requested that production in Tunisia be closed down. Group management believes that the Company's role is essential due to local employment, training and investment to support the economy it provides.

ACTIA's price transfer policy is based on split profits which is, in turn, based on the added value of each company. They are set based on the operational environment of the transactions, the location of intangibles and economic circumstances.

6.7 RESPONSIBLE ACTIVITIES APPROACH

6.7.1 TAXONOMY-ELIGIBLE ACTIVITIES

The Taxonomy Regulation of the European Union (EU) (Regulation EU 2020/852 published on 18 June 2020) has defined, on a scientific basis, a list of economic activities and technical criteria for qualifying the ecologically sustainable nature of some of these. These technical selection criteria are defined in two delegated acts of the European Commission (EC), published on 21 April 2021 and 6 July 2021. The list of activities has been compiled by focusing on nine macro-sectors generating more than 93% of direct greenhouse gas emissions in the EU in 2017 (OECD).

The first two delegated acts deal with economic activities that can contribute significantly to the objectives of climate change mitigation and adapting to climate change. Four more are planned for 2022 and should enter into force 12 months later. The Taxonomy Regulation has created a classification system that should serve as a common language for investors to identify projects and conditions that allow the selected economic activities to have a substantial positive impact on the climate and the environment.

The activities listed by the Taxonomy Regulation are said to be “eligible”. These activities contribute to direct GHG emissions and have the potential to be improved in terms of carbon footprint. As such, the percentage of eligible activities of an organisation is not in itself a measure of its impact on climate change.

Companies must report the share of revenue, CAPEX and OPEX linked to these activities. Here are the definitions used for the CAPEX and OPEX declared:

CAPEX: additions to tangible and intangible assets related to eligible activities during the period in question, before any depreciation, amortisation and any revaluation OPEX: direct non-capitalised costs relating to research and development.

In 2021, ACTIA identified three eligible activities in two categories for the climate change mitigation objective among those listed in the delegated act. They are given below:

Manufacturing Industry - Battery Manufacturing:

Manufacture of rechargeable batteries, battery packs and accumulators for transport, stationary and off-grid energy storage and other industrial applications. Manufacture of respective components (battery active materials, battery cells, casings and electronic components). Recycling of end-of-life batteries.

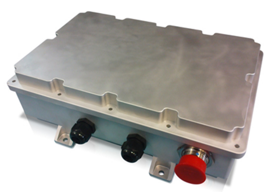
- Micromobility business:

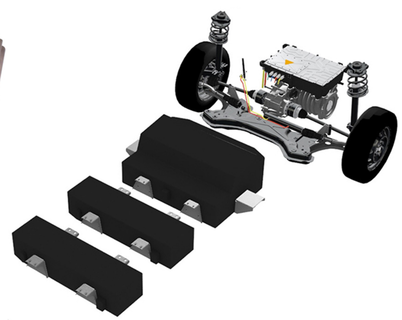
On the 1st August 2021, ACTIA gave the two-wheel electric traction system its first test drive with the launch of a new business dedicated to micromobility, in particular the Electrically Assisted Bicycle (e-bike). This activity is therefore operating in this fast-growing market. E-bike sales in Europe are increasing by nearly 50% per year. Driven by its own specific international competitive conditions, the business is mainly guided by the change in urban mobility practices and the digital needs of users and fleet managers alike.

As an equipment manufacturer, ACTIA holds all the keys for targeting this market in a highly competitive manner, including:

- Its experience as a system designer, especially in electrification and vehicle connectivity;
- Its local industrial infrastructure that meets the Automotive quality standards;
- Its know-how in personalisation according to customer needs;
- Its agility and capacity for innovation.

- Power Division business





The growth of ACTIA's activities on the electric vehicle market and the group's technological expertise in power electronics is not a "passing fad". These qualities are deeply ingrained in the Group's ethos, and in its responsible approach to environmental issues.

As a leading automotive equipment manufacturer and producer of vehicle inspection lines, the environment is at the heart of ACTIA's activities and processes.

Embedded power electronics in vehicles is an area of expertise which corresponds not only to technical skill, but also to ACTIA's values.

Consequently, ACTIA has developed its expertise across the whole on-board offer of an electric vehicle: drive system, battery, battery management system and power conversion.

The 2021 revenue of the **"Battery"** activity represented 3.1% of ACTIA's revenue.

- CAPEX amounted to 16.2% of the Group's CAPEX.
- OPEX represented 12.7% of the Group's OPEX.

◎ Energy - transmission and/or distribution of electricity

SmartGrid activity

Example of a recent project: SMART Occitania:
Innovative system of Smart Grids to coordinate energy production and consumption.

- ◎ In partnership with Enedis and the Occitanie Region
- ◎ Smart Grid in rural areas (ADEME)
- ◎ ACTIA is in charge of Production and Consumption regulations - Storage management

The 2021 revenue of the "Energy" activity represented 3.8% of the Group's revenue.

- The CAPEX related to this activity represented 1.7% of the Group's investments.
- OPEX represented 4.7% of the Group's operating expenses.

6.7.2 NON-ELIGIBLE RESPONSIBLE ACTIVITIES

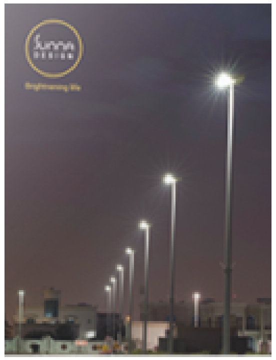
Certain ACTIA activities are not taxonomy-eligible with regard to the current eligibility conditions. However, we wanted to present below some of the activities carried out by the Group that have a positive environmental or social impact:

- I-Can:

ACTIA is a major international player in embedded telematics. The Group supplies the world's major manufacturers of industrial and commercial vehicles and manufacturers of premium brands of light vehicles. In total, more than 5 million telematics units have been manufactured by ACTIA to equip these vehicles. The i-Can, in particular, supports drivers in eco-driving.

For a sustainable and eco-responsible mobility.

- ACTIA, a partner of Sunna Design.



ACTIA is supporting **SUNNA DESIGN** in the international roll-out of its range of public solar street lights for urban areas and roadways.

Connected solar units manage the charging and discharging of the street light's battery, as well as its connectivity. ACTIA manufactures the printed circuit boards and integrates them in the units.

- KUMULUS

Kumulus is one of the start-ups hosted at ACTInCube. Their objective is to develop an atmospheric water generator that converts humidity into drinking water. The system works with solar energy.

This system avoids all use of plastic packaging and the logistics of transporting and storing water.

6.8 SUMMARY OF KEY INDICATORS

SOCIAL ISSUES:

- Employee loyalty

Associated risk	Key indicator	2020 result	2021 result	§ / p.
High turnover	turnover	7.7%	12.3%	§ 6.4.1.2.7 p.124
	number of hours of training per average headcount per year	8	13	§ 6.4.1.3.1 p.124

- Attractiveness

Associated risk	Key indicator	2020 result	2021 result	§ / p.
Recruitment difficulty	headcount at year end	3652	3685	§ 6.4.1.2 p.116
	percentage of female employees	33.7%	31.8%	§ 6.4.1.2.1 p.117
	percentage of women on the Boards of Directors	32.6%	36.6%	§ 6.4.1.2.1 p.118
	percentage of women on the management committees	29.7%	23.8%	§ 6.4.1.2.1 p.118
	percentage of open-ended contracts	90.8%	91.6%	§ 6.4.1.2.4 p.121
	breakdown of staff by age	803 < 30 years 2,135 between 30 and 50 years 714 > 50 years	815 < 30 years 2,176 between 30 and 50 years 694 > 50 years	§ 6.4.1.2.3 p.120

- Employee Health and Safety

Associated risk	Key indicator	2020 result	2021 result	§ / p.
Accidents	frequency index of accidents with lost working days	5.4	8.2	§ 6.4.1.5.1 p.128
	severity rate of accidents with lost working days	0.1	0.1	§ 6.4.1.5.1 p.128
	frequency rate of accidents with lost working days	3.2	4.7	§ 6.4.1.5.1 p.127
Sickness	number of days of sick leave per employee	6.1	7.0	§ 6.4.1.5.2 p.128

ENVIRONMENTAL ISSUES:

Associated risk	Key indicator	2020 result	2021 result	§ /p.
	quantity of waste produced by type of recovery	595 tonnes	total: 703 tonnes	§ 6.5.2 p.134
Pollution	water consumption per employee	8.2 m3/year	7.6 m3/year	§ 6.5.1 p.133
	proportion of waste recycled	82.7%	72.0%	§ 6.5.2 p.134
	energy consumption	17,435.8 MWh	19,608.9 MWh	§ 6.5.3.1 p.136
Climate change	energy consumption per employee per year	4,685.1 kWh	5,359.4 kWh	§ 6.5.3.1 p.136
	greenhouse gas emissions related to energy consumption	4,522 tonnes CO^2 eq.	4,966 tonnes CO^2 eq.	§ 6.5.3.2 p.138

6.9 REPORT OF ONE OF THE STATUTORY AUDITORS, DESIGNATED AN INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON-FINANCIAL PERFORMANCE STATEMENT IN THE MANAGEMENT REPORT

To the General Meeting,

In our capacity as Statutory Auditor of your company (hereinafter the "entity"), appointed as independent third party and accredited by COFRAC under number 3-1049[1], we have undertaken a limited assurance engagement on the historical financial information (actual or extrapolated) of the consolidated non-financial statement, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended 31 December 2021 (hereinafter, respectively, the "Information" and the "Statement"), established voluntarily by your Group pursuant to the requirements of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Conclusion

Based on the procedures performed, as set out in the "Nature and scope of our work" section of this report, and the information collected, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Preparation of the non-financial statement

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, the main elements of which are presented in the Statement or on request from the entity's registered office.

Inherent limitations in preparing the Information

The Information may be subject to inherent uncertainty because of incomplete scientific and economic knowledge and the quality of external data used. Some information is sensitive to methodological choices, assumptions and/or estimates used for their preparation and presentation in the Statement.

Responsibility of the Entity

The Board of Directors is responsible for:

- Selecting or establishing suitable criteria for preparing the Information;
- Preparing a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main extra-financial risks, a presentation of policies applied to mitigate these risks and the outcomes of those policies, including key performance indicators, and the information provided for in Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation);
- Implementing internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement was prepared by applying the entity's Guidelines as mentioned previously.

Responsibility of the Statutory Auditors designated an independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- The compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;

1 COFRAC accreditation Inspection, no. 3-1049, available for consultation at www.cofrac.fr

- The fairness of the historical financial information (actual or extrapolated) provided in accordance with Article R.225-105-I(3) and II of the French Commercial Code concerning action plans and policy outcomes, including the key performance indicators on the main risks.

As it is our responsibility to provide an independent conclusion on the Information as prepared by Management, we are not authorised to help prepare said Information, as that could compromise our independence.

It is not our responsibility to comment on:

- The entity's compliance with other applicable legal and regulatory requirements (in particular, the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation), the French duty of care law and anti-corruption and tax avoidance legislation);
- The fairness of the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation);
- The compliance of products and services with the applicable regulations.

Regulatory provisions and applicable professional guidance

We performed our work described below in accordance with the provisions of Articles A. 225 1 and following of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement and International Standard on Assurance Engagements 3000[1].

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) for statutory auditors. Our firm maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with applicable legal, regulatory and ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors relating to this engagement.

Means and resources

Our work drew upon the expertise of five people. It was conducted between November 2021 and April 2022 over a total period of approximately two working weeks.

We were assisted in our work by our sustainable development and social responsibility experts. We interviewed a dozen people responsible for preparing the Statement.

Nature and scope of our work

We planned and performed our work to address the areas where we identified that a material misstatement of the Information was likely to arise.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion:

- We have noted the activities of all entities included in the scope of consolidation and the principal risks;
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- We verified that the Declaration covers each category of information provided for in III of Article L. 225-102-1 concerning social and environmental matters, as well as the respect for human rights and the fight against corruption and tax evasion;
- We verified that the Statement provides the information required under Article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- We verified that the Statement presents the business model and a description of the principal risks related to the activities of all the entities included in the scope of consolidation, including, when relevant and proportional, the risks created by business relationships, products or services and policies, actions and results, including key performance indicators for the principal risks;

1 ISAE 3000 (revised) - *Assurance engagements other than audits or reviews of historical financial information*

- We consulted documentary sources and conducted interviews in order to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in the appendices. Concerning certain risks[1], our work was carried out on the consolidating entity. For the other risks, our work was carried out on the consolidating entity and on a selection of entities[2].
- We verified that the Statement covers the scope of consolidation, namely all of the entities included in the scope of consolidation, in accordance with Article L.233-16, with the limitations described in the Statement;
- We noted the internal control and risk management procedures put in place by the entity and assessed the data gathering process intended to reflect the completeness and truthfulness of the information;
- For the key performance indicators and other quantitative outcomes that we considered to be the most important, as presented in the appendices, we implemented:
  - Analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - Tests of details, using sampling techniques or other selection methods, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out for a selection of contributing entities[4] and covered between 24% and 64% of the consolidated data selected for these tests;
- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement performed in accordance with the professional guidance issued by the French Institute of Statutory Auditors; a higher level of assurance would have required us to carry out more extensive procedures.

Paris La Défense, 28 April 2022

KPMG S.A.

Fanny Houlliot, *Sustainability Services Partner*

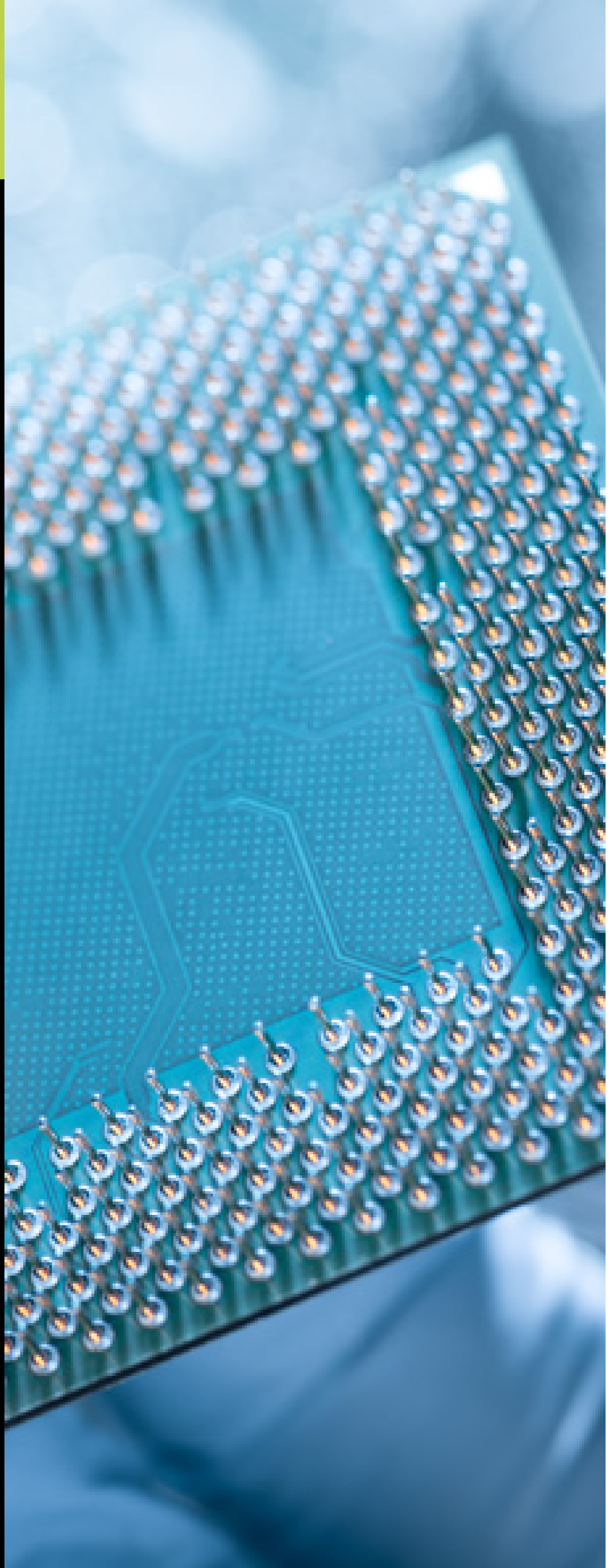
Mathieu Leruste, *Partner*

1 Respect for human rights and the fight against corruption and tax evasion
2 ACTIA Telecom (France), ACTIA Engineering Services (Tunisia), CIPI ACTIA (Tunisia).

Appendix

Qualitative information (actions and results) considered most important
Induction path for new hires and other tools to support the staff
Measures taken to guarantee the health and safety of employees in the current context of the Covid-19 global health crisis
ACTIA Academy training tool which works hand in hand with career management
Schemes and initiatives promoting employee development and well-being
Actions aimed at reducing the Group's carbon footprint
Actions to reduce water footprint
Waste management measures and results
Commitments and measures in favour of the fight against corruption and tax evasion
Measures undertaken to promote human rights

Key performance indicators and other quantitative results deemed most important
Headcount at year end
Turnover
Percentage of women on the Boards of Directors
Percentage of women on the Management Committees
Frequency of occupational accidents with lost working days
Severity of occupational accidents
Number of days of sick leave per employee
Training hours per average headcount
Energy consumption per employee
Water consumption per employee
Greenhouse gas emissions related to energy consumption
Amount of waste generated
Proportion of waste recycled



7

RISK FACTORS

7.1 SUMMARY OF RISK FACTORS

ACTIA conducts reviews of the risks that could have a materially adverse effect on its business, its financial situation, its results and its ability to achieve its objectives, in accordance with the regulations in force since 21 July 2019.

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

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

At the time of the revision of this report, the effects of the electronic component supply crisis are still continuing (see §7.2.1.1 “Purchases”). ACTIA continues to report productivity losses, significant delays in deliveries to its customers, as well as delays or reductions in the volumes requested, due to the production difficulties that the customers themselves face.

In addition, various international factors, including the war in Ukraine, are giving rise to risks of pressure on raw materials that we had already identified in the past. We have therefore increased the rating of this risk.

IMPACT	**Legal, political and regulatory risks:** • Compliance		**Operating risks:** • Purchasing: ◦ Market tensions and procurement lead times	
		Operating risks: • Competitiveness: ◦ Pandemic ◦ Cyber attack ◦ Industry consolidation: ◦ Mergers **Industrial / environmental risks:** ◦ Environment & Safety: ◦ Battery activity	**Operating risks:** • Competitiveness: ◦ The Group's footprint and the size of its competitors ◦ Rise in the cost of raw materials, procurement lead times and rise in transport costs **Financial risks:** • Foreign exchange risk	
		Legal, political and regulatory risks: • Intellectual Property	**Operating risks:** • Purchasing: ◦ End of production of a component **Legal, political and regulatory risks:** • Political stability: • Upheavals, economic war, embargo against Russia **Operating risks:** • Talent management: • Recruitment difficulties and turnover	
				R
	PROBABILITY			

Low risk	Medium risk	High risk	Major risk

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

7.2 DESCRIPTION OF SIGNIFICANT RISKS

7.2.1 OPERATING RISKS

7.2.1.1 Purchasing

MARKET TENSIONS

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

Increased demand (telephony, connected objects, etc.) can chiefly result in market shortages for components and lead to increased procurement lead times and/or delivery by quota. Market launches of consumer goods, such as a new generation tablet, can seriously affect all families of components. With an inadequate production capacity, subject more and more often to climate hazards (droughts, cold waves, floods, etc.), the global industrial facility is not able to meet the demand, despite the billions of investments announced.

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

- Consequences envisaged for the Group

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

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

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

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

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

- Management of the risk by the Group

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

The Group activated a specific organisation to deal with the new components shortage, in March 2021, with a view to handling the situation in a proactive, day-to-day manner, limiting the impact of the tensions. By putting together a team of around ten people, combining skills in purchasing, procurement, production, R&D, legal and business matters, this unit, which works directly with suppliers and customers, is 100% focused on managing the crisis and the most vulnerable product references, finding alternative solutions and offering them to the stakeholders concerned, so that joint decisions limit the impact of the exceptional costs for ACTIA.

As this component crisis crystallised into a profound change in the market, with a risk that matching demand to supply would take several more months or even years, with the health crisis regularly shutting down production centres in Asia, ACTIA decided to modify the organisation of this crisis unit in order to integrate it into its own organisation and to pursue the challenge of finding missing or alternative components as soon as possible in liaison with customers. This would also allow it to better manage its production according to the components available and thus offer its customers to set up opportunistic stocks, putting an end to a just-in-time approach, until then imposed by the customers.

Finally, ACTIA also offers its customers the option of redesigning circuit boards in order to better respond to changes in the component market, where the deployment of new capacities will more naturally address the latest generations of components that do not meet the needs of circuit boards designed a few years ago.

END OF PRODUCTION OF A COMPONENT

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

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

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

- Consequences envisaged for the Group

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

- Management of the risk by the Group

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

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

7.2.1.2 Competitiveness:

This risk takes into account:

- ✓ The Group’s exposure to technology markets that are highly competitive, pitting us against international competitors;
- ✓ The size of the Group - mid-market (ETI or Entreprise de Taille Intermédiaire) - compared to major accounts;
- ✓ And the responses to their tenders that may not necessarily be aligned with those of the big competitors in the market.

THE GROUP’S FOOTPRINT AND THE SIZE OF ITS COMPETITORS

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

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

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

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

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

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

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

- Consequences envisaged for the Group

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

- Management of the risk by the Group

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

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

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

Lastly, the proportion of the international business (nearly 70% of sales) and a presence in the various major, global economic hubs contributes to strengthening the long-term position and development of the Group, faced with much more powerful competitors.

RISE IN THE PRICE OF RAW MATERIALS, PROCUREMENT LEAD TIMES AND RISE IN TRANSPORT COSTS

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

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

In addition to the quantitative aspects related to procurement (which are discussed in section 7.2.1.1 "Purchasingt" above), there is an emerging qualitative risk linked to ACTIA's loss of relative competitiveness, if the Group ends up being comparatively more affected than its international competitors.

- Consequences envisaged for the Group

The consequences are a drop in medium-term revenue, due to loss of competitiveness in calls for tender.

- Management of the risk by the Group

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

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

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

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

SPECIAL SITUATIONS SUCH AS EPIDEMICS

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

Such unforeseeable situations, such as Coronavirus, can lead, depending on their size (geography) and duration, to disruptions of the supply chain and even a more or less complete shutdown of the Group's activity depending on the number of subsidiaries affected, but also the duration that can vary as a function of employee protection and the government measures specific to each country.

- Consequences envisaged for the Group

The first impact is a slowdown in business leading to a drop in revenue, due to a combination of factors:

- Overall or targeted economic slowdown affecting ACTIA customers and product demand;
- Disruption of the supply chain causing a stoppage to the production of some of our products, or even increased purchasing costs;
- Unavailability of operational staff due to illness or restrictions imposed by the authorities, resulting in reduced production and organisational capacity (support functions).

Additional impacts need to be considered:

- Increase in costs due to the use of emergency procurement sources, cost of health safety measures, emergency logistics, etc.;
- Overall loss of efficiency due to the health safety measures, unavailability of employees or degraded operating modes (e.g., team members physically separated from each other).

In 2020, this risk became reality with the Covid-19 crisis. The Group had to react very quickly in all the countries where it operates. The economic impact in 2020 was highly tangible: it is the reason for the considerable drop in revenue observed, mainly during the first half-year. In 2021, the company was able to adapt to the new situation, in particular by remaining agile in terms of working methods, with home-working becoming a common practice in the company. The effect that persists is an indirect effect, which exacerbates supply difficulties and leads to changes in calls for materials when customers are affected either by shortages of materials or by organisational difficulties linked to absenteeism.

- Management of the risk by the Group

As discussed in § 7.2.1.1 "Purchasing", the concentration of procurement in the Asia region, is a form of dependency for European countries which becomes very important during a pandemic and in the event that manufacturers are forced to stop production. In this respect, ACTIA only has the resources described in this paragraph to cope with this eventuality.

Building on the lessons learned during the past year, ACTIA gives top priority to the safety of its staff. From now on, the choice of equipment, especially IT equipment, will be based on the premise that people whose job lends itself to home-working will be able to work from home.

The Group maintains, wherever relevant, a number of measures, which are adapted according to the environment:

- Limitation or even suspension of travel, in particular according to official guidelines;
- The targeted use of home-working to ensure management of the Group, key functions, the continuity of the most sensitive projects and the interface with customers and suppliers;
- Adaptation of the production organisation, or even closure of our facilities;
- Daily monitoring of our customers' revised forecasts, in order to stop or defer supplies;
- Use of any local support schemes available (subsidies, financing, deferred payments, etc.).

Should there be another epidemic, ACTIA would re-activate a crisis unit, and adapt its organisation to suit local constraints, in order to protect its staff and enable business as usual insofar as possible, while cutting costs wherever possible.

7.2.1.3 Cyber attack

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

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

- Consequences envisaged for the Group

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

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

- Management of the risk by the Group

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

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

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

In the event of an incident, there are various mechanisms to replicate, back up and ensure business recovery and these have been shown to be effective. ACTIA Automotive, ACTIA Telematics Services and ACTIA Engineering Services all now have ISO 27001 certification, which represents 37% of the Group headcount, as well as more than 57% of the engineers working in the design offices. Two subsidiaries are in the process of certification: ACTIA Systems (Spain) and ACTIA Telecom (France), which testifies to the fact that the Group takes this risk into account.

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

7.2.1.4 Talent management

ACTIA is facing recruitment difficulties, mainly in France and Tunisia, especially because it requires skills that are in high demand on the job market, but also in all the international subsidiaries located in countries enjoying growth and therefore full employment, which may lead to high turnover. In addition, one of the effects of the Covid-19 pandemic is a change in behaviour with regard to employment and further volatility is setting in.

RECRUITMENT DIFFICULTIES AND TURNOVER

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

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

- Consequences envisaged for the Group

The recruitment of employees can prove to be complicated in countries where there is full employment and high turnover, as in the United States and China, or where there are skills shortages such as in Europe for the field of digitisation, whereas the Group is often on the lookout for just these skills.

In Tunisia, our engineers are sometimes coveted by large groups which can go so far as to offer to let them stay in Tunisia for their work while receiving an American salary. Such home-working creates significant distortions in salary levels compared to locally established companies.

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

- Management of the risk by the Group

ACTIA Group has gradually implemented skills management at a worldwide level, providing mobility within the Group while maintaining a reasonable compensation policy. ACTIA is addressing the issue of turnover thanks to the ACTIA Academy training tool devoted to career management which retains young recruits for a long time. Originally implemented in Tunisia within the Design Office, the tool will be gradually rolled out across the Group to help retain employees.

The health crisis has temporarily slowed down the roll-out process. The deployment of the "ACTIA Cross Border Engineering" programme, which supports the building of an extended design office approach within the Group, will nevertheless be a positive driver of skills management and boost our attractiveness.

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

7.2.1.5 Industry consolidation

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

The regrouping carried out at international level, and the potential merger of our corporate customers, and also suppliers, could endanger existing commercial relationships.

- Consequences envisaged for the Group

ACTIA, a supplier of vehicle manufacturers, could be exposed to the consequences of groupings and/or mergers between some of them, particularly in the field of diagnostics for light vehicles. Such mergers could lead to lost markets over time.

Today, only one customer of the Group represents more than 10% of consolidated revenue. With regard to suppliers, the issue is more complex to analyse, due to the intermediary role of distributors, giving access to the major component manufacturers. As things stand at present, this type of risk would not have a very significant impact, but everything will depend on what type of mergers are approved by France's national competition regulator, and the risks of having a high concentration of big players in the Electronics sector, especially in Europe.

- Management of the risk by the Group

The products and services in question concern the ranges or models of vehicles sold, for which it would be necessary to guarantee short-term production and above all, ongoing aftermarket services for many years. Consequently, the strategy adopted for the technologies and services in the field of diagnostics and aftermarket could not be replaced very quickly. ACTIA has a proven track record in this type of market.

7.2.2 FINANCIAL RISKS

7.2.2.1 Foreign exchange risk

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

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

- Consequences envisaged for the Group

With purchases of over €250 million, including almost €120 million in US Dollars (excluding purchases made by our American entities that benefit from natural coverage), a change in the EUR/USD exchange rate has a very rapid effect on the Group's profitability.

- Management of the risk by the Group

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

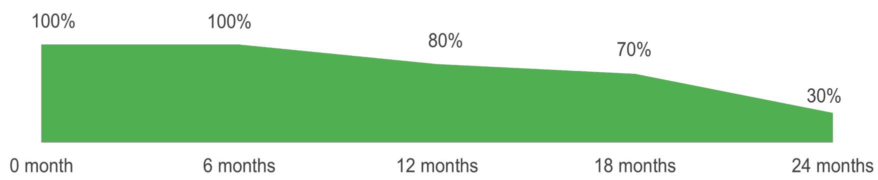
ACTIA subscribes to currency hedging contracts on a regular basis. Their characteristics are described in Note 11.2 "Financial instruments at fair value through profit or loss" in the notes to the consolidated financial statements. The purpose of these hedging tools is to secure the cost of acquiring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

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

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

The Group was thus able to acquire USD at an average exchange rate over the period of 1.179, as compared with 1.162 in 2020, thus generating a shortfall of €358,000 compared with the spot market, where the average exchange rate was 1.184, compared to 1.141 in 2020. During 2021, ACTIA did not necessarily benefit from the optimum working of the spot market, but the hedging instruments enabled it to stay in a tunnel that became favourable again at the end of the year and particularly protective at the start of 2022.

For information, the hedging tools are part of a policy which can be expressed in terms of the level of coverage achieved for dollar-denominated purchasing needs, and can be shown as follows:



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

Assets and liabilities outside of the Eurozone account for a small share of 14.1%, and are generally only linked to the business activity. Moveable assets and real estate are depreciating or are already entirely depreciated. Only the latest investments in the United States, with the new production facility for circuit boards, are accompanied by a debt in foreign currency, with the construction of the two buildings in Tunisia being locally financed in Euros. An analysis of these long-term investments compared to the currency risk was carried out, but the real estate opportunity they represent compared to the cost of leasing properties for electronic printed circuit board production and its specific requirements weighs considerably on the exchange rate risk. Heavy equipment required for production is depreciated rapidly and the homogeneity of the equipment on our sites enables the recovery and use of the goods on any of the sites. Furthermore, the creation of an industrial site on American soil will also help to generate Group sales in foreign currency, allowing it to benefit from a "natural hedge" on part of its business.

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

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

7.2.3 LEGAL, POLITICAL AND REGULATORY RISKS

7.2.3.1 Political stability

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

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

- Consequences envisaged for the Group

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

- Management of the risk by the Group

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

7.2.3.2 Intellectual Property

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

For several years, many applications have depended on communication technologies developed by the telecommunications industry, such as 2G, 3G and 4G. ACTIA is one of the players in this value chain as it supplies telematic computers that include these technologies.

The telematics market is currently facing, for our manufacturer customers, a legal and financial risk related to the need to obtain licences for the use of Standard Essential Patents (SEPs) – patents included in the international standards ETSI, 3GPP, etc. – from companies that manage portfolios of patents, as mandated by the holders of those patents.

- Consequences envisaged for the Group

These applications for licences create a major economic risk for our customers who have to respond to the approaches made by the companies that manage these portfolios of patents. ACTIA runs the risk of legal proceedings taken by its customers.

- Management of the risk by the Group

ACTIA works actively with the support of its suppliers to meet the conditions required by its manufacturer customers and to negotiate with them in the most favourable way possible to strike a legal and financial balance.

7.2.3.3 Compliance

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

The strengthening of regulatory and contractual regulations in all areas related to Compliance leaves ACTIA exposed to risks if it fails to comply with said regulations. Feared events refer to improper practices which occur despite the control mechanisms in place, for which the Group may be held liable. ACTIA has conducted and updated anti-corruption risk mapping and has put in place various measures to meet the compliance obligations. The main risk elements identified are as follows:

- uncontrolled use of commercial agents or other types of agents who use improper practices;
- the supplier selection and approval process;
- fraud;
- non-compliance with the obligations related to export controls;
- failure to take into account new obligations, due to an oversight or through lack of time.

- Consequences envisaged for the Group

The consequences of a breach of the compliance obligations may be extremely serious, because under the terms of French and international laws, the company and its directors may be held criminally liable, in addition to administrative sanctions and possible consequences under civil law.

For example, in worst-case scenarios, in the event of a breach of the anti-corruption rules or a major breach of the confidentiality obligations concerning personal data, the sanctions imposed can be up to tens of millions of euros.

In addition, shortcomings such as these can be widely publicised and affect ACTIA's reputation, resulting indirectly in loss of revenue.

- Management of the risk by the Group

ACTIA has set up an in-house organisation in order to:

- keep up to date with all the latest applicable regulations;
- assess and prioritise the risks stemming from those obligations;
- put in place policies, procedures and action plans to keep the risk to a minimum;
- train its managers and staff to ensure the rules are properly applied.

7.2.4 INDUSTRIAL AND ENVIRONMENTAL RISKS

7.2.4.1 Environment and Safety

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

The “batteries” industrial activity involves some specific risks. These risks must be looked at across the full lifecycle of the product, from design onwards, to ensure a production process that is as safe as possible, followed by stable functioning in the operational phase and, lastly, safe withdrawal from service and dismantling.

The potential risks are:

- electrical risk during production and maintenance; this is the main risk as, at these times, high voltage is used;
- human risk in terms of injuries during handling (a battery weighs between 1 and 5 tonnes);
- fire risk due to overheating or explosion;
- the issue of recycling cells at the end of their useful life.

- Consequences envisaged for the Group

Whereas Lithium Titanium Oxide (LTO) batteries have excellent security features, for Nickel Manganese Cobalt (NMC) applications, the level of risk is higher and must be made safer in future designs.

ACTIA meets the safety rules laid down by the local authorities. Consequently, at our German production facility, where larger batteries are assembled, we have equipped the site with a powerful automatic extinguishing system. However, this is not yet the case for our production site located in the USA, which is setting up to also produce on American soil.

Using a faulty electrical battery can cause a fire, or even personal injury. The Group could therefore be faced with human risks during handling, but also damage to equipment and buildings, or even accidents when our batteries are being used by customers.

Lastly, the dismantling of batteries and cells at the end of their useful life is possible. The recycling of Li-Ion cells is as yet at the prototype stage as there is not yet a dedicated industrial solution.

- Management of the risk by the Group

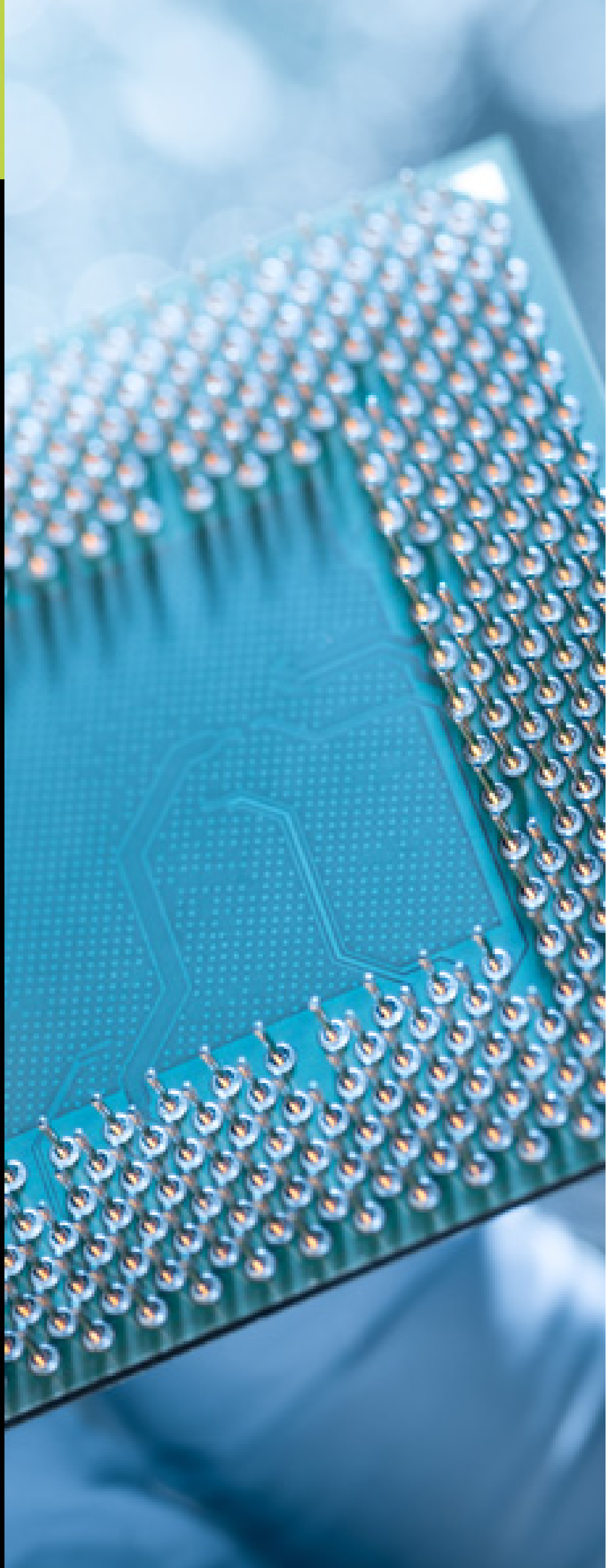
ACTIA conducts preventive tests and analyses involving:

- qualification of the energy storage cells used;
- approval of products as per the applicable standards.

Electric product risk is validated by design and corresponds to standards, such as the regulation UNECE R100, which are met by all our products and is addressed by using appropriate means of protection (insulating films, insulating shoes and floors, etc.).

In addition, ACTIA is setting up measures for handling and responding to these risks, such as:

- manual and automatic extinguishing devices;
- production of intervention plans;
- safety training.



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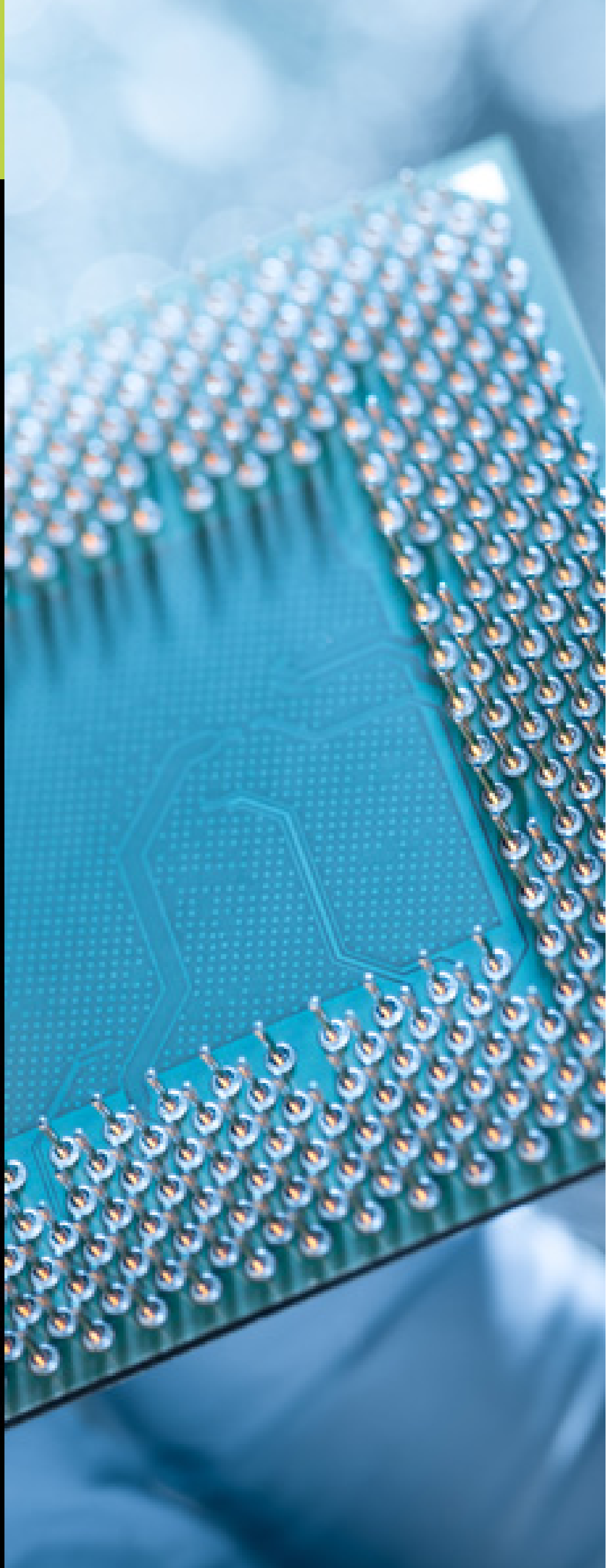
CORPORATE GOVERNANCE REPORT



This report on corporate governance was prepared by the Legal Department in liaison with General Management, approved by the ACTIA Group Board of Directors on 28 March 2022 and forwarded to the Statutory Auditors.

8.1 CORPORATE GOVERNANCE

Our Company uses the new September 2021 edition of the Corporate governance code for listed companies issued by Middlenext (the French association of mid-cap companies) available for consultation on the Middlenext website, www.middlenext.com (hereinafter the “Reference Code”.

8.1.1 MEMBERSHIP OF THE BOARD OF DIRECTORS AND GENERAL MANAGEMENT

Board of Directors

Offices on the Board of Directors are for a period of six years. As an exception, and in order to facilitate the setting up or smooth transition of offices, one or more members of the Board of Directors may be appointed for a five-year period at the General Meeting. The Directors were appointed at the General Meeting held on 30 October 2020. Two Directors representing the employees were elected on 23 March 2021 for a four-year term, in compliance with the provisions of Articles L225-27-1 et seq. of the French Commercial Code.

With respect to the principle of balanced representation of women and men on the Board of Directors, it should be noted that the Board is made up of 6 women and 4 men for a total of ten members. The members of the Supervisory Board representing the employees are not included in this total. The proportion of members of each gender is at least equal to 40%, in line with the applicable legislation. For all information concerning the diversity and equity policy adopted within the Group and the results obtained during the reporting year, please refer to Chapter 6 “Sustainable Development” of this document.

Membership of the Board of Directors

Name and position	Age	Gender	Nationality	Start of first office	End of current office*
Executive Corporate Officers and Directors					
Jean-Louis Pech, Chairman and CEO, father of Laura Pech	61	Male	French	30.10.2020	2026
Jean-François Calmels, Deputy CEO	53	Male	French	30.10.2020	2026
Marine Candelon, Deputy CEO	60	Female	French	30.10.2020	2026
Catherine Mallet, Deputy CEO	52	Female	French	30.10.2020	2026
Independent Directors					
Catherine Casamatta	49	Female	French	30.10.2020	2025
Carole Garcia	50	Female	French	30.10.2020	2025
Directors					
Stanislas Bailly	40	Male	French	30.10.2020	2025
Laura Pech, daughter of Jean-Louis Pech	34	Female	French	30.10.2020	2026
Frédéric Thrum	49	Male	French	30.10.2020	2025
Véronique Védrine	62	Female	French	30.10.2020	2025
Directors representing the employees					
Martine Chupin	51	Female	French	23.03.2021	22.03.2025
Marie-Louise Ribaut	54	Female	French	23.03.2021	22.03.2025
Honorary Chairman (non Director)					
Pierre Calmels	85	Male	French	30.10.2020	No fixed term of office

** Following the General Meeting called during the year to approve the financial statements for the previous financial year*

It is specified that the only change made during the financial year in the membership of the Board is the appointment of two Directors representing the employees on 23 March 2021.

HONORARY CHAIRMAN

On 30 October 2020, the Board of Directors appointed Pierre Calmels as Honorary Chairman, in line with the faculty offered by the company's Internal Rules.

The Honorary Chairman is invited to all meetings of the Board and has an advisory vote.

Like the Observers, he is also bound by the obligations of loyalty and prevention of conflicts of interest, those related to the holding of confidential information and the prevention of offences and insider trading, the duty of diligence, the obligation to acquire information and behave in an ethical manner, as set out in Article 4 of the Internal Rules.

At the request of the Chairman and CEO, the Honorary Chairman may be asked to share his experience and address the company staff. He may also be required to represent the Group, for example with regard to its long-standing partners, and participate in major ACTIA events.

OBSERVER

At 31 December 2021, the company had one Observer, Christian Desmoulins, appointed by the Board of Directors on 30 October 2020, for a four-year term. His office will expire at the end of the General Meeting to be held in 2024 to approve the financial statements for the previous financial year.

INDEPENDENT OFFICERS

Criteria applied: to be considered an independent officer, the member of the Board of Directors must meet the following criteria:

1. not be, or have been, an employee or Executive Corporate Officer of the Company or of a subsidiary company of the Group in the last five years (C1);
2. not be, or have been, in a significant business relationship with the Company or the Group (customer, supplier, competitor, service provider, creditor, banker, etc.) in the last two years; (C2);
3. not be a majority shareholder of the Company or hold a significant percentage of voting rights (C3);
4. not be in a close relationship or have a close family tie with a Corporate Officer or a majority shareholder (C4);
5. not have been a Statutory Auditor of the Company in the past six years (C5).

The following definition of the term "Group" is used for the application of these criteria: any company controlled or controlling the ACTIA Group as meant by Article L233-3 of the French Commercial Code.

The summary table below shows whether or not the members of the Board of Directors conform to each Reference Code criterion:

Name and position	C1	C2	C3	C4	C5	Conclusion
Jean-Louis Pech, Director - Chairman and CEO	NO	YES	NO	NO	YES	NO
Marine Candelon-Bonnemaison, Director - Deputy CEO	NO	YES	NO	NO	YES	NO
Jean-François Calmels, Director - Deputy CEO	NO	YES	NO	NO	YES	NO
Catherine Mallet, Director - Deputy CEO	NO	YES	NO	NO	YES	NO
Stanislas Bailly, Director	YES	YES	NO	NO	YES	NO
Catherine Casamatta, Director	YES	YES	YES	YES	YES	YES
Carole Garcia, Director	YES	YES	YES	YES	YES	YES
Laura Pech, Director	YES	YES	YES	NO	YES	NO
Frédéric Thrum, Director	YES	YES	NO	NO	YES	NO
Véronique Védrine, Director	YES	NO	YES	YES	YES	NO

Therefore, the independent Corporate Officers are: Catherine Casamatta and Carole Garcia

It is specified that Catherine Casamatta and Carole Garcia have specific skills in financial, accounting and statutory auditing of accounts.

8.1.2 INFORMATION ABOUT THE MEMBERS OF THE COMPANY'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

- **Stanislas Bailly** is a Company Director. Appointed at the Combined Ordinary and Extraordinary General Meeting of 30 October 2020, his term will expire at the General Meeting to be held in 2025 to approve the financial statements for the previous financial year. He also holds the following offices and positions in the companies listed below:

- **Offices**

Current offices and directorships			
Offices	Company	Country	
CEO	SNECI	France	
Chairman	SGPFEC	France	
	S.B. Investments	France	
Offices held within the last 5 years outside the Group			
Offices	Company	Country	End of term
None			

Positions	
CEO of SNECI	
Chairman of SGPFEC	
Member of the FIEV Steering Committee	
Address	
SGPFEC - 64 Rue Anatole France - 92300 Levallois-Perret	
Expertise and experience	
ACADEMIC BACKGROUND:	
Ecole Polytechnique (School of Engineering)	
Master of Science MIT Boston	
MBA at INSEAD	
PROFESSIONAL BACKGROUND:	
Derivatives Trader at JP Morgan in Hong Kong	2007 - 2009
Projects & Operations at SNECI	2010 - 2011
Director SNECI Asia in Shanghai	2011 - 2013
Director of Operations at SNECI	2013 - 2017
CEO of SNECI	Since 2017

- **Pierre Calmels**, founder of the Group, father of Marine Candelon-Bonnemaison and Jean-François Calmels, is the Honorary Chairman of the Board of Directors, appointed at the Board meeting held on 30 October 2020. He was Vice-Chairman of the Supervisory Board until 27 May 2020, then Chairman of the Company's Supervisory Board until 30 October 2020, and Honorary Chairman from that date onwards. He also holds the following offices and positions in the companies listed below:

- **Offices**

Current offices and directorships		
Offices	Company	Country
Chairman of the Supervisory Board	LP2C	France
Observer	ACTIA Automotive	France
	ACTIA Telecom	France
Director	KARFA	Mexico
	Actia Inc	India
	ACTIA India	India

Offices held within the last 5 years outside the Group			
Offices	Company	Country	End of term
None			

Address	
ACTIA Group – 5, rue Jorge Semprun – BP 74215 – 31432 TOULOUSE Cedex 04	
Expertise and experience	
ACADEMIC BACKGROUND:	
Ecole Polytechnique (School of Engineering) - Paris – AFN	1957 - 1959
Military service – Marignane Avord	1959 - 1960
ISAE (formerly ENSAE) – Paris	1960 - 1962
ICG Toulouse	1983 - 1985
PROFESSIONAL BACKGROUND:	
Aeronautical Test Centre of Toulouse (CEAT)	1962 - 1969
Weapons engineer	
Head of Conditioning Laboratory (3 years)	
Head of the Materials and Structure Group (4 years)	
MICROTURBO SA – Toulouse	1969 - 1990
Technical Director (7 years)	
Programme Director (9 years)	
Chief Executive Officer (5 years)	
ACTIA Automotive SA – Toulouse	since 12/1990
LP2C (Group holding company)	Since 07/1994

Jean-François Calmels, son of Pierre Calmels and brother of Marine Candelon-Bonnemaison, is Deputy CEO, appointed by the Board of Directors on 30 October 2020. Appointed Company Director at the Combined Ordinary and Extraordinary General Meeting of 30 October 2020, his term of office will expire at the end of the General Meeting to be held in 2026 to approve the financial statements for the previous financial year. He was a member of the Company's Executive Board until 30 October 2020. He also holds the following offices and positions in the companies listed below:

Offices

Current offices and directorships		
Offices	Company	Country
Director	ACTIA Corp.	USA
	ACTIA Tunisie	Tunisia
	ACTIA Electronics	USA
	ACTIA Nordic	Sweden
	ACTIA de Mexico	Mexico
	ACTIA Systems	Spain
	ACTIA Engineering Services	Tunisia
	ACTIA Power US	USA
	ACTIA UK	UK
	ACTIA Africa	Africa
Permanent Representative of ACTIA Group	CIPI ACTIA	Tunisia
	ACTIA Telecom	France
Member of the Management Committee	ACTIA Power	France
Advisory Board member	ACTIA Do Brasil	Brazil

Offices held within the last 5 years outside the Group			
Offices	Company	Country	End of term
	None		

Address	
ACTIA Group – 5, rue Jorge Semprun – BP 74215 – 31432 TOULOUSE Cedex 04	
Expertise and experience	
ACADEMIC BACKGROUND:	
Université Paul Sabatier	1988 - 1990
Ecole Militaire de l'Air	1994
USAF Warfare Centre	2010
PROFESSIONAL BACKGROUND:	
French Airforce: Speciality: Weapons Systems Navigation Officer	1990 - 2018
Missions in combat zones as Weapons Systems Navigation Officer	1999 - 2005
Head of Electronic Warfare training	2005 - 2007
NATO: Military Assistant to the French Admiral in charge of Research and Technology, Future Capacities	2007 - 2010
Second in Command, Lyons Detection and Control Centre	2011 - 2013
Commander, Lyons Detection and Control Centre	2013 - 2016
Air Force Colonel	2016
Chief of Air Operations National Air Operations Centre	2016 - 2017
Second in Command National Air Operations Centre	2017 - 2018
ACTIA Telecom - Account Manager	2018
DECORATIONS:	
Knight of the Legion of Honour	
Officer in the National Order of Merit	

Marine Candelon-Bonnemaison,daughter of Pierre Calmels and sister of Jean-François Calmels, is Deputy CEO, appointed by the Company's Board of Directors on 30 October 2020. Appointed Company Director at the Combined Ordinary and Extraordinary General Meeting of 30 October 2020, her term of office will expire at the end of the General Meeting to be held in 2026 to approve the financial statements for the previous financial year. She was a member of the Company's Executive Board until 30 October 2020. She also holds the following offices and positions in the companies listed below:

Offices

Current offices and directorships		
Offices	Company	Country
Chair of the Board of Directors and Director	ACTIA Automotive	France
Vice-Chair	ACTIA Italia	Italy
Executive Board member	LP2C	France
Permanent Representative of ACTIA Automotive	ACTIA 3E	France
	ACTIA PCs	France
Permanent Representative of LP2C	ACTIA Tunisie	Tunisia
	CIPI ACTIA	Tunisia
Director	ACTIA Telecom	France
	ACTIA Italia	Italy
	SCI Los Olivos	Spain
	ACTIA Systems	Spain
	ACTIA China	China
Co-Manager	SCI Les Coteaux de Pouvourville	France
	SCI de l'Oratoire	France
Member of the Management Committee	ACTIA Power	France
Offices held within the last 5 years outside the Group		
None		

Address	
ACTIA Group – 5, rue Jorge Semprun – BP 74215 – 31432 TOULOUSE Cedex 04	
Expertise and experience	
ACADEMIC BACKGROUND:	
First Certificate of Cambridge	1979
Proficiency of Cambridge	1980
BTS Executive Secretary	1982
PROFESSIONAL BACKGROUND:	
TECHNAL France Toulouse: Qualified export secretary	1982 - 1985
Maurice Messegue Auch - Executive Secretary	1986
Laboratoires Des Herbes Sauvages Fleurance - Executive Secretary	1986 - 1990
SARL ACTE Nérac - Executive Assistant	1990 - 1993
SA M3S Castelginest - Chair and Chief Executive Officer	1993 - 2002
LP2C S.A. Toulouse - Member of the Executive Board	since 1999

- **Catherine Casamatta** is an Independent Director of the Company. Appointed at the Combined Ordinary and Extraordinary General Meeting of 30 October 2020, her term will expire at the end of the General Meeting to be held in 2025 to approve the financial statements for the previous financial year. She was a member of the Company's Supervisory Board until 30 October 2020. She also holds the following offices and positions in the companies listed below:

- **Offices**

Current offices and directorships		
Offices	Company	Country
Vice-Chair in charge of Finances	Université Toulouse Capitole	France
Member	Scientific Council of the Financial Markets Authority	France

Offices held within the last 5 years outside the Group			
Offices	Company	Country	End of term
Director	IAE Toulouse	France	2017
Member	Research Commission Université Toulouse Capitole	France	2020
	Academic Adviser Université Toulouse Capitole	France	2020
	Conseil National des Universités (National University Council)	France	2020

Address	
TSM - 2 Rue du Doyen Gabriel Marty, 31000 Toulouse	
Expertise and experience	
ACADEMIC BACKGROUND:	
Graduate of ESSEC (Cergy)	1994
Post-graduate diploma (DEA) in Management Sciences	1995
Doctorate in Management Sciences	1999
Authorisation to lead research in Management Sciences	2002
First selection examination in Management Sciences	2003
PROFESSIONAL BACKGROUND:	
Professor of Finance, TSM and TSE, UT1 Capitole	since 2003
Head of the Finance Department, IAE, UT1 Capitole	2002-2004
Director of the Graduate School of Management Sciences, UT1 Capitole	2006-2010
Director of IAE Toulouse, UT1 Capitole	2010-2015
Director of the Master in Corporate Finance, TSM, UT1 Capitole	since 2016

Martine Chupin is a Company Director representing the employees of the Company, elected by the employees on 23 March 2021. Her term of office will expire on 22 March 2025.

Address	
ACTIA Group - 5, rue Jorge Semprun - BP 74215 - 31432 TOULOUSE Cedex 04	
Expertise and experience	
ACADEMIC BACKGROUND:	
INSA Engineer in Automation, Electronics and IT	1994
Post-graduate diploma (DEA) in Microelectronics	1994
PROFESSIONAL BACKGROUND:	
ACTIA Automotive: project manager for diagnostic tools, head of the Multidiag project	1994
ACTIA Automotive: head of hardware/firmware developments for diagnostics	2000
ACTIA Automotive: head of quality, serial life and aftermarket for the Diagnostics business unit	2006
ACTIA Automotive: head of quality, methods and tools, safety and qualification	2013
ACTIA Automotive: head of the operations cluster within the Information Systems Department	since 2021

Christian Desmoulins is an Observer to the Company's Board of Directors. Appointed by the Board of Directors on 30 October 2020, his term of office will expire at the General Meeting to be held in 2024 to approve the financial statements for the previous financial year. He was Controller of the Company's Supervisory Board until 30 October 2020. He also holds the following offices and positions in the companies listed below:

Offices

Current offices and directorships		
Offices	Company	Country
Advisor	French foreign trade adviser	France
Honorary Chairman	Cercle d'oc	France
Manager	SCI Un Grain d'Orge	France
Honorary Chairman	Midi-Pyrenees Regional Committee of the Association of French Foreign Trade Advisers	France

Offices held within the last 5 years outside the Group			
Offices	Company	Country	End of term
Member of the Board	École Doctorale Systèmes	France	2016
Director	Institut National Universitaire CHAMPOLLION	France	2016
	Institut National Polytechnique de Toulouse	France	2016
	IRT Antoine de Saint Exupéry	France	2016
	Université Paul Sabatier	France	2020
Manager/Co-Manager	SCI Bridge – Bayard	France	2020

Positions	
Académicien des Technologies	
Académicien des Jeux Floraux	
Contributor - Académie des Jeux Floraux	
Address	
ACTIA Group - 5, rue Jorge Semprun - BP 74215 - 31432 TOULOUSE Cedex 04	
Expertise and experience	
ACADEMIC BACKGROUND:	
Ecole Polytechnique (School of Engineering)	
Civil engineer	
PROFESSIONAL BACKGROUND:	
District Manager at the Nièvre Public Works Department	1976 - 1981
Division Head at the Provence-Alpes-Côte d'Azur DRIRE and Project Officer for the Regional Prefect	1981 – 1986
Regional Director of Industry, Research and the Environment and Regional Delegate of the Auvergne ANVAR	1986 – 1991
Regional Director of Industry, Research and the Environment in Midi-Pyrénées and Director of the École des Mines in Albi.	1991 – 1998
Head of the Manufacturing Industries Unit at the French Ministry for the Economy, Finance and Industry	1998 – 1999
Director of Technological Research at the CEA and Chairman of CEA Valorisation	1999 - 2003
Chairman of the Executive Board of ACTIA Group and Chief Executive Officer of ACTIA Automotive	2003 - 2014
DECORATIONS:	
Knight in the National Order of the Legion of Honour	
Knight in the National Order of Merit	
Knight in the National Order of Academic Palms	

Carole Garcia is an Independent Director of the Company. Appointed at the Combined Ordinary and Extraordinary General Meeting of 30 October 2020, her term of office will expire at the end of the General Meeting to be held in 2025 to approve the financial statements for the previous financial year. She was a member of the Company's Supervisory Board until 30 October 2020. She also holds the following offices and positions in the companies listed below:

Offices

Current offices and directorships			
Offices	Company	Country	
Chair	SAS Graine de pastel	France	
Chair and Director	Financière Graine de pastel	France	
Honorary Consul	Principality of Monaco	Monaco	
Consultant	French foreign trade adviser	France	
Offices held within the last 5 years outside the Group			
Offices	Company	Country	End of term
Member	Cercle d'oc	France	2021
Elected	Toulouse Chamber of Commerce and Industry	France	2021

Address	
Graine de Pastel – 4, Place Saint Etienne 31000 Toulouse	
Expertise and experience	
ACADEMIC BACKGROUND:	
École Supérieure de Commerce of Bordeaux	1992
Masters in Marketing Strategy, Paris Dauphine University	1993
Cycle des Hautes Etudes pour le Développement Economique (CHEDE), Ministry of Economy	2015
PROFESSIONAL BACKGROUND:	
Marketing positions, Pierre Fabre Pharmaceutical Group	1994 - 2001
Chair and co-founder of Graine de Pastel	since 2002
DECORATIONS:	
Knight in the National Order of Merit	

Catherine Mallet, daughter of Louis Pech and sister of Jean-Louis Pech, is Deputy CEO, appointed by the Company's Board of Directors on 30 October 2020. Appointed Company Director at the Combined Ordinary and Extraordinary General Meeting of 30 October 2020, her term of office will expire at the end of the Annual General Meeting to be held in 2026 to approve the financial statements of the previous financial year. She was a member of the Company's Executive Board until 30 October 2020. She also holds the following offices and positions in the companies listed below:

Offices

Current offices and directorships		
Offices	Company	Country
Executive Board member	LP2C	France
Chair of the Board of Directors and Director	Banque Populaire Occitane	France
	ACTIA PCs	France
	ACTIA Telecom	France
Supervisory Board member	BPCE	France
Director	ACTIA China	China
	ACTIA Italia	Italy
	ACTIA de Mexico	Mexico
	ACTIA Corp.	USA
	ACTIA Inc	USA
	ACTIA India	India
	CIPI ACTIA	Tunisia
	ACTIA UK	UK

Current offices and directorships		
Offices	Company	Country
Director	ACTIA Electronics	USA
	Fédération Nationale des Banques Populaires	France
	ACTIA Africa	Tunisia
	ACTIA Nordic	Sweden
	Middlenext	France
	SCI Los Olivos	Spain
Member of the Management Committee	ACTIA Power	France
Permanent Representative of LP2C	ACTIA 3E	France
	ACTIA Systems	Spain
	ACTIA Engineering Services	Tunisia
Advisory Board member	ACTIA do Brasil	Brazil
Co-Manager	SCI de l'Oratoire	France
	SCI de Pouvourville	France
Permanent Representative of Action Logement (MEDEF)	Promologis S.A. H.L.M.	France
	SAC Occitanie Habitat	France
Chairman of the Audit Committee	Promologis S.A. H.L.M.	France

Offices held within the last 5 years outside the Group			
Offices	Company	Country	End of term
Permanent Representative of Action Logement (MEDEF)	Ma Nouvelle Ville	France	2019
Permanent Representative of MEDEF 31	CILEO	France	2016

Address	
ACTIA Group – 5, rue Jorge Semprun – BP 74215 – 31432 TOULOUSE Cedex 04	
Expertise and experience	
ACADEMIC BACKGROUND:	
Graduate of the École Supérieure de Commerce of Toulouse	1989 - 1992
PROFESSIONAL BACKGROUND:	
Crédit Mutuel Île de France Boulogne-Billancourt - Account Manager	1992 - 1993
ACTIA Automotive S.A Toulouse – Executive Assistant	1993 - 1996
ACTIA Group S.A Toulouse – Executive Assistant	1996 - 2003
ACTIA Group S.A Toulouse – Chief Financial Officer	since 2003
LP2C S.A. Toulouse– Executive Board member	since 1999
DECORATIONS:	
Knight in the National Order of Merit	

Jean-Louis Pech, son of Louis Pech, brother of Catherine Mallet and father of Laura Pech, is Chairman and CEO, appointed by the Board of Directors on 30 October 2020. Appointed Company Director at the Combined Ordinary and Extraordinary General Meeting of 30 October 2020. His term of office will expire at the end of the General Meeting to be held in 2026 to approve the financial statements for the previous financial year. He was Chairman of the Company's Executive Board until 30 October 2020. He also holds the following offices and positions in the companies listed below:

Offices

Current offices and directorships		
Offices	Company	Country
Executive Board member	LP2C	France
	CNPA	France
CEO	ACTIA Automotive S.A.	France
	JLS Invest	France
Chairman of the Board of Directors and Director	ACTIA 3E	France
	KARFA	Mexico
	ACTIA Nordic	Sweden
	ACTIA Corp.	USA
	ACTIA India	India
	ACTIA Inc	USA
	ACTIA Systems	Spain
	SCI Los Olivos	Spain
	ACTIA Italia	Italy
	ACTIA Polska	Poland

Current offices and directorships		
Offices	Company	Country
Chairman of the Board of Directors and Director	ACTIA Africa	Tunisia
	ACTIA UK	UK
	ACTIA Japan	Japan
CEO and President of the Management Committee	ACTIA Power	France
Director	ACTIA de Mexico	Mexico
	IRT Antoine de Saint Exupéry	France
	ACTIA Power US	USA
	ACTIA Electronics	USA
	ACTIA China	China
Advisory Board member	ACTIA do Brasil	Brazil
Permanent Representative of LP2C	ACTIA PCs	France
	ACTIA Telecom	France
ACTIA Power representative	ACTIA Power France	France
Permanent Representative of ACTIA Group	ACTIA Automotive	France
	SCI Sodimob	France
	ACTIA Telematics Services	Belgium
	ACTIA Africa	Tunisia
Permanent Representative of ACTIA Automotive	CIPI ACTIA	Tunisia
	ACTIA Tunisie	Tunisia
	ACTIA Engineering Services	Tunisia
	ACTIA Systems	Spain

Current offices and directorships		
Offices	Company	Country
Manager/Co-Manager	SCI Jean Mermoz	France
	SCI Jules Védrines	France
	SCI Louis Blériot	France
	SCI La Confluence	France
	SCI Sodimob	France
	ACTIA Telematics Services	Belgium
Advisor	Banque de France de Toulouse	France
Member	Cercle d'oc	France
Vice-Chairman	CNPA Occitanie	France
Chairman	INSA Toulouse University Foundation	France
Treasurer	TOTEM cluster	France

Offices held within the last 5 years outside the Group			
Offices	Company	Country	End of term
Manager/Co-Manager	Sopyram	France	2016
	ALPHA Recyclage Composites	France	2017
	Soregom	France	2019
	ALPHA Carbone	France	2020
	IDE Ingénierie	France	2020
Chairman	Leader Toulouse	France	2020
	CNPA Occitanie	France	2019
	CNPA Midi-Pyrenees	France	2017
	Automotech Cluster	France	2020
Vice-Chairman	GIE France Recyclage Pneumatique	France	2020
CEO	ALPHA Recyclage Franche Comte	France	2020
Chairman of the Prospective Commission	CNPA	France	2018
Deputy National Treasurer	CNPA	France	2017
Chairman of the Used Tyres Committee	CNPA	France	2017

Address	
ACTIA Group – 5, rue Jorge Semprun – BP 74215 – 31432 TOULOUSE Cedex 04	
Expertise and experience	
ACADEMIC BACKGROUND:	
Engineering degree, INSA, specialisation in “Industrial and Environmental Engineering Processes”	1985
Post-graduate diploma (DEA) in “Antipollution Engineering”	
PROFESSIONAL BACKGROUND:	
SOTRACIM - CEO	1987 - 1988
I.D.E. Ingénierie S.A. - Founder and Manager	since 1987
LP2C S.A. Toulouse - Member of the Executive Board	since 1992
Alpha Recyclage Franche Comté – Founder and Manager	since 1998
JLS INVEST – Founder and Manager	since 2007
GIE France Recyclage Pneumatique - CEO	2009 - 2014
GIE France Recyclage Pneumatique – Vice-Chairman	since 2014
Chairman of the Executive Board of ACTIA Group	since 2014
CEO of ACTIA Automotive	since 2014

Laura Pech, daughter of Jean-Louis Pech and granddaughter of Louis Pech, is a Company Director. She was appointed at the Combined Ordinary and Extraordinary General Meeting on 30 October 2020. Her term of office will expire at the end of the General Meeting to be held in 2026 to approve the financial statements for the previous financial year. She was a member of the Company's Supervisory Board until 30 October 2020. She also holds the following offices and positions in the companies listed below:

Offices

Current offices and directorships		
Offices	Company	Country
CEO	ALPHA Recyclage Franche-Comté	France
Director	ACTIA Automotive	France
Manager/Co-Manager	ALPHA Carbone	France
	IDE Environnement	France

Offices held within the last 5 years outside the Group			
Offices	Company	Country	End of term
Manager/Co-Manager	ALPHA Recyclage Composites	France	2017
CEO	ALPHA Recyclage Composites	France	2020
Manager/Co-Manager	IDE Environnement	France	2020

Address	
ALPHA Recyclage Franche-Comté – 4, rue Jules Védrines – B.P. 94204 – 31031 TOULOUSE CEDEX 4	
Expertise and experience	
ACADEMIC BACKGROUND:	
Graduate in Engineering from the Ecole des Mines of Albi	2010
Graduate of the École Supérieure de Commerce of Paris	2012
PROFESSIONAL BACKGROUND:	
Alpha Recyclage Franche Comté – Engineer, head of development	2012-2015
Alpha Recyclage Franche Comté – Deputy Chief Executive Officer	since 2015

◎ **Marie-Louise RIBAUT** is a Company Director representing the employees, elected by the employees on 23 March 2021. Her term of office will expire on 22 March 2025.

Address	
ACTIA Automotive - 10, avenue Edouard Serres - BP 60112 - 31772 COLOMIERS Cedex	
Expertise and experience	
ACADEMIC BACKGROUND:	
Doctorate in Information Systems (IT)	
PROFESSIONAL BACKGROUND:	
ACTIA Automotive: head of the documentary management service within the Industrialisation Department	1996-2000
ACTIA Automotive: project quality manager for the Automotive Diagnostics Department	2000-2007
ACTIA Automotive: product project manager for the Automotive Diagnostics Department	2007-2009
ACTIA Automotive: product project manager for the Services Department	2009-2016
ACTIA Automotive: product project manager for the Aeronautics Department	2016-2018
ACTIA Automotive: Aftermarket coordinator for the MDS SBA - Expertise and Repair Centre	2018-2021
ACTIA Automotive: DSE coordinator for the MDS SBA - Electronic Services Department	since 2021
SOCIAL ACTIVITIES:	
Local councillor (2nd term of office)	Since 2014
Representative of the Mobility Commission and the Communication and Culture Commission of Toulouse Métropole	Since June 2020
Volunteer at the Local Media Library	since 2000

Frédéric Thrum, son of Günther Thrum, is a Company Director. Appointed at the Combined Ordinary and Extraordinary General Meeting held on 30 October 2020, his term of office will expire at the end of the General Meeting to be held in 2025 to approve the financial statements for the previous financial year. He was a member of the Company's Supervisory Committee until 30 October 2020.He also holds the following offices and positions in the companies listed below:

Offices

Current offices and directorships		
Offices	Company	Country
Chairman of the Supervisory Board	Fives Cryo SAS	France
Chairman, Director	Fives Cryo Inc.	USA
Chairman of the Board of Directors, Director	Fives Cryo (Suzhou) Co. Ltd	China
Chairman of the Board of Directors, Director	Fives Cryomec AG	Switzerland
	Fives North American Combustion Spain SL	Spain
Director	Fives Itas Spa	Italy
Chairman, Director	Fives North American Combustion Inc.	USA
Director	Fives North American Combustion Netherlands BV	Netherlands
	Fives North American Combustion UK Ltd.	United Kingdom
	Fives Pillard Combustion System Equipment Co. Ltd.	China - India
Member of the Board	EEIGM (Ecole Européenne d'Ingénieurs en Génie des Matériaux)	France
Chair of the Board of Directors, CEO, Director	Fives Pillard	France
Director	North American Construction Services Ltd	USA

Offices held within the last 5 years outside the Group			
Offices	Company	Country	End of term
Director and Chairman of the Supervisory Board	Fives Cail SA	France	2016
Director	Fives Pillard International Trading Co. Ltd.	China	2021

Address	
SIDMIA International – 48, quai Alphonse Le Gallo – 92100 BOULOGNE BILLANCOURT	
Expertise and experience	
ACADEMIC BACKGROUND:	
Harvard Business School, P.M.D	2002
ESME–Sudria, Engineering - Telecom option	1996
PROFESSIONAL BACKGROUND:	
Deputy CEO and Chairman of the FIVES SAS Energy Division	Since 2019
FIVES CEO - Cryogenics Energy	2013 - 2020
Fives Cryo (France), Fives Cryo Suzhou (China), Fives Cryo Inc. (USA), Fives Cryomec (Switzerland) CEO – Fives Cail Group Fives Cail (France), Fives Fletcher (UK), Fives Lille do Brazil (Brazil), Fives Cail KCP (India), FCFM (Mexico)	
Product Manager, Sales Director, DGA, DG	
Aftermarket Commercial Manager – Fives FCB	1998-2001
BOUYGUES OFFSHORE Project Engineer, Inspection Manager - Refineries (France), Oil platform projects (Malaysia, Indonesia) Assistant project manager (Nigeria)	1996-1998
ACTIA, Toulouse End-of-studies work placement	1996

Véronique Védrine is a Company Director. She was appointed at the Combined Ordinary and Extraordinary General Meeting held on 30 October 2020. Her term of office will expire at the end of the General Meeting to be held in 2025 to approve the financial statements for the previous financial year. She was a member of the Company's Supervisory Board until 30 October 2020. She also holds the following offices and positions in the companies listed below:

Offices

Current offices and directorships		
Offices	Company	Country
Director	Bpifrance Régions	France
	Groupe la dépêche du midi	France
Treasurer and Vice-Chair	Provence-Alpes-Côte d'Azur (PACA) Region Bank Committee	France
Permanent Representative of Bpifrance Investissement on the Board of Directors	IRDI	France
	Midi Pyrénées Croissance	France
Offices held within the last 5 years outside the Group		
None		

Position	
Director of Réseau Sud Bpifrance – a French Limited Company (Société Anonyme) with capital of €750,860,784 – Créteil Trade and Companies Register (RCS) 320 252 489.	
Address	
Bpifrance – 27/31, Avenue du Général Leclerc – 94710 Maisons-Alfort Cedex	
Expertise and experience	
ACADEMIC BACKGROUND:	
A graduate of the École Supérieure de Commerce of Clermont-Ferrand	1977 - 1980
PROFESSIONAL BACKGROUND:	
CEPME	
Case Manager – Auvergne Regional Office	1981 – 1991
Registered office – Commitments Department: tourism, health and local authorities	1991 - 1997
Head of Tourism Department – central agency	
Assistant to the Network Director during the CEPME – SOFARIS merger	
Regional Director, BDPME Midi-Pyrénées	1998 - 2005
Director of the Sud Méditerranée OSÉO BDPME Network (PACA, Corsica, Languedoc-Roussillon, Midi-Pyrénées)	since 02/2005
Director of the Sud Méditerranée OSEO Network (OSEO Financing – OSEO Innovation)	since 10/2006
Director of the Sud OSEO network (PACA, Corsica, Languedoc-Roussillon, Midi-Pyrénées, Aquitaine)	since 01/2009
Director of the Bpifrance Sud Network (Bpi investment bank is the combination of OSEO, CDC Entreprises, FSI and FSI Régions)	Since 07/2013
DECORATIONS:	
Knight in the National Order of Merit	
Knight of the Legion of Honour (2015)	
SOCIAL ACTIVITIES:	
Treasurer of the Provence-Alpes-Côte d'Azur Banks Regional Committee	
Chair of Midi-Pyrénées I.F.A. (French Institute of Independent Directors).	

8.1.3 ORGANISATION AND OPERATION OF THE BOARD of Directors

ACTIA Group S.A. has been a Limited Liability Company with a Board of Directors since the Extraordinary General Meeting of 30 October 2020. The operation of the Board of Directors is dictated by the legal and regulatory provisions, the articles of association and the Internal Rules adopted in 2020 when the governance mode was changed.

The **Internal Rules** of the Board of Directors were drawn up in the interests of its members, the Company and its Shareholders, and their objective is to remind the members of the Board of Directors of their various duties, supplement the legal, regulatory and statutory rules in order to specify the way the Board of Directors operates. All Directors are bound by said Internal Rules. The obligations arising from them apply equally to the permanent representative of a legal-entity Director and to natural persons appointed as Directors. The Internal Rules also include the provisions concerning the obligations of the Board members with regard to the holding of confidential information.

FREQUENCY OF MEETINGS

The rules governing the calling, holding, quorum and majority of meetings of the Board of Directors are set out in the Company's Articles of Association and the Internal Rules in force.

In 2021, the Board of Directors met six times in line with the legal provisions and the articles of association, in order to (among other things):

- Examine the revenue and the quarterly, half-yearly and annual consolidated financial statements, and the half-yearly and separate annual financial statements;
- Review the strategy defined by LP2C, approve it and deploy it in the Group;
- Review the agenda and draft resolutions submitted to the General Meeting and supplement them;
- Approve the terms of the Corporate Governance Report;
- Review the regulated agreements and the financial and interim information documents;
- Authorise loans and guarantees;
- Authorise current account advances and guarantees for the financing of Company subsidiaries;
- Review and authorise internal restructuring operations and asset disposals;
- Update the Internal Rules of the Board of Directors.

The Board of Directors meets as often as is required for the management of any ordinary business within the remit of this body. It is duly convened by the CEO to review financial statements on the basis of intermediate positions or at the end of periods, according to a policy of systematic quarterly, six-monthly and annual analysis, and the positions and strategies to be put in place. It analyses and votes on each agenda point. A vote by show of hands is held for each decision.

Financing issues, either involving the holding or the subsidiaries, are also looked at together with the related guarantees.

At these meetings, the Board of Directors hears presentations on:

- Accounting principles and methods and main accounting options used;
- The impact of any changes in method;
- Changes in the scope of consolidation;
- Key figures published relative to the separate and consolidated financial statements (breakdown of net income, presentation of the balance sheet and of the financial position).

It also hears the report of the Statutory Auditors on the scope, progress and conclusions of their work when audits or limited reviews of financial statements are called for by applicable regulations.

CALLING BOARD MEETINGS

In line with applicable regulations, our Articles of Association and the Company's practices, members of the Board of Directors were invited to meetings by telephone, email and/or post sufficiently in advance to enable the attendance of the largest possible number at all meetings. If there are no exceptional circumstances, the date is normally set two months prior to the meeting and the agenda is communicated within the week preceding the meeting.

In addition, in accordance with the provisions of Article L823-17 and R823-9 Paragraph 2 of the French Commercial Code, the Statutory Auditors were invited to all meetings that reviewed and approved the annual and interim financial statements, by email and by registered letter with acknowledgement of receipt.

To enable the Board members to properly prepare for the meetings, the Chairman makes a point to send them all the necessary information or documentation a reasonable time in advance.

HOLDING OF MEETINGS

Meetings of the Supervisory Board and the Board of Directors were held at the Head Office and/or by written consultation and/or by video conference and/or using telecommunication means enabling identification of their respective members, in compliance with the legal and regulatory provisions in force, due primarily to the health crisis.

The attendance rate of the members of the Board of Directors may vary from one meeting to the next, while remaining in compliance with the rules on the necessary quorum and majority. The percentage of members present at all the Board meetings increased in 2021 to 94%. As a reminder, during the previous year, the percentage was 76%.

RESOLUTIONS ADOPTED

All resolutions put to the Board of Directors were unanimously approved.

MEETING MINUTES

Minutes of the meetings of the Board of Directors are drawn up at the end of each meeting and distributed to all members so that they can be checked. The approval of these minutes takes place at the subsequent Board meeting.

NUMBER OF SHARES THAT MUST BE HELD BY MEMBERS OF THE BOARD OF DIRECTORS

As an extension of the change in governance mode, via the adoption of the corporate structure with a Board of Directors, the new Articles of Association of the Company adopted at the Extraordinary General Meeting on 30 October 2020 do not stipulate that members of the Board of Directors must hold shares in the Company.

The number of shares personally held by each Corporate Officer at 31 December 2021 is presented below:

Corporate Officer	Number of shares and percentage of share capital		Number and percentage of gross voting rights	
BOARD OF DIRECTORS				
Pierre Calmels, Honorary Chairman	273	0.00%	546	0.00%
Stanislas Bailly	0	0.00%	0	0.00%
Catherine Casamatta	0	0.00%	0	0.00%
Carole Garcia (1)	1	0.00%	1	0.00%
Laura Pech	0	0.00%	0	0.00%
Frédéric Thrum	0	0.00%	0	0.00%
Véronique Védrine	20	0.00%	40	0.00%
GENERAL MANAGEMENT				
Jean-Louis Pech	2,996	0.01%	5,992	0.02%
Jean-François Calmels	0	0.00%	0	0.00%
Marine Candelon-Bonnemaison	74	0.00%	148	0.00%
Catherine Mallet	796	0.00%	1,592	0.01%

(1) This concerns the loan of one share (qualifying share) by ACTIA Group, in connection with her corporate office.

To ensure accurate information about holdings, details at the period close are provided in § 5.10.1 “Breakdown of the share capital and voting rights”. Note that the Pech, Calmels, Thrum and Bailly families have indirect holdings via LP2C, SIDMIA International and SGPFEC.

NUMBER OF DIRECTORS REPRESENTING THE EMPLOYEES

The Board of Directors includes two members representing the employees, elected in March 2021 for a term of four years in accordance with the Company’s Articles of Association and the provisions of Article L225-27-1 of the French Commercial Code.

NUMBER OF OBSERVERS APPOINTED

At the date of issue of this document, one Observer had been appointed to the Board of Directors (see § 8.1.1 “Membership of the Board and General Management”).

INTERNAL RULES

The Board of Directors has adopted Internal Rules which can be consulted on the Company website at https://www.actia.com/fr/investisseurs and at the registered office of the Company or obtained upon request. These Internal Rules were adopted on 30 October 2020 further to the change in governance mode and amended on 28 March 2022 in order to entrust the Board of Directors with the missions of the CSR Committee. The main provisions of these Rules cover:

- Role of the Board of Directors;
- Membership of the Board of Directors;
- Duties and code of conduct of members;
- Meetings of the Board of Directors;
- Member compensation;
- Evaluation of the Board's performance;
- Adaptations, modifications and public notifications of the Internal Rules.

EVALUATION OF THE BOARD'S WORK

In accordance with the Middlenext Reference Code adopted by the Board of Directors, its members were invited to express an opinion on its ways of working at the meeting held on 29 March 2021. No issues were reported.

8.1.4 POWERS OF GENERAL MANAGEMENT

The powers of the Chairman and CEO and those of the Deputy CEOs were outlined by the Board of Directors during its meeting held on 30 October 2020, according to the following terms:

"In accordance with the provisions of Article 14 of the Articles of Association, the Board of Directors agrees that the following decisions and operations will require prior authorisation from the Board:

- Purchase, sale, exchange and contribution of buildings worth more than €1,000,000 excluding VAT;
- Purchase, sale, exchange, contribution of all other real property assets and any rights on real or movable property worth more than €1,000,000, excluding VAT;
- Creation of any type of establishment, either in France or abroad;
- Closure of the aforementioned establishments;
- Borrowings even unsecured, of an amount in excess of €1,000,000, excluding VAT;
- Borrowings even unsecured, for a period of less than 7 years, in excess of an overall annual sum for all of these types of loans combined, of an amount equal to €3,000,000, it being understood that the amount of the annual sum will be revised each year;
- Company creations and equity participation in any form in any type of company or business;
- Transfer of investment securities, if the amount transferred is more than €1,000,000;
- Loans, credits or advances granted by the Company with a term of duration greater than one year and/or a principal of more than €500,000 per transaction and €2,000,000 per annum for all transactions taken together;
- Rental, leasing of any property or business, if the duration is more than 9 years and/or the amount of rent is more than €500,000 per annum;
- Any contract involving a financial contribution of more than €2,000,000 excl. VAT;
- Direct commitments even without guarantees, involving amounts of more than €2,000,000 excl. VAT;
- Membership of an economic interest grouping or any form of venture or company that may give rise to joint and/or indefinite liability for the Company;
- Taking on and laying off company employees with annual salaries of more than €300,000.
- Representing the Company in respect of legal actions, legal settlements, voluntary liquidation, administration or court-ordered winding up;
- The exceeding of the budget for the current financial year, previously approved by the Board of Directors.

8.1.5 STATEMENT OF THE ABSENCE OF CONVICTIONS AND CONFLICTS OF INTEREST WITHIN THE CORPORATE BODIES

To the best of the Company's knowledge and at the date of issue of this document, no individual who is a member of an Administrative, Management or Supervisory body has, during the last five years, been:

- Convicted of fraud;
- Affected by bankruptcy, receivership, liquidation or official receivership, having served as a member of an administrative, management or supervisory body;
- Convicted by and/or received an official public sanction from the statutory or regulatory authorities (including designated trade bodies);
- Banned by a Court from acting as a member of an Administrative, Management or Supervisory body of an issuer or from being involved in the management or running of an issuer.

In addition, and to the best of the Company's knowledge and at the date of issue of this document, there are no proven or potential conflicts of interest between the duties of any member of an Administrative, Management or Supervisory body with regard to the issuer and their private interests or other duties.

In accordance with the Reference Code, the Internal Rules of the Board of Directors stipulates as follows: in a situation in which there is a conflict of interest or a potential conflict of interest between the corporate interest and their direct or indirect personal interests or the interests of the Shareholder or the group of Shareholders they represent, the Member must:

- inform the Board as soon as they learn of it;
- accept all consequences with respect to the exercise of their mandate. Depending on the case, they must:
  - Either abstain from taking part in the discussions and voting on the corresponding deliberation,
  - Or abstain from attending the Board meetings during the period they would be in a conflict of interest situation;
  - Or resign from their duties as a Director.

In the event that they do not comply with these abstaining rules or the requirement to withdraw, the Director could be held liable.

In addition, the Chairman of the Board of Directors will not be required to send to Directors, about whom they have serious reasons to believe that they are in a conflict of interest situation, any information or documents related to the topic of the conflict, and will inform the Board that they will be withholding the information.

In accordance with recommendation R2 of the Reference Code, the Board of Directors, at its meeting held on 28 March 2022, reviewed potential conflicts of interest and no conflict of interest was identified.

To the best of the Company's knowledge and at the date of issue of this document, no arrangements or agreements have been entered into with any major Shareholders or customers, suppliers or other, under the terms of which any individual who is a member of an Administrative, Management or Supervisory body has been chosen to sit on an Administrative, Management or Supervisory body or given a General Management position.

To the best of the Company's knowledge and at the date of issue of this document, the individuals who are members of an Administrative, Management or Supervisory body have not accepted any restrictions on the transfer of their interest in the issuer's capital, within a certain time frame, other than those contained in the terms and conditions of the Shareholders' Agreement which is detailed in § 5.10.3 "Shareholders' Agreement".

8.1.6 COMPLIANCE WITH THE MIDDLENEXT CODE OF CORPORATE GOVERNANCE

The Company complies with most of the recommendations of the Middlenext Code. The following provisions of the Reference Code have been adapted to ACTIA's structure or set aside for the moment, in line with the options specifically provided for by it:

Conflicts of interest (R2)

Regarding the specific point of SACC (Services Other than the certification of financial statements), it should be noted that the Company, from the outset, decided to entrust the role of OTI (Independent Third Party Organisation) to KPMG's "Sustainable Development" department. This decision, made for the sake of efficiency and optimisation, was based on two main foundations:

- Easier access for the OTI to certain information, with the possibility of data validation, which reduced the workload for the teams entrusted with this new assignment;
- A reduction in the costs incurred for this assignment.

KPMG's term expires at the 2024 General Meeting which will approve the financial statements for the year ended 31 December 2023. This point will therefore naturally be examined on this occasion.

Three-year training plan for Directors (R5)

As this is a new recommendation, at this stage, the topic was not addressed at the Board of Directors meeting. An appropriate study will be conducted on it, before it is submitted for validation at a future Board meeting.

Audit Committee (R7)

The Board of Directors decided not to create an ad hoc Audit Committee, but to carry out the duties entrusted to that committee. In fact, it was considered that such a committee would not make any material contribution to our Company, particularly with regard to the monitoring and preparation of financial information or the efficiency of internal control and risk management systems. In compliance with Article L823-20 of the French Commercial Code, the Company is accordingly exempted from the obligation to form a specific specialised committee.

The Board of Directors, meeting as an Audit Committee, is called based on the same rules applicable to the Board of Directors. It meets as often as necessary and at least twice per year, to examine the annual and half-yearly financial statements prior to the Board of Directors meeting convened to approve said statements or to review the internal anti-corruption whistleblower scheme.

It is responsible for:

- Monitoring the financial information preparation process and, if required, for making recommendations to ensure its integrity;
- Monitoring the effectiveness of internal control, risk management and, if required, internal audit procedures for the preparation and processing of financial and accounting information, without impacting its independence;
- Issuing a recommendation to the Board of Directors regarding the Statutory Auditors whose appointment or renewal will be submitted to the General Meeting;
- Ensuring that the Statutory Auditors complete their mission;
- Ensuring that the Statutory Auditors respect the conditions of independence and, as the case may be, taking the measures required to apply the provisions regarding the economic independence of the Statutory Auditors, as stipulated in Article 4, § 3, of Regulation (EU) N° 537/2014, and checking that the conditions set out in Article 6 of said Regulation are observed.
- Approving the supply of services other than certification of the financial statements, and generally monitoring all assignments and prerogatives in accordance with legal provisions;
- Reporting on a regular basis to the Supervisory Board on the accomplishment of its assignments and the results of financial statement certification and for informing it immediately of any difficulties encountered;
- And more generally, carrying out any assignments and/or exercising any prerogative defined in legal provisions.

During 2021, the Board of Directors, meeting in the form of an Audit Committee, met four times mainly for the presentation of the annual 2020 results, the results of the first half-year of 2021 and for monitoring and authorising Services Other than Certification of the Financial statements.

- **Compensation and Appointments Committee (R7)**

No such committee has been created to this date. Decisions concerning appointments and compensation are made on a collegial basis. Because the percentage of Independent Members serving on the Board is in line with the recommendations of the Code and the Company's shareholder base, it is not deemed necessary to create such a committee in the immediate future.

- **Specialised Committee on Social / Societal and Environmental Responsibility (R8)**

In its meeting on 28 March 2022, the Board of Directors created a CSR Committee, with the Board of Directors having decided to perform the functions assigned to this Committee; during this meeting, the assignments of this new committee were determined and the internal rules of the Board of Directors were updated to take this new assignment into consideration.

8.2 FACTORS THAT MIGHT HAVE AN IMPACT IN THE EVENT OF A TENDER OFFER

Pursuant to Article L22-10-11 of the French Commercial Code, items with the potential to have an **impact on a tender offer are duly noted:**

- The structure of the share capital as well as all known direct and indirect interests in the Company and all other related information are detailed in § 5.10 "Major shareholders";
- There is no statutory restriction on the exercise of voting rights subject to the loss of voting rights as a penalty for failing to declare the crossing of statutory thresholds provided for in Article 8.3 of the Articles of Association (1% of the capital or voting rights);
- To the best of the Company's knowledge, a shareholders' agreement was signed by LP2C and SIDMIA International. It is described in § 5.10.3 "Shareholders' Agreement".
- There are no shares with special control rights. Nevertheless, it is noted that in accordance with Article 11 of the Articles of Association, voting rights double those granted to other ordinary shares, with regard to the portion of the share capital they represent, are granted to all fully paid up ordinary shares that have been registered in the name of the same shareholder for at least four uninterrupted years;
- There are no control mechanisms provided for in any employee shareholding system with control rights other than those exercised by employees. The Company does not have an Employee Savings Plan (PEE) or a collective employee shareholding plan (FCPE);
- The rules for appointing, replacing and dismissing members of the Board of Directors and General Management are the legal and statutory rules provided for in Articles 12 and 14 of the Articles of Association;
- With regard to the powers of General Management, the current authorisations are set out in the capital increase authorisations table in § 8.4 "Authorisations granted in respect of capital increases". In addition, the powers allocated to General Management in the framework of share buyback programmes are set out in § 5.10.9 of this document, "Authorisation to implement a share buyback programme";
- Amendments to the Company's Articles of Association are made in accordance with provisions provided for by statute and regulations;
- There are no agreements (sales contracts, financial contracts, etc.) signed by the Company that would be amended or terminated in the event of a change in control at the Company;
- There are no agreements providing for severance payments for Company Directors, General Management or for employees if they resign or are dismissed without due reason or cause or if their employment ends due to a tender offer or exchange offer.

8.3 CORPORATE OFFICER COMPENSATION

8.3.1 CORPORATE OFFICER COMPENSATION POLICY (EX ANTE "SAY ON PAY")

The Board of Directors establishes the compensation policy in accordance with the corporate purpose of the Company to contribute to its long-term survival and as part of its commercial strategy as discussed in § 5.5 "Strategy" of the Universal Registration Document.

No item of compensation, of any nature whatsoever, may be determined, allocated or paid by the Company, nor any commitment made by the Company if it does not comply with the approved compensation policy or, in its absence, the existing compensation practices within the Company. However, in exceptional circumstances, the Board of Directors may waive the application of the compensation policy, providing that the waiver is temporary, in accordance with the corporate purpose and if necessary to guarantee the long-term survival or viability of the Company.

Provided that the conditions defined below are met, the Board of Directors may waive the application of the Chairman and CEO compensation policy temporarily, in accordance with Article L22-10-8 III of the French Commercial Code regarding elements of the compensation allocated to the Chairman and CEO. The Board of Directors checks that said waiver is in line with company interests and required to guarantee the long-term survival or viability of the Company. These substantiating arguments are brought before the Shareholders in the corporate governance report. It should be noted that the Chairman and CEO does not attend discussions held by the Board of Directors on this issue. Determining, reviewing and implementing the compensation policy for the Chairman and CEO is the remit of the Board of Directors.

As part of the decision-making process used to determine and review the compensation policy, the Company's terms of employment and compensation for employees were taken into account by the Board as follows: in general, the fixed portion of compensation paid to the Chairman and CEO of ACTIA Group follows the trend for the employees in the main French company, except for unusual years when the Group's position is too difficult, in which case the increase is lower or even non-existent. Compensation is compared with that of the Group on a regular basis to ensure that it is consistent.

General Management compensation policy

The compensation owing to the Chairman and CEO and the Deputy CEOs of ACTIA Group is mainly paid by LP2C, a consolidating holding company, against the offices held at LP2C (limited liability company) and voted by the latter's Supervisory Board. This compensation is not therefore compensation paid against the offices held within ACTIA Group. Furthermore, the compensation of Jean-François Calmels, Deputy CEO, is paid by ACTIA Telecom under his employment contract.

In addition, it should be noted that, under an assistance agreement, LP2C only invoices the Group a portion of the salaries paid for the various technical services described in § 5.9.10 "Special report of the Statutory Auditors on regulated agreements". The balance relating to its own operating costs are charged to LP2C based on the rule for allocating time worked.

The compensation paid by LP2C did not concern the offices held by General Management at ACTIA Group level.

The details of the sums invoiced within the framework of the assistance agreement are given by type of service in Note 25.1 "Related-party transactions with holding company: LP2C S.A." in the notes to the consolidated financial statements. The amount invoiced for 2021 was €1,245,833 calculated in compliance with the agreement based on the direct and indirect costs actually incurred by LP2C, plus a margin of 15%. The chargeback of external services is, for its part, established with a 3% margin to take LP2C's overhead into account.

The fixed portion of compensation paid to the Company's Chairman and CEO is determined on the basis of:

- The level of his responsibilities and the related complexity;
- His experience and expertise.

During the course of exercising his function, the Chairman and CEO does not have the benefit of an employment contract, severance payments, compensation for a non-compete clause, a supplementary pension or any other payments or benefits that may be due for the termination of or changes to his duties.

The compensation policy for the office of Chairman and CEO of ACTIA Group is submitted to the General Meeting to be held on 24 May 2022, in the 6th resolution.

Compensation policy for members of the Board of Directors

In the framework of the annual fixed amount authorised by the General Meeting, the compensation conditions for Directors are determined by the Board of Directors.

Directors may receive annual compensation that takes into account their degree of involvement and the time they devote to their position, including if they sit on any committees. The Board of Directors decided to allocate €400 for each session of the Board of Directors and each committee set up within the company attended by a Company Director. This decision applies to all Directors, except for executive corporate officers and Directors representing the employees.

For the 2021 financial year, the overall amount of compensation allocated to the Directors, in accordance with the terms and conditions described above, was 13,600 euros. It should be noted that an envelope of 20,000 euros had been authorised at the General Meeting held on 20 May 2021.

The compensation policy for the members of the Board of Directors of ACTIA Group is submitted to the General Meeting to be held on 24 May 2022, in the 7th resolution.

8.3.2 APPROVAL OF THE COMPENSATION AND BENEFITS OF CORPORATE OFFICERS AND OTHER INFORMATION REFERRED TO IN POINT I OF ARTICLE L22-10-9 OF THE FRENCH COMMERCIAL CODE (EX-POST GLOBAL SAY-ON-PAY)

Pursuant to the provisions of Article L22-10-34 I of the French Commercial Code, we hereby notify you of the total gross compensation covered by Section I of Article L22-10-9 of the French Commercial Code (fixed, variable and non-recurring) and benefits of all kinds paid during this previous financial year to each Corporate Officer, as well as the criteria used to calculate them or the circumstances under which they arose.

We also indicate commitments of all types entered into on behalf of its Corporate Officers, relating to items of compensation and benefits likely to be payable upon taking up, leaving or changing duties or subsequent thereto, as well as how such commitments are determined.

No commitment of any kind relating to items of compensation and benefits payable or likely to be payable upon taking up, leaving or changing duties or subsequent thereto has been entered into other than the commitments discussed above.

Since the adoption of the new corporate structure with a Board of Directors, compensation is allocated to the members of the Board of Directors of ACTIA Group as per the terms and conditions set out in § 8.3.1 "Corporate officer compensation policy (ex ante "say on pay")".

The figures provided concern all compensation paid during the 2021 financial year and allocated for that financial year to each Corporate Officer of ACTIA Group by the issuer and by any other Group company:

Table 1 – Summary of compensation for each Corporate Officer by issuer and by all other Group companies

Name and position of Executive Corporate Officer:	Amounts allocated In 2021	Amounts paid In 2021	Amounts allocated In 2020	Amounts paid In 2020
Jean-Louis Pech – Chairman of the Executive Board until 30/10/2020 - Chairman and CEO as of that date[1]				
Fixed compensation	229,238	229,238	229,238	229,238
Annual variable compensation[2]	80,000	80,000	100,000	100,000
Multi-year variable compensation				
Exceptional compensation				
Annual fixed sum (formerly Directors' fees)				
Benefits in kind[2]	3,102	3,102	3,112	3,112
TOTAL	**312,340**	**312,340**	**332,350**	**332,350**
Catherine Mallet - Executive Board member until 30/10/2020 - Deputy CEO as of that date				
Fixed compensation[2]	88,895	88,895	88,980	88,980
Annual variable compensation				
Multi-year variable compensation				
Exceptional compensation[2]	12,000	12,000	15,000	15,000
Annual fixed sum (formerly Directors' fees)				
Benefits in kind[2]	2,661	2,661	2,670	2,670
TOTAL	**103,557**	**103,557**	**106,650**	**106,650**
Marine Candelon - Executive Board member until 30/10/2020 - Deputy CEO as of that date				
Fixed compensation[2]	87,453	87,453	87,536	87,536
Annual variable compensation				
Multi-year variable compensation				
Exceptional compensation[2]	8,000	8,000	10,000	10,000
Annual fixed sum (formerly Directors' fees)				
Benefits in kind[2]	2,164	2,164	2,170	2,170
TOTAL	**97,617**	**97,617**	**99,706**	**99,706**
Jean-François Calmels – member of the Executive Board until 30/10/2020 - Deputy CEO as of that date				
Fixed compensation[3]	63,105	63,105	61,385	61,385
Annual variable compensation				
Multi-year variable compensation				
Exceptional compensation[2]				
Annual fixed sum (formerly Directors' fees)				
Benefits in kind[2]				
TOTAL	**63,105**	**63,105**	**61,385**	**61,385**

[1] Breakdown of 2021 compensation for the office exercised at the French limited corporation LP2C: €260,418 + executive offices within the ACTIA Group: €51,922, of which €9,471 for offices held in ACTIA Group.
[2] Compensation for offices held in the French limited corporation LP2C.
[3] Compensation for the current employment contract in one of the Group subsidiaries

The fixed compensation paid in 2021 by the Company to the Chairman and CEO is in compliance with the compensation policy approved by 95.5% in the 6th resolution of the General Meeting of 20 May 2021.

The variable compensation of the Chairman and CEO paid by LP2C was set in relation to the revenue growth objective for the Group, the management of the components crisis and improvements in the social, environmental and societal commitments achieved through various actions in France and abroad. The level of achievement of these criteria is not made public for confidentiality reasons. The maximum amount of variable compensation for 2020 (paid in 2021) was set at 30% maximum of the total compensation paid for financial year n-1. All criteria were met.

The exceptional compensation paid to the Deputy CEOs was granted for the positions held in LP2C, for the achievement of communication objectives within the Group and the raising of the financing required for Group needs, on the one hand, and for the deployment of items related to the sustainable development policy and those related to compliance within the Group, on the other. All criteria were met.

Benefits in kind correspond to the provision of a company car by LP2C.

Table 2 – Fixed annual compensation and other payments allocated and paid to the non-executive Corporate Officers from the issuer and all other Group companies

Non-executive Corporate Officers – Name and office	Amounts allocated for the 2021 financial year	Amounts paid in 2021	Amounts allocated for the 2020 financial year	Amounts paid in 2020
Stanislas Bailly – Director Annual fixed amount Other compensation	2,400	800	800	NONE
Catherine Casamatta – Director Annual fixed amount Other compensation	2,400	400	400	NONE
Carole Garcia – Director Annual fixed amount Other compensation	2,400	400	400	NONE
Laura Pech – Director Annual fixed amount Other compensation	2,400	800	800	NONE
Frédéric Thrum – Director Annual fixed amount Other compensation	2,400	800	800	NONE
Véronique Védrine – Director Annual fixed amount Other compensation	1,600	400	400	NONE
Martine Chupin - Director, employee representative Annual fixed amount				
Marie-Louise Ribaut - Director, employee representative Annual fixed amount				
TOTAL	**13,600**	**3,600**	**3,600**	**-**

These sums compensate the Directors for their attendance and the time they devote to their duties at the Board of Directors meetings held during the financial year, in accordance with the compensation policy presented in § 8.3.1. "Compensation policy for members of the Board of Directors".

Table 3 – Executives - Corporate Officers

	Employment contract	Supplementary retirement plan	Indemnities or benefits payable or that could be payable on termination or change in function	Indemnities relating to a non-compete clause
Name: **Jean-Louis Pech** Position: Chairman and CEO Start of term: 30/10/2020 End of term: 2026*	No	No	No	No
Name: **Marine Candelon-Bonnemaison** Position: Deputy CEO Start of term: 30/10/2020 End of term: 2026*	No	No	No	No
Name: **Catherine Mallet** Position: Deputy CEO Start of term: 30/10/2020 End of term: 2026*	No	No	No	No
Name: **Jean-François Calmels** Position: Deputy CEO Start of term: 30/10/2020 End of term: 2026*	Yes[1]	No	No	No

** At the end of the General Meeting to approve the financial statements for the previous financial year,*
[1] Jean-François Calmels' employment contract with ACTIA Telecom is currently maintained in view of his experience and operational skills in this area.

Under the agreements signed by LP2C, the issuer and its subsidiaries, LP2C charges back 84.3% of the compensation paid to its Corporate Officers for all of the services provided to the Group.

More details are provided in Note 25.1 "Related-party transactions - With the Holding Company": LP2C S.A. of the notes to the consolidated financial statements.

COMPENSATION EQUITY RATIO FOR EXECUTIVE OFFICERS

Pursuant to the provisions of Articles L22-10-9 of the French Commercial Code, the following presentation shows changes in the compensation of the Chairman and CEO, the Deputy CEOs and the ratios between their levels of compensation and:

- The average on a Full Time Equivalent basis of ACTIA Group employees other than the Corporate Officers;
- The median on a Full Time Equivalent basis of ACTIA Group employees other than the Corporate Officers.

Jean-Louis Pech – Chairman and CEO

	2021	2020	2019	2018	2017
Compensation of Corporate Officers					
% change in compensation [(1)]	<6.0%>	0.2%	1.4%	1.3%	1.1%
Information about the scope of the listed company [(2)]					
% change in average employee compensation	<11.5%>	3.1%	1.0%	18.0%	<3.3%>
Ratio to average employee compensation	257.9%	242.9%	249.9%	249.0%	290.0%
% change in the ratio compared with the previous financial year	6.2%	<2.8%>	0.3%	<14.2%>	4.5%
Ratio to median employee compensation	239.9%	223.7%	221.2%	206.4%	287.6%
% change in the ratio compared with the previous financial year	7.2%	1.1%	7.2%	<28.2%>	27.5%
Ratio to the annual French minimum wage (SMIC)	16.7				
Company performance					
Consolidated Group net income	<6,073,523>	<19,441,471>	8,724,174	9,194,033	8,510,020
% change compared with the previous financial year	13,367,948	<28,165,645>	<469,859>	684,013	
% change compared with the previous financial year	<68.8%>	<322.8%>	<5.1%>	8.0%	<60.0%>

(1) This is the total compensation paid or allocated to the executive officer during the financial year.

(2) These are the ratios calculated on the basis of the compensation of Company employees.

Jean-François Calmels - Deputy CEO

	2021	2020	2019	2018	2017
	Compensation of Corporate Officers				
% change in compensation [(1)]	2.8%	1.4%			
	Information about the scope of the listed company [(2)]				
% change in average employee compensation	<11.5%>	3.1%	1.0%		
Ratio to average employee compensation	52.1%	44.9%	45.6%		
% change in the ratio compared with the previous financial year	16.1%	<1.6%>			
Ratio to median employee compensation	48.5%	41.3%	40.4%		
% change in the ratio compared with the previous financial year	17.3%	2.4%			
Ratio to the annual French minimum wage (SMIC)	3.4				
	Company performance				
Consolidated Group net income	<6,073,523>	<19,441,471>	8,724,174		
% change compared with the previous financial year	13,367,948	<28,165,645>			
% change compared with the previous financial year	<68.5%>	<322.8%>			

(1) This is the total compensation paid or allocated to the executive officer during the financial year.

(2) These are the ratios calculated on the basis of the compensation of Company employees.

Catherine Mallet - Deputy CEO

	2021	2020	2019	2018	2017
	Compensation of Corporate Officers				
% change in compensation [1]	<2.9%>	1.1%	<7.6%>	<8.1%>	17.3%
	Information about the scope of the company [2]				
% change in average employee compensation	<11.5%>	3.1%	1.0%	18.0%	<3.3%>
Ratio to average employee compensation	85.5%	78.0%	79.5%	86.9%	111.7%
% change in the ratio compared with the previous financial year	9.7%	<1.9%>	<8.5%>	<22.2%>	21.3%
Ratio to median employee compensation	79.5%	71.8%	70.4%	72.1%	110.7%
% change in the ratio compared with the previous financial year	10.8%	2.0%	<2.3%>	<34.9%>	48.0%
Ratio to the annual French minimum wage (SMIC)	5.6				
COMPANY PERFORMANCE					
Consolidated Group net income	<6,073,523>	<19,441,471>	8,724,174	9,194,033	8,510,020
% change compared with the previous financial year	13,367,948	<28,165,645>	<469,859>	684,013	
% change compared with the previous financial year	<68.8%>	<322.8%>	<5.1%>	8.0%	<60.0%>

(1) This is the total compensation paid or allocated to the executive officer during the financial year.

(2) These are the ratios calculated on the basis of the compensation of Company employees.

Marine Candelon - Deputy CEO					
	2021	2020	2019	2018	2017
Compensation of Corporate Officers					
% change in compensation [(1)]	<2.1%>	13.6%	0.0%	1.9%	31.9%
Information about the scope of the company [(2)]					
% change in average employee compensation	<11.5%>	3.1%	1.0%	18.0%	<3.3%>
Ratio to average employee compensation	80.6%	72.9%	66.1%	66.8%	77.3%
% change in the ratio compared with the previous financial year	10.6%	10.2%	<1.0%>	<13.6%>	36.3%
Ratio to median employee compensation	75.0%	67.1%	58.6%	55.4%	76.7%
% change in the ratio compared with the previous financial year	11.7%	14.6%	5.8%	<27.8%>	66.3%
Ratio to the annual French minimum wage (SMIC)	5.2				
COMPANY PERFORMANCE					
Consolidated Group net income	<6,073,523>	<19,441,471>	8,724,174	9,194,033	8,510,020
% change compared with the previous financial year	13,367,948	<28,165,645>	<469,859>	684,013	
% change compared with the previous financial year	<68.8%>	<322.8%>	<5.1%>	8.0%	<60.0%>

(1) This is the total compensation paid or allocated to the executive officer during the financial year.

(2) These are the ratios calculated on the basis of the compensation of Company employees.

8.3.3 COMPENSATION ITEMS SUBMITTED TO A VOTE (EX-POST INDIVIDUAL SAY-ON-PAY)

Compensation of Jean-Louis Pech Chairman and CEO.

The compensation paid or granted to Jean-Louis Pech for his office of Chairman and CEO exercised at ACTIA Group, determined in application of the compensation policy approved by the General Meeting of 20 May 2021 in its 6th resolution, is as follows:

Summary of the compensation paid to Jean-Louis Pech by the issuer

Name and position of Executive Corporate Officer:	Amounts allocated	Amounts paid
Jean-Louis Pech – Chairman and CEO		
Fixed compensation	9,471	9,471
Variable compensation		
Exceptional compensation		
Annual fixed sum (formerly Directors' fees)		
Benefits in kind		
TOTAL	**9,471**	**9,471**

8.4 AUTHORISATIONS GRANTED IN RESPECT OF CAPITAL INCREASES

8.4.1 SHARE CAPITAL INCREASE

At the balance sheet date, there is no authorisation in respect of capital increases in effect.

8.4.2 STOCK OPTION PLAN

No stock option plans exist within the Company or in other Group companies.

8.4.3 BONUS SHARE PLAN

No bonus share plans exist within the Company or in other Group companies.

8.5 PARTICIPATION IN SHAREHOLDERS' GENERAL MEETINGS

Aside from any special dispensations provided for by law due to the health context, the procedures for participating in Shareholders' General Meetings are set out in Article 15 of the Articles of Association.

The right to participate in General Meetings is evidenced by the registration of shares in the name of the shareholder or of their authorised intermediary by midnight (Paris time) on the second business day preceding the meeting either:

- In the account for registered shares maintained by the Company;
- In the account for bearer shares maintained by the authorised intermediary.

The registration of bearer shares is evidenced by a special certificate ("attestation de participation") issued by the authorised intermediary.

If not personally participating in the meeting, shareholders may choose one of the following three options:

- Grant a proxy to any individual or legal entity of his or her choice;
- Send a proxy to the Company;
- Postal voting.

Requests by shareholders to add points or draft resolutions to the agenda must be sent to the registered office by registered letter with acknowledgement of receipt no later than 25 days prior to the General Meeting.

8.6 RELATED-PARTY TRANSACTIONS

No service contract providing for the grant of benefits upon expiration of the contract establishes relations between Board members and Managers with ACTIA Group S.A. or with any of its subsidiaries other than those presented in the paragraph below.

8.6.1 SPECIFIC DISCLOSURE ON AGREEMENTS

Pursuant to the provisions of Article L225-37-4 2° of the French Code of Commerce, we hereby declare that no agreement was signed either directly or via an intermediary between, on the one hand, one of the corporate officers or one of the shareholders holding a fraction of voting rights in the Company of more than 10% and, on the other hand, another company controlled by the former within the meaning of Article L233-3 of said code.

In addition, and pursuant to the provisions of Article L225-38 of the French Commercial Code, concerning agreements signed, either directly or indirectly via an intermediary, between the Company and its Chairman and CEO, one of its Deputy CEOs, one of its Directors, one of its shareholders holding a fraction of voting rights in the Company of more than 10% or a controlled company within the meaning of Article L233-3 of said code, which are subject to prior authorisation from the Board of Directors, except for agreements covering ordinary operations entered into under normal conditions, we hereby declare that no agreement was entered into under the terms of said provisions.

8.6.2 NATURE AND AMOUNT OF REGULATED AGREEMENTS ENTERED INTO BY THE ISSUER

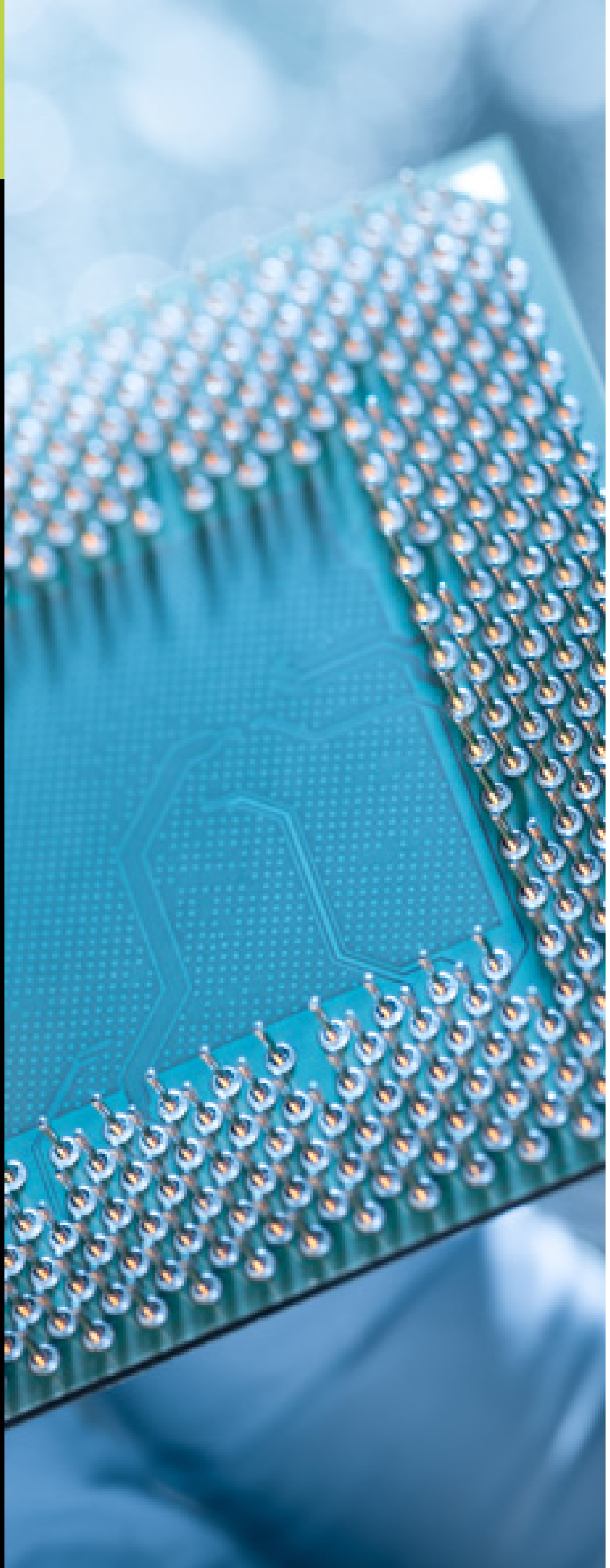
The regulated agreements entered into previously and which remained in effect in the previous reporting period, are listed in the Statutory Auditors' special report on regulated agreements, a report which has been reproduced in full in § 5.9.10 "Special report of the Statutory Auditors on regulated agreements".

8.6.3 ASSESSMENT PROCEDURE FOR THE CURRENT AGREEMENTS ENTERED INTO UNDER NORMAL CONDITIONS

The Board of Directors, at its meeting of 30 October 2020, adopted a procedure for evaluating current agreements entered into under normal conditions. This procedure calls for the examination and categorisation of so-called current agreements jointly by the Finance and Legal Departments of ACTIA Group. Every year, when meeting to examine the financial statements, the Board also examines all the agreements categorised as currently in force within ACTIA Group in order to verify that they fulfil the conditions for said categorisation and, where appropriate, implements a prior authorisation procedure if one or more agreements fall under the regulated agreement category. On 28 March 2022, the Board of Directors conducted an annual review of current agreements entered into under normal conditions and did not comment on their qualification.

8.6.4 RELATED-PARTY TRANSACTIONS

See Note 25 "Related-party transactions" in the notes to the consolidated financial statements.



9

FINANCIAL INFORMATION ON THE ASSETS, FINANCIAL POSITION, AND EARNINGS OF THE ISSUER

9.1 CONSOLIDATED FINANCIAL STATEMENTS

9.1.1 CONSOLIDATED BALANCE SHEET

Consolidated assets in €K	Notes	31/12/2021	31/12/2020
Goodwill	Note 4	24,148	24,148
Development costs	Note 4	54,971	59,518
Other intangible assets	Note 4	2,511	1,585
TOTAL INTANGIBLE ASSETS	**Note 4**	**81,630**	**85,251**
Land	Note 5	2,889	3,612
Buildings	Note 5	35,556	38,445
Technical equipment	Note 5	18,773	20,647
Other tangible assets	Note 5	12,793	14,730
TOTAL TANGIBLE ASSETS	**Note 5**	**70,010**	**77,434**
Equity method investments	Note 6	856	774
Other non-current financial assets	Note 7	1,999	1,751
Deferred taxation	Note 12	11,252	13,163
Non-current tax credit	Note 13	14,147	11,910
TOTAL NON-CURRENT ASSETS		**179,894**	**190,284**
Inventory and work-in-process	Note 8	172,656	149,564
Trade receivables	Note 9	144,739	141,364
Other current receivables	Note 9	17,830	10,222
Current tax credit	Note 9	11,473	11,855
Fair value of financial asset instruments	Note 11.2	890	-
Cash and cash equivalents	Note 11.1	56,639	53,414
TOTAL CURRENT ASSETS		**404,227**	**366,419**
Assets held for sale	Note 19	14,183	-
TOTAL ASSETS		**598,304**	**556,703**

Consolidated Equity Capital and Liabilities in €K	Notes	31/12/2021	31/12/2020
Capital	Note 15	15,075	15,075
Premiums	Note 15	17,561	17,561
Reserves	Note 15	89,568	106,706
Translation reserve	Note 15	(2,649)	(4,363)
Treasury shares	Note 15	(162)	(162)
Income for the period	Note 15	(6,379)	(19,043)
GROUP COMMON SHAREHOLDERS' EQUITY	**Note 15**	**113,014**	**115,773**
NON-CONTROLLING INTERESTS	**Note 15**	**562**	**313**
EQUITY	**Note 15**	**113,576**	**116,087**
Borrowings from credit institutions	Note 14	164,127	144,047
Finance lease financial liabilities	Note 14	15,966	13,270
Other financial liabilities	Note 14	963	986
TOTAL NON-CURRENT DEBT	**Note 14**	**181,057**	**158,302**
Deferred tax liabilities	Note 12	1,646	4,186
Pension liabilities and other long-term benefits	Note 17	9,721	11,507
TOTAL NON-CURRENT LIABILITIES		**192,423**	**173,995**
PROVISIONS	**Note 17**	**11,273**	**10,526**
Borrowings from credit institutions - current share	Note 14	54,713	49,467
Finance lease financial liabilities - current share	Note 14	4,735	5,566
Other financial liabilities - current share	Note 14	1,591	1,961
Short-term bank borrowings	Note 14	36,354	40,925
Fair value of financial liability instruments	Note 11.2	-	7,486
TOTAL CURRENT DEBT		**97,393**	**105,404**
Suppliers	Note 18	92,408	69,893
Other liabilities	Note 18	74,171	63,859
Corporate taxes (IS)	Note 18	1,267	2,003
Deferred income	Note 18	15,381	14,935
TOTAL CURRENT LIABILITIES		**291,893**	**266,622**
Liabilities held for sale	Note 19	411	-
TOTAL EQUITY AND LIABILITIES		**598,304**	**556,703**

9.1.2 CONSOLIDATED INCOME STATEMENT

Consolidated income in €K	Notes	2021	2020
Revenue from ordinary activities *(Revenue)*	Note 20	**462,839**	**438,593**
- Materials and supplies	Note 20	(254,640)	(234,617)
- Personnel costs	Note 20	(131,604)	(119,956)
- External charges	Note 20	(61,930)	(58,433)
- Taxes		(5,612)	(6,023)
- Provisions for depreciation	Note 20	(32,826)	(30,928)
+/- Changes in stocks of finished goods and work in progress		4,562	(1,726)
+/- Exchange gains / losses on operating activities		1,460	291
+ Research tax credit		6,510	5,553
CURRENT OPERATING INCOME	**Note 20**	**(11,241)**	**(7,248)**
+ Other revenue and operating expenses		1,320	390
- Impairment of goodwill	Note 4	-	-
OPERATING INCOME	**Note 20**	**(9,921)**	**(6,857)**
+ Income from cash and cash equivalents		12	99
- Interest and financial costs	Note 20	(3,921)	(3,706)
+ Other financial income / (costs)		7,501	(8,773)
FINANCIAL RESULT	**Note 23**	**3,592**	**(12,379)**
+ Net income Group share equity method consolidated companies	Note 6	95	103
+ Income tax	Note 20	160	(308)
INCOME FOR THE PERIOD	**Note 20**	**(6,074)**	**(19,441)**
* attributable to Group shareholders			
Net income for the period		(6,379)	(19,043)
* non-controlling interests			
Net income for the period		306	(398)
BASIC AND DILUTED EARNINGS PER SHARE (IN €) - GROUP SHARE	**Note 16**	**(0.32)**	**(0.95)**

9.1.3 STATEMENT OF COMPREHENSIVE INCOME

Statement of comprehensive income in €K	2021	2020
Income for the period	**(6,074)**	**(19,441)**
Items that will not be reclassified to profit or loss	**1,165**	**195**
Defined benefit pension plans – Actuarial differences	1,698	266
Deferred taxation on defined benefit pension plans – Actuarial differences	(534)	(71)
Items that may subsequently be reclassified to profit or loss	**1,664**	(1,761)
Cumulative translation differences	1,664	(1,761)
Other comprehensive income, net of tax	**2,829**	(1,566)
COMPREHENSIVE INCOME FOR THE PERIOD	**(3,245)**	**(21,007)**
* attributable to Group shareholders	(3,511)	(20,597)
* non-controlling interests	266	(410)

9.1.4 STATEMENT OF CHANGES IN EQUITY

In €K	Capital	Treasury shares	Premiums	Consolidated reserves, retained earnings	Translation reserve	Total attributable to the Group	Non-controlling interests	Total Shareholders' funds
AT 31/12/2019	**15,075**	**(162)**	**17,561**	**109,713**	**(2,597)**	**139,589**	**799**	**140,388**
Comprehensive income								
Consolidated income				(19,043)		(19,043)	(398)	(19,441)
Other comprehensive income				195	(1,749)	(1,553)	(12)	(1,566)
COMPREHENSIVE INCOME FOR THE PERIOD	**-**	**-**	**-**	**(18,848)**	**(1,749)**	**(20,597)**	**(410)**	**(21,007)**
Transactions with shareholders								
Distributions to shareholders				(2,997)	(17)	(3,014)	(70)	(3,083)
Issuance and repayment of shares						-		-
Changes in scope						-		-
Other				(206)		(206)	(5)	(211)
AT 31/12/2020	**15,075**	**(162)**	**17,561**	**87,663**	**(4,363)**	**115,773**	**313**	**116,087**
Comprehensive income								
Consolidated income				(6,379)		(6,379)	306	(6,074)
Other comprehensive income				1,155	1,714	2,869	(40)	2,829
COMPREHENSIVE INCOME FOR THE PERIOD	**-**	**-**	**-**	**(5,225)**	**1,714**	**(3,511)**	**266**	**(3,245)**
Transactions with shareholders								
Distributions to shareholders							(29)	(29)
First application of IFRIC June 2021 - IAS 19				806		806	8	814
Changes in scope								
Other				(55)		(55)	5	(50)
AT 31/12/2021	**15,075**	**(162)**	**17,561**	**83,190**	**(2,649)**	**113,014**	**562**	**113,576**

9.1.5 CONSOLIDATED CASH FLOW STATEMENT

Consolidated cash flow statement in €K	Notes	2021	2020
Income for the period	**9.1.2**	(6,074)	(19,441)
Adjustments for:			
Depreciation and provisions	9.1.2	33,835	42,714
Profit / loss from disposal of assets	9.1.2	(107)	(91)
Interest charges	9.1.2	3,921	3,706
Current tax charge (excl. research tax credit)	9.1.2	1,166	1,552
Changes to deferred taxation	9.1.2	(1,326)	(1,244)
Research tax credit	9.1.2	(6,510)	(5,553)
Other income / expense	9.1.2	(7,290)	1,973
Share of the profit / loss of associates	9.1.2	(95)	(103)
Operating cash flow before changes to working capital requirements		***17,520***	***23,513***
Changes to working capital requirements related to the business		(4,362)	(1,843)
Income tax paid (excluding research tax credit)		(1,816)	(890)
Research tax credit collected		5,250	3,783
NET CASH FLOW FROM OPERATING ACTIVITIES		**16,592**	**24,564**
Capital purchases	Note 4&5	(20,495)	(22,453)
Dividends received from associates		14	3
Income from disposal of assets	9.1.2	206	152
Changes in loans and advances		(241)	(480)
NET CASH FLOW FROM INVESTING ACTIVITIES		**(20,517)**	**(22,778)**
Dividends paid to the owners of the parent company		-	(3,014)
Dividends paid to non-controlling interests in consolidated companies		(29)	(70)
New borrowings	Note 14	68,627	58,830
Repayment of borrowings	Note 14	(43,965)	(22,102)
Reimbursement of lease liabilities	Note 14	(7,400)	(5,565)
Interest paid	Note 24	(3,921)	(3,706)
NET CASH FLOW FROM FINANCING ACTIVITIES		**13,313**	**24,373**
Effect of exchange rate changes		(301)	132
Cash and cash equivalents - opening balance	Note 11.1	12,489	(13,801)
Cash and cash equivalents - closing balance	Note 11.1	21,576	12,489
CHANGES IN CASH AND CASH EQUIVALENTS		**9,087**	**26,291**

9.1.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Information about the Group - Entity presenting the financial statements

ACTIA Group S.A. is domiciled in France. The Company's registered head office is located at 5, Rue Jorge Semprun - 31400 Toulouse. The Company's consolidated financial statements include the Company and its subsidiaries (jointly referred to as the "Group") or ACTIA. The Group's main areas of activity cover high-added-value, electronic on-board systems for the automotive and telecommunications markets.

The consolidated financial statements at 31 December 2021 were approved by the Board of Directors on 28 March 2022 and will be submitted for ratification at the General Meeting of 24 May 2022.

Note 2 Accounting principles

Note 2.1 Basis for the preparation of the financial statements

The accounting methods and means of calculation have been applied in an identical manner for all the periods presented.

The sums stated in these financial statements are expressed in thousands of Euros (€K).

The consolidated interim financial statements have been prepared in accordance with IFRS as published by the IASB and adopted by the European Union. Compliance with these standards includes the definitions and the accounting and valuation methods recommended by IFRS, as well as all the information that they require. The financial statements comply with all mandatory IFRS provisions as at 31 December 2021.

Note 2.2 Use of estimates and judgements

The preparation of financial statements in accordance with IFRS requires management to exercise judgement and make estimates and assumptions that have an impact on the application of the accounting methods and on the value of assets, liabilities, income and expenditure. These underlying estimates and assumptions are made on the basis of past experience and other factors considered to be reasonable in view of the circumstances. They therefore serve as the basis for exercising the judgement needed to determine the book value of certain assets and liabilities that cannot otherwise be determined directly from other sources. The actual value may differ from the estimated value.

These underlying estimates and assumptions are constantly re-examined. The impact of changes to accounting estimates is recognised during the period in which the change occurs if they only affect that period, or in the period in which the change occurs and the subsequent periods if these are also affected by the change.

The main balance sheet line items affected by these estimates are goodwill (see Note 4 "Intangible assets"), development costs (see Note 4.3 "Development costs and other intangible assets"), deferred tax assets (see Note 12 "Deferred tax") and provisions (see Note 17: "Provisions").

Note 2.3 Specific context in 2021 linked to the Covid-19 crisis and the shortage of electronic components

As in 2020, 2021 was marked by the health crisis which continued to affect the entire world, in cycles, and, consequently the whole Group, although not all the subsidiaries were affected at the same time. It also led to the disruption of industrial cycles as the global economy began to recover, creating shortages in many sectors, especially in electronic components, resulting in significant price increases. Finally, global freight was particularly disrupted, generating bottlenecks and a sharp rise in the cost of transport.

While in 2020 business stopped almost at the same time for the Group's main customers, suppliers and structures, in 2021, the operation of each of the stakeholders was impacted at very different points in time: waves of lockdown varying from one country to another, problems with the supply of raw materials affecting the players, constantly modifying the production schedules and even shutting down factories, absence of staff affected by the disease. Also, instead of returning to the 2019 business level as expected, the Group only recorded an increase of 5.5%, without jeopardising any contracts. On the other hand, the order book only grew throughout the year, the absence of components making it impossible to meet customer demand. Depending on the type of contracts, part of the activity, in particular that linked to infrastructure programmes, as in the Telecoms Division, was pushed back and maintained in terms of their overall volume. Despite the disruptions, sales were only slightly affected and the business successes of 2021 backed up the Group's outlook, with the signing of contracts that enable us to project consolidated revenue of more than €800 million four to five years from now, taking the planned disposals into account (see § Note 2.4: "Outlook and events after the end of the reporting period").

With the end of the aid schemes put in place in 2020 by the various states and the low level of production, the fixed costs of an organisation structured for significant organic growth could not be absorbed. In France, the State support with Long-term part-time working (APLD) nevertheless made it possible to benefit from aid of €1.8 million compared to €4.7 million in 2020.

The most significant impact came from the additional costs arising from the disruption of the electronic component market. In fact, the suppliers did not keep their delivery commitments, partially or even totally. This gave rise to the need to find alternative solutions, which are more expensive or require product adaptations, or even resulting in exceptional transport, in order to limit production blockages for our customers. These exceptional costs were estimated at €17.7 million, of which approximately 70% could be reinvoiced to customers. This also generated specific human resources for finding alternative solutions (setting up a War Room, a team led by Jean-Louis Pech, Chairman and CEO, bringing together buyers, suppliers, sales representatives, design office, production and legal departments, in order to make the best decisions in coordination with customers and suppliers to help minimise the impacts of this shortage); for logistics (more numerous arrivals and departures due to smaller batches to be managed for the same level of activity); for quality control (new items to be inspected); for the redesign of products, while maintaining the same production commitment, as batches contained fewer printed circuit boards but were more numerous, which mobilised all the teams on a full-time basis.

This shortage also significantly increased the stock level (raw materials: +€27.7 million before IFRS 5 reclassification). This is because a missing item led to the stockpiling of other items waiting to go into production, knowing that supply times had increased considerably during the period to several dozen weeks.

All of these factors had a strong impact on the Group's cash position. Therefore, ACTIA decided to continue using State-Guaranteed Loans, extended until 30 June 2022. It set up almost the entire available envelope, namely €49.9 million (€98.9% of the sum has now been used, knowing that €800,000 was set up in January 2022). Funds raised during the financial year thus amounted to €68.6 million. The Group's net debt increased by +9.4%. In practice, only a limited percentage of the short-term lines of credit were used at the end of the year (33.0% compared with 30.8% at year end 2020).

To sum up, despite the Group's efforts, the health crisis had a strong impact on financial ratios, which did not meet the levels required by certain banking institutions. The numerous exchanges during this period highlighted the exceptional nature of the crisis and the measures taken by ACTIA. As a result, the request to suspend covenants on 31 December 2021 was accepted by all the banking partners we contacted.

Note 2.4 Outlook and events after the end of the reporting period

In addition to the Covid-19 pandemic and the shortages in the component market which persist in 2022 and will continue to impact ACTIA's activities, five notable events may be mentioned since the end of 2021:

- War in Ukraine

The Group has no business directly linked to Ukraine or Russia (€1.4 million in revenue in 2021 including Belarus). However, commercial activities had led to the start of a relationship with a Russian bus manufacturer in order to support it in electrification. The relations were interrupted when the conflict broke out. Our European customers have not informed us of any change in their order book related to this event.

ACTIA is not dependent on Russian supplies and has not identified any strategic suppliers in the area. But medium-term consequences on the electronic component market are likely and will certainly delay a return to normalcy expected for 2023.

Finally, even if the change in energy price will lead to an increase in costs, the impact will remain limited because ACTIA is not an energy-intensive industry.

◎ Price increase

Due to price increases imposed by our suppliers and the increase in resources made available to minimise the impact of component shortages, ACTIA negotiated a price increase for its main contracts, contrary to the downward revision clauses systematically imposed by our customers. This trend will allow ACTIA to regain a margin level close to that initially provided for in the contract.

◎ Impacts of Covid-19 resurgence in China

In recent weeks, the resurgence of Covid-19 and the management of the health crisis by the Chinese authorities have led to major factory shutdowns, which portend fresh challenges in the supply chain. This risk leads to significant tensions concerning numerous electronic components, some active and others passive, resulting in even longer procurement delays and a situation whereby volume increases have to be refused and significant quotas applied to components.

◎ Disposals of non-strategic businesses

In order to focus its resources on embedded electronics for mobility and energy management and to strengthen its financial structure, ACTIA Group is in the process of completing two operations to sell non-strategic businesses in the Automotive Division. This is expected to reduce the Group's debt by approximately €70 million.

The first operation concerns the disposal of the **Vehicle Inspection & Garage Equipment** business: after consultation with the Social and Economic Committee (CSE), the Board of Directors of our subsidiary ACTIA Automotive authorised the sale of its garage equipment and vehicle inspection business to the BASE Group. This sale also includes the real estate site in Chartres, France, and 30% of the shares of its subsidiary ACTIA Cz in the Czech Republic, a specialist in gas analysers. This operation allows the two Groups to amalgamate their actions in France and also internationally. The industrial project is based on the MULLER brand owned by the ACTIA Group and thus transferred to the BASE Group. This business employs 115 people and represented an estimated revenue of €21 million in 2021. The Group considered that this transaction fell within the scope of IFRS 5 as of 31 December 2021 (Note 19 Assets and liabilities held for sale)

The second operation concerns the disposal of the **Power Division**: in its meeting of 28 March, the ACTIA Group Board of Directors authorised the proposed sale of the shares of its Power Division to Plastic Omnium. This disposal allows ACTIA to focus its investments on embedded electronics for mobility and energy management. It thus gives the means to its Power Division, whose structure was finalised on 31 December 2021 and which specialises in vehicle electrification, to continue its development within Plastic Omnium, in synergy with the activities of their New Energies and Clean Energy divisions. The process should be completed during the second quarter and concerns 200 ACTIA employees for an estimated annual revenue of €22.3 million in 2021. The operation has entered into the exclusive discussions phase and remains subject to negotiations concerning legal documentation and approval by the relevant authorities. This transaction will fall within the scope of IFRS 5 in 2022.

◎ Recovery Bonds funding

On the financial front, ACTIA had €56.6 million in cash at 31 December 2021, meaning it was able to meet its short-term repayment obligations. Nevertheless, in a particularly uncertain context and in order to secure the Group's funding requirements identified for the next 12 months, management has decided to set up a Recovery Bond package (Obligations Relance), authorised by the Board of Directors to the tune of €30 million. To this end, a financial partner has already approved a first agreement for €18 million.

The year 2022 is characterised by a high level of uncertainty. The very strong tensions in the procurement of electronic components persist in the first quarter of 2022, posing a risk to revenue and costs.

In addition, ACTIA remains vigilant in the event of a resurgence of the Covid-19 epidemic, which could have direct effects on its staff, and indirect effects through the demand of user customers.

In this context of the ongoing pandemic and the need to comply with the measures taken by various governments, ACTIA continues to take the steps best adapted to its business activities, such as home-working, long-term part-time working and imposed leave. In this manner, it aims to achieve the best balance between business continuity, productivity and compliance with the lockdown rules that are alternately imposed then lifted. However, the impact of the Covid-19 epidemic on business is now mitigated compared to 2020 and 2021, even if our Chinese subsidiary is closed at the time of writing this document. Thus, considering a supply chain still disrupted by shortages, the order book at the end of the reporting year should earn close to €500 million in revenue, taking into account the disposals in progress.

In addition to the current uncertainty weighing on the global economy, the Group, which is broadly diversified and present internationally, is making every effort, as it has always done, to ensure its long-term development, driven by cutting-edge expertise on major markets. Its customer portfolio and order book for the next few years give us reason to forecast solid growth which should enable it to aim for revenue of more than €800 million within 4 to 5 years' time, taking into account the disposals in progress.

Despite a particularly complex environment generated by the health crisis and its consequences on the components market, ACTIA can draw on various markets geared to environmental and societal challenges, thereby guaranteeing its long-term future. Partnerships in place for many years, with customers, suppliers and banking partners, also provide a solid framework which secures the Group's future.

Consequently, the ACTIA Group Board of Directors approved the financial statements on 31 December 2021 according to the going concern principle.

Note 2.5 Changes to IFRS

The new IAS/IFRS texts and interpretations that became effective on 1 January 2021 and have been **applied by the Group** when preparing these consolidated financial statements on 31 December 2021 are as follows:

	IASB date of application	EU date of adoption	EU date of application
Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16 - Interest rate benchmark reform	01/01/2021	13/01/2021	13/01/2021
Amendments to IFRS 16: COVID-19-related rent concessions beyond 30 June 2021	01/04/2021	30/08/2021	30/08/2021

The application of these new standards, interpretations and amendments has no impact on the Group's consolidated financial statements.

In its consolidated financial statements at 31 December 2021, the Group applied the IFRIC decision validated in June 2021 by the IAS Board relating to the method for allocating rights to periods of service when evaluating employee benefits (IAS 19). The impact for the Group is a decrease in the actuarial liability of €1,082,000.

The new IAS/IFRS laws and interpretations passed by the European Union, but **not yet applicable, or applied early by the Group** as of 1 January 2021 are as follows:

	IASB date of application	EU date of adoption	EU date of application
Amendments to IAS 16: Tangible assets - Products pre-dating planned use	01/01/2022	01/01/2022	01/01/2022
Amendments to IAS 37: Loss-making contracts - contract performance costs	01/01/2022	01/01/2022	01/01/2022
Improvement of IFRS 2018-2020 period	01/01/2022	01/01/2022	01/01/2022
Amendments to IFRS 3: Reference to the conceptual framework	01/01/2022	01/01/2022	01/01/2022

The Group has chosen not to apply these standards early and does not expect any significant impact on the financial statements as a result of their adoption.

The new IAS/IFRS and interpretations in issue but pending adoption by the European Union and **not yet applicable** are:

	IASB date of application	EU date of adoption	EU date of application
Amendments to IAS 1: Information to be provided on accounting principles and methods	01/01/2023	Not yet announced	Not yet announced
Amendments to IAS 1: Classification of liabilities as current or non-current	01/01/2023	Not yet announced	Not yet announced
Amendments to IAS 8: Definition of an accounting estimate	01/01/2023	Not yet announced	Not yet announced
Amendments to IAS 12: Deferred tax related to assets and liabilities arising from a single transaction	01/01/2023	Not yet announced	Not yet announced

Note 2.6 Translation of financial statements of subsidiaries denominated in foreign currencies

The financial statements of foreign companies outside the Eurozone are translated as follows:

- Assets and liabilities, including goodwill and fair-value consolidation adjustments are translated at the exchange rate of the end of the reporting period, except for goodwill items predating the transition date of 1 January 2005;
- Income statement line items are translated at the exchange rate applicable on the transaction dates or, in practice, an approximate rate that in the absence of any major currency fluctuations corresponds to the average rate for the period. For operations in high-inflation countries, the income statement line items of the subsidiary in question must be translated at the applicable rate at the balance sheet date in line with IAS 29 and IFRIC 7;
- Exchange differences are recognised as a separate component of shareholders' equity and do not impact the income statement.

Note 2.7 Translation of foreign currency denominated transactions

Foreign currency transactions are translated into the functional currency of each company at the exchange rate applicable on the transaction date.

Foreign currency liabilities and receivables are translated at the exchange rate applicable on 31 December. Unrealised exchange gains (losses) generated as a result are recognised in the income statement.

In accordance with IAS 21 and IFRIC 16, differences on exchange related to permanent financing which is part of the net investment in a consolidated company are recognised in other comprehensive income, in the conversion reserve. Upon the subsequent disposal of these investments, cumulative translation differences initially recognised in shareholders' equity are recognised in income.

Note 2.8 Non-current assets held for sale and discontinued operations

When the Group expects to recover the value of an asset, or a group of assets, by its sale rather than by its use, this asset is presented separately on the "Assets held for sale" line of the statement of financial position, in accordance with IFRS 5 - Non-current assets held for sale and discontinued operations. Liabilities relating to this asset, if any, are also presented on a separate line of the statement of financial position ("Liabilities relating to assets held for sale"). An asset classified as such is measured at the lower of its carrying amount and its fair value, less costs to sell. Therefore, it is no longer depreciated.

All assets and liabilities related to operations held for sale are presented on a separate line from assets and liabilities, after elimination of intra-group positions.

A discontinued operation is a part of the Group that has either been sold or has been categorised as held for sale and which:

- represents a separate major line of business or a geographical area of operations;
- is part of a single coordinated plan to dispose of a separate, major line of business or geographical area of operations; or
- is an operation acquired exclusively with a view to resale.

An operation is classified as discontinued at the time of actual discontinuance or at an earlier date when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the income statement and the comparative cash flow statement are restated as if the activity had met the criteria for an operation that was discontinued from the start of the comparative period.

Note 2.9 Business combinations

Business combinations between 1 January 2004 and 31 December 2009 were accounted for in accordance with the previous version of IFRS 3. Business combinations after 1 January 2010 are accounted for in accordance with the revised IFRS 3.

The Group applies the purchase method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the sum of fair values of the assets transferred and the liabilities incurred by the acquirer at the acquisition date and the equity interest issued by the acquirer. The consideration transferred includes contingent consideration, measured and recognised at fair value at the acquisition date.

At the acquisition date, goodwill corresponds to the aggregate of the consideration transferred and the amount of any non-controlling interest in the acquiree minus the net amounts (usually at fair value) of the identifiable assets acquired and the liabilities assumed. Acquisition-related costs are recorded as an incurred expense.

In the case of a step-acquisition that leads to the Group acquiring control of the acquiree, the equity interest previously held by the Group is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

The initial measurement of goodwill is finalised within a period of twelve months from the acquisition date.

Goodwill is not amortised but tested for impairment annually at the closing date, or more frequently if events or changes in circumstances indicate a potential impairment. The main indicators of impairment used by the Group are as follows:

- Quantified indicators:
  - a 15% decline in revenue or a 30% decline in operating income of a CGU at constant scope and exchange rates,
  - a carrying value of the net asset that exceeds the market capitalisation.
- Non-quantified indicators:
  - a performance below forecast,
  - a significant change in the economic, technological, regulatory or political environment in the markets in which the Group operates.

Note 2.10 Tax credits, grants and other public subsidies

ACTIA received government assistance in the form of repayable advances. This form of interest-bearing financing does not fall within the scope of government subsidy management and the criteria of IAS 20. Given the projects financed and the strong likelihood that these advances will be repaid, they are presented in the financial statements under borrowings.

The Group's research and development policy results in the receipt of a research tax credit by the companies established in France. The research tax credit qualifies as a subsidy under IAS 20. It is allocated to a specific income statement line item, impacting operating income: however, the portion of research tax credits that may be allocated to capitalised projects is recognised under deferred income and associated with operating income for the duration of the useful lives of the assets for which it was received.

Grants received able to be allocated to capitalised projects are also accounted for in this manner.

Note 3 Scope of consolidation

Note 3.1 Consolidation criteria

The financial statements of companies directly or indirectly controlled by ACTIA Group are fully consolidated in the consolidated financial statements. The financial statements of companies in which ACTIA Group has a significant influence are accounted for under the equity method.

The balance sheet date for all companies within the scope of consolidation is 31 December.

Note 3.2 Consolidated companies

Coovia, whose liquidation procedure had been in progress since the first quarter of 2019, was de-listed on 13 April 2021.

ACTIA Inc. and ACTIA India are in the process of being closed as of 31 December 2021.

The Group created two new entities during the 2021 financial year, ACTIA Power Deutschland and ACTIA Power US, in order to complete the creation of the Power Division. This division, which now brings together vehicle electrification activities and in particular, the batteries and electromobility business lines with sites in four countries, began its operations in 2022.

Name	Seat	SIREN no. (business registration number) or country	% control Dec-20	% control Dec-21	Integration method Dec-20	Integration method Dec-21	Business lines	Contribution to consolidated revenue in €K	Contribution to consolidated net income in €K
ACTIA Group	**Toulouse**	**542 080 791**	**Consolidating company**		**Consolidating company**		**Holding company**	**7**	**<29>**
Automotive									
ACTIA Automotive	Toulouse	389 187 360	99.99	99.99	I.G.	I.G.	Electronics research & manufacturing	157,206	1,545
ACTIA PCs	Maisons-Alfort	384 018 263	100.00	100.00	I.G.	I.G.	Electronics research & manufacturing	3,177	<40>
ACTIA Systems	Getafe Madrid	Spain	100.00	100.00	I.G.	I.G.	Research and manufacturing of audio and video equipment	16,528	1,107
SCI Los Olivos	Getafe Madrid	Spain	39.99	39.99	M.E.	M.E.	Real estate	0	<6>
KARFA	Mexico City	Mexico	90.00	90.00	I.G.	I.G.	Administration of holdings	0	<45>
ACTIA de MEXICO	Mexico City	Mexico	100.00	100.00	I.G.	I.G.	Electronics research & manufacturing	3,055	<815>
ACTIA do Brasil	Porto Alegre	Brazil	97.97	97.97	I.G.	I.G.	Electronics research & manufacturing	2,153	255
ACTIA Inc. [4]	Dearborn - Michigan	USA	100.00	100.00	I.G.	I.G.	Electronics research & manufacturing	0	46
ACTIA Cz	Tabor	Czech Republic	89.98	89.98	I.G.	I.G.	Electronics research & manufacturing	1,856	578
ACTIA Italia	Torino	Italy	100.00	100.00	I.G.	I.G.	Electronics research & manufacturing	39,240	1,418
ACTIA 3E	Le Bourget du Lac	381 805 514	99.93	99.93	I.G.	I.G.	Electronics research & manufacturing	1,351	<80>
ACTIA I+Me	Braunschweig	Germany	100.00	100.00	I.G.	I.G.	Electronics research & manufacturing	22,892	<1,977>
ACTIA Corp.	Elkhart - Indiana	USA	100.00	100.00	I.G.	I.G.	Electronics research & manufacturing	18,025	<1,448>
ACTIA Electronics	Romulus - Michigan	USA	99.98	100.00	I.G.	I.G.	Electronics manufacturing	7,839	<2,871>
ACTIA Polska	Piaseczno	Poland	100.00	100.00	I.G.	I.G.	Electronics research & manufacturing	2,538	568
CIPI ACTIA	Tunis	Tunisia	65.80	65.80	I.G.	I.G.	Electronics manufacturing	156	251
ACTIA India [4]	New Delhi	India	51.00	51.00	I.G.	I.G.	Electronics research & manufacturing	0	51
ACTIA China	Shanghaï	China	100.00	100.00	I.G.	I.G.	Electronics research & manufacturing	17,284	1,650
ACTIA Nordic	Sollentuna	Sweden	100.00	100.00	I.G.	I.G.	Electronics research & manufacturing	79,810	1,176
ACTIA EMS Sweden	Linköping	Sweden	100.00	100.00	I.G.	I.G.	Electronics research & manufacturing	3,602	47
ACTIA Tunisie	Tunis	Tunisia	96.96	96.96	I.G.	I.G.	Electronics manufacturing	0	68
ACTIA Japan	Tokyo	Japan	100.00	100.00	I.G.	I.G.	Marketing, sales and technical support	37	<153>
Telecom									
ACTIA Telecom	St Georges de Luzençon	699 800 306	100.00	100.00	I.G.	I.G.	Electronics research & manufacturing	63,352	2,011
SCI Sodimob	St Georges de Luzençon	419 464 490	100.00	100.00	I.G.	I.G.	Real estate		75
ACTIA Africa	Tunis	Tunisia	99.77	99.77	I.G.	I.G.	Marketing, sales and technical support	302	35
ACTIA Engineering Services	Tunis	Tunisia	73.33	73.33	I.G.	I.G.	Electronics research & design	3,388	487
COOVIA [3]	Toulouse	788 665 149	19.98	0.00	M.E.	/	Mobility consulting		
ACTIA Telematics Services	Naninne	Belgium	100.00	100.00	I.G.	I.G.	Electronics research & design	2,509	296
ACTIA Power	Toulouse	892 202 482	100.00	100.00	I.G.	I.G.	Holding company		<1,727>
ACTIA Power France	Toulouse	892 368 564	100.00	100.00	I.G.	I.G.	Electronics research & manufacturing	424	<2,302>
ACTIA UK	Newtown	United Kingdom	100.00	100.00	I.G.	I.G.	Electronics research & manufacturing	9,286	208
ACTIA Power Deutschland [1]	Salzgitter	Germany	/	100.00	/	I.G.	Electronics research & manufacturing	6,822	<6,800>
ACTIA Power US [1]	Elkhart-Indiana	USA	/	100.00	/	I.G.	Electronics research & manufacturing		<233>
SCI de l'Oratoire [2]	Colomiers	345 291 405	100.00	100.00	I.G.	I.G.	Real estate		482
SCI Les Coteaux de Pouvourville	Toulouse	343 074 738	30.00	30.00	M.E.	M.E.	Real estate		101

[1]: *New companies created during the financial year.*
[2]: *SCI de l'Oratoire is 86% owned by ACTIA Group and 14% by ACTIA Automotive.*
[3]: *Company liquidated*
[4]: Companies being closed down

Note 4 Intangible assets

Note 4.1 Changes in intangible assets

The gross amounts of intangible assets changed as follows:

- In 2021:

In €K	01/01/2021	Changes in scope	Cumulative translation differences	Acquisitions <Transfers>	Disposals and other reductions	IFRS 5	31/12/2021
Goodwill	25,402						25,402
Development costs	131,167		<87>	9,974	<1,575>	<2,685>	136,795
Other intangible assets	12,100		<4>	1,014	<83>	<13>	13,014
Other intangible assets in progress	528		8	434			970
TOTAL	**169,197**		**<83>**	**11,422**	**<1,658>**	**<2,697>**	**176,181**
o.w. right-of-use							
Other intangible assets	*513*						*513*
Other intangible assets in progress							

In accordance with IFRS 5 - Non-current assets held for sale and discontinued operations, the intangible assets of the Vehicle Inspection & Garage Equipment activity were reclassified as of 31 December 2021. (Note 19 “Assets and liabilities” held for sale)

In 2020:

In €K	01/01/2020	Changes in scope	Cumulative translation differences	Acquisitions <Transfers>	Disposals and other reductions	31/12/2020
Goodwill	25,402					25,402
Development costs	136,864		571	13,230	<19,497>	131,167
Other intangible assets	12,505		<48>	336	<692>	12,100
Other intangible assets in progress	60		<30>	498		528
Total	**174,830**		493	14,063	<20,189>	169,197
o.w. right-of-use						
Other intangible assets	*513*					513
Other intangible assets in progress						

No intangible asset within ACTIA Group is subject to a pledge or other encumbrance.

Amortisation and impairment charges were as follows:

- In 2021:

In €K	01/01/2021	Changes in scope	Cumulative translation differences	Provisions	Reversals	IFRS 5	31/12/2021
Goodwill	1,254						1,254
Development costs	71,650		<129>	14,452	<1,575>	<2,575>	81,823
Other intangible assets	11,043		<7>	529	<83>	<8>	11,473
TOTAL	**83,946**		**<136>**	**14,981**	**<1,658>**	**<2,583>**	**94,551**
o.w. right-of-use							
Other intangible assets	*513*						*513*

No impairment was recorded at 31 December 2021.

- In 2020:

In €K	01/01/2020	Changes in scope	Cumulative translation differences	Provisions	Reversals	31/12/2020
Goodwill	1,254					1,254
Development costs	77,367		376	13,410	<19,504>	71,650
Other intangible assets	11,179		<40>	595	<692>	11,043
TOTAL	**89,800**		**336**	**14,005**	**<20,196>**	**83,946**
o.w. right-of-use						
Other intangible assets	*513*					*513*

No impairment was recorded at 31 December 2020.

Net carrying amounts:

In 2021:

In €K	01/01/2021	Changes in scope	Cumulative translation differences	Net acquisitions <Disposals>	IFRS 5	31/12/2021
Goodwill	24,148					24,148
Development costs	59,518		42	<4,479>	<110>	54,971
Other intangible assets	1,058		3	485	<5>	1,541
Other intangible assets in progress	528		8	434		970
TOTAL	**85,251**		**53**	**<3,559>**	**<114>**	**81,630**
o.w. right-of-use						
Other intangible assets	*<0>*					*<0>*
Other intangible assets in progress						

In 2020:

In €K	01/01/2020	Changes in scope	Cumulative translation differences	Net acquisitions <Disposals>	31/12/2020
Goodwill	24,148				24,148
Development costs	59,497		195	<174>	59,518
Other intangible assets	1,326		<9>	<260>	1,058
Other intangible assets in progress	60		<30>	498	528
TOTAL	**85,030**		**157**	**64**	**85,251**
o.w. right-of-use					
Other intangible assets	*<0>*				*<0>*
Other intangible assets in progress					

Note 4.2 Goodwill

At the end of 2021, the carrying amounts of **goodwill** were as follows:

In €K	Country	Net balance sheet amounts at 31/12/2021	Net balance sheet amounts at 31/12/2020
ACTIA Telecom	France	11,415	11,415
ACTIA Corp.	USA	7,501	7,501
ACTIA Telematics Services	Belgium	2,480	2,480
ACTIA Nordic	Sweden	1,351	1,351
CIPI ACTIA	Tunisia	922	922
ACTIA PCs	France	390	390
SODIMOB	France	88	88
Total		**24,148**	**24,148**

Annual **impairment tests** are performed on goodwill.

This test covers a specific asset or a cash generating unit (CGU) or a group of CGUs. A CGU is the smallest identifiable group of assets generating cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Goodwill is allocated to one CGU. The CGU for goodwill is generally that of the entity originally acquired.

The impairment test is intended to compare the carrying amount of the asset or CGU group with its recoverable amount. The recoverable amount is the greater of:

- The fair value less selling costs;
- The value in use, this being the present value of the future cash flows likely to flow from the asset or CGU. Future cash flows are determined, in a pre-IFRS 16 approach, from four-year budgets for the CGU or CGU groups in question, approved by Group management. The growth rates used for subsequent periods are flat. The discount rates are determined by using a risk-free rate for the geographic region in question, plus a specific risk premium for the assets in question.

Where the carrying amount exceeds the recoverable amount, an impairment loss is recognised in the income statement under the line item “goodwill impairment”. Impairment in a CGU is firstly allocated to goodwill and then to the other assets of the CGU in proportion to their carrying amounts.

Impairment losses recognised in respect of goodwill are never reversed.

In accordance with IAS 36, impairment tests are conducted for all goodwill by applying the discounted cash flow method to the business plans of the relevant CGUs.

The discount rates used for these impairment tests are presented below:

	2021		2020	
In €K	Europe	USA	Europe	USA
Automotive	between 8.2% and 9.2% (1)	between 7.9% and 8.9%	between 8.8% and 9.8% (1)	between 7.6% and 8.7%
Telecoms	between 6.5% and 7.5%	-	between 6.5% and 7.5%	-

(1): CIPI-ACTIA (Tunisia): between 14.8% and 16.8%.

The perpetuity growth rate ranges between 1% and 1.5% for all impairment tests conducted in Europe, and 1.5% for the Americas.

Based on these tests applied to the reasonable cash flow forecast scenarios and including the analysis of the sensitivity of amounts to changes in assumptions and the parameters used, no impairment was identified. The items used to assess the most significant values tested (UGT ACTIA Telecom and ACTIA Corp.) are presented below:

- Tests of **ACTIA Telecom** goodwill:

  ACTIA Telecom's goodwill was allocated to a CGU comprised of all the operating assets of this entity.

  The recoverable amount represents the value in use of the CGU. It was determined on the basis of the following assumptions:

  - **cash flow forecasts** prepared by management taking into account changes in sales, based on an assessment of the order book and reasonable assumptions for winning new business via calls for tender for the subsequent four years and the change in the working capital requirement calculated in relation to business trends;
  - the level of annual replacement capital expenditure;
  - management calculates these assumptions on the basis of its experience as well as prior results;
  - the period covered by these cash flow forecasts is four years (2022 to 2025);
  - the rate used to discount the cash flows is 6.80% after tax and is the result of the following parameters:
    - the cost of equity is 7.51%;
    - releveraged beta is 1.08;
    - sector financial leverage is 3.6%;
  - the AAGR for sales is 7.02% for the specific time-frame;
  - the terminal value was calculated from cash flows to which a 1.5% perpetuity growth rate was applied;
  - analyses of the sensitivity of the value of goodwill to changes in assumptions about forecast operating flows and the discount rate indicate that the possibility of a loss in value would arise for the Telecoms Division from one of the following adverse assumptions:
    - normalised EBITDA/Revenue ratio below 0.5% with respect to that used to estimate the terminal cash flows;
    - discount rate above 0.4% with respect to the central rate described above.

- Tests of **ACTIA Corp.** goodwill. (USA):

  The goodwill of ACTIA Corp. was allocated to a CGU consisting of all the operating assets of ACTIA Corp.

  The recoverable amount represents the value in use of the CGU. It was determined on the basis of the following assumptions:

  - **cash flow forecasts** prepared by management taking into account changes in sales, based on an assessment of the order book and reasonable assumptions for winning new business via calls for tender for the subsequent three years and the change in the working capital requirement calculated in relation to business trends;
  - the level of annual replacement capital expenditure;
  - management assumptions are calculated on the basis of past experience;
  - the period covered by these cash flow forecasts is four years (2022 to 2025);

- the rate used to discount the cash flows is 8.78% after tax and is the result of the following parameters:
  - the cost of equity is 9.54%;
  - releveraged beta is 1.41;
  - sector financial leverage is 15.9%;
- the AAGR for sales is 21.2% for the specific timeframe;
- the terminal value was calculated from cash flows to which a 1.5% perpetuity growth rate was applied;
- given the significant margin resulting from the impairment test, the analyses of the sensitivity of the value of goodwill to changes in assumptions about forecast operating flows and the discount rate do not reveal any risks.

To date, impairment charges for goodwill amount to €1,254,000 and correspond to:

- A goodwill impairment loss for ACTIA Polska: €224,000 (recognised in 2008);
- A goodwill impairment loss for ACTIA Telecom: €1 million (€500,000 recognised in 2009 and €500,000 in 2012);
- A goodwill impairment loss for KARFA: €30,000 (recognised in 2015).

Note 4.3 Development costs and other intangible assets

Other intangible assets are presented in the balance sheet at acquisition or production cost, less cumulative amortisation and impairment losses. They are recognised as assets if they are controlled by the Group, if they generate future economic benefits for the Group and meet the identification criteria below:

- They are separable from the entity (possibility of sale, transfer, disposal, etc.) individually or together with another asset/liability, or
- They stem from contractual or other legal rights.

The various types of intangible assets identifiable in the Group include development costs and patents and brands.

Except for development costs, the other intangible assets are amortised on a straight-line basis calculated over their useful lives of three to seven years.

Development costs

An intangible asset resulting from a development phase is recognised in assets if and only if the following criteria are satisfied:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- The entity must intend to complete the intangible asset and use or sell it;
- It must be able to use or sell the intangible asset;
- It must know how the intangible asset will generate probable future economic benefits. Among other things, the entity must be able to demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- Adequate technical, financial and other resources must be available to complete the development and to use or sell the intangible asset, and
- It must be possible to reliably measure the expenditure attributable to the intangible asset during its development.

The cost of this internally generated intangible asset includes all expenses necessary to create, produce and prepare the non-current asset to be exploited as planned by the Group.

Other development costs are expensed as they arise.

No intangible asset arising from research is recognised as an asset. Research costs are expensed as they arise.

The amortisation of development costs reflects the expected rate at which economic benefits will be obtained from the asset. The methods used are straight-line amortisation or unit of production. The useful lives depend on the assets in question. They run from three to five years, except for the tachograph, which has an estimated useful life of 15 years (end of the depreciation period in 2020).

The useful lives are reviewed at each balance sheet date. There are no intangible assets for which the useful life is considered indefinite.

The **main intangible assets** added in the last two financial years are presented in the table below:

In €K	2021	2020
Development costs		
Automotive Division	11,840	12,859
Telecoms Division	802	935
TOTAL	**12,642**	**13,794**
Other intangible assets		
Automotive Division	854	677
Telecoms Division	561	37
TOTAL	**1,416**	**714**

The table below summarises the changes in the total research and development expenditure:

In €K	2021	2020
Automotive Division	**68,012**	**62,523**
o.w. Cost of research commissioned by customers	*26,188*	*20,794*
Non-current assets	*11,913*	12,956
Period expenses	29,911	28,773
Telecoms Division	**12,146**	**13,441**
o.w. Cost of research commissioned by customers	*7,622*	*7,334*
Non-current assets	802	935
Period expenses	3,722	5,172
Total	**80,158**	**75,964**
Amortisation of capitalised development costs not included in the total expenditure calculation	*15,948*	*14,072*

Most companies of the Automotive Division engage in R&D activity. ACTIA Automotive (France) contributed 46.8% (around 51.4% in 2020), ACTIA I+ME (Germany) 6.9% (12.1% in 2020), ACTIA Nordic (Sweden) 15.6% (18.7% in 2020) and ACTIA Corp (United States) 8.0% (7.4% in 2020), with the balance of R&D activity equally allocated among the other entities of the division. It should be noted that the Tunisian design office, ACTIA Engineering Services, works mostly for the other Group entities and its work is therefore eliminated (IG) at its level for the benefit of companies that ordered the development.

In the Telecoms Division, work is carried out by all the ACTIA Telecom entities, and it may also use ACTIA Engineering Services for certain types of work, which are also eliminated (IG).

The Group's R&D investment policy focuses on five areas:

- Telematics for vehicles, including both OEM and Aftermarket and associated services;
- Power electronics for vehicles;
- Electrification of vehicles;
- Vehicle inspection and repair equipment;
- Professional microwave communications equipment.

In these areas, ACTIA must anticipate the arrival of new products and use the most modern technologies while meeting the requirements of increasing global standardisation and cost management. ACTIA must also support its export customers and identify new foreign markets.

The Group operates in 16 countries and incurs considerable R&D expenditure. Over the past five years, these expenses have averaged 16.6% of consolidated sales. This proactive policy generates inflows for France in the form of significant research tax credits and grants (€7.2 million for 2021, compared to €5.8 million in 2020).

In 2021, total R&D expenditure represented 17.3% of Group sales, the same level as 2020. Thus, even in this difficult period, ACTIA demonstrated its desire to maintain a high level of innovation, supported by multi-year customer programmes.

The level of R&D expenditure incurred in ACTIA's income statement, after adjusting for the portion charged to customers, government subsidies and time lags (fixed assets/depreciation), accounted for 9.0% of revenue in 2021, as opposed to 9.5% in 2020. The customer chargeback rate was 42.2% in 2021 compared to 37.0% in 2020. The Group therefore recorded a decrease in its capitalised R&D of 8.5%.

Note 5 Tangible assets

Items of property plant and equipment are recognised as assets at acquisition cost less cumulative depreciation and impairment losses. The Group has chosen the cost model as the measurement method.

Cost components include:

- The purchase price, including import duties and non-refundable purchase taxes less trade discounts and rebates;
- The costs directly attributable to transferring and commissioning the asset and;
- If applicable, the initial estimate of the costs of dismantling and removing the item and restoring the site.

When material components of items of property, plant and equipment can be determined and they have different useful lives and depreciation methods, they are recognised by component as separate items of property, plant and equipment.

The Group recognises the replacement cost of a component of an item of property, plant or equipment in the carrying amount of that asset when the cost is incurred, if it is likely that the future economic benefits associated with this asset will flow to the Group and its cost can be reliably measured. All ordinary upkeep and maintenance costs are expensed when incurred.

ACTIA has identified three components of buildings:

- The structure: 40-year useful life;
- Interior work: 20-year useful life;
- Fixtures and fittings: 10-year useful life.

The breakdown of some buildings with a very specific structure (glass cladding, etc.) has been adjusted so that the useful lives indicated correspond to the actual life of the property.

The depreciable amount is systematically allocated over the useful life of the asset. Depreciation is calculated on a straight-line basis and the useful lives applied by the Group are as follows:

- Technical installations, equipment, tooling: 6 to 10 years;
- Other property, plant and equipment: 3 to 10 years.

The useful lives are reviewed at each balance sheet date.

The Group has not determined any material residual value for its property, plant and equipment.

Note 5.1 Changes in tangible assets

Gross amounts of property, plant and equipment changed as follows:

- In 2021:

In €K	01/01/2021	Changes in scope	Cumulative translation differences	Acquisitions <Transfers>	Disposals and other reductions	IFRS 5	31/12/2021
Land	3,625		48			<771>	2,902
Buildings	62,361		1,042	6,977	<285>	<7,715>	62,380
Technical equipment Facilities and tools	78,022		815	5,062	<257>	<622>	62,380
Other items of property	37,885		397	1,317	<564>	<497>	38,537
Total	**181,892**		**2,302**	**13,356**	**<1,106>**	**<9,605>**	**166,199**
o.w. right-of-use							
Land	*260*						*260*
Buildings	*26,235*		*287*	*4,609*	*<285>*	*<67>*	*30,778*
Technical equipment *Facilities and tools*	*18,389*		*<3>*	*5,115*	*<1>*		*23,499*
Other items of property	*9,185*		*5*	*1,025*	*<104>*		*10,111*

- In 2020:

In €K	01/01/2020	Changes in scope	Cumulative translation differences	Acquisitions <Transfers>	Disposals and other reductions	31/12/2020
Land	3,703		<78>			3,625
Buildings	59,136		<990>	4,333	<118>	62,361
Technical equipment Facilities and tools	77,614		<1,179>	6,022	<4,435>	78,022
Other items of property	41,924		<689>	<1,459>	<1,891>	37,885
Total	**182,377**		**<2,935>**	**8,895**	**<6,445>**	**181,892**
o.w. right-of-use						
Land	*260*					*260*
Buildings	*27,345*		*<18>*	*701*	*<1,793>*	*26,235*
Technical equipment *Facilities and tools*	*18,389*					*18,389*
Other items of property	*9,118*		*2*	*77*	*<12>*	*9,185*

Amortisation was as follows:

- In 2021:

In €K	01/01/2021	Changes in scope	Cumulative translation differences	Provisions	Reversals	IFRS 5	31/12/2021
Land	13						13
Buildings	23,916		242	4,267	<0>	<1,601>	26,824
Technical equipment Facilities and tools	57,375		475	7,287	<373>	<517>	64,247
Other items of property	23,155		272	2,872	<423>	<131>	25,745
TOTAL	**104,458**		**990**	**14,427**	**<797>**	**<2,249>**	**116,829**
o.w. right-of-use							
Land	*13*						*13*
Buildings	*15,441*		*25*	*2,651*	*<33>*	*<67>*	*18,017*
Technical equipment *Facilities and tools*	*14,725*		*<3>*	*2,438*			*17,160*
Other items of property	*7,688*		*<0>*	*940*	*<11>*	*<0>*	*8,616*

- In 2020:

In €K	01/01/2020	Changes in scope	Cumulative translation differences	Provisions	Reversals	31/12/2020
Land	13					13
Buildings	21,474		<219>	2,802	<141>	23,916
Technical equipment Facilities and tools	54,374		<662>	8,054	<4,390>	57,375
Other items of property	22,649		<340>	2,693	<1,847>	23,155
TOTAL	**98,510**		**<1,221>**	**13,548**	**<6,379>**	**104,458**
o.w. right-of-use						
Land	*13*					*13*
Buildings	*14,316*		*27*	*1,098*		*15,441*
Technical equipment *Facilities and tools*	*12,646*		*6*	*2,074*		*14,725*
Other items of property	*7,270*		*10*	*408*		*7,688*

Net carrying amounts:

- In 2021:

In €K	01/01/2021	Changes in scope	Cumulative translation differences	Net acquisitions <Disposals>	IFRS 5	31/12/2021
Land	3,612		48		<771>	2,889
Buildings	38,445		800	2,425	<6,114>	35,556
Technical equipment Facilities and tools	20,647		340	<2,109>	<105>	18,773
Other items of property	14,730		125	<1,697>	<366>	12,793
TOTAL	**77,434**		**1,312**	**<1,380>**	**<7,356>**	**70,010**
o.w. right-of-use						
Land	*247*					*247*
Buildings	*10,794*		*263*	*1,705*		*12,761*
Technical equipment Facilities and tools	*3,664*		*0*	*2,675*		*3,660*
Other items of property	*1,497*		*6*	*<8>*		*1,495*

- In 2020:

In €K	01/01/2020	Changes in scope	Cumulative translation differences	Net acquisitions <Disposals>	31/12/2020
Land	3,690		<78>		3,612
Buildings	37,662		<771>	1,554	38,445
Technical equipment Facilities and tools	23,241		<517>	<2,077>	20,647
Other items of property	19,275		<349>	<4,196>	14,730
TOTAL	**83,867**		**<1,714>**	**<4,719>**	**77,434**
o.w. right-of-use					
Land	*247*				*247*
Buildings	*13,029*		*<45>*	*<2,191>*	*10,794*
Technical equipment Facilities and tools	*5,743*		*<6>*	*<2,074>*	*3,664*
Other items of property	*1,848*		*<8>*	*<343>*	*1,497*

Property, plant and equipment used as collateral are listed in Note 28: “Encumbered assets” in the notes to the consolidated financial statements.

The main acquisitions relate to:

In €K	2021	2020
Land		
Automotive Division		
Telecoms Division		
Sub-total		
Buildings		
Automotive Division	4,297	1,253
Telecoms Division	775	629
Other (incl. Holding company)		5
Sub-total	**5,072**	**1,886**
Technical equipment		
Automotive Division	4,507	3,811
Telecoms Division	446	149
Sub-total	**4,953**	**3,960**
Other tangible assets		
Automotive Division	3,639	4,191
Telecoms Division	834	304
Other (incl. Holding company)	18	33
Sub-total	**4,491**	**4,528**
Total	**14,516**	**10,374**

All new items of property, plant and equipment were purchased from third party suppliers.

The Other property, plant and equipment item includes construction and renovation work not yet delivered on the close date.

Note 5.2 Depreciation of tangible assets

Where there are indications of impairment, an impairment test of the other assets is systematically performed.

Impairment losses recognised in respect of other assets may be reversed where there has been a change in the estimates used to determine the recoverable amount. The carrying amount of an asset that has been increased due to reversal of impairment may not exceed the carrying amount that would have existed, net of depreciation or amortisation, if no impairment loss had been recognised.

In the event of an impairment loss on an asset or CGU, a provision is systematically recognised. It is allocated to the “Depreciation and amortisation expense” line item in the income statement, which is accordingly renamed “Depreciation and amortisation expense and impairment loss.”

As of 31 December 2021, no provisions for impairment of property, plant and equipment had been recognised.

Note 6 Equity method investments

In €K	Value of securities		Share of net income	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
SCI Los Olivos	398	180	<6>	1
SCI Les Coteaux de Pouvourville	458	595	101	101
Coovia	0	0	0	0
Total	**856**	**774**	**95**	**103**

After the investor's interest is reduced to zero, additional losses are recognised by a provision (liability) only to such extent that the investor has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. (See Note 17: "Provisions" in the notes to the consolidated financial statements.

Financial information on the investments in associates (equity method) is set out below:

- At 31 December 2021:

In €K	Total Assets	Debt	Revenue	Income
SCI Los Olivos	2,631	1,587	176	<14>
SCI Les Coteaux de Pouvourville	7,278	5,357	965	245
Coovia		0	0	0

- At 31 December 2020:

In €K	Total Assets	Debt	Revenue	Income
SCI Los Olivos	2,391	1,333	176	4
SCI Les Coteaux de Pouvourville	7,605	5,955	963	219
Coovia	124	982	0	0

Note 7 Other non-current financial assets

In €K	31/12/2021 Gross	31/12/2021 Depreciation	31/12/2021 Net	31/12/2020 Gross	31/12/2020 Depreciation	31/12/2020 Net
Non-consolidated fixed securities	324	<228>	**96**	291	<227>	**64**
Receivables on non-consolidated investments	94	<72>	**23**	882	<877>	**6**
Deposits and guarantees	1,845		**1,845**	1,649		**1,649**
Loans and miscellaneous	35		**35**	33	<0>	**33**
TOTAL	**2,298**	**<300>**	**1,999**	**2,855**	**<1,104>**	**1,751**

In 2021, financial assets generated €178,000 in income, included in the income statement under "Other financial income," compared to €9,000 in 2020.

Note 8 Stocks and work in progress

Inventory costs include:

- Purchase cost: purchase price and related expenses;
- Conversion costs: labour and indirect production costs;
- Other costs: included in inventory costs only if incurred to bring the inventories to their current location and condition.

The net realisable value of stocks was as follows:

Inventories of services in process are measured at the cost of production, labour and other personnel expenses directly incurred to provide the service.

Inventory costs are determined according to the weighted average cost method.

Inventories are measured at the lower of cost and net realisable value, this being the estimated selling price in the normal course of business less estimated completion and selling costs.

€K (Net value)	31/12/2021	31/12/2020
Raw materials	85,019	61,824
R&D costs pursuant to the execution of contracts	45,028	40,125
Intermediate and finished products	31,940	32,834
Goods	10,669	14,781
Total	**172,656**	**149,564**

Changes in inventories in 2021 are set out below:

In €K	Gross	Depreciation	Net
At 31/12/2020	**161,531**	**<11,967>**	**149,564**
Change over the period	28,685		28,685
Net depreciation		<1,778>	<1,778>
Changes in scope	0	0	0
Effect of exchange rates	1,463	<58>	1,405
IFRS 5	<6,918>	1,698	<5,220>
At 31/12/2021	**184,761**	**<12,105>**	**172,656**

Scrapped inventories amounted to €2,076,000, compared with €2,333,000 in 2020, and concerned primarily:

- ACTIA Automotive: €1,530,000 (accumulated provision of €500,000 from prior periods);
- ACTIA Telecom: €112,000 (accumulated provision of €43,000 from prior periods).

The gross value of inventory increased by €30.1 million during 2021 (before IFRS 5 reclassification) compared to a €11.2 million decrease during 2020. The breakdown of these changes is presented below:

In €K		2021	2020
Raw materials		**+ 27,739**	**<9,370>**
o.w.	*Automotive Division*	*+ 24,891*	*<11,128>*
	Telecoms Division	*+ 2,848*	+ 1,758
R&D costs pursuant to the execution of contracts		**+ 7,546**	**+ 3,656**
o.w.	*Automotive Division*	*+ 3,575*	*<120>*
	Telecoms Division	*+ 3,971*	+ 3,776
Intermediate and finished products		**<1,951>**	**<5,761>**
o.w.	*Automotive Division*	*<2,553>*	*<6,021>*
	Telecoms Division	*+ 602*	+ 260
Goods		**<3,186>**	**+ 241**
o.w.	*Automotive Division*	*<3,186>*	*+ 241*
	Telecoms Division	*+ 0*	+ 0

Pledged inventories are set out in Note 28 "Encumbered assets" in the notes to the consolidated financial statements.

Note 9 Trade and other receivables

Trade and other accounts receivable are measured at fair value upon initial recognition then at amortised cost less the amount of expected credit losses.

Where there are objective indications of impairment, the amount of the loss recognised is the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate of the asset.

The details of **trade receivables and other current receivables** are given in the following table:

In €K	Net value at 31/12/2020	Changes over the period	Depreciation / reversals	Changes in scope	Effect of exchange rates	IFRS 5	Net value at 31/12/2021
Trade receivables	**141,364**	**2,546**	**<612>**		**1,574**	**<133>**	**144,739**
Pre-payments	**3,537**	3,399			105	<24>	**7,017**
Social security receivables	**510**	580			7	<0>	**1,097**
VAT claims	**2,408**	2,708			2		**5,118**
Accrued charges	**2,358**	530			33	<1>	**2,920**
Other receivables	**1,408**	223			47	<1>	**1,677**
Other current receivables	**10,222**	**7,441**			**193**	**<27>**	**17,830**
Tax receivables	**2,215**	<1,618>			15		**612**
Research tax credit	**9,641**	1,220					**10,861**
Current tax credit	**11,855**	**<398>**			**15**		**11,473**
Total	**163,441**	**9,589**	**<612>**		**1,783**	**<159>**	**174,042**

A non-recourse factoring contract is in place for the ACTIA Nordic (Sweden) and ACTIA Systems (Spain) subsidiaries, for an amount of €9.1 million and €1.3 million, respectively, at 31 December 2021, compared to €14.7 million at 31 December 2020. Under IFRS 9, as the near totality of the risks and benefits related to the assigned receivables had been transferred to the assignee as part of this factoring transaction, the assigned receivables were deconsolidated.

At 31 December 2021, the schedule for gross trade receivables not yet due and past due (aged balance) was as follows:

In €K	Not yet due	Past due by 0 to 30 days	Past due by 31 to 60 days	Past due by 61 to 90 days	Past due by more than 91 days	Total trade receivables (Gross)
Gross at 31/12/2021	112,251	5,942	5,638	3,826	21,321	**148,977**
Gross at 31/12/2020	120,692	6,367	5,357	1,953	10,527	**144,896**

No **significant losses for bad** debt were recognised in 2021, as in 2020.

Note 10 Other contractual assets and liabilities

As part of the application of the new IFRS 15 “Revenue from contracts with customers”, for any given contract, the cumulative sum of revenues recognised in exchange for all the contractual service obligations, after deduction of the payments received and the trade receivables accounted for separately, are presented below under the headings contractual assets or contractual liabilities, if the balance is negative.

Any provisions for onerous contracts, known as forecast losses, are excluded from these balances and presented under provisions for liabilities and charges.

In €K	At 31/12/2021	At 31/12/2020
Contractual assets	16,448	26,076
Contractual liabilities	<6,990>	<3,977>

Note 11 Cash, cash equivalents and financial instruments at fair value through profit and loss

Note 11.1 Cash and cash equivalents

Cash is comprised of the sums available in bank accounts at the balance sheet date. Instantly repayable bank overdrafts constitute a component of cash and cash equivalents for cash flow statement purposes.

Cash equivalents are very liquid short-term investments comprised of marketable securities readily convertible into a known amount of cash and subject to an insignificant risk of a change in value. They are recognised at the market value at the balance sheet date, with the investment bonus recognised in income.

These items changed as follows:

In €K	31/12/2021	31/12/2020	Change
Cash equivalents	87	79	7
Cash	56,552	53,335	3,218
Cash and cash equivalents	**56,639**	**53,414**	**3,225**
<Short-term bank borrowings>	**<36,354>**	**<40,925>**	**4,571**
Total	**20,285**	**12,489**	**7,796**
Cash, cash equivalents and short-term bank borrowings presented in the Assets/Liabilities held for sale lines	**1,291**	**0**	**1,291**
Cash and cash equivalents at closing presented in the Cash flow statement	**21,576**	**12,489**	**9,087**

ACTIA sells marketable securities at year-end, which are accordingly recorded under income as definitive capital gains.

Note 11.2 Financial instruments at fair value through profit and loss

ACTIA uses derivatives to hedge its exposure to interest rate and exchange rate risks arising from its operating, financing and investing activities. In accordance with its treasury management policy, the Group neither holds nor issues derivatives for trading purposes. However, derivatives not satisfying the hedge accounting criteria are treated as speculative.

- Interest rate hedging

At 31 December 2021, ACTIA no longer had interest rate risk hedging instruments, as the interest rate SWAPs taken out by the ACTIA Automotive S.A. subsidiary had all expired before the end of the financial year.

With interest rate swap tools set up several years ago, and in a context of falling rates or even negative rates, ACTIA preferred to hedge the interest rate risk by setting up medium and long-term financing at a fixed rate.

These interest rate hedges were not linked to specific financing contracts but covered the Group’s debt for €11.3 million at 31 December 2020.

The Group recognised interest rate hedging instruments at fair value through profit and loss under “Other financial income” and “Other financial expenses”.

Details of the impact of this accounting treatment on earnings are set out below:

In €K	31/12/2021		31/12/2020	
	Fair value	Impact	Fair value	Impact
Financial instruments ASSETS <LIABILITIES>				
SWAP	0	69	<69>	92
Total	**0**	**69**	**<69>**	**92**

An analysis of ACTIA’s exposure to interest rate risk is provided in chapter 7 “Risk factors” of this Universal Registration Document.

- Currency hedging

Because the applicable criteria were not met for the periods presented, (hedging of future flows - cash flow hedge), hedge accounting was not applied. Currency risk hedging instruments were measured and recognised at fair value.

Note that the purpose of these tools is to secure the cost of acquisition of US Dollars necessary to buy components at a reasonable price secured with respect to the significant market fluctuations.

Currency hedging instruments break down as follows:

In currency	Maximum amount remaining to be acquired at 31/12/2021	Maturity
Currency purchases		
EUR/USD Tunnel	$ 13,000,000	< 1 year
EUR/USD Accumulator	$ 39,577,500	< 1 year
EUR/USD Accumulator	$ 81,770,000	< 2 years
EUR/USD Option	$ 13,000,000	< 1 year
Total	**$ 147,347,500**	

ACTIA recognises these currency hedging instruments at fair value through profit and loss under “Other financial income” and “Other financial expenses.”

Note that the Group carried out Dollar purchases of $124.6 million compared with $103.5 million in 2020. The purchases are hedged via financial instruments or, to a lesser extent, via natural hedges.

Details of the impact of this accounting treatment on earnings are set out below:

	31/12/2021		31/12/2020	
In €K	**Fair value**	**Impact**	**Fair value**	**Impact**
Financial instruments ASSETS <LIABILITIES>				
EUR/USD Hedges	890	8,308	<7,418>	<8,795>
Total	**890**	**8,308**	**<7,418>**	**<8,795>**

Note 12 Deferred tax

Deferred taxes stem in particular from:

- Tax-loss carryforwards;
- Temporary differences that may exist between the consolidation amount and the tax base of certain assets and liabilities.

In line with the balance sheet liability method, deferred tax is measured on the basis of the tax rates and regulations adopted or substantially adopted at the balance sheet date.

Tax liabilities of a company may under certain conditions be reduced by the amount of deferred tax losses that may be reasonably allocated as a reverse entry and deferred taxes on deductible temporary differences.

Deferred tax assets are recognised when their recovery is likely. Tax losses or timing differences must be applied to future taxable income, within the limits that may apply under French law. Deferred tax assets are written down where the availability of sufficient taxable profit ceases to be likely.

Use of tax loss carryforwards is capped and in accordance with our business plans. ACTIA works with four- and five-year budgets. In consequence, unused tax losses for which no deferred tax asset was recognised amount to €70.3 million, compared to €50.2 million at 31 December 2020. The potential tax gain represents €18.3 million, compared to €13.5 million at 31 December 2020. These tax losses do not expire.

Pursuant to IAS 12, deferred tax assets and liabilities are not discounted. They are presented in the balance sheet according to the case as non-current assets and liabilities.

In €K	31/12/2021	31/12/2020
Tax assets recognised under:		
Timing differences	3,110	8,195
Of which provision for pension benefits	*1,955*	*2,795*
Of which profits on stocks	*415*	498
Of which other adjustments	740	4,902
Losses carried forward	8,142	4,968
Net total tax assets	**11,252**	**13,163**
Tax liabilities recognised under:		
Deferred tax liabilities	1,646	4,186
Net total tax liabilities	**1,646**	**4,186**
Net total deferred tax assets and liabilities	**9,606**	**8,978**

Note 13 Financial assets and liabilities

The various financial instrument categories are held-to-maturity assets, loans and receivables issued by the Company, financial assets and liabilities at fair value through profit or loss and other financial liabilities.

Loans and receivables issued by the Company

After their initial recognition, they are carried at amortised cost using the effective interest rate method and an impairment may be recognised depending on the valuation of expected credit losses.

Derecognition of financial assets from the financial statements is dependent on the transfer of the risks and rewards inherent in the asset, as well as the transfer of control over it. Accordingly, discounted bills not yet due and the Dailly-type factored receivables for guarantee purposes are carried in "Accounts receivable."

Financial assets and liabilities at fair value through profit or loss

Purchases and sales of financial assets at fair value through profit or loss are recognised at the transaction date.

Marketable securities are recognised at their market value on the date of closing.

Other liabilities (interest-bearing loans and borrowings)

After their initial recognition, they are recognised using the effective interest rate method.

Investment securities

The Group has holdings in companies without having significant influence or control. The IFRS 9 standard offers the irreversible option, at the first accounting date for each instrument, of classifying them at fair value through non-transferable equity. In this case, unrealised profits or losses are not transferred to income in the event of disposal. If there is no active market, and the fair value cannot be determined reliably using alternative methods, they are kept in the balance sheet at amortised cost.

Hybrid financial instruments

The Group may also issue convertible bonds and share warrants. These hybrid financial instruments are broken down into debt and shareholders' equity components.

Derivatives

They are described in detail in Note 11.2 of the notes to the consolidated financial statements: "Financial instruments at fair value through profit and loss."

Transfer of financial asset instruments

The Group derecognises a financial asset when the contractual rights to receive cash flows generated by it expire, or when it transfers the rights to receive these contractual cash flows through a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or when it neither retains nor transfers substantially all the risks and rewards of ownership and no longer retains control of the transferred asset. Any interest created or retained by the Group in derecognised financial assets is recognised separately as an asset or liability.

Otherwise, receivables are maintained as balance sheet assets and the Group continues to bear the risk of debtor default. The sum paid by the bank is recognised in cash with an offset for the bank debt in liabilities. This debt and the receivable are only eliminated from the balance sheet where the debtor has settled its debt with the financial institution. Expenses incurred are recognised as a deduction from debt, which is measured using the amortised cost method at the effective interest rate.

The Group distinguishes between three categories of financial instruments according to the consequences of their characteristics in terms of their valuation method, and uses this classification to present some of the types of information required by the standard IFRS 13:

- Level 1 "market price:" financial instruments quoted on an active market;
- Level 2 "model with observable inputs:" financial instruments valued using valuation techniques based on observable inputs;
- Level 3 "model with unobservable inputs."

Note 13.1 Financial assets

The following table presents the carrying value of financial assets:

In €K	31/12/2021				31/12/2020			
	Amortised cost	Financial assets at fair value through profit and loss	Financial assets at fair value through OCI	Consolidated Group accounts (*)	Amortised cost	Financial assets at fair value through profit and loss	Financial assets at fair value through OCI	Consolidated Group accounts (*)
Non-current assets								
Non-current financial assets	1,999			**1,999**	1,751			**1,751**
Non-current research tax credit	14,147			**14,147**	11,910			**11,910**
Current assets								
Trade receivables	144,739			**144,739**	141,364			**141,364**
Other current receivables	17,830			**17,830**	10,222			**10,222**
Current tax credit	11,473			**11,473**	11,855			**11,855**
Financial instruments		890		**890**		0		**0**
Cash equivalents		87		**87**		79		**79**
Cash	56,552			**56,552**	53,335			**53,335**
Total	**246,740**	**977**	**0**	**247,717**	**230,437**	**79**	**0**	**230,516**

(*) Fair value is identical to the value recognised in the consolidated accounts for all financial assets.

At 31 December 2021, financial assets measured at fair value were classified as follows:

In €K	Level 1 market value	Level 2 With observable inputs	Level 3 With unobservable inputs
Financial instruments		890	
Cash equivalents	87		
Total	**87**	**890**	

Note 13.2 Financial liabilities

The following table presents the carrying value of financial liabilities:

In €K	31/12/2021			31/12/2020		
	Financial liabilities at amortised cost	Financial liabilities at fair value through profit and loss	Consolidated Group accounts (*)	Financial liabilities at amortised cost	Financial liabilities at fair value through profit and loss	Consolidated Group accounts (*)
Non-current liabilities						
Bond issues	15,417		**15,417**	20,000		**20,000**
Borrowings from credit institutions	148,711		**148,711**	124,047		**124,047**
Other financial liabilities	0	963	**963**	322	664	**986**
Debt – lease financing	15,966		**15,966**	13,270		**13,270**
Current liabilities						
Short-term debt	96,720	673	**97,393**	96,794	1,124	**97,918**
Financial instruments	0	0	**0**		7,486	**7,486**
Suppliers	92,408		**92,408**	69,893		**69,893**
Other liabilities	74,171		**74,171**	63,859		**63,859**
Corporate taxes (IS)	1,267		**1,267**	2,003		**2,003**
Total	**444,660**	**1,637**	**446,296**	**390,188**	**9,274**	**399,462**

(*) Fair value is close to the value recognised in the consolidated accounts for financial liabilities.

At 31 December 2021, financial liabilities measured at fair value were classified as follows:

In €K	Level 1 market value	Level 2 With observable inputs	Level 3 With unobservable inputs
Non-current liabilities			
Miscellaneous liabilities	963		
Current liabilities			
Short-term debt	673		
Financial instruments			
Total	**1,637**		**-**

Note 14 Debt

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

In €K	31/12/2021				31/12/2020			
	<31/12/2022	>01/01/23 <31/12/26	>01/01/2027	Total	<31/12/2021	>01/01/2022 <31/12/2025	>01/01/2026	Total
Bond issues	4,583	10,833	0	**15,417**	4,583	14,583	833	**20,000**
Borrowings from credit institutions	50,438	134,250	19,044	**203,732**	45,283	112,864	15,766	**173,913**
Miscellaneous liabilities	1,278	726	238	**2,241**	1,556	863	122	**2,542**
Rental-related financial liabilities (*)	4,740	13,098	2,867	**20,706**	5,571	11,239	2,031	**18,840**
Short-term bank borrowings and overdrafts	36,354			**36,354**	40,925			**40,925**
Total	**97,393**	**158,907**	**22,149**	**278,450**	**97,918**	**139,549**	**18,753**	**256,220**

(*) see the "Tangible assets" paragraph

Changes in financial liabilities in 2021 are set out below:

In €K		Monetary changes		Non-monetary changes					
	01/01/2021	New borrowings	Repayments of borrowings	Changes in scope	IFRS 16	Change in fair value	Cumulative translation differences	Other	31/12/2021
Bond issues	**20,000**		<4,583>						**15,417**
Borrowings from credit institutions	**173,913**	68,442	<38,491>				305	<437>	**203,732**
Miscellaneous liabilities	**2,542**	185	<491>			<24>	29		**2,242**
Debt – lease financing	**18,840**		<7,400>		8,987		278		**20,706**
Short-term bank borrowings and overdrafts	**40,925**		<4,974>				420	<17>	**36,354**
Total	**256,220**	**68,627**	**<55,939>**	**0**	**8,987**	**<24>**	**1,032**	**<454>**	**278,450**

Changes in financial liabilities in 2020 are set out below:

In €K		Monetary changes		Non-monetary changes					
	01/01/2020	New borrowings	Repayments of borrowings	Changes in scope	Leaseback capitalisation	Change in fair value	Cumulative translation differences	Other	31/12/2020
Bond issues	**20,000**								**20,000**
Borrowings from credit institutions	**136,642**	58,806	<21,453>				<303>	221	**173,913**
Miscellaneous liabilities	**3,091**	24	<550>			29	<52>	0	**2,542**
Debt – lease financing	**20,398**		<5,665>		4,159		<51>		**18,840**
Short-term bank borrowings and overdrafts	**60,405**		<19,172>				<309>		**40,925**
Total	**240,536**	**58,830**	**<46,840>**	**0**	**4,159**	**29**	**<714>**	**221**	**256,220**

At 31 December 2021, the schedule for financial debt, including interest not yet accrued, breaks down as follows:

	<31/12/2022		>01/01/2023 <31/12/2026		>01/01/2027		Total		
In €K	**Nominal**	**Interest**	**Nominal**	**Interest**	**Nominal**	**Interest**	**Nominal**	**Interest**	**Nominal + Interest**
Bond issues	4,583	486	10,833	629	0		**15,417**	**1,115**	**16,532**
Borrowings from credit institutions	50,438	1,785	134,250	3,583	19,044	276	**203,732**	**5,644**	**209,376**
Miscellaneous liabilities	1,278		726		238		**2,241**	**0**	**2,241**
Debt – lease financing	4,740	394	13,098	797	2,867	49	**20,706**	**1,240**	**21,946**
Short-term bank borrowings and overdrafts	36,354	447					**36,354**	**447**	**36,801**
Total	**97,393**	**3,112**	**158,907**	**5,009**	**22,149**	**325**	**278,450**	**8,446**	**286,896**

At 31 December 2020, the schedule for financial debt, including interest not yet accrued, breaks down as follows:

	<31/12/2021		>01/01/2022 <31/12/2025		>01/01/2026		Total		
In €K	**Nominal**	**Interest**	**Nominal**	**Interest**	**Nominal**	**Interest**	**Nominal**	**Interest**	**Nominal + Interest**
Bond issues	4,583	628	14,583	1,083	833	29	**20,000**	1,741	**21,741**
Borrowings from credit institutions	45,283	1,593	112,864	3,153	15,766	219	**173,913**	4,965	**178,878**
Miscellaneous liabilities	1,556		863		122		**2,542**	0	2,542
Debt – lease financing	5,571	438	11,239	799	2,031	47	**18,840**	1,285	**20,125**
Short-term bank borrowings and overdrafts	40,925	512					**40,925**	512	41,436
Total	**97,918**	**3,171**	**139,549**	**5,035**	**18,753**	**296**	**256,220**	**8,502**	**264,722**

At 31 December 2021, financial liabilities by currency break down as follows:

In €K	**EUR**	**USD**	**Other**	**Total**
Bond issues	15,417	0	0	**15,417**
Borrowings from credit institutions	199,565	4,167	0	**203,732**
Miscellaneous liabilities	1,762	0	479	**2,241**
Debt – lease financing	16,315	50	4,341	**20,706**
Short-term bank borrowings and overdrafts	31,771	2,497	2,085	**36,354**
Total	**264,829**	**6,715**	**6,906**	**278,450**

At 31 December 2020, financial liabilities by currency break down as follows:

In €K	EUR	USD	Other	Total
Bond issues	20,000	0	0	**20,000**
Borrowings from credit institutions	170,022	3,892	0	**173,913**
Miscellaneous liabilities	2,092	0	450	**2,542**
Debt – lease financing	16,146	20	2,675	**18,840**
Short-term bank borrowings and overdrafts	32,066	7,296	1,562	**40,925**
Total	**240,325**	**11,208**	**4,688**	**256,220**

Bank lines of credit and overdrafts are generally granted for one year and are renewable mid-period. They are impacted by the proportion of accounts receivable financing (Dailly-type factored receivables, bills discounted not yet due and other factoring) amounting to €5.1 million at 31 December 2021, compared to €5.5 million at 31 December 2020 and other government-related receivables financing (CIR/CICE) amounting to €11.2 million compared to €12.0 million at 31 December 2020.

The ratio of net debt to equity, or gearing, breaks down as follows:

In €K	31/12/2021	31/12/2020
Bond issues	15,417	20,000
Borrowings from credit institutions	203,732	173,913
Miscellaneous liabilities	2,241	2,542
Debt – lease financing	20,706	18,840
Short-term bank borrowings and overdrafts	36,354	40,925
Sub-total A	**278,450**	**256,220**
Cash equivalents	87	79
Cash	56,552	53,335
Sub-total B	**56,639**	**53,414**
Total net debt = A - B	**221,811**	202,806
Total equity	**113,576**	116,087
Gearing ratio	**195.3%**	**174.7%**

The “Net Debt/Equity” ratio (gearing) adjusted for the impact of the receivables account for French research and competitiveness and employment tax credits (CIR and CICE) is as follows:

In €K	31/12/2021	31/12/2020
Bond issues	15,417	20,000
Borrowings from credit institutions	203,732	173,913
Miscellaneous liabilities	2,241	2,542
Debt – lease financing	20,706	18,840
Short-term bank borrowings and overdrafts	36,354	40,925
- Financing of trade receivables	*<5,133>*	*<5,465>*
- CIR	*<10,245>*	*<10,050>*
- CICE	*<945>*	*<1,992>*
Sub-total A	**262,126**	**238,712**
Cash equivalents	87	79
Cash	56,552	53,335
Sub-total B	**56,639**	**53,414**
Total net debt = A - B	205,487	185,298
Total equity	113,576	116,087
Gearing ratio	180.9%	159.6%

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

In €K	31/12/2021			31/12/2020		
	Fixed rate	Variable rate	Total	Fixed rate	Variable rate	Total
Bond issues	15,417		**15,417**	20,000	0	**20,000**
Borrowings from credit institutions	198,454	5,278	**203,732**	166,617	7,296	**173,913**
Miscellaneous liabilities	2,241		**2,241**	2,542	0	**2,542**
Debt – lease financing	20,706		**20,706**	18,840	0	**18,840**
Short-term bank borrowings and overdrafts	6,590	29,763	**36,353**	7,012	33,913	**40,925**
Total	**243,408**	**35,041**	**278,449**	**215,011**	**41,209**	**256,220**
Percentage breakdown	87.4%	12.6%	**100.0%**	83.9%	16.1%	**100.0%**

All covenants on the borrowings and bank credit lines must be verified annually at the end of each period. They apply to 11.0% of borrowings, or €30.8 million.

In 2021, the change in ACTIA Group's business activity had a significant impact on the "Net Debt/Equity" and "Net Debt/EBITDA" ratios based on the consolidated financial statements, in particular due to:

- Regarding the change in EBITDA:
  - An increase in revenue, which enabled the Telecoms Division to regain its level of profitability;
  - The Automotive Division which suffered from the component crisis with its factories pressured to limit the impact on customers by producing smaller and more numerous runs, an increase in component cost which was partially passed on to customers (components purchased from brokers to limit shortages) as well as an increase in transport cost;
  - Investments maintained at a high level, particularly as part of the creation of the Power Division;
  - A special effort to maintain top-class R&D teams and a committed staff with salary hikes and increased hiring, which resumed again at the end of the financial year despite the tensions in the job market.

The impact of IFRS 16 increased between 2020 (+€4,742,000) and 2021 (+€5,954,000) with the signing of new contracts.

- Regarding the 9.4% increase in net liabilities:
  - A rise in medium-term liabilities, with:
    - setting up of financing for the R&D programmes;
    - setting up of state-guaranteed loans or other types of financing available to boost the economy, with the option of paying back said loans over 5 years being officially approved in 2021;
  - Use of short-term lines of credit decreased from €40.9 million in 2020 to €36.4 million in 2021 (i.e. use rate of 33.0%);
  - The increase in cash available.

The impact of IFRS 16 increased between 2020 (+€15,592,000) and 2021 (+€18,919,000) with the signing of new contracts.

These elements resulted in non-compliance with the covenants for 21 borrowings at 31 December 2021, compared to 27 at 31 December 2020. However, by keeping banking partners regularly up to date, we were able to have these covenants suspended on 31 December 2021, except for one loan in the USA, where this issue could not be addressed due to carve-out operations.

Detailed information on these covenants at 31 December 2021 is presented below:

Debt subject to a covenant				Covenant		Respected[3]		Reclassification to current borrowings [4]	
Level [1]	Year of inception	Balance at 31/12/2021 (€K)	Final maturity	Ratios	Basis of calculation [2]	Year-end 2020	Year-end 2021	Year-end 2020	Year-end 2021
Borrowing									
L	2016	252	April 2022	Net debt to equity ≤ 1.70	CA AG	B	B	0	0
L	2016	135	April 2022	Net debt to equity ≤ 1.40	CA AG	B	B	0	0
				Net financial expense to EBITDA < 30%	CA AG	R	R		
				Net debt to EBITDA ≤ 5.00	CA AG	B	B		
L	2016	1,276	Jan 2024	Net debt to equity < 1.50	CA AG	B	B	0	0
				Net debt to EBITDA < 4.75	CA AG	B	B		
L	2017	407	Dec. 2022	Net debt to equity < 1.50	CA AG	B	B	0	0
				Net debt to EBITDA < 4.75	CA AG	B	B		
L	2017	656	Jan 2023	Net debt to equity ≤ 1.70	CA AG	B	B	0	0
L	2017	236	Feb 2023	Net debt to equity ≤ 1.40	CA AG	B	B	0	0
				Net financial expense to EBITDA < 30%	CA AG	R	R		
				Net debt to EBITDA ≤ 5.00	CA AG	B	B		
L	2017	236	Feb 2023	Net debt to equity ≤ 1.40	CA AG	B	B	0	0
				Net financial expense to EBITDA < 30%	CA AG	R	R		
				Net debt to EBITDA ≤ 5.00	CA AG	B	B		
L	2017	177	Feb 2023	Net debt to equity ≤ 1.40	CA AG	B	B	0	0
				Net financial expense to EBITDA < 30%	CA AG	R	R		
				Net debt to EBITDA ≤ 5.00	CA AG	B	B		
L	2017	11,250	Nov 2024	Net debt to EBITDA < 4.75	CA AG	B	B	0	0
L	2017	4,167	Nov 2026	Net debt to EBITDA < 4.75	CA AG	B	B	0	0

Debt subject to a covenant				Covenant		Respected[3]		Reclassification to current borrowings [4]	
Level [1]	Year of inception	Balance at 31/12/2021 (€K)	Final maturity	Ratios	Basis of calculation [2]	Year-end 2020	Year-end 2021	Year-end 2020	Year-end 2021
Borrowing									
L	2018	874	Feb 2024	Net debt to equity ≤ 1.70	CA AG	B	B	0	0
L	2018	917	Oct 2022	Net debt to equity ≤ 1.40	CA AG	B	B	0	0
				Net debt to EBITDA ≤ 5.00	CA AG	B	B		
L	2018	1,067	July 2023	Net debt to equity < 1.50	CA AG	B	B	0	0
				Net debt to EBITDA < 4.75	CA AG	B	B		
L	2018	1,368	Jan 2024	Net debt to equity < 1.50	CA AG	B	B	0	0
				Net debt to EBITDA < 4.75	CA AG	B	B		
L	2019	1,030	May 2025	Net debt to equity ≤ 1.40	CA AG	B	B	0	0
				Net financial expense to EBITDA < 30%	CA AG	R	R		
				Net debt to EBITDA ≤ 5.00	CA AG	B	B		
L	2019	1,272	Feb 2025	Net debt to equity ≤ 1.50	CA AG	B	B	0	0
				Net debt to EBITDA ≤ 4.75	CA AG	B	B		
L	2019	1,030	May 2025	Net debt to equity ≤ 1.40	CA AG	B	B	0	0
				Net financial expense to EBITDA < 30%	CA AG	R	R		
				Net debt to EBITDA ≤ 5.00	CA AG	B	B		
L	2019	417	March 2023	Net debt to equity ≤ 1.40	CA AG	B	B	0	0
				Net debt to EBITDA ≤ 4.75	CA AG	B	B		
L	2019	3,244	May 2026	EBITDA (5)> $339,000	CC AC	R	R	2994	3,119
L	2020	402	Jan 2026	Net debt to equity ≤ 1.40	CA AG	B	B		0
				Net financial expense to EBITDA < 30%	CA AG	R	R		
				Net debt to EBITDA ≤ 5.00	CA AG	B	B		
L	2020	402	Dec. 2025	Net debt to equity ≤ 1.40	CA AG	B	B		0
				Net financial expense to EBITDA < 30%	CA AG	R	R		
				Net debt to EBITDA ≤ 5.00	CA AG	B	B		
Total		**30,812**						**2,994**	**3,119**

(1) L = Loan
O = Overdraft

(2) CA AG = Consolidated Accounts - ACTIA Group
CC AC = Consolidated ACTIA Corp & ACTIA Electronics accounts

(3) R = Respected
B = Breached

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

(5) Consolidated EBITDA of ACTIA Corp. and ACTIA Electronics

In connection with the loan agreements obtained by the Group, certain banks include in these agreements general provisions relating to the right to use assets or obtain new loans and, sometimes, a requirement to maintain the composition of the capital, with any changes requiring prior information of the partners.

Note 15 Equity

Note 15.1 Share capital management

Ordinary shares, excluding own shares held in treasury (see Note 15.3 "Treasury shares" in the notes to the consolidated financial statements) are recognised in shareholders' equity.

The Group regularly monitors changes to its debt to shareholders' equity ratio.

At present, there is no Group Savings Plan (Plan d'Epargne Groupe, or "PEG") or International Group Savings Plan (Plan d'Epargne Groupe International, or "PEGI") within ACTIA Group.

In addition, shares held in registered form for more than four years carry double voting rights (see Article 11 of the Articles of Association "Rights and obligations related to ordinary shares - Voting").

The Group's main objective in terms of share capital management is to maintain a balance between shareholders' equity and debt.

To maintain or adjust the structure of its capital, the Group can propose dividend distributions to shareholders or carry out new capital increases.

The main ratios used by the Group to manage its equity are the debt ratio (gearing) and EBITDA (leverage).

Capital management goals, policies and procedures remain unchanged.

Information about the share buyback programme is provided in Note 3.7 "Treasury shares" in the notes to the separate financial statements.

Note 15.2 Composition of the capital

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

In units	31/12/2020	Capital increase	31/12/2021
ACTIA Group shares - ISIN FR 0000076655	20,099,941	None	20,099,941

At 31 December 2021, the share capital consisted of 7,851,295 shares with single voting rights, 12,248,646 shares with double voting rights and 15,174 treasury shares with no voting rights. There are 12,586,857 registered shares and 7,513,084 bearer shares.

There are no preferred dividend stock or preference shares within ACTIA Group S.A.

The nominal value of a share is €0.75.

Described in detail in § 5.1.2 "Draft resolutions" of the Universal Registration Document, the appropriation of 2021 retained earnings will be proposed at the General Meeting to be held on 24 May 2022.

Note 15.3 Treasury shares

The treasury shares held by the Group are deducted from shareholders' equity. No gain or loss is recognised in the income statement upon the purchase, sale or cancellation of treasury shares. The consideration paid or received in these transactions is recognised directly in shareholders' equity.

Note 16 Earnings per share

Note 16.1 Basic earnings per share

Basic earnings per share are calculated using the income attributable to the Group divided by the weighted average number of shares in circulation in the period, less treasury shares.

The calculation of basic earnings per share at 31 December 2021 was conducted on the basis of the income attributable to the Group, the details of which are given in the following table:

	31/12/2021	31/12/2020
Consolidated income attributable to Group shareholders (in €)	**<6,379,143>**	**<19,043,413>**
Weighted average number of shares		
Shares issued as at 1 January	20,099,941	20,099,941
Treasury shares held at the end of the period	<3,328>	<3,328>
Weighted average number of shares	**20,096,613**	**20,096,613**
Basic earnings per share (in €)	**<0.32>**	**<0.95>**

Note 16.2 Diluted earnings per share

Diluted earnings per share take into account all arrangements that could grant the holder the right to buy ordinary shares known as dilutive potential ordinary shares.

The calculation of diluted earnings per share at 31 December 2021 was conducted on the basis of the consolidated income for the period attributable to Group shareholders. No corrections have been made to this amount. The weighted average number of potential ordinary shares that may be created for the period totalled 20,096,613. The details of the calculations are shown in the following table:

	31/12/2021	31/12/2020
Diluted earnings (in €)	**<6,379,143>**	**<19,043,413>**
Weighted average number of potential shares		
Weighted average number of ordinary shares	20,096,613	20,096,613
Effect of stock option plans	0	0
Diluted weighted average number	**20,096,613**	**20,096,613**
Diluted earnings per share (in €)	**<0.32>**	**<0.95>**

Note 17 Provisions

A provision is recorded:

- When an entity has a legal or constructive obligation stemming from a past event;
- When it is likely that an outflow of resources will be required to settle the obligation; and
- Where the amount of the obligation can be reliably estimated.

The amount provided for corresponds to the best estimate of the expense. If the impact is material, the amount is discounted using a pretax interest rate that reflects the time value of money and the risks specific to the liability.

A provision for warranties is recognised upon the sale of the corresponding good or service. The provision is based on past warranty data and is measured by weighting all possible outcomes in accordance with their likelihood.

Except in special cases that are duly justified, provisions are recognised in the balance sheet under current liabilities.

Note 17.1 Changes in provisions

- In 2021:

In €K	31/12/2020	Change in method	Changes in scope of translation differences	Provisions	Reversals used	Reversals not used	IFRS 5	31/12/2021
Provisions for pensions and other long-term benefits	**11,507**	**<1,082>**	**2**	**282**	**<764>**	**<224>**		**9,722**
Lawsuit contingencies	**1,409**			481	<258>			**1,632**
Warranties	**3,543**		<9>	969	<1,674>			**2,829**
Losses on contracts	**0**			70				**70**
Fines/penalties	**527**			338				**865**
Other risks	**1,032**			1,133	<10>			**2,155**
Investments in associates (equity method)	**0**							**0**
Taxes	**0**							**0**
Other expenses	**4,015**		7	152	<388>		<65>	**3,722**
Provisions	**10,527**		**<2>**	**3,143**	**<2,330>**	**0**		**11,273**
Total	**22,034**		**<0>**	**3,425**	**<3,094>**	**<224>**		**20,994**

- In 2020:

In €K	31/12/2019	Changes in scope of translation differences	Provisions	Reversals used	Reversals not used	31/12/2020
Provisions for pensions and other long-term benefits	**11,083**	**<7>**	**1,426**	**<405>**	**<591>**	**11,507**
Lawsuit contingencies	**620**		789			**1,409**
Warranties	**4,104**	33		<594>		**3,543**
Losses on contracts	**160**			<160>		**0**
Fines/penalties	**880**			<353>		**527**
Other risks	**1,082**			<49>		**1,032**
Investments in associates (equity method)	**0**					**0**
Taxes	**0**					**0**
Other expenses	**1,214**	<23>	3,353	<528>		**4,015**
Provisions	**8,059**	10	4,142	<1,684>	0	**10,527**
Total	**19,142**	**3**	**5,568**	**<2,089>**	**<591>**	**22,034**

Provisions for other risks are comprised primarily of tax and commercial litigation contingency provisions.

At 31 December 2021, ACTIA had no noteworthy material contingent liability to be disclosed.

Note 17.2 Personnel benefits

Short-term benefits are recognised in personnel expenses for the period.

Long-term benefits involve:

- Defined-contribution plans: the Group's liabilities are limited to paying periodic contributions to external bodies. The expense is recognised in the period under the "Personnel expenses" line item;
- Defined-benefit plans: these are retirement benefits provided for using the projected unit credit method taking into account demographic factors (staff turnover and mortality tables) and financial variables (wage increases). The discount rate used is that of investment grade bonds (i.e. rated "AA"). When there does not exist an active market for these bonds, the rate of government bonds is used. Actuarial gains and losses are recognised in Other Comprehensive Income (OCI);
- Other long-term benefits: provisions are recorded for these benefits as they vest for the employees in question. The amount of the liability is measured using the projected unit credit method. Changes in fair value of obligations relating to other long-term benefits are recognised under net income of the period in which they occur.

In line with IAS 19, Employee Benefits, the pension provision recognised in balance sheet shareholders' equity and liabilities is designed to show the pension benefit vested for staff members at period-end. A provision is recorded for the full amount of pension benefit obligations, which are not covered by dedicated assets.

In 2021, provisions for pension and other long-term benefits decreased by €705,000 to €9,720,000 at 31 December 2021. This decrease in provisions reflects the following items:

- Service cost: €901,000;
- Financial cost: €92,000;
- Actuarial gain and losses: <€1,698,000>.

The actuarial gain recognised in OCI results from the change in the:

- Discount rate of 0.98% (0.34% in 2020) for the French companies, 9.48% (9.40% in 2020) for the Tunisian companies.

The other assumptions underlying the calculation did not change.

- Mortality table: INSEE 2013:

Age of employee	20 years	30 years	40 years	50 years	60 years	65 years
Mortality table: Men (%)	99,274	98,549	97,489	94,963	88,615	83,631
Mortality table: Women (%)	99,469	99,222	98,745	97,436	94,414	92,075

- Retirement age: 67 for French companies and 60 for Tunisian companies;
- Salary escalation rate: 2.25% for French companies, 3% for Tunisian companies;
- Low or high turnover rates according to the companies and employee category (management or non-management):

Age of employee	20 years	30 years	40 years	50 years	60 years	65 years
Low turnover rate (%)	5.80%	2.77%	2.04%	0.10%	0.05%	0.00%
High turnover rate (%)	18.30%	10.90%	6.30%	4.20%	1.00%	0.00%

A study of the sensitivity of a change in the discount rate indicates that:

- A +1% increase in the rate would have a positive impact on consolidated comprehensive income of €966,000;
- A discount rate at a floor of 0% would have a negative impact on consolidated comprehensive income of <€925,000>.

Provisions for retirement liabilities stood at:	2021	2020
For all the French companies	€7,864,000	€9,744,000
For the Italian subsidiary	€1,683,000	€1,558,000
For the Tunisian subsidiaries	€173,000	€205,000
TOTAL	**€9,720,000**	**€11,507,000**

Retirement liabilities at the end of the next financial year (31/12/2022) should total approximately €10,442,000 at a consistent discount rate.

Retirement severance payments paid in 2021 amounted to €764,000.

Concerning defined contribution schemes, pension contributions paid for the 2021 financial year totalled €4,795,000, versus €4,138,000 for 2020.

In its consolidated financial statements at 31 December 2021, the Group applied the IFRIC decision validated in June 2021 by the IAS Board relating to the method for allocating rights to periods of service when evaluating employee benefits (IAS 19). The impact for the Group is a decrease in the actuarial liability of €1,082,000. As the impact of the change in method on the consolidated income statement was insignificant, it was decided to select 1 January 2021 as the date of first application and to recognise the impact of the change in retained earnings on this date.

Note 18 Other current liabilities

A breakdown of **other current financial liabilities** is presented below:

In €K	Net value at 31/12/2020	Changes over the period	IFRS 5	Effect of exchange rates	Net value at 31/12/2021
Suppliers of goods and services	**69,893**	**21,917**	**<61>**	**659**	**92,408**
Prepayments received	**34,072**	9,290	<2>	<52>	**43,308**
Social security liabilities	**21,987**	813	<122>	67	**22,745**
Corporate taxes	**7,154**	94	<59>	46	**7,235**
Fixed asset liabilities	**26**	145		2	**173**
Advances payable	**80**	287		<1>	**366**
Miscellaneous liabilities	**540**	<489>		292	**343**
Other operating liabilities	**63,859**	**10,140**	**<183>**	**354**	**74,171**
Corporate taxes (IS)	**2,003**	**<640>**	**<85>**	**<11>**	**1,267**
Total	**135,756**	**31,417**	**<146>**	**1,003**	**167,847**

Trade and other payables are recognised at fair value upon initial recognition and then at amortised cost.

Deferred income involves subscription agreements signed with customers. The revenue from these contracts is allocated on a straight-line basis over their term (see Note 21 "Revenue" in the notes to the consolidated financial statements).

Note 19 Assets and liabilities held for sale

In 2021, the Group launched a project to divest the Vehicle Inspection & Garage Equipment business including:

- the sale of its garage equipment and vehicle Inspection business;
- the real estate site in Chartres, France;
- and the shares of its subsidiary ACTIA Cz.

At 31 December 2021, ACTIA considered that the criteria set out in IFRS 5 - Non-current assets held for sale and discontinued operations were met. Consequently, the assets and liabilities identified for the above-mentioned operation were classified as assets and liabilities held for sale and were measured at the lower of their carrying amount and the fair value net of costs to sell. Given the financial terms of the operation, these assets were measured at the net carrying amount.

The breakdown of assets and liabilities held for sale is as follows:

	31/12/2021
Intangible and tangible assets	7,470
Other non-current assets	25
Current assets	6,687
Assets held for sale	**14,183**
Current liabilities	411
Liabilities held for sale	**411**

Note 20 Operating segments

In line with the analysis of performance based on the internal management approach, information is presented for two distinct operating segments, “Automotive” and “Telecoms.”

In accordance with the provisions of IFRS 8, the information by operating segment is based on the approach taken by management, meaning the way in which management allocates resources depending on the performance of the different segments. Within ACTIA Group, the Chairman and CEO is the chief operating decision maker. The Group has two segments to present, which offer distinct products and services and are managed separately insofar as they require different technological and commercial strategies. The types of activities conducted by each of the two segments presented may be summarised as follows:

- The Automotive Division that includes Original Equipment Manufacturers (OEM), Aftermarket and Manufacturing-Design & Services (MDS) products;
- The Telecoms Division that includes Satcom, Energy, and Rail products.

In addition to these two operating segments there is also:

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

In 2021, the breakdown of key line items by operating segment was as follows:

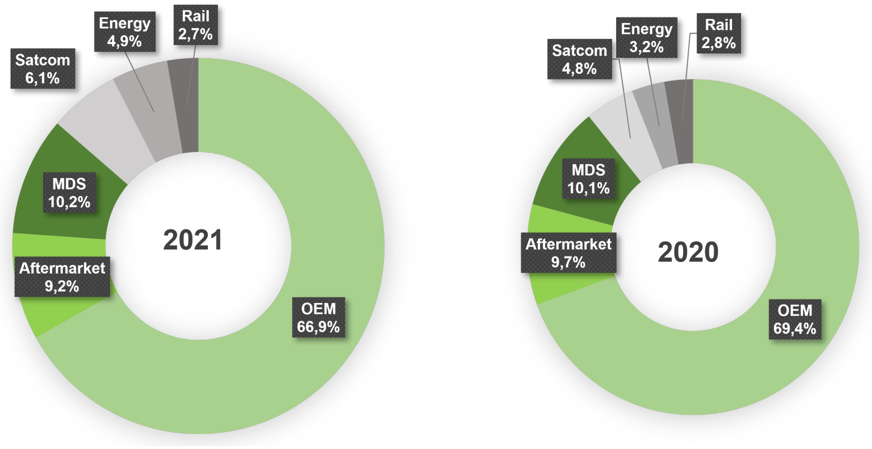
	31/12/2021			
In €K	**Automotive**	**Telecom**	**Other**	**Consolidated Group accounts**
Revenue from ordinary activities				
(Turnover)	399,480	63,352	7	**462,839**
Materials and supplies	<234,394>	<19,569>	<677>	**<254,640>**
Personnel costs	<111,044>	<19,180>	<1,380>	**<131,604>**
External charges	<48,875>	<11,193>	<1,862>	**<61,930>**
Provisions for depreciation (A)	<29,772>	<3,002>	<52>	**<32,826>**
Current operating income	**<14,986>**	**2,940**	**806**	**<11,241>**
Impairment of goodwill (C)	0	0	0	**0**
Operating income	**<13,563>**	**2,874**	**768**	**<9,921>**
Interest and financial costs (B)	<2,827>	<251>	<844>	**<3,921>**
Fair value of hedging instruments (E)	8,377	0	0	**8,377**
Taxes (D)	656	<531>	35	**160**
NET INCOME (F)	**<8,230>**	**2,085**	**71**	**<6,074>**
EBITDA (G) = (F)-(A)-(B)-(C)-(D)-(E)	**15,336**	**5,869**	**931**	**22,136**
SEGMENT ASSETS				
Non-current assets	145,957	32,883	1,054	**179,894**
Stocks	137,276	35,380	0	**172,656**
Trade receivables	103,576	41,162	2	**144,739**
Other current receivables	24,920	4,894	379	**30,193**
Cash and cash equivalents	46,601	9,680	357	**56,639**
Assets held for sale	14,183	0	0	**14,183**
TOTAL SEGMENT ASSETS	**472,513**	**123,999**	**1,793**	**598,304**
INVESTMENTS				
Intangible	12,694	1,364	0	**14,058**
Tangible	12,763	2,055	18	**14,836**
Financial	74	166	0	**241**
TOTAL INVESTMENTS	**25,531**	**3,585**	**19**	**29,135**
SEGMENT LIABILITIES				
Non-current liabilities	151,011	24,584	16,829	**192,423**
Short-term debt	76,448	11,273	9,672	**97,393**
Accounts payable	79,976	11,780	653	**92,408**
Other current liabilities	77,222	24,044	827	**102,092**
Liabilities held for sale	411	0	0	**411**
TOTAL SEGMENT LIABILITIES	**385,068**	**71,680**	**27,981**	**484,728**

In 2020, the breakdown of key line items by operating segment was as follows:

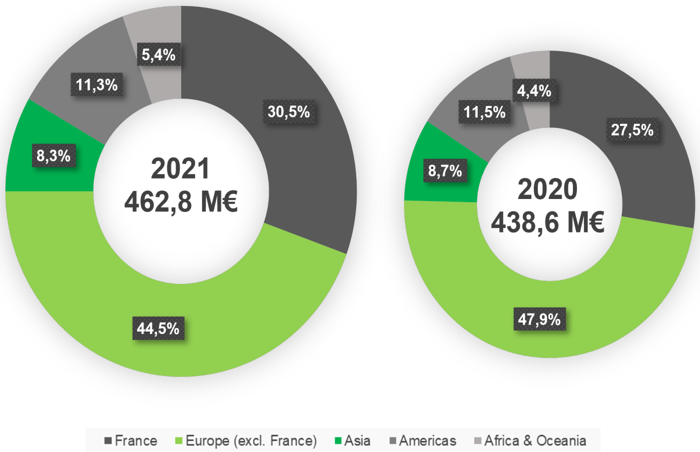
	31/12/2020			
In €K	**Automotive**	**Telecom**	**Other**	**Consolidated Group accounts**
Revenue from ordinary activities				
(Turnover)	391,480	47,087	26	**438,593**
Materials and supplies	<218,714>	<15,292>	<611>	**<234,617>**
Personnel costs	<101,572>	<16,549>	<1,835>	**<119,956>**
External charges	<46,775>	<9,761>	<1,897>	**<58,433>**
Provisions for depreciation (A)	<28,091>	<2,795>	<42>	**<30,928>**
Current operating income	**<7,672>**	**818**	**<394>**	**<7,248>**
Impairment of goodwill (C)	0	0	0	**0**
Operating income	**<7,138>**	**785**	**<505>**	**<6,857>**
Interest and financial costs (B)	<2,583>	<267>	<856>	**<3,706>**
Fair value of hedging instruments (E)	<8 697>	<5>	0	**<8,703>**
Taxes (D)	<158>	<119>	<30>	**<308>**
NET INCOME (F)	**<18,647>**	**396**	**<1,190>**	**<19,441>**
EBITDA (G) = (F)-(A)-(B)-(C)-(D)-(E)	**20,882**	**3,582**	**<261>**	**24,203**
SEGMENT ASSETS				
Non-current assets	159,329	29,984	971	**190,284**
Stocks	121,613	27,951	0	**149,564**
Trade receivables	96,229	45,101	34	**141,364**
Other current receivables	16,490	5,373	215	**22,077**
Cash and cash equivalents	49,423	3,061	930	**53,414**
TOTAL SEGMENT ASSETS	**443,085**	**111,470**	**2,149**	**556,703**
INVESTMENTS				
Intangible	13,537	972	0	**14,509**
Tangible	9,406	1,296	29	**10,731**
Financial	7	593	0	**600**
TOTAL INVESTMENTS	**22,949**	**2,861**	**29**	**25,840**
SEGMENT LIABILITIES				
Non-current liabilities	131,068	22,186	20,741	**173,995**
Short-term debt	74,370	15,640	7,908	**97,918**
Accounts payable	61,579	7,781	532	**69,893**
Other current liabilities	77,367	20,468	976	**98,810**
TOTAL SEGMENT LIABILITIES	**344,384**	**66,075**	**30,157**	**440,616**

Note 21 Revenue

Revenue by sector breaks down as follows:



Revenue by customer and region breaks down as follows:



In 2021, 69.5% of revenue was earned internationally compared to 72.4% in 2020.

Recognition of revenue in the consolidated financial statements depends on type:

- Sales: equipment and goods;
- Study sales;
- Service contracts (maintenance, guarantee, hotline or other "stand ready" obligation);
- Multiple item contracts

Note 21.1 Sale of goods

The income from the sale of goods is recognised in revenue at the time control of the service obligation is transferred. In most cases this is the delivery date of the goods.

Note 21.2 Study sales

Each study constitutes a separate service obligation to the extent that development control is transferred to the customer.

Revenue is recognised on a percentage of completion basis when the transfer of control is ongoing or following the completion of the service provided when the transfer control takes place at a precise moment.

Note 21.3 Service contracts

This method measures the percentage of completion, which better reflects the Group's performance, shows percentage of completion via costs. The inputs identified are consumed uniformly throughout the period required to meet the performance obligation.

Note 21.4 Multiple item contracts

Contracts for the development and supply of limited series

One or more performance obligations were identified based on the connections between design and production. Revenue is recognised by percentage of completion via costs because the contracts meet the following criterion:

- ACTIA does not have another use for the asset provided;
- ACTIA has an enforceable right to payment for the performance completed on time in the event of the termination of the contract at the customer's convenience.

The contracts concern the Telecoms Division's "Defence" and "Energy" businesses.

Contracts for the development and supply of long production run

The development phase is generally concomitant with the launch of a product policy intended to acquire a new technology brick. In addition, the development completed can be partially financed by the customers.

In 2018, the Group carried out an analysis as part of the implementation of IFRS 15 to distinguish between the generic and specific costs incurred for a contract:

- Generic costs were analysed using IAS 38 and capitalised in "Development costs" if the capitalisation conditions were met. The Group reclassified costs initially included in the "Inventory and work-in-process" item as "Development costs." The development costs entered in assets correspond to projects for the application of generic standards and technologies for the customers or markets identified;
- Development costs specific to contracts were analysed as contract execution costs. The latter were classified in the balance sheet under the "Inventory and work-in-process" item. In the case of development financed by customers, it was decided that the development could not be separated from the production run and did not constitute a distinct service obligation. As a result, the financing of development by customers is recognised on the balance sheet under "Contract liabilities" at collection time, then recognised as revenue as the production run is delivered and on the basis of forecast sales for each product.

When the products sold are under a contractual guarantee, it is not recognised as a separate service obligation given that there is no purchase option for the guarantee distinct from the contract or any additional service provided by the Group for the guarantee. A provision is, therefore, created for the guarantee costs in line with IAS 37.

Note 21.5 Order book

The Group applies IFRS 15, “Revenue from contracts with customers,” which introduces the concept of an order book (“revenue remaining to be recognised for service obligations not yet completed or partially completed on the close date”).

Therefore, the total order book for the Group stood at €385,972,000 at 31 December 2021, of which 82.4% was expected to generate revenues within one year, compared with 64.9% at 31 December 2020.

In €K	At 31/12/2021	At 31/12/2020
Order book	385,972	399,296

Note 22 Income taxes

Income tax includes current and deferred taxes.

Current tax

Current tax is the estimated amount of tax due on taxable profit for the period at applicable tax rates and any adjustment to current tax liabilities in respect of previous periods.

Deferred taxes

Deferred taxes are described in detail in Note 12: “Deferred taxes” in the notes to the consolidated financial statements.

The CVAE added value business tax

The Group decided not to account for CVAE (contributions assessed on company added value) as a tax on income and as from 1 January 2010 has recorded it as an operating expense. The Group in effect considers that added value corresponds to an intermediary income statement aggregate for which the amount varies significantly from that on which income tax is assessed.

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

In €K		31/12/2021	31/12/2020
Income from consolidated companies		<6,169>	<19,544>
Current taxation <credit>		1,165	1,552
Deferred taxation <credit>		<1,317>	<1,244>
Of which	*Deferred taxation on temporary differences*	*<2,161>*	*<2,270>*
	Deferred taxation on changes in tax rates	844	1,026
Income from consolidated companies before tax		**<6,321>**	**<19,237>**

The table below provides an analysis of tax in the consolidated financial statements:

In €K	31/12/2021	31/12/2020
Theoretical tax calculated at standard French rate (theoretical tax rate: 27.50%).	<1,738>	<5,290>
Research tax credit	<1,778>	<1,524>
Other tax credits	<51>	<55>
Impact on theoretical income tax		
- Tax rate differential (between French and foreign rates)	350	<567>
- Impact of changes in deferred tax rates	845	1,026
- Non-capitalised tax losses	6,164	9,680
- Change in outlook for utilisation of tax losses	<133>	<1,581>
Income on the utilisation of non-capitalised tax losses	*<133>*	*<1,299>*
Income on modification of capitalisation of tax losses	0	<290>
Losses on changes to capitalisation of tax losses	0	8
- Adjustment of prior year's tax	<190>	<269>
- Adjustment of current year's tax	0	20
- Other (including permanent differences)	<3,629>	<1,131>
Income tax recognised (actual tax rate: -1.60%)	**<160>**	**308**

Note 23 Other operating income and expenses

These line items present only income or expense resulting from a major event occurring during the accounting period that might distort the presentation of the Group's performance. These include accordingly a very limited number of income or expense items, unusual and infrequent in nature, presented separately by the Group in its income statement.

Note 24 Financial result

Details of the financial result are given in the following table:

In €K		31/12/2021	31/12/2020
Income from cash and equivalents		12	99
Interest and financial costs		<3,921>	<3,706>
Of which	*Interest on debt*	*<3,921>*	*<3,706>*
Other financial income		9,361	2,494
Of which	*Interest received*	*984*	*2,399*
	Dividends received	*0*	3
	Income from financial instruments	*8,377*	92
Other financial costs		<1,860>	<11,266>
Of which	*Costs on financial instruments*	*0*	*<8,795>*
Financial result		**3,592**	**<12,379>**

With a EUR/USD exchange rate at 1.1326 at the end of the financial year, the valuation of currency hedging instruments had a positive impact at 31 December 2021, unlike 31 December 2020 when the EUR/USD exchange rate was 1.2271. It generated a fair value entry +€8,308,000 with no impact on cash for the financial result, compared to <€8,795,000> the previous year.

It should be noted that the gross interest rate for the 2021 financial year was 1.41% compared with 1.45% in 2020.

Note 25 Related-party transactions

Related-party transactions with ACTIA Group have been defined in accordance with IAS 24 and are presented below along with details of transactions in financial year 2021.

Note 25.1 With the holding company LP2C S.A.

The **nature of the relationship** with LP2C is set out in three agreements signed by LP2C and Group companies on 27 November 2018:

- The ongoing services concern the following areas:
  - Group promotion,
  - Services in the following areas:
    - Administrative, legal, accounting and financial,
    - Quality,
    - Communications,
    - Human resources,
    - Real estate,
    - Internal Group management and procedures;
    - Business development.
  - A specific agreement binds ACTIA Group to LP2C, with ACTIA Group carrying out the following services for the benefit of LP2C:
    - Management secretarial services,
    - Accounting.
- Non-recurring activities: LP2C may undertake, upon request by ACTIA Group and on its behalf, specific and clearly defined activities, which are limited in duration and do not enter into the normal framework of the services listed above. These specific additional activities are subject to separate agreements established according to the same terms and conditions as the agreement covering the ongoing services and are subject to prior authorisation by the Board.

These agreements have been entered into for a fixed period of five years, from 1 January 2018 to 31 December 2022.

The **financial details** for 2021 are set out below:

In €K		Dedicated headcount (number of people)	2021
Recurring assignments			**1,246**
Of which	*Group promotion*	4	*370*
	Administrative, legal, accounting and financial assistance	4	433
	Quality support	2	88
	Communications support	2	28
	Human resources support	*3*	*105*
	Real estate support	*1*	5
	Support for the management of internal procedures	*0*	
	Business development support	*2*	*217*
Non-recurring assignments:		**-**	**-**

The **figures** for 2020 are set out below:

In €K		Dedicated headcount (number of people)	2020
Recurring assignments			**1,692**
Of which	*Group promotion*	*5*	*370*
	Administrative, legal, accounting and financial assistance	5	914
	Quality support	*3*	51
	Communications support	3	37
	Human resources support	*3*	110
	Real estate support	*1*	1
	Support for the management of internal procedures	0	
	Business development support	2	208
Non-recurring assignments:		**-**	**-**

No particular benefit was granted under this agreement.

This agreement is also mentioned in § 5.9.10 “Special report of the Statutory Auditors on regulated agreements” in the Universal Registration Document.

The figures concerning balance sheet items are as follows:

In €K		2021	2020
Net amount of the transaction (<expense>)		**<1,214>**	**<1,641>**
Of which	*Ongoing services*	*<1,246>*	*<1,692>*
	Sundry services to the holding company	31	52
Net balance sheet entry (<liability>)		**<657>**	**<748>**
Of which	*Current accounts*	*<0>*	*0*
	Accounts payable	*<675>*	*<766>*
	Trade receivables	*19*	18
Invoicing terms		Quarterly	Quarterly
Payment terms		Cash	Cash
Provisions for bad debt		**0**	**0**

Note 25.2 With investments consolidated by the equity method

Group relations with SCI Los Olivos and SCI Les Coteaux de Pouvourville relate to **real estate operations:**

- **SCI Los Olivos** owns the land and a building in Getafe (Spain) which are leased to ACTIA Systems;
- **SCI Les Coteaux de Pouvourville** owns the land and buildings located in Toulouse (Department 31) which are leased to ACTIA Group, ACTIA Power France and ACTIA Automotive in proportion to the surface area occupied.

Furthermore, the Group, through its parent company ACTIA Group, had acquired a minority interest of 20% of the share capital of **COOVIA,** an internet start-up specialised in urban carpooling, in 2016. Following its declaration of insolvency on 15 February 2019, the process of receivership initiated on 5 March 2019 ended in 2021. The current account had been written down and the equity accounted shares had been written down to zero as at 31 December 2018.

The figures concerning **SCI Los Olivos** are as follows:

In €K		2021	2020
Net amount of the transaction (<expense>)		**<166>**	**<165>**
Of which	*Invoicing of rents*	*<176>*	*<176>*
	Interest and financial costs	9	10
Net balance sheet entry (<liability>)		<320>	**346**
Of which	*Current accounts*	<321>	*336*
	Accounts payable	<3>	0
	Trade receivables	4	11
Invoicing terms		Monthly	Monthly
Payment terms		Cash	Cash
Provisions for bad debt		**0**	**0**

The figures concerning **SCI Les Coteaux de Pouvourvill**e are as follows:

In €K		2021	2020
Net amount of the transaction (<expense>)		**<1,003>**	**<1,077>**
Of which	*Invoicing of rents*	*<965>*	*<963>*
	Reinvoicing of misc. costs	*<38>*	<114>
Net balance sheet entry (<liability>)		<3>	**9**
Of which	*Current accounts*	*0*	*0*
	Accounts payable	<6>	0
	Trade receivables	3	9
Invoicing terms		Quarterly	Quarterly
Payment terms		Cash	Cash
Provisions for bad debt		**0**	**0**

The figures concerning **COOVIA** are as follows:

In €K		2021	2020
Net amount of the transaction (<expense>)		**0**	**0**
Of which	*Interest and financial costs*	*0*	*0*
Net balance sheet entry (<liability>)		**0**	**0**
Of which	*Current accounts*	*0*	*0*
	Accounts payable	*0*	*0*
	Trade receivables	*0*	*0*
Invoicing terms		N/A	N/A
Payment terms		N/A	N/A
Provisions for bad debt		**0**	**0**

Note 25.3 With subsidiaries

All transactions between consolidated companies as well as internal gains and losses from the disposal of fixed assets or inventories of these companies are eliminated. Internal losses are eliminated in the same way as internal gains, though only when they do not represent an impairment loss.

These are the companies included in the scope of consolidation of the Group (see Note 3.2 “Consolidated companies” in the notes to the consolidated financial statements).

Transactions with subsidiaries are wholly eliminated in the consolidated financial statements, as are all transactions between fully consolidated subsidiaries of the Group. They are of various kinds:

- Buying or selling of goods and services;
- Leasing of premises;
- Transfer of research and development;
- Buying or selling of capital assets;
- Licence agreements;
- Management fees;
- Current accounts;
- Loans, etc.

Note 25.4 With members of management bodies

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

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

The **details of compensation paid** to corporate officers are as follows:

In €K		2021	2020
Compensation of corporate officers		577	**600**
Of which	*Fixed*	*469*	*467*
	Variable	80	100
	Exceptional	*20*	25
	Benefits in kind	*8*	8
Other compensation for non-executive directors		0	**99**
Attendance fees		4	**0**
Total		**581**	**699**

To date, no stock option plans exist within ACTIA Group S.A or other Group companies.

Information relating to contributions to retirement plans, amounts paid on leaving, as well as other benefits is provided in § 8.3 “Corporate Office compensation” of this Universal Registration Document.

Note 25.5 With other related parties

- GIE PERENEO

ACTIA Automotive S.A. holds 50% of GIE PERENEO. The purpose of this economic interest grouping (EEIG) is to provide In-Service Support and to extend the lifespan of electronic systems with Spherea Tests & Services, the joint partner of the EEIG with its subsidiary GET Electronique.

The **figures concerning transactions** with GIE PERENEO are as follows:

In €K	31/12/2021	31/12/2020
Amount of the transaction (<expense>)	1,128	1,367
Balance sheet entry (<liability>)	418	475
Payment terms	Cash	Cash
Provisions for bad debt	0	0

The **financial information** concerning GIE PERENEO is as follows:

In €K	31/12/2021	31/12/2020
Total Assets	1,391	1,167
Debt	1,457	1,214
Revenue	3,400	3,505
Income	<19>	<18>

Note 26 Headcount:

In number of employees	2021	2020
France	1,203	1,222
Foreign operations	2,482	2,496
Total	**3,685**	**3,718**

The breakdown of headcount by operating segment at 31 December 2021 was as follows:

In number of employees	Management	Non-management	Total
Automotive	1,239	2,108	3,347
Telecom	181	149	330
Other (o.w. the holding company)	7	1	8
Total	**1,427**	**2,258**	**3,685**

For more details, see § 6.4.1 "Our employees" of the Universal Registration Document.

Note 27 Off-balance sheet commitments

The off-balance sheet commitments break down as follows:

In €K	31/12/2021	31/12/2020
Commitments received		
Bank guarantees	24,711	25,650
Total commitments received	**24,711**	**25,650**

The above information does not include:

- Amounts owed under operating and finance leases are dealt with in Note 14 "Financial liabilities" in the notes to the consolidated financial statements;
- Interest on borrowings that are covered under Note 14 "Financial liabilities" in the notes to the consolidated financial statements;
- Foreign currency term sales commitments and interest rate swaps that are covered under Note 11.2 "Financial instruments at fair value through profit and loss" in the notes to the consolidated financial statements.

Note 28 Encumbered assets

Encumbered assets are assets used as collateral for balance sheet liabilities. They break down as follows:

	31/12/2021				31/12/2020			
In €K	Automotive Division	Telecoms Division	Other subsidiaries	Total	Automotive Division	Telecoms Division	Other subsidiaries	Total
Interests in consolidated companies (*)		3,607		**3,607**	0	3,607	0	**3,607**
Secured debt balance		*1,276*		***1,276***	*0*	1,773	0	***1,773***
Assignment of trade receivables	2,085	5,133	0	**7,218**	1,557	4,950	0	**6,506**
o.w. Dailly secured				***0***	*0*	*0*	*0*	***0***
Dailly with recourse	*2,085*	*5,133*		***7,218***	*1,557*	*4,950*	*0*	***6,506***
Discounted notes not yet matured				***0***	*0*	*0*	*0*	***0***
Assignment of CIR & CICE	11,191			**11,191**	12,042	0	0	**12,042**
Assignment of stocks				**0**	3	0	0	**3**
Assignment of other receivables				**0**	0	0	0	**0**
Assignment of equipment	2,398			**2,398**	2,575	0	0	**2,575**
Mortgages/Security (land & buildings)	17,411	2,559		**19,969**	19,051	2,930	0	**21,980**
Total	**33,085**	**11,299**	**0**	**44,384**	**35,226**	**11,487**	**0**	**46,713**

(*) Book value of pledged securities

Note 29 Risk factors

The Group undertakes reviews of risks that may have a material adverse effect on its business, its financial health, its results, and its ability to achieve its objectives, as described in detail in chapter 7 “Risk factors” of the Universal Registration Document.

Note 29.1 Credit and/or counterparty risks

Credit and/or counterparty risk could arise from the failure of a customer in financial difficulties or going into receivership. In reality, it would reflect the dependency of the Group on certain major customers.

The ten largest customers accounted for 57.1% of total sales, remaining stable compared to 2020. The first customer represented 14.6% of the Group’s total business, a level that is still high, but this customer had reached up to 23.3% and will decline further with the end of the contract in the first half of 2022. This will help return to the desired situation in which none of the Group’s customers accounts for more than 10% of consolidated revenue.

However, it is important to note that the leading customers are in most cases international groups with many subsidiaries operating in differentiated markets in terms of both legal form (subsidiaries/divisions) and products addressing the needs of independent segments.

The next nine customers account for percentages of between 10.0% and 2.4% of consolidated revenue. This situation changed very little in 2021.

Because of the profile of its main counterparties, the solvency of its main customers and the highly diversified nature of its other customers, the Group’s exposure to credit risk is limited.

The Group does not anticipate any material risks relating to customer default with respect to amounts not provisioned (see Note 9 “Trade and other receivables” in the notes to the consolidated financial statements).

Furthermore, the Group may have recourse to credit insurers in certain cases.

For specific geographic areas subject to particular risks, product deliveries are assured by means of recognised tools such as documentary credit facilities.

Note 29.2 Liquidity risks

The Company has undertaken a specific review of its liquidity risk and considers that it is in a position to meet its future commitments. Such reviews are undertaken on a regular basis in order to be prepared for any eventualities and to be able to provide a response if necessary.

A detailed study of financial debt, the cash position, net debt and debt including interest is provided under Note 14 “Financial debt” in the notes to the consolidated financial statements.

Liquidity risk for the Group is concentrated with the ACTIA Group parent company and its subsidiary ACTIA Automotive, as they account for 71% of total debt. Furthermore, dependency on lenders is limited by diversifying sources of financing.

The Group decreased its use of short-term financing by €4,571,000 in 2021, broken down as follows:

- Dailly: <€333,000> (<6.1%>);
- Overdraft: <€4,237,000> (<24.5%>);
- Cash credit lines: + €850,000 (+13.8%).

CIR financing increased slightly by €195,000, only partly offsetting the loss arising from the elimination of the CICE (<€1,047,000>), as a result of the natural evolution of these specific items. Note that the collateralisation of €10,245,000 of the CIR changed in 2021 in the amount of the difference between the collateralisation of the 2020 CIR and the refund of the 2016 CIR from the government.

Note that approvals for short-term credit lines were stable and only 33.0% used by the end of the period.

Over 2021, the Group’s gross debt grew by €22.2 million to €278.5 million, of which €49.9 million came from State-guaranteed loans.

A detailed review of financial assets and liabilities is provided in Note 13 "Financial assets and liabilities" in the notes to the consolidated financial statements. It is presented in the following tables by maturity:

At 31 December 2021:

In €K	<31/12/2022	>01/01/2023 <31/12/2026	>01/01/2027	Total
Total financial assets	213,741	14,147	1,999	**229,887**
Total financial liabilities	<189,802>	<159,059>	<21,998>	**<370,858>**
Net position before management	**23,940**	**<144,912>**	**<19,999>**	**<140,971>**
Off-balance sheet commitments	<24,711>			**<24,711>**
Net position after management	**<772>**	**<144,912>**	**<19,999>**	**<165,682>**

At 31 December 2020:

In €K	<31/12/2021	>01/01/2022 <31/12/2025	>01/01/2026	Total
Total financial assets	208,041	11,910	1,751	**221,703**
Total financial liabilities	<175,944>	<139,549>	<18,753>	**<334,246>**
Net position before management	32,098	<127,638>	<17,002>	<112,543>
Off-balance sheet commitments	<25,650>			**<25,650>**
Net position after management	**6,447**	**<127,638>**	**<17,002>**	**<138,194>**

For the Group, an entity's risk of experiencing difficulties in meeting its financial obligations is linked to the level of amounts invoiced and the collection of receivables. In this respect, there are no difficulties to be reported.

The Group companies independently manage their cash needs. The parent company only intervenes in the event of difficulties. The cash is generated from the Company's operating activities and from bank lines of credit put in place locally. Major investments are decided on by senior Group management (acquisitions, buildings, production equipment and significant R&D projects) and are generally financed by loans or leasing contracts taken on by the entity in question. ACTIA Automotive S.A., as the leading company in the Automotive Division, may be called upon to finance major investments on behalf of its subsidiaries (e.g., the investment in telematics with its subsidiary ACTIA Nordic and the investment in the production facility in the USA with its subsidiary ACTIA Corp.).

Lastly, to enable the Group to take advantage of cash surpluses from certain subsidiaries, it put in place a treasury agreement which is triggered according to needs, so that it can use any surplus cash available within the Group most effectively.

It should be noted that the purpose of these agreements is to use the cash available within the Group in order to limit use of the parent company's short-term lines of credit and so reduce financial costs: the intention is not to transfer bank borrowings into the subsidiaries.

Lastly, the Group's financing needs relate to its innovative strategy as an industrial enterprise. Every year, therefore, financing is needed to support the capital expenditure decisions that ensure the medium- and long-term prosperity of ACTIA. In the past, almost 75% of the medium-term financing raised was for R&D or, exceptionally, external growth, the remaining 25% usually being earmarked for the renewal of production capability. The financing strategy consists of three parts:

- Long-term financing: the construction / refurbishments / acquisitions of buildings are financed by long-term loans in line with the local practices of the countries in question;
- Medium-term financing: bank loans are used to finance major R&D projects (see § 5.6 "Investments" in this Universal Registration Document) over an average period of four to five years. The remaining R&D financing is assured either by customers, through different forms of public aid (grants, advances, research tax credits) or equity financing. The renewal of the plant and equipment necessary to maintain the quality standards and the capacity of the production facilities are financed either by leasing agreements (France) or medium-term loans;
- Short-term financing: short-term credit lines are used to manage WCR.

It should be noted that short-term credit lines are rarely notified.

Note 29.3 Market risks

◎ Interest rate risk

Variations in interest rates represent a risk for the Group as they could affect its financing costs.

The analysis conducted by the Group yielded the figures presented in the table below:

In €K	Financial assets* (a)		Financial liabilities* (b)		Net exposure before hedging (c) = (a) - (b)		Interest rate hedging instruments (d)		Net exposure after hedging (e) = (c) - (d)	
	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate
< 1 year	213,741		155,743	34,076	57,998	<34,076>	0	0	**57,998**	**<34,076>**
From 1 to 5 years	14,147		158,076	983	<143,929>	<983>			**<143,929>**	**<983>**
> 5 years	1,999		21,998		<19,999>	0			**<19,999>**	**0**
Total	**229,887**	**0**	**335,817**	**35,059**	**<105,930>**	**<35,059>**	**0**	**0**	**<105,930>**	**<35,059>**

* A description of financial assets and liabilities is provided in Note 13 “Financial assets and liabilities” in the notes to the consolidated financial statements.

At Group level, checks are conducted to ensure that the overall interest rate risk is spread in such a way as to achieve a reasonable cost for bank borrowings.

The Group took advantage of low bank interest rates and the implementation of a zero percent rate floor for variable-rate financing to continue to take out fixed-rate financing in 2021. The breakdown of fixed and variable rate financial debt is given in Note 14 “Financial liabilities” in the notes to the consolidated financial statements.

The sensitivity of a +/- 1% variance in the benchmark rate has been calculated on a post-hedging basis. The figures resulting from this analysis are given below:

In €K	31/12/2021	
	Impact on pre-tax income	Impact on pre-tax equity
Impact of a variance of + 1% in interest rates	**<351>**	**<351>**
Impact of a variance of - 1% in interest rates	**351**	**351**

It is important to note that, since the implementation of short-term interest rates below 0, many banks impose a floor of 0%, which prevents the Group from taking advantage of the financial market's negative rates.

In the specific context of the health crisis and the activation of state-guaranteed loans, these financing options have an interest rate of 0 for the first year and are repaid at cost price with regard to the banking institution if the company decides to pay back the loan over a longer period. ACTIA has chosen to pay back the PGEs over 5 years. The quotes for PGE 2020 confirmed an interest rate of less than 1%. The cost of the state guarantee, which varies between 1% for the first two years and 2% for the last three years of reimbursement, needs to be added to that. On the other hand, the Group does not yet have any information on the rates that will be applied to PGEs raised in 2021.

◎ Foreign exchange risk

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

With purchases of over €250 million, including over €120 million in US Dollars (excluding purchases made by our American entities that benefit from natural coverage), a change in the EUR/USD exchange rate has a very rapid effect on the Group's profitability.

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

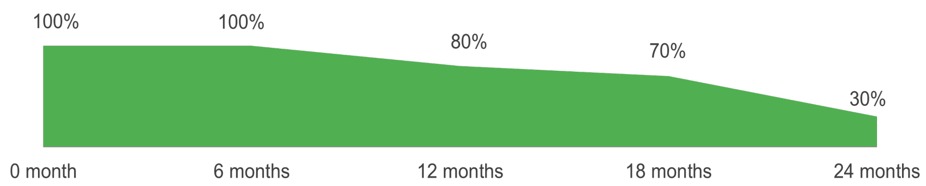
ACTIA subscribes to currency hedging contracts on a regular basis. Their characteristics are described in Note 11.2 "Financial instruments at fair value through profit or loss" in the notes to the consolidated financial statements. The purpose of these hedging tools is to secure the cost of acquiring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

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

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

The Group was thus able to acquire USD at an average exchange rate over the period of 1.179, as compared with 1.162 in 2020, thus generating a shortfall of €358,000 compared with the spot market, where the average exchange rate was 1.184, compared to 1.141 in 2020. During 2021, ACTIA did not necessarily benefit from the optimum working of the spot market, but the hedging instruments enabled it to stay in a tunnel that became favourable again at the end of the year and particularly protective at the start of 2022.

For information, the hedging tools are part of a policy which can be expressed in terms of the level of coverage achieved for dollar-denominated purchasing needs, and can be shown as follows:



The Company has conducted an analysis of its **exchange rate risk**, after hedging for accounts receivable and payable. The figures obtained from this analysis are provided below:

In €K	Trade receivables - gross amounts (a)	Accounts payable (b)	Off-balance sheet commitments (c)	Net exposure before hedging (d)=(a)+(b)+(c)	Financial hedging instruments (e)	Net position after hedging (f)=(d)+(e)
EUR	112,120	<63,520>	5,476	54,077		54,077
USD	20,017	<17,905>	19,235	21,347	9,757	31,105
Other currencies	16,841	<10,984>	0	5,856	0	5,856
Total	**148,978**	**<92,408>**	**24,711**	**81,281**	**9,757**	**91,038**

The majority of transactions are therefore conducted in Euros. An analysis of the sensitivity of a 1% variance in the US Dollar exchange rate has been done. It is the second most widely used currency by the Group, with the nine other currencies grouped together in the following table under the heading “Other currencies” presenting no material risk, even if certain currencies tend to fluctuate considerably, such as the Brazilian Real.

The sensitivity of a variance of +/- 1% in the EUR/USD exchange rate has been calculated on a post-hedging basis. The figures resulting from this analysis are given below:

In €K		Impact on pre-tax income		Impact on pre-tax equity	
		Rise of 1%	Fall of 1%	Rise of 1%	Fall of 1%
Net position after hedging in USD		31,105	31,105	31,105	31,105
USD	0.88292	0.89175	0.87410	0.89175	0.87410
Estimated risk		**+ 275**	**-275**	**+ 275**	**-275**

Lastly, the strong negative impact on year-end 2021 of €8.4 million, compared to <€8.7 million> in 2020, demonstrates that the valuation of hedging instruments required by IAS 39 can fluctuate significantly from one financial year to the next. The use of accumulator-type tools managed with an accumulation capacity limited by regular early exercises and a double accumulation threshold providing a bonus compared to forward purchases, adds a degree of risk to the valuation calculation which bids up the calculation. Note that the purpose of these instruments is to protect purchases in foreign currencies. There is a risk that technical entries with no link to the business may have to be made.

Assets and liabilities outside of the Eurozone account for a small share of 14.1%, and are generally only linked to the business activity. Moveable assets and real estate are depreciating or are already entirely depreciated. Only the latest investments in the United States, with the new production facility for circuit boards, are accompanied by a debt in foreign currency, with the construction of the two buildings in Tunisia being locally financed in Euros. An analysis of these long-term investments compared to the currency risk was carried out, but the real estate opportunity they represent compared to the cost of leasing properties for electronic printed circuit board production and its specific requirements weighs considerably on the exchange rate risk. Heavy equipment required for production is depreciated rapidly and the homogeneity of the equipment on our sites enables the recovery and use of the goods on any of the sites. Furthermore, the creation of an industrial site on American soil will also help to generate Group sales in foreign currency, allowing it to benefit from a “natural hedge” on part of its business.

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

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

9.1.7 FEES PAID TO THE STATUTORY AUDITORS

Pursuant to Article 222-8 of the General Regulation of the AMF, the table below presents the amount excluding VAT of audit fees paid in respect of the Group's separate and consolidated financial statements. These fees cover services provided and expensed in financial year 2021 in the accounts of ACTIA Group S.A. and its subsidiaries whose income statements of the period and balance sheets are fully consolidated. For information, the balance of auditors' fees relating to the period is often invoiced in the first half-year of the following period. This was the case for the balance of fees for 2020 invoiced in early 2021.

For improved clarity with respect to information on the parent company and subsidiaries, we have opted for a presentation of amounts as agreed in the letter of engagement.

Overall, auditors' fees have remained stable from one period to the next.

In €K	KPMG				BM&A			
	Amount excluding VAT		%		Amount excluding VAT		%	
	2021	2020	2021	2020	2021	2020	2021	2020
Audit fees in respect of the separate annual and consolidated financial statements:								
Issuer: ACTIA Group S.A.	74	74	14.8%	16.2%	50	50	32.5%	39.2%
Fully consolidated subsidiaries	427	372	80.7%	80.8%	106	77	67.5%	60.8%
Services other than the certification of financial statements:								
Issuer: ACTIA Group S.A.	14	14	2.8%	3.0%	0	0	0.0%	0.0%
Fully consolidated subsidiaries	8	0	1.7%	0.0%	0	0	0.0%	0.0%
SUB-TOTAL	**524**	**460**	**100.0%**	**100.0%**	**156**	**126**	**100.0%**	**100.0%**
Other services provided by the networks to fully consolidated subsidiaries:								
Legal, tax, labour	14	18	100.0%	100.0%	1		100.0%	
Other	0	0	0.0%	0.0%				
SUB-TOTAL	**14**	**18**	**100.0%**	**100.0%**	**1**	**0**	**0.0%**	**0.0%**
TOTAL Group	**538**	**478**	**100.0%**	**100.0%**	**157**	**126**	**100.0%**	**100.0%**

Audit fees for the separate and consolidated financial statements for the financial years ended 31 December 2020 and 2021 concern primarily professional services undertaken to review and certify the consolidated financial statements of the Group prepared in accordance with IFRS as adopted in the European Union, certification of the statutory accounts of certain Group subsidiaries, compliance with local regulations and review of documents filed with the AMF, the French securities market regulator.

Services provided by the Statutory Auditors or a member of their network other than the certification of financial statements concern those relating to the extension of normal statutory auditing missions (independent third party report on social and environmental information, drafting of special certificates, performance of due diligence in connection with acquisitions or disposals of activities or of companies to be consolidated or deconsolidated).

Other legal, tax and labour services concern services provided by the network to fully consolidated subsidiaries that do not fall under the scope of auditing services rendered by a member of the network of KPMG or by BM&A to consolidated subsidiaries. These assignments concern primarily providing assistance in respect to compliance with tax obligations unrelated to services relating to the statutory audit engagement, and outside of France.

9.1.8 REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

OPINION

In accordance with the mission entrusted to us by your Annual General Meeting, we carried out an audit of the consolidated financial statements of ACTIA Group S.A. for the financial year ended 31 December 2021, as attached to this report.

We hereby certify that the consolidated financial statements for the financial year are truthful and give a true and fair picture of the results, financial position and assets of the companies and entities comprising the consolidated group, in accordance with IFRS as adopted by the European Union.

The opinion above is consistent with the content of our report to the Audit Committee.

BASIS FOR OUR OPINION

Audit standards

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained provides a sufficient and appropriate basis for our audit opinion.

The responsibilities incumbent upon us by virtue of these standards are described in the section entitled "Responsibilities of the Statutory Auditors with respect to the audit of the consolidated financial statements" of this report.

Independence

We conducted our audit assignment in compliance with the rules of independence applicable to us, as provided for in the French Commercial Code and the Statutory Auditors' Code of Ethics, for the period from 1 January 2021 to the date of issue of our report. We did not provide any of the services prohibited by Article 5, Paragraph 1 of Regulation (EU) No. 537/2014.

JUSTIFICATION OF OUR ASSESSMENTS - KEY AUDIT POINTS

The global crisis caused by the Covid-19 pandemic meant that the audit and accounts for this financial year were drawn up in a highly unusual context. Indeed, this crisis and the exceptional measures imposed under the public health state of emergency had a huge impact on companies, with significant consequences for business and financing, resulting in heightened uncertainty regarding their outlook. Some of the measures, such as travel restrictions and home-working, also had an impact on the way companies organise their business internally, and the way in which audits are conducted.

This is the complex, volatile context in which, in application of the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code on the justification of our assessments, we hereby inform you of the key points of the audit regarding the risk of material misstatements which, in our professional opinion, were most significant for the audit of the consolidated financial statements of the financial year, and the answers we provided in response to these risks.

Our assessments are part of the audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion expressed above. We have not expressed an opinion on the items of the consolidated financial statements taken individually.

Capitalisation of development costs:

Risk identified:

On 31 December 2021, the net carrying amount of capitalised development costs was €54,971,000.

The criteria used to record development costs in assets are provided in Note 4.3 of the notes to the consolidated financial statements.

The analysis of compliance with the different capitalisation criteria calls for many judgements and estimates and, in particular, an assessment of the way in which the intangible asset will generate probable future economic benefits.

Given the significant nature of capitalised development costs and the assessments related to the analysis of compliance with the various capitalisation criteria, we considered that the capitalisation of development costs constituted a key point of our audit.

Our answer:

Our work consisted primarily of:

- examining the internal control procedures put in place to identify development projects and costs eligible for the activation criteria and conditions set out in IAS 38;
- testing the effectiveness of the key controls with respect to compliance with the capitalisation criteria and monitoring the expenses attributable to the different intangible assets during the development phase;
- assessing, via sampling, compliance with the various criteria used to capitalise the development costs;
- assessing the quality of the forecasting processes used within the framework of the analysis of the probable future economic benefits generated by the capitalised projects via critical analysis of the differences identified between revenue and profitability forecasts of previous years and subsequent achievements.

Valuation of ACTIA Corp. and ACTIA Telecom goodwill:

Risk identified:

On 31 December 2021, the net carrying amount of goodwill was €24,148,000 of which €18,916,000 in ACTIA Corp. and ACTIA Telecom goodwill.

Goodwill is tested for impairment annually at the closing date or as soon as there is an indication of loss of value. The main indicators of loss of value used by the Group are described in Note 4.2 of the notes to the consolidated financial statements.

Goodwill is allocated to one or more Cash Generating Units (CGU). The impairment test consists in comparing the carrying amount of the asset or CGU group with its recoverable value, which corresponds to the higher of the fair value less selling costs and the value in use determined based on the discounted value of future cash flows.

The valuation of the recoverable amount requires judgements and estimates by General Management and, in particular, a reasonable assessment of the operating cash flows retained in the medium-term operating budgets and business plans, the discount rates and the perpetuity growth rates used for the calculation of recoverable amounts.

Given the significant nature of the intangible assets and the assessments inherent in the determination of the recoverable value of the ACTIA Corp. and ACTIA Telecom CGUs, especially in the context of the health crisis during the financial year and at 31 December 2021, we considered that the valuation of goodwill constituted a key point of the audit.

Our answer:

Our work consisted primarily of:

- evaluating the consistency of the cash flow forecasts for the activities of the CGUs in question as prepared by their operational management using data and assumptions from the business plans prepared under the supervision of the executive management of each business line;
- assessing the quality of the forecasting processes via critical analysis of the differences identified between the operating and capital expenditure forecasts of previous years and subsequent achievements;
- assessing the relevance of the discount rates and the growth rates used;
- examining the analyses of value sensitivity to changes in the flow forecast and discount rate assumptions;
- comparing the consistency of the items included in the carrying amount of the CGUs with the way in which cash flow forecasts were prepared.

Special verification

As required by the professional standards applicable in France, we also specifically verified the information about the Group provided in the Board of Directors' Management Report, as required by law and regulations.

We have nothing to report with respect to the fair presentation of such information and its consistency with the consolidated financial statements.

We hereby certify that the consolidated non-financial performance statement provided for by Article L.225-102-1 of the French Commercial Code is included in the information about the group provided in the Management Report, it being noted that, in accordance with Article L.823-10 of the Code, we did not review the information provided in the statement for its truthfulness or its consistency with the consolidated financial statements and this must, therefore, be subject to a report by an independent third party.

OTHER VERIFICATIONS OR INFORMATION PROVIDED FOR BY LAW AND IN THE REGULATIONS

Format for presenting the consolidated financial statements for inclusion in the annual financial report

We also verified, in accordance with professional standards for statutory audit procedures to be carried out on annual and consolidated financial statements presented in the single electronic reporting format, that the presentation of consolidated financial statements to be included in the annual financial report referred to in section I of Article L.451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chairman and CEO, complies with the format specified in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018. Regarding consolidated financial statements, our work includes verifying that the tagging thereof complies with the format defined in the above-mentioned regulation.

On the basis of our work, we conclude that the preparation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF (Autorité des marchés financiers) agree with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of ACTIA Group S.A. by your General Meetings held on 26 May 2000 for KPMG S.A. and 28 May 2019 for BM&A.

On 31 December 2021, KPMG S.A. was in the 22nd consecutive year of its assignment, while BM&A was in its third year.

RESPONSIBILITIES OF MANAGEMENT AND OF THE PERSONS CONSTITUTING THE GOVERNANCE OF THE COMPANY WITH RESPECT TO THE CONSOLIDATED FINANCIAL STATEMENTS

It is the responsibility of management to prepare accurate consolidated financial statements in accordance with IFRS as adopted by the European Union and to implement the internal controls it believes are necessary for the preparation of consolidated financial statements which do not contain any material misstatements resulting from either fraud or errors.

In preparing the consolidated financial statements, it is the responsibility of management to assess the ability of the Company to continue operating, to present in its financial statements, if necessary, the information regarding business continuation and to apply the going concern accounting principle, unless there are plans to liquidate the Company or terminate its business activities.

It is the responsibility of the Audit Committee to monitor the process of preparing financial information and of tracking the effectiveness of the internal control and risk management systems as well as, if applicable, of the internal audit, with respect to the procedures for the preparation and processing of accounting and financial information.

The consolidated financial statements were approved by the Board of Directors.

RESPONSIBILITIES OF THE STATUTORY AUDITORS REGARDING THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Audit purpose and approach

It is our duty to prepare a report on the consolidated financial statements. Our goal is to obtain a reasonable assurance that the consolidated financial statements taken overall do not contain any material misstatements. A reasonable assurance corresponds to a high level of assurance without, however, guaranteeing that an audit conducted in accordance with professional standards will consistently identify all material misstatements. Misstatements can be the result of fraud or of errors. They are considered to be material when it can reasonably be expected that they might, individually or cumulatively, impact the financial decisions that the users of the financial statements make based on them.

As stated in Article L.823-10-1 of the French Commercial Code, our certification of the financial statements does not entail guaranteeing the viability or the quality of your Company's management.

Audits conducted in accordance with the professional standards applicable in France require that the Statutory Auditors exercise their professional judgement during the entire audit. In addition:

- they identify and assess the risk that the annual financial statements may contain material misstatements, regardless if they are the result of fraud or errors, define and implement audit procedures to deal with the risks and collect the information they deem sufficient and relevant to form their opinion. The risk of non-identification of a material misstatement is greater in the case of fraud than that of a material misstatement resulting from an error given that fraud can involve collusion, falsification, voluntary omissions, false statements or the bypassing of internal controls;
- the auditors must review and understand the internal controls relevant to the audit in order to define the audit procedures appropriate for the circumstances and not for the purpose of providing an opinion on the effectiveness of the internal controls;
- they assess the suitability of the accounting methods selected and the reasonable nature of the accounting estimates made by Management as well as the information about them provided in the consolidated financial statements;
- they assess the relevance of the application by Management of the going concern principle and, based on the information collected, whether or not there is any significant uncertainty related to events or circumstances which could potentially jeopardise the Company's ability to continue operating. The assessment is based on the information collected through to the date of the audit report, it being noted, however, that later circumstances and events can negatively impact business continuity. If they conclude that there is significant uncertainty, they must draw the attention of the readers of the report to the information provided in the consolidated financial statements about the uncertainty or, if the information is not provided or is not relevant, they must provide a qualified opinion or refuse to certify the financial statements;
- they assess the overall presentation of the consolidated financial statements and assess if they reflect underlying transactions and events such that they provide an accurate picture;
- with respect to the financial information about the persons and entities included within the scope of consolidation, they must collect the information they deem to be sufficient and appropriate to express an opinion on the consolidated financial statements. They are responsible for the management, supervision and preparing of the audit of the consolidated financial statements and for the opinion expressed about the financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which presents the extent of the audit work done, the work programme implemented and the findings arising from our work. We will also point out, if relevant, any significant weaknesses in the internal controls we have identified with respect to the procedures used to prepare and process the accounting and financial information.

The information provided in the Audit Committee report includes the risk of material misstatements which we believe are most significant for the audit of the consolidated financial statements for the financial year and which, as a result, constitute the key points of the audit which it is our responsibility to describe in this report.

We are also providing the Audit Committee with the statement required by Article 6 of Regulation (EU) No. 537-2014 confirming our independence as meant by the rules applicable in France as they have been defined in Articles L.822-10 to L. 822-14 of the French Commercial Code and the Statutory Auditors' Code of Ethics. If required, we meet with the Audit Committee to discuss any risks to our independence and the safeguards implemented to protect it.

Statutory Auditors

Labège, 28 April 2022	Paris, 28 April 2022
KPMG S.A.	**BM&A**
Mathieu Leruste	Eric Seyvos
Partner	*Partner*

9.2 SEPARATE FINANCIAL STATEMENTS

9.2.1 BALANCE SHEET OF ACTIA GROUP S.A.

Assets (in €)			31/12/2021	31/12/2020
	Gross amount	Depreciation	Net	Net
Share capital subscribed and uncalled				
INTANGIBLE ASSETS				
Formation costs				
Research and development costs				
Concessions, patents and similar rights	53,626	53,566	61	63
Goodwill				
Other intangible assets				
Advances and prepayments on intangible assets				
TANGIBLE ASSETS				
Land				
Buildings				
Technical installations, equipment, tooling				
Other tangible assets	65,494	49,137	16,358	23,112
Current fixed assets				
Advance and down payments				
FINANCIAL ASSETS				
Investments calculated using the equity accounting method				
Other investments	56,066,463	57,314	56,009,149	55,608,827
Receivables related to investments	15,470,988		15,470,988	17,811,948
Other fixed securities				
Loans	439	103	335	665
Other financial assets	4,688		4,688	4,635

Assets (in €)				31/12/2021	31/12/2020
		Gross amount	Depreciation	Net	Net
FIXED ASSETS		**71,661,698**	**160,120**	**71,501,578**	**73,449,249**
INVENTORY AND WORK-IN-PROCESS					
Raw materials, supplies					
Production of goods in progress					
Production of services in progress					
Intermediate and finished products					
Goods					
Advance and down payments on orders		226		226	
ACCOUNTS RECEIVABLE					
Trade accounts receivable		3,192,664		3,192,664	1,708,899
Other accounts receivable		306,073		306,073	154,074
Called-up share capital not paid					
VARIOUS					
Marketable securities		248,671	149,929	98,743	89,030
	o.w. treasury shares: 162,076				
Liquid assets		187,199		187,199	747,047
ADJUSTING ACCOUNTS					
Accrued charges		171,232		171,232	159,508
CURRENT ASSETS		**4,106,064**	**149,929**	**3,956,135**	**2,858,557**
Expenses to be spread over several financial years					
Bond redemption premiums					
Translation difference - assets					
ASSETS		**75,767,762**	**310,019**	**75,457,714**	**76,307,807**

Liabilities (in €)	31/12/2021	31/12/2020
Individual and equity capital	15,074,956	15,074,956
(of which has been paid: 15,074,956)		
Premiums from equity issues, mergers or acquisitions	17,560,647	17,560,647
Revaluation differences		
(of which, equity accounting reserve: 0)		
Legal reserve	1,507,496	1,507,496
Statutory or contractual reserves		
Regulated reserves	189,173	189,173
(Including prov. res. for exchange rate fluctuations: 0)		
Other reserves		
Retained earnings	12,715,098	11,075,425
(Profit or loss) for the FINANCIAL YEAR	758,956	1,639,673
Investment subsidies		
Regulated provisions		
EQUITY	**47,806,327**	**47,047,370**
Proceeds from issues of equity instruments		
Conditional advances		
OTHER EQUITY		
Provisions for risks		
Provisions for expenses		
PROVISIONS FOR RISKS AND EXPENSES		
FINANCIAL LIABILITIES		
Convertible bond loans		
Other bond loans	15,146,667	20,000,000
Bank borrowings	10,836,586	8,260,923
Other financial liabilities		
(of which, participating loans: 0)		

Liabilities (in €)	31/12/2021	31/12/2020
Advance and down payments received for current orders		
OPERATING DEBT		
Trade creditors and other accounts receivable	870,006	580,353
Tax and social payables	180,118	359,334
MISCELLANEOUS LIABILITIES		
Debt on fixed assets and related payables		
Other liabilities	348,010	59,826
ADJUSTING ACCOUNTS		
Deferred income		
DEBT	**27,651,387**	**29,260,436**
Unrealised translation differences		
LIABILITIES	**75,457,714**	**76,307,807**

9.2.2 SEPARATE INCOME STATEMENT OF ACTIA GROUP S.A.

Income statement (in €)	31/12/2021	31/12/2020
Sales of goods		
Production of goods sold		
Production of services sold	3,268,899	2,352,361
NET REVENUE	**3,268,899**	**2,352,361**
Inventoried production		
Capitalised production		
Operating subsidies		
Writeback of depreciation and provisions and transfers of costs	1,097,381	1,023,130
Other revenue		
OPERATING REVENUE	**4,366,280**	**3,375,491**
Purchases of goods (including customs duties)		
Variations in inventory (goods)		
Purchases of raw materials and other supplies (and customs duties)		
Variations in inventory (raw materials and supplies)		
Other purchases and external expenses	2,849,773	2,809,911
Taxes, duties and similar payments	28,696	42,998
Wages and salaries	975,144	1,277,597
Social contributions	421,112	540,030
OPERATING PROVISIONS		
On fixed assets: depreciation allowances	4,944	4,895
On fixed assets: provisions		
On current assets: provisions		
For liabilities and charges: provisions		
Other expenses	27,464	755
OPERATING EXPENSES	**4,307,133**	**4,676,186**
OPERATING PROFIT	**59,147**	**<1,300,695>**
JOINT VENTURES		
Profit allocated or loss transferred		
Loss sustained or profit transferred		
FINANCIAL INCOME		
Financial revenue from investments	982,135	3,162,739
Revenue from other securities and fixed asset-related receivables	572,889	656,094
Other interest and similar revenue		698
Writeback of provisions and transfers of costs	1,008,115	2,579
Positive exchange rate differences		3,737
Net revenue from the sale of investment securities	11,629	98,944
FINANCIAL INCOME	**2,574,768**	**3,924,791**
Financial depreciation allowances and provisions		7,871
Interest and similar expenses	1,642,553	848,985
Negative exchange rate differences		
Net expenses on the sale of investment securities	5,012	117,311
FINANCIAL EXPENSE	**1,647,565**	**974,167**
FINANCIAL INCOME	**927,203**	**2,950,625**
ORDINARY INCOME BEFORE TAX	**986,351**	**1,649,930**

Income statement (in €)	31/12/2021	31/12/2020
Non-recurring income from management operations	38	9
Non-recurring income from capital transactions	6,145	9,084
Writeback of provisions and transfers of costs		
NON-RECURRING INCOME	**6,183**	**9,093**
Non-recurring expenses on management operations	10	9
Non-recurring expenses on capital transactions	204,402	2,009
Non-recurring depreciation allowances and provisions		
NON-RECURRING EXPENSES	**204,412**	**2,017**
EXTRAORDINARY INCOME	**<198,229>**	**7,076**
Employee profit-sharing		
Income taxes	29,165	17,333
TOTAL INCOME	**6,947,232**	**7,309,376**
TOTAL EXPENSES	**6,188,275**	**5,669,703**
PROFIT OR LOSS	**758,956**	**1,639,673**

9.2.3 NOTES

Note 1 Highlights of the period

ACTIA Group S.A. fulfilled its role as Group holding company in 2021.

The Company supported the creation of the Power Division, which has been fully operational since 1 January 2022, with the completion of the various carve-outs carried out in 2021. In this context, ACTIA Group increased the capital of the Division's holding company, ACTIA Power, to the tune of €400,000.

In addition, the liquidation of its subsidiary COOVIA took place in April 2021.

Note 2 Accounting rules and methods

The financial statements for the 2021 financial year were approved by the Board of Directors on 28 March 2022, in accordance with the provisions of Regulation 2014-03 of the Autorité des Normes Comptables (national accounting standards body) approved by the ministerial decree on the Plan Comptable Général (generally accepted accounting principles) of 8 September 2014.

Note 2.1 Intangible assets

Rights and concessions are amortised on a straight-line basis over one or two years.

Note 2.2 Tangible assets

Capitalised assets are broken down and amortised or depreciated over their own useful lives if these differ from the principal item of property, plant and equipment.

Items of property, plant and equipment are recognised at acquisition cost. Cost components include:

- The purchase cost, including customs duties and non-refundable purchase taxes less trade discounts and rebates;
- The costs directly attributable to transferring and commissioning the asset and;
- If applicable, the initial estimate of the costs of dismantling and removing the item and restoring the site.

Borrowing costs are excluded from the cost of non-current assets.

Where material components of items of property, plant and equipment can be determined and they have different useful lives and depreciation methods, the depreciation is recognised by component. To date, treatment by component has not been applied for any non-current asset, in the absence of significant capitalisation.

The depreciable amount is systematically allocated over the useful life of the asset. Depreciation is calculated on a straight-line basis and the useful lives applied are as follows:

- Plant and equipment, facilities and tools: over 6 to 10 years;
- Other property, plant and equipment: over 3 to 10 years.

Note 2.3 Financial assets

Investment securities are recognised in the balance sheet at acquisition cost or contribution value.

An impairment is recorded when the carrying amount of a holding held by ACTIA Group is less than the share of its shareholders' equity, unless:

- A recorded fair transaction value justifies the value;
- Or the prospects for a recovery in profitability are strong and can be demonstrated. In this case, the value in use of the holding is estimated using a financial valuation method.

The present value of holdings is also primarily assessed using the discounted future cash flow method based on business and free cash flow forecast assumptions reasonably estimated by executive management and most probable on the date the financial statements are closed. The discount and growth rates used are rationalised based on market data.

In order to assess the tolerance of the estimate of the shareholders' equity determined in this way, analyses of the sensitivity of the values to changes in assumptions about estimated future cash flows and the discount rate are simulated.

Note 2.4 Accounts receivable

Receivables are measured at their nominal value. A provision for impairment is recognised depending on the age of the receivables and any risks of non-recovery.

Note 2.5 Pension liabilities

Pension liabilities are calculated according to French accounting recommendation CNC 2013-02 based on an actuarial estimate of potential rights vested by employees on the balance sheet date.

The main assumptions applied at the end of the reporting period were:

- Discount rate: 0.98% (0.34% in 2020),
- Salary escalation rate: 2.25%
- Retirement age: 67
- Low turnover rate:

Age of employee	20 years	30 years	40 years	50 years	60 years	65 years
Turnover rate (%) (management and non-management)	5.80%	2.77%	2.04%	0.10%	0.05%	0.00%

- Mortality table: INSEE 2013:

Age of employee	20 years	30 years	40 years	50 years	60 years	65 years
Mortality table: Men (%)	99,274	98,549	97,489	94,963	88,615	83,631
Mortality table: Women (%)	99,469	99,222	98,745	97,436	94,414	92,075

Off-balance sheet commitments include pension liabilities of €112,636.

Note 3 Additional information on the balance sheet and the income statement

The balance sheet date of the financial statements is 31 December 2021 and covers a period of twelve months.

Note 3.1 Intangible assets

The gross amounts of **intangible assets** changed as follows:

(€)	31/12/2020	Acquisitions	Disposals and write-offs	31/12/2021
Formation costs	0			0
Other intangible assets	53,651	138	163	53,626
TOTAL	**53,651**	**138**	**163**	**53,626**

Amortisation was as follows:

(€)	31/12/2020	Provisions	Reversals	31/12/2021
Formation costs	0			0
Other intangible assets	53,588	140	163	53,566
TOTAL	**53,588**	**140**	**163**	**53,566**

Note 3.2 Tangible assets

Gross amounts of **property, plant and equipment** changed as follows:

(€)	31/12/2020	Acquisitions	Disposals and write-offs	31/12/2021
Land	0			0
Buildings	0			0
Plant and equipment, facilities and tools.	0			0
Other	71,579	2,432	8,517	65,494
Current fixed assets	0			0
TOTAL	**71,579**	**2,432**	**8,517**	**65,494**

Amortisation was as follows:

(€)	31/12/2020	Provisions	Reversals	31/12/2021
Land	0			0
Buildings	0			0
Plant and equipment, facilities and tools.	0			0
Other	48,468	4,804	4,135	49,137
TOTAL	**48,468**	**4,804**	**4,135**	**49,137**

Note 3.3 Financial assets

These changed as follows:

(€)	Balance sheet securities 31/12/2020 Gross value	Balance sheet securities 31/12/2020 Net value	Balance sheet securities 31/12/2021 Gross value	Balance sheet securities 31/12/2021 Net value	Held at 31/12/2021 (%)	Shareholders' equity before appropriation of earnings at 31/12/2021	2021 revenue before tax	Net income at 31/12/2021
INVESTMENT SECURITIES								
Subsidiaries and investments > 10%								
ACTIA Telecom	25,772,641	25,772,641	25,772,641	25,772,641	100.00%	39,416,762	64,409,670	2,088,735
ACTIA Automotive	24,904,110	24,904,110	24,904,439	24,904,439	99.99%	35,357,252	278,372,117	1,424,290
ACTIA Telematics Services	3,698,578	3,698,578	3,698,578	3,698,578	99.00%	1,433,581	3,086,049	273,059
ACTIA PCs	610,902	610,902	610,902	610,902	12.19%	2,464,426	3,485,020	28,155
SCI Oratoire	199,098	199,098	199,098	199,098	86.00%	689,018	1,239,550	477,729
ACTIA Engineering Services (*)	151,680	151,680	151,680	151,680	53.33%	1,597,206	13,771,322	444,744
SCI Pouvourville	101,161	101,161	101,161	101,161	30.00%	1,676,408	965,264	244,607
ACTIA Africa (*)	100,000	100,000	100,000	100,000	99.77%	<54,104>	302,067	61,310
ACTIA Power	49,999	49,999	449,999	449,999	100.00%	450,000	0	<1,683,982>
Coovia	200,010	0	0	0	0	0	0	0
MORS INC	0	0	0	0	100.00%	UNK.	UNK.	UNK.
CYT	33,494	0	33,494	0	15.00%	UNK.	UNK.	UNK.
Subsidiaries and investments < 10%								
CIPI-ACTIA (*)	10,138	10,138	10,138	10,138	0.20%	2,796,966	12,578,224	312,176
SCI Sodimob	7,030	7,030	7,030	7,030	2.00%	219,985	107,556	75,412
Outside of the Group								
MPC	3,489	3,489	3,489	3,489	0.02%	UNK.	UNK.	UNK.
Continental	47	0	47	0	N.S.	UNK.	UNK.	UNK.
STEM	22,812	0	22,812	0	N.S.	UNK.	UNK.	UNK.
CGC	960	0	960	0	N.S	UNK.	UNK.	UNK.
Total	**55,866,151**	**55,608,827**	**56,066,463**	**56,009,149**				
OTHER FIXED SECURITIES								
1% Construction	0	0	0	0				
Total	**0**	**0**	**0**	**0**				
OTHER FINANCIAL ASSETS								
Loans	778	665	439	335				
Other receivables	4,635	4,635	4,688	4,688				
Total	**5,413**	**5,300**	**5,126**	**5,023**				

N.S. : Non-significant - UNK. : Unknown

(*) Foreign subsidiaries with a local currency other than the Euro. Balance-sheet data is converted using the exchange rate at closure of the accounts and income is converted using the average exchange rate

Note 3.4 Stocks

None

Note 3.5 Advance and down payments on orders

None

Note 3.6 Accounts receivable, other receivables

(€)	Gross values	Net value	Due dates < 1 year	Due dates > 1 year
Investment-related receivables	15,470,988	15,470,988	10,142,201	5,328,788
Accounts receivable	3,192,664	3,192,664	1,923,977	1,268,687
Current accounts on investments				
Other receivables (including accrued charges)	477,304	477,304	477,304	
TOTAL	**19,140,956**	**19,140,956**	**12,543,482**	**6,597,475**

Note 3.7 Treasury shares

ACTIA Group holds **1,399 treasury shares** with a gross value of €153,043. These shares were owned by MORS S.A. at the time of the merger in 2000.

Since the merger with MORS S.A., the Group has proceeded with a number of share buyback programmes.

The last share buyback programme was authorised by the General Meeting of 20 May 2021 for a period of 18 months. This programme complies with Articles L225-209 et seq. of the French Commercial Code. The objectives, maximum amount allocated to the share buyback programme, the maximum number and characteristics of the shares as well as the maximum purchase price are described in § 5.10.9 "Authorisation to implement a share buyback program" in this Universal Registration Document.

As of 31 December 2021, ACTIA Group S.A. held 3,328 treasury shares in total.

A provision for the treasury shares is calculated based on the closing price of €3.65 at 31 December 2021, for a total of €149,929.

Breakdown of treasury shares at 31 December 2021:

Origin of the holding	Number of shares	Gross value	Provision	Net value
Merger with MORS S.A. in 2000	1,399	€ 153,043	€ 147,936	€ 5,106
Share buyback programmes	1,929	€ 9,033	€ 1,992	€ 7,041
TOTAL	**3,328**	**€ 162,076**	**€ 149,929**	**€ 12,147**

In addition, as of 31 December 2021 as part of the **liquidity contract**, ACTIA Group held **11,846 treasury shares** and €37,796 in liquidity. All of the shares are used to ensure market-making on the secondary market or share liquidity via the intermediary of the investment service provider (ISP) Société de Bourse Portzamparc, through a liquidity contract in compliance with the AMAFI code of ethics recognised by the AMF.

Note 3.8 Equity

At 31 December 2021, there were no stock option plans established by the Company and the share capital amounted to €15,074,955.75. It consists of 20,099,941 shares with a par value of €0.75 per share. The total amount of additional paid-in capital is €14,693,643.96.

Accordingly, net assets changed as follows over the period:

(€)	Balance at 31/12/2020 prior to appropriation of earnings	Appropriation of earnings 2020			Share capital increase	Balance at 31/12/2021 prior to proposed appropriation of earnings
			Dividends			
		Retained earnings	Paid to shareholders	On treasury shares:		
Capital	15,074,956					15,074,956
Share premiums	14,693,644					14,693,644
Merger premiums	2,867,003					2,867,003
Legal reserves	1,507,496					1,507,496
Restricted reserves	189,173					189,173
Retained earnings	11,075,425	1,639,673				12,715,098
Net income for 2020	1,639,673	<1,639,673>				0
Net income for 2021						758,956
TOTAL	**47,047,370**	**0**	**0**	**0**	**0**	**47,806,327**

At 31 December 2021, restricted reserves set aside to cover treasury shares totalled €12,147.

Note 3.9 Provisions for expenses

None

Note 3.10 Debt

The breakdown of liabilities by type and maturity at the balance sheet date was as follows:

(€)	31/12/2021			Total
	<31/12/2022	>01/01/2023 <31/12/2026	>01/01/2027	
Other bond loans	4,583,333	10,833,333		15,416,667
Bank borrowings and debts to credit establishments Credit	5,130,689	5,692,380	13,516	10,836,586
o.w. MLT borrowings	*2,079,926*	*5,692,380*	*13,516*	*7,785,822*
Short-term bank lines and commercial paper	*2,963,036*			*2,963,036*
Interest accruing on financial liabilities	*87,728*			*87,728*
Other financial liabilities				0
Advances and prepayments on orders				0
Trade creditors and other accounts receivable	870,006			870,006
Amounts payable to payroll tax agencies	180,118			180,118
Other liabilities (including deferred income)	348,010			348,010
Total	**11,112,157**	**16,525,713**	**13,516**	**27,651,387**

Certain medium- to long-term loans are subject to conditions imposed by covenants. These covenants apply to loans for amounts totalling €17,063,083 or 73.5% of medium- and long-term debt. Compliance with these covenants is verified at the end of each period on the basis of ACTIA Group's consolidated financial statements.

At 31 December 2021, the breakdown of the medium- to long-term borrowings and covenants was as follows:

Amount at inception (€)	Date of subscription	Duration	Outstanding principal at 31/12/2021	Covenant: Ratios at end 2021 (calculated on the basis of the consolidated financial statements)	Respected[1]		Reclassification to current borrowings [2]	
					At end 2020	At end 2021	At end 2020	At end 2021
2,000,000	2016	5 years	134,769	Net debt to equity < 1.40	B	B	0	0
				Net financial expense to EBITDA < 30%	R	R		
				Net debt to EBITDA < 5.00	B	B		
3,500,000	2016	7 years	1,275,848	Net debt to equity < 1.50	B	B	0	0
				Net debt to EBITDA < 4.75	B	B		
1,000,000	2017	5 years	235,799	Net debt to equity < 1.40	B	B	0	0
				Net financial expense to EBITDA < 30%	R	R		
				Net debt to EBITDA < 5.00	B	B		
15,000,000	2017	7 years	11,250,000	Net debt to EBITDA < 4.75	B	B	0	0
5,000,000	2017	9 years	4,166,667	Net debt to EBITDA < 4.75	B	B	0	0
4,000,000	2018	7 years	610,902	-				
1,000,000	2018	5 years	454,641	-				
3,000,000	2019	7 years	2,175,982	-				
3,100,000	2021	5 years	2,897,881					
TOTAL			**23,202,489**				**0**	**0**

(1) R = Respected - B = Breached

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

In 2021, the change in ACTIA Group's business activity had a significant impact on the "Net Debt/Equity" and "Net Debt/EBITDA" ratios based on the consolidated financial statements, in particular due to:

- Regarding the change in **EBITDA**:
  - An increase in revenue, which enabled the Telecoms Division to regain its level of profitability;
  - The Automotive Division which suffered from the component crisis with its factories pressured to limit the impact on customers by producing smaller and more numerous runs, an increase in component cost which was partially passed on to customers (components purchased from brokers to limit shortages) as well as an increase in transport cost;
  - Investments maintained at a high level, particularly as part of the creation of the Power Division;
  - A special effort to maintain top-class R&D teams and a committed staff with salary hikes and increased hiring, which resumed again at the end of the financial year despite the tensions in the job market.

The impact of IFRS 16 increased between 2020 (+€4,742,000) and 2021 (+€5,954,000) with the signing of new contracts.

- Regarding the 9.4% increase in **net liabilities**:
  - A rise in medium-term liabilities, with:
    - setting up of financing for the R&D programmes;
    - setting up of state-guaranteed loans or other types of financing available to boost the economy, with the option of paying back said loans over 5 years being officially approved in 2021;
  - Use of short-term lines of credit decreased from €40.9 million in 2020 to €36.4 million in 2021 (i.e. use rate of 33.0%);
  - The increase in cash available.

The impact of IFRS 16 increased between 2020 (+€15,592,000) and 2021 (+€18,919,000) with the signing of new contracts.

However, by keeping banking partners regularly up to date, we were able to have these covenants suspended on 31 December 2021.

Note 3.11 Revenue

Because of the nature of its activity as a holding company, revenue of ACTIA Group S.A. corresponds to amounts originating from chargebacks to its affiliated undertakings.

Note 3.12 Reclassification of operating expenses

Under operating expenses, expense reclassifications concern amounts invoiced for expenses incurred by ACTIA Group S.A. for its subsidiaries:

- Licences: €616,492
- Insurances (including brokerage services): €456,969

Note 3.13 Financial result

The most significant items of **financial income** are:

- A reversal of provision related to the liquidation of COOVIA: €1,005,020
- Dividends received from subsidiaries: €726,788
- Interest on current accounts of subsidiaries: €255,346
- Income from off-balance sheet commitments in favour of subsidiaries: €572,836

Financial expenses are mainly comprised of:

- Financial expenses related to the liquidation of COOVIA: €805,000
- Interest on bond issues: €752,129
- Interest and similar expenses related to financial liabilities with credit institutions: €66,088
- Interest on commercial paper: €15,370
- Interest on bank current account credit balances: €2,697

Note 3.14 Non-recurring items

For the 2021 period, an exceptional expense of €200,020 was incurred for the liquidation of COOVIA.

Note 3.15 Earnings per share

Basic earnings per share at 31 December 2021 are calculated on the basis of the net income of €758,956 divided by the number of shares in circulation excluding treasury shares. The details of the calculations are shown in the following table:

(€)	31/12/2021	31/12/2020
Net income	758,956	1,639,673
Shares issued as at 1 January	20,099,941	20,099,941
Issuance of new shares	0	0
Treasury shares	<3,328>	<3,328>
Earnings per share	**0.04**	**0.08**

Note 3.16 Financial commitments and collateral provided

The guarantees provided by ACTIA Group S.A. on behalf of its subsidiaries to non-banking third parties amounted to €220,079,033 for customer guarantees. Two guarantees for a total amount of €217 million are covered by an insurance policy taken out directly by the subsidiary in question. Collateral provided by ACTIA Group S.A. to banks on behalf of its subsidiaries represented €41,914,115 at 31 December 2021 versus €61,207,288 at 31 December 2020.

ACTIA Group S.A. gave 344,262 shares of its ACTIA Telecom subsidiary as collateral for bank loans.

Note 4 Other information

Note 4.1 Accrued expenses

Accrued expenses consist of auditors' fees in the amount of €89,000.

Note 4.2 Dividends

The appropriation of 2021 earnings is set out in § 5.1.2 "Draft resolutions" of this Universal Registration Document. No distribution of dividends will be submitted to the General Meeting of 24 May 2022.

Note 4.3 Unrealised tax position

At 31 December 2021, the unrealised tax position was comprised of losses of €9,098,581 remaining to be carried forward.

Note 4.4 Headcount at year-end

	2021	2020
Managers and supervisors	8	13
Employees	1	1
Students on work placements		
Workers		
TOTAL	**9**	**14**

Note 4.5 Transactions with related parties

Related party balances at 31/12/2021	Parent	Subsidiaries	Other related companies
ASSETS			
Investment-related receivables		15,470,988	
Provision for receivables on investments			
Trade accounts receivable	2,503	3,235,669	
Other accounts receivable		98,466	
LIABILITIES			
Trade creditors and other accounts receivable	98,700	524,690	
Income statement			
Operating expenses	71,417	330,720	
Financial expenses		805,000	
Non-recurring expenses		204,402	
Operating revenue	24,874	4,317,456	
Financial income		1,554,971	
Non-recurring income		1,034,629	

Operating expenses payable to the parent company represent amounts invoiced for services rendered.

Note 4.6 Risks and hedging policy

- Interest rate risk:

The table below provides a breakdown between fixed and variable rate financial debt of ACTIA Group S.A. at 31 December 2021:

(€)	2021			2020		
	Fixed rate	Variable rate	Total	Fixed rate	Variable rate	Total
Bond issues	15,416,667		**15,416,667**	20,000,000		**20,000,000**
Total medium- and long-term borrowing	7,785,822		**7,785,822**	6,643,425		**6,643,425**
Commercial paper/short-term bank lines	1,850,000	1,113,036	**2,963,036**		1,500,000	**1,500,000**
Total value	**25,052,489**	**1,113,036**	**26,165,525**	**26,643,425**	**1,500,000**	**28,143,425**
Total in %	**96%**	**4%**	**100%**	**95%**	**5%**	**100%**

The sensitivity to a 1% increase in the benchmark (3-month Euribor) was calculated on a pre-hedging basis. At 31 December 2021, this represented €11,000 and was only impacted by medium- and long-term borrowings (€15,000 as of 31 December 2020).

- Equity risk:

At 31 December 2021, ACTIA Group S.A. held 3,328 treasury shares. The sensitivity to a €1 decline in the share price is consequently €3,000.

- Foreign exchange risk:

There are currently no foreign currency transactions in progress. The subsidiaries are invoiced in Euros.

Note 4.7 Executive management compensation

The Chairman and CEO is compensated for his term of office and since 2020, the members of the Board of Directors of ACTIA Group S.A. are also compensated based on their participation (excluding Deputy CEO and Directors representing employees). For more information, see § 8.3 “Corporate Officer compensation”.

Note 4.8 Post-balance sheet events

In a context where the component crisis persists, slowing down business activity and putting pressure on organisations, with additional costs partially borne by customers in 2021, ACTIA has decided to focus its resources on embedded electronics for mobility and energy management and to strengthen its financial structure. Also, ACTIA Group is in the process of completing two operations to sell non-strategic businesses of the Automotive Division, which should reduce the Group's debt by around €70 million.

- The first operation concerns the sale of the Vehicle Inspection & Garage Equipment business;
- The second operation concerns the sale of the Power Division.

While waiting for the end of the current crises (pandemic and components), the Group is maintaining a tight control over expenses.

ACTIA Group has not identified any significant impact at this stage on the value of assets and liabilities as of 31 December 2021.

Note 4.9 Consolidating company

S.A. **LP2C** with capital of €6,751,560

Registered Office: 5 rue Jorge Semprun – 31432 TOULOUSE

Toulouse Trade and Companies Register (RCS): : Toulouse B 384 043 352

9.2.4 REPORT OF THE STATUTORY AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS

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

OPINION

In accordance with the mission entrusted to us by your Annual General Meeting, we carried out an audit of the annual financial statements of ACTIA Group S.A. for the financial year ended 31 December 2021, as attached to this report.

We hereby certify that the annual financial statements give a true and fair view of the financial position and the assets and liabilities of the Company as at 31 December 2021 and the results of its operations for the year ended in accordance with French accounting standards.

The opinion above is consistent with the content of our report to the Audit Committee.

BASIS FOR OUR OPINION

Audit standards

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained provides a sufficient and appropriate basis for our audit opinion.

The responsibilities incumbent upon us by virtue of these standards are described in the section of this report entitled “Responsibilities of the Statutory Auditors with respect to the audit of the annual financial statements.”

Independence

We conducted our audit assignment in compliance with the rules of independence applicable to us, as provided for in the French Commercial Code and the Statutory Auditors’ Code of Ethics, for the period from 1 January 2021 to the date of issue of our report. We did not provide any of the services prohibited by Article 5, Paragraph 1 of Regulation (EU) No. 537/2014.

JUSTIFICATION OF OUR ASSESSMENTS - KEY AUDIT POINTS

The global crisis caused by the Covid-19 pandemic meant that the audit and accounts for this financial year were drawn up in a highly unusual context. Indeed, this crisis and the exceptional measures imposed under the public health state of emergency had a huge impact on companies, with significant consequences for business and financing, resulting in heightened uncertainty regarding their outlook. Some of the measures, such as travel restrictions and home-working, also had an impact on the way companies organise their business internally, and the way in which audits are conducted.

This is the complex, volatile context in which, in application of the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code on the justification of our assessments, we hereby inform you of the key points of the audit regarding the risk of material misstatements which, in our professional opinion, were most significant for the audit of the consolidated financial statements of the financial year, and the answers we provided in response to these risks.

Our assessments are part of the audit of the annual financial statements taken as a whole and therefore contributed to the opinion expressed above. We have not expressed an opinion on the items of the annual financial statements taken individually.

VALUATION OF INVESTMENT SECURITIES

Risk identified:

The investment securities appearing on the balance sheet on 31 December 2021 in the net amount of €56,009,000. They are recorded at their acquisition cost or contribution value on the entry date. An impairment is recorded when the share of the shareholders’ equity in the holding is less than its carrying amount in the financial statements of your Company, unless a net transaction fair value or a value in use in excess of the carrying amount can be justified.

As indicated in Note 2.3 of the notes to the financial statements, the value in use is estimated by General Management based primarily on the discounted future cash flow method. Analysis of the sensitivity of value to changes in the flow forecast and discount rate assumptions are carried out to measure the appraisal margin.

The estimate of the value in use of the securities requires the exercise of judgement by General Management to determine the prospects for business and profitability.

As a result of the material nature of these assets and the assessments involved in all forecasting, we are of the opinion that the valuation of the investment securities is a key point of the audit.

Our answer:

In order to assess the reasonable nature of the estimates of the value in use of holdings, based on the information provided to us, our due diligence consisted primarily in verifying that the estimate made by General Management was founded on relevant justifications of the assessment method and the figures used.

As a result, our work, conducted by holding line, consisted of:

- evaluating the consistency of the cash flow forecasts of the entities in question established by their Operational Management with the data and assumptions of the business plans prepared under the supervision of the General Management of each business line;
- assessing the quality of the forecasting processes via critical analysis of the differences identified between the operating and capital expenditure forecasts of previous years and subsequent achievements, taking into account the context of the Covid-19 health crisis;
- checking the relevance of the discount and growth rates applied to the forecast flows to estimate net present value.

Where the shareholders' equity in holdings was the sole criterion used to assess their useful value, we checked that the shareholders' equity used matches the financial statements of the entities audited or which underwent a limited review and that any non-accounting adjustments proposed by executive management were based on sound documentation.

SPECIAL VERIFICATION

As required by the professional standards applicable in France, we also carried out the specific verifications required by law and regulations.

Information provided in the Management Report and in the other documents addressed to the Shareholders on the financial position and annual financial statements.

We have nothing to report with respect to the truthfulness and compliance with the annual financial statements of the information given in the Board of Directors' Management Report and in the other documents addressed to the Shareholders on the financial position and annual financial statements.

We hereby certify the truthfulness and consistency of the annual financial statements with the information regarding payment terms covered in Article D.441-6 of the French Commercial Code.

Corporate Governance Report

We certify that the Board of Directors' report on corporate governance includes the information required by Articles L. 225-37-4, L. 22-10-09 and L. 22-10-10 of the French Commercial Code.

Other information

As required by law, we have verified that the Management Report contains the appropriate disclosures relating to holdings and control and the identity of holders of capital and voting rights.

OTHER VERIFICATIONS OR INFORMATION PROVIDED FOR BY LAW AND IN THE REGULATIONS.

Format for presenting the financial statements for inclusion in the annual financial report

We also verified, in accordance with professional standards for statutory audit procedures to be carried out on annual and consolidated financial statements presented in the single electronic reporting format, that the presentation of annual financial statements to be included in the annual financial report referred to in section I of Article L.451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chairman and CEO, complies with the format specified in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018.

On the basis of our work, we conclude that the preparation of the annual financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the annual financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF (Autorité des marchés financiers) agree with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of ACTIA Group S.A. by the General Meetings held on 26 May 2000 for KPMG S.A. and 28 May 2019 for BM&A.

On 31 December 2021, KPMG S.A. was in the 22nd consecutive year of its assignment, while BM&A was in its third year.

RESPONSIBILITIES OF MANAGEMENT AND OF THE PERSONS CONSTITUTING THE GOVERNANCE OF THE COMPANY WITH RESPECT TO THE ANNUAL FINANCIAL STATEMENTS

It is the responsibility of management to prepare accurate annual financial statements in accordance with French accounting rules and principles and to implement the internal controls it believes are necessary for the preparation of annual financial statements which do not contain any material misstatements resulting from either fraud or errors.

In preparing the annual financial statements, it is the responsibility of management to assess the ability of the Company to continue operating, to present in its financial statements, if necessary, the information regarding business continuation and to apply the going concern accounting principle, unless if there are plans to liquidate the Company or terminate its business activities.

It is the responsibility of the Audit Committee to monitor the process of preparing financial information and of tracking the effectiveness of the internal control and risk management systems as well as, if applicable, of the internal audit, with respect to the procedures for the preparation and processing of accounting and financial information.

The financial statements have been approved by the Board of Directors.

RESPONSIBILITIES OF THE STATUTORY AUDITORS REGARDING THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Audit purpose and approach

It is our duty to prepare a report on the annual financial statements. Our goal is to obtain a reasonable assurance that the annual financial statements taken overall do not contain any material misstatements. A reasonable assurance corresponds to a high level of assurance without, however, guaranteeing that an audit conducted in accordance with professional standards will consistently identify all material misstatements. Misstatements can be the result of fraud or of errors. They are considered to be material when it can reasonably be expected that they might, individually or cumulatively, impact the financial decisions that the users of the financial statements make based on them.

As stated in Article L.823-10-1 of the French Commercial Code, our certification of the financial statements does not entail guaranteeing the viability or the quality of your Company's management.

Audits conducted in accordance with the professional standards applicable in France require that the Statutory Auditors exercise their professional judgement during the entire audit. In addition:

- they identify and assess the risk that the annual financial statements may contain material misstatements, regardless if they are the result of fraud or errors, define and implement audit procedures to deal with the risks and collect the information they deem sufficient and relevant to form their opinion. The risk of non-identification of a material misstatement is greater in the case of fraud than that of a material misstatement resulting from an error given that fraud can involve collusion, falsification, voluntary omissions, false statements or the bypassing of internal controls;
- the auditors must review and understand the internal controls relevant to the audit in order to define the audit procedures appropriate for the circumstances and not for the purpose of providing an opinion on the effectiveness of the internal controls;
- they assess the suitability of the accounting methods selected and the reasonable nature of the accounting estimates made by management as well as the information about them provided in the annual financial statements;
- they assess the relevance of the application by Management of the going concern principle and, based on the information collected, whether or not there is any significant uncertainty related to events or circumstances which could potentially jeopardise the Company's ability to continue operating. The assessment is based on the information collected through to the date of the audit report, it being noted, however, that later circumstances and events can negatively impact business continuity. If they conclude that there is significant uncertainty, they must draw the attention of the readers of the report to the information provided in the annual financial statements about the uncertainty or, if the information is not provided or is not relevant, they must provide a qualified opinion or refuse to certify the financial statements;
- they must assess the overall presentation of the annual financial statements and assess if they reflect underlying transactions and events such that they provide an accurate picture;

Report to the Audit Committee

We submit a report to the Audit Committee which presents the extent of the audit work done, the work programme implemented and the findings arising from our work. We will also point out, if relevant, any significant weaknesses in the internal controls we have identified with respect to the procedures used to prepare and process the accounting and financial information.

The information provided in the Audit Committee Report includes the risk of material misstatements which we believe are most significant for the audit of the annual financial statements for the financial year and which, as a result, constitute the key points of the audit which it is our responsibility to describe in this report.

We are also providing the Audit Committee with the statement required by Article 6 of Regulation (EU) No. 537-2014 confirming our independence as meant by the rules applicable in France as they have been defined in Articles L.822-10 to L. 822-14 of the French Commercial Code and the Statutory Auditors' Code of Ethics. If required, we meet with the Audit Committee to discuss any risks to our independence and the safeguards implemented to protect it.

Statutory Auditors

Labège, 28 April 2022	Paris, 28 April 2022
KPMG S.A.	**BM&A**
Mathieu Leruste	Eric Seyvos
Partner	*Partner*

9.3 MISCELLANEOUS FINANCIAL INFORMATION

9.3.1 DIVIDEND POLICY

FY	Dividend per share (€)	Total dividend distributed (€)
2018	0.10	2,009,994.10
2019	0.15	3,014,991.15
2020	0	0

In 2022, ACTIA Group did not offer its shareholders any distribution of dividends, in line with its consolidated results and in accordance with its policy for Shareholders' Equity, as described in Note 15: "Shareholders' equity" in the notes to the consolidated financial statements.

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

9.3.2 LEGAL AND ARBITRATION PROCEEDINGS

In the normal conduct of its operating activities, the Group is faced with a certain number of disputes or legal proceedings (involving employees, customers, suppliers, etc.). Provisions are established for these proceedings in accordance with applicable accounting procedures.

For a period of at least the last twelve months there have been no other governmental, legal or arbitration proceedings, (including any of which the issuer is aware that are pending or threatened), that could have or recently had a material impact on the financial position or profitability of the issuer and/or the Group.

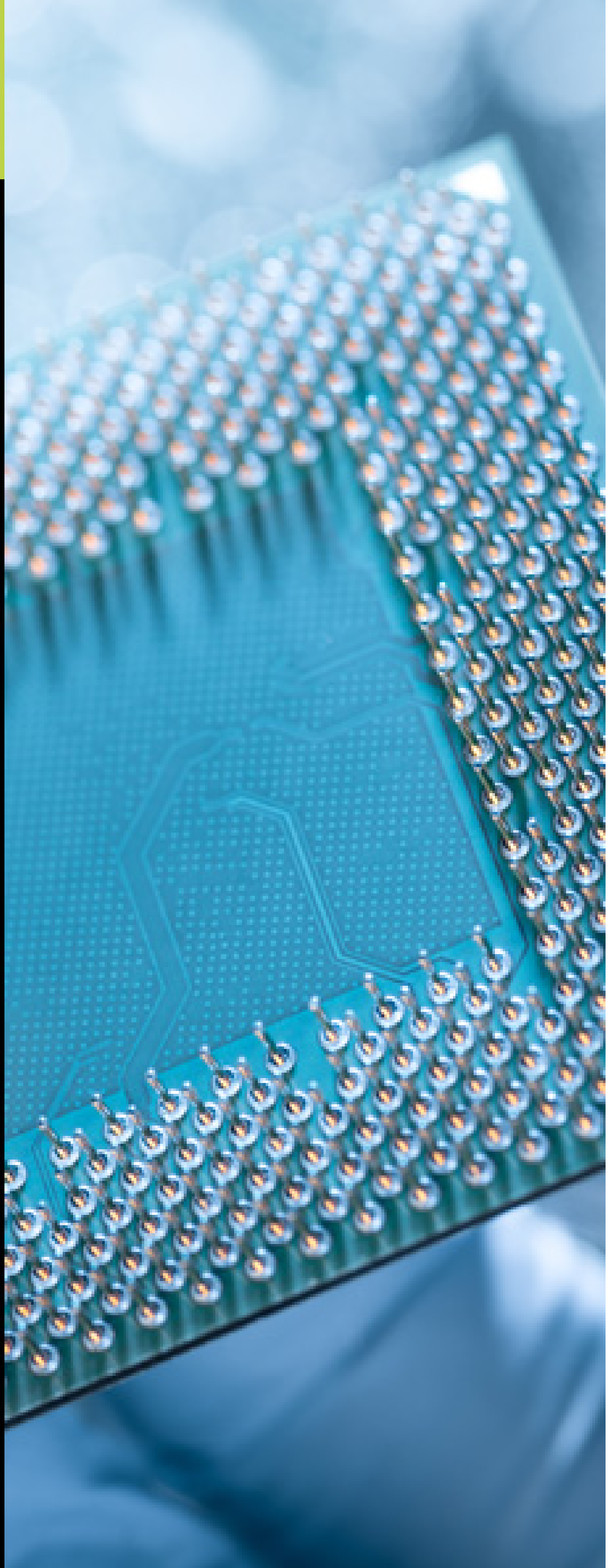
Concerning disputes in progress in 2021, provisions are established on a case-by-case basis according to the degree of risk or the duration of the proceeding (see details provided in Note 17 "Provisions" in the notes to the consolidated financial statements). However, none of these disputes constitutes a material risk for the Group.

9.3.3 SIGNIFICANT CHANGES IN THE ISSUER'S FINANCIAL OR TRADING POLICIES

Aside from the impacts of the Covid-19 pandemic and the components crisis mentioned in the course of several chapters of this document, and more particularly in Note 2.4 "Outlook and events after the end of the reporting period" of the notes to the consolidated financial statements, no significant event has occurred in relation to the Group's financial or business position since the accounts were closed on 31 December 2021.

For a business standpoint, the economic sphere is constantly adapting to the constraints stemming from the health crisis, but business will no longer be brought to a standstill. The Group's diverse business is a real asset which will enable it to benefit from projects initiated as part of the recovery plans implemented by governments, while staying true to its strategy.

Furthermore, the Group has not identified any significant impact at this stage on the value of assets and liabilities as of 31 December 2021.



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SUPPLEMENTARY INFORMATION

10.1 SHARE CAPITAL

ACTIA Group S.A. shares are classified in Segment C of Euronext Paris for market capitalisations below €150 million, under ISIN FR0000076655.

10.1.1 SUBSCRIBED SHARE CAPITAL

The share capital amounts to €15,074,955.75, split into 20,099,941 shares with a par value of €0.75 each, fully paid up and all in the same class.

Since the last capital increase recorded on 15 September 2008, there has been no change in the share capital up to the date of production of this document.

10.1.2 SHARES NOT REPRESENTING CAPITAL

N/A.

10.1.3 TREASURY SHARES

Information on these securities is provided in Note 3.7 “Treasury shares” in the notes to the separate financial statements.

10.1.4 CONVERTIBLE OR SWAPPABLE SECURITIES OR SECURITIES WITH WARRANTS

N/A.

10.1.5 VESTING CONDITIONS

N/A.

10.1.6 INFORMATION ABOUT ANY CAPITAL OF ANY MEMBER OF THE GROUP WHICH IS UNDER OPTION OR AGREED CONDITIONALLY OR UNCONDITIONALLY TO BE PUT UNDER OPTION

None

10.1.7 HISTORY OF THE SHARE CAPITAL

The last share capital increase was on 15 September 2008.

10.1.8 DESCRIPTION OF THE COMPANY'S SHARE BUYBACK PROGRAMME

See § 5.10.8 "Share buyback programme under way" of the Universal Registration Document.

10.2 MEMORANDUM OF INCORPORATION AND ARTICLES OF ASSOCIATION

10.2.1 CORPORATE PURPOSE

“Article 3 of the Articles of Association: Subject

The Company’s purpose in France and abroad includes:

- The analysis, design, manufacture and aftermarket servicing of mechanical, hydraulic, electrical and electronic systems;
- Any transaction of any kind whatsoever directly or indirectly relating to this object and likely to facilitate its development, achievement or sale;
- The concession, franchising of any trademark, patent, product or service and more generally investment by the Company in any existing or future company or entity, that may directly or indirectly relate to the corporate purpose or to any similar or connected purpose and by any means in particular via the incorporation of new companies, contributions, mergers, alliances or joint ventures;
- The management of its portfolio of securities as well as all movable and real property transactions and related services;
- The provision of services in particular legal, financial, accounting, administrative, organisation and management, communications, marketing and in general all financial, commercial, industrial, movable and real property transactions that may directly or indirectly relate to the above objects or to any similar or related activity.”

It can carry our any operation which is compatible with, related to or contributes to the performance of said purpose.

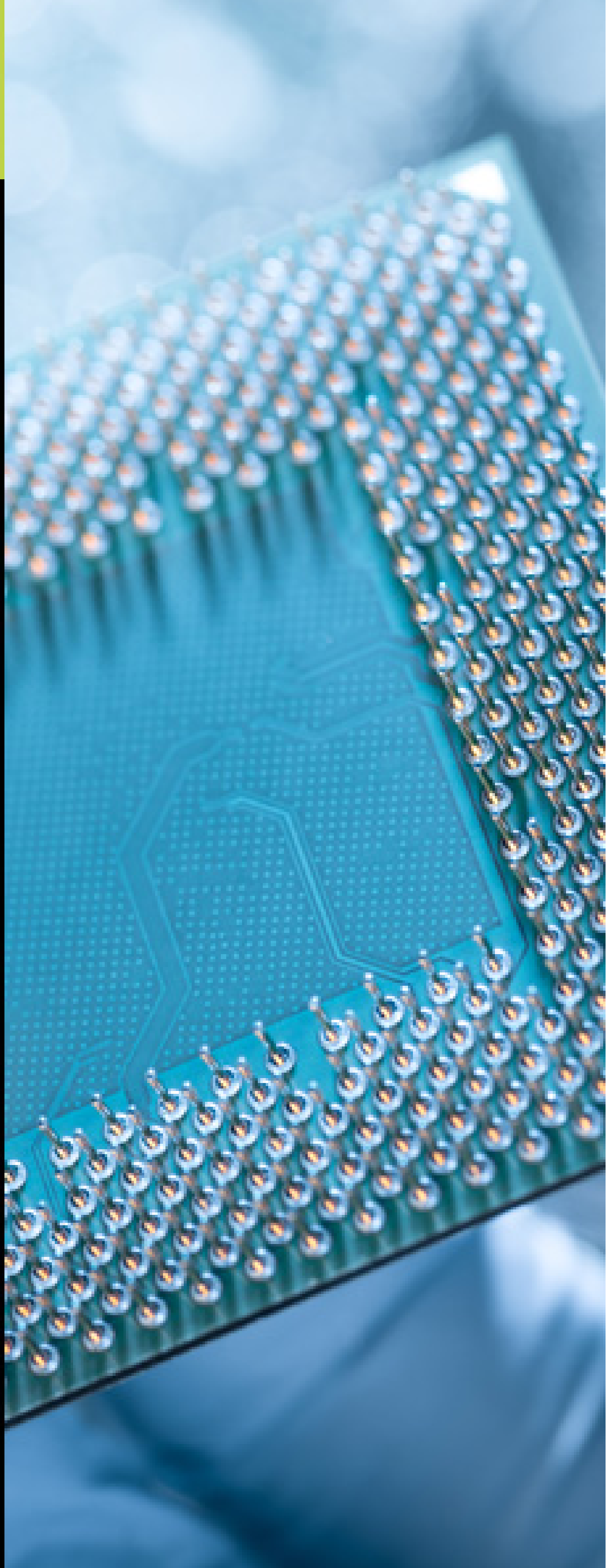
10.2.2 PROCEDURE FOR CHANGING THE CAPITAL

“Article 9 of the Articles of Association: Capital changes - fractional shares

Share capital can be increased through the issuing of ordinary shares or, preferably, and as the case may be, by increasing the par value of the existing shares. It can also be increased by exercising rights giving access to the share capital, which may or may not be associated with securities.

The share capital can also be reduced in accordance with the provisions in force.

Increases and reductions of share capital are carried out notwithstanding the existence of fractional shares. Except if the General Meeting decides to settle rights to fractional shares in cash, shareholders who hold a number of shares below the amount required to make them eligible for conversion, exchange or allocation are personally responsible for buying or selling the required shares.



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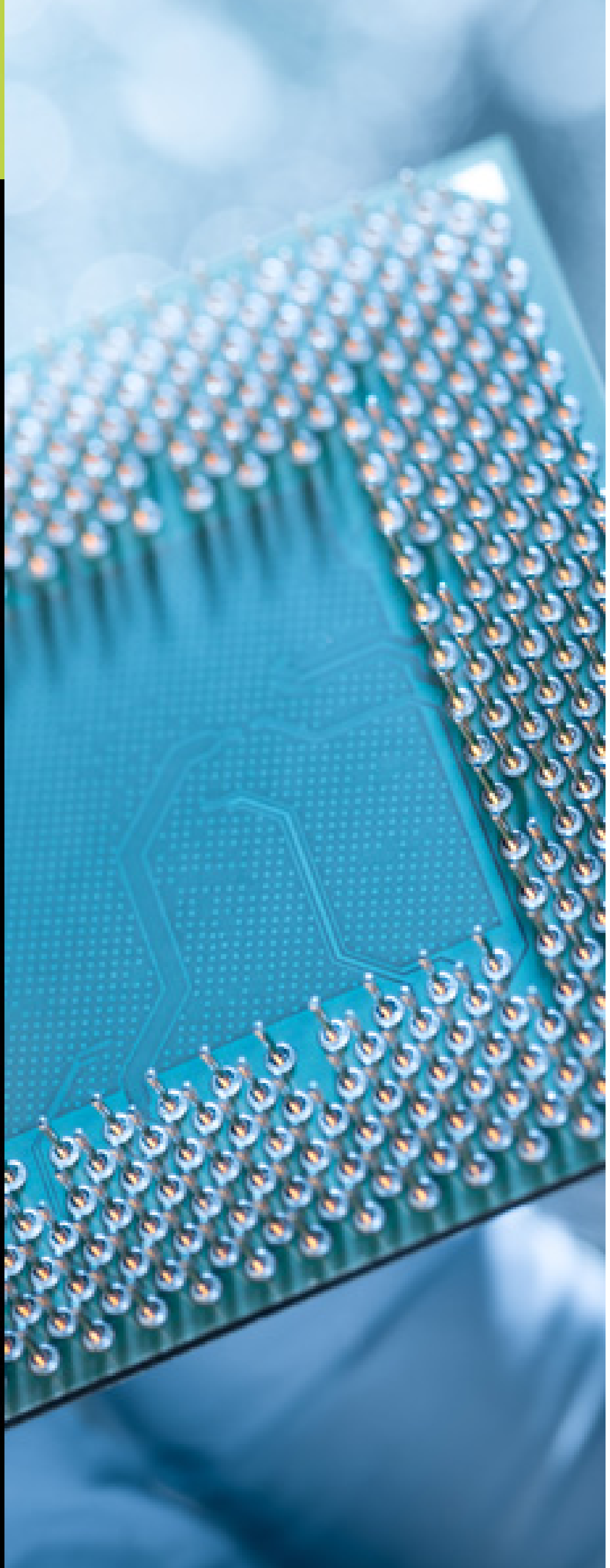
MATERIAL CONTRACTS

Other than the contracts signed in the normal course of business disclosed in § 5.3 “Business overview” in this Universal Registration Document, subject to the limits of authorisations granted by our customers with respect to disclosures to third parties (nondisclosure agreements and/or clauses), the Group signed no material contract during the two years immediately preceding the publication of this Universal Registration Document.



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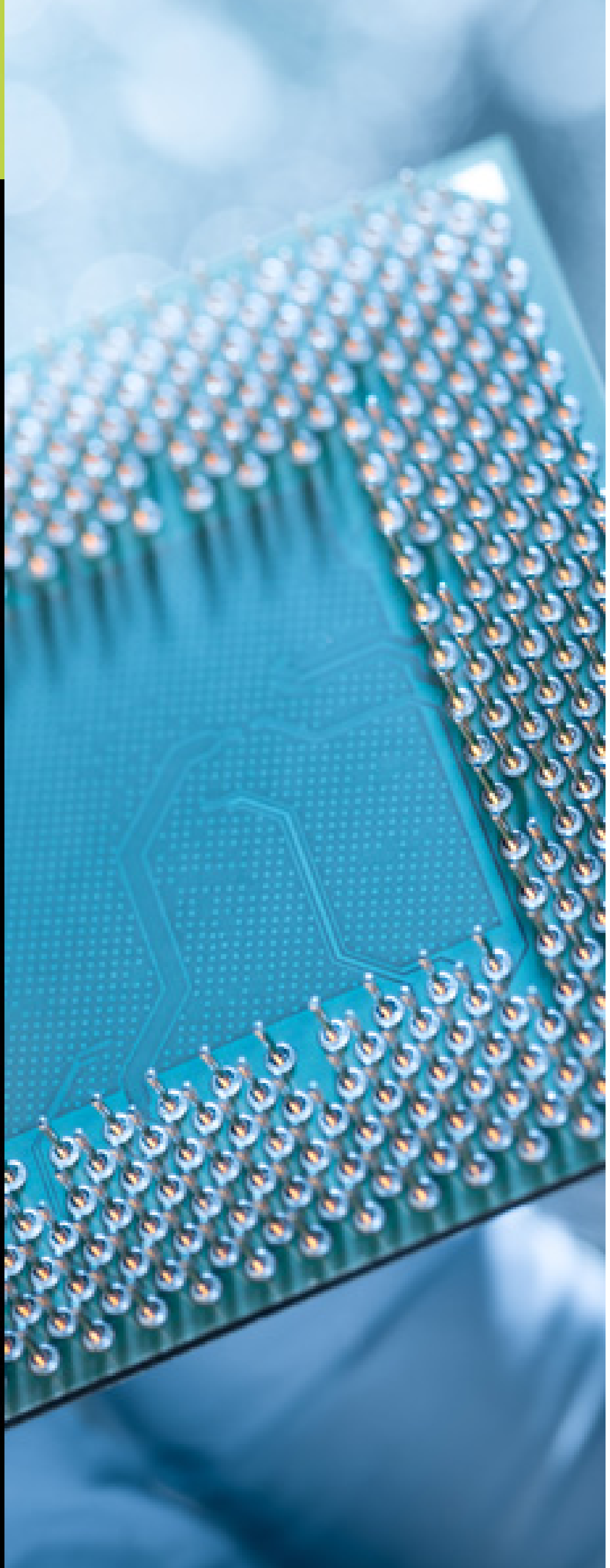
THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND DECLARATIONS OF INTEREST

12 THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND DECLARATIONS OF INTEREST

N/A.



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DOCUMENTS ON DISPLAY

The Articles of Association, financial statements and reports, minutes of the General Meetings and other corporate documentation may be consulted at the Company's Registered Office: 5, Rue Jorge Semprun – BP 74215 - 31432 Toulouse Cedex 4 or on its website: http://www.actia.com.

The information provided on the websites mentioned by the hypertext links: www.actia.com, www.cofrac.fr, www.basecarbone.fr and www.middlenext.com of this Universal Registration Document, with the exception of information incorporated by reference, does not form part of this universal registration document. As such, this information has not been reviewed or approved by the AMF.

Contact us

ACTIA Group

A limited liability company with share capital of €15,074,955.75

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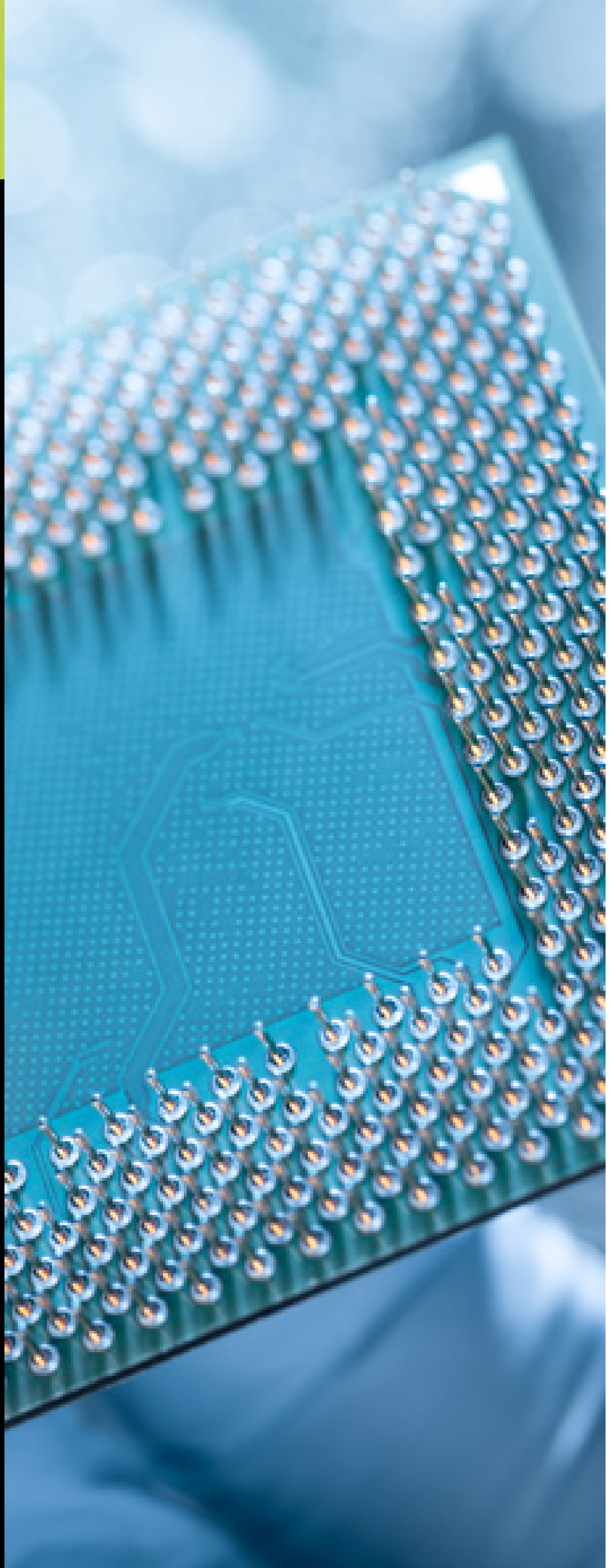

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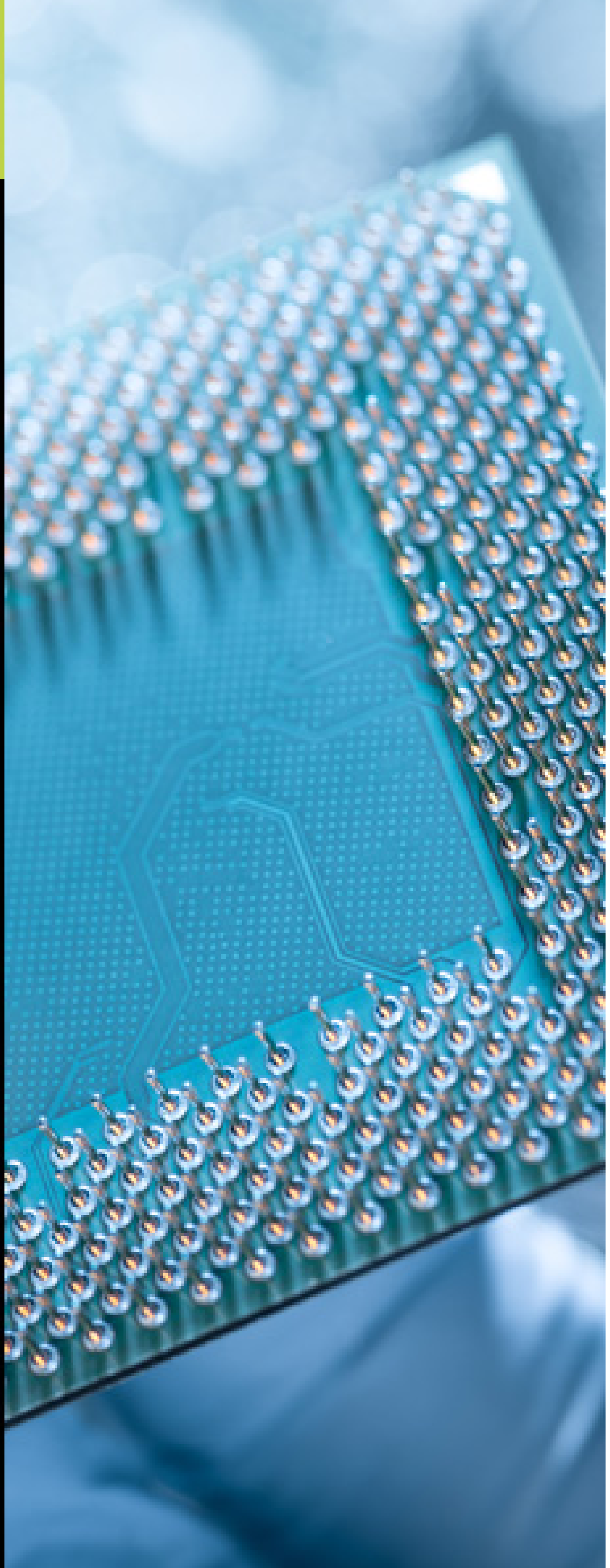
INFORMATION ON HOLDINGS

14 INFORMATION ON HOLDINGS

The information on this topic is set out in Note 3.2 “Consolidated companies” in the notes to the consolidated financial statements.



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CONCORDANCE TABLES

15.1 UNIVERSAL REGISTRATION DOCUMENT CONCORDANCE TABLE

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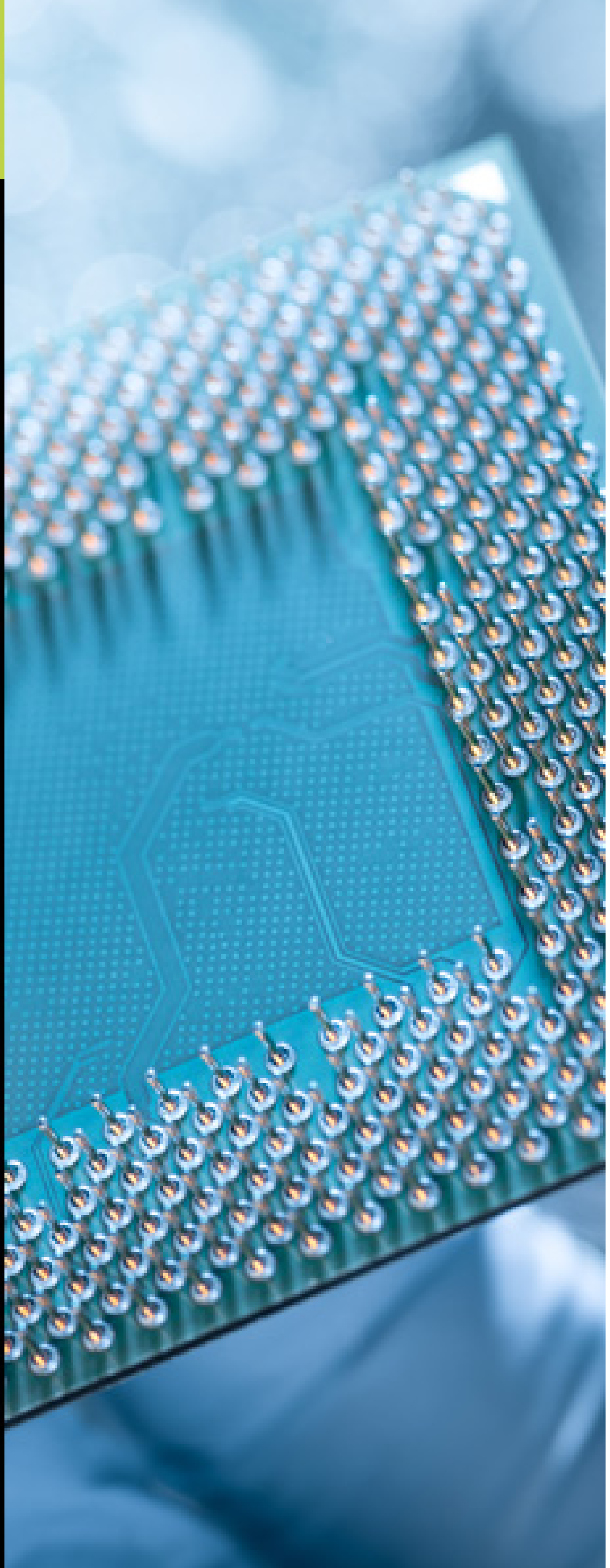
15.3 INCORPORATION BY REFERENCE OF 2019 AND 2020 FINANCIAL STATEMENTS

The following information has been incorporated by reference in this Universal Registration Document:

- Reviews of operations, IFRS consolidated financial statements and French GAAP separate financial statements for the period ended 31 December 2019 as well as the related Statutory Auditors' reports;
- Reviews of operations, IFRS consolidated financial statements and French GAAP separate financial statements for the period ended 31 December 2020 as well as the related Statutory Auditors' reports;
- Selected financial information.

This information is included in the French language versions of the 2019 Registration Document filed on 27 April 2020 and the 2020 Registration Document filed on 28 April 2021 with the AMF.



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GLOSSARY

To facilitate the reader's understanding, selected technical terms and acronyms are defined below:

- **ACTIA Connect**: an extranet type portal proposing connected Web services directly available from the Multi-Diag® diagnostic tool. These services offer the mechanic on-line support. The portal provides a secure area reserved for Multi-Diag® customers through a user ID and password.
- **ACTIA Fleet**: a global solution combining equipment and services for managing commercial vehicle fleets designed and developed by ACTIA. ACTIA Fleet proposes a modular equipment approach – telematics devices, displays, etc. and services – global positioning, fuel consumption management and management of and exploitation of driving event data.
- **ActiMux**: an embedded multiplexed architecture solution for buses and coaches developed by ACTIA. This solution includes a range of on-board computers, dashboard clusters and gauges.
- **Actuator**: Electric motor used to activate various functions (control the oil or fuel pressure, set the headlights to a given angle, and so on) so that another system can be controlled in specific conditions.
- **Aftermarket**: the secondary market of the automotive industry. In the sector for industrial vehicles, a distinction is made between the original equipment manufacturer market (OEM) and the secondary market that covers post-equipment operations, maintenance and repairs.
- **Dual-use item**: the control of exports of dual-use goods and technologies is implemented by governments to fight against the destabilising accumulation of arms in certain regions of the world. The controls are carried out for goods subject to restrictions to certain destinations.
- **BMS (Battery Management System)**: electronic modules to regulate the power of different battery cell blocks.
- **Tachograph**: a device for monitoring the activity of commercial vehicles transporting passengers and merchandise. Mandatory in the European Union, this equipment measures driving time and speed in order to regulate the circulation of commercial vehicles by contributing to improved safety.
- **Cloud**: cloud-based IT which uses the computing and storage power of remote servers via the Internet.
- **Cluster**: a term that in our area (and which may have other meanings in other areas) refers to an electronic instrument cluster or panel ("digital dash") that includes different displays: screen, gauges (see "gauge").
- **COMCEPT**: an acronym for COMplément de Capacités en Elongation, Projection et Théâtre, a contract awarded by the French military procurement agency (DGA) to Airbus Defence and Space (ex-Astrium) and its partner ACTIA Telecom (ex-ACTIA Sodielec) to provide the French military forces access to Ka-band broadband satellite networks starting in 2014.
- **DGA**: an acronym for Direction Générale de l'Armement, the French military procurement agency. It is responsible for designing, purchasing and evaluating military systems for the French armed forces;
- **EasyTach**: a software application developed and sold by ACTIA Group for automatically and remotely downloading legal data from the tachograph equipping the commercial vehicles (see "Tachograph").
- **EBSF**: European Bus System of the Future. EBSF is the first joint project for the urban bus system in the form of a consortium of 49 partners from 11 countries. Launched in 2008 and coordinated by UITP, the International Association of Public Transport, this project integrates through a global approach the needs of passengers, operators, transport authorities, and drivers and is focused on addressing issues relating to urban infrastructure and the place of the bus in the city of tomorrow.
- **Electre**: a project for the deployment of digital substations led by RTE (see "RTE").
- **RE**: an acronym for Renewable Energy or energy coming from sources that are naturally replenished or replenished at a pace faster than it is used.
- **End of Line**: electronic diagnostics solution for vehicles at the end of assembly lines.
- **ETI**: an "Entreprise de Taille Intermédiaire" (in French) is a mid-cap company with between 250 and 4,999 employees, and either revenue of less than 1.5 billion euros, or a balance sheet total of less than 2 billion euros.

- **FCPE**: “Fonds Commun de Placement d’Entreprise” (in French) is a type of property investment fund. It is for the sole use of employees (and retired former employees) who have a company savings account. All the beneficiaries are the joint owners of a portfolio of diversified financial assets. FCPEs are managed by a collective investment fund.
- **Gearing**: Net debt to Equity
- **Microwave**: the microwave technology is based on the emission and analysis of high frequency radio waves. ACTIA Group uses this technology in transmission equipment for Earth stations (see “Earth stations”).
- **IATF**: International Automotive Task Force.
- **iCAN**: a telematics device designed for light vehicle fleets in the aftermarket segment. The device is connected to the OBD socket in the driver cabin to transmit vehicle operating data to a fleet management software application**.**
- **IHM-I**: a range of intelligent and connected solutions equipped with a control interface for buses and coaches. These products are available for the post-equipment market. They include communications protocols that make it possible to provide customers with onboard access to the Internet, telephony or different navigation, driving and operating services such as antitheft and shock detection, emergency calls, opening doors, engine ignition authorisation or fleet management.
- **Infotainment**: a term within the activities of ACTIA referring to product ranges used to provide passenger entertainment and information services on buses, coaches, subways, tramways and trains.
- **Inductance**: component characterised by its ability to create a magnetic flux when it is provided with an electrical current.
- **IRIS**: International Railway Industry Standard. This is the international railway standard. Created in 2006 at the initiative of UNIFE (see “UNIFE”), this standard is the industry quality benchmark integrating all requirements specific to this sector.
- **ISO TS 16949**: the international quality management system standard for the automotive sector. Developed by IATF (see “IATF”), the International Automotive Task Force representing European and American automotive manufacturers and equipment manufacturers, with the objective of harmonising requirements of the different stakeholders in terms of the quality system.
- **ITxPT**: a cooperative initiative for the implementation of standards for public transport IT systems. The systems are intended to operate perfectly when they are used or connected for the first time without any need for reconfiguration. An integrated test bench provides specification, test, qualification and promotion services for standardised solutions.
- **Lean**: this refers to “lean manufacturing,” a management theory developed in Japan by Toyota to reduce waste by applying a continuous improvement approach across the entire organisation. It can be applied to any type of business or production process.
- **Leverage**: Net debt to EBITDA
- **MCO**: a French acronym for “Maintien en Condition Opérationnelle” (In-Service Support). This global support package covers all processes required to guarantee the operations of a system over time. In the case of electronic systems, these processes cover the redesign of the boards, their repair, the storage of components, etc.
- **MSA methods**: measurement and analysis methods. Validation of the number of errors in a measurement system. An analysis of measurement systems assesses the test method, the measurement instruments and all of the process to obtain measurements to ensure the integrity of the data used for the analysis.
- **High speed Internet**: this national programme is intended to quickly reduce the number of areas with low-speed Internet thanks to the modernisation of current telecommunications networks. In addition to the economic and social stakes of the new digital economy, this programme will also help to provide access to areas far from major cities.

- **Multi-Diag®**: is the multi-make offering for diagnostics devices and software developed and marketed by ACTIA Group. This range is designed to maintain and repair electronic parts of passenger and commercial vehicles irrespective of the manufacturer. It is sold to Aftermarket vehicle maintenance and repair service networks worldwide.
- **Multiplexing**: a technology which enables the transmission of a very large amount of data between electronic command management devices and accessories using a reduced amount of cabling.
- **NADCAP**: National Aerospace and Defense Contractors Accreditation Program. NADCAP is a quality certification programme for subcontractors and suppliers in the aerospace and defence sectors. This programme defines the quality standard criteria for each product, manufacturing process and service. This programme was developed by major customers such as Boeing, Airbus, Safran, Rolls Royce, Bombardier and Zodiac.
- **OBD**: On-Board Diagnostic.
- **ONCF**: an acronym for Office National des Chemins de Fer, the Moroccan national railway company.
- **Opacimeter**: device for measuring the opacity level of the exhaust fumes from diesel engines, used especially during periodic vehicle inspections. The opacimeter emits a light beam that passes through the exhaust fumes and quantifies the opacity level. The value measured must be below the limit value. This device is therefore used for anti-pollution testing, and provides a means of detecting failures that cause pollution, such as clogging of the engine or particulate filter, an air filter in poor condition, etc.
- **NATO**: North Atlantic Treaty Organisation. Founded on 4 April 1944, a political and military alliance grouping 28 member countries (Europe and North America) with the mission of protecting the liberty and security of its members.
- **PEE**: "Plan d'Epargne Entreprise" (in French) / Company Savings Plan: a collective savings system that allows employees (and directors, in small businesses) to acquire securities with help from the company.
- **PCCN**: an acronym for Poste Contrôle Commande Numérique, a digital protection and control system. This system is used by Enedis. It defines a new technical level (PCCN level) that equips all new installations and replaces previous equipment requiring overly expensive operating maintenance.
- **RTE**: is the electricity transmission system operator of France. It is responsible for the operation, maintenance and development of the French high voltage transmission system and ensuring the security of the electrical system.
- **(SAM-ATOM):** An embedded PC for buses and coaches to manage applications and services for location, communication, multimedia and driver-vehicle interface functions between the driver and passengers, ticketing, video surveillance, etc.
- **SAMI**: an embedded unit for the post-equipment market making it possible to transmit operating data of transport vehicles for advanced maintenance operations. It also features a black box function for detailed recordings of technical parameters that may be analysed in the event of a vehicle failure or accident.
- **Say on pay:** The expression Say-on-Pay refers to a legal rule which allows the shareholders of a company to vote on executive compensation.
- **SCADA** (Supervisory Control And Data Acquisition): a large-scale remote-access system capable of managing large quantities of remote measurements in real time and controlling technical equipment remotely.
- **Shelter**: a shelter (container) hosting various functions, notably for military applications: complete equipment which can be moved from one site to another.
- **SIL 4** (Safety Integrity Level): relative level of risk reduction inherent to a safety function. It is a measure of the expected performance of a safety function. The requirements for the highest (most reliable) give a level SIL4. A SIL is determined from a given number of quantified factors in the management of the development and/or lifecycle.
- **SMART GRID**: an intelligent electrical grid for optimised energy performance with a remote control capability.
- **SMART POWER**: Smart Power peripherals are switching circuits with digital content. They interface with microprocessors and a load. These intelligent switches are designed to control a wide range of loads in automotive and industrial systems.

- **Earth station**: an Earth station is a terrestrial radio station for receiving and/or broadcasting satellite communications. It is used for both civilian and military applications.
- **Embedded systems**: a generic term referring to all on-board electronic equipment in vehicles. These systems are in most cases located at the level of the chassis but communicate with cabin devices, and mainly displays (see “cluster,” “gauges,” “switch pack”).
- **Green Taxonomy**: refers to a classification of economic activities that have a favourable impact on the environment. Its objective is to direct investments towards “green” activities.
- **Telematics**: etymologically a technology combining telecommunications and information technology. In the areas covered by ACTIA, telematics refers to vehicle connectivity and covers not only embedded communications devices capable of transmitting data, but also user services enabled by the use of the data: global positioning, vehicle fleet management, monitoring of fuel consumption, etc.
- **TGU**: Telematic Gateway Unit. The TGU is an electrical unit designed and manufactured by ACTIA equipping commercial and industrial vehicles that allows these vehicles to communicate with their environment. This communications capability serves many purposes: global positioning, monitoring of fuel consumption, maintenance, etc.
- **UNIFE**: The European Rail Industry Association (Union des Industries Ferroviaires Européennes).
- **VCI**: Vehicle Communication Interface, referring to the device connected to the OBD (see “OBD”) for vehicle connectivity. This device normally located in the vehicle cabin is connected to the vehicle’s electronic control units and gives access to a range of vehicle operating data. Exploiting this data through the VCI provides information about the electronic health of the vehicle and as such contributes to its maintenance. A VCI is consequently an embedded telematics unit.

Conception et Réalisation

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PARADIGM

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