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AMA Corporation
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Nantes, le 6 novembre 2023

Rapport mission d'établissement des comptes consolidés

Conformément aux termes de notre lettre de mission en date du 29 juillet 2021, nous avons mis en œuvre les diligences que nous avons contractuellement définies :

L'objectif principal de notre mission est d'établir les états financiers consolidés de votre groupe pour le semestriel au 30 juin 2023. Elle comporte les étapes suivantes :

- Une assistance à la mise en place du process de consolidation.
- L'établissement des comptes consolidés proprement dits (bilan, compte de résultat, tableau de flux de trésorerie et annexes).

Ne réalisant pas de mission d'opinion sur les différentes sociétés du groupe, la responsabilité de la fiabilité de l'information financière reste exclue du champ d'application de cette mission.

Ils comportent 29 pages et se caractérisent par les données suivantes :

Montant des capitaux propres consolidés (part groupe)	9 560	KEUR
Total du bilan	16 793	KEUR
Chiffre d'affaires	1 664	KEUR
Résultat net consolidé	-4 114	KEUR

Les travaux que nous avons mis en œuvre dans le cadre de cette mission ne constituent ni un audit, ni un examen limité ; en conséquence, nous n'exprimons pas d'opinion sur les comptes de votre entité qui sont joints au présent rapport.

KPMG SA

Aurélien Garel
Expert-comptable

AMA Group

**Condensed Consolidated Interim
Financial Statements as at June 30,
2023**

CONSOLIDATED INCOME STATEMENT

€ 000	Notes	2023.06	2022.06
Revenue	7.1	1 664	2 125
Cost of sales	7.3	-535	-452
Other income	7.2	232	2 433
Other purchases and external expenses	7.3	-1 319	-2 403
Personnel expenses	7.4.2.	-3 407	-6 045
Amortisation and depreciation of property, plant and equipment and intangible assets	11.1 & 11.2	-581	-2 251
Other expenses	7.3	-114	-290
Current operating loss		-4 061	-6 883
Non-current operating income		-	-
Non-current operating expenses	7.5	-	-1 013
Non-current operating loss		-	-1 013
Financial income	8.	52	58
Financial expense	8.	-92	-76
Net financial expense		-40	-18
Loss before income tax		-4 101	-7 914
Income tax expense		-13	-644
Loss for the year		-4 114	-8 558
Profit (loss) for the year:			
Attributable to owners of the Group		-4 079	-8 464
Attributable to non-controlling interests		-36	-95
Earnings per share			
Basic earnings per share (in euros)	10	- 0,18	- 0,38
Diluted earnings per share (in euros)	10	- 0,18	- 0,38

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ 000	Notes	2023.06	2022.06
Loss for the year		- 4 115	- 8 558
Remeasurements of the net defined benefit liability (asset) (actuarial gains and losses)	7.4.2	- 4	76
Deferred tax on actuarial gains and losses		1	- 19
Total items that may not be recycled through profit and loss		- 3	57
Foreign currency translation differences		- 18	19
Total items subsequently recycled through profit and loss		- 18	19
Total comprehensive income/(loss), net of tax		- 21	76
Total comprehensive loss		- 4 135	- 8 482
Attributable to:			
Owners of the Group		-4 098	-8 390
Non-controlling interests		-37	-93

CONSOLIDATED BALANCE SHEET

€ 000		2023.06	2022.12
Intangible assets	11.1.	3	27
Property, plant and equipment	11.2.	484	731
Right-of-use assets	12.	754	1 024
Financial assets	13.	170	218
Deferred tax assets		58	56
Non-current assets		1 468	2 056
Inventories	14.	746	927
Research tax credit receivable	15.	462	398
Trade receivables and related accounts	15.	763	1 054
Other current assets	15.	714	611
Cash and cash equivalents	16.	12 641	8 603
Current assets		15 325	11 592
Total assets		16 793	13 648
Share capital	17.1	7 680	3 207
Share premium and reserves		37 513	34 161
Foreign currency translation reserve		51	69
Retained earnings		- 35 684	- 31 759
Equity attributable to owners of the Group		9 560	5 679
Non-controlling interests		79	117
Total shareholders' equity		9 640	5 796
Non-current loans and borrowings	19.2	2 443	2 813
Lease liabilities	12. & 19.2	201	444
Defined benefit liability		119	106
Deferred tax liabilities		1	1
Non-current liabilities		2 763	3 368
Bank overdrafts	16.	0	-
Current tax liabilities		1	2
Current loans and borrowings	19.2	690	691
Lease liabilities	12. & 19.2	562	583
Trade and other payables	20.	796	752
Contract liabilities (deferred income)	7.1	1 386	1 456
Current provisions	18.	60	134
Other current liabilities	20.	895	867
Current liabilities		4 390	4 484
Total liabilities		7 154	7 852
Total shareholders' equity and liabilities		16 793	13 648

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ 000	Note	Equity attributable to owners of the Group				Total	Non-controlling interests	Total equity
		Share capital	Share premium	Foreign currency translation reserve	Retained earnings			
Balance at 1st Jan. 2022		3 207	34 161	67	(10 143)	27 293	(392)	26 901
Profit (loss) for the year					(8 464)	(8 464)	(95)	(8 558)
Other comprehensive income				17	57	74	2	76
Profit / (loss) and other comprehensive income		-	-	17	(8 407)	(8 390)	(93)	(8 482)
Capital increase	17.1					-		-
Capital reduction allocated to Guillemot Brothers' shareholder loan	3.1					-		-
Decrease in non-controlling interests with no change in control	5.2.					-	-	-
Increase in non-controlling interests with no change in control	5.2.				(537)	(537)	525	(12)
Equity-settled share-based payments	7.4.				(130)	(130)	0	(130)
Total transactions with owners of the Group		-	-	-	(667)	(667)	525	(142)
						-		-
Shareholders' equity at 30 Jun. 2022		3 207	34 161	85	(18 956)	18 498	40	18 538
Balance at 1st Jan. 2023		3 207	34 161	69	(31 759)	5 679	117	5 796
Profit (loss) for the year					(4 079)	(4 079)	(36)	(4 115)
Other comprehensive income				(17)	(3)	(20)	(1)	(21)
Profit / (loss) and other comprehensive income		-	-	(17)	(4 081)	(4 098)	(37)	(4 135)
Capital increase		4 473	3 351			7 824		7 824
Capital reduction allocated to Guillemot Brothers' shareholder loan	3.1					-		-
Decrease in non-controlling interests with no change in control	5.2.					-	-	-
Increase in non-controlling interests with no change in control	5.2.				(4)	(4)	(1)	(6)
Equity-settled share-based payments	7.4.				160	160	-	160
Total transactions with owners of the Group		4 473	3 351	-	156	7 980	(1)	7 979
Shareholders' equity at 30 Jun. 2023		7 680	37 513	51	(35 684)	9 560	79	9 640

CONSOLIDATED CASH FLOW STATEMENT

€ 000	Notes	2023.06	2022.06
Loss for the year		- 4 115	- 8 558
<i>Adjustments for:</i>			
– Depreciation of right of use assets	12.	307	625
– Depreciation of property, plant and equipment	11.	255	478
– Amortisation of intangible assets	11.2	25	1 152
– Net financial expense	8	40	18
– Loss or gain on sale of property, plant and equipment	11.2	17	91
– Cost of share-based payment	7.4.3	160	130
– Income tax expense / (income)	9.1	14	644
– Restructuring provision	18	-	895
– Other non-cash items		- 65	- 167
Total adjustments		751	3 866
Operating cash flow before change in working capital and income tax		- 3 363	- 4 692
<i>Effect of changes in:</i>			
– Inventories	14.	175	- 231
– Trade receivables and related accounts	15.	285	967
– Contract liabilities	7.1	- 55	- 442
– Advances and downpayments	20.	28	83
– Trade payables and related accounts	20.	41	- 564
– Provisions and employee benefits		6	4
– Other receivables/current liabilities	15 & 20	- 88	- 274
Total changes		391	- 456
Operating cash flow before income tax paid		- 2 972	- 5 148
Income tax paid		- 79	- 241
Net cash used in operating activities		- 3 051	- 5 390
Acquisition of property, plant and equipment and intangible assets	11.	- 30	- 21
Disposals of property, plant and equipment and intangible assets	11.	- 3	- 1
Capitalised development costs	11.	-	- 2 195
Investment grants (incl. Research tax credit offsetting capitalised costs)		-	-
Acquisition of financial assets		- 14	- 18
Disposal of financial assets		54	21
Net interest received		11	0
Net cash provided by (used in) investing activities		19	- 2 215
Capital increase	17.	7 824	- 0
Proceeds from new loans and borrowings	19.	-	2 607
Repayment of loans and borrowings	19.	- 368	- 1 316
Payment of lease liabilities	12.	- 294	- 626
Acquisition of non-controlling interests	5.2.	- 6	- 12
Interest paid on loans and bank overdrafts	19.	- 45	- 27
Interest paid on lease liabilities	12.	- 12	- 11
Net cash provided by (used in) financing activities		7 099	615
Net increase (decrease) in cash and cash equivalents		4 066	- 6 989
Cash and cash equivalents at January 1		8 603	20 641
Effect of movements in exchange rates on cash held		- 28	30
Cash and cash equivalents at 30 Jun		12 641	13 681

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Presentation of the Group

AMA Corporation Plc ("the Company") is domiciled in the United Kingdom. The Company's registered office is located in London. The consolidated financial statements comprise those of the Company and its subsidiaries (together referred to as "the Group").

The Group is a software developer and systems integrator for collaborative work, providing advanced, highly-secure remote solutions for connected devices. The Group's XpertEye suite provides augmented reality, dynamic workflow management, and dynamic online scheduling and planning. Combined with smart glasses or other camera sources (endoscope, microscope, dermatoscope, etc.), these innovative solutions enable experts and on-site technicians to share data and knowledge in real time, making remote support easier and more effective for users. They meet an increasing need for smart workplace transformation in companies seeking to boost productivity and competitiveness in a wide range of areas such as remote support, training, testing and healthcare.

These IFRS condensed consolidated interim financial statements for the 6-month period ending on June 30, 2023 have been approved by the Board of the Company on October 30, 2023.

2. Basis for preparation

2.1. Statement of compliance

These condensed consolidated interim financial statements for the 6-month period ending on June 30, 2023 have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union (EU) and should be read in conjunction with the latest Company's annual financial statements for the year ending on December 31, 2022 of the Company (the "latest annual financial statements").

They do not include all the information required for a complete set of financial statements prepared under IFRS. They do, however, include selected notes explaining significant events and transactions in order to understand the changes in the Company's financial position and performance since the last annual financial statements.

The accounting policies used to prepare these condensed interim financial statements are identical to those applied by the Company as of December 31, 2022, except for:

- texts whose application is compulsory as from January 1, 2023;
- the specific provisions of IAS 34 used in the preparation of the interim financial statements.

The new texts that are mandatory as of January 1, 2023 are the IFRS 17 but also IAS 8, IAS 1 and IAS 8 amendments. The new texts do not have a significant impact on the Company's current financial statements.

The standards and interpretations not yet mandatory as of June 30, 2023 have not been early adopted. The expected impacts are not considered significant.

2.2. Use of judgments and estimates

In preparing these condensed interim financial statements, management has made judgments and estimates that affect the application of the Company's accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual values may differ from estimated values.

2.3. Functional and presentation currency

The consolidated financial statements are presented in euros, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2.4. Seasonality of operations

The Group is not subject to significant seasonal fluctuations. The Group activity is linked to the progress of our clients' projects, which are not connected to seasonal events but depend on the internal schedules of each client.

3. Significant events of the period

In 2023:

- AMA Corporation Plc has increased its shareholding in AMA Xperteye Inc of €3k.
- On 12 June 2023, AMA launched a capital increase on Euronext Growth of an amount of €7,999k.
- On 27 June 2023, AMA has completed its fund raising of €7,999k by issuing 30,769,230 new ordinary shares with a nominal value of £0.125, at the price of €0.26 per share. GUILLEMOT BROTHERS SAS subscribed to this capital increase in AMA Corporation Plc for a number of 30,682,640 new shares, increasing its stake in AMA from 34.38% before this capital increase to 72.15% after the transaction.

In 2022:

- AMA Corporation Plc subscribed to a capital increase in AMA SA of €7,700k. This operation resulted in an increase in its equity interests in AMA Research & Development, AMA Operation and AMA l'Oeil de l'expert Canada.
- The Group has subscribed to two financial debts for €2,000k and €600k with respectively BPI and Credit-Cooperatif in order to fund research & development costs.
- The Group has begun to implement a cost reduction plan in the first half of 2022. Subsidiaries have cancelled some office leases and have planned to reduce the number of staff. That's the reason why, a restructuring provision of €894k has been recorded.
- The conflict in Ukraine, which broke out in February 2022, has limited impact on the activity of the Group as it does not trade with companies in Russia, Belarus or Ukraine, it does not have subsidiaries or assets in these countries, and it is not linked with organisations or individuals under sanctions.

4. Subsequent events

On August 31, 2023, AMA Corporation Plc obtained B Corp certification, in recognition of its commitment to sustainability, social responsibility and business ethics.

5. Consolidation scope

5.1. Consolidation scope

The consolidated companies are as follows:

Company Name	Country	Business activity	2023.06			2022.12			2022.06		
			Percentage interest	Percentage control	Consolidation method	Percentage interest	Percentage control	Consolidation method	Percentage interest	Percentage control	Consolidation method
AMA CORPORATION	UK	Parent company	Parent company	Parent company	FC	Parent company	Parent company	FC	Parent company	Parent company	FC
AMA SA	France	Distribution & support functions	98,59 %	99,35 %	FC	98,59 %	99,35 %	FC	98,25 %	99,18 %	FC
AMA R&D	France	Research & development	-	-	FC	-	-	FC	99,82 %	100,00 %	FC
AMA OPS	France	Logistics	-	-	FC	-	-	FC	99,82 %	100,00 %	FC
AMA XPERTEYE INC	USA	Distribution	89,10 %	89,10 %	FC	88,40 %	88,40 %	FC	88,40 %	88,40 %	FC
AMA XPERTEYE SRL	Romania	Distribution	89,11 %	89,11 %	FC	89,11 %	89,11 %	FC	85,56 %	85,56 %	FC
AMA XPERTEYE GMBH	Germany	Distribution	86,20 %	86,20 %	FC	86,20 %	86,20 %	FC	85,50 %	85,50 %	FC
AMA XPERTEYE UK	UK	Distribution	86,20 %	85,60 %	FC	86,20 %	86,20 %	FC	85,60 %	85,60 %	FC
AMA XPERTEYE HK	Hong Kong	Distribution	85,00 %	85,00 %	FC	85,00 %	85,00 %	FC	85,00 %	85,00 %	FC
AMA XPERTEYE SHANGHAI	China	Distribution	100,00 %	100,00 %	FC	100,00 %	100,00 %	FC	100,00 %	100,00 %	FC
AMA OEIL DE L'EXPERT CANADA	Canada	Distribution	69,01 %	70,00 %	FC	69,01 %	70,00 %	FC	68,77 %	70,00 %	FC
AMA JAPAN	Japan	Distribution	85,00 %	85,00 %	FC	85,00 %	85,00 %	FC	85,00 %	85,00 %	FC
AMA SPAIN	Spain	Distribution	100,00 %	85,00 %	FC	100,00 %	100,00 %	FC	100,00 %	100,00 %	FC
AMA ITALY	Italy	Distribution	100,00 %	100,00 %	FC	100,00 %	100,00 %	FC	100,00 %	100,00 %	FC

* AMA OEIL DE L'EXPERT CANADA is indirectly held through AMA SA.

5.2. Changes in consolidation scope

The impact of changes in non-controlling interests, while retaining control, are recognized in equity as indicated below:

In 2023, AMA Corporation Plc has increased its shareholding in AMA XPERTEYE Inc for €3k. This operation resulted in an 0,7% increase in its equity interests.

Excepted this additional equity interest, there was no change in the consolidation scope during the first half of 2023

As a reminder, in 2022, AMA Italy has been created on 21 January 2022.

On 14 June 2022, AMA Corporation Plc subscribed to a capital increase in AMA SA of €7,700k. This operation resulted in an increase in its equity interests in AMA Research & Development, AMA Operations and AMA l'Oeil de l'expert Canada (9.99%).

On 1 November 2022, AMA SA, AMA Research & Development merged into AMA SA. This operation has no impact on financial consolidated statements.

In 2022 the Group acquired the following additional equity interests:

- 2.9% in AMA Xperteye Inc.
- 3.56% in AMA Xperteye Srl.
- 0.65% in AMA Xperteye GmbH
- 1.2% in AMA Xperteye Ltd (in the United Kingdom)
- 14.27% in AMA SA

6. Segment information

The Group's chief operating decision maker refers to the members of the Executive Committee and the Board of Directors.

The Group comprises ten distribution subsidiaries, covering three geographic areas corresponding to the following segments:

- Europe, which includes subsidiaries in France, Germany, the UK, Romania, Spain and Italia and which primarily invoice customers in Europe;
- North America, which includes subsidiaries in the United States and Canada and which primarily invoice customers in the North American area;
- Asia, which includes subsidiaries in Hong Kong, Shanghai and Japan and which primarily invoice customers in the Asia area.

The subsidiaries in each geographic area correspond to operating segments with similar economic characteristics.

All of the subsidiaries offer similar products and services but are strategically monitored by geographic area.

Information relating to each operating segment is presented below. Operating income and adjusted EBITDA for each segment are used to measure performance as management considers that this information is the most relevant for understanding the earnings of each segment compared with earnings from other entities. Adjusted EBITDA is defined as operating income plus depreciation, amortisation and impairment of property, plant and equipment and intangible assets, share-based payment expenses, and other non-current expenses/income.

The other items in the income statement, including financial income and expenses as well as taxes, are included within "Registered office, support functions and intragroup".

The "Cost of Sales" in the income statement is equal to the sum of "Merchandise purchases" and "Change in inventories" (included in the Profit margin in the segment information table below) and "Inventory impairment" (excluded from the Profit margin).

Six-month period ended June 30, 2023	Europe	North America	Asia	Headquarters / support functions / Intra-group	Total
Revenue	1 274	255	130	5	1 664
Cost of sales	-46	-21	-55	-201	-322
Inventory changes	0	0	13	-249	-236
Partnership commissions	-33	0	-5	0	-38
Leased Xperteye Amortisation and rental costs	-1	0	0	-47	-48
Margin excluding inventory depreciation	1 195	234	82	-491	1 020
Reversal / Depreciation of inventory	0	0	-39	100	61
Other income	19	10	1	202	232
Other purchases and external expenses	-270	-196	-198	-654	-1 319
Personnel expenses	-503	-276	-238	-2 391	-3 407
Other depreciation of property, plant and equipment and intangible assets	-114	-35	-35	-349	-533
Other current expenses	-423	33	-8	283	-114
Intersector*	191	247	428	-867	0
Current operating loss	94	17	-6	-4 166	-4 061
Other non-current expenses					0
Other non-current income	0	0	0	0	0
Non-current operating loss	0	0	0	0	0
- Amortisation and depreciation of property, plant and equipment and intangible assets	115	35	35	396	581
- Share-based payments				160	160
Other non-current expenses/income					
Adjusted EBITDA	209	52	29	-3 610	-3 320

Six-month period ended June 30, 2022	Europe	North America	Asia	Headquarters / support functions / Intra-group	Total
Revenue	1 421	452	157	96	2 125
Merchandise purchases	-288	-109	-51	-191	-639
Inventory changes	0	0	22	159	181
Partnership commissions	-42		-2		-43
Leased Xperteye Amortisation and rental costs	-37	-79	-8	-26	-151
Margin excluding inventory depreciation	1 054	264	118	37	1 473
Reversal / Inventory impairment	0	0	0	50	50
Other income	398	2	2	2 031	2 433
Other purchases and external expenses	-540	-283	-234	-1 195	-2 253
Personnel expenses	-914	-325	-250	-4 557	-6 045
Other amortisation and depreciation of property, plant and equipment and intangible assets	-182	-102	-46	-1 921	-2 251
Other expenses	-75	14	98	-327	-290
Intersector*	499	469	316	-1 284	0
Current operating loss	239	40	4	-7 166	-6 883
Other non-current expenses	-94	-1		-918	-1 013
Other non-current income					0
Non-current operating loss	-94	-1	0	-918	-1 013
- Amortisation and depreciation of property, plant and equipment and intangible assets	219	181	54	1 947	2 402
- Share-based payments				130	130
Other non-current expenses/income	94	1	0	918	1 013
Adjusted EBITDA	458	221	58	-5 089	-4 351

*Reinvoicing between the AMA Corporation Plc parent company or AMA SA and distribution subsidiaries

In 2023, despite lower revenue, adjusted EBITDA improves by €1,070 k thanks to the payroll reduction and cost cutting initiated in the second half of 2022.

7. Operating data

7.1. Revenue

Revenue

Revenue is split as follows:

€ 000	2023.06	2022.06
Software & support services	1 075	1 377
Equipment sales	452	509
Pilot contracts	52	119
XpertEye solution revenue	1 579	2 006
Other services	85	120
Total revenue	1 664	2 125

Total revenue decreased by 22% as well as “Software & support services” revenue. “Equipment sales” revenue decreased on its side by 11%, as “Pilot contracts” decreased by 56%. Product Mix is merely the same as in first-half 2022 with 65% of revenue linked to XpertEye licences subscriptions. (“Software & support services”)

Contract liabilities

Changes in contract liabilities (prepaid income) is split as follows:

€ 000	2023.06	2022.06
Contract liabilities at 1 January	1 456	2 130
Increase in amounts received, net of revenue recognised for the period	769	788
Revenue recognised for the period included in opening amount	(839)	- 1 186
Contract liabilities at 30 June	1 386	1 732

7.2. Other income

Other income breaks down as follows:

	2023.06	2022.06
Capitalised own production	-	2 195
Operating grants	127	16
Other operating income	105	221
Total other operating income	232	2 433

Other operating income mainly comprises the reversal of the €73k provision for Google Pixel telephones (see Note 18) and the reversal of the €23k for the depreciation of trade receivables.

The decrease in capitalised own production is due to the accounting treatment of R&D costs on the second half of 2022. These costs have been expensed and not capitalized (see note 11).

7.3. Operating expenses

Operating expenses break down as follows:

		<u>2023.06</u>	<u>2022.06</u>
Equipment purchases		- 322	- 639
Change in inventories		- 236	181
Inventory impairment		61	50
Partnership commissions		- 38	- 43
Total cost of sales		- 535	- 452
Total employee benefits	7.4.2.	- 3 407	- 6 045
Non-stock purchases		- 47	- 84
Lease expenses	12.	- 25	- 69
General sub-contracts		- 291	- 419
Professional fees		- 260	- 664
Travel & entertainment		- 240	- 287
Trade fairs & marketing fees		- 164	- 249
Other		- 292	- 632
Total other purchases and external expenses		- 1 319	- 2 403
Total amortisation and depreciation of property, plant and equipment, intangible and right of use assets	11.	- 581	- 2 251
Taxes		- 41	- 76
Other		- 74	- 215
Total other expenses		- 114	- 290

At June 30, 2023, the decrease in "Professional fees" (€-404k) is linked to the decrease in legal audit accounting fees (€-120k), accounting and other fees (€-84k), sales commission (€-10k), translation costs (€-15k), CIR fees (€-31k), restructuring fees (€-23k), staff training costs (€-37k), payroll honorary (€-10k) and in consulting fees (€-58k).

The decrease in "Trade fairs & marketing fees" is related to the reduction in participation in trade shows (€-34k) and to a decrease in social networking costs (€-30k).

The decrease in "Other" caption, under Other purchases and external expenses, relates to recruitment costs (approximately €-126k), temporary employment costs (approximately €-40k) maintenance and repairs (approximately €-42k), banking services (€-72k), commission costs (€-10k), transport costs (€-34k), telephony (€-5k).

The decrease in "Other" caption, under Other expenses, relates to the decrease in costs from asset disposals (€-74k) and debt waiver costs (€-67k€).

7.4. Personnel and headcount

7.4.1. Headcount

	2023.06	2022.06
Managers	69	132
Others employees	14	41
Average headcount in the period	83	173

The workforce has been reduced by 63 managers and 27 other employees in connection with the redundancy plan.

7.4.2. Personnel expenses

Personnel expenses break down as follows:

	2023.06	2022.06
Wages and salaries	- 3 097	- 5 617
Termination benefits		
Post-employment defined contribution expenses	- 145	- 294
Post-employment defined benefit expenses	- 6	- 4
Equity-settled share-based payments	- 160	- 130
Total	- 3 407	- 6 045

The decrease in personnel expenses mainly reflects the reduction in the number of employees (see Note 7.4.1).

7.4.3. Share-based payment

Stock-options

On June 30, 2023, AMA Corporation plc granted 2 233 000 stock options (SO) to employees and a corporate representative of AMA CORP, AMA SA, AMA US, AMA Germany, AMA Shanghai, AMA Srl, AMA Japan, AMA Italy and AMA UK. The vesting period is two years. The contractual term is on January 30, 2028 for the first plan of 1 115 500 stocks initiated in 2022 and on March 27, 2029 for the second plan of 1 120 500 stocks initiated in 2023.

The fair value of the stock options was measured based on Black-Scholes model. The inputs used to measure the 2022 stock options fair value at grant date are as follows:

	SO 2022	SO 2023
Fair value at grant date	€0,59	€0,15
Share price at grant date	€1,94	€0,35
Exercise price of the option	€2,03	€0,35
Expected volatility (weighted average)	41,40%	53,00%
Expected life span	6 years	6 years
Maturity	4 years - mid-life	4 years - mid-life
Expected dividend	-	-
Risk-free interest rate (based on government bonds)	-0,24%	2,53%
Turnover rate	0% for founders and directors 5% for managers 10% for employees	0% for founders and directors 5% for managers 10% for employees

Free shares

On 2 July 2018 and 1 January 2020, the Group set up free preference share plans for AMA SA employees. The vesting period is two years as of the grant date, at the end of which ownership of the preference shares is transferred to the beneficiaries (vested date), subject to their continued presence as Group employees.

The main characteristics and conditions relating to the granting of free shares in connection with these plans are as follows:

	Number of shares granted	Grant date	Vesting conditions	Contractual term of the grant	Fair value	Expected yield
2020 free share plan	21 000	January 1, 2020	Presence in the company	24 months	0,15	-

In 2023 and 2022, changes in the number of free shares and stock options were as follows:

Options number	30 Jun. 2023		30 Jun. 2022	
	Shares nb	Options nb	Shares nb	Options nb
Outstanding as of January 1st,	-	1 063 500	20 500	-
Lapsed during the period	-	-	- 20 500	-
Exercised during the period	-	- 27 500	-	- 49 000
Granted during the period	-	1 120 500	-	1 112 500
Outstanding as of June 30,	-	2 156 500	-	1 063 500

During the periods ended June 30, 2023, share-based payments of €160k were expensed and June 30, 2022, share-based payments of €130k were expensed.

7.5. Non-current operating income and expenses

On June 30 2023, there are not non-current operation income and expenses.

On 30 June 2022, non-current operating expenses of €1 013k related to the Group restructuring plan. It included the €895k provision for employment safeguard plans, €106k of termination benefits costs and also €12k related to the lease contract termination on AMA Italy.

8. Net financial income and expense

Group financial income and expense is split as follows:

€ 000	2023.06	2022.06
Interest expense on loans	- 53	- 35
Interest expense on Guillemot Brothers' shareholder loan	-	- 1
Foreign exchange losses	- 28	- 36
Other interest expense	- 11	- 4
Interest and related expenses	- 92	- 76
Debt waivers	-	-
Foreign exchange gains	41	57
Other financial income	11	0
Interest and related income	52	58
Total	- 40	- 18

9. Taxation

The income tax expense is determined based on the pre-tax profit for the interim period multiplied by management's best estimate of the weighted average annual tax rate expected for the full year. This rate is adjusted for the tax effect of certain items fully recognized in the interim period. Accordingly, the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate in the annual financial statements.

For the six-month period ending June 30, 2023, the Group's effective tax rate for continuing operations is 19% (for the six-month period ending June 30, 2022: 19%).

10. Earnings per share

Earnings per share has been retrospectively restated to take into account the capital transaction of May 21st, 2021, which reduced the nominal value and multiplied the number of shares by 8. It takes also into account the June 27th, 2023, operations during which capital increase of 30 769 230 shares.

Earnings attributable to holders of ordinary shares (basic):

	2023.06	2022.06
Net earnings attributable to owners of the Company	- 4 079	- 8 464
Net earnings attributable to holders of ordinary shares	- 4 079	- 8 464

Weighted average number of ordinary shares (basic and diluted):

	2023.06	2022.06
Ordinary shares at 1 January	22 455 815	22 455 815
Capital decrease		
Capital increase	512 821	
Weighted average number of ordinary shares at 31 December	22 968 636	22 455 815
Basic earnings per share in €	- 0,18	- 0,38
Diluted earnings per share in €	- 0,18	- 0,38

So far as the result of continuing operations is a loss, instruments giving deferred rights to capital such as stock options have an anti-dilutive effect. They are therefore not considered, and basic earnings per share are therefore identical to diluted earnings per share.

11. Intangible assets and property, plant and equipment

11.1. Intangible assets

Intangible assets are split as follows:

€ 000	2022.12	Additions	Disposals	Amortisation for the period	Effects of changes in foreign exchange rates	Reclassifications	2023.06
Development costs	11 039	-	-	-	-	-	11 039
Concessions, licences and similar rights	-	-	-	-	-	-	-
Software	448	-	-	-	-	-	448
Intangible assets in progress	1 328	-	-	-	-	-	1 328
Other intangible assets	-	-	-	-	-	-	-
Intangible assets (gross)	12 816	-	-	-	-	-	12 816
Amortisation of development costs	- 11 039	-	-	-	-	-	- 11 039
Amortisation of software	- 421	-	-	- 25	-	-	- 445
Amortisation/impairment of intangible assets	- 12 788	-	-	- 25	0	-	- 12 813
Total net value	27	-	-	- 25	0	-	3

€ 000	2021.12	Additions	Disposals	Amortisation for the period	Effects of changes in foreign exchange	Reclassifications	2022.06
Development costs	10 057	958	-	-	-	268	11 283
Concessions, licences and similar rights	64	-	-	-	-	-	64
Software	382	2	-	-	-	3	387
Intangible assets in progress	655	1 040	- 67	-	-	- 271	1 357
Other intangible assets	1	-	-	-	0	-	1
Intangible assets (gross)	11 158	2 001	- 67	-	0	-	13 092
Amortisation of development costs	- 3 920	-	-	- 1 134	-	-	- 5 054
Amortisation of concessions, licences and similar rights	- 8	-	-	- 4	-	-	- 12
Amortisation of software	- 363	-	-	- 14	-	-	- 376
Amortisation of other intangible assets	- 1	-	-	-	- 0	-	- 1
Amortisation/impairment of intangible assets	- 4 291	-	-	- 1 152	- 0	-	- 5 443
Total net value	6 867	2 001	- 67	- 1 152	- 0	-	7 649

11.2. Property, plant and equipment

Property, plant and equipment breaks down as follows:

€ 000	2022.12	Additions	Disposals	Depreciation for the period	Effects of changes in foreign exchange rates	Reclassifications	2023.06
XpertEye equipment - rental use	749	8	- 16	-	-	-	741
XpertEye equipment - internal use	977	17	- 77	-	-	-	917
Technical facilities, equipment and tooling	199	4	-	-	- 0	-	203
Transportation equipment	19	-	-	-	-	-	19
Computer equipment	879	2	- 44	-	- 5	-	832
Plant and equipment in progress	-	-	-	-	-	-	-
Advances and downpayments for a real estate project	-	-	-	-	-	-	-
Other property, plant and equipment	205	-	-	-	- 0	-	204
Property, plant and equipment (gross value)	3 028	30	- 136	-	- 6	-	2 916
Dep. XpertEye equipment - rental use	- 662	-	15	- 48	-	-	- 695
Dep. XpertEye equipment - internal use	- 807	-	69	- 97	-	-	- 835
Dep. of technical facilities, equipment and tooling	- 224	-	-	13	0	-	- 210
Dep. of transportation equipment	- 19	-	-	-	-	-	- 19
Dep. of computer equipment	- 483	-	23	- 94	4	-	- 550
Dep. of other PPE	- 102	-	8	- 29	0	-	- 123
Depreciation/impairment of property, plant and equipment	- 2 297	-	115	- 254	4	-	- 2 433
Total net value	731	30	- 21	- 254	- 1	-	484

€ 000	2021.12	Additions	Disposals	Depreciation for the period	Effects of changes in foreign exchange	Reclassifications	2022.06
XpertEye equipment - rental use	990	11	- 86	-	-	47	961
XpertEye equipment - internal use	942	20	- 30	-	-	99	1 031
Technical facilities, equipment and tooling	148	41	- 5	-	0	9	193
Transportation equipment	37	-	- 18	-	-	-	19
Computer equipment	1 091	88	- 62	-	3	-	1 120
Advances and downpayments for a real estate project	817	3	- 817	-	-	-	3
Other property, plant and equipment	378	45	- 7	-	2	-	418
Property, plant and equipment (gross value)	4 403	217	- 1 026	-	5	146	3 745
Dep. XpertEye equipment - rental use	- 718	-	61	- 151	-	-	- 807
Dep. XpertEye equipment - internal use	- 664	-	27	- 118	-	-	- 755
Dep. of technical facilities, equipment and tooling	- 134	-	10	- 6	- 0	-	- 131
Dep. of transportation equipment	- 37	-	18	-	-	-	- 19
Dep. of computer equipment	- 453	-	61	- 135	- 2	-	- 529
Dep. of other PPE	- 176	-	5	- 69	- 0	-	- 241
Depreciation/impairment of property, plant and equipment	- 2 182	-	181	- 478	- 2	-	- 2 481
Total net value	2 221	217	- 845	- 478	3	146	1 264

Other fixtures, fittings and equipment correspond to work done in AMA offices.

11.3. Impairment tests

During the year 2022, the Group's market capitalization declined by more than 80% which constitutes an indication of impairment. To determine if the carrying amount of R&D at the end of June 2022 exceeded its recoverable amount, the company used the value-in-use method. The value in use method involves estimating the future cash flows that the R&D's cash-generating unit (CGU) will generate over the useful life of 5 years. All assets of the Group being largely dependent, budgets realized and validated by the management for all the Group are the most relevant inputs for estimating the future discounted cash flow generated by this R&D's CGU.

The comparison of this recoverable amount estimated under reasonable and supportable assumptions to the carrying amount of the Group's net assets led to depreciate R&D capitalized costs for their total amount.

In 2023, the underlying assumptions used in 2022 are maintained, and the research & development costs are recognized in expenses.

12. Leases

In the course of its business, the Group leases premises and vehicles and accesses dedicated servers with a lease component.

Right-of-use assets break down as follows:

€ 000	Land and buildings	Vehicles	Servers	Other	TOTAL
Balance at Dec. 31, 2021	851	152	1 041	6	2 050
Depreciation for the period	- 352	- 46	- 227	- 1	- 625
Reversal of impairment					-
Additions to right-of-use assets	165	25	420		610
Derecognition of right-of-use assets	- 1	- 18	- 255		- 274
Foreign currency gains (losses)	15	- 0	-		15
Balance at June 30, 2022	678	113	979	4	1 775
Balance at Dec. 31, 2022	331	75	614	4	1 024
Depreciation for the period	- 128	- 34	- 143	- 1	- 307
Reversal of impairment					-
Additions to right-of-use assets	255	40	7	-	302
Derecognition of right-of-use assets	- 116	- 2	- 142	-	- 260
Foreign currency gains (losses)	- 6	-	-	- 0	- 6
Balance at June 30, 2023	336	80	335	3	754

The related impact on profit and loss and cash flow is as follows:

- Amounts recognised in net profit (loss)

Amounts recognised in net profit (loss)

	2023.06	2022.06
	€ 000	€ 000
Interest on lease liabilities	- 12	- 11
Depreciation charge	- 307	- 625

The expense recognised for leases of low-value assets or leases for less than one year is not material.

- Amounts recognised under cash flows:

Amounts recognised under cash flows	2023.06	2022.06
	€ 000	€ 000
Total cash outflows attributable to leases	294	626

13. Financial assets

Financial assets break down as follows:

€ 000	2023.06	2022.12
Non-consolidated equity investments	4	4
Other non-consolidated deposit - non-current	112	100
Loans, guarantees and other receivables - non-current	61	115
Financial assets	177	218
Depreciation loans, guarantees and other receivables - non-current	-6	-
Depreciation of financial assets	-6	-
Total net value	170	218

14. Inventories

€ 000	2023.06	2022.12
Gross amount	1 176	1 419
Impairment	(429)	(493)
Net	746	927

Inventories mainly comprise glasses and accessories.

In 2023, a €64 k depreciation reversal was recorded on products depreciated in 2021 or 2022 and sold essentially to brokers in 2023, as obsolete smartphones for example (€ 88 k).

In 2022, a €50k depreciation reversal was recorded since the products were sold in 2022 (e.g. Google Glasses and some laptops).

Inventory is regularly reviewed to identify discontinued items or items that pose resale difficulties.

15. Trade and other receivables, other current assets

Trade receivables and other current assets break down as follows:

€ 000	2023.06	2022.12
Trade and other receivables	817	1 117
Impairment of receivables for expected losses	- 54	- 63
Total trade and other receivables	763	1 054
Current tax receivables	462	398
Prepaid expenses	456	295
State receivables (excl. income tax) - current	97	111
Staff and social security receivables	49	63
Other current assets	111	142
Total other current assets	714	611

The decrease in trade and other receivables is proportional with the decrease of sales.

The increase in prepaid expenses concerns mainly AMA SA with an increase of €176k.

16. Cash and cash equivalents

€ 000	2023.06	2022.12
Bank accounts	12 641	8 603
Demand deposits	-	-
Cash and cash equivalents reported in the statement of financial position	12 641	8 603
Bank overdrafts repayable on demand and used for cash management purposes	- 0	-
Cash and cash equivalents reported in the statement of cash flows	12 641	8 603

The increase in cash and cash equivalents is linked with the capital increase of AMA Corporation Plc €7,825k.

17. Equity

17.1. Share capital

AMA Corporation Plc's share capital breaks down as follows:

	Shares capital		Share premium	Shares capital		Share premium
	2023.06			2022.12		
	Nb of shares	€ 000	€ 000	Nb of shares	€ 000	€ 000
Shares outstanding at 1 January	22 455 815	3 207	34 161	22 455 815	3 207	34 161
Capital reduction						
Capital increase	30 769 230	4 473	3 351			
Shares outstanding at 31 December – fully paid	53 225 045	7 680	37 513	22 455 815	3 207	34 161

The par value of ordinary shares is £0.125.

On 27 June 2023, AMA Corporation Plc completed an increase in capital of €7,824 k, by issuing 30,769,230 new ordinary shares with a nominal value of £0.125, priced at €0.26 per share. This transaction resulted in a nominal capital injection of €4,473k and a share premium of €3,351k..

GUILLEMOT BROTHERS SAS subscribed to this capital increase in AMA Corporation Plc for a number of 30,682,640 new shares, increasing its stake in AMA from 34.38% before this capital increase to 72.15% after the transaction.

18. Provisions and contingent liabilities

€ 000	Provision for replacement Google Pixel	Provision for employment safeguard plans	Others provisions	TOTAL
Balance at Dec. 31, 2021	381	-	-	381
Depreciation for the period	-	895		895
Recovery for the period (provision used)	- 164	-		- 164
Recovery for the period (provision not used)				-
Balance at 30th Jun. 2022	217	895	-	1 112
Depreciation for the period	-	35		35
Recovery for the period (provision used)	- 119			- 119
Recovery for the period (provision not used)		- 895		- 895
Balance at Dec. 31, 2022	98	35	-	134
Depreciation for the period	-	-		-
Recovery for the period (provision used)	- 55	- 19		- 73
Recovery for the period (provision not used)				-
Balance at 30th Jun. 2023	44	17	-	60

In 2022, a €895k provision was recognised for employment safeguard plans. The provision includes termination benefits for €878k and legal fees for €18k .

The employment safeguard plans was implemented in 2022 so this provision is no longer existing.

In 2020, a €538k provision was recognised for the upcoming replacement of Google Pixel telephones purchased by clients. The XpertEye Advanced APK (Android Package Kit), developed in 2020 and slated for release in 2021, were not compatible with the Google Pixel currently embedded in the XpertEye Advanced solution, or compatibility would require overly costly development. This provision has been partially reversed during the second half of 2021 for a total amount of €227k. An additional €70k provision was recognised over the second half of 2021 to cover the costs of replacing telephones delivered in 2021 before the APK release. This resulted in a provision of €381k as at December 31, 2021.

In 2022, this provision has been partially reversed during the first half of 2022 for a total amount of €164k. This resulted in a provision of €217k as at June 30, 2022. During the second half 2022, this provision has been partially reversed for a total amount of €119k. This resulted in a provision of €98k as at December 31, 2022. In 2023, this provision has been partially reversed during the first half of 2023 for a total amount of €55k.

In 2022, a €35k provision was recognised for employment safeguard plans (termination benefits). This provision has been partially reversed for a total amount of €19k. This resulted in a provision of €17k as at June 30, 2023.

19. Loans and borrowings

19.1. Main terms and conditions

The terms and conditions of current loans are as follows:

€ 000	Currency	Annual nominal interest rate	Year of maturity	Nominal value	2023.06 Carrying amount	2022.12 Carrying amount
BPI France €500 thousand loan	EUR	Fixed rate	2023	500	25	75
BPI €750 thousand loan	EUR	Fixed rate	2023	750	150	225
CIC €500 thousand loan	EUR	Fixed rate	2022	500		55
BPO €900 thousand loan	EUR	Fixed rate	2023	900	173	303
CIC €400 thousand loan	EUR	Fixed rate	2024	400	144	194
CREDIT COOP €600 thousand loan	EUR	Fixed rate	2029	600	600	600
BPI France €2,000 thousand loan	EUR	Fixed rate	2028	2 000	2 000	2 000
Other financial liabilities due within one year and accrued loan interest						52
Total bank loans				8 650	3 092	3 504
Arkea credit line	EUR	Floating rate	2025	5 000		-
CIC credit line	EUR	Floating rate	2023	4 000		-
Société Générale credit line	EUR	Floating rate	2027	3 000		-
Crédit Agricole credit line	EUR	Floating rate	Undetermined	2 500		-
LCL credit line	EUR	Floating rate	Undetermined	1 500		-
Total available credit lines				16 000	-	-
Current account with AMA CORP	EUR / GBP	Floating rate		0	0	
Total Guillemot Brothers' current account				0	0	-
Total				24 650	3 092	3 504

Fixed rates range from 0% to 1.9%, while floating rates are EURIBOR 3M +3.587%.

19.2. Change in loans and borrowings distinguishing cash and non-cash flows

Changes to loans and borrowings and lease liabilities in 2023 and 2022 were as follows:

€ 000	2022.12	Cash flows			Changes in non-cash flows					2023.06
		Cash inflows from new debt	Interest paid	Repayment of borrowings	Foreign exchange gains (losses)	Interest expense	Others	Impact of IFRS 16 - Leases	Reclass.	
Bank loans	2 813	-	-	0	-	-	-	-	-371	2 443
Current account with Guillemot Brothers Ltd	-	-	-	-	-	-	-	-	-	-
Total non-current borrowings and financial liabilities	2 813	-	-	-	-	-	-	-	-371	2 443
Non-current lease liabilities	444	303	-	-294	-3	-	-	-267	17	201
Bank loans	639	-	-53	-360	-	53	-	-	371	649
Bonds	-	-	-	-	-	-	-	-	-	-
Accrued loan interest	5	-	-	-4	-	-	-	-	-	1
Other financial liabilities due within one year	47	-	-	-8	0	-	-	-	-	40
Current account with Guillemot Brothers Ltd	-0	-	-	-	-	-	-	-	-	-0
Total current borrowings and financial liabilities	691	-	-53	-372	0	53	-	-	371	690
Current lease liabilities	583	-	-	-	-3	-	-	-	-17	562

€ 000	2021.12	Cash flows			Changes in non-cash flows					2022.06
		Cash inflows from new debt	Interest paid	Repayment of borrowings	Foreign exchange gains (losses)	Interest expense	Others	Impact of IFRS 16 - Leases	Reclass.	
Bank loans	852	2 600	-	-502	-	-	-	-	-464	2 485
Current account with Guillemot Brothers Ltd	-	-	-	-	-	-	-	-	-	-
Total non-current borrowings and financial liabilities	852	2 600	-	-502	-	-	-	-	-464	2 485
Non-current lease liabilities	1 119	610	-	-626	4	-	-	-280	291	1 119
Bank loans	1 555	-	-36	-643	0	36	-	-	464	1 376
Bonds	-	-	-	-	-	-	-	-	-	-
Accrued loan interest	2	-	-	-2	-	-	-	-	-	-
Other financial liabilities due within one year	45	7	-	-	1	-	-	-	-	53
Current account with Guillemot Brothers Ltd	170	-	-	-354	-	-	184	-	-3 977	-0
Total current borrowings and financial liabilities	1 772	7	-36	-999	1	36	184	-	-3 513	1 429
Current lease liabilities	958	-	-	-	11	-	-	-	-291	678

In 2022, the group obtained two bank loans as detailed in Note 19.1.

20. Trade accounts payable, other current liabilities

Trade payables and other current liabilities break down as follows:

€ 000	2023.06	2022.12
Total trade payables	796	752
Staff and social security payables - current	777	724
Tax payables (excl. income tax)	97	124
Prepaid income (excl. client contracts)	-	-
Other payables - current	22	19
Total other liabilities	895	867
Total	1 691	1 619

The trades payables change, concerns mainly AMA SA with an increase of €99k and AMA Corporation Plc with a decrease of €-36k.

21. Financial instruments and risk management

21.1. Classification and fair value of financial instruments

€ 000	Accounting category	Fair value level	2023.06		2022.12	
			Carrying amount	Fair value	Carrying amount	Fair value
Loans and guarantees	Amortised cost	Level 2 - Note 2	173	173	214	214
Non-consolidated equity investments	Fair value through P&L	Level 3 - Note 3	4	4	4	4
Total non-current financial assets			177	177	218	218
Trade and other receivables	Amortised cost	Note 1	763	763	1 054	1 054
Cash and cash equivalents	Amortised cost	Note 1	12 641	12 641	8 603	8 603
Total current financial assets			13 404	13 404	9 657	9 657
Total assets			13 580	13 580	9 875	9 875
Bank loans and other financial liabilities	Amortised cost	Level 2 - Note 5	2 443	2 380	2 813	2 729
Current account with Guillemot Brothers Ltd	Amortised cost	Level 2 - Note 5	-	-	-	-
Total non-current financial liabilities			2 443	2 380	2 813	2 729
Non-current lease liabilities	Amortised cost	Level 2 - Note 4	201	N/A	444	N/A
Bank loans and other financial liabilities	Amortised cost	Level 2 - Note 5	690	668	691	712
Current account with Guillemot Brothers Ltd	Amortised cost	Level 2 - Note 5	- 0	- 0	- 0	- 0
Trade payables	Amortised cost	Note 1	796	796	752	752
Bank overdraft	Amortised cost	Note 1	0	0		
Total current financial liabilities			1 485	1 464	1 443	1 464
Current lease liabilities	Amortised cost	Level 2 - Note 4	562	N/A	583	N/A
Total liabilities			3 928	3 844	5 283	4 193

Note 1 - The carrying amount of current financial assets and liabilities is deemed to be approximately their fair value.

Note 2 - The difference between the carrying amount and fair value of loans and guarantees is deemed immaterial.

Note 3 - The fair value of unconsolidated equity investments is immaterial.

Note 4 - As allowed for under IFRS, the fair value of lease liabilities and their level in the fair value hierarchy is not presented.

Note 5 - The fair value of loans and borrowings was estimated using future cash flows discounted at a market rate.

22. Risk management

The Group is exposed to interest rate risk, credit risk and liquidity risk. The Group has not identified any significant changes in the identified risks compared to December 31, 2022.

23. Related-party transactions

Since July 12, 2022, Guillemot Brothers SAS is the Group's parent company. The Group has not identified any significant changes in transactions with related parties, except for the capital increase completed by AMA Corporation Plc and partially subscribed by Guillemot Brothers SAS, as explained in note 17.1.

24. Off-balance sheet commitments

The Group has not identified any significant changes in off-balance sheet commitments in the first half of 2021, 2022 and 2023 compared to December 31, 2022, December 31, 2021 and December 31, 2020.