



2024 Interim Financial Report

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1. 2024 INTERIM ACTIVITY REPORT

1.1. Results and financial position for the first six months of 2024

€m - Consolidated ⁽¹⁾	30/06/2024	30/06/2023
Turnover	156.9	146.1
EBITDA	18.9	17.8
EBIT	15.2	14.1
Profit/ (loss) for the period	10.5	13.1

⁽¹⁾ The amounts are calculated based on figures in thousands of euros.

1.2. Highlights of the first six months of 2024

With effect from 1 June 2023, the Group sold 51% of its shareholding in AAA Group Ltd, an IT recruitment and placement company based in Aberdeen, Scotland. After this partial disposal of shares, the 49% of shares still held by the Group was classified under the heading "Holdings associated under the equity method".

In the meantime, AAA Group Ltd restructured its offer around artificial intelligence using tools developed by the Sword Group. As at 1 April 2024, in view of the reorientation of the activities of AAA Group Ltd, the Group offered to buy the 51% of shares issued by AAA Group Ltd and which had previously been disposed of for 740,000 euros. For the period ended 30 June 2024, AAA was fully consolidated. This acquisition was part of the strategy of the Group to strengthen its position in artificial intelligence. See note 11 of the notes to the consolidated financial statements.

On 28 June 2024, the Group acquired 100% of shares in IACS Consulting Ltd for 3.179 million pounds sterling (equivalent to 3.756 million euros), excluding any deferred consideration, supplements, or adjustments. IACS Consulting Ltd is a company based on Aberdeen that specialises in digital security for control networks. See note 11 of the notes to the consolidated financial statements.

1.3. Strategy

Since its creation, the Group has operated globally in global data management.

In the space of 20 years, the offer of the Group has evolved from document management to digital management for companies and organisations.

Sword Group works exclusively for large clients, international organisations, and government offices.

The principal technologies developed are:

CRM, CS, IA, SIG, PI, RPA, ML, BI, BIG DATA, DATA SCIENCE.

Target clients depend on the business area in question and the location of our subsidiaries.

Our service-focused activities are structured around a local approach specific to a country or group of countries.

In addition to the technologies listed above, the added value provided by our subsidiaries also comes from their specialist knowledge and their ability to adapt to each culture, such as:

- The European Union in Benelux, with the breakdown of our know-how according to major functional areas (customs, research, the European Commission, the European Parliament, the European Council, the Council of the European Union, the Court of Justice, the European Central Bank, the European Court of Auditors),
- Government institutions and oil & gas in the United Kingdom, with services provided under major contracts (health, police, the North Sea, etc.),
- International organisations such as the UN and its roots in Switzerland and sports associations based in North America and Switzerland, respectively,
- Luxury occupations, in particular in the field of Swiss watch-making,
- Government and banking markets in the Middle East, as well as the offshore offering from Chennai / India and Beirut / Lebanon.

Note that the Group is on technological watch at all times, and has already invested significantly in artificial intelligence and cybersecurity.

Investment in artificial intelligence has been carried out mainly by our teams in Barcelona and Glasgow.

Investment in cybersecurity has been carried out mainly by our teams in Aberdeen and in Eysins (Switzerland).

1.4. Related-party transactions

This is discussed in the notes to the consolidated financial statements below (note 35).

1.5. Principal risks and uncertainties

Risk factors did not change over the six-month period. They are described on pages 33 et seq. of the 2023 Financial Report.

1.6. Outlook

The Group has forecast organic growth of around 15% for 2024. Budgeted turnover for 2024 will be close to €320 million, with an EBITDA margin of 12%.

Acquisitions will remain an additional means of consolidating the Group's competitive position. The Group's management does not rule out the possibility of micro-acquisitions, which can be integrated into other entities that already exist.

1.7. Approval of consolidated financial statements

Sword Group's consolidated financial statements were approved by the Board of Directors on 18 July 2024.

1.8. Subsequent events

A new shareholder equity plan for Switzerland was put in place in July 2024. The deadline for subscriptions to this plan was set for the end of the third quarter of 2024.

No other significant events have occurred since the closing date for the interim condensed consolidated financial statements.

1.9. Note on methodology in relation to alternative performance indicators (“APIs”)

The non-IFRS financial indicators presented in the interim report are not the product of a set of accounting standards or principles, and must not be considered a substitute for the accounting aggregates presented in accordance with the IFRS standards. These non-IFRS financial indicators must be read in conjunction with the consolidated financial statements prepared in accordance with IFRS standards. It is also possible that Sword Group's non-IFRS financial indicators will not be comparable with other non-IFRS data used by other companies.

Management uses non-IFRS financial indicators, alongside IFRS financial information, to assess their operating performance, evaluate their ability to generate cash flow, take strategic and operational decisions, and plan and set its growth objectives. According to the Group, non-IFRS financial indicators also provide investors and financial analysts with a relevant basis on which to assess the Group's operational performance over time and compare it with that of other companies in its sector, and on which to meet its valuation needs.

In the main, the Group uses two non-IFRS financial indicators: the organic growth rate, and a measure of profitability calculated on the basis of EBITDA.

Organic growth is defined as turnover growth on a like-for-like basis. Organic growth on a constant exchange-rate basis refers to turnover growth on a like-for-like basis at constant exchange rates.

To measure turnover growth on a like-for-like basis, the Group uses its existing scope at the end of the benchmark period (in this case, 30 June 2023) as its starting point. Therefore, the turnover of companies acquired or sold in the previous and current years is excluded from the analysis.

When reference is made to changes in turnover at constant exchange rates, the impact of exchange rates is eliminated by recalculating turnover for period N-1 using exchange rates used for period N.

Organic growth can be used to assess the Group's ability to generate internal growth, i.e. its ability to develop its business activities and create added value.

This report presents growth in turnover in terms of historical value before restatement, or on a like-for-like and constant exchange-rate basis.

Group profitability is defined as a gross margin rate by comparing current EBITDA (also known as current gross operating income) with turnover.

Current EBITDA corresponds to turnover minus purchases, personnel expenses, other external charges, and allocations to provisions and other current operating expenses, plus reversals on provisions and other current operating income, as presented in the consolidated income statement. In the income statement, reference is made to “Earnings before interest, taxes, depreciation, and amortisation, excluding non-recurring items”.

This profitability indicator has two objectives:

- To estimate the evolution of the Group in the medium term (excluding non-recurring costs);
- To assess the ability of the Group to generate cash flow from day-to-day operations (i.e. its self-financing capacity).

In addition to the indicators described above, the Group uses current EBIT (see definition below) as a starting point for estimating free cash flows when it conducts goodwill impairment tests. A sensitivity analysis is conducted in the context of these tests. The aim of this analysis is to ensure fluctuations within a reasonable range in the scenarios used as a basis for estimated financial forecasts, including EBIT expressed as a percentage of turnover.

Current EBIT (listed as “Earnings before interest and taxes, excluding non-recurring items” in the consolidated income statement) is an aggregate similar to current EBITDA, if only insofar as it provides an indication of the Group's operating margin after deducting depreciation charges, i.e. after taking account of its investment structure.

The backlog is calculated by comparing orders placed (before completion) as at the end date of an accounting period with turnover for the period in question. The purpose of the resulting ratio, expressed as months of turnover, is to measure the intensity of the sales activity of the Group.

The backlog includes “signed” and “weighted” orders. “Weighted” orders are broken down as follows: Orders

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that have been verbally agreed are “80% weighted”; contracts that are in the process of being awarded where two bidders (including the Group) have been short-listed are “50% weighted”; and contracts that are in the process of being awarded where the Group is still in the running but does not know the number of bidders still in the process are “30% weighted”.

2. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

<i>(in thousands of euros)</i>	Notes	30 June 2024	31 December 2023
ASSETS			
NON-CURRENT ASSETS			
Goodwill	14	77,323	69,355
Other intangible fixed assets	15	7,473	7,036
Tangible fixed assets	16	4,927	4,573
Investments in associated companies	13	-	365
Financial assets at fair value through other comprehensive income		113	-
Right-of-use assets	17	11,081	11,866
Derivative instruments		78	126
Deferred tax assets		353	60
Other assets	19	692	728
TOTAL NON-CURRENT ASSETS		102,040	94,109
CURRENT ASSETS			
Trade and other receivables	8.18	37,300	35,700
Work in progress	8	62,151	45,413
Current tax assets		1,063	1,100
Other assets	19	6,372	5,711
Cash and cash equivalents		48,701	62,587
Prepaid expenses		9,005	5,923
TOTAL CURRENT ASSETS		164,592	156,434
TOTAL ASSETS		266,632	250,543

The notes hereinafter form an integral part of the interim condensed consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT.)

As at 30 June 2024

<i>(in thousands of euros)</i>	Notes	30 June 2024	31 December 2023
EQUITY AND LIABILITIES			
EQUITY			
Share capital	32	9,545	9,545
Share premium		70,676	70,676
Reserves		9,318	6,733
Retained earnings		3,669	17,198
TOTAL EQUITY – GROUP SHARE		93,208	104,152
Non-controlling interests (minority interests)		1,604	1,258
TOTAL EQUITY		94,812	105,410
NON-CURRENT LIABILITIES			
Lease obligations	17	7,794	8,668
Other financial debts	21	49,000	35,000
Pension provisions		253	249
Other provisions	20	-	227
Deferred tax liabilities		1,302	1,431
Other liabilities	23	9,635	25,433
TOTAL NON-CURRENT LIABILITIES		67,984	71,008
CURRENT LIABILITIES			
Lease obligations	17	3,657	3,604
Other financial debts	21	633	172
Other provisions	20	367	184
Trade and other payables	22	38,894	25,013
Current tax liabilities		1,691	1,558
Other liabilities	23	38,770	20,599
Prepaid services	8	19,824	22,995
TOTAL CURRENT LIABILITIES		103,836	74,125
TOTAL LIABILITIES		171,820	145,133
TOTAL EQUITY AND LIABILITIES		266,632	250,543

The notes hereinafter form an integral part of the interim condensed consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

For the period ended 30 June 2024

<i>(in thousands of euros)</i>	Notes	30 June 2024	30 June 2023
Turnover	7, 8	156,889	146,124
Purchases		(12,273)	(12,976)
Personnel expenses	25	(74,126)	(68,116)
Other external charges	26	(52,179)	(47,171)
Reversals of /(charges for) provisions	27	285	(219)
Other current operating expenses		(663)	(579)
Other current operating income		952	705
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTISATION, EXCLUDING NON-RECURRING ITEMS (EBITDA)		18,885	17,768
EBITDA in %		12.04%	12.16%
Charges for depreciation of tangible fixed assets	16	(684)	(698)
Charges for depreciation of right-of-use assets	17	(1,898)	(1,698)
Charges for depreciation of intangible fixed assets arising from business combinations	15	(630)	(1,062)
Charges for depreciation of other intangible fixed assets	15	(425)	(257)
EARNINGS BEFORE INTEREST AND TAXES, EXCLUDING NON-RECURRING ITEMS (EBIT)		15,248	14,053
EBIT in %		9.72%	9.62%
Income from disposals of assets and subsidiaries	28	342	(1,026)
Other non-recurring items	29	(2,569)	(1,897)
OPERATING PROFIT (OP)		13,021	11,130
OP as a %		8.30%	7.62%
Financial income		3,091	6,554
Financial expenses		(2,805)	(2,462)
FINANCIAL RESULT	30	286	4,092
Share in earnings of companies consolidated by the equity method		-	-
PROFIT BEFORE TAX		13,307	15,222
Income tax expense	24	(2,763)	(2,126)
PROFIT/ (LOSS) FOR THE PERIOD		10,544	13,096
<i>Of which:</i>			
Group share		10,157	12,868
Non-controlling interests (minority interests)		387	228
Earnings per share for the profit for the period – Group share			
Basic earnings per share <i>(in euros)</i>	31	1.08	1.35
Diluted earnings per share <i>(in euros)</i>	31	1.08	1.35

The notes hereinafter form an integral part of the interim condensed consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2024

<i>(in thousands of euros)</i>	Notes	30 June 2024	30 June 2023
PROFIT/ (LOSS) FOR THE PERIOD		10,544	13,096
<i>Recyclable items in profit or loss</i>			
Translation differences			
- during the financial year		64	951
Total non-recyclable items in profit or loss		64	951
<i>Non-recyclable items in profit or loss</i>			
Defined-benefit plans			
- Actuarial gains and losses on post-employment benefits		-	2
Total non-recyclable items in profit or loss		-	2
TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX		64	953
COMPREHENSIVE INCOME FOR THE PERIOD		10,608	14,049
<i>Of which:</i>			
Group share		10,262	13,815
Non-controlling interests (minority interests)		346	234

The notes hereinafter form an integral part of the interim condensed consolidated financial statements.

TABLE OF CHANGES IN CONSOLIDATED EQUITY

For the period ended 30 June 2024

<i>(in thousands of euros)</i>	Share capital	Share premium	Treasury shares	Revaluation reserve for financial assets	Defined-benefit plans	Foreign-currency translation reserve	Retained earnings	Total	Non-controlling interests (minority interests)	Total equity
BALANCE AS AT 1 JANUARY 2023	9,545	70,676	1,919	2,504	(197)	4,984	11,376	100,807	737	101,544
<i>Profit/ (loss) for the year</i>	-	-	-	-	-	-	12,868	12,868	228	13,096
<i>Other comprehensive income</i>	-	-	-	-	2	945	-	947	6	953
Comprehensive income for the financial year	-	-	-	-	2	945	12,868	13,815	234	14,049
Repurchases/ resales of ordinary shares ⁽²⁾	-	-	(86)	-	-	-	-	(86)	-	(86)
Payment of dividends ⁽³⁾	-	-	-	-	-	-	(16,212)	(16,212)	-	(16,212)
Transactions between shareholders ⁽¹⁾	-	-	-	-	-	-	(215)	(215)	175	(40)
BALANCE AS AT 30 JUNE 2023	9,545	70,676	1,833	2,504	(195)	5,929	7,817	98,109	1,146	99,255
BALANCE AS AT 1 JANUARY 2024	9,545	70,676	(2,940)	2,504	(195)	7,364	17,198	104,152	1,258	105,410
<i>Profit/ (loss) for the year</i>	-	-	-	-	-	-	10,157	10,157	387	10,544
<i>Other comprehensive income</i>	-	-	-	-	-	105	-	105	(41)	64
Comprehensive income for the financial year	-	-	-	-	-	105	10,157	10,262	346	10,608
Repurchases/ resales of ordinary shares ⁽²⁾	-	-	2,480	-	-	-	-	2,480	-	2,480
Payment of dividends ⁽³⁾	-	-	-	-	-	-	(15,986)	(15,986)	-	(15,986)
Transactions between shareholders ⁽¹⁾	-	-	-	-	-	-	(7,700)	(7,700)	-	(7,700)
BALANCE AS AT 30 JUNE 2024	9,545	70,676	(460)	2,504	(195)	7,469	3,669	93,208	1,604	94,812

⁽¹⁾ See note 10

⁽²⁾ See note 33

⁽³⁾ See note 34

The notes hereinafter form an integral part of the interim condensed consolidated financial statements.

TABLE OF CONSOLIDATED CASH FLOWS

For the period ended 30 June 2024

<i>(in thousands of euros)</i>	Notes	30 June 2024	30 June 2023
Cash flows from operating activities			
Profit/ (loss) for the period		10,544	13,096
<i>Adjustments:</i>			
Depreciation charges		3,637	3,715
Impairment losses on trade receivables, net of reversals	18	(239)	71
(Reversals on)/ Charges for other provisions		(50)	51
Charges to provisions for employee benefits		4	4
Net capital (losses)/gains on disposals of non-current assets, net of transaction costs		(342)	1,026
Changes in fair value of price complements/commitments to repurchase securities held by minority shareholders/co-investors	6.3, 30	(567)	(4,216)
Interest expenses on lease obligations	30	136	103
Interest expenses on loans and other financial debt	30	1,093	537
Income tax expense	24	2,763	2,126
Change in working capital		(13,565)	(13,443)
Cash flow generated by operating activities		3,414	3,070
Tax paid		(2,865)	(1,674)
NET CASH FLOWS FROM OPERATING ACTIVITIES		549	1,396
Cash flows from investment activities			
<i>Acquisitions/ cash inflows from:</i>			
- Fixed assets generated internally	15	(471)	(575)
- Intangible fixed assets	15	(810)	(247)
- Tangible fixed assets	16	(967)	(825)
Financial assets at fair value through other comprehensive income		(113)	-
<i>Disposals/cash outflows from:</i>			
- Tangible fixed assets		-	28
Acquisition of control of subsidiaries, net of cash and cash equivalents acquired		(5,115)	(4,968)
Loss of control of subsidiaries, net of cash and cash equivalents disposed of		-	12,094
NET CASH FLOWS (ALLOCATED TO)/ COMING FROM INVESTMENT ACTIVITIES		(7,476)	5,507

The notes hereinafter form an integral part of the interim condensed consolidated financial statements.

TABLE OF CONSOLIDATED CASH FLOWS (CONTINUED)

For the period ended 30 June 2024

<i>(in thousands of euros)</i>	Notes	30 June 2024	30 June 2023
Cash flows from financing activities			
Payment related to the repurchase and resale of ordinary shares	33	2,480	(86)
Consideration received from non-controlling interests (minority interests)		980	-
Repayment of debt on commitments to repurchase securities held by co-investors		(5,778)	(11,937)
Repayment of lease obligations	17	(1,942)	(1,720)
New loans and use of lines of credit	21	14,000	19,000
Interest paid on loans and other financial debt		(1,093)	(535)
Interest paid on lease obligations		(133)	(104)
Dividends paid to parent company shareholders	34	(15,986)	(16,212)
NET CASH FLOWS ALLOCATED TO FINANCING ACTIVITIES		(7,472)	(11,594)
Net change in cash and cash equivalents		(14,399)	(4,691)
Cash and cash equivalents at the start of the period		62,415	56,671
Effect of change in the exchange rate		52	316
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		48,068	52,296

The notes hereinafter form an integral part of the interim condensed consolidated financial statements.

3. NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. GENERAL INFORMATION

1.1 Company presentation

Sword Group SE (the “Company”) is a European company (Societas Europaea, or SE) established under Luxembourg law with its headquarters at 2 Rue d’Arlon, Windhof (Luxembourg). The Company is registered in the Register of Commerce and Companies of Luxembourg under number B168244.

The Sword Group, comprising the Company and the companies it controls, specialises in the global delivery of IT software and services, primarily to public institutions and international groups.

The Group offers a wide range of services, including strategic and operational consulting, solution engineering and application development, project ownership support and project management support, infrastructure management and application maintenance for third parties, and resource outsourcing.

The Company's shares are listed on Euronext Paris (Compartment B).

The interim condensed consolidated financial statements are available on the website of the Luxembourg Stock Exchange.

The interim condensed consolidated financial statements were approved by the Board of Directors on 18 July 2024.

1.2 Major events in the period to 30 June 2024

With effect from 1 June 2023, the Group sold 51% of its shareholding in AAA Group Ltd, a specialist recruitment and staffing company based in Aberdeen, Scotland. After this partial disposal of shares, the 49% of shares still held by the Group were classified under “Holdings associated under the equity method”.

In the meantime, AAA Group Ltd restructured its offer around artificial intelligence using tools developed by the Sword Group. As at 1 April 2024, in view of the reorientation of the activities of AAA Group Ltd, the Group offered to buy the 51% of shares issued by AAA Group Ltd and which had previously been disposed of for 740,000 euros. For the period ended 30 June 2024, AAA was fully consolidated. This acquisition was part of the strategy of the Group to strengthen its position in artificial intelligence. See note 11.

On 28 June 2024, the Group acquired 100% of shares in IACS Consulting Ltd for 3.179 million pounds sterling (equivalent to 3.756 million euros), excluding any deferred consideration, supplements, or adjustments. IACS Consulting Ltd is a company based on Aberdeen that specialises in digital security for control networks. See note 11.

NOTE 2. SEASONALITY

The Group’s business is not exposed to material seasonal variations.

NOTE 3. BASIS FOR PREPARATION AND ACCOUNTING PRINCIPLES

3.1 Basis for preparation

The interim condensed consolidated financial statements for the period ended 30 June 2024 have been prepared in accordance with IAS 34, *Interim Financial Reporting*, and, accordingly, do not include all the information required for annual consolidated financial statements. Therefore, they should therefore be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2023, which were prepared in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) and adopted by the European Union (hereinafter "IFRS").

These interim condensed consolidated financial statements are presented in thousands of euros, unless otherwise indicated.

3.2 Change of accounting methods

3.2.1. *New and revised IFRS standards that have an impact on the amounts presented or disclosures contained in the interim condensed consolidated financial statements*

As of 1 January 2024, the Group has adopted the following amendments:

Amendment to IAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current*

The amendments to IAS 1 only affect the presentation of liabilities as current or non-current in the statement of financial position. The amendments clarify that the classification of liabilities as current or non-current must be a function of the rights that exist at the end of the financial reporting period, specify that the classification is not affected by expectations when it comes to the exercise of the right of the entity to defer the settlement of liabilities, and explain that the rights exist if covenants have been adhered to at the end of the financial reporting period. It must also introduce a definition of "settlement" to explain that the term "settlement" means the transfer of equity instruments or other assets or services to the other party. Based on the current configuration, there has been no reclassification.

Amendment to IAS 1, *Presentation of financial statements – Non-current liabilities with covenants*

The amendments state that only covenants that the entity is required to adhere to at the end of the financial reporting period, or before, have an impact on the right of the entity to defer the settlement of a liability for at least 12 months after the end of the financial reporting period (and must therefore be taken into account when determining the classification of liabilities as current or non-current). Such covenants have an impact on the existence or otherwise of a right at the end of a period.

The IASB also states that the right to defer the settlement of a liability for at least 12 months after the end of the financial reporting period is not affected if the entity is required to adhere to a covenant only after the end of the financial reporting period. However, if the right of the entity to defer the settlement of a liability depends on adherence to covenants by the entity for the 12 months after the end of the financial reporting period, the entity must provide information that allows the users of financial statements to understand the risk that a liability could fall due within the 12 months after the end of the financial reporting period, in particular on covenants, the book value of the relevant liabilities, and the facts and circumstances (where applicable) that indicate that the entity may be unable to adhere to the covenants. The adoption of the amendments made by IAS 1 have had no impact on the classification of financial debt.

3.2.2. *New and revised IFRS standards that have been published but are not yet in force*

Among the IFRS standards and IFRIC interpretations issued by the IASB/IFRS IC on the date of approval of these interim condensed consolidated financial statements but which have not yet entered into force, and for which the Group has not opted for an early application, no new standard or amendment is expected to have an impact on the financial statements of the Group.

NOTE 4. ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the interim condensed consolidated financial statements, the material judgements made by Management in applying the Group's accounting policies and the main sources of uncertainty in making estimates are the same as those that apply to the preparation of the annual consolidated financial statements for the financial year ended on 31 December 2023.

NOTE 5. FINANCIAL RISK MANAGEMENT POLICY

The Group is exposed to credit risk, liquidity risk, and market risk (including interest-rate risk and foreign-currency risk) resulting from the use of financial instruments. Financial risk management is handled by the Finance Department and consists of minimising the potentially unfavourable impact of this risk on the Group's performance. The interim condensed consolidated financial statements do not include all the financial risk management information required in the annual consolidated financial statements. Therefore, they should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2023. There have been no significant changes in the management of, and policy on, financial risks since the end of the previous year.

NOTE 6. FAIR-VALUE MEASUREMENT**6.1 Fair-value hierarchy**

To reflect the importance of the data used in fair-value measurements, the Group classifies these measurements in accordance with a hierarchy containing the following levels:

- Level 1: (Unadjusted) prices quoted on asset markets for identical assets or liabilities;
- Level 2: Data other than the quoted prices referred to in Level 1 that are observable for the asset or liability in question, either directly (i.e. prices) or indirectly (i.e. data derived from prices); and
- Level 3: Data relating to the asset or liability that are not based on observable market data (unobservable data).

The tables below provide an analysis of assets and liabilities recognised at fair value on the balance sheet by hierarchical level.

<i>(in thousands of euros)</i>	Level 1	Level 2	Level 3	Total as at 30 June 2024
Assets at fair value				
<i>Financial assets at fair value through other comprehensive income</i>				
Shareholdings in unlisted companies	-	-	113	113
<i>Financial assets at fair value by way of the income statement</i>				
Derivative instruments	-	78	-	78
TOTAL ASSETS AT FAIR VALUE	-	78	113	191

<i>(in thousands of euros)</i>	Level 1	Level 2	Level 3	Total as at 30 June 2024
Liabilities at fair value				
<i>Financial liabilities at fair value through other comprehensive income</i>				
Contingent considerations on acquisitions	-	-	1,401	1,401
<i>Commitments to repurchase securities held by minority shareholders/co-investors ^(*)</i>	-	-	31,905	31,905
TOTAL LIABILITIES AT FAIR VALUE	-	-	33,306	33,306

^(*) Net of any loans extended directly to co-investors (where applicable)

<i>(in thousands of euros)</i>	Level 1	Level 2	Level 3	Total as at 31 December 2023
Assets at fair value				
<i>Financial assets at fair value by way of the income statement</i>				
Derivative instruments	-	126	-	126
TOTAL ASSETS AT FAIR VALUE	-	126	-	126

<i>(in thousands of euros)</i>	Level 1	Level 2	Level 3	Total as at 31 December 2023
Liabilities at fair value				
<i>Financial liabilities at fair value through other comprehensive income</i>				
Contingent considerations on acquisitions	-	-	1,910	1,910
<i>Commitments to repurchase securities held by minority shareholders/co-investors^(*)</i>	-	-	29,309	29,309
TOTAL LIABILITIES AT FAIR VALUE	-	-	31,219	31,219

^(*) Net of any loans extended directly to co-investors, where applicable

Should a fair-value level transfer be necessary, the Group would change the classification (bearing in mind the consequences of doing so in terms of measurement) on the date of the triggering event or on the date of the change of circumstances leading to the transfer. There was no transfer between Levels 1 and 2 during the period.

6.2 Measurement techniques

6.2.1. In the ordinary course of business

Derivative financial instruments

The fair value of the interest rate cap contract is determined by discounting estimated future cash flows, taking into account the terms and maturity of the contract and based on observable yield curves as at the balance sheet date. For the reasons set out above, interest rate cap contracts are classified as Level 2 on the fair value hierarchy.

Financial assets at fair value through other comprehensive income

Equity instruments held by the Group are Level 3 assets and are valued on the basis of their net assets, as communicated by the management of the company concerned. The Group makes adjustments if it finds, based on information available, that net assets deviate significantly from their fair value.

6.2.2. For business combinations, transactions with minority interests and sales of subsidiaries

Intangible fixed assets

The fair value of software for third parties, SaaS contracts, software maintenance contracts, order books, and client relations acquired in a group of businesses, is calculated using the most appropriate method under the circumstances, including the multi-period excess earnings method, which consists of measuring the asset in question after deducting a reasonable return for the other assets generating cash flows. The valuation is a function of variables such as the rate of technological obsolescence, the client erosion rate (or even the contract renewal rate), and the discount rate.

Contingent considerations (liabilities) in connection with business combinations and other acquisitions

The explanation below provides details of the techniques for measuring the fair value of contingent considerations (liabilities) and the main non-observable data used. Contingent considerations are classified as Level 3 on the fair-value hierarchy, in view of the use of non-observable data specific to the companies/interests acquired.

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IACS Consulting Ltd

The fair value of the additional consideration payable in two tranches - one in 2025 and the other in 2026 - for the acquisition of 100% of the share capital of IACS Consulting Ltd is a function of the EBITDA margin, as shown in the table below.

Measurement technique	Main non-observable data	Estimated values (2024)
EBITDA multiple, calculated as at 31 October 2024 and 2025	- EBITDA margin	25%

An increase of 10% in EBITDA would result in an increase of 348,000 euros in contingent considerations relating to IACS Consulting Ltd as at 30 June 2024. A decrease of 10% in EBITDA would result in a decrease of 348,000 euros in contingent considerations relating to IACS Consulting Ltd as at 30 June 2024. The information set out above does not include any discounting, the impact of which was not considered to be material as at 30 June 2024.

Lemonade Software Development SL

The fair value of the additional consideration payable in two tranches - one in 2025 and the other in 2026 - for the acquisition of 49.96% of the share capital of Lemonade Software Development SL is based on growth in turnover, EBIT margin, and cash position over a three-year period prior to the year of settlement, as shown in the table below.

Measurement technique	Main non-observable data	Range of estimated values	
		(2024)	(2023)
Technique combining a multiple of EBIT and a multiple of turnover	- Annual turnover growth rate	8.0% - 20.0%	15.0% - 19.0%
	- EBIT margin	12.9%	8.0%

The fair value of the additional consideration still to pay as at 30 June 2024 is 656,000 euros (31 December 2023: 556,000 euros).

The estimated fair value is expected to increase if the annual turnover growth rate goes above current estimates and the EBIT margin (expressed as a percentage of turnover) remains stable or increases.

A 25% increase or decrease in the turnover growth rate, assuming a constant EBITDA margin, would not have a material impact on any consideration due as at 30 June 2024.

Similarly, a 10% increase or decrease in the EBIT margin, on a constant turnover basis, would not result in any material change in the consideration due on 30 June 2024.

AIM Services Holding S.A. (AIM)

The fair value of the additional consideration for AIM still to pay as at 30 June 2024 is 104,000 euros (31 December 2023: 108,000 euros).

This fair value is determined on the basis of 20% of the gross margin achieved on a contract with a customer operating in the banking sector over the period 2022 to 2025.

A 10% increase or decrease in the gross margin, on a constant turnover basis, would not result in any material change in the consideration due as at 30 June 2024.

Commitments to repurchase securities held by minority shareholders (also reported as "non-controlling interests")/co-investors

Repurchase commitments are included at their fair value in the consolidated statement of financial position. The table below lists the techniques used to measure both the fair value of debt related to commitments to repurchase securities held by minority shareholders/co-investors and the main non-observable data used by the Group. Debts are classified as Level 3 on the fair-value hierarchy, in view of the use of non-observable data specific to the subsidiaries involved.

Company	Measurement technique	Key non-observable data	Range of estimated values (weighted average)
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			2024	2023
Sword Co-Investment Fund	EBIT/EBITDA multiple or average of an EBIT/EBITDA multiple and a turnover multiple	- Annual turnover growth rate	-3.6% - 27.1% (17.4%)	4.8% - 13.7% (8.6%)
		- EBIT/EBITDA margin	5.9% to 14.2% (9.9%)	5.8% to 13.4% (10.7%)

The estimated fair value is expected to increase if the annual turnover growth rate goes above current estimates and the EBITDA margin (expressed as a percentage of turnover) remains stable or increases.

An increase of 25% in the growth rate of turnover generated by investments held by Sword Co-Investment Fund SCSp would result in an increase of 3.056 million euros in debt related to repurchases of securities held by co-investors as at 30 June 2024, assuming that the EBITDA margin remained constant (31 December 2023: 299,000 euros). A decrease of 25% in the growth rate would result in a decrease of 2.787 million euros in debt related to repurchases of securities held by co-investors as at 30 June 2024 (31 December 2023: 281,000 euros).

An increase of 10% in the margin rate (EBITDA) of investments held by Sword Co-Investment Fund SCSp would result in an increase of 5.004 million euros in debt related to repurchases of securities held by co-investors as at 30 June 2024, assuming that turnover remained constant (31 December 2023: 3.116 million euros). A reduction of 10% in the margin rate would result in a decrease of 4.573 million euros in debt related to repurchases of securities held by co-investors as at 30 June 2024 (31 December 2023: 2.908 million euros).

Gross debt related to repurchases of securities held by co-investors with an early repurchase clause (payable by the first quarter of 2025, where applicable) amounted to 7.105 million euros (2023: 17.99 million euros).

6.3 Reconciliation of Level 3 fair-value measurements

Contingent considerations (liabilities)/debts related to commitments to repurchase securities held by minority shareholders/co-investors

<i>(in thousands of euros)</i>	30 June 2024	31 December 2023
Balance as at the start of the period	31,219	53,532
Increases (*)	9,321	701
Settlements	(6,616)	(17,150)
Total gains	(618)	(5,864)
BALANCE AS AT THE END OF THE PERIOD	33,306	31,219
Total gains relating to contingent considerations/debts related to commitments to repurchase securities held by minority shareholders/co-investors not due at the end of the period	(567)	(6,643)

(*) *Net of any loans extended directly to co-investors, where applicable*

Total gains and losses relating to contingent considerations (liabilities) and debts related to commitments to repurchase securities held by minority shareholders/co-investors are included in income for the year under "Financial result".

Financial assets measured at fair value through other comprehensive income

<i>(in thousands of euros)</i>	30 June 2024	31 December 2023
Balance as at start of the period/year	-	-
Acquisitions	113	-
Total gains/ (losses)	-	-
BALANCE AS AT THE END OF THE PERIOD/YEAR	113	-
Total gains/ (losses) relating to financial assets measured at fair value through other comprehensive income at the end of the period	-	-

NOTE 7. BREAKDOWN OF TURNOVER

Breakdown by line of business	30 June 2024	30 June 2023
IT Services	156,889	146,124
Total	156,889	146,124

Breakdown by market type	30 June 2024	30 June 2023
International organisations	45,608	41,493
Energies	34,990	41,653
Governments	31,685	21,815
Finance, health, telecommunications, and other	22,366	21,044
European institutions	22,240	20,119
Total	156,889	146,124

See note 9 for a breakdown of turnover by geographical sector.

NOTE 8. ASSETS AND LIABILITIES RELATING TO RECOGNITION OF TURNOVER

The table below provides information on trade receivables, work in progress, and prepaid services.

<i>(in thousands of euros)</i>	30 June 2024	31 December 2023
Trade and other receivables (assets)	36,946	35,700
Work in progress (assets)	62,151	45,413
Prepaid services (liabilities)	19,824	22,995

IFRS 15 uses the terms “contract assets” and “contract liabilities” to refer to the items commonly known as “Work in progress” and “Deferred income”. However, this standard does not prevent an entity using other terms in its statement of financial position. The Group has used the terms “Work in progress” and “Prepaid services” to label these items in assets and liabilities.

The Group has recorded as deferred charges under “Assets linked to contract execution costs” costs associated with installation and configuration services for certain software, for which turnover and associated costs are not recognised except with the implementation of said software, whether it is marketed in the form of licences or in SaaS mode. These assets are included in “Prepaid expenses”. There were no such assets as at 30 June 2024 or 31 December 2023.

In accordance with IFRS 15, turnover recognised before the date clients are billed is recognised as “Work in progress”. Interim payments that exceed turnover recognised as at the reporting date are recorded as “Prepaid services”.

8.1 Analysis of significant changes in assets and liabilities relating to the recognition of turnover

The change in work in progress and in prepaid services is proportional to the recognition of turnover.

8.2 Revenue relating to prepaid services

<i>(in thousands of euros)</i>	30 June 2024	31 December 2023
Revenue recognised during the period/year that was included in the opening balance of prepaid services ⁽¹⁾	10,651	14,620

⁽¹⁾ This may include in particular the effect of changes in estimation on the evaluation of variable compensation and the effect of changes in estimation on progress made on performance obligations recognised upon completion.

8.3 Outstanding performance obligations

Schedule of outstanding performance obligations on long-term and fixed-price contracts

<i>(in thousands of euros)</i>	30 June 2024	31 December 2023
Less than 1 year	160,056	194,694
Between 1 and 2 years	64,983	79,046
Between 2 and 3 years	106,025	128,970
Share of turnover allocated to outstanding performance obligations as at reporting date	331,064	402,710

The above schedule corresponds to the order-book schedule (also known as the production backlog).

NOTE 9. SEGMENT INFORMATION

For the period ending on 30 June 2024, the Group has the following operating segments:

- Services / United Kingdom
- Services/ Belux
- Services / Switzerland

9.1 Information by segment

9.1.1. Analysis of the income statement as at 30 June 2024

<i>(in thousands of euros)</i>	Services / BeLux	Services / Switzerland	Services / United Kingdom	Non- allocated	Consolidated total
Turnover from outside the Group <i>(external clients)</i>	55,480	55,880	45,529	-	156,889
Total turnover	55,480	55,880	45,529	-	156,889
Earnings before interest, taxes, depreciation, and amortisation, excluding non-recurring items (EBITDA)	5,921	7,409	5,555	-	18,885
Depreciation charges	(1,348)	(1,381)	(908)	-	(3,637)
Earnings before interest and taxes, excluding non-recurring items (EBIT)	4,573	6,028	4,647	-	15,248
Income from disposals of assets	-	-	342	-	342
Other non-recurring items	(1,288)	(580)	(701)	-	(2,569)
Operating profit (OP)	3,285	5,448	4,288	-	13,021
Financial result					286
Income tax expense					(2,763)
Profit/ (loss) for the period					10,544
Non-controlling interests					387
Group share					10,157

9.1.2. Analysis of the income statement as at 30 June 2023

<i>(in thousands of euros)</i>	Services / BeLux	Services/ Switzerland	Services/ United Kingdom	Non- allocated	Consolidated total
Turnover from outside the Group <i>(external clients)</i>	48,848	46,334	50,942	-	146,124
Total turnover	48,848	46,334	50,942	-	146,124
Earnings before interest, taxes, depreciation, and amortisation, excluding non-recurring items (EBITDA)	4,861	6,726	6,181	-	17,768
Depreciation charges	(1,165)	(1,355)	(1,195)	-	(3,715)
Earnings before interest and taxes, excluding non-recurring items (EBIT)	3,696	5,371	4,986	-	14,053
Income from disposals of assets	(5)	15	(1,004)	(32)	(1,026)
Other non-recurring items	(560)	(631)	(396)	(310)	(1,897)
Operating profit (OP)	3,131	4,755	3,586	(342)	11,130
Financial result					4,092
Income tax expense					(2,126)
Profit/ (loss) for the period					13,096
Non-controlling interests					228
Group share					12,868

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9.1.3. Analysis of assets and liabilities as at 30 June 2024

<i>(in thousands of euros)</i>	Services / BeLux	Services / Switzerland	Services / United Kingdom	Non-allocated	Adjustments and eliminations	Consolidated total
Segment assets	85,377	74,175	86,195	-	-	245,747
Non-allocated assets	-	-	-	20,885	-	20,885
TOTAL ASSETS	85,377	74,175	86,195	20,885	-	266,632
Segment liabilities	62,840	31,221	28,701	-	79,492	202,254
Non-allocated liabilities	-	-	-	49,058	(79,492)	(30,434)
TOTAL LIABILITIES	62,840	31,221	28,701	49,058	-	171,820
<i>Investments in property, plant and equipment, and intangible assets during the period</i>	1,520	1,154	642	472	-	3,788

9.1.4. Analysis of assets and liabilities as at 31 December 2023

<i>(in thousands of euros)</i>	Services / BeLux	Services / Switzerland	Services / United Kingdom	Non-allocated	Adjustments and eliminations	Consolidated total
Segment assets	74,819	72,242	72,250	-	-	219,311
Non-allocated assets	-	-	-	31,232	-	31,232
TOTAL ASSETS	74,819	72,242	72,250	31,232	-	250,543
Segment liabilities	46,176	33,806	30,122	-	79,164	189,268
Non-allocated liabilities	-	-	-	35,029	(79,164)	(44,135)
TOTAL LIABILITIES	46,176	33,806	30,122	35,029	-	145,133
<i>Investments in property, plant, and equipment and intangible assets during the period</i>	3,314	1,725	1,098	57	-	6,194

See note 14.2 for the allocation of goodwill to cash-generating units.

All assets are allocated to segments except for assets that cannot be allocated to a CGU, which comprise mainly cash and cash equivalents held by the Company.

All liabilities are allocated to segments except for those that cannot be allocated to a CGU, which comprise mainly loans taken out by the Company with credit institutions in the amount of 49,000,000 euros as at 30 June 2024 (31 December 2023: 35,000,000 euros) (note 21).

NOTE 10. GROUP INFORMATION

10.1 Scope of consolidation

Company	Main business	Method	% control		% interest	
			30 June 2024	31 December 2023	30 June 2024	31 December 2023
Luxembourg						
Sword Group S.E.	Parent company					
Sword Co-Investment Fund SCSp	Holding	IG	100%	100%	100%	100%
Sword Technologies S.A.	IT Services	IG	100%	100%	100%	100%
Belgium						
Sword Integra S.A	IT Services	IG	100%	100%	100%	100%
Tipik Communication Agency S.A	IT Services	IG	100%	100%	100%	100%
Vadear S.A	IT Services	IG	100%	100%	100%	100%
Canada						
Sword Corporation Inc. ⁽¹⁾	IT Services	IG	100%	100%	45%	45%
Cyprus						
Sword Cyprus Ltd	IT Services	IG	100%	100%	100%	100%
Dubai						
Sword Middle East FZ LLC	IT Services	IG	100%	100%	100%	100%
United States						
Sword ITS LLC	IT Services	IG	100%	100%	100%	100%
Sword Solutions Inc.	IT Services	IG	100%	100%	100%	100%
Spain						
Lemonade Software Development S.L.	IT Services	IG	100%	100%	100%	100%
France						
Le Connecteur S.à r.l. ⁽²⁾	-	IG	-	100%	-	100%
Sword Software France S.à r.l.	-	IG	100%	100%	100%	100%
Greece						
Sword Services Greece S.A	IT Services	IG	99%	99%	99%	99%
India						
Sword Global India Pvt Ltd	IT Services	IG	100%	100%	100%	100%
Lebanon						
Sword Lebanon SAL	IT Services	IG	100%	100%	100%	100%
Sword Middle East LLC	IT Services	IG	98%	98%	98%	98%
Netherlands						
DataCo Netherlands B.V.	IT Services	IG	100%	100%	100%	100%
United Kingdom						
AAA Group Ltd ⁽³⁾	Holding	IG	100%	-	100%	-
AAA Ltd ⁽³⁾	IT Services	IG	100%	-	100%	-
Infinity Ltd	IT Services	IG	100%	100%	100%	100%
IACS Consulting Ltd ⁽⁴⁾	IT Services	IG	100%	-	100%	-
Phusion IM Ltd	IT Services	IG	100%	100%	100%	100%
Ping Network Solutions Ltd	IT Services	IG	100%	100%	100%	100%
Sword Charteris Ltd	Holding	IG	100%	100%	100%	100%

Company	Main business	Method	% control		% interest	
			30 June 2024	31 December 2023	30 June 2024	31 December 2023
United Kingdom						
Sword IT Solutions Ltd	IT Services	IG	100%	100%	100%	100%
Sword Soft Ltd	Holding	IG	100%	100%	100%	100%
Sword Technologies Solutions Ltd	IT Services	IG	100%	100%	100%	100%
Switzerland						
CBA Sourcing S.A.	IT Services	IG	51%	51%	51%	51%
Sword Services S.A.	IT Services	IG	100%	100%	100%	100%
Sword Technologies S.A. ⁽¹⁾	IT Services	IG	45%	45%	45%	45%
Swissgenia S.A	IT Services	IG	100%	100%	100%	100%
Sword Services Holding S.A	IT Services	IG	100%	100%	100%	100%
Sword Suisse Holding S.A	Holding	IG	100%	100%	100%	100%
Sword Venue S.à r.l.	Logiciels	IG	100%	100%	100%	81%
Australia						
Onsite Information Management Pty Ltd	IT Services	IG	100%	100%	100%	100%

⁽¹⁾ The Group signed a shareholders' agreement, effective from 1 January 2014, giving it control over Sword Technologies S.A.(Switzerland). As a result, the company and its subsidiary, Sword Corporation Inc., are fully consolidated.

⁽²⁾ Dissolved on 1 January 2024.

⁽³⁾ With effect from 1 April 2024, the Group increased its shareholding in AAA Group Ltd. from 49% to 100%. After this acquisition, AAA Group Ltd and its subsidiary, AAA Ltd., were consolidated using the full consolidation method. See note 11.

⁽⁴⁾ With effect from 28 June 2024, the Group acquired 100% of shares in IACS Consulting Ltd. See note 11.

10.2 Transactions with non-controlling interests (minority interests)

10.2.1. Impact of transactions with minority interests on equity – Group share for the periods ended on 30 June 2024 and 2023

(in thousands of euros)	30 June 2024	30 June 2023
Changes in reserves, in terms of Group share, due to:		
- Acquisitions/repurchases of securities in:		
Sword Venue S.à r.l.	-	(265)
Other	-	50
- Commitments to repurchase securities held by co-investors in:		
Sword Co-Investment Fund (note 10.2.2)	(7,700)	-
NET IMPACT ON EQUITY – GROUP SHARE	(7,700)	(215)

10.2.2. Sword Co-Investment Fund

The Group has established a special investment fund called the Sword Co-Investment Fund (hereinafter the "Fund") to bring together all employee share ownership plans of the Group. In the first half of 2024, a new plan relating to BeLux was subscribed for a total 8.68 million euros.

The Fund is open only to managers in certain subsidiaries (the "co-investors").

The aim of the Fund is to harmonise the rules that apply to plans spread across several jurisdictions and use a centralised platform to increase the efficiency of the subscription process.

The Fund is managed by Sword Group S.E. in its capacity as general partner.

When they subscribe to units in the Fund, co-investors are exposed to the financial performance of their subsidiaries.

Therefore, whenever a plan is put in place for co-investors from a subsidiary, a share of securities in the subsidiary, which are classified as underlying securities, is transferred to the Fund in exchange for the subscribed shares, at their fair value calculated on the basis of an EBIT multiple applied to the securities of the subsidiary involved.

The Group finances up to 85% of investment, in the form of a loan either to the Fund or to the co-investors. Finance is provided at an interest rate of 4% for 2024 (2023: 4%).

Under these plans, at the end of a period generally ranging from three to five years, the Fund will repurchase shares held by co-investors at their fair value at the time of the repurchase, calculated on the basis of a combination of a multiple of turnover and an EBITDA multiple applied to the securities of the subsidiary involved. In some cases, put options are granted to co-investors, allowing them to request the early repurchase of their securities.

The repurchase price of the shares will be paid to co-investors after the deduction of the loan amounts, where applicable.

In the first half of 2024, some of the shares held by the co-investors were repurchased for a total of 10.045 million euros, excluding the effect of the offsetting of amounts owed by co-investors to the Group of 4.267 million euros.

The amount invested in the plans via the Fund stood at 22.442 million euros (2023: 20.953 million euros), of which 5.974 million euros (2023: 9.949 million euros) had been paid up as at 30 June 2024.

The plan states that in the event of a negative performance by the underlying subsidiary, co-investors will cover the deficit up to the amount either of the sums the Group has lent to them, or of the sums they have subscribed but not paid up.

The commitment to repurchase results in the recognition of a financial debt for compensation for the cancellation of the related non-controlling interests and, where applicable, for the value of the debt exceeding the book value of the non-controlling interests, an increase in consolidated reserves. Financial debt is remeasured at its fair value as at each reporting date, with a corresponding charge to the financial result.

10.3 Commitments to repurchase non-controlling interests

Commitments to repurchase non-controlling interests (minority interests) were analysed as follows as at 30 June 2024:

<i>(in thousands of euros)</i>	Measurement method	Fair value of commitments (current debts)	Fair value of commitments (non-current debts)
Sword Co-Investment Fund	Multiple CA/ EBITDA	25,530 (*)	8,983 (*)

(*) *excluding the impact of compensation with loans extended directly to co-investors in the amount of 2.608 million euros and recorded as a deduction from other liabilities (current).*

Commitments to repurchase non-controlling interests (minority interests) were analysed as follows as at 31 December 2023:

<i>(in thousands of euros)</i>	Measurement method	Fair value of commitments (current debts)	Fair value of commitments (non-current debts)
Sword Co-Investment Fund	Multiple CA/ EBITDA	7,846 (*)	28,270 (*)

(*) *excluding the impact of compensation with loans extended directly to co-investors in the amount of 3.414 million euros (current) and 3.393 million euros (non-current) respectively and recorded as a deduction from other liabilities.*

For the method used to measure the fair value of commitments, see note 6.2.

NOTE 11. BUSINESS COMBINATIONS AND ACQUISITIONS IN 2024**11.1 Description****AAA Group Ltd**

On 1 June 2023, the Group disposed of a majority interest in AAA Group Ltd. Following this disposal, AAA Group Ltd restructured its offer around artificial intelligence, using tools developed by the Group. In view of the reorientation of the activities of AAA Group Ltd., the Group has made an offer to repurchase the 51% of shares issued by AAA Group Ltd and previously sold for 740,000 euros, with effect from 1 April 2024. The aim of the repurchase is to allow the Group to strengthen its presence in artificial intelligence.

IACS Consulting Ltd

On 28 June 2024, the Group acquired 100% of shares in IACS Consulting Ltd for 3.179 million pounds sterling (equivalent to 3.756 million euros), excluding any deferred consideration, supplements, or adjustments. IACS Consulting Ltd is a company based on Aberdeen that specialises in digital security for control networks.

The acquisition of IACS Consulting Ltd will strengthen the capacity of the Group in operations technology (OT) and industrial cybersecurity, in particular in the energy sector. In addition to improving the capacity of the Group within the energy sector, the acquisition of IACS Consulting Ltd will also allow the Group to expend its competencies to other sectors, such as renewable energy, manufacturing, and food production.

11.2 Consideration transferred

<i>(in thousands of euros)</i>	AAA Group Ltd	IACS Consulting Ltd	TOTAL
Consideration settled in cash	740	3,756	4,496
<i>Minus:</i>			
Balance of cash and cash equivalents acquired	-	383	383
NET CASH OUTFLOW	740	3,373	4,113

In addition to the fixed price paid at the time of signing (see above), the IACS Consulting Ltd purchase agreement provides for a price supplement corresponding to a multiple of EBITDA calculated over the one-year periods ending on

31 October 2024 and 31 October 2025. The fair value of this liability stands at 641,000 euros as at 30 June 2024. See note 6.2.

11.3 Assets acquired and liabilities recognised at date of acquisition

<i>(in thousands of euros)</i>	AAA Group Ltd	IACS Consulting Ltd	TOTAL
Non-current assets			
Intangible fixed assets	250	-	250
Tangible fixed assets	21	49	70
Deferred tax assets	288	-	288
Current assets			
Trade and other receivables	1,684	354	2,038
Work in progress	636	-	636
Tax receivable	1	-	1
Other assets	392	251	643
Cash and cash equivalents	-	383	383
Prepaid expenses	109	80	189
Current liabilities			
Financial debts	(200)	-	(200)
Trade and other payables	(1,449)	(63)	(1,512)
Tax payable	(55)	(123)	(178)
Other liabilities	(3,730)	(148)	(3,878)
IDENTIFIABLE NET ASSETS ACQUIRED	(2,053)	783	(1,270)

11.4 Goodwill resulting from acquisition

<i>(in thousands of euros)</i>	AAA Group Ltd	IACS Consulting Ltd	TOTAL
Consideration transferred	740	3,756	4,496
<i>Plus: Fair value of previously-acquired equity interests</i>	711	-	711
<i>Minus: Fair value of identifiable net assets acquired</i>	(2,053)	783	(1,270)
<i>Plus: Deferred payment</i>	-	777	777
<i>Plus: Contingent considerations</i>	-	641	641
GOODWILL RESULTING FROM ACQUISITION	3,504	4,391	7,895

In accordance with IFRS 3, the Group has carried out a provisional valuation of the fair value of identifiable assets and liabilities of companies acquired while waiting for the implementation of verification tasks entrusted to third-party experts.

The goodwill generated during the acquisitions of AAA Group Ltd and IACS Consulting Ltd is mainly linked to forecasts of growth and profitability resulting from the acquisition of new skills. Goodwill should not be deductible for tax purposes.

11.5 Impact of acquisitions on Group results

If the abovementioned business groups had been in effect on 1 January 2024, the turnover and net income for the period of the acquired entities would have been as follows:

<i>(in thousands of euros)</i>	AAA Group Ltd	IACS Consulting Ltd	TOTAL
Turnover	7,791	1,583	9,374
Net income	(19)	192	173

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For the period from the acquisition date to 30 June 2024, the companies acquired through a business combination contributed to the turnover and net income of the Group in the following proportions:

<i>(in thousands of euros)</i>	AAA Group Ltd	IACS Consulting Ltd	TOTAL
Turnover	2,843	-	2,843
Net income	(3)	-	(3)

NOTE 12. DISPOSALS

There were no disposals in the first half of 2024.

NOTE 13. ASSOCIATED COMPANY

<i>(in thousands of euros)</i>	30 June 2024	31 December 2023
Balance as at the start of the period/year	365	-
Acquisition and rise of significant influence ⁽¹⁾	-	490
Disposal and loss of significant influence ⁽²⁾	(365)	-
Share of profit/ (loss) for the year	-	(125)
BALANCE AS AT THE END OF THE PERIOD/YEAR	-	365

⁽¹⁾ With effect from 1 June 2023, the Group sold 51% of the capital of its subsidiary AAA Group Ltd, reducing the Group's holding in AAA Group Ltd from 100% to 49%. On completion of this transaction, Group Management decided that the conditions for exercising exclusive control under IFRS 10 were no longer met and reclassified its investment as an "Investment in equity associates" for a total amount of €490,000.

⁽²⁾ With effect from 1 April 2024, the Group repurchased 51% of the capital of AAA Group Ltd, increasing the holding of the Group in AAA Group Ltd from 49% to 100%. After this acquisition, AAA Group Ltd and its subsidiary were consolidated using the full consolidation method. See note 11.1.

NOTE 14. GOODWILL

14.1 Changes in goodwill

<i>(in thousands of euros)</i>	30 June 2024	31 December 2023
GROSS AMOUNT		
Balance as at the start of the period/year	94,355	96,227
Additional amounts recognised following business combinations arising during the period/year (note 11).	7,895	-
Disposals	-	(3,750)
Translation difference	73	1,878
Balance as at end of the period/year	102,323	94,355
ACCUMULATED IMPAIRMENT LOSSES		
Balance as at the start of the period/year	25,000	25,000
Balance as at end of the period/year	25,000	25,000
GOODWILL, NET BOOK VALUE	77,323	69,355

14.2 Allocation of goodwill by cash-generating units (CGUs)

<i>(in thousands of euros)</i>	30 June 2024	31 December 2023
Services/ BeLux	15,390	15,391
Services / Switzerland	19,026	19,793
Services/United Kingdom	42,907	34,171
TOTAL	77,323	69,355

NOTE 15. OTHER INTANGIBLE FIXED ASSETS

<i>(in thousands of euros)</i>	Software	Client contracts	Non-competition clause	Other intangible fixed assets	TOTAL
GROSS AMOUNT					
As at 31 December 2022	3,531	9,591	1,113	10,503	24,738
Inflows of assets generated internally	1,256	-	-	-	1,256
Acquisitions	-	-	-	362	362
Disposals	(850)	-	-	-	(850)
Deconsolidations	-	-	-	(1,591)	(1,591)
Translation difference	151	347	-	(15)	483
As at 31 December 2023	4,088	9,938	1,113	9,259	24,398
Inflows of assets generated internally	471	-	-	-	471
Acquisitions	-	-	-	810	810
Acquisitions via business combinations	250	-	-	-	250
Translation difference	(80)	(1)	-	(43)	(124)
Other movements	-	-	-	(15)	(15)
As at 30 June 2024	4,729	9,937	1,113	10,011	25,790
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES					
As at 31 December 2022	(2,114)	(5,245)	-	(9,474)	(16,833)
Depreciation charges	(398)	(1,808)	-	(470)	(2,676)
Scope variations	-	-	-	1,591	1,591
Reversals of impairment losses	850	-	-	-	850
Translation difference	(88)	(221)	-	15	(294)
As at 31 December 2023	(1,750)	(7,274)	-	(8,338)	(17,362)
Depreciation charges	(257)	(629)	-	(169)	(1,055)
Translation difference	45	(3)	-	43	85
Other movements	-	-	-	15	15
As at 30 June 2024	(1,962)	(7,906)	-	(8,449)	(18,317)
NET AMOUNT					
As at 31 December 2023	2,338	2,664	1,113	921	7,036
As at 30 June 2024	2,767	2,031	1,113	1,562	7,473

NOTE 16. TANGIBLE FIXED ASSETS

<i>(in thousands of euros)</i>	Land and buildings	Facilities, developments, and fixtures	Transport equipment	Office and IT equipment	Office furniture	TOTAL
GROSS AMOUNT						
As at 31 December 2022	1,517	4,338	272	5,526	2,726	14,379
Acquisitions	-	135	202	844	88	1,269
Disposals	-	-	(248)	(20)	(13)	(281)
Deconsolidations	(253)	-	-	(153)	(84)	(490)
Translation difference	32	58	11	92	44	237
Other movements	(7)	(9)	-	17	(2)	(1)
As at 31 December 2023	1,289	4,522	237	6,306	2,759	15,113
Acquisitions	-	70	-	850	46	966
Acquisitions via business combinations	255	-	-	245	104	604
Translation difference	39	22	(8)	36	40	129
As at 30 June 2024	1,583	4,614	229	7,437	2,949	16,812
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES						
As at 31 December 2022	(717)	(2,744)	(198)	(4,033)	(2,038)	(9,730)
Depreciation charges	(18)	(335)	(98)	(778)	(172)	(1,401)
Scope variations	253	-	-	133	80	466
Reversals of disposals	-	-	248	20	9	277
Translation difference	(16)	(40)	(4)	(62)	(30)	(152)
Other movements	7	8	-	(14)	(1)	-
As at 31 December 2023	(491)	(3,111)	(52)	(4,734)	(2,152)	(10,540)
Depreciation charges	(10)	(174)	(19)	(406)	(75)	(684)
Scope variations	(255)	-	-	(190)	(88)	(533)
Translation difference	(16)	(33)	(1)	(41)	(37)	(128)
As at 30 June 2024	(772)	(3,318)	(72)	(5,371)	(2,352)	(11,885)
NET AMOUNT						
As at 31 December 2023	798	1,411	185	1,572	607	4,573
As at 30 June 2024	811	1,296	157	2,066	597	4,927

As at 30 June 2024, no guarantees had been issued regarding property, plant, and equipment (the same had been the case in 2023).

NOTE 17. LEASES

17.1 Right-of-use assets by category

<i>(in thousands of euros)</i>	Land and buildings	Transport equipment	TOTAL
GROSS AMOUNT			
As at 31 December 2022	21,479	2,367	23,846
New contracts	1,198	2,109	3,307
Disposals/exits from contracts	(549)	(424)	(973)
Deconsolidations	(2,715)	-	(2,715)
Translation difference	409	4	413
As at 31 December 2023	19,822	4,056	23,878
New contracts	961	580	1,541
Disposals/exits from contracts	(657)	(53)	(710)
Translation difference	(17)	(3)	(20)
As at 30 June 2024	20,109	4,580	24,689
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES			
As at 31 December 2022	(10,594)	(912)	(11,506)
Depreciation charges	(2,672)	(865)	(3,537)
Disposals/exits from contracts	467	424	891
Scope variations	2,346	-	2,346
Translation difference	(205)	(1)	(206)
As at 31 December 2023	(10,658)	(1,354)	(12,012)
Depreciation charges	(1,323)	(575)	(1,898)
Disposals/exits from contracts	269	53	322
Translation difference	(21)	1	(20)
As at 30 June 2024	(11,733)	(1,875)	(13,608)
NET AMOUNT			
As at 31 December 2023	9,164	2,702	11,866
As at 30 June 2024	8,376	2,705	11,081

17.2 Maturities of lease obligations

<i>(in thousands of euros)</i>	30 June 2024	31 December 2023
Less than one year	3,657	3,604
Between one and two years	3,128	3,089
Between two and three years	2,097	2,383
Between three and five years	1,772	2,103
More than five years	797	1,093
TOTAL	11,451	12,272

17.3 Items recognised in profit or loss

<i>(in thousands of euros)</i>	30 June 2024	30 June 2023
Charges for depreciation for right-of-use assets	(1,898)	(1,698)
Interest expenses on lease obligations	(136)	(103)
Lease expenses for short-term leases	(42)	(47)
Lease expenses for leases for assets with low underlying value	(10)	(11)
TOTAL	(2,086)	(1,859)

The leases of the Group do not include variable payments, apart from adjustments for inflation.

Total cash outflows relating to leases were 2.075 million euros in 2024 (30 June 2023: 1.824 million euros).

NOTE 18. TRADE AND OTHER RECEIVABLES

<i>(in thousands of euros)</i>	30 June 2024	31 December 2023
Trade receivables	38,460	37,132
Provisions for doubtful debts	(1,160)	(1,432)
Trade receivables, net	37,300	35,700

Due to their short-term maturity, the book value of trade and other receivables is close to their fair value.

Change in the provision for doubtful debts

<i>(in thousands of euros)</i>	30 June 2024	31 December 2023
Balance as at the start of the period/year	(1,432)	(1,539)
Impairment losses recognised during the period/year	(63)	(89)
Impairment losses subject to reversal	302	274
Translation difference	33	(62)
Other movements	-	(16)
BALANCE AS AT THE END OF THE PERIOD/YEAR	(1,160)	(1,432)

NOTE 19. OTHER ASSETS

<i>(in thousands of euros)</i>	30 June 2024	31 December 2023
Deposits and guarantees	692	728
Total other non-current assets, gross amount	692	728
Provisions for depreciation of other non-current assets	-	-
TOTAL OTHER NON-CURRENT ASSETS, NET AMOUNT	692	728
Tax and social security receivables	4,962	4,375
Deferred consideration receivable on the disposal of AAA	-	400
Other current receivables	1,410	936
Total other current assets, gross amount	6,372	5,711
Provisions for depreciation of other current assets	-	-
TOTAL OTHER CURRENT ASSETS, NET AMOUNT	6,372	5,711

The net book value of financial assets included under "Other current assets" is a reasonable approximation of their fair value due to their short-term maturity. Other non-current assets have not been revalued, given the small amounts involved. Financial assets included in "Other assets" are classified as Level 2 on the fair value hierarchy.

NOTE 20. OTHER PROVISIONS

<i>Name</i>	30 June 2024	31 December 2023
Balance as at the start of the period/year	411	356
Charges for provisions	-	144
Reversals of provisions used	(50)	(93)
Deconsolidations	-	-
Translation differences	6	4
BALANCE AS AT THE END OF PERIOD/YEAR	367	411
Current	367	184
Non-current	-	227

Reversals or and charges for provisions for litigation risks are included in "Other non-recurring items" in the consolidated income statement.

NOTE 21. OTHER FINANCIAL DEBTS**21.1 Breakdown of other financial debts by type**

<i>(in thousands of euros)</i>	30 June 2024	31 December 2023
Bank loans and lines of credit	49,000	35,000
Non-current financial debts	49,000	35,000
Bank overdrafts	633	172
Current financial debts	633	172
TOTAL FINANCIAL DEBTS	49,633	35,172

21.2 Maturity schedule

<i>(in thousands of euros)</i>	30 June 2024	31 December 2023
Less than one year	633	172
Between one and five years	49,000	35,000
More than five years	-	-
TOTAL	49,633	35,172

21.3 Available lines of credit

<i>(in thousands of euros)</i>	30 June 2024	31 December 2023
Authorised amount	90,000	90,000
Less than one year	-	-
Between one and five years	90,000	90,000
More than five years	-	-
Amount used	49,000	35,000
Less than one year	-	-
Between one and five years	49,000	35,000
More than five years	-	-
Available amount	41,000	55,000
Less than one year	-	-
Between one and five years	41,000	55,000
More than five years	-	-

If there is a need to borrow, the banking arrangements of the Group require compliance with financial ratios: a “net consolidated financial debt/consolidated EBITDA” ratio of less than 3 or 3.5, depending on the contract, and a “net consolidated financial debt/consolidated equity” ratio of less than 1. In accordance with conventions, the financial ratios exclude lease obligations and financial debts related to commitments to repurchase securities.

21.4 Changes in financial debt

The change in financial debts (including lease obligations) in 2024 and 2023 is included in cash flows from financing activities (see the table of consolidated cash flows).

NOTE 22. TRADE AND OTHER PAYABLES

<i>(in thousands of euros)</i>	30 June 2024	31 December 2023
Trade payables	12,256	9,495
Accrued invoices	20,065	10,321
Other	6,573	5,197
TOTAL	38,894	25,013

NOTE 23. OTHER LIABILITIES

<i>(in thousands of euros)</i>	30 June 2024	31 December 2023
Commitment to repurchase securities held by minority shareholders/ co-investors (notes 6.2 and 10) (*)	8,983	24,877
Contingent consideration relating to the acquisition of:		
- IACS Consulting Ltd (notes 6.2 and 11)	454	-
- Lemonade Software Development S.A. (note 6.2)	198	556
TOTAL OTHER NON-CURRENT LIABILITIES	9,635	25,433
Value-added tax and other taxes	7,986	8,214
Social security and other social bodies	6,257	6,579
Commitment to repurchase securities held by minority shareholders/ co-investors (notes 6.2 and 10) (*)	22,922	4,432
Deferred consideration related to the acquisition of IACS Consulting Ltd (note 11)	777	-
Contingent consideration on the acquisition of:		
- IACS Consulting Ltd (notes 6.2 and 11)	187	-
- Lemonade Software Development S.A. (note 6.2)	458	-
- Ping Network Solutions Ltd	-	1,246
- AIM Holding SA (note 6.2)	104	108
Other	79	20
TOTAL OTHER CURRENT LIABILITIES	38,770	20,599

(*) Under compensation agreements, the amounts to be reimbursed to Sword Group SE by minority shareholders/ co-investors stand at 2.608 million euros (2023: 6.807 million euros) and have been presented as a deduction from financial debts related to commitments to repurchase securities valued at 34.513 million euros (2023: 36.116 million euros). See note 10.2.2.

NOTE 24. TAXES

<i>(in thousands of euros)</i>	30 June 2024	30 June 2023
Tax on profit recognised in net earnings		
Current tax	2,893	2,083
Deferred tax	(130)	43
TOTAL	2,763	2,126

NOTE 25. STAFF EXPENSES

<i>(in thousands of euros)</i>	30 June 2024	30 June 2023
Gross remuneration	(63,205)	(58,590)
Social security contributions	(9,797)	(8,398)
Other benefits	(1,124)	(1,128)
TOTAL	(74,126)	(68,116)

The average head count of the Group is:

	30 June 2024	30 June 2023
Billable workforce	1,985	1,756
Non-billable workforce	245	232
TOTAL	2,230	1,988

As at 30 June 2024 and 2023, the Group had no share option plans in place.

NOTE 26. OTHER EXTERNAL CHARGES

As at 30 June 2024, other external charges principally comprised sub-contracting costs of 45.569 million euros (30 June 2023: 40.546 million euros).

NOTE 27. PROVISION CHARGES AND REVERSALS

<i>(in thousands of euros)</i>	30 June 2024	30 June 2023
Provision charges for retirement benefits	(4)	(4)
Charges for other provisions	-	(144)
Reversals of other provisions	50	-
Provisions for doubtful debts	(63)	(71)
Reversals of provisions for doubtful debts	302	-
TOTAL	285	(219)

NOTE 28. INCOME FROM DISPOSALS OF ASSETS AND SUBSIDIARIES

<i>(in thousands of euros)</i>	30 June 2024	30 June 2023
Disposal costs	-	(32)
Income from the disposal of non-consolidated securities (*)	342	-
Income from the disposal of consolidated securities (**)	-	(1,020)
Income from the disposal of property, plant, and equipment	-	26
TOTAL	342	(1,026)

(*) *Income from the disposal of non-consolidated securities as at 30 June 2024 is comprised of the capital gains on AAA Group Ltd at the time of the repurchase of 51% of share capital on 1 April 2024. See notes 1.2 and 11.*

(**) *Income from the disposal of consolidated securities as at 30 June 2023 is essentially comprised of capital losses on AAA Group Ltd for 964,000 euros.*

NOTE 29. OTHER NON-RECURRING ITEMS

<i>(in thousands of euros)</i>	30 June 2024	30 June 2023
Litigation costs	(108)	(177)
Restructuring costs	(480)	(720)
Acquisition costs	(1,025)	(421)
Other expenses	(956)	(702)
Other income	-	123
TOTAL	(2,569)	(1,897)

Litigation is mainly commercial and social.

NOTE 30. FINANCIAL RESULT

<i>(in thousands of euros)</i>	30 June 2024	30 June 2023
Interest on loans and financial debt	(1,093)	(537)
Interest on lease obligations	(136)	(103)
NET FINANCIAL DEBT COST	(1,229)	(640)
Foreign-exchange gain	2,027	1,774
Foreign-exchange loss	(1,390)	(1,460)
Change in fair value of derivatives	(48)	50
Changes in fair value of contingent considerations	329	1,050
Changes in fair value for commitments to repurchase securities held by minority shareholders/ co-investors	238	2,970
Other financial income	497	515
Other financial expenses	(138)	(167)
FINANCIAL RESULT	286	4,092

NOTE 31. EARNINGS PER SHARE

<i>(in thousands of euros and units of account)</i>	30 June 2024	30 June 2023
Profit/ (loss) for the period, attributable to shareholders of the Company	10,157	12,868
Weighted average number of ordinary shares in circulation	9,417,123	9,535,365
Diluted weighted average number of shares	9,417,123	9,535,365
Earnings per share		
Basic net earnings per share	1.08	1.35
Diluted net earnings per share	1.08	1.35

NOTE 32. SHARE CAPITAL

As at 30 June 2024, the share capital of the company was 9.545 million euros (31 December 2023: 9.545 million euros), represented by 9,544,965 shares (31 December 2023: 9,544,965 shares) with a nominal value of 1 euro each, fully paid up.

NOTE 33. TREASURY SHARES

Over the course of 2024, 54,354 treasury shares (30 June 2023: 38,280 treasury shares) were acquired for a total of 1,988,000 euros (30 June 2023: 1,658,000 euros) and 119,874 treasury shares (30 June 2023: 35,726 treasury shares) were sold, bringing in a total of 1,559,000 euros (30 June 2023: 1,559,000 euros).

As at 30 June 2024, there were 77,394 treasury actions (30 June 2023: 12,749 treasury shares).

There is a balance of 67,558 treasury shares, which had been acquired as part of a capital reduction to be carried out over 24 months, i.e. by no later than the end of October 2025.

NOTE 34. DIVIDENDS30 June 2024

The General Shareholders' Meeting of 29 February 2024 resolved to distribute to shareholders a dividend of 1.70 euros per share, resulting in a payout of 15,986,000 euros.

30 June 2023

The General Shareholders' Meeting of 2 March 2023 resolved to distribute to shareholders a dividend of 1.70 euros per share, resulting in a payout of 16,212,000 euros.

NOTE 35. RELATED-PARTY TRANSACTIONS**35.1 Remuneration for members of the Board of Directors and management**

<i>(in thousands of euros)</i>	30 June 2024	30 June 2023
Short-term benefits:		
- Gross (excluding benefits in kind)	(277)	(292)
- Employer contributions	(42)	(54)
- Benefits in kind	(21)	(21)
Attendance fees	(101)	(101)
Other fees	(297)	(153)
TOTAL	(738)	(621)

This remuneration pertained to 13 members of the Board of Directors and management (30 June 2023: 13).

35.2 Other

Financière Sémaphore, which holds a 17.9% interest in the Group, provides the following services:

<i>(in thousands of euros)</i>	30 June 2024	30 June 2023
Management fees	(88)	(175)
Fees related to asset disposals/ acquisitions carried out and target research	(88)	-
TOTAL	(176)	(175)

In the course of the period ended 30 June 2024, a company controlled by a director of the Company supplied Group companies with accounting and administrative services totalling 180,000 euros (30 June 2023: 180,000 euros).

To finance the acquisition of minority shareholdings held by members of the management of the Group in certain subsidiaries, the Group extended loans of 994,000 (31 December 2023: 3.642 million euros) to these members of management. These loans are reimbursed at a rate of 4% per annum, and will mature in 2025.

Ruitor S.à r.l., a company controlled by Financière Sémaphore, provided the Group with offices in Luxembourg at a cost of 81,000 euros (30 June 2023: 81,000 euros).

Ardéva SA, a company controlled by Ruitor S.à r.l., provided the Group with offices in Switzerland at a cost of 80,000 euros (30 June 2023: 79,000 euros).

NOTE 36. OFF-BALANCE-SHEET COMMITMENTS

<i>(in thousands of euros)</i>	30 June 2024	31 December 2023
Sureties for third parties	49	49
Less than one year	-	-
Between one and five years	49	49
More than five years	-	-
Other guarantees issued ⁽¹⁾	511	511
Less than one year	11	11
Between one and five years	500	500
More than five years	-	-

⁽¹⁾ Including performance guarantees.

NOTE 37. CONTINGENT LIABILITIES

As at 30 June 2024, there was no significant risk of contingent liabilities.

NOTE 38. SUBSEQUENT EVENTS

A new shareholder equity plan for Switzerland was put in place in July 2024. The deadline for subscriptions to this plan was set for the end of the third quarter of 2024.

No other significant events have occurred since the closing date for the interim condensed consolidated financial statements.

4. DECLARATION BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

“I confirm that, to the best of my knowledge, the interim condensed consolidated financial statements for the period ended on 30 June 2024 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position, profit or loss, and cash flows of all the companies included in the consolidation of the Sword Group, and that the interim activity report includes a fair review of any significant events that occurred in the first six months of the financial year and their impact on the interim financial statements, the principal risks and uncertainties for the remaining six months of the financial year and the principal transactions between related parties”.

Windhof, 26 July 2024

Jacques Mottard
Chief Executive Officer

5. STATUTORY AUDITORS' REPORT ON THE INTERIM FINANCIAL INFORMATION

Auditors' report non translated. See French version.

Extract from the report:

“Conclusion:

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the consolidated financial position of SWORD GROUP SE and its subsidiaries at 30 June 2024, and its consolidated financial performance and cash flows for the six month period then ended in accordance with IAS 34 as adopted by the European Union.”