



**GROUPE AIRWELL SA**

Public limited company with a board of directors  
Head office: 10 rue du Fort Saint-Cyr, 78180 Montigny Le Bretonneux  
824 596 795 Versailles Company Registry  
(Hereafter "AIRWELL", the "Group" or the "Company")  
<https://www.airwell.com/fr/>

**INTERIM FINANCIAL REPORT AS  
OF 30 JUNE 2023**

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# A. MANAGEMENT REPORT FOR ACTIVITIES

## Strong increase in revenue (+13%) and EBITDA (+10%) in H1 2023 and financial structure strengthened by capital raising

French standards (in €m)	H1 2022	H1 2023	Change
Revenue	28.8	32.5	+12.8%
EBITDA <sup>1</sup>	1.6	1.8	+10.0%
EBIT <sup>2</sup>	1.3	1.6	+15.8%
Net profit	0.9	1.0	+11.4%

**Laurent Roegel, CEO of Airwell:** "Airwell delivered a solid performance in H1 2023, combining strong revenue growth with an increase in our results. It serves to recognise the hard work of our teams day-to-day and our ability to win new market share in an environment still favouring our solutions.

During the first half, we also strengthened our equity and cash position thanks to a successful capital increase of €6.1m in June as part of the transfer of our shares to Euronext Growth® Paris. We therefore have the financial resources to meet our ambitions. To this end, in July, we completed the acquisition of Amzair Industrie which will enhance our premium solutions and integrate all added value by controlling the value chain, from design through to distribution.

This first-half performance fully aligns with our growth trajectory as we target revenue in excess of €100m by 2025 and EBITDA margin of more than 5%."

### Solid results in H1 2023: double-digit growth in EBITDA

In the first half of 2023, the Airwell Group (Euronext Growth, ALAIR), supplier and creator of smart energy ecosystems, generated consolidated revenue of €32.5m, up 12.8% year-on-year. This growth was driven by the residential market, with demand still sustained, notably in sales for Air-Water Heat Pumps which doubled over the period.

France remained the Group's leading market, with 47% of total revenue (up 23.3%), while exports also rose substantially, particularly in Northern and Eastern Europe.

Gross margin totalled €10.1m, up 9.8% on the same period a year earlier. It accounted for 31.1% of revenue versus 31.9% in H1 2022, reflecting a change in the product mix. This indicator illustrates how the Group is able to maintain margins despite an inflationary environment.

During the period, the Group continued developing its training course (Airwell Academy) as well as new offers (Leezy, Hybrid House). As a result, marketing and commercial costs respectively totalled €1.1m (+46.1%) and €4.0m (+10.7%). Supply chain and distribution costs returned to a more normal amount of €1.4m (vs. €1.8m in H1 2022). Lastly, overheads amounted to €1.9m (vs. €1.5m) with €0.3m non-recurring costs (one-off fees).

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<sup>1</sup> EBITDA: Operating income before depreciation, amortisation and impairment of goodwill

<sup>2</sup> EBIT: Operating income after depreciation and amortisation and before goodwill

EBITDA<sup>3</sup> grew at almost the same pace as revenue to €1.8m in H1 2023, versus €1.6m exactly a year earlier, representing an increase of 10.0%.

After depreciation and amortisation, EBIT<sup>4</sup> stood at €1.6m, up 15.8% year-on-year from €1.3m. Operating margin totalled 4.8% for H1 2023 (vs. 4.7% in H1 2022).

Net financial loss was -€0.4m, including interest on the €5m bond issue with Delta AM in January 2023.

After accounting corporate income tax (€0.3m), net profit totalled €1.0m (vs. €0.9m in H1 2022), with a net margin of 3.0%.

### **Financial structure strengthened by recent capital raising**

At 30 June 2023, Airwell's equity amounted to €10.3m versus €3.9m at 31 December 2022, strengthened by the gross capital increase of €6.1m issued in June as part of the transfer of Group shares to Euronext Growth® Paris. This new stock market listing will increase Airwell's visibility among investors and the liquidity of the share.

As of 30 June 2023, cash flow from operating activities of integrated companies remained solid at €1.2m (vs. €1.3m at end-June 2022).

Cash flow from operating activities totalled €(4.9)m at end-June 2023, compared to €0.0m on 30 June 2022. This reflected a €(6.1)m change in WCR (working capital requirement), due to a one-time effect on inventories (significant build-up of Air-Water Heat Pumps combined with peak season at end-June) and an increase in trade receivables (increased invoicing at the end of the period). WCR has since returned to more normal levels.

Cash flow from investing activities amounted to €(0.9)m (with €(0.3)m in investments and €(0.6)m in changes in financial assets versus €0.6m at 30 June 2022 (reflecting exceptional income from the disposal of the Johnson brand).

Cash flow from financing activities totalled €9.4m (vs. €(2.1)m at 30 June 2022), including the capital increase (€6.1m gross) and the €5m bond issue. Also note that a bank loan of €0.9m was repaid during the period.

Gross financial debt was €7.8m (vs. €3.8m at 31 December 2022). Net debt remained under full control, amounting to €2.3m at end-June 2023 (vs. €1.8m at 31 December 2022).

### **Recent acquisition to continue accelerating development and control the value chain**

In the second half of 2023, the Group intends to continue capitalising on commercial momentum in its buoyant markets while continuing to invest in the deployment of new, innovative and distinctive solutions that combine products and services.

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<sup>3</sup> EBITDA: Operating income before depreciation, amortisation and impairment of goodwill

<sup>4</sup> EBIT: Operating income after depreciation and amortisation and before goodwill

Most recently, the Group announced it had acquired the assets of Amzair Industrie – renamed Airwell Industrie – a French designer and manufacturer of high-end connected heat pumps for residential and tertiary buildings, consolidated in Airwell's financial statements since 1 July 2023<sup>5</sup>.

This transaction falls squarely within the Group's growth strategy, as it gradually seeks to control the value chain, from the design through to the production of a premium connected solution with a low carbon footprint. As such, Airwell will integrate 1 Made in France plant including 15 production staff as well as strengthening its technological capabilities with four new HVAC and AI engineers and enhancing its salesforce (two additional sales representatives). The synergies achieved will help the Group to create value in the years ahead, bolstering the ramp-up in new service offerings.

All told, for the fiscal year 2023 the Group is targeting double-digit growth in revenue as in the first half. After a third quarter expected stable, notably owing to the temporary slowdown in French overseas territories (reorganisation of a distributor in the Antilles), there should be a marked acceleration in growth in the latter part of the year.

Besides, the Group reiterates its targets for 2025 which were recently raised, namely revenue in excess of €100m and EBITDA margin of more than 5%.

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<sup>5</sup> See the press release of 29 June 2023

## B. CONSOLIDATED FINANCIAL STATEMENTS

# **GROUPE AIRWELL**

10 rue du Fort de Saint Cyr  
78180 Montigny le Bretonneux

**SEMESTRIAL CONSOLIDATED ACCOUNTS**  
**AT JUNE 30 2023**



## I – CONSOLIDATED BALANCE SHEET

ASSETS	30/06/2023	31/12/2022
<b>In Euros</b>		
Uncalled subscribed capital		
Intangible assets	4 406 483	4 390 941
<i>of which Goodwill</i>	500 000	500 000
Property, plant and equipment	715 391	686 346
Equity-accounted securities		
Long-term financial investments	1 891 799	1 239 298
<b>Fixed assets</b>	<b>7 013 672</b>	<b>6 316 586</b>
Inventories and work in progress	16 613 545	12 241 048
Trade receivables	18 197 020	13 890 702
Other receivables and accruals	2 304 592	4 862 888
Marketable securities		
Cash and cash equivalents	5 564 289	2 069 660
<b>Current assets</b>	<b>42 679 447</b>	<b>33 064 298</b>
<b>Total assets</b>	<b>49 693 119</b>	<b>39 380 884</b>

LIABILITIES	30/06/2023	31/12/2022
<b>In Euros</b>		
Share capital	304 177	242 361
Share premium account	7 407 663	2 112 044
Legal reserve	24 237	13 306
Other reserves		
Retained earnings	-150 259	-542 982
<b>Group reserves</b>	<b>1 678 468</b>	<b>1 039 239</b>
<b>Consolidated income</b>	<b>1 005 700</b>	<b>1 042 882</b>
<b>Shareholders' equity (group share)</b>	<b>10 269 985</b>	<b>3 906 850</b>
<b>Translation differences</b>		
<b>Minority interets</b>	<b>-68 347</b>	<b>-41 081</b>
<b>Provisions for risk and expenses</b>	<b>3 071 321</b>	<b>3 184 326</b>
Loans and debts with credit institutions	2 854 322	3 183 654
Borrowings and financial liabilities	5 000 000	659 915
Trade payables	14 718 729	14 381 879
Tax and social security liabilities	2 005 827	2 353 657
Other liabilities and accruals	11 841 283	11 751 685
<b>Debts</b>	<b>36 420 161</b>	<b>32 330 789</b>
<b>TOTAL</b>	<b>49 693 119</b>	<b>39 380 884</b>

## II – CONSOLIDATED PROFIT AND LOSS

Consolidated Statement of Income	30/06/2023	30/06/2022
In Euros		
Sales of goods	32 227 238	27 848 620
Production sold of goods		
Production sold of services	277 332	979 619
<b>REVENUE</b>	<b>32 504 570</b>	<b>28 828 239</b>
Stocked production		
Write-back of depreciation, provisions, transfer	25 044	244 658
Other operating income	180 287	112 296
<b>Total Income</b>	<b>32 709 901</b>	<b>29 185 192</b>
Purchases of goods and other	26 550 587	15 771 443
Change in stock	-4 147 707	3 856 494
Other purchases and external expenses	4 647 555	4 252 600
Taxes other than on income	100 035	89 248
Payroll costs	3 624 299	3 383 275
Other Operating expenses	89 876	173 074
Depreciation, amortisation and provisions	287 488	314 541
<b>Operating Expenses</b>	<b>31 152 134</b>	<b>27 840 675</b>
<b>Operating income before depreciation, amortisation and impairment of goodwill</b>	<b>1 557 768</b>	<b>1 344 517</b>
Depreciation, amortisation and impairment of goodwill	-151 345	-151 345
<b>Operating income after depreciation, amortisation and impairment of goodwill</b>	<b>1 709 113</b>	<b>1 495 862</b>
Financial income	9 538	700
Financial expenses	463 949	224 590
<b>Financial income</b>	<b>-454 411</b>	<b>-223 890</b>
<b>Current income of integrated companies</b>	<b>1 254 702</b>	<b>1 271 972</b>
Non-recurring income	0	1 000 000
Non-recurring expenses	0	1 000 000
<b>Non-recurring income</b>	<b>0</b>	<b>0</b>
Corporate income tax	276 268	383 613
<b>Net income of integrated companies</b>	<b>978 434</b>	<b>888 359</b>
Share of income of associates		
<b>Net consolidated income</b>	<b>978 434</b>	<b>888 359</b>
Minority interests	-27 266	-14 809
<b>Attributable net income (Group share)</b>	<b>1 005 700</b>	<b>903 168</b>

## III – CONSOLIDATED STATEMENT OF CASH FLOW

	30/06/2023	31/12/2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income of integrated companies	978 434	1 011 571
<i>Elimination of non-cash or non-operational income and expenses</i>		
Amortisation and provisions (net)	20 494	-148 507
Change in deferred taxes	176 628	390 014
(Gain) / loss on disposal		
Other calculated income and expense		
<b>Cash flow from operating activities of integrated companies</b>	<b>1 175 556</b>	<b>1 253 078</b>
<b>Dividends from associates</b>		
Change in operating receivables	(1 079 972)	(4 732 565)
Change in stocks and work in progress	(4 267 335)	(2 974 505)
Change in operating liabilities	(774 303)	7 306
<b>Change in operating working capital</b>	<b>(6 121 611)</b>	<b>(401 349)</b>
<b>Net cash flow operating activities</b>	<b>(4 946 054)</b>	<b>851 729</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisitions of tangible and intangible assets	(375 846)	(544 586)
Disposals or decreases in tangible and intangible assets	100 841	1 062 769
Change in financial assets	(652 500)	(106 722)
Impact of changes in scope of consolidation		
<b>Net cash flow from investing activities</b>	<b>(927 505)</b>	<b>411 461</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Capital increase in cash	5 357 435	1 500 000
Issuance of warrants		
Dividends paid to the parent company's shareholders		
Bonds issued	5 000 000	820 000
Loan repayments	(989 246)	(3 422 571)
<b>Net cash flow from financing activities</b>	<b>9 368 189</b>	<b>(1 102 571)</b>
<b>CHANGE IN CASH FLOW</b>	<b>3 494 630</b>	<b>160 619</b>
Impact of exchange rate changes		
Impact of changes in scope of consolidation		
<b>Opening cash position</b>	<b>2 069 660</b>	<b>1 909 042</b>
<b>Closing cash position</b>	<b>5 564 289</b>	<b>2 069 660</b>
<b>CHANGE IN CASH FLOW</b>	<b>3 494 629</b>	<b>160 618</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**A. ACCOUNTING METHODS AND PRINCIPLES**

The consolidated semestrial financial statements were drawn up in line with accounting principles and valuation rules set by the law and the French Commercial Code, in line with Regulation ANC n° 2020-01 modifying Regulation CRC n°99-02 relative to the consolidated financial statements of public companies.

The preparation of these financial statements requires, on behalf of management, the use of certain forecasts and assumptions which impact the amounts presented in these financial statements and the related notes. Financial outcomes may vary from the forecasts provided.

The semestrial consolidated financial statements were drawn up under the continuity of operations principle and report at 30 June 2023, consolidated net profit group share of 1,005,700 €.

**1. SCOPE OF CONSOLIDATION**

The financial statement of the companies over which GROUPE AIRWELL has exclusive are fully consolidated.

All transactions and significant reciprocal accounts between Group entities have been eliminated.

The companies included within the scope of consolidation are as follows :

<b>Sociétés</b>	<b>Addresses</b>	<b>Activities</b>	<b>% held</b>	<b>% stake</b>	<b>Consolidation method</b>	<b>Closing dates</b>
GROUPE AIRWELL	10 rue du Fort de Saint Cyr 78180 Montigny le Bretonneux	Wholesaler	NA	NA	Parent company	31-déc
AIRWELL RESIDENTIAL SAS	10 rue du Fort de Saint Cyr 78180 Montigny le Bretonneux	Wholesaler	100%	100 %	Full consolidation	31-déc
AIRWELL ACADEMY	10 rue du Fort de Saint Cyr 78180 Montigny le Bretonneux	Training	80%	80%	Full consolidation	31-déc
AIRWELL RESIDENTIAL DEUTSCHLAND GMBH	Dornhofstr.34 62263 Neu-Isenburg Allemagne	Wholesaler	100%	100 %	Full consolidation	31-déc

**2. HIGHLIGHTS OF THE FIRST SEMESTER 2023**

The company made a €5 million bond issue with France Economie Réelle en january 2023.

On another hand, the company carried out a capital increase as part of a public offer previously to the transfer of its shares on Euronext Growth Paris, at a 5€ unit price per share. This operation ended up with a fundraiser of 6.1M€.

Building on these successful operations , which purpose was to strengthen Groupe commercial presence through external growth and organic growth i), continue development of innovative offerings (IOT – A/I) ii), and continue development of Airwell Academy iii), the group acquired, at the end of June 2023, the activities of the company AMZAIR Industrie, designer and French manufacturer of

high-end connected heat pumps for residential and tertiary market. This acquisition was carried out by the subsidiary AIRWELL INDUSTRIE and brings strong synergies between the 2 companies, especially in regards of purchasing, R&D, and service offer.

AIRWELL INDUSTRIE company has a share capital 500.000 €, is hold at 100% by GROUP AIRWELL SA and was incorporated on June 28 2023.

### 3. SUBSEQUENTS EVENTS TO FIRST SEMESTER 2023

No important event to mention

### 4. ACCOUNTING AND CONSOLIDATION METHODS

#### ➤ Equity

The share capital is made up of 6 083 542 shares de 0.05 €.

Group share of the capital at 30 June 2023 amounted to 10 269 985 € , including net consolidated profit group share of 1 005 700 € .

#### ➤ Goodwill

Goodwill corresponds to the difference between the acquisition price investments and their corresponding share of capital. These differences are in priority allocated to identified assets and liabilities in the companies acquired so that their contribution to the consolidated balance sheet is presented at fair value. The remaining difference is booked as goodwill and allocated to each Cash Generating Unit likely to benefit from the synergies of the economic grouping.

In accordance with ANC 2020-01 regulations, the Group carries out impairment tests on goodwill as its useful life is unlimited. These tests are carried out at least once a year at the closing of accounts and when internal or external indicators call into question the level of their net book value. An exceptional impairment is then booked, as appropriate, to adjust fair value.

The amount of gross goodwill booked at the time of acquisition of ARS company was negative at 3 026 900 € and was booked to the provisions for risk and contingencies item. The provision is reversed on a straight line basis over 10 years and booked as « allocations to amortization, depreciation of goodwill » in the income statement.

The goodwill was determined as follows :

<b>Airwell Residential SAS at 12/04/21</b>	<b>€</b>
Share capital + reserves	4,009,092
Net profit	178,919
<b>Equity</b>	<b>4,188,011</b>
Unrealised capital gains on brands	2,721,000
Deferred tax liabilities on unrealised capital gains	-680,250
Deferred tax assets (deficit at 31/12/20)	1,127,115
Total net group cash position at the date of acquisition (A)	7,355,876
<b>Acquisition price of ARS shares (B)</b>	<b>4,328,976</b>
<b>Goodwill (A)-(B)</b>	<b>- 3,3026,900</b>

➤ **Valuation differential**

The valuation differential corresponds, on the one hand, to the restatement at fair value of all of the assets identified in the asset base of the company consolidated, owing to a possible lag in the accounting of the different items of the statement of financial position at their historical cost and their fair value amounts.

The valuation differential is included in the value of assets and liabilities of the consolidated company. The valuation differential was determined for the two brands held by ARS.

The Airwell brand was valued at 3.5 M€ and the Johnson brand at 1 M€. The brands are not amortised owing to their indefinite useful lives.

The Johnson brand was sold during the first half of 2022 for de 1 M€.

➤ **Property, plant and equipment**

Property, plant and equipment are valued :

- At their acquisition cost for assets acquired in return for payment,
- At their production cost for assets produced by the company,
- At their market value for assets acquired free of charge or via exchange.

The cost of an asset is made up of its acquisition price, including any unrecoverable customs duties and taxes, after deducting any reductions, commercial discounts and payment rebates stemming from the costs directly attributable to setting up the asset and its use for its intended function.

Transfer rights, fees and commissions and legal fees linked to the acquisition, are included in the acquisition cost.

All cost which are not part of the acquisition price of an asset and which cannot be linked directly to the costs incurred to set up the asset and ensure its use for its intended purpose, are booked as expenses.

Within the framework of the asset allocation price, ongoing business is restated at zero and revalued either as an intangible, or as goodwill if not attributable.

Intangible assets include the following items :

- Software acquired
- Brand

Amortisation for depreciation are calculated on a straight line basis in line with the useful life of the asset.

- |                     |                 |
|---------------------|-----------------|
| ▪ Software acquired | 3 et 5 years    |
| ▪ Brand             | Non-amortisable |

For brands, impairment testing is carried out each year. Impairment is booked when the current value of the asset is lower than its net book value.

➤ **Property, plant and equipment**

Tangible assets are valued :

- At their acquisition cost for assets acquired in return for payment,
- At their production cost for assets produced by the company,
- At their market value for assets acquired free of charge or via exchange.

The cost of an asset is made up of its acquisition price, including any unrecoverable customs duties and taxes, after deducting any reductions, commercial discounts and payment rebates stemming from the costs directly attributable to setting up the asset and its use for its intended function.

Transfer rights, fees and commissions and legal fees linked to the acquisition, are included in the acquisition cost.

All cost which are not part of the acquisition price of an asset and which cannot be linked directly to the costs incurred to set up the asset and ensure its use for its intended purpose, are booked as expenses.

Amortisation for depreciation are calculated on a straight line basis in line with the useful life of the asset.

- |                                     |                   |
|-------------------------------------|-------------------|
| • General equipment and furnishings | 5 years           |
| • Furniture and office equipment    | from 1 à 10 years |
| • Assets under construction         | Non-amortisable   |

➤ **Long-term financial investments**

The gross value is made up of the acquisition cost excluding ancillary expenses. When the carrying value is lower than the gross value, an impairment is booked to cover the difference.

➤ **Inventories**

Inventories are valued using the weighted average method.

Depreciation is applied when carrying value is lower than the book value.

In particular, this depreciation is assessed by taking account of the age of the products and sales statistics.

Thus, products less than one year old are not depreciated.

Products that are 1 to 2 years old, and for which sales statistics suggest they could be sold in more than six months, are depreciated at 30%. If calculations based on sales indicate that they should be sold within the next six months, then no depreciation is applied.

Products older than 2 years are depreciated at 100% if sales statistics indicate it would take more than 3 years to sell them, 50% for sales in one to 3 years, 30% for sales in 6-12 months, and 0% for sales within zero to 6 months.

The gross value of merchandise includes the acquisition price and transport costs.

➤ **Trade and other receivables**

Receivables are measured at their nominal value. Depreciation is applied when the carrying value is lower than the book value.

➤ **Foreign currency transactions**

Income and expenses denominated in foreign currencies are recognized on the balance sheet at their exchange value at the transaction date. Debt, receivables, cash & cash equivalents denominated in foreign currencies are recognized on the balance sheet at their exchange value using the closing rate for the period.

➤ **Deferred tax assets**

Deferred tax assets are determined, using the liability method, based on temporary differences between the tax base and the accounting base for assets and liabilities. They are treated in accordance with the extended framework which was made obligatory by regulation ANC 2020-01.

Non-meaningful restatements of deferred tax assets have not been taken into consideration..

➤ **Provisions for contingencies and charges**

Provisions for contingencies and charges correspond to probable outflows of resources without counterparty for the company. These provisions correspond to the most probable amounts the company may be required to outlay.

➤ **Provision for pension and obligations**

Pension commitments and retirement benefits are assessed on an actuarial basis based on the annual remuneration of personnel, seniority and a turn-over coefficient, which varies in line with the employee's age.

Pension commitments are calculated taking account of :

- An annual discount rate of 1%
- Average annual wages changes of between 2% and 3% depending on categories



- An average personnel turn-over rate between 1% and 12% depending on age and professional category
- The INSEE mortality table
- Employer costs of 52% for executives and of 45% for non-executive staff

Given the significant change in the discount rate since 2019, and the impact on the amount of the provision, the corridor method is applied in the interests of coherence.

**B - NOTES RELATIVE TO CERTAIN STATEMENT OF FINANCIAL POSITION ITEMS****NOTE 1 – INTANGIBLE ASSETS AND AMORTISATION-DEPRECIATION**

➤ Changes in the gross values of intangible assets are presented as follows (in Euros) :

Nature	31/12/2022	Increase	Decrease	30/06/2023
Concessions, licences, software and patents	1 351 359	166 220	40 285	1 477 294
Goodwill	500 000			
Brands	3 525 000			3 525 000
<b>Total gross amounts</b>	<b>5 376 359</b>	<b>166 220</b>	<b>40 285</b>	<b>5 002 294</b>

➤ Changes to amortisation – depreciation of intangible assets presented as follows (in Euros) :

Nature	31/12/2022	Increase	Decrease	30/06/2023
Concessions, licences, software and patents	985 418	110 468	74	1 095 811
<b>Total depreciation and amortisation</b>	<b>985 418</b>	<b>110 468</b>	<b>74</b>	<b>1 095 811</b>

**NOTE 2 – TANGIBLE ASSETS AND AMORTISATION - DÉPRÉCIATION**

➤ The gross value of tangible assets is presented as follows (in Euros) :

Gross Value	31/12/2022	Increase	Decrease	30/06/2023
Fixtures and fittings	905 300	195 505	55 623	1 045 183
Equipment and office furniture	281 424	14 420	980	294 864
Assets under construction	18 800		4 400	14 400
<b>Total gross amounts</b>	<b>1 205 524</b>	<b>209 925</b>	<b>61 003</b>	<b>1 354 447</b>

➤ **Changes to depreciation and amortisation of tangible assets presented as follows (in Euros) :**

Depreciation and amortisation	31/12/2022	Increase	Decrease	30/06/2023
Fixtures and fittings	371 365	94 962		466 327
Equipment and office furniture	147 812	24 917		172 729
Assets under construction				
<b>Total depreciation and amortisation</b>	<b>519 178</b>	<b>119 878</b>	<b>0</b>	<b>639 056</b>

**NOTE 3 – FINANCIAL FIXED ASSETS**

At 30 June 2023, financial fixed assets break down as follows :

	31/12/2022	Increase	Decrease	30/06/2023
Guarantees and sureties	1 239 298	422 796	270 295	1 391 799
Equity securities		500 000		500 000
<b>Net financial non-current assets</b>	<b>1 239 298</b>	<b>922 796</b>	<b>270 295</b>	<b>1 891 799</b>

The increase of equity securities corresponds to the payment of the capital of AIRWELL INDUSTRIE. As the company was created June 28 2023, it will be consolidated December 31st, since the activity of June 2023 was not significant.

**NOTE 4 – TRADE RECEIVABLES**

Gross value	30/06/2023	31/12/2022	Variations
Trade receivables	18 386 442	14 086 485	-4 299 957
Customer on-payments			
Invoices to issue	193		-193
Impairment	-189 615	-195 783	-6 168
<b>TOTAL</b>	<b>18 197 020</b>	<b>13 890 702</b>	<b>-4 306 318</b>

The amount of receivables transferred which had not matured at 30 June 2023 stood at 9 418 932 €.

**NOTE 5 – OTHER RECEIVABLES AND ADJUSTMENT ACCOUNTS**

The breakdown of other current assets is as follows :

	at less than one year	at more than one year	Total
Supplier debt	390 122		390 122
Personnel and related accounts			0
Social security and other social organisms	1 493		1 493
Government - VAT	94 248		94 248
Government - Corporate income tax	26 983		26 983
Current account	194 837		194 837
Other debtors			0
Factoring	1 121 485		1 121 485
Prepaid expenses	468 035		468 035
Translation differences, assets	7 389		7 389
<b>TOTAL</b>	<b>2 304 592</b>	<b>0</b>	<b>2 304 592</b>

The deferred tax asset is calculated on the basis of a tax rate of :

- 25 % in France

	30/06/2023	31/12/2022
Deferred tax liability on valuation differences	-680 250	-680 250
Deferred tax asset on deficit	449 337	609 474
Temporary differences	-65 240	-48 749
<b>TOTAL</b>	<b>-296 153</b>	<b>-119 525</b>

**NOTE 6 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalent items break down as follows :

	30/06/2023	31/12/2022
Treasury stock	246 323	46 323
Bank accounts	5 308 021	2 014 583
Fund	9 945	8 755
<b>Cash and cash equivalents</b>	<b>5 564 289</b>	<b>2 069 660</b>

**NOTE 7 – EQUITY GROUP SHARE**➤ **Share Capital**

The share capital of Group Airwell stands at 304 177.10 € following capital increase set out below :

- Capital increase of 1 315.80 € following the issue of 26 316 free shares.
- Capital increase of 60 500 € via the issuance of 1 210 000 new shares at a value of 6 050 000 € that is a premium of 5 989 500 €.

Share movements	Number of shares	By Value	Share capital
Shares at start of year	4 847 226	0,05	242 361
Change in par value			
Capital increase	1 236 316	0,05	61 816
Shares redeemed or cancelled			
<b>Shares at year-end</b>	<b>6 083 542</b>	<b>0</b>	<b>304 177</b>

The Airwell Group holds 33 643 shares in treasury at an acquisition price of 146 474 €. This treasury stock is booked as investment securities in the statement of financial position.

Changes to the share capital were as follows :

	Share capital	Consolidated reserves	Issue premium	Retained earnings	Consolidated reserves	Consolidated income	Translation differences	TOTAL
Share capital at 31/12/2022	242 361	13 306	2 112 044	-542 982	1 039 239	1 042 882	0	3 906 850
Allocation of 2022 earnings		10 931		392 722	639 229	-1 042 882		0
Capital increase	61 815		5 295 619					5 357 435
Result at 30/06/2023						1 005 700		1 005 700
Capital increase costs								
Share capital at 30/06/2023	304 176	24 237	7 407 663	-150 260	1 678 468	1 005 700	0	10 269 985

Capital increase costs were recorded as a deduction of the premium.

**NOTE 8 – MINORITY INTERESTS**

	30/06/2023	31/12/2022
Minority reserves	-9 770	
Dividends paid to minorities		
Changes in scope		
Other		
Minority income	-31 311	-9 770
<b>Cash and cash equivalents</b>	<b>-41 081</b>	<b>-9 770</b>

**NOTE 9 – GOODWILL**

➤ **The changes to the gross value of goodwill presented as follows (in Euros) :**

<b>Companies concerned</b>	<b>31/12/2022</b>	<b>Increase</b>	<b>Decrease</b>	<b>30/06/2023</b>
AIRWELL RESIDENTIAL SAS negative goodwill	-2 509 805		-151 345	-2 358 460
GROUPE AIRWELL Positive goodwill	500 000			500 000
<b>TOTAL</b>	<b>-2 009 805</b>	<b>0</b>	<b>-151 345</b>	<b>-1 858 460</b>

As the goodwill amount of 3 026 900 € was negative, this was booked as a liability to the provisions for risk and contingencies item. The provision is reversed on a straight line basis over 10 years. The decrease of 151 345 € corresponds to the provision reversal for the year.

The goodwill of 500 k€ corresponds to the acquisition of the ongoing business by Group Airwell in 2016.

**NOTE 10 - PROVISIONS**

Provisions break down as follows:

	<b>31/12/2022</b>	<b>Additions</b>	<b>Reversals</b>	<b>30/06/2023</b>
After sales provisions	192 893			192 893
Retirement provision	364 239	38 340		402 579
Provision for risk	117 390			117 390
Goodwill	2 509 804		151 345	2 358 459
<b>TOTAL</b>	<b>3 184 326</b>	<b>38 340</b>	<b>151 345</b>	<b>3 071 321</b>

**NOTE 11 – BORROWINGS AND FINANCIAL BANK DEBT**

Borrowings and financial bank debt break down as follows :

	<b>Due in less than 1 year</b>	<b>Due in 1 - 5 years</b>	<b>Due in over 5 years</b>	<b>Total</b>
Bank borrowings	658 857	2 069 465	126 000	2 854 322
<b>Total borrowings and bank debt</b>	<b>658 857</b>	<b>2 069 465</b>	<b>126 000</b>	<b>2 854 322</b>

**NOTE 12 - BORROWINGS AND FINANCIAL DEBT**

Borrowings and financial debt break down as follows :

	Due in less than 1 year	Due in 1 - 5 years	Due in over 5 years	Total
Vendor credit				
bond loan		5 000 000		5 000 000
Current account				
<b>Total borrowings and financial debt</b>	<b>0</b>	<b>5 000 000</b>	<b>0</b>	<b>5 000 000</b>

Features of the bond loan :

- The amount of the bond loan is 5.000.000 € corresponding to 100 bonds at a unit value of 50.000 €
- Maturity date is 30 June 2028
- Interest rate is Euribor 3 months (capped at 3%) + 5.90 % annual

**NOTE 13 – OTHER DEBT**

Other debt breaks down as follows :

	30/06/2023	31/12/2022
Customer factors	10 897 465	10 502 471
Customer credit notes to issue	353 688	726 536
Trade receivables		
Other	292 109	282 969
Deferred tax liabilities	296 153	119 525
Advance payments		
Translation adjustments , liabilities	1 867	120 183
<b>Cash and cash equivalents</b>	<b>11 841 283</b>	<b>11 751 684</b>

**C - NOTES RELATIVES TO CERTAIN INCOME STATEMENT ITEMS****NOTE 14 – REVENUE BY TYPE :**

Revenue by type breaks down as follows :

<b>in €</b>	<b>30/06/2023</b>	<b>31/12/2022</b>
Sale of goods	32 923 035	28 421 252
Provision of services	277 332	50 746
Other		965 780
Reductions, discounts and rebates	-695 797	-609 539
<b>Cash and cash equivalents</b>	<b>32 504 570</b>	<b>28 828 239</b>

Revenue by geographic region breaks down as follows :

<b>in €</b>	<b>30/06/2023</b>	<b>31/12/2022</b>
France	15 343 711	12 414 359
Outside France	17 160 859	16 413 880
<b>Cash and cash equivalents</b>	<b>32 504 570</b>	<b>28 828 239</b>

**NOTE 15 – PURCHASES AND EXTERNAL SERVICES**

This item breaks down as follows :

<b>in €</b>	<b>30/06/2023</b>	<b>31/12/2022</b>
Purchases of goods and other	22 397 525	19 627 937
Outsourcing	1 177 351	966 166
Leases and lease charges	409 518	359 570
Maintenance and repair	233 797	262 520
Insurance	182 982	108 307
Fees and commissions	616 485	296 924
Publications, trade fairs, gifts, donations	787 100	491 262
Transport costs	325 372	967 006
Travel and reception costs	295 332	258 233
Telecommunication costs	47 503	53 258
Other	577 470	489 355
<b>TOTAL</b>	<b>27 050 435</b>	<b>23 880 537</b>



**NOTE 16 – FINANCIAL RESULT**

The financial result breaks down as follows :

in €	30/06/2023	31/12/2022
Interests on borrowings	265 424	94 124
Late charges and others	115	14 568
Discounts	17 208	5 889
Foreign currency losses	13 065	44 246
Factoring	168 137	65 763
Provision for risks		
Other expenses		
Other income	5 840	
Reversals of provision for risk		
Foreign exchange gains	3 698	700
<b>TOTAL</b>	<b>-454 411</b>	<b>-223 890</b>

**NOTE 17 – CORPORATE INCOME TAX**

in €	30/06/2023	31/12/2022
Corporate income tax	99 640	108 988
Tax credit		
Deferred tax	176 628	274 625
<b>TOTAL</b>	<b>276 268</b>	<b>383 613</b>

**NOTE 18 – OFF BALANCE SHEET COMMITMENTS**Commitments given

Surety on ongoing business of Airwell Residential SAS

**NOTE 19 – EARNING PER SHARE**

It is calculated based on the number of shares outstanding at 30 June 2023.

At 30 June 2023, it amounted to 0.17 euros per share as indicated below

		At 30/06/2023	At 30/06/2022
Number of shares		6 083 542	4 347 226
Consolidated net income, group share	Total	1 005 700	1 131 244
Group Share	Per share	0.17 €	0.26 €

**NOTE 20 – REMUNERATION OF EXECUTIVE OFFICERS**

This information is not provided as it would indirectly equate to providing information on individual remuneration.

**NOTE 21 – GROUP HEADCOUNT**

The Group's average headcount stands at 75 employees.

**NOTE 22 – STATUTORY AUDITOR FEES**

The amount of statutory auditors fees on the first semester 2023 stands at 46 K€.

**NOTE 23 – GREENHOUSE GAS QUOTAS**

The company is not in a position to measure its greenhouse gas emissions, but, as anticipated, an ESG approach was initiated in 2022. A first diagnostic was formalized by an external company and recommendations were taken into account. Furthermore, in 2023, Groupe Airwell carried out its first carbon assessment with a specialist company – Results are in the process of being analysed.