

**SOGECCLAIR**  
**S.A. WITH CAPITAL OF €3204,901**  
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Half-Yearly Financial Report  
for the half year ending 30 June 2021  
(L 451-1-2 III of Monetary and Financial Law  
Article 222-4 et seq. of the General Regulations of the AMF)

Here we present the half-yearly financial report for the half year ending 30 June 2021 drawn up in accordance with the provisions of Articles L. 451-1-2 III of Monetary and Financial Law and 222-4 *et seq.* of the General Regulations of the AMF (Financial Markets Authority).

This report has been distributed in accordance with the provisions of Article 221-3 of the general regulations of the AMF. In particular, it is available on the company's website :[www.sogecclair.com](http://www.sogecclair.com).

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## **I. Declaration of the person responsible**

"I certify that the information contained in this document, to my knowledge, conforms to reality and that there are no omissions that could affect its scope.

I certify that, to my knowledge, the accounts for the past half have been established in accordance with the applicable accounting standards and give a true and faithful picture of the asset base, financial situation and results of the company and of all the companies included in the consolidation, and that the activity report for the half-year given in II] and starting on page 3 presents a true and faithful picture of the important events of the first six months of the financial year, of their impact on the accounts, the main transactions between the related companies as well as a description of the main risks and uncertainties for the remaining six months of the financial year."

14/09/2021

Philippe ROBARDEY  
President & Chief Executive Officer

## II. Half-yearly activity report

### 1. Key figures for the half year (in € million)

The SOGECLAIR Board of Directors met on 6 September 2021, and examined the accounts for the first half 2021. The limited examination procedures relative to the half-yearly accounts were carried out and the limited examination report was submitted on 9 September 2021.

The company issued a half-yearly financial report as soon as possible after the end of the first half, on 8 September 2021, by means of a press release.

This report has been distributed in accordance with the provisions of Article 221-3 of the general regulations of the AMF. In particular, it is available on the company's website: [www.sogclair.com](http://www.sogclair.com).

#### 1.1. Consolidated turnover

(€ million)	H1 2021	H1 2020	Variation
Group	59.1	68.9	-14.2%
Aerospace	44.7	51.2	-12.7%
Simulation	13.9	17.2	-19.2%
Vehicle	0.5	0.4	+6.0%
International	28.1	37.3	-24.7%

#### 1.2. Consolidated results

(€ million)	H1 2021	H1 2020
EBITDA <sup>1</sup>	1.8	-1.1
as % of turnover	3.0%	-1.6%
Operating result	-2.0	-17.1
Net result	-1.9	-16.3
including group share	-1.5	-15.9

#### 1.3. Financial structure

(€ million)	H1 2021	H1 2020	2020
Equity capital	55.2	46.0	47.6
Net debt*	10.9	20.9	18.5
Gearing <sup>2</sup>	19.8%	45.4%	38.9%
WCR	18.8	32.8	23.8

\*including deferred "covid" social debts of €12.0 million for H1 2021 compared with €4.3 million for H1 2020

<sup>1</sup> Operating result - Other operating income and expenses + amortisation expenses and operating provisions

<sup>2</sup> Net debt / equity capital

## 2. General description of the financial situation and results of the issuing company and its subsidiaries during the first half

The first half saw:

- A 14.2% downturn in the activity owing to a high baseline effect of the pre-Covid 1<sup>st</sup> quarter 2020, with an 18.7% increase in the 2<sup>nd</sup> quarter compared with the same period in 2020. All the geographical zones also progressed in the 2<sup>nd</sup> quarter 2021 except Europe which fell back slightly by 3.9%. It was Asia Pacific at +45.5%, then America at +30% and France at +23.7% that were the most dynamic,
- EBITDA which returned to positive territory at €1.8 million compared with -€1.1 million for the 1<sup>st</sup> half 2020, EBIT at -€2.0 million compared with -€17.1 million for the same period in 2020,
- A net result of -€1.9 million compared with -€16.3 million for the 1<sup>st</sup> half 2020.

The balance sheet was strengthened with equity capital standing at €55.2 million, that is an increase of 20%. The net debt including the deferment of the "covid" social debts was entered as financial debts standing at nearly €10.9 million. Gearing stood at 19.8 % compared with 45.4% for the 1<sup>st</sup> half 2020.

## 3. Explanation of the important operations and events in the first half and of their impact on the situation of the issuing company and its subsidiaries

### Aerospace Division (turnover €44.7 million - EBITDA €2.8 million)

The aerospace division (75.7% of turnover) fell by 12.7% over the half-year, with a significant upturn in the 2<sup>nd</sup> half at + 34.3%.

The division's activity in the first half was marked by:

- Relaunched activity in Germany,
- Beginning of a turnaround for commercial aviation,
- Good growth in the space sector,
- Strong dynamics for business aviation.

EBITDA stood at 6.3 % of turnover compared with -€0.6 million and -1.1 % of turnover for the 1<sup>st</sup> half 2020.

### Simulation Division (turnover €13.9 million - EBITDA -€1.2 million)

The division's activity (23.5% of turnover) fell by 19.2% in the 1<sup>st</sup> half and by 13.2% in the 2<sup>nd</sup> quarter under the effect of the ending of the large automobile simulator programme. The simulation division suffered the consequences of a ransomware attack that froze the railway activity for one month, costing about €1 million.

Its activity in the 1<sup>st</sup> half was marked by:

- The entry of Dassault Systèmes into the subsidiary A.V. Simulation (cash increase in capital of €10 million for 15% of the capital / Oktal (Sogclair) holds 55.25%,
- A cyber-attack: operating losses of €1 million for OKTAL-SYDAC further to a production shutdown for 1 month and security measures,
- Strengthened R&D.

EBITDA represented -8.4% of turnover compared with -€1.4 million and -7.9% of turnover for the 1<sup>st</sup> half 2020.

### Vehicle Division (turnover €0.5 million - EBITDA -€0.5 million)

The division's activity (0.8% of turnover) progressed by 6% with respect to the 1<sup>st</sup> half 2020. The vehicle division pursued its commercial investments in its counter-IED vehicle offering.

EBITDA stood at -104.1% of turnover compared with -€0.4 million and -94.2% of turnover in the 1<sup>st</sup> half 2020.

## 4. Description of the main risks

The risks linked to SOGECLAIR's activity are detailed in chapter 4 of the Universal Registration Document 2020, available on the SOGECLAIR website ([www.sogclair.com](http://www.sogclair.com)).

## 5. Perspectives

With improving profitability and a sound balance sheet, SOGECLAIR confirms its forecast for a profitable year 2021.

The “ONE SOGECLAIR” transformation plan which will offer a revised offering that is more “premium” and a more flexible organisation aims to achieve a significant improvement in our performance compared with the pre-COVID years.  
Olivier PEDRON (ex-Collins Aerospace) has been taken on to assist with the implementation of this plan.

### III. . Accounts for the past half-year presented in consolidated form

#### 1.1.1 Consolidated accounts

#### 1. CONSOLIDATED FINANCIAL SITUATION

ASSETS (€k)	NOTES	H1 2021	H1 2020	2020
Goodwill	2.3.2 & 5.1	13,157	12,647	12,679
Intangible assets	5.1	6,857	6,898	7,517
Property, plant and equipment	5.2	10,810	14,342	11,827
Equity method affiliates	5.3	227	229	226
Investments in associates	5.3	3,533	3,579	3,513
<b>Non-current assets</b>		<b>34,584</b>	<b>37,693</b>	<b>35,762</b>
Inventories	5.4	10,631	13,908	10,848
Trade and other receivables	5.5	46,051	49,299	45,121
Available-for-sale financial assets		19,509	16,651	18,836
Deferred income tax	5.6	8,143	7,700	8,011
Cash and cash equivalents	5.7	37,115	43,806	45,877
<b>Current assets</b>		<b>121,450</b>	<b>131,364</b>	<b>128,693</b>
<b>TOTAL ASSETS</b>		<b>156,033</b>	<b>169,057</b>	<b>164,455</b>

  

LIABILITIES (€k)	NOTES	H1 2021	H1 2020	2020
Capital	5.8	3,205	3,098	3,098
Share premium account	5.8	8,924	7,269	7,269
Own shares	5.8	-745	-739	-745
Reserves and accrued profits		32,838	31,072	31,817
<b>Equity capital, group share</b>		<b>44,221</b>	<b>40,701</b>	<b>41,439</b>
Minority interest	5.9	10,956	5,294	6,122
<b>Equity capital, consolidated group</b>		<b>55,177</b>	<b>45,995</b>	<b>47,561</b>
Long-term provisions	5.10	4,038	4,581	4,291
Long-term qualified pre-payments	5.11	1,276	1,917	1,299
Borrowings	5.11	24,638	24,530	19,932
Other long-term liabilities		241	1	241
<b>Non-current liabilities</b>		<b>30,193</b>	<b>31,028</b>	<b>25,763</b>
Short-term qualified pre-payments	5.11	614	20	614
Current part of loans and long-term financial liabilities	5.11	9,482	30,985	31,888
Payables and other financial liabilities	5.11	7	2,929	462
Short-term borrowings	5.12	3,211	10,995	7,124
Trade and other payables		17,984	15,753	15,776
Tax and social liabilities		31,590	25,346	27,655
Other liabilities		7,776	6,006	7,612
<b>Current liabilities</b>		<b>70,663</b>	<b>92,035</b>	<b>91,131</b>
<b>TOTAL LIABILITIES</b>		<b>156,033</b>	<b>169,057</b>	<b>164,455</b>

## 2. CONSOLIDATED INCOME STATEMENT

INCOME STATEMENT (€k)	NOTES	H1 2021	H1 2020	2020
Sales	5.13	59,091	68,892	123,052
Other income from the activity	5.14	1,259	1,285	7,255
Cost of goods sold		-24,657	-31,845	-55,324
Personnel charges		-32,930	-38,364	-66,328
Taxes and duties		-653	-656	-1,232
Amortisation and provisions		-3,700	-2,728	-7,172
Other charges		-315	-390	-932
Current operating income		-1,905	-3,805	-680
Other operating income and charges	5.15	-81	-13,315	-12,566
Operating profit before contribution of equity method affiliate income		-1,986	-17,120	-13,247
Share of equity method affiliates in profit		1	-1	-4
Operating profit		-1,985	-17,121	-13,251
Income from cash flow and cash flow equivalents		641	-307	-759
Gross finance costs		-285	-359	-735
Net finance costs	5.16	356	-666	-1,493
Other financial income and charges	5.17	52	46	15
Income before taxes		-1,576	-17,741	-14,729
Income tax expense	5.18	-327	1,431	868
Net profit		-1,904	-16,310	-13,861
Group share		-1,490	-15,935	-14,311
Minority interest		-413	-375	450
(Euros)		H1 2021	H1 2020	2020
Net profit per share, group share <sup>(1)</sup>		-49	-5.40	-4.84
Diluted net profit per share, group share <sup>(1)</sup>		-49	-5.40	-4.84

<sup>(1)</sup> The calculation of the number of shares adopted is indicated in paragraph 5.8 of this document.

NET INCOME STATEMENT AND GAINS AND LOSSES ENTERED DIRECTLY AS EQUITY CAPITAL (€k)	H1 2021	H1 2020	2020
Net profit	-1,904	-16,310	-13,861
Elements that will subsequently be reclassified as net result:	1,134	-699	-866
Conversion rate adjustment for foreign entities	1,134	-699	-849
Fair value restatement of assets and long-term debts			-17
Elements that will not subsequently be reclassified as net profit:	85	-68	48
Actuarial gains and losses on defined benefit schemes	114	-92	65
Related taxes	-29	24	-17
Total gains and losses entered directly as equity capital	1,218	-767	-818
Consolidated income	-685	-17,077	-14,680
Parent company owners' share	-279	-16,695	-15,126
Non-controlling interests	-407	-382	446
Consolidated income	-685	-17,077	-14,680

### 3. CASHFLOW

#### 3.1. CONSOLIDATED CASHFLOW STATEMENT

CONSOLIDATED CASHFLOW STATEMENT (€k)	NOTES	H1 2021	H1 2020	2020
<b>Net result of integrated companies (including minority interests)</b>		-1,904	-16,310	-13,861
+/- Net amortisation and provisions (excluding those relative to current assets)		-454	15,695	15,691
-/+ Unrealised gains and losses linked to fair value variations		-15	-15	-29
-/+ Transfer capital gains and losses		100		3
-/+ Dilution gains and losses		633	-26	-604
+/- Share in results of associates consolidated by the equity method		-1	1	4
- Dividends (non-consolidated securities)			-37	-37
<b>Cashflow after net finance costs and tax</b>		<b>-1,641</b>	<b>-691</b>	<b>1,168</b>
+ Net finance costs		247	368	717
+/- Tax charge (including deferred taxes)	5.18	327	-1,431	-868
<b>Cashflow before net finance costs and tax (A)</b>		<b>-1,067</b>	<b>-1,754</b>	<b>1,017</b>
- Taxes paid (B)		-502	2,221	-3,183
+/- Variation in WCR linked to the activity (including debt linked to staff benefits) (C)		4,616	12,041	28,008
<b>= NET CASHFLOW GENERATED BY THE ACTIVITY (D) = (A + B + C)</b>		<b>3,047</b>	<b>12,508</b>	<b>25,843</b>
- Cash outflows linked to the acquisition of tangible and intangible assets		-1,004	-1,610	-3,918
+ Cash inflows linked to the sale of tangible and intangible assets			3	10
- Cash outflows linked to the acquisition of financial assets (non-consolidated securities)	5.3			
+/- Impact of changes of scope		25	-83	-1,033
+ Dividends received (equity method affiliates, non-consolidated securities) * cf. alternative processing 7.2			37	37
+/- Variation in loans and advances granted	5.3	2	-13	-1,305
+ Investment subsidies received			97	68
<b>= NET CASHFLOW LINKED TO INVESTMENT OPERATIONS (E)</b>		<b>-977</b>	<b>-1,570</b>	<b>-6,141</b>
Acquisition of holdings not giving control				
+ Sums received from shareholders at time of capital increases		9,835		
-/+ Buyback and resale of own shares			-59	-65
- Dividends payable during the period				
- paid to shareholders of the parent company	2.3.9	-897	-2,662	-2,662
- paid to minority shareholders of consolidated companies		-142		
+ Receipts linked to new borrowings	5.11	56	24,802	24,827
- Reimbursement of borrowings (including leasing contracts)	5.11	-19,055	-3,968	-7,782
- Net financing interest paid (including leasing contracts)		-267	-280	-567
+/- Other flows linked to financing operations				
<b>= NET CASHFLOW LINKED TO FINANCING OPERATIONS (F)</b>		<b>-10,470</b>	<b>17,833</b>	<b>13,752</b>
+/- Impact of changes in currency change rates (G)		92	-27	-170
<b>= NET VARIATION OF CASHFLOW (D + E + F + G)</b>		<b>-8,308</b>	<b>28,745</b>	<b>33,283</b>



### 3.2. NET FINANCIAL DEBT VARIATION STATEMENT

NET FINANCIAL DEBT (€k)		OPENING	ENTRY INTO SCOPE	VARIATION	EXCHANGE DIFFERENCES	CLOSING
Gross cashflow	(a)	45,877	25	-8,880	93	37,115
Debit balances and bank loans and overdrafts	(b)	462		-455	1	7
<b>Net cashflow</b>	<b>(c) = (a) - (b)</b>	<b>45,416</b>	<b>25</b>	<b>-8,425</b>	<b>92</b>	<b>37,108</b>
Gross financial debt	(d)	47,144		-17,262	58	29,940
Debt on lease contracts	(e)	6,589		-597	78	6,071
<b>Net financial debt</b>	<b>(d)+(e) - (c)</b>	<b>8,317</b>	<b>-25</b>	<b>-9,434</b>	<b>44</b>	<b>-1,097</b>

<sup>(1)</sup> The impact of the IFRS 16 standard on the group's debt amounted to €6,071 k on 30 June 2021.

The group paid back €14.8 million of the €23.6 million of the PGE (State-Guaranteed Loan) which had been taken out in April and May 2020 further to the Covid-19 pandemic and benefitted from deferred social contributions amounting to €12.0 million on 30 June 2021.

The entry into the scope of consolidation concerns the new company Sogclair Engineering GmbH created in Germany.

The potential mobilisation of commercial and tax receivables on 30 June 2021 is included in the debt.

The financing sources for investments are detailed in chapters 5.3.1 and 6.5.11 of the Universal Registration Document 2020.

SOGCLAIR also has an own shareholding with an off-balance sheet stock market value (excluding liquidity contract), based on the stock market value on 30 June 2021, amounting to €3.2 million, not posted in the cashflow.

### 4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€k)	Group share						Equity capital, minority interests	Total equity capital
	CAPITAL	Reserves linked to the capital	Own shares	Consolidated reserves and profit	Gains and losses entered directly in capital	Equity capital, group share		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Equity capital, year-end N (31 December 2019)</b>	3,098	7,269	-680	51,143	-481	60,348	5,696	66,044
Operations on capital								
Share-based payments								
Operations on own shares			-65			-65		-65
Dividends				-2,662		-2,662		-2,662
Result for the period				-14,311		-14,311	450	-13,861
Gains and losses entered directly as equity capital					-815	-815	-4	-818
<b>Net gains and losses entered directly as equity capital</b>				-14,311	-815	-15,126	446	-14,680
Variation of scope				-497		-497	-21	-518
Other movements				-5	-556	-561	2	-560
<b>Equity capital, year-end N (31 December 2020)</b>	3,098	7,269	-745	33,668	-1,851	41,438	6,122	47,560
Operations on capital	107	1,654				1,761		1,761
Share-based payments								
Operations on own shares								
Dividends				-2,658		-2,658	-200	-2,858
Result for the period				-1,490		-1,490	-413	-1,904
Gains and losses entered directly as equity capital					1,212	1,212	6	1,218
<b>Net gains and losses entered directly as equity capital</b>				-1,490	1,212	-279	-407	-685
Variation of scope								
Other movements				4,428	-471	3,958	5,441	9,398 <sup>(2)</sup>
<b>Equity capital, closure N (30 June 2021)</b>	3,205	8,924	-745	33,948	-1,110	44,220	10,956	55,177

<sup>(1)</sup> including €897 k paid in cash and €1,761 k converted into shares. See paragraph 2.3.9 of this document.

<sup>(2)</sup> Increase in capital of €10 million subscribed to on 15/01/2021 by Dassault Systèmes in the A.V. Simulation subsidiary for 15% of the capital

### 1.1.1. Appendixes to the consolidated accounts

## 1 – KEY EVENTS – IMPACT OF THE COVID-19 HEALTH CRISIS

### ◆ Entry of Dassault Systèmes into the capital of A.V.Simulation

On 15 January 2021 SOGECLAIR concluded the entry of Dassault Systèmes into the capital of A.V.Simulation, a joint RENAULT and OKTAL subsidiary (head of the SOGECLAIR Simulation division), dedicated to automobile mobility simulation solutions.

The capital increase subscribed to by Dassault Systèmes totalled €10 million. On completion of this capital increase, Oktal holds 55.25%, Renault 29.75% and Dassault Systèmes 15% of A.V.Simulation.

Dassault Systèmes' entry into the capital will notably make it possible to:

- Strengthen the investments in R&D aiming for certification of the autonomous vehicles' on-board systems, steered by the realistic simulation of the information exchanges with their environment,
- Development of international sales.

The integration of A.V.Simulation's SCANeR™ software in Dassault Systèmes' 3DEXPERIENCE Platform makes it possible to propose a complete simulation solution with different degrees of vehicle autonomy in order to shorten development cycles, cut the costs of prototyping and physical testing and finally to speed up certification.

### ◆ APPRECIATION OF THE FINANCIAL PERFORMANCE

The turnover of €59.1 million for the first half 2021 was down by 14.2% with respect to the first half 2020, taking into account the high baseline effect of the pre-Covid 1<sup>st</sup> quarter 2020. Of note, the turnover for the second quarter of €30.4 million, up by 18.7% with respect to the second quarter 2020.

The **aerospace division** (75.7% of turnover): the activity picked up significantly in the second quarter. The activity in Germany was relaunched on 1<sup>st</sup> March. Business aviation, progressing by 35.3 % in the first half, represented 43.9% of the group's turnover; it leapt by 94% in the second quarter. After a first quarter that bore the high baseline effect of the first quarter 2020, commercial aviation (-46.9% in the first half) saw a significant turnaround in the second quarter at +26.4%.

The **simulation division** (23.5% of turnover): fell by -13.2% in the second quarter under the effect of the ending of the large automobile simulator programme. The remainder of the activity grew, despite the Ransomware attack which cost nearly €1 million in the second quarter, blocking production for 1 month at OKTAL SYDAC. Restated to take this into account, turnover for the second quarter was more or less stable. The entry of Dassault Systèmes into the capital of the subsidiary A.V.Simulation in early 2021 supports R&D and the commercial deployment plan for 2022 and the following years.

The **vehicle division** (0.8% of turnover) progressed by 6%. It continues to be subject to the decision-making cycles of the public sector. Its international commercial activities are buoyant.

Like in 2020, the group has not modified its financial performance indicators.

### ◆ GROUP FUNDING OPERATION AND LIQUIDITY MANAGEMENT

In the second quarter 2021, the group reimbursed €14.8 million out of the €23.6 million of the PGE (State-Guaranteed Loan) it had taken out in April and May 2020 further to the health crisis, that is to say nearly 63 %.

The detailed information on the group's financial debt is presented in point 5.11.

The group has also benefitted from deferred social and tax due dates amounting to €12.0 million on 30 June 2021.

### ◆ DEPRECIATION TESTS ON THE NON-FINANCIAL ASSETS

The health crisis has caused an abrupt deterioration in the aviation market resulting in activities being interrupted, a loss of turnover, and operating losses.

Loss-of-value tests have been implemented to 31 December 2020 such as described in point 2.3.2.

We do not anticipate any economic deterioration going beyond the shock scenario such as described in paragraph 2.3.2 of this appendix for which the recoverable values remain higher than the asset values.

Furthermore, no indication of a loss of value has put into question the review of the development expenses conducted to 31 December 2020.

## ◆ PERSPECTIVES

The expected positive dynamic is being confirmed quarter after quarter, the low point in our activity is now behind us. The governmental support and relaunch plans are making it possible to maintain R&D at a high level. The adaptation that has been implemented allows us to devote ourselves to the transformation plan that will be presented in September, when the results are published for the first half 2021.

## 2 - INFORMATION RELATIVE TO THE ACCOUNTING BASELINE, THE CONSOLIDATION PROCEDURES AND THE VALUATION METHODS AND RULES

### 2.1 Standards applied

Pursuant to regulation N°1606/2002 adopted on 19 July 2002 by the European Parliament and Council, the half-yearly accounts of the SOGECLAIR group have been established in accordance with the IFRS baseline such as adopted in the European Union.

#### Standards, amendments and interpretations of the IFRS standards applicable as from 1<sup>st</sup> January 2021

The new standards applicable as of 1<sup>st</sup> January 2021 have not had any significant impact on the accounts to 30 June 2021.

#### Standards not applied by SOGECLAIR

The new standards, revisions of the IFRS standards and interpretations published by the IASB not yet adopted by the European Commission are not applied by the SOGECLAIR Group.

### 2.2 CONSOLIDATION PROCEDURES

The companies of significant size, controlled exclusively and in which the group exercises direct or indirect control over more than 50% of their capital have been consolidated by overall integration.

The subsidiaries are companies controlled by the group. Control supposes the exercising of a power over relevant activities, the exposure to variable returns as well as the capacity to use its power to have an influence over those returns.

The applicable consolidation methods are covered by the IFRS 11 standard as far as the partnerships are concerned.

The shares in the other non-consolidated shareholdings are posted in the "Investments in associates" item for their cost of acquisition.

Furthermore, companies are excluded from the scope of consolidation if their individual or collective weight is considered to be "non-significant".

Here, this concerns:

- ADM (35% subsidiary of SOGECLAIR AEROSPACE SAS).

### 2.3 EVALUATION METHODS AND RULES

#### 2.3.1 Conversion of the foreign companies' accounts

The group's presentation currency is the euro, the operating currency of the group's foreign companies is their local currency: pound sterling for Sogclair Aerospace Ltd and Sydac Ltd, Tunisian dinar for Sogclair Aerospace Sarl, Moroccan dirham for Sogclair Aerospace Maroc Sarl, Canadian dollar for Sogclair Aerospace Inc, MSB Design Inc and Ressources Globales Aéro Inc, and the US dollar for MSB Globales Ressources Corp, MSB Aerospace Corp and MSB Aerospace Llc, Rain USA, Oktal USA and AV.Simulation USA, Australian dollar for Sydac Pty Ltd, Indian rupee for Sydac Simulation Technologies India Pvt Ltd.

The accounts of the group's foreign companies are posted in their operating currency, and their accounts are then converted into the group's presentation currency as follows:

- The balance sheet items, with the exception of the equity capital which is maintained at its historical cost, are converted using the closing date exchange rate.
- The income statement items are converted using the average rate for the period.

The income statement exchange differential is included in the other consolidated income items and therefore does not have any impact on the net result (it will be recycled as income in the event control is lost over the subsidiary).

The goodwill posted at the time of grouping with foreign companies is booked in the acquired company's assets and liabilities: it is therefore included in their operating currency and converted into euros at the closing exchange rate. There are therefore variations in the value of the assets which are explained in the consolidated income statement.

### 2.3.2 Goodwill and assimilated

In compliance with the IFRS standards, goodwill was frozen in 2004 and is no longer amortised, but depreciation tests are performed annually (and/or half-yearly should indications of losses of value appear).

Depreciation is recorded once the recoverable value of the CGU to which the goodwill is assigned is lower than its net book value.

A Cash Generating Unit (CGU) is the smallest identifiable group of assets whose continuous utilisation generates cash inflows that are largely independent from the cash inflows generated by other assets or groups of assets.

Thus, the CGUs identified in the group are the legal entities, it being stated that when the legal entities have strong economic ties several entities are grouped together within one CGU.

Furthermore, a CGU necessarily and exclusively belongs to one of the operational sectors chosen by Sogecclair by way of application of IFRS 8.

In this respect, the legal entities named Sogecclair Aerospace (GmbH in Germany, Ltd in the United Kingdom, SA in Spain, SARL in Tunisia and Morocco, SAS in France) and Sogecclair Engineering GmbH in Germany, have been grouped together in a single CGU given their indivision as transactional economic assets and their strong ties with the aeronautical industry. Likewise for the Canadian and American entities MSB Ressources Globales Inc, MSB Design Inc, MSB Globales Ressources Corp and MSB Aerospace LLC which have been grouped together in a single CGU.

The Oktal SAS, Oktal USA, A.V.Simulation SAS, A.V.Simulation USA and Oktal Synthetique Environnement SAS, completed by the Sydac Pty Ltd, Sydac Ltd and Sydac Simulation Technologies India Pvt Ltd acquired companies, are grouped together in a single CGU due to their technical synergy.

The recoverable value is the highest value between the net fair value of the cost of disposal, when that can be determined, and the going concern value.

The net fair value of the costs of disposal corresponds to the best estimate of the net value that could result from a transaction made under the conditions of normal competition between well-informed and consenting parties. This estimate is determined on the basis of the market information available taking any special situations into account.

The going concern value adopted by Sogecclair corresponds to the present value of the cash-flows from the identified CGUs. These flows are determined in the framework of the following economic assumptions and forecast operating conditions:

- the cashflows used are derived from three-year "Medium-Term Plans" for the entities concerned available on the valuation date and are extended to a five-year horizon,
- beyond that horizon, the terminal value corresponds to the capitalisation to infinity of the last flow within the horizon, on the basis of a rate to infinity of 2%,
- the actualisation rate stood at 7.69%, at the end of 2020, on the basis:
  - of the 10-year risk-free rate of -0.42%,
  - and of a market premium of 5.5% to which an average over five years of the Beta coefficient specific to Sogecclair is assigned, confirmed by other sources (Bloomberg, Thomson, Infiniti), of 1.42.

A "shock" called "mathematical shock" is applied to the most sensitive underlying parameters (growth of the activity, level of the operating margin, investments) to test the sensitivity of the estimation to an unfavourable change in the CGU's economic environment; the hypotheses adopted for the mathematical shock consist of halving the activity's growth rate and reducing the level of the operating margin (EBITDA) by 30%, and halving the amount of the investments, with respect to the values of the basic business plan.

The recoverable values, based on the going-concern values, are then compared at year-end with the net book values of the goodwill for determining any depreciation.

On 30 June 2021, no indication of a loss of value has put the depreciation tests into question.

### 2.3.3 Intangible assets – development expenses

Concerning the work immobilised as development expenses, the amounts posted as assets include all the development expenses through to completion of the work in accordance with IAS 38 along with the related financial costs in accordance with IAS 23.

The amounts immobilised are straight-line amortised over a period of 3 to 10 years depending on the programmes, according to the most probable perspectives of the economic return on the results of the work.

There are currently six main programmes that have led to the assetisation of development expenses and the related financial expenses:

(€k)	Assetisation period	Amortisation period	Gross amount	Amount still to be amortised
Aerospace Division				
Thermo-compression aeronautical subassemblies	Since 2009	10 years starting from series deliveries	7,741	1,780
Modular aeronautical training platform	Since 2014	4 years starting from commercialisation of the modules	61	5
Aircraft interior monuments	Since 2009	7 years starting from series deliveries	1,498	599
Vehicle Division				
Multi-mission terrestrial drone	Since 2013	5 years starting from assetisation	173	2
Simulation Division				
Terrain modellers (Agetim, Ray and Fast products) for simulators	Since 2003	5 years starting from assetisation	2,612	346
Simulation engines for the following sectors: - automobile (ScanNer product), - rail (OkSimRail product) -air traffic (ScanAds product)	Since 2005	5 years starting from assetisation	5,673	2,254

### 2.3.4 Financial instruments

In respect of IFRS 7 it is stated that loans contracted by the group are fixed-rate loans or are covered by a rate swap, and that there are no off-balance sheet financial instruments, nor any securitisation of the customer posting.

In the framework of its exposure to exchange rate risks, SOGECLAIR has been covering some of its contracts in US dollars since the beginning of 2012. These are guaranteed-rate instruments and do not involve any adjustment in respect of hedge accounting. Any coverage losses or profits are entered as a result when accomplishing the exchange operation and at their fair value at each half-year/year-end closing date.

On 30 June 2021 the coverage taken out by SOGECLAIR amounted to USD 7.3 million falling due in March 2022.

To date there are no commitments within SOGECLAIR SA or the group involving complex financial instruments.

### 2.3.5 Leases

The IFRS 16 standard-Leases, whose application has been obligatory from 1 January 2019, was applied early by the SOGECLAIR group as from 1 January 2018. It requires lessors to book all of their outstanding leases for eligible contracts in the form of a:

- 1) Utilisation right, as immobilisations;
- 2) Leasing liability, as a financial cost.

The group has restated all of its eligible contracts, valued in a dedicated software application and has opted for the simplified retroactive method by booking the accumulated effect of IFRS 16 in its equity capital on the date of first application.

The first application of the standard on 1 January 2018 has resulted in an increase in the group's debt and of the assets of the order of €8.5 million, giving an increase of 14.9% in gearing.

The debt owing to application of the IFRS 16 standard on 30 June 2021 was €6.1 million representing 10.9% of Gearing.

### Additional information concerning the IFRS 16 standard - Leases

(€k)	OPENING	PROVISIONS or INCREASES	WITHDRAWALS or REDUCTIONS	EFFECT OF EXCHANGE RATE VARIATIONS	RECLAS- SIFICATION	CLOSING
<b>Amortisations for utilisation rights, by category of underlying assets</b>	- 3,110	-1,513				-1,513
Property, plant and equipment	- 3,006	-1,461				-1,461
Movable property	- 104	-52				-52
<b>Interest charges on lease obligations</b>	- 127	-60				-60
Property, plant and equipment	- 122	-59				-59
Movable property	- 5	-1				-1
<b>Charges booked relative to short-term leases</b>	3,249	1,575				1,575
Property, plant and equipment	3,139	1,520				1,520
Movable property	110	55				55
<b>Book value of assets transferred</b>		-14				-14
Property, plant and equipment		-14				-14
Movable property						
<b>Other operating income</b>		15				15
Property, plant and equipment		15				15
Movable property						-
<b>Gross value of the utilisation rights on closing date, by category of underlying assets (1)</b>	23,246	1,133	-320	204	0	24,263
Property, plant and equipment	22,829	1,133	- 320	198		23,840
Movable property	417			6		423
<b>Accumulated amortisations on closing date, by category of underlying assets (2)</b>	-16,781	-1,513	105	-127	0	-18,316
Property, plant and equipment	-16,506	-1 461	105	-123		-17,984
Movable property	- 276	-52		-4		-332
<b>Book value of assets in respect of utilisation rights on closing date, by category of underlying assets (3) = (1)-(2)</b>	6,465	-380	-214	77	0	5,947
Property, plant and equipment	6,324	-328	-214	75		5,856
Movable property	141	-52	0	2		91
<b>Lease-related liabilities</b>	6,589	1,133	-1,729	78	0	6,071
Non-current liabilities	4,004	715	-63	-17	-1,284	3,355
Current liabilities	2,585	418	-1,666	95	1,284	2,717

#### 2.3.6 Current assets

In accordance with the IAS 1 standard (Presentation of financial statements), an asset is classified current if you are intending to realise or sell it in the framework of the normal operating cycle, or realise it within the twelve months following the balance sheet date, or lastly if it is a cash asset.

The following assets are therefore classified as being current:

- inventory

- advances and down payments
- trade and other receivables
- deferred tax assets
- cash and cash equivalents
- prepaid expenses
- other receivables

### 2.3.7 Utilisation of estimates

Establishing the financial statements in line with the IFRS baseline requires the use of estimates and hypotheses that may have an impact on the book value of certain elements of the balance sheet and of the income statement.

These estimates and appreciations are updated by Management on the basis of operating continuity according to the information available on the date the accounts are closed. They may change according to events and information that could put into question the circumstances under which they were made.

These estimates essentially concern:

- deferred tax assets (Note 5.6)
- End-of-career indemnities and provisions (Note 5.10)
- Long-term contracts and losses on completion (Note 5.10)
- Evaluation of goodwill (Note 2.3.2)
- Development expenses (Note 2.3.3)

### 2.3.8 Current and non-current liabilities

In accordance with the IAS 1 standard (Presentation of financial statements) liabilities are classified current and non-current.

A liability is classified current if it must be settled in the framework of its normal operating cycle, or settled within the twelve months following the balance sheet date.

The following contingent liabilities are therefore classified current:

- the part of finance costs and qualified prepayments that are reimbursable within less than one year following the balance sheet date,
- trade and other payables,
- tax and social liabilities,
- short-term provisions,
- deferred tax liabilities,
- other liabilities.

The other contingent liabilities are classified non-current.

### 2.3.9 Dividends paid

The distribution of dividends paid out in respect of the year 2020 to the parent company's shareholders during the period ending 30 June 2021 is as follows:

- Payment in cash €897 k
- Payment in shares €1,761 k

The rights exercised in favour of the payment of the dividend in shares was materialised by the creation of 106,866 new ordinary SOGECLAIR shares (representing nearly 3.45 % of equity capital on the basis of the equity capital before the new issue).

### 2.3.10 Events after balance sheet date

None.

### 2.3.11 Other information

None.

### 3 - SCOPE

#### 1. List of consolidated companies

NAME	COUNTRY	ACTIVITY	% OF HOLDING IN 2021	% OF HOLDING IN 2020
<b>Companies consolidated by full consolidation</b>				
Aviacomp SAS	France	Aeronautical and defence structural subassemblies	100.00%	100.00%
A.V.Simulation SAS	France	Software and Simulators	54.15%	63.70%
A.V.Simulation USA	USA	Software and Simulators	54.15%	63.70%
MSB Aerospace LLC	USA	Aircraft interior subassemblies	100.00%	100.00%
MSB Aerospace CORP	USA	Sub-holding	100.00%	100.00%
MSB Design INC	Canada	Aircraft interior subassemblies	100.00%	100.00%
MSB Global Ressources CORP	USA	Aerostructure, Systems installation, Configuration management, Equipment	100.00%	100.00%
Oktal SAS	France	Software and Simulators	98.00%	98.00%
Oktal USA	USA	Software and Simulators	98.00%	98.00%
Oktal Synthetic Environment SAS	France	Virtual environments	54.95%	54.95%
Ressources Globales Aéro INC	Canada	Aerostructure, Systems installation, Configuration management, Equipment	100.00%	100.00%
Rain Luxembourg SA	Luxembourg	Sub-holding	100.00%	100.00%
Rain USA	USA	Sub-holding	100.00%	100.00%
Séra Ingénierie SAS	France	Vehicle	100.00%	100.00%
Sogclair SA	France	Holding	Parent	Parent
Sogclair Engineering GMBH**	Germany	Aerostructure, Systems installation, Configuration management, Equipment	100%	-
Sogclair Aerospace INC*	Canada	Sub-holding	100.00%	100.00%
Sogclair Aerospace LTD	United Kingdom	Aerostructure, Systems installation, Configuration management, Equipment	100.00%	100.00%
Sogclair Aerospace SA	Spain	Aerostructure, Systems installation, Configuration management, Equipment nts	87.95%	87.95%
Sogclair Aerospace SARL	Tunisia	Aerostructure, Systems installation, Configuration management, Equipment	100.00%	100.00%
Sogclair Aerospace Maroc SARL fermée au 31/12/2020)	Morocco	Aerostructure, Systems installation, Configuration management, Equipment	100.00%	100.00%
Sogclair Aerospace SAS	France	Aerostructure, Systems installation, Configuration management, Equipment	100.00%	100.00%
Sydac Pty Limited	Australia	Software and Simulators	98.00%	98.00%
Sydac Limited	United Kingdom	Software and Simulators	98.00%	98.00%
Sydac Simulation Technologies India Pvt Ltd	India	Software and Simulators	98.00%	98.00%
<b>Entreprises associées mises en équivalence</b>				
S2E Consulting SAS	France	Systems engineering and electricity	46.98%	46.98%
PrintSky SAS	France	3D printing solutions in the Aeronautical, Aerospace and Defence sectors	51%	51%

\* Merger-takeover on 01/01/2021 of 2 holding companies in Canada without any operational activities, ALCA and GMS, by Sogclair Aerospace INC

\*\* Company created on 01/03/2021



## 4 - INFORMATION MAKING IT POSSIBLE TO COMPARE THE ACCOUNTS

### Method

No changes that could have an impact on the comparability of accounts have been made during the period to the accounting methods or to the evaluation procedure relative to the processing of the financial information.

## 5 - EXPLANATIONS ON THE ITEMS ON THE CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT

### 5.1 Intangible assets

GROSS VALUES (€k)	OPENING	INCREASES	ASSETS GENERATED INTERNALLY	OUTLAYS	EXCHANGE RATE DIFFERENCES	RECLASS- IFICATION	CLOSING
Goodwill	13,598				488		14,086
Development expenses	29,456		371		94		29,921
Software and brands and other intangible assets	12,109	99		-105	120		12,223
Current assets	120	91		-24			187
<b>Total</b>	<b>55,283</b>	<b>190</b>	<b>371</b>	<b>-128</b>	<b>702</b>		<b>56,418</b>

  

AMORTISATION & PROVISIONS (€k)	OPENING	AMORTISATION AND LOSSES OF VALUE	ASSETS GENERATED INTERNALLY	OUTLAYS	EXCHANGE RATE DIFFERENCES	RECLASS- IFICATION	CLOSING
Goodwill	-919	-10					-929
Development expenses	-23,790	-786			-59		-24,634
Software and brands and other intangible assets	-10,378	-452		91	-102		-10,841
<b>Total</b>	<b>-35,087</b>	<b>-1,247</b>		<b>91</b>	<b>-160</b>		<b>-36,404</b>

  

<b>Net value</b>	<b>20,196</b>						<b>20,014</b>
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The detail of the immobilised expenses is given in paragraph 2.3.3 of this document.

### 5.2 Tangible assets

GROSS VALUES (€k)	OPENING	INCREASES	OUTLAYS	EXCHANGE RATE DIFFERENCES	RECLASS- IFICATION	CLOSING
Technical installations, plant & equipment	6,366	79		64		6,510
Installations & fittings	4,180	4		17	30	4,232
Utilisation rights for tangible assets <sup>(1)</sup>	23,246	1,133	-320	204		24,263
IT & office hardware	9,116	309	-11	67	-17	9,464
Current assets	30	7	-4		-30	3
Other	3,038	13	-4	8		3,055
<b>Total</b>	<b>45,977</b>	<b>1,545</b>	<b>-338</b>	<b>360</b>	<b>-17</b>	<b>47,527</b>

  

AMORTISATION & PROVISIONS (€k)	OPENING	PROVISIONS FOR DEPRECIATIONS AND LOSSES OF VALUE	OUTLAYS	EXCHANGE RATE DIFFERENCES	RECLASS- IFICATION	CLOSING
Technical installations, plant & equipment	-4,228	-250		-50		-4,529
Installations & fittings	-2,932	-141		-48		-3,121
Utilisation rights for tangible assets <sup>(1)</sup>	-16,782	-1,513	105	-127		-18,316
IT & office hardware	-7,484	-407	11	-54	14	-7,920
Other	-2,725	-100	1	-8		-2,832
<b>Total</b>	<b>-34,150</b>	<b>-2,466</b>	<b>117</b>	<b>-232</b>	<b>14</b>	<b>-36,717</b>

  

<b>Net value</b>	<b>11,827</b>					<b>10,810</b>
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<sup>(1)</sup> The impact of the IFRS 16 standard on 30 June 2021 on the group's net tangible assets amounts to €5,947 k compared with €6,465 k on 31 December 2020.

The exchange rate differences concern the Australian, Tunisian, Moroccan and Indian subsidiaries: Sydac Pty limited, Sogclair Aerospace Sarl, Sogclair Aerospace Sarl Maroc and Sydac Simulation Technologies India Pvt Ltd, the British companies: Sogclair Aerospace Ltd and Sydac limited, the Canadian subsidiaries: Sogclair Aerospace Inc, MSB Design Inc and Ressources Globales Aero Inc, the American subsidiaries: MSB Global Ressources Corp and MSB Aerospace Llc.

#### Additional information concerning the financial leasing contracts (IAS 17):

Net book value of the current financial leasing contracts:

(€k)	GROSS AMOUNT	AMORTISATION	NET BOOK VALUE
Intangible assets	1,894	-1,894	
Tangible assets	6,860	-6,518	341
<b>Total</b>	<b>8,754</b>	<b>-8,413</b>	<b>341</b>

Term for outstanding leasing contracts:

(€k)	< 1 YEAR	1 TO 2 YEARS	3 TO 5 YEARS
<b>Total</b>	<b>130</b>	<b>111</b>	<b>100</b>

### 5.3 Investments in associates

GROSS VALUES (€k)	OPENING	INCREASES	OUTLAYS	VARIATION IN FAIR VALUE	EXCHANGE RATE DIFFERENCES	RECLASS- IFICATION	CLOSING
Shareholdings	5,114		-68	1	13		5,046
Receivables relative to shareholdings	1,297						1,297
Fixed investments							
Loans, guarantees and other receivables	3,496	7	-9	15	6		3,516
<b>Total</b>	<b>9,907</b>	<b>7</b>	<b>-77</b>	<b>16</b>	<b>19</b>		<b>9,859</b>

AMORTISATION & PROVISIONS (€k)	OPENING	AMORTISATION	OUTLAYS	VARIATION IN FAIR VALUE	EXCHANGE RATE DIFFERENCES	RECLASS- IFICATION	CLOSING
Shareholdings	-4,871		68				-4,803
Receivables relative to shareholdings	-1,297						-1,297
<b>Total</b>	<b>-6,168</b>		<b>68</b>				<b>-6,100</b>
<b>Net value</b>	<b>3,739</b>						<b>4,363</b>

### 5.4 Inventory and work in process

GROSS VALUES (in €k)	OPENING	VARIATIONS	OUTLAYS	EXCHANGE RATE DIFFERENCES	RECLASS- IFICATION	CLOSING
Stock of raw materials, supplies and other procurements	2,555	168		67		2,790
Stock of work in process	3,982	-452		15		3,546
Stock of finished and intermediate products	5,341	-300		104		5,145
<b>Total</b>	<b>11,878</b>	<b>-584</b>		<b>186</b>		<b>11,480</b>

PROVISIONS AND DEPRECIATION (€k)	OPENING	PROVISIONS FOR DEPRECIATIONS AND LOSSES OF VALUE	WRITE-BACKS OF DEPRECIATIONS AND LOSSES OF VALUE	EXCHANGE RATE DIFFERENCES	RECLASS- IFICATION	CLOSING
Depreciation of raw materials, supplies and other procurements.	-261	-29	27	-16		-279
Depreciation of work in process	-607	-452	607			-452
Depreciation of finished and intermediate products	-162	-77	121			-118
<b>Total</b>	<b>-1,030</b>	<b>-559</b>	<b>756</b>	<b>-16</b>		<b>-849</b>
<b>Net value of stock</b>	<b>10,848</b>					<b>10,631</b>

The gross value of the goods and procurements is evaluated at the purchase price (including the associated costs minus deductions, discounts, and reductions).

The products manufactured are valued at the standard cost of production including:

- consumption of goods and procurements,
- consumption of procurements according to generally observed costs,
- consumption of standard machine and man hours as stipulated in the manufacturing procedures.

The provisions for stock depreciation essentially concern manufactured products whose cost price is higher than the sale price owing to the learning curve.

## 5.5 Trade and related receivables

The customers' terms of payment have lengthened to 30 June 2021 with respect to 31 December 2020 and are monitored closely.

## 5.6 Deferred tax asset

DEFERRED TAX ASSET (in €k)	H1 2021	H1 2020	2020
Temporary differences	1,627	2,125	2,912
Tax deficits	6,582	5,550	5,136
Restatements	-66	25	-37
<b>Total</b>	<b>8,143</b>	<b>7,700</b>	<b>8,011</b>

A deferred tax asset is constituted on the tax losses and temporary differences if it is probable that the company will dispose of future tax profits to which they may be charged.

SOGELAIR limits the amount of the deferred taxes on the tax deficits of the subsidiaries concerned to 10% of the sales for the year, at year-end, or of the annual budget at the time of the half-year accounts.

Only the deferred tax on the tax deficits of newly created companies is posted in its entirety.

The amount of the accumulated non-assetised deficits on 30 June 2021 totalled an accumulated amount of €1.1 million, representing a non-posted deferred tax of €0.3 million.

## 5.7 Cash and cash equivalents

(€k)	H1 2021	H1 2020	2020
Cash	22,753	26,141	39,541
Cash equivalents	14,362	17,665	6,336
<b>Total</b>	<b>37,115</b>	<b>43,806</b>	<b>45,877</b>

On 30 June 2021, the cash equivalents concerned liquid investments in:

- renewable one-month fixed-term account
- interest-bearing account,
- European capital fund with minimum guaranteed interest and possibility of annual buyback of a proportion without significant penalties.

## 5.8 Equity capital, group share

Sogclair proceeded with the creation of 106,866 ordinary shares as payment of dividends in shares for the 2020 financial year. As a result of this operation the equity capital increased from €3,098 k to €3,205 k on 30 June 2021, and comprised 3,204,901 shares with a nominal value of €1 each. It must be remembered that in accordance with notification 2002-D of the Emergency Committee of the CNC on 18 December 2002 and according to the deliberation of the Board of Directors of SOGELAIR held on 23 December 2002, the self-owned shares are deducted from the consolidated shareholders' equity.

On 30 June 2021, the balance of these shares on the company's books (excluding the liquidity contract) amounted to 142,730 shares (4.45% of the capital). This restatement leads to an accumulated reduction in the consolidated equity capital of €745 k.

The market value of the self-owned shares represents €3.2 M€ on 30 June 2021. The number of shares held in the framework of the liquidity contract amounted to 1,108 on 30 June 2021.

Additional information on the self-owned shares is given in paragraph 4.3, chapter 23 of the 2020 reference document.

#### Reconciliation of the number of shares used for the calculation of the results per share

Period	H1 2021	H1 2020	2020
- Ordinary shares issued	3,204,901	3,098,035	3,098,035
- Self-owned shares (excluding the liquidity contract)	(142,730)	(142,340)	(142,730)
- Self-owned shares (liquidity contract)	(1,108)	(3,028)	(980)
<b>Number of shares used for the calculation of the net result per share, group share</b>	<b>3,061,063</b>	<b>2,952,667</b>	<b>2,954,325</b>
<b>Number of shares used for the calculation of the diluted net result per share, group share</b>	<b>3,061,063</b>	<b>2,952,667</b>	<b>2,954,325</b>

### 5.9 Minority interests

(€k)	H1 2021	H1 2020	2020
<b>At beginning of period</b>	<b>6,122</b>	<b>5,696</b>	<b>5,696</b>
Variation of reserves	5,247 <sup>(1)</sup>	-26	-24
Total income and expenditure entered during the period	-413	-375	450
<b>At end of period</b>	<b>10,956</b>	<b>5,294</b>	<b>6,122</b>

<sup>(1)</sup> Increase in the share of minority interests further to the increase in AV Simulation's capital and entry of Dassault Systèmes into its capital.

### 5.10 Long-term provisions

LONG-TERM PROVISIONS (€k)	OPENING	CONTRIBUTIONS	WRITE-BACKS	ACTUARIAL GAINS AND LOSSES	EXCHANGE RATE DIFFERENCES	CLOSING
Provisions for retirement benefit obligations	2,579	137	-261	-114		2,341
Other provisions for charges	16				1	17
Provisions for losses on contracts	1,462	806	-862		4	,409
Other provisions for risks	233	116	-79			270
<b>Total</b>	<b>4,291</b>	<b>1,059</b>	<b>-1,203</b>	<b>-114</b>	<b>5</b>	<b>4,038</b>

The other provisions for risks essentially concern tax and social risks.

The impact of the reclassification of the actuarial gains (IAS19R) to the reserves amounts to -€114 k.

On 30 June 2021, the discount rate used concerning the retirement benefit provisions correspond to CMT 10 (Constant Maturity Treasury rate) which stood at 0.10%, the real turnover applied was 8.10% and the retirement age was 67.

### 5.11 Current and non-current financial debts

NON-CURRENT FINANCIAL DEBTS (€k)	OPENING	INCREASE	REDUCTION	EXCHANGE RATE DIFFERENCES	RECLASS- IFICATION	CLOSING
Qualified prepayments (+ 1 year)	1,299				-23	1,276
Borrowings and debts with credit institutions (+ 1 year)	15,452	45		73	5,176	20,745
Debt owing in respect of leasing contracts (+ 1 year) <sup>(1)</sup>	4,004	715	-63	-17	-1,284	3,355
Sundry non-current loans and financial liabilities	476	102	-40			538
<b>Total</b>	<b>21,231</b>	<b>862</b>	<b>-104</b>	<b>56</b>	<b>3,869</b>	<b>25,915</b>

CURRENT FINANCIAL DEBTS (€k)	OPENING	INCREASE	REDUCTION	EXCHANGE RATE DIFFERENCES	RECLASS- IFICATION	CLOSING
Current qualified prepayments (-1 year)	614		-23		23	614
Current borrowings and debts with credit institutions (-1 year)	29,218	38	-17,327	-32	-5,176	6,721
Debt owing in respect of leasing contracts (-1 year) <sup>(1)</sup>	2,585	418	-1,666	95	1,284	2,716
Concours bancaires	462	-455		1		7
Sundry current loans and financial liabilities	85	-27	-30	17		45
<b>Total</b>	<b>32,964</b>	<b>-26</b>	<b>-19,046</b>	<b>81</b>	<b>-3,869</b>	<b>10,103</b>

<sup>(1)</sup> Impact of the IFRS 16 standard on 30 June 2021 on the group's net debt was €6,071 k compared with €6,589 k on 31 December 2020.

The medium/long-term bank loan trends, excluding leases, are detailed below:

MEDIUM/LONG TERM BANK LOANS (excluding leases and rental debt) (€k)	2021
Taken out during the half-year	83
Reimbursed during the half-year	17,205 <sup>(1)</sup>

<sup>(1)</sup> including €14,851.5 k of PGE (State-Guaranteed Loan) reimbursed

The gross financial debts schedule is given below:

GROSS LONG-TERM DEBT SCHEDULE (€k)	TOTAL	< 1 year	1 to 2 years	2 to 3 years	3 to 4 years	Longer
Qualified prepayments (+ 1 year)	1,276		1,276			
Borrowings and debts with credit institutions (+ 1 year)	20,745		6,283	5,853	4,967	3,642
Debt owing in respect of leasing contracts (+1 year)	3,355		2,171	1,183	1	
Sundry non-current financial liabilities	538		538			
<b>Non-current financial liabilities</b>	<b>25,915</b>		<b>10,890</b>	<b>6,972</b>	<b>5,212</b>	<b>3,642</b>
Current qualified prepayments	614	614				
Current borrowings and debts with credit institutions	6,721	6,721				
Current debt owing in respect of leasing contracts	2,716	2,716				
Bank loans and overdrafts	7	7				
Sundry current loans and financial liabilities	45	45				
<b>Current financial liabilities</b>	<b>10,103</b>	<b>10,103</b>				

Characteristics of the loans taken out	Fixed-date financial debts <sup>(1)</sup>	Terms	Due dates	Coverage	Financial covenants
Fixed-rate amortisable in euros	27,046	0 to 1.8%	2014-2026	N/A	None

<sup>(1)</sup> Total amount to be reimbursed on 30 June 2021

## 5.12 Short-term provisions

SHORT-TERM PROVISIONS (€k)	OPENING	CONTRIBUTIONS	WRITE-BACKS	EXCHANGE RATE DIFFERENCES	CLOSING
Provisions for restructuring	6,808		-4,115		2,693
Other provisions for charges	31		-1	2	32
Other provisions for risks	286	260	-60		486
<b>Total</b>	<b>7,124</b>	<b>260</b>	<b>-4,176</b>	<b>2</b>	<b>3,211</b>

The provisions for restructuring essentially concern the 2020 headcount reduction plans.

## 5.13 Turnover

In accordance with IFRS 8, turnover is presented division by division in paragraph 6 of this appendix.

## 5.14 Other income from the activity

OTHER INCOME FROM THE ACTIVITY (€k)	H1 2021	H1 2020	2020
Operating and investment subsidies	1,024	289	741
Other income	235	997	6,514
<b>Total</b>	<b>1,259</b>	<b>1,285</b>	<b>7,255</b>

The operating subsidies mainly concern innovation projects. They have been posted at their allocation date and are attached to the period according to the programmes' degree of advancement.

The other income in part includes the research tax credit valued and posted on 31 December. The group has opted to post the research tax credit as "other income" in accordance with the IAS 20 standard.

### 5.15 Other operating income and charges

OTHER OPERATING INCOME AND CHARGES (€k)	H1 2021	H1 2020	2020
Gains or losses on sale of property, plant and equipment	-35		-3
Gains or losses on goodwill		-2,108 <sup>(1)</sup>	-2,108 <sup>(1)</sup>
Other income and charges	-46	-11,207 <sup>(2)</sup>	-10,456 <sup>(2)</sup>
<b>Total</b>	<b>-81</b>	<b>-13,315</b>	<b>-12,566</b>

<sup>(1)</sup> The losses on goodwill correspond to the depreciation of the goodwill relative to Sogclair aerospace GmbH which was removed from the scope of consolidation in 2020.

<sup>(2)</sup> The other operating income and charges correspond to the result of the other non-current operations during the period, notably the costs of restructuring the SOGECLAIR group in 2020.

### 5.16 Cost of net financial debt – Other financial charges and income

The cost of net financial debt includes:

- the income from cash and cash equivalents, that is to say:
  - the interest generated by the cash and cash equivalents
  - the result of the transfer of cash equivalents
- the cost of the gross financial debt, which essentially corresponds to the interest charges on financing operations and to exchange rate variations.

The net exchange rate losses amounted to €603 k on 30 June 2021.

### 5.17 Other financial charges and income

The other financial income and charges amount to €52 k for the half-year and include the income and charges linked to the other financial assets such as income from shareholdings, provisions and write-backs on financial provisions and exchange rate adjustments.

### 5.18 Income tax

The SOGECLAIR SA company has opted for the integrated tax system for the following companies: SOGECLAIR SA, SOGECLAIR AEROSPACE SAS, OKTAL SAS, AVIACOMP and SERA INGENIERIE on 30 June 2021.

TAX CHARGE (€k)	H1 2021	H1 2020	2020
Deferred tax	-99	1,931	1,854
Tax payable <sup>(1)</sup>	-236	-537	-1,032
Income or charge linked to tax integration	8	37	46
<b>Total</b>	<b>-327</b>	<b>1,431</b>	<b>868</b>

<sup>(1)</sup> including CVAE (Corporate Value Added Contribution)

Tax proof is presented below:

TAX PROOF (€k)	H1 2021	H1 2020	2020
Pre-tax profit (loss)	-1,576	-17,741	-14,729
Parent company's tax rate	25.83%	28.92%	28.92%
<b>Theoretical income (charge) tax on profits</b>	<b>407</b>	<b>5,131</b>	<b>4,260</b>
Permanent differences and others	-25	-399	-2,090
Tax-exempted revenue and non-fiscally deductible charges	-77	-674	1,156
Impact of foreign tax rate differences and variations	-12	13	1
Income taxed at reduced rates (1)	-127	-243	-437
Impact of deferred tax deficits and amortisations	-564	-2,430	-3,390
Tax credits	71	34	1,367
<b>Income tax benefit (charge) posted</b>	<b>-327</b>	<b>1,431</b>	<b>868</b>

(1) Impact of CVAE (Corporate Value Added Contribution) in France and of the Trade Tax in Germany

## 5.19 Average workforce

WORKFORCE (full-time equivalence)	H1 2021	H1 2020	2020
Engineers, managers and senior technicians	872	1,157	1,084
Technicians and other non-managerial	285	320	314
<b>Total</b>	<b>1,158</b>	<b>1,477</b>	<b>1,398</b>

## 5.20 Financial commitments

OFF-BALANCE SHEET COMMITMENTS (€k)	H1 2021	H1 2020	2020
<b>Commitments made:</b>			
<b>Relative to company financing operations</b>			
Pledge of equity interests			
Securitized receivables			
Counter-guarantee on overdraft facility			
<b>Relative to the issuer's operating activities</b>			
Acquisitions of tangible assets			
Counter-guarantee on securities			
Counter-guarantee securities on markets	5,502	2,761	5,491
Counter-guarantee securities on tenders			
<b>Sub-total</b>	<b>5,502</b>	<b>2,761</b>	<b>5,491</b>
<b>Commitments received:</b>			
<b>Relative to the issuer's operating activities</b>			
Acquisitions of tangible assets			
Counter-guarantee securities on markets			
From customers on long-term programmes (1)	90,000	103,000	94,000
<b>Relative to company financing operations</b>			
Payment guarantees received from customers			
<b>Sub-total</b>	<b>90,000</b>	<b>103,000</b>	<b>94,000</b>

(1) We draw your attention to the fact that SOGECLAIR has received commitments from its customers on its long-term contracts dependent on their sales. On the basis of firm orders received by those customers, the value of this future income, updated according to the CMT 20 (Constant Maturity Treasury rate) of 0.6% on 30 June 2021, is €88,000 k. Additional information on the programmes subject to risk-sharing is provided in paragraph 4.2 of chapter 4 of the Universal Registration Document.

## 6 - SECTOR-BASED INFORMATION

In accordance with IFRS 8, the issuer has chosen to present the group's activity in three operational sectors corresponding to the sectors reviewed by the main operational decision-maker. It should be noted that no grouping of sectors has been made.

NAME	COUNTRY	ACTIVITY
<b>Aerospace Division</b>		
Aviacomp SAS	France	Aeronautical and defence structural subassemblies
MSB Aerospace LLC	USA	Aircraft interior subassemblies
MSB Design Inc	Canada	Aircraft interior subassemblies
MSB Global Resources CORP	USA	Aerostructure, Systems installation, Configuration management, Equipment
Ressources Globales Aéro INC	Canada	Aerostructure, Systems installation, Configuration management, Equipment
Sogclair Engineering GMBH	Germany	Aerostructure, Systems installation, Configuration management, Equipment
Sogclair Aerospace LTD	United Kingdom	Aerostructure, Systems installation, Configuration management, Equipment
Sogclair Aerospace SA	Spain	Aerostructure, Systems installation, Configuration management, Equipment
Sogclair Aerospace SARL	Tunisia	Aerostructure, Systems installation, Configuration management, Equipment
Sogclair Aerospace Maroc SARL (closed at 31/12/2020)	Morocco	Aerostructure, Systems installation, Configuration management, Equipment
Sogclair Aerospace SAS	France	Aerostructure, Systems installation, Configuration management, Equipment
S2E Consulting SAS	France	Systems engineering and electricity
PrintSky SAS	France	3D printing solutions in the Aeronautics, Aerospace and defence sector
<b>Simulation Division</b>		
A.V.Simulation SAS	France	Software and Simulators
A.V.Simulation USA	USA	Software and Simulators
Oktal SAS	France	Software and Simulators
Oktal USA	USA	Software and Simulators
Sydac Pty Limited	Australia	Software and Simulators
Sydac Limited	United Kingdom	Software and Simulators
Sydac Simulation Technologies India Pvt Ltd	India	Software and Simulators
Oktal Synthetic Environment SAS	France	Virtual environments
<b>Vehicle Division</b>		
Séra Ingénierie SAS	France	Vehicle
<b>Holding</b>		
Sogclair SA	France	Holding
Rain Luxembourg (Holding North America)	Luxembourg	Sub-holding
Rain USA	USA	Sub -holding
Sogclair Aerospace INC	Canada	Sub -holding
MSB Aerospace CORP	USA	Sub -holding

SOGCLAIR's main customers are listed in the Universal Registration Document available on the company's website ([www.sogclair.com](http://www.sogclair.com)).

SOGCLAIR has facilities in France, Germany, Australia, Canada, Spain, India, United Kingdom and USA.

Besides the countries where it has facilities, the countries addressed by SOGCLAIR on 30 June 2021 are: Belgium, Brazil, China, Czech Republic, Denmark, Finland, Ireland, Israel, Italy, Japan, Malta, Mexico, New Zealand, Netherlands, Norway, Romania, Singapore, South Korea, Sweden, Switzerland, Thailand, Turkey.



## 6.1 Consolidated financial situation per division

	AEROSPACE		VEHICLE		SIMULATION		HOLDING	
ASSETS (€k)	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020
Goodwill	8,476	8,148	202	20	4,476	4,476	3	3
Intangible assets	3,397	4,310	5	10	3,363	2,445	92	133
Property, plant and equipment	5,277	7,959	414	598	3,148	3,460	1,971	2,324
Equity method affiliates	227	229						
Other long-term assets	1,292	1,205	3	9	1,407	1,536	831	828
Share eliminations	-17,314	-28,634	-650	-650	-2,823	-2,823	20,788	32,108
Non-current assets	1,354	-6,783	-27	-13	9,571	9,093	23,685	35,397
Inventory and work in-process	10,507	13,828			124	79		
Trade and other receivables	24,858	29,872	567	1 717	20,626	17,703		7
Other circulating assets	4,132	5,882	525	414	7,047	4,853	7,804	5,502
Deferred income tax	5,312	5,533	214	151	2,385	1,777	232	240
Cash and cash equivalents	4,296	20,324	106	1 381	10,866	11,167	21,847	10,935
Current assets	49,105	75,438	1,412	3,663	41,049	35,578	29,883	16,684
<b>TOTAL ASSETS</b>	<b>50,459</b>	<b>68,655</b>	<b>1,385</b>	<b>3,650</b>	<b>50,620</b>	<b>44,671</b>	<b>53,568</b>	<b>52,081</b>

  

	AEROSPACE		VEHICULIER		SIMULATION		HOLDING	
LIABILITIES (€k)	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020
Capital							3,205	3,098
Capital contribution							8,924	7,269
Own shares							-745	-739
Reserves and accumulated results	13,605	296	1,118	1,488	17,275	12,655	839	16,634
Equity capital, group share	13,605	296	1,118	1,488	17,275	12,655	12,223	26,262
Minority interests	99	124			10,857	5,171		
Consolidated equity capital	13,705	419	1,118	1,488	28,132	17,826	12,223	26,262
Long-term provisions	1,657	1,852	89	148	1,991	2,245	301	336
Long-term qualified pre-payments	907	1,548			369	369		
Long-term borrowings and financial debts	10,567	6,163	804	409	1,976	2,449	11,292	15,509
Other long-term liabilities	1	1	240					
Non-current liabilities	13,132	9,563	1,132	556	4,336	5,063	11,593	15,845
Short-term qualified pre-payments	629	35			-15	-15		
Current part of provisions for other long-term liabilities and charges	3,892	17,859	275	965	1,090	7,445	4,225	4,716
Short-term borrowings and financial debts	5	2,925				2	1	2
Short-term provisions	2,955	10,950	70	20			186	25
Trade and other payables	7,612	6,406	271	171	9,068	8,346	1,034	829
Tax and social liabilities	17,938	16,667	1,165	936	11,108	6,880	1,379	863
Other current liabilities	2,397	1,170	41	178	5,337	4,658		
Intra-group eliminations	-11,806	2,659	-2,687	-664	-8,435	-5,533	22,928	3,539
Current liabilities	23,623	58,672	-865	1,606	18,153	21,783	29,752	9,974
<b>TOTAL LIABILITIES</b>	<b>50,459</b>	<b>68,655</b>	<b>1,385</b>	<b>3,650</b>	<b>50,620</b>	<b>44,671</b>	<b>53,568</b>	<b>52,081</b>

## 6.2 Consolidated income statement per division

INCOME STATEMENT (€k)	AEROSPACE		VEHICLE		SIMULATION		HOLDING	
	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020
Sales	44,703	51,222	460	434	13,928	17,237		
Other income from the activity	724	764		4	516	495	18	22
Cost of goods sold	-17,353	-19,943	-302	-526	-6,469	-10,731	-533	-645
Personnel charges	-22,932	-30,034	-704	-723	-8,212	-6,957	-1,081	-649
Taxes and duties	-322	-347	-24	-33	-203	-128	-104	-148
Amortisation and provisions	-1,862	-1,863	-140	-145	-1,124	-200	-574	-521
Other charges	-232	-177		-1	-37	-149	-46	-64
Intra-Group operations	-1,754	-2,074	92	437	-697	-1,130	2,360	2,767
Current operating income	972	-2,451	-619	-553	-2,298	-1,563	39	763
Other operating income and charges	14	-13,178			-43	-140	-51	3
Operating profit before contribution of equity method affiliate income	986	-15,629	-619	-553	-2,341	-1,703	-12	766
Share of equity method affiliates in profit	1	-1						
Operating profit	987	-15,630	-619	-553	-2,341	-1,703	-12	766

## 7 RELATED COMPANIES

### 7.1 Commercial lease

SCI SOTER, the successor to the rights of SCI SOLAIR, and SCI ALAN (since 2019) have a link with one of SOGECLAIR's directors and several of its shareholders who hold a fraction of the voting rights greater than 10 % (refer to chapter 5.3.4 of the Universal Registration Document 2020). The contractual terms and conditions were drawn up according to market rules.

To 30 June 2021, the contractual relations with SCI SOTER and SCI ALAN SOLAIR have been exercised correctly and do not lead us to anticipate any risk for SOGECLAIR. There are no debts with respect to SCI SOTER or SCI ALAN on 30 June 2021.

The future payments will concern the payments of the rentals and charges relative to the rental contracts.

### 7.2 Board of Directors

The number of independent directors exceeds the minimum threshold recommended by the Mollenet Code. The remuneration paid to the members of the Board of Directors is shown in paragraph 8.2.2 "Remunerations paid and allocated" of the report on Corporate Governance present in chapter 8 of the Universal Registration Document.

You are also reminded that there is a life annuity paid for the benefit of Mr Jean-Louis ROBARDEY, further to the purchase of a business completed on 27 December 1985 (Refer to chapter 8.3.3 of the Universal Registration Document).

### 7.3 Directors

No changes have been made during the period to the main directors' short- and long-term benefits.

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**AUDITORS' REPORT ON THE  
HALF YEARLY FINANCIAL INFORMATION**

***Period of 1<sup>st</sup> January 2021 to 30<sup>th</sup> June 2021***

To the shareholders of SOGECLAIR SA,

In performing the duty entrusted to us by your General Meeting and in application of article L.451-1-2 III of Monetary and Financial Law, we have proceeded with:

- a limited examination of the half-yearly consolidated accounts of the company SOGECLAIR SA, relative to the period from 1 January to 30 June 2021, such as appended to this report;
- a verification of the information provided in the half-yearly activity report.

The worldwide crisis related to the Covid-19 pandemic creates special conditions for the preparation and limited examination of the consolidated half-yearly accounts. Indeed, this crisis and the exceptional measures taken in the framework of the health emergency have had multiple consequences for businesses, particularly regarding their activity and financing, as well as generating greater uncertainties concerning their future perspectives. Some of these measures, such as the travel restrictions and working from home, have also had an impact on the internal organisation of companies and on the way we carry out our work.

These half-yearly consolidated financial statements were drawn up under the responsibility of your Board of Directors. It is our duty to express an opinion on these financial statements based on our limited examination.

## CONCLUSION REGARDING THE ACCOUNTS

We conducted our limited examination in accordance with the professional auditing standards in France.

A limited examination essentially consists of interviewing the board members in charge of the accounting and financial aspects and of implementing analytical procedures. These tasks are less extensive than those required for an audit performed according to the professional auditing standards that apply in France. Consequently, the assurance – obtained in the framework of a limited examination – that the accounts taken as a whole do not include any significant anomalies is a moderate assurance, and is lower than that obtained in the framework of an audit.

On the basis of our limited examination, we have not noted any significant anomalies that could put into question, with respect to the IFRS baseline such as adopted in the European Union, the regularity and sincerity of the consolidated half-yearly accounts and the true and faithful picture they give of the asset base, financial situation at the end of the half-year, and of the result for the past half-year of the group made up of the people and entities comprised in the consolidation.

## SPECIFIC VERIFICATION

We have also verified the information provided in the half-yearly activity report relative to the half-yearly consolidated activity report on which we performed our limited examination.

We have no special comment to make regarding their fairness and conformity with the half-yearly consolidated accounts.

**Drawn up in Toulouse, on 9<sup>th</sup> September 2021**

**The Auditors**

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**MAZARS**  
**Hervé KERNEIS**

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**Exco Fiduciaire du Sud-Ouest**  
**Sandrine BOURGET**