



HALF-YEAR FINANCIAL REPORT 2022

REFERENCE PERIOD
FROM 01/01/2022 TO 30/06/2022 (6 MONTHS)

FISCAL YEAR 2022

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All amounts are expressed in thousands of euros. Some totals in the following tables may show differences due to rounding.



PART 01

ACCOUNTING & FINANCIAL ITEMS

(CONSOLIDATED ACCOUNTS)

1. CONSOLIDATED BALANCE SHEET

In €K	Assets	Note no.	30 June 2022	31 December 2021
Non-current assets				
Goodwill		8.1	86,127	84,375
Intangible assets		8.2	46,005	44,362
Tangible assets		8.3	98,291	94,584
Rights of use		8.4	11,964	12,141
Non-current financial assets			5,392	5,307
Investments in associates			-	-
Deferred tax assets			9,080	9,783
Total non-current assets			256,859	250,552
Current assets				
Inventory and goods in progress			152,252	120,359
Trade accounts receivable			133,366	113,675
Other receivables			35,156	25,253
Derivative financial instruments			2,195	20
Cash and cash equivalents		8.5	19,403	33,355
Total current assets			342,373	292,664
Assets held for sale			-	-
TOTAL ASSETS			599,233	543,216

In €K	Liabilities	Note no.	30 June 2022	31 December 2021
Shareholders' equity				
Share capital		8.6	32,055	32,055
Share premiums			39,645	39,645
Consolidated reserves			89,041	60,753
Consolidated income of the year			3,888	21,610
Shareholders' equity (Group share)		4	164,630	154,063
Non-controlling interests		4	19,935	26,317
Total shareholders' equity			184,565	180,380
Non-current liabilities				
Provisions		8.7	17,643	20,598
Borrowings		8.8	80,154	74,851
Lease liabilities		8.4	9,398	9,431
Amounts due for business acquisitions		8.9	12,995	12,130
Deferred tax liabilities			10,453	10,026
Total non-current liabilities			130,643	127,036
Current liabilities				
Borrowings		8.8	86,588	63,191
Lease liabilities		8.4	2,787	2,921
Trade accounts payable			133,024	106,699
Derivative financial instruments liabilities			3,007	-
Amounts due for business acquisitions		8.9	-	10,414
Other payables			58,618	52,575
Total current liabilities			284,025	235,800
Liabilities held for sale			-	-
TOTAL LIABILITIES			599,233	543,216

2. COMPREHENSIVE INCOME STATEMENT

2.1 Consolidated income statement

In €K	Note no.	30 June 2022 6 months	30 June 2021 6 months	31 December 2021 12 months
Revenue	9.1	338,357	254,809	501,450
Changes in inventories and goods in progress		2,877	3,412	(2,088)
Goods and raw materials purchased		(208,484)	(150,933)	(292,353)
Personnel expenses		(82,217)	(68,105)	(128,769)
Subcontracting and external expenses		(30,684)	(22,699)	(45,287)
Taxes		(2,263)	(1,939)	(3,619)
Depreciation, amortisation and provisions		(10,085)	(6,723)	(12,854)
Other income and expenses		786	784	1,647
Current operating profit	9.1	8,287	8,607	18,126
Other operating income and expenses	8.10	(1,035)	(404)	(922)
Impairment of goodwill		-	-	-
Operating profit		7,251	8,202	17,204
Financial income and expenses	8.11	(2,995)	(77)	5,776
Income tax expense	8.12	(710)	(1,902)	(595)
Equity method		-	-	-
Net income		3,546	6,223	22,386
Net income - non-controlling interests	4	(342)	472	776
Net income - Group share		3,888	5,751	21,610
Basic earnings per share (in euros)	8.6.4	0.83	1.59	5.32
Diluted earnings per share (in euros)	8.6.4	0.83	1.58	5.32

2.2 Consolidated statement of comprehensive income

In €K	Note no.	30 June 2022 6 months	30 June 2021 6 months	31 December 2021 12 months
Net income		3,546	6,223	22,386
Currency translation differences		1,887	385	49
Change in derivative financial instruments		613	361	344
Actuarial gains and losses on retirement benefit obligations		2,625	650	814
Total change in other comprehensive income (OCI) ⁽¹⁾		5,125	1,396	1,207
Total comprehensive income (loss) for the period	4	8,671	7,619	23,593
Group		7,995	7,155	22,817
Non-controlling interests		677	464	776

3. CASH FLOW STATEMENT

In €K	Note no.	30 June 2022 6 months	30 June 2021 6 months	31 December 2021 12 months
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income		3,546	6,223	22,386
- Income tax expense		710	1,902	595
Net income before income tax expense		4,257	8,125	22,980
Adjustments for:				
- Depreciation, amortisation and provisions		10,433	5,949	11,520
- Gains or losses on sale of assets		378	21	(1,064)
- Share of profit from associates				
- Change in fair values		2,568	(1,062)	(8,966)
Income tax paid		(2,125)	(1,726)	(3,939)
Cash flows from operations of consolidated companies		15,510	11,307	20,532
Dividends received from equity-method companies				
Changes in working capital relating to operations		(30,142)	(8,742)	(15,662)
Net cash flow from operating activities		(14,632)	2,564	4,869
CASH FLOWS FROM INVESTMENT ACTIVITIES				
Acquisition of tangible and intangible assets		(10,871)	(15,965)	(30,486)
Acquisition of financial assets		(806)	(5)	(898)
Proceeds from sales of fixed assets		916	140	1,566
Effect of changes in consolidation scope				(72,445)
Net cash flow from investment activities		(10,761)	(15,830)	(102,262)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid to shareholders and non-controlling interests		(157)	(322)	(3,840)
Proceeds from issuance of share capital (Group or non-controlling interests)				43,245
Other changes in shareholders' equity		13	61	(17)
Changes in ownership interests with no change in control		(9,294)		
Proceeds from borrowings		16,749	4,294	51,392
Repayment of borrowings		(8,779)	(8,665)	(31,629)
Repayment of lease liabilities		(1,839)	(1,349)	(2,774)
Net cash flow from financing activities		(3,307)	(5,981)	56,377
Net effect of currency translation on cash and cash equivalents and bank overdrafts		(5,589)	(10)	(293)
Net increase (decrease) in cash and cash equivalents and bank overdrafts		(34,290)	(19,257)	(41,309)
Cash and cash equivalents and bank overdrafts at the beginning of the period		(5,626)	35,684	35,684
Cash and cash equivalents and bank overdrafts (reclass / change in fair value...)				
Cash and cash equivalents and bank overdrafts at the end of the period	8.6	(39,916)	16,426	(5,626)

4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In €K	Position on closing	Share capital	Share premiums	Consolidated reserves	Period result	Other		Total shareholders' equity - Group share	Non-controlling interests	TOTAL shareholders' equity
						Currency translation differences	Shares of consolidating company			
As at 1st January 2021		25,000	3,455	64,323	11,009	(3,048)	(2,864)	97,875	11,222	109,097
Appropriation of results from previous year				11,009	(11,009)			0		0
Dividends				(2,639)				(2,639)	(1,202)	(3,841)
Capital increases		7,055	36,190					43,245		43,245
Changes in treasury shares				47			(64)	(17)		(17)
Commitments to purchase non-controlling interests				(1,495)				(1,495)		(1,495)
Share-based payment effects/ Contributions to Employee Savings Plan				73				73		73
Net income of the period					21,610			21,610	776	22,386
Change in other comprehensive income (OCI)				1,158		49		1,207		1,207
Total comprehensive income (loss) for the period				1,158	21,610	49		22,817	776	23,593
Non-controlling interests arising from business combinations				(5,796)				(5,796)	15,522	9,726
As at 31 December 2021		32,055	39,645	66,680	21,610	(2,999)	(2,928)	154,063	26,318	180,381
As at 1st January 2022		32,055	39,645	66,680	21,610	(2,999)	(2,928)	154,063	26,318	180,381
Appropriation of results from previous year				21,610	(21,610)			0		0
Dividends				(4,135)				(4,135)		(4,135)
Capital increases								0		0
Changes in treasury shares							13	13		13
Commitments to purchase non-controlling interests				(503)				(503)		(503)
Share-based payment effects				137				137		137
Net income of the period					3,888			3,888	(342)	3,546
Change in other comprehensive income (OCI)				3,239		868		4,107	1,019	5,126
Total comprehensive income (loss) for the period				3,239	3,888	868		7,995	677	8,672
Non-controlling interests arising from business combinations ⁽¹⁾				7,059				7,059	(7,059)	0
As at 30 June 2022		32,055	39,645	94,087	3,888	(2,131)	(2,915)	164,630	19,936	184,565

(1) Corresponds to the acquisition of minority shares in LACROIX Environment GmbH (see Notes 7.2 and 8.9).

5. INFORMATION ABOUT LACROIX

5.1 General information about the company

LACROIX is fully committed to having an increasingly positive human and environmental impact, and includes such considerations in the decisions it makes at the very highest level.

“We are ordinary people, but together, we can achieve extraordinary things”. Through its activities, the company employs, trains, and unites an increasingly large group of people around shared values.

The Company also interacts with an extended network of stakeholders (shareholders, customers, suppliers, partners, academics, employees’ families) whom it seeks to include in its social policy. In 2022, like most companies, LACROIX had to continue to adapt to face the unprecedented health crisis, in order to protect all its employees. It also had to maintain its economic activity, despite major difficulties in the procurement of electronic components due to the ongoing crisis. These extreme and consistent circumstances helped demonstrate, if proof were needed, the unfailing commitment of its employees and the resilience of the Group.

LACROIX also pays particular attention to its environmental impact and is pursuing a trajectory of sustainable development, in particular through:

- choosing to produce regionally,
- using a responsible value chain,
- carefully selecting its suppliers...
- ... and investing in the renewal of its infrastructure to ensure lower and more efficient consumption

Beyond the “direct” footprint of its activities, LACROIX has a societal mission, reflected in its offer, which constitutes the Group’s true purpose and a permanent bond between all its employees. Its mission is to provide its customers with simple, robust technologies, helping to bring out a safer, more sustainable world.

Through its 3 activities, LACROIX capitalizes on its technological know-how in order to:

- **Transform streets and road infrastructure into fluid, safe, and sustainable living environments.** LACROIX devices and solutions guide, optimize, and safeguard the flow of vehicles and people, allowing them to share streets and roads in greater harmony, taking into account the needs of all users and operators.
- **Digitalize and optimize the management of water and energy infrastructures.** Drawing on its in-depth understanding of the sector and its operator customers, LACROIX helps improve the performance of their networks, save dwindling resources, and protect the environment.
- **Design and produce electronic boards and systems in critical fields such as the automotive, aeronautical, and home automation sectors or Industry 4.0** and support their needs in automation, digitalization, and environmental performance.

To fulfil this mission, LACROIX chooses to position itself at the cutting-edge of technology, by seeking out innovations in the field of connected and intelligent industrial equipment and by offering the most suitable solutions for the use cases of its customers.

Following the launch of its new strategic “Leadership 2025” plan in 2021 – a plan for acceleration intended to lead the Group into a new dimension –, LACROIX’s ambition is to become a global leader in Industrial IoT solutions and electronic equipment for critical applications by 2025. The launch of this new plan was also an opportunity for LACROIX to clarify its brand’s platform, and a real asset towards the establishment of a solid CSR strategy. Inherently, the plan harnesses the contribution of all employees, adopting a methodology of alignment of priorities and projects within the organisation. This new plan strengthens the focus on CSR, placing it at the centre of decision-making and bringing all employees on board.

Vincent Bedouin
Chairman & CEO of the Company

5.2 List of consolidated companies

The companies included in the scope of consolidation are presented below:

Company and legal form	Head office	Tax scope	Period 2022	
			Consolidation method	% of interest
CONSOLIDATING COMPANY LACROIX GROUP	SAINT-HERBLAIN	1	PARENT	100.00%
CONSOLIDATED COMPANIES LACROIX 2	SAINT-HERBLAIN		FC	100.00%
Electronics Activity				
LACROIX ELECTRONICS FRANCE	SAINT-PIERRE-MONTLIMART	1	FC	100.00%
LACROIX ELECTRONICS BEAUPREAU	BEAUPREAU		FC	75.25%
LACROIX ELECTRONICS Zoo	POLAND		FC	100.00%
LACROIX ELECTRONICS TUNISIE	TUNISIA		FC	100.00%
LACROIX ELECTRONICS TUNIS	TUNISIA		FC	100.0%
LACROIX ELECTRONICS SERVICE TUNISIE	TUNISIA		FC	100.0%
LACROIX ELECTRONICS GmbH	GERMANY		FC	100.0%
LACROIX ELECTRONICS CESSON	CESSON-SÉVIGNÉ	1	FC	100.0%
FIRSTRONIC, LLC	MICHIGAN, USA		FC	62.1%
LACROIX NORTH AMERICA	DELAWARE, USA		FC	100.0%
Environment Activity				
LACROIX ENVIRONMENT	SAINT-HERBLAIN	1	FC	100.0%
LACROIX SOFREL	VERN SUR SEICHE	1	FC	100.0%
LACROIX SOFREL SRL	ITALY		FC	100.0%
LACROIX SOFREL ESPAÑA	SPAIN		FC	100.0%
LACROIX ENVIRONMENT SINGAPORE	SINGAPORE		FC	100.0%
LACROIX ENVIRONMENT GmbH	GERMANY		FC	100.0%
SAE-IT Systems GmbH & Co KG	GERMANY		FC	100.0%
City Activity				
LACROIX CITY	SAINT-HERBLAIN	1	FC	100.0%
LACROIX CITY SAINT HERBLAIN	SAINT-HERBLAIN	1	FC	99.9%
LACROIX CITY CARROS	SAINT-HERBLAIN	1	FC	100.0%
LACROIX CITY MADRID	SPAIN		FC	100.0%
LACROIX CITY NORTE	SPAIN		FC	99.9%
LACROIX CITY CENTRO	SPAIN		FC	99.9%
LACROIX PACIFIC	NOUMÉA		FC	99.9%
LACROIX OCÉAN INDIEN	LE PORT	1	FC	99.9%
LACROIX MAYOTTE	MAMOUDZOU		FC	99.9%
LACROIX TRAFIC CAMEROUN	CAMEROON		FC	99.9%
LACROIX CITY LES CHÈRES	LES CHÈRES	1	FC	100.0%
SMARTNODES S.A.	BELGIUM		FC	100.0%
LACROIX 3	SAINT-HERBLAIN	1	FC	99.9%
LACROIX 7	SAINT-HERBLAIN	1	FC	99.9%
LACROIX CITY PLOUFRAGAN	NANTES	1	FC	100.0%
LTI SUD EST	CARROS		FC	0.0%

(2)

FC = Fully consolidated

(1) French tax consolidation scope.

(2) Ad hoc entity.

6. ACCOUNTING STANDARDS, CONSOLIDATION METHODS, VALUATION METHODS AND RULES

The half-yearly accounts are presented for the period ended 30 June 2022 by applying all the standards published by the International Accounting Standards Board (IASB) and adopted by the European Union.

The Group's condensed interim financial statements for the period from 1 January 2022 to 30 June 2022 (6 months) have been prepared in accordance with IAS 34 and IFRIC 10, i.e. specific IFRS standards governing interim financial reporting adopted by the European Union.

As these are condensed financial statements, they do not include all the information required by IFRS for annual financial statements and should therefore be read in conjunction with LACROIX's consolidated financial statements prepared with respect to the IFRS standards as adopted by the European Union for the year ended 31 December 2021.

In addition, the Group applied the following standards for the first time starting 1st January 2022:

- Amendment to IAS 37 – Clarification of costs to be considered when analysing onerous contracts
- Amendment to IFRS 3 – Updating of the conceptual framework
- Annual improvements to IFRS – 2018-2020 cycle
- Amendments to IAS 16

The Group did not identify any impact on its financial statements at 30/06/2022.

7. COMPARABILITY OF FINANCIAL STATEMENTS

7.1 Accounting changes

The Group does not apply IFRS standards that have not yet been approved by the European Union as at the closing date of the period. The Group has not opted for early application of standards and interpretations whose application is not mandatory for the 2022 fiscal year.

7.2 Changes in consolidation scope

In the first half of 2022, the Group acquired the full 30% minority stake in LACROIX Environment GmbH for €10.4M. See Note 8.9.

7.3 Highlights

The events in Ukraine have no direct impact on the Group's activities. However, the Group remains attentive to the possible indirect consequences that these events may have.

The general context is also marked by persistent tensions in terms of the availability of electronic components, inflation, and uncertainties regarding the evolution of the health crisis, particularly in Asia.

Despite this, LACROIX remains confident that it will achieve its annual objectives. The Group's markets remain well oriented, and the healthy momentum of incoming orders observed over the last several months remains solid.

8. EXPLANATION OF THE BALANCE SHEET AND INCOME STATEMENT ACCOUNTS AND THEIR CHANGES

The tables below form an integral part of the consolidated financial statements. Unless otherwise stated, the amounts are in €K.

8.1 Goodwill

	Gross value				Accumulated impairment				Net book amount	
	Opening	Variations	Changes in consolidation scope ⁽¹⁾	Closing	Opening	Impairment charge of the period	Changes in consolidation scope	Closing	Opening	Closing
Electronics Activity	57,573	2,826	(1,075)	59,325	(5,991)			(5,991)	51,582	53,333
Environment Activity	17,045			17,045	0			0	17,045	17,045
City Activity	25,248			25,248	(9,500)			(9,500)	15,748	15,748
Total	99,867	2,826	(1,075)	101,618	(15,491)			(15,491)	84,375	86,127

(1) Corresponds to a price adjustment relating to the acquisition of Firstronic at the end of 2021. No impairment indicator was identified for these goodwills during the first half-year 2022. The current macroeconomic environment, marked by rising interest rates, has no impact on the value of goodwill recorded in the financial statements as at 30 June 2022.

8.2 Intangible assets

	Opening	Additions	Disposals	Changes in consolidation scope	Currency translation differences	Other variations	Closing
Gross values							
Preliminary expenses	10						10
Research and development costs	1,080						1,080
Concessions, patents, licenses, software	16,199	261	(9)		5	245	16,701
Other intangible assets	40,329	82	(6)		2,740	34	43,179
Intangible assets in progress	408	435					843
Advances and down-payments							
Total	58,026	778	(15)	0	2,745	279	61,813
Cumulated amortisation							
Preliminary expenses	(10)						(10)
Research and development costs	(361)	(79)					(440)
Concessions, patents, licenses, software	(11,776)	(510)	4		(2)	(104)	(12,388)
Other intangible assets	(1,516)	(1,414)	7		(45)	(1)	(2,969)
Total	(13,662)	(2,003)	11	0	(47)	(105)	(15,806)
Total intangible assets	44,363	(1,225)	(4)	0	2,698	174	46,006

8.3 Tangible assets

	Opening	Additions	Disposals	Changes in consolidation scope	Currency translation differences	Other variations	Closing
Gross values							
Land	3,504		(2)		(4)	265	3,763
Buildings	34,539	48	(34)		(120)	17,840	52,273
Technical install., machinery and equipment	110,888	3,972	(467)		1,227	4,730	120,350
Other tangible assets	29,865	474	(1,094)		74	665	29,984
Tangible assets in progress	20,057	3,250	(4)		(19)	(21,994)	1,290
Advances and down-payments	780	2,351				(1,735)	1,396
Total	199,632	10,095	(1,601)	0	1,158	(229)	209,055
Cumulated amortisation							
Land	(181)	(1)					(182)
Buildings	(21,970)	(475)	12		71		(22,362)
Technical install., machinery and equipment	(61,618)	(4,348)	353		(418)	(3)	(66,034)
Other tangible assets	(21,278)	(1,701)	741		(50)	103	(22,185)
Total	(105,048)	(6,525)	1,106	0	(397)	100	(110,764)
Total tangible assets	94,584	3,570	(495)	0	761	(129)	98,291

Other changes mainly reflect the commissioning of the new Symbiose 4.0 factory in the first half of 2022.

8.4 Lease contracts

8.4.1 Rights of use

Rights of use - Gross values	Opening	New contracts	Ends and terminations of contracts	Changes in assumptions	Changes in consolidation scope	Currency translation differences	Other variations	Closing
Buildings	14,257		(213)	1,191		131		15,366
Other assets	3,451	283	(340)	147		(43)		3,498
Total	17,708	283	(553)	1,338	0	88	0	18,864
Rights of use - Amortisations and provisions	Opening	Amortisations for the period	Ends and terminations of contracts	Changes in assumptions	Changes in consolidation scope	Currency translation differences	Other variations	Closing
Buildings	(3,745)	(1,300)	213			11		(4,821)
Other assets	(1,822)	(552)	296					(2,078)
Total	(5,567)	(1,852)	509	0	0	11	0	(6,899)
Total net rights of use	12,141	(1,569)	(44)	1,338	0	99	0	11,965

The lease contracts under the "Other assets" category consist mainly of company car rentals.

8.4.2 Lease liabilities

Lease liabilities	Opening	New contracts	Repayment of the nominal value	Ends and terminations of contracts	Changes in assumptions	Changes in consolidation scope	Currency translation differences	Other variations	Closing
Buildings	10,689		(1,282)		1,188		100		10,695
Other assets	1,663	283	(558)	(45)	147				1,490
Total	12,352	283	(1,840)	(45)	1,335	0	100	0	12,185

8.5 Cash and cash equivalents

	Period 2022	Period 2021
Short-term deposits ⁽¹⁾	8,116	16,320
Cash in hand	11,287	17,036
Impairment	0	0
Total cash and cash equivalents	19,403	33,355
Bank overdrafts	(59,318)	(38,981)
Total cash and cash equivalents excl. bank overdrafts	(39,915)	(5,626)

(1) Made up of SICAV (unit trust), deposit certificates, and other investment products.

Cash and cash equivalents include cash at bank, cash, and short-term deposits with an initial term of less than 3 months.

Within the framework of the Reverse factoring contracts signed by LACROIX, the receivables not yet due at 30 June 2022 and paid before that date amount to €21M.

8.6 Shareholders' equity

8.6.1 Share capital of the consolidating entity

As at 30 June 2022, the share capital is made up of 4,829,096 shares with a par value of €6.64 each.

8.6.2 Changes in treasury shares

The number of treasury shares has changed as follows:

Opening	149,237
Acquisitions	7,716
Disposals	7,992
Total treasury shares ⁽¹⁾	148,961

(1) The value of treasury shares as at 30 June 2022 recognised in LACROIX SA's financial statements stood at €2,910K. On the basis of the average share price in June 2022, it stands at €4,984K.

8.6.3 Free shares

LACROIX has introduced free share plans benefiting some of its employees.

The final allocation of shares is contingent on various conditions of presence and/or performance. 19,652 shares were allocated to these plans. The share retention period is set at 2 years.

The expense for the period in respect of the free share plan is €138K as at 30 June 2022 within the meaning of IFRS 2.

8.6.4 Earnings per share

Earnings per share	Period 2022	Period 2021 6 months	Period 2021 12 months
Weighted average number of shares	4,829,096	3,766,560	4,209,283
Average number of treasury shares	-149,168	-146,889	-149,237
Weighted average number of shares used for earnings per share	4,679,928	3,619,671	4,060,046
Average number of dilutive instruments (share-based payment effects)	19,652	20,335	3,650
Weighted average number of shares used for diluted earnings per share	4,699,580	3,640,006	4,063,696
Net income - Group share (€K)	3,888	5,751	21,610
Basic earnings per share (in euros)	0.83	1.59	5.32
Diluted earnings per share (in euros)	0.83	1.58	5.32

8.7 Provisions

8.7.1 Change in provisions

This change can be analysed as follows:

	Opening	Additional provisions	Reversals used	Reversals not used	Changes in consolidation scope	Currency translation differences	Other variations	Closing
Retirement benefit obligations ⁽¹⁾	14,289	410	(169)				(3,000)	11,530
Provisions for warranty	506	97	(33)					570
Provisions for litigations ⁽²⁾	4,931	127	(386)					4,672
Provisions for other liabilities and charges ⁽³⁾	872							872
Total	20,598	634	(588)	0	0	0	(3,000)	17,644

(1) The value of retirement benefit obligations was determined by independent actuaries using the projected unit credit method.

The assumptions taken into account for the calculations, for the French scope, are as follows:

- Discount rate of 3% (against 0.9% in 2021).
- Average increase in salaries of 3.5% including inflation (3% in 2021).
- The mortality tables used are those of INSEE F 2016-2018.
- The retirement age is 63 for non-managerial staff and 66 for managerial staff. Reason for retirement: 100% of departures are at the initiative of the employee.

Turnover probability as per the table below:

	City Activity	Other entities
Age brackets		
< 29 years old	10.00%	5.00%
30 to 39 years old	5.00%	3.00%
40 to 44 years old	3.00%	3.00%
45 to 49 years old	3.00%	1.00%
50 to 54 years old	2.00%	1.00%
> 55 years old	-	-

For the German scope, the following assumptions were made:

- Discount rate of 3% (against 1.2% in 2021).
- Inflation rate of 1.75%.
- Salary increase of 3.5% (3% in 2021).
- Average turnover rate of 5%.
- Retirement at the age of 64 for non-managerial staff and 65 for other managerial staff.

(2) Provisions for litigation, in addition to diverse provisions for lawsuits, HR, customer disputes or warranty returns, are mostly to cover disputes with authorities.

As regards disputes with authorities, following LACROIX City Saint-Herblain's conviction by the Competition Authority over 10 years ago for cartel activity in 2010, a number of companies or authorities have sued the Company.

As at 30 June 2022, proceedings were ongoing with 7 companies or authorities. As at 30 June 2022, the overall provision amounts to €3.3M (same as at 31 December 2021). For reference, the €3.3M in provisions for litigations as at 30 June 2022 still includes amounts already disbursed but accounted for, for a comparable amount, under "Non-current financial assets" pending appeals lodged by the Group. In particular, this concerns the CD76 case, for which an appeal was lodged in July 2021.

(3) In connection with the exercise of stock options by employees of the SOFREL Activity, the Group had undertaken to buy back these shares at the request of beneficiaries. The amount of €872K is the valuation, at the end of June 2022, of the theoretical purchase price of said shares.

8.8 Borrowings

8.8.1 Maturity of borrowings

The breakdown of financial debts by maturity is as follows:

	Period 2022	Period 2021	2022 Maturity ⁽¹⁾	
			< 1 year (Current)	> 1 year (Non-current)
Bank borrowings	85,535	76,426	14,665	70,870
Other financial debts ⁽²⁾	21,890	22,635	12,605	9,285
Bank overdrafts	59,318	38,981	59,318	
Total borrowings	166,743	138,042	86,588	80,155

(1) "Non-current" portion of financial debts: of which €20,899K at more than 5 years.

(2) Of which C/C VINILA INVESTISSEMENTS (shareholder) for €9,328K, compared with €8,649K as at 31 December 2021.

8.8.2 Financial gearing

The table below shows the evolution of the Group's debt-to-equity ratio.

	Period 2022	Period 2021
Borrowings and other financial debts	107,425	99,061
Bank overdrafts	59,318	38,981
Other financial assets	2,664	(1,793)
Cash and cash equivalents (see Note 8.5)	(19,403)	(33,355)
Net debt position ⁽¹⁾	150,003	102,893
Shareholders' equity	184,565	180,380
Financial gearing	81.3%	57.0%

(1) Amounts due for business acquisitions and lease liabilities are not included in the Group's gearing ratio.

8.9 Amounts due for business acquisitions

	Period 2022	Period 2021
Opening	22,544	16,960
Changes in consolidation scope ⁽¹⁾		4,453
Revaluation with impact on shareholders' equity ⁽²⁾	503	1,495
Payment ⁽³⁾	(10,369)	(364)
Currency translation differences	317	
Other variations		
Amounts due for business acquisitions	12,995	22,544

(1) This is mainly a financial discounting effect.

(2) This is the payment for the buy-back of minority shares in LACROIX Environment GmbH.

8.10 Other income and expenses

	Period 2022 6 months	Period 2021 6 months	Period 2021 12 months
Restructuring costs ⁽¹⁾	(1,258)	(404)	(685)
Sale of assets ⁽²⁾	517		986
Customer litigations			
Other non-current expenses	(294)		(1,223)
Total	(1,035)	(404)	(922)

(1) Restructuring costs for the 2022 financial year mainly correspond to exceptional and non-recurring costs incurred by moving into the new factory 4.0 at Beaupréau.

(2) Sales of assets correspond to the capital gain on the sale of the Saint-Pierre-Montlimart building, whose activity was transferred to Beaupréau (see (1)).

8.11 Financial income and expenses

The breakdown of financial income is as follows:

	Period 2022 6 months	Period 2021 6 months	Period 2021 12 months
Interest expenses on borrowings ⁽¹⁾	(1,866)	(312)	(847)
Interest income	6	5	43
Net financial expenses on borrowings	(1,860)	(307)	(803)
Net foreign exchange gains (losses)	(758)	(508)	(1,540)
Other financial income and expenses ⁽²⁾	(377)	737	8,120
Total financial income and expenses	(2,995)	(77)	5,776

(1) Interest expenses on borrowings increased, mainly due to the subscription of loans at the end of the 2021 financial year in order to finance the acquisition of a majority stake in Firstronic, as well as production investments (new Symbiose factory and various other industrial investments, among others).

(2) Of which €80K in financial expenses relating to the defined benefit plans (€49K as at 30 June 2021) and €136K in financial expenses on lease liabilities.

8.12 Income tax expense

The breakdown of taxation is as follows:

	Period 2022 6 months	Period 2021 6 months	Period 2021 12 months
Current taxes	(1,559)	(2,002)	(3,639)
Deferred taxes	849	100	3,045
Total income tax expense	(710)	(1,902)	(595)

The base activated on the French tax scope of consolidation is €16.7M out of a total base of tax losses carried forward of €28.9M.

During the 2021 financial year, the Group's Polish subsidiary recognised a tax credit of approximately €5.3M, which will be offset against future tax liabilities.

9. OTHER INFORMATION

9.1 Segment reporting

9.1.1 Consolidated income statement by segment

Segment reporting for the half-year ended 30 June 2022 is detailed as follows:

First half-year 2022 compared to first half-year 2021

	Electronics Activity		Environment Activity		City Activity		Holdings		Group total	
	Period 2022	Period 2021	Period 2022	Period 2021	Period 2022	Period 2021	Period 2022	Period 2021	Period 2022	Period 2021
Revenues										
External sales	254,211	173,558	38,896	34,515	51,435	52,670		13	344,542	260,756
Inter-company sales between activities	(6,060)	(5,781)	(102)	(141)	(24)	(25)			(6,186)	(5,947)
Total revenues	248,151	167,777	38,794	34,374	51,411	52,645		13	338,356	254,809
Current operating profit	3,792	3,202	7,439	7,300	(2,613)	(1,071)	(331)	(824)	8,287	8,607
Depreciation, amortisation and provisions on tangible and intangible assets	7,494	3,663	796	710	1,692	1,628	259	152	10,241	6,153
Compensation expenses relating to shares (IFRS 2) and/or to the achievement of objectives following the integration of newly acquired entities	638						138	122	776	122
Current EBITDA	11,924	6,865	8,235	8,010	(921)	557	66	(550)	19,304	14,882

First half-year 2022 compared to fiscal year 2021 (12 months)

	Electronics Activity		Environment Activity		City Activity		Holdings		Group total	
	Period 2022	Period 2021	Period 2022	Period 2021	Period 2022	Period 2021	Period 2022	Period 2021	Period 2022	Period 2021
Revenues										
External sales	254,211	333,240	38,896	70,304	51,435	109,948		39	344,542	513,531
Inter-company sales between activities	(6,060)	(11,781)	(102)	(242)	(24)	(58)			(6,186)	(12,081)
Total revenues	248,151	321,459	38,794	70,062	51,411	109,890		39	338,356	501,450
Current operating profit	3,792	5,409	7,439	14,922	(2,613)	3	(331)	(2,208)	8,287	18,126
Depreciation, amortisation and provisions on tangible and intangible assets	7,494	7,561	796	1,471	1,692	3,328	259	382	10,241	12,742
Compensation expenses relating to shares (IFRS 2) and/or to the achievement of objectives following the integration of newly acquired entities	638						138	73	776	73
Current EBITDA	11,924	12,970	8,235	16,393	(921)	3,331	66	(1,753)	19,304	30,941

Alternative performance indicators

To improve the monitoring and comparability of its operating and financial performance, the Group employs the concept of “Earnings Before Interests, Taxes, Depreciation and Amortisation” (current EBITDA).

This is a financial indicator not strictly for accounting purposes, defined by the Group as follows:

Current EBITDA retained by LACROIX is an operating indicator for operating profit, increased by:

- Allowances for amortisations of tangible and intangible assets (including, where necessary, those recognised for business combinations) and rights of use.
- Compensation expenses relating to shares (IFRS 2) and/or to the achievement of objectives following the integration of newly acquired entities.

9.2 Off-balance sheet commitments

The breakdown of commitments given or received by the Group is as follows:

Off-balance sheet commitments	30 June 2022	31 December 2021
Guarantees given		
Related to financing ⁽¹⁾	39,681	38,944
Lease contracts with an effective date after closing		

(1) The commitments mentioned are already accounted for in the Group's consolidated balance sheet. The above table simply reiterates these amounts where sureties and guarantees are provided to financing institutions as a consideration for asset financing or authorised bank overdrafts.

The €39,681K includes €30,000K in guarantees provided in 2021 in respect to one of the loans obtained in order to fund the acquisition of Firstronic.

9.3 Post-closing events

None.



PART 02

OTHER INFORMATION

(REPORTS AND CERTIFICATIONS)

STATEMENT OF THE CORPORATE OFFICER RESPONSIBLE FOR THE FINANCIAL REPORT

set out under articles 222-3 and 222-4
of the General Regulations of the Financial Markets Authority

Vincent Bedouin,
Chairman & CEO of the Company

CERTIFIES

"To my knowledge, the financial statements for the past year are drawn up in accordance with the accounting standards applicable and give a true and fair view of the assets and liabilities, financial position, and income of the Company and of all companies included within the scope of consolidation. The annual report gives a true and fair view of the major events that have occurred during the 12 months of the financial year, their impact on the statements, the main transactions between related parties, as well as a description of the main risks and uncertainties that they face."

Vincent Bedouin



LACROIX

Société Anonyme (Public Limited Company) with a Board of Directors,

with a share capital of €32,055,239.04

Registered office: 17 rue Océane - 44800 Saint-Herblain

RCS Nantes (Trade and Companies Registry Number) 855 802 815 - Siret 855 802 815 00123

PERIOD FROM 1ST JANUARY TO 30 JUNE 2022

STATUTORY AUDITORS' REVIEW REPORT

ON THE HALF-YEARLY FINANCIAL INFORMATION

LACROIX

For the period from 1st January to 30 June 2022

Statutory auditors' review report on the half-yearly financial information

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Lacroix Group, for the period from January 1 to June 30, 2022,
- the verification of the information presented in the half-yearly management report.

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

1. Conclusion on the financial statements

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

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject of our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Saint-Herblain and Nantes, September 29, 2022

The Statutory Auditors French original signed by

MAZARS
Arnaud Le Néen

MAZARS
4, rue Edith Piaf
Immeuble Asturia A
44800 Saint-Herblain

S.A. à directoire et conseil de surveillance
au capital de € 8 320 000
784 824 153 R.C.S. Paris

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

ERNST & YOUNG et Autres
Stanislas de Gastlines

ERNST & YOUNG et Autres
3, rue Emile Masson
CS 21919
44019 Nantes cedex 1

S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre



17 rue Océane
44800 Saint-Herblain · France
Tel.: +33 (0)2 72 25 59 59
info@lacroix.group
www.lacroix-group.com

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