



2024 HALF-YEAR FINANCIAL REPORT

The English language version of this report is a free translation from the original, which was prepared in French language. All possible care has been taken to ensure that the translation is an accurate presentation of the original. However, in all matters of interpretation, views or opinion expressed in the original language version of the document in French take precedence over the translation.

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Declaration of the person responsible for the report

I hereby certify that, to my knowledge, the interim condensed financial statements in this report have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and income or loss of the Dassault Aviation Group, and that the half-yearly activity report presents a fair representation of the important events of the first six months of the financial year and their effect on the half-yearly financial statements, the main transactions between related parties and a description of the main risks and uncertainties for the remaining six months of the financial year.

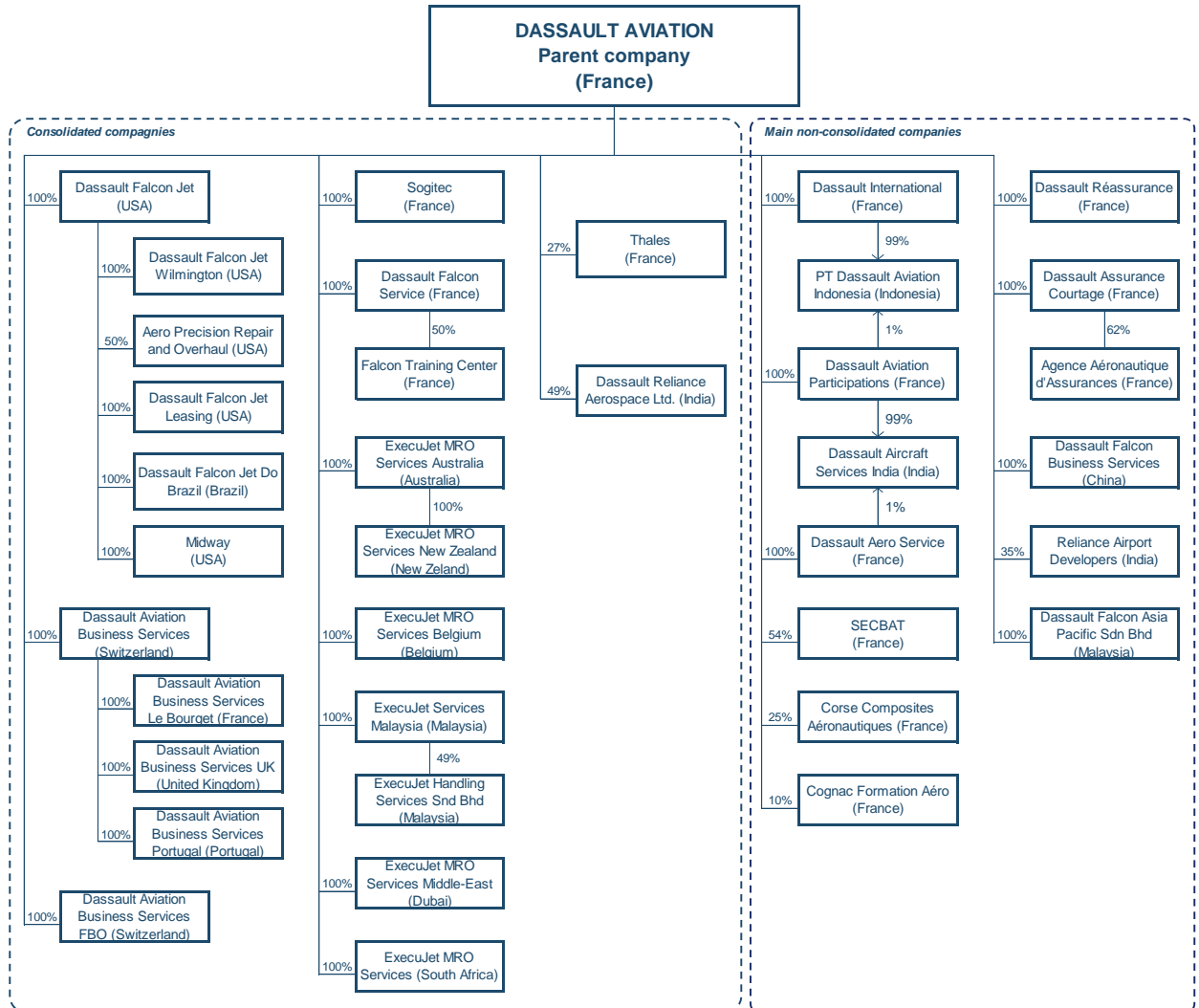
Paris, July 23, 2024

Éric TRAPPIER

Chairman and Chief Executive Officer

Group structure as of June 30, 2024

The Dassault Aviation Group is an international group that encompasses most of the aeronautical business of the Groupe Industriel Marcel Dassault. The main Group companies are as follows:



The list of consolidated entities is presented in Note 2, "Scope of consolidation", of the Appendix to the condensed interim consolidated financial statements.

Dassault Aviation Group Business Report H1 2024

1. KEY FIGURES FOR H1 2024

	H1 2024	H1 2023
Order intake <i>(new aircraft in units)</i>	€5,134 million 18 Export Rafale 11 Falcon	€1,682 million 12 Falcon
Adjusted net sales (*) <i>(new aircraft in units)</i>	€2,538 million 6 Rafale France 12 Falcon	€2,295 million 2 Rafale Export 2 Rafale France 9 Falcon
	as of June 30, 2024	as of December 31, 2023
Backlog <i>(new aircraft in units)</i>	€41,157 million 223 Rafale Including 159 Export and 64 France 83 Falcon	€38,508 million 211 Rafale Including 141 Export and 70 France 84 Falcon
	H1 2024	H1 2023
Adjusted net operating income (*) <i>Adjusted operating margin</i>	€170 million 6.7% of net sales	€151 million 6.6% of net sales
Research & Development	€200 million	€247 million
Adjusted net income (*) <i>Adjusted net margin</i>	€442 million 17.4% of net sales	€405 million 17.6% of net sales
	as of June 30, 2024	as of December 31, 2023
Available cash	€8,786 million	€7,294 million

Note: Dassault Aviation recognizes Rafale Export contracts in their entirety (including the Thales and Safran parts).

Main aggregates under IFRS (see tables of reconciliation in appendix)

(*) Consolidated net sales	€2,538 million	€2,297 million
(*) Consolidated net operating income	€169 million	€152 million
(*) Consolidated net income	€476 million	€362 million

2. GROUP ACTIVITIES

2.1 Introduction

At the end of the Board meeting which approved the financial accounts for the 1st half of 2024, held on July 23 under his chairmanship, Éric Trappier said:

“The global context in this first half-year remains marked by the war in Ukraine and the state of war in the Middle East. In France, the President of the Republic, as head of the armed forces, wrote to defense manufacturers urging them to step up their efforts in the context of a war economy. In response to this call, I instructed Dassault Aviation employees to prioritize Rafale production, for both France and for Export.

The first half of 2024 saw:

- **the entry into force of the third batch (18 Rafale) of the Indonesia contract in January. As a result, the Group’s backlog broke a new record, reaching EUR 41.2 billion on June 30, 2024 (306 aircraft – 159 Rafale Export, 64 Rafale France and 83 Falcon),**
- **the first Falcon 6X customer deliveries, after its entry into service in November 2023,**
- **the delivery of 6 Rafale to France and 12 Falcon as the Group continues to suffer from supply chain problems,**
- **adjusted net sales amounted to EUR 2,538 million for the half-year, leading to adjusted net operating income of EUR 170 million and Group adjusted net income of EUR 442 million, i.e. a net margin of 17.4%.**

With 495 aircraft ordered since its launch, including 18 for Indonesia this half-year, the Rafale has confirmed its success. Users of our fighter aircraft appreciate its operational qualities as well as its continuous evolution in line with new standards currently under development and those to be introduced in the future. We are preparing for the future of the Rafale with the F5 standard accompanied by a combat drone, and remain committed to developing the F4 standard. The Group has reaffirmed its crucial role as an architect of complex systems.

In the military sector, during the first half of the year, we:

- recorded order intake for the third batch (18 Rafale) of the Indonesia contract,
- delivered 6 Rafale to France, supported the French and export fleets and continued work to develop the F4 standard.

In the civilian sector, during the first half of the year, we:

- recorded 11 Falcon orders, compared with 12 in the 1st half of 2023, and delivered 12 Falcon, compared with 9 in the 1st half of 2023,
- delivered the first Falcon 6X to customers and continued the world tour,
- continued the development and manufacture of the first Falcon 10X. First deliveries are scheduled for 2027.

Corporate Social Responsibility remains a major commitment of the Group, particularly for the decarbonization of its products and processes. The SAF (Sustainable Aviation Fuel) plan that we have put in place is ramping up by the intensification of the use of alternative fuels. In 2024, the Group maintained an attractive remuneration policy. The recruitment target is approximately 2,000 new employees (of which more than half has been achieved as of June 30th) with a focus on their integration and training.

Like other major players in the aerospace industry, the Group is suffering from a difficult supply chain. There are many shortages in our production lines due to supplier inefficiencies in some cases, especially in the aerostructure sector. These difficulties have given rise to risks affecting Falcon and Rafale

deliveries, and also impact customer support. The Group is taking internal and external measures to mitigate these effects and to anticipate sub-contractor inefficiencies. Moreover, given the links forged with Indian companies as part of the “Make in India” initiative and the major business opportunities we have there in the future, India has emerged as an opportunity to expand our supply chain.”

2.2 Programs development

Defense programs

Rafale

The first half of 2024 saw:

- the delivery of 6 Rafale to France,
- continued performance of the F4 standard development contract,
- preparation of the F5 standard accompanied by a combat drone,
- entry into force of the order for an additional 18 Rafale for Indonesia, bringing the total to 42 Rafale,
- delivery to Croatia of 2 Rafale pre-owned by France (bringing the total to 6) and associated support by Dassault Aviation,
- continued performance of Export contracts and business development.

Against the backdrop of a war economy, the President of the French Republic is calling for a special effort to respond to the current strategic context. Priority is therefore given to the production of Rafale.

Future Combat Air System (FCAS)

Dassault Aviation is prime contractor and architect of pillar 1, the NGF, and participates in other pillars, through co-contracting or sub-contracting.

Detailed specifications of the NGF demonstrator are continuing. The industrial teams of the three partner countries (France, Germany and Spain) are working together on a physical platform installed in Saint-Cloud.

Falcon programs

The Group delivered 12 Falcon in the 1st half of 2024 compared with 9 in the 1st of 2023, and recorded 11 orders compared to 12 in the 1st half of 2023.

The Group continues to promote its Falcon aircraft.

Falcon 6X

The first deliveries to customers took place during the 1st half of 2024. Feedback from customers and pilots on demonstration flights confirmed a very high level of passenger comfort and safety:

- cabin volume: the largest section in the business aviation market,
- silence, brightness and cabin pressure very low. Damped turbulence and very high stability thanks to digital flight controls,
- latest generation avionics (EASy IV),
- reliability: more than 400 flights and more than 600 hours operated in 6 months on the demonstration aircraft.

Falcon 10X

The Falcon 10X, with the most spacious and comfortable cabin on the market is continuing to be developed.

The manufacture of the first development aircraft is under way. First deliveries are scheduled for 2027.

Business aviation and EU Taxonomy

Business aviation is committed to being carbon neutral by 2050. The SAF trajectory of the EBAA (European Business Aviation Association), outlined in February 2024, is more ambitious than ReFuel EU Aviation (European legislation to promote the incorporation of sustainable fuel in civil aviation).

Dassault Aviation is stepping up the use of SAF and saved 900 tons of CO₂ in the 1st half of 2024 on its flights (vs. 680 tons over the whole of 2023). The objective is to make all production aircraft 100% SAF compatible by 2030: the Falcon 10X will be natively compatible and tests have been launched on the Falcon 6X.

A partnership has been launched between Groupe ADP and Dassault Aviation to step up their decarbonization action at Paris-Le Bourget airport.

An action for annulment was filed with the General Court of the European Union against the Delegated Regulation providing for the exclusion of business aviation from the European Taxonomy framework. The proceedings are ongoing and market players (including the EBAA) have filed applications to intervene in the proceedings in support of Dassault Aviation.

2.3 Customer support

Military customer support

In France:

The Group continues to perform support contracts for the Rafale, Mirage 2000, ATL2 and AlphaJet fleets and to fulfill its availability commitments.

In Export:

For Croatia, training for pilots and technicians in Mérignac was completed in the 1st half of 2024 and customer support has been launched.

At the same time, the Group remains committed to supporting in-service fleets as closely as possible to operational staff and their needs.

Civil customer support

In the 1st half of 2024, the *Group* continued to develop its network of maintenance centers:

- in Asia-Pacific with the opening in March 2024 of a new ExecuJet MRO Services site in Kuala Lumpur, Malaysia,
- in South America with the opening in May 2024 of Dassault Falcon Jet Catarina in Brazil to replace Soracaba,
- in North America with the Dassault Falcon Jet Melbourne project in Florida, with the site scheduled to open in the third quarter of 2025.

2.4 Human Resources

The **Group** anticipates the recruitment of approximately 2,000 employees in a job market that remains tense in the aerospace sector. More than half has been achieved as of June 30th.

The Group offers a robust integration process consisting of:

- an orientation process, specific to each site, to welcome new employees, allowing them to familiarize themselves with the facilities and how they operate, and raising awareness of issues related to occupational safety, the environment, ethics, airworthiness, safety, security and cybersecurity,

- mentoring and training: technical mentoring (first aid training) offered on all sites and professional training,
- a Company induction with ENVOL days and the “Défense Académie.”

In terms of the pay policy, a new pay grid has been rolled out within Dassault Aviation, with minimum salaries higher than those in the metallurgy branch. It has been in force since January 1, 2024.

The 2024 pay policy signed by the CFDT, the CGC-CFE and the UNSA has introduced:

- for executives, a budget for individual raises of 4.2%, with the guarantee that at least 95% of executives, employed as of December 31, 2023 and still employed on December 31, 2024, will receive an individual raise,
- for non-executives, a budget for pay raises of 4.2%, including a general raise of 2.4% with a minimum of EUR 80 gross/month, retroactive to January 1, 2024,
- for all employees receiving an individual raise, a guarantee of at least 1.5%.

Lastly, profit-sharing and incentives paid in 2024 in respect of the 2023 fiscal year represented, on average, 2.9 months of extra wages for employees of the parent company.

2.5 Modernizing of the industrial infrastructure

The Group is continuing its efforts to invest in its industrial infrastructure, including:

- in Mérignac, the continued construction of the multi-purpose production building, as well as the building that will house the Falcon fuselage assembly line,
- in Cergy, the acceptance of the new plant in early July 2024. The start-up of the transfer of production units is planned for the summer.

2.6 Make in India

The India-based joint venture Dassault Reliance Aerospace Limited (DRAL) continues to produce the T12 and T4 sections of the Falcon 2000. The Dassault Aviation Group is contributing to the development of the Indian supply chain and forging partnerships in India, at a time when the French supply chain is in difficulty. Contracts have been signed with new major sub-contractors during this half-year:

- TATA, for wing panels,
- DYNAMATIC for the T5 tank of the Falcon 6X and for the supply of primary parts,
- AEROLLOY, a subsidiary of the PTC Group, for the development of a titanium foundry sector.

In addition, the Group is investing in training and local skills. The engineering center in Pune is fully operational. The “Dassault Skill Academy” delivers “*Bac Professionnel Aéronautique*” (Aeronautical Structure and Equipment Fitter diploma program) offered in the state of Mahārāshtra and currently being rolled out in the states of Uttar Pradesh and Karnataka.

3. 1ST HALF 2024 ADJUSTED CONSOLIDATED RESULTS

3.1 Order intake

Order intake for the 1st half of 2024 was **EUR 5,134 million**, vs. EUR 1,682 million in the 1st half of 2023. **Export** order intake stood at **96%**.

Order intake was as follows, **in millions of euros**:

	H1 2024	%	H1 2023	%
Defense	4,095	80%	739	44%
<i>Defense Export</i>	3,871		572	
<i>Defense France</i>	224		167	
Falcon	1,039	20%	943	56%
Total order intake	5,134		1,682	
<i>% Export</i>	96%		88%	

The order intake is entirely composed of firm orders.

Defense programs

Defense Export order intake totaled **EUR 3,871 million** in the 1st half of 2024, vs. EUR 572 million in the 1st half of 2023. In particular, the Group recorded an order for an additional 18 Rafale for Indonesia.

Defense France order intake totaled **EUR 224 million** in the 1st half of 2024, vs. EUR 167 million in the 1st half of 2023.

Falcon programs

During the 1st half of 2024, **11 Falcon orders** were recorded, compared with 12 orders in the 1st half of 2023. Falcon order intake amounted to **EUR 1,039 million** in the 1st half of the year compared to EUR 943 million in the 1st half of 2023, up mainly due to a favorable product mix.

3.2 Adjusted net sales

Adjusted net sales for the 1st half of 2024 totaled **EUR 2,538 million**, compared with EUR 2,295 million for the 1st half of 2023. **Export** net sales stood at **59%** in the 1st half of 2024.

Consolidated sales were as follows, in **millions of euros**:

	H1 2024	%	H1 2023	%
Defense	1,558	61%	1,468	64%
<i>Defense Export</i>	552		851	
<i>Defense France</i>	1,006		617	
Falcon	980	39%	827	36%
Total adjusted net sales	2,538		2,295	
<i>% Export</i>	59%		71%	

Defense programs

Defense Export net sales totaled **EUR 552 million** in the 1st half of 2024, vs. EUR 851 million in the 1st half of 2023.

Defense France net sales totaled **EUR 1,006 million** in the 1st half of 2024, vs. EUR 617 million in the 1st half of 2023.

6 Rafale were delivered to France during the 1st half of 2024, compared with 4 Rafale (2 France and 2 Export) for the 1st half of 2023.

Falcon programs

12 Falcon were delivered in the 1st half of 2024, compared with 9 in the 1st half of 2023.

Falcon net sales for the 1st half of 2024 amounted to **EUR 980 million**, vs. EUR 827 million for the 1st half of 2023.

The “book-to-bill ratio” (order intake/net sales) is **2.02** for the 1st half of 2024.

3.3 Backlog

The consolidated backlog (determined in accordance with IFRS 15) was **EUR 41,157 million** as of June 30, 2024, compared with EUR 38,508 million as of December 31, 2023. The backlog trend is as follows:

	06/30/2024	%	12/31/2023	%
Defense	36,399	88%	33,862	88%
<i>Defense Export</i>	27,305		23,986	
<i>Defense France</i>	9,094		9,876	
Falcon	4,758	12%	4,646	12%
Total backlog	41,157		38,508	
% Export	75%		71%	

The **Defense Export backlog** stood at **EUR 27,305 million** as of June 30, 2024 vs. EUR 23,986 million as of December 31, 2023. This figure notably includes **159 new Rafale** compared with 141 new Rafale as of December 31, 2023.

The **Defense France backlog** stood at **EUR 9,094 million** as of June 30, 2024, vs. EUR 9,876 million as of December 31, 2023. This figure includes **64 Rafale**, the support contracts for the Rafale (Ravel), Mirage 2000 (Balzac) and ATL2 (OCEAN), AlphaJet (AlphaCare) and the Rafale F4 standard.

The **Falcon backlog** stood at **EUR 4,758 million** as of June 30, 2024, vs. EUR 4,646 million as of December 31, 2023. It includes **83 Falcon**, compared with 84 as of December 31, 2023.

3.4 Adjusted results

Adjusted net operating income

Adjusted net operating income for the 1st half of 2024 came to **EUR 170 million**, compared with EUR 151 million in the 1st half of 2023.

R&D expenses in the 1st half of 2024, mainly related to the Falcon 10X, totaled EUR 200 million compared with EUR 247 million for the 1st half of 2023.

Operating margin was **6.7%**, compared with 6.6% in the 1st half of 2023.

The hedging rate for the 1st half of 2024 was **USD 1.14/EUR**, vs. USD 1.20/EUR in the 1st half of 2023.

Adjusted net financial income

Adjusted net financial income for the 1st half of 2024 was **EUR 106 million**, vs. EUR 110 million for the same period in the previous year, decreasing due to higher financing component, partially offset by an increase in financial income.

Adjusted net income

Adjusted net income for the 1st half of 2024 was **EUR 442 million**, compared with EUR 405 million in the 1st half of 2023. The contribution of Thales to the Group's net income was EUR 231 million, compared with EUR 206 million during the 1st half of 2023.

Adjusted net margin thus stood at **17.4%** for the 1st half of 2024 vs. 17.6% for the 1st half of 2023.

Adjusted net income per share for the 1st half of 2024 was **EUR 5.62** vs. EUR 4.92 for the 1st half of 2023.

4. 1ST HALF 2024 CONSOLIDATED RESULTS UNDER IFRS

4.1 Consolidated net operating income (IFRS)

Consolidated net operating income for the 1st half of 2024 came to **EUR 169 million**, compared with EUR 152 million in the 1st half of 2023.

R&D expenses in the 1st half of 2024, mainly related to the Falcon 10X, totaled EUR 200 million compared with EUR 247 million for the 1st half of 2023.

Consolidated operating margin stood at **6.7%**, vs. 6.6% for the 1st half of 2023.

The hedging rate for the 1st half of 2024 was **USD 1.14/EUR**, vs. USD 1.20/EUR in the 1st half of 2023.

4.2 Consolidated net financial income (IFRS)

Consolidated net financial income for the 1st half of 2024 came to **EUR 102 million** vs. EUR 111 million in the 1st half of 2023, decreasing due to higher financing component, partially offset by an increase in financial income.

4.3 Consolidated net income (IFRS)

Consolidated net income for the 1st half of 2024 was **EUR 476 million**, compared with EUR 362 million in the 1st half of 2023. The contribution of Thales to the Group's net income was EUR 269 million, compared with EUR 161 million during the 1st half of 2023.

Consolidated net margin thus stood at **18.8%** for the 1st half of 2024, vs. 15.7% for the 1st half of 2023.

Consolidated net income per share for the 1st half of 2024 was **EUR 6.06** vs. EUR 4.40 for the 1st half of 2023.

5. FINANCIAL STRUCTURE

5.1 Available cash

The Group uses a specific indicator called “Available cash,” which reflects the amount of total liquidities available to the Group, net of financial debts. It includes the following balance sheet items: cash and cash equivalents, current financial assets (at market value) and financial debt, excluding lease liabilities. The calculation of this indicator is detailed in the consolidated financial statements (Note 7 of the condensed interim consolidated financial statements).

The Group’s available cash stands at **EUR 8,786 million** as of June 30, 2024 vs. EUR 7,294 million as of December 31, 2023. This increase is mainly due to the advances received on orders.

5.2 Balance sheet (IFRS)

Total equity stood at **EUR 5,915 million** as of June 30, 2024 vs. EUR 5,742 million as of December 31, 2023.

Borrowings and financial debt amounted to EUR 236 million as of June 30, 2024, compared with EUR 262 million as of December 31, 2023. They are composed of locked-in employee profit-sharing funds for EUR 53 million and lease liabilities recognized for EUR 183 million.

Inventories and work-in-progress increased by EUR 929 million to stand at EUR 6,187 million as of June 30, 2024.

Advance payments received on orders net of advance payments to suppliers were up EUR 2,580 million to stand at EUR 11,650 million.

The derivative financial instruments market value stood at EUR -40 million as of June 30, 2024, vs. EUR 29 million as of December 31, 2023.

6. RISK FACTORS AND MANAGEMENT

The risks and uncertainties described in the 2023 annual report are still valid. In particular, the “supply chain dependency” operational risk as described in Chapter 2.2.1 of the 2023 Annual Report remains significant.

Deliveries in 2024 are under pressure as some suppliers remain in serious difficulty. Our chains are exposed to many shortages at all stages of production

Suppliers of all sizes, and particularly in the aerospace sector, face financial difficulties and capacity shortages. Risks of new supplier defaults weigh on the business. This situation also affects the Group in its customer support.

For the Group, this is reflected in chaining delays, which persist in 2024. The Group is responding through:

- GIFAS (French Aerospace Industries Association),
- its participation in investment fund dedicated to supporting the French aerospace supply chain,
- the support of the suppliers in difficulty and the research of alternative suppliers when appropriate,
- the monitoring to anticipate the risks of new supplier inefficiencies.

7. SHAREHOLDER INFORMATION

The Company's share capital totaled EUR 63,161,449.60 as of June 30, 2024. It is divided into 78,951,812 shares, each with a par value of EUR 0.8. The equities are listed on the regulated "Euronext Paris" market – Compartment A – International Securities Identification Numbers (ISIN Code): FR0014004L86. They are eligible for deferred settlement. In 2016, Dassault Aviation joined the following stock market indices: Sociétés des Bourses Françaises 120 (SBF 120) and the Morgan Stanley Capital International World (MSCI World).

As of June 30, 2024, the shareholding of Dassault Aviation is as follows:

Shareholders	Number of shares	%	Exercisable voting rights ⁽²⁾	%
GIMD	51,960,760	65.82%	103,921,520	79.62%
Airbus SE	8,275,290	10.48%	8,275,290	6.34%
Float	18,160,976	23.00%	18,326,908	14.04%
Treasury shares ⁽¹⁾	554,786	0.70%		
TOTAL	78,951,812	100.00%	130,523,718	100.00%

⁽¹⁾ Treasury shares recorded in the "fully registered shares" account, without voting rights.

⁽²⁾ Pursuant to the "Florange" Law, and in the absence of contrary provisions in the bylaws of Dassault Aviation, shares held in a registered account for more than two years are entitled to double voting rights.

Between March 5, 2024 and June 21, 2024, Dassault Aviation bought back 356,251 shares (0.45% of its capital). At its meeting on July 23, 2024, the Board of Directors decided to cancel these shares.

After the capital reduction, scheduled to take effect on July 26, 2024, Dassault Aviation shareholders will be distributed as follows:

Shareholders	Number of shares	%
GIMD	51,960,760	66.11%
Airbus SE	8,275,290	10.53%
Float	18,160,976	23.11%
Treasury shares ⁽¹⁾	198,535	0.25%
TOTAL	78,951,812	100.00%

8. RELATED-PARTY TRANSACTIONS

The related parties in the 1st half of 2024 are identical to those identified as of December 31, 2023 and the transactions during the period are of the same type.

9. GUIDANCE

In a difficult context due to the supply chain, our 2024 objectives remain unchanged : Increased revenue compared to 2023, EUR 6 Bn range (of which 35 Falcon and 20 Rafale).

The Board of Directors would like to thank all staff for their commitment, efficiency and expertise.

APPENDIX

9.1 FINANCIAL REPORTING

IFRS 8 “Operating Segments” requires the presentation of information per segment according to internal management criteria.

The entire activity of the Dassault Aviation Group relates to the aerospace sector. The internal reporting made to the Chairman and Chief Executive Officer, and to the Chief Operating Officer, as used for the strategy and decision-making, includes no performance analysis, under the terms of IFRS 8, at a lower level to this domain.

9.2 DEFINITION OF ALTERNATIVE PERFORMANCE INDICATORS

To reflect the Group’s actual economic performance, and for monitoring and comparability reasons, the Group presented an adjusted income statement of:

- foreign exchange gains/losses resulting from the exercise of hedging instruments which do not qualify for hedge accounting under IFRS standards. This income, presented as net financial income in the consolidated financial statements, is reclassified as net sales and thus as net operating income in the adjusted income statement;
- the value of foreign exchange derivatives which do not qualify for hedge accounting, by neutralizing the change in fair value of these instruments (the Group considering that gains or losses on hedging should only impact net income as commercial flows occur), with the exception of derivatives allocated to hedge balance-sheet positions whose change in fair value is presented as net operating income;
- amortization of assets valued as part of the purchase price allocation (business combinations), known as “PPA”;
- adjustments made by Thales in its financial reporting.

The Group also presents the “available cash” indicator which reflects the amount of the Group’s total liquidities, net of financial debt. It covers the following balance sheet items:

- cash and cash equivalents;
- other current financial assets (mainly time deposits);
- financial debt, excluding lease liabilities.

The calculation of this indicator is detailed in the condensed interim consolidated financial statements (see Note 7).

Only consolidated financial statements are audited by statutory auditors. Adjusted financial data are subject to the verification procedures applicable to all information provided in the half-yearly report.

9.3 IMPACT OF ADJUSTMENTS

The impact of the adjustments of income statement aggregates for the 1st half of 2024 is set out below:

<i>(in EUR thousands)</i>	Consolidated income statement H1 2024	Foreign exchange derivatives		PPA	Adjustments applied by Thales	Adjusted income statement H1 2024
		Foreign exchange gain/loss	Change in fair value			
Net sales	2,538,156					2,538,156
Net operating income	168,190			1,059		170,039
Net financial income	101,942		4,418			106,360
Share in net income of equity associates	274,719			1,977	-40,417	236,279
Income tax	-69,444		-1,141	-187		-70,772
Net income	476,197		3,277	2,849	-40,417	441,906
<i>Group share of net income</i>	476,197		3,277	2,849	-40,417	441,906
Group share of net income per equity <i>(in euros)</i>	6.06					5.62

The impact of the adjustments of income statement aggregates for the 1st half of 2023 is set out below:

<i>(in EUR thousands)</i>	Consolidated income statement H1 2023	Foreign exchange derivatives		PPA	Adjustments applied by Thales	Adjusted income statement H1 2023
		Foreign exchange gain/loss	Change in fair value			
Net sales	2,297,181	-1,941				2,295,240
Net operating income	151,593	-1,941		1,465		151,117
Net financial income	110,957	1,941	-3,397			109,501
Share in net income of equity associates	165,514			1,489	42,720	209,723
Income tax	-66,360		877	-288		-65,771
Net income	361,704	0	-2,520	2,666	42,720	404,570
<i>Group share of net income</i>	361,704		-2,520	2,666	42,720	404,570
Group share of net income per equity <i>(in euros)</i>	4.40					4.92

Condensed interim consolidated financial statements as of June 30, 2024

Assets

(in EUR thousands)	Notes	06/30/2024	12/31/2023
Goodwill	3	65,957	65,957
Intangible assets		95,018	88,864
Property, plant and equipment		1,500,629	1,414,931
Equity associates	4	2,845,527	2,680,668
Other non-current financial assets	5	166,101	155,999
Deferred tax assets		361,724	344,295
Non-current assets		5,034,956	4,750,714
Inventories and work-in-progress	6	6,187,213	5,258,273
Contract assets	11	76,150	36,982
Trade and other receivables		1,448,841	1,444,638
Advances and progress payments to suppliers	11	6,186,140	4,566,732
Derivative financial instruments	18	15,929	58,694
Other current financial assets	7	7,294,321	5,913,980
Cash and cash equivalents	7	1,544,758	1,457,580
Current assets		22,753,352	18,736,879
Total assets		27,788,308	23,487,593

Equity and Liabilities

(in EUR thousands)	Notes	06/30/2024	12/31/2023
Capital	8	63,161	64,642
Consolidated reserves and retained earnings		5,875,954	5,978,690
Currency translation adjustments		59,470	-6,212
Treasury shares	8	-83,453	-295,451
Total attributable to the owners of the parent company		5,915,132	5,741,669
Non-controlling interests		0	0
Equity		5,915,132	5,741,669
Long-term borrowings and financial debt	9	177,839	207,811
Deferred tax liabilities		2,456	2,427
Non-current liabilities		180,295	210,238
Contract liabilities	11	18,285,731	14,206,265
Trade and other payables		1,213,577	1,233,754
Tax and social security liabilities		495,524	392,415
Short-term borrowings and financial debt	9	57,802	54,626
Provisions for contingencies and charges	10	1,584,779	1,619,186
Derivative financial instruments	18	55,468	29,440
Current liabilities		21,692,881	17,535,686
Total equity and liabilities		27,788,308	23,487,593

Income statement

(in EUR thousands)	Notes	H1 2024	H1 2023	2023
Net sales	12	2,538,156	2,297,181	4,804,891
Other revenue		83,687	91,507	193,660
Change in work-in-progress		510,636	576,286	985,615
Purchases consumed		-1,942,019	-1,994,567	-4,014,203
Personnel expenses		-857,823	-774,687	-1,468,607
Taxes and other contributions		-40,883	-36,526	-62,783
Depreciation and amortization		-88,132	-85,920	-174,449
Net allocations to/reversals of provisions		-23,280	78,389	94,689
Other operating income and expenses		-11,362	-70	-9,336
Net operating income		168,980	151,593	349,477
Cost of net financial debt		24,917	22,093	41,595
Other financial income and expense		77,025	88,864	170,050
Net financial income	14	101,942	110,957	211,645
Share in net income of equity associates	4	274,719	165,514	266,540
Income tax	15	-69,444	-66,360	-134,264
Net income		476,197	361,704	693,398
<i>Attributable to the owners of the parent company</i>		<i>476,197</i>	<i>361,704</i>	<i>693,398</i>
<i>Attributable to non-controlling interests</i>		<i>0</i>	<i>0</i>	<i>0</i>
Earnings per share (in EUR)	16	6.06	4.40	8.57
Diluted earnings per share (in EUR)	16	6.05	4.40	8.57

Statement of recognized income and expense

(in EUR thousands)	Notes	H1 2024	H1 2023	2023
Net income		476,197	361,704	693,398
Derivative financial instruments (1)	18	-60,621	33,918	99,636
Taxes related		15,655	-8,761	-25,731
Currency translation adjustments		28,041	-21,883	-34,950
Equity associates, net	4	34,600	12,423	-11,938
Items to be subsequently recycled to P&L		17,675	15,697	27,017
Other non-current financial assets	5	3,869	7,730	-8,984
Actuarial adjustments on pension benefit obligations	10	64,579	-12,899	-22,337
Taxes related		-15,463	1,529	5,559
Equity associates, net	4	4,114	-22,970	-65,043
Items that will not be recycled to P&L		57,099	-26,610	-90,805
Income and expense recognized directly through equity		74,774	-10,913	-63,788
Recognized income and expense		550,971	350,791	629,610
<i>Attributable to the owners of the parent company</i>		<i>550,971</i>	<i>350,791</i>	<i>629,610</i>
<i>Attributable to non-controlling interests</i>		<i>0</i>	<i>0</i>	<i>0</i>

(1) the amounts stated correspond to the change in the market value over the period for instruments that qualify for hedge accounting. They are not representative of the actual gain/loss that will be recognized when the hedges are exercised.

Statement of changes in equity

2023 and H1 2024

(in EUR thousands)	Capital	Consolidated reserves and retained earnings		Currency translation adjustments	Treasury shares	Total attributable to the owners of the parent company	Non-controlling interests	Total equity
		Additional paid-in capital, consolidated income and other reserves	Derivative financial instruments					
As of 12/31/2022	66,790	6,037,982	-81,590	63,243	-80,855	6,005,570	0	6,005,570
<i>Net income for the year</i>		693,398				693,398		693,398
<i>Income and expense recognized directly through equity</i>		-90,805	96,472	-69,455		-63,788		-63,788
Recognized income and expense		602,593	96,472	-69,455		629,610		629,610
Dividends paid		-245,585				-245,585		-245,585
Share-based payment (1)		5,524				5,524		5,524
Movements on treasury shares (1)	-2,148	-443,568			-214,596	-660,312		-660,312
Other changes (2)		6,862				6,862		6,862
As of 12/31/2023	64,642	5,963,808	14,882	-6,212	-295,451	5,741,669	0	5,741,669
<i>Net income for the year</i>		476,197				476,197		476,197
<i>Income and expense recognized directly through equity</i>		57,099	-48,007	65,682		74,774		74,774
Recognized income and expense		533,296	-48,007	65,682		550,971		550,971
Dividends paid		-264,729				-264,729		-264,729
Share-based payment (1)		4,937				4,937		4,937
Movements on treasury shares (1)	-1,481	-329,344			211,998	-118,827		-118,827
Other changes (2)		1,111				1,111		1,111
As of 06/30/2024	63,161	5,909,079	-33,125	59,470	-83,453	5,915,132	0	5,915,132

(1) see Note 8.

(2) other changes notably include the impact associated with the change in Thales' integration percentage, resulting from Thales share buyback programs, as well as the impact of changes in scope.

H1 2023

(in EUR thousands)	Capital	Consolidated reserves and retained earnings		Currency translation adjustments	Treasury shares	Total attributable to the owners of the parent company	Non-controlling interests	Total equity
		Additional paid-in capital, consolidated income and other reserves	Derivative financial instruments					
As of 12/31/2022	66,790	6,037,982	-81,590	63,243	-80,855	6,005,570	0	6,005,570
<i>Net income for the year</i>		361,704				361,704		361,704
<i>Income and expense recognized directly through equity</i>		-26,610	45,421	-29,724		-10,913		-10,913
Recognized income and expense		335,094	45,421	-29,724		350,791		350,791
Dividends paid		-245,585				-245,585		-245,585
Share-based payment (1)		3,917				3,917		3,917
Movements on treasury shares (1)	-773	-150,884			-206,008	-357,665		-357,665
Other changes (2)		4,421				4,421		4,421
As of 06/30/2023	66,017	5,984,945	-36,169	33,519	-286,863	5,761,449	0	5,761,449

(1) see Note 8.

(2) other changes notably include the impact associated with the change in Thales' integration percentage, resulting from Thales share buyback programs, as well as the impact of changes in scope.

Cash flow statement

(in EUR thousands)	Notes	H1 2024	H1 2023	2023
I – Net cash flows from operating activities				
Net income		476,197	361,704	693,398
Elimination of net income of equity associates, net of dividends received	4	-124,880	-41,364	-98,777
Elimination of gains and losses from disposals of non-current assets		4,978	532	-2,804
Change in the fair value of derivative financial instruments	18	8,172	-9,681	-17,551
Change in fair value of other current and non-current financial assets	5, 7	-17,072	-13,019	-28,072
Tax expense (including deferred taxes)	15	69,444	66,360	134,264
Allocations to and reversals of depreciation, amortization and provisions (excluding those related to working capital requirement)		98,219	19,672	62,446
Other items		4,937	3,917	5,524
Net cash from operating activities before working capital changes and taxes		519,995	388,121	748,428
Income taxes paid	15	-81,417	-45,082	-101,619
Change in inventories and work-in-progress (net)	6	-910,607	-871,841	-1,353,570
Change in contract assets	11	-39,444	-1,975	-32,987
Change in trade and other receivables (net)		14,143	167,568	308,263
Change in advances and progress payments to suppliers	11	-1,619,501	-974,952	-1,628,196
Change in contract liabilities	11	4,061,852	252,674	1,464,441
Change in trade and other payables		-13,935	-114,691	-123,806
Change in tax and social security liabilities		101,971	128,814	46,441
Increase (-) or decrease (+) in working capital requirement		1,594,479	-1,414,403	-1,319,414
Total I		2,033,057	-1,071,364	-672,605
II – Net cash flows from investing activities				
Change, as acquisition cost, of other current financial assets	7	-1,357,965	-1,091,007	-252,818
Purchases of intangible assets and property, plant and equipment		-165,157	-143,503	-345,558
Increase in other non-current financial assets	5	-7,137	-10,311	-12,483
Disposals of or reductions in non-current assets		4,183	5,093	34,626
Acquisition of an additional stake in Thales		0	0	-301,596
Total II		-1,526,076	-1,239,728	-877,829
III - Net cash flows from financing activities				
Buyback of treasury shares	8	-118,827	-357,665	-660,312
Increase in financial debt	9	1,787	1,344	2,561
Repayment of financial debt	9	-44,839	-39,839	-61,170
Dividends paid during the year		-264,729	-245,585	-245,585
Total III		-426,608	-641,745	-964,506
IV - Impact of exchange rate fluctuations		6,805	-5,787	-8,007
Change in net cash and cash equivalents (I+II+III+IV)		87,178	-2,958,624	-2,522,947
Opening net cash and cash equivalents	7	1,457,580	3,980,527	3,980,527
Closing net cash and cash equivalents	7	1,544,758	1,021,903	1,457,580

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Note 1 - Accounting principles

1.1. General principles

On July 23, 2024, the board of directors closed and authorized the publication of Dassault Aviation's condensed consolidated financial statements as of June 30, 2024.

Dassault Aviation is a Société Anonyme (limited company), listed and registered in the Paris Trade and Companies Register under number 712 042 456.

The condensed consolidated financial statements as of June 30, 2024 were prepared in accordance with IAS 34 "Interim Financial Reporting" and IFRS as adopted by the European Union as of June 30, 2024. The interim financial statements follow the same accounting rules and methods as those adopted for the annual consolidated financial statements drawn up as of December 31, 2023, as detailed in the 2023 annual financial report.

The new mandatory standards for application from January 1, 2024 have no material impact on the condensed consolidated financial statements as of June 30, 2024.

Seasonality

In previous fiscal years, a recurring seasonality phenomenon has been observed. As a result, the interim results as of June 30, 2024 are not necessarily representative of what might be expected for fiscal year 2024.

Provisions for retirement severance payments

Pension costs for the half-year are calculated on the basis of the actuarial valuations performed at the end of the previous fiscal year. If necessary, these valuations are adjusted to take into account curtailments, settlements or other major non-recurring events during the period. Furthermore, amounts recognized in equity and liabilities in respect of defined benefit plans are adjusted, if necessary, in order to reflect material changes impacting the yield of investment-grade corporate bonds issued in the geographical area concerned (the benchmark used to determine the discount rate) and the actual return on plan assets.

Goodwill

Goodwill is tested for impairment at each year-end and whenever there is evidence of impairment.

Income taxes

For the half-year closing, the Group's tax expense is calculated by applying the estimated annual average tax rate for the year to the accounting result for the period.

1.2. Segment reporting

IFRS 8, "Operating Segments," requires the presentation of information according to internal management criteria. The activity of the Dassault Aviation Group relates entirely to the aerospace domain. The internal reporting made to the Chairman and Chief Executive Officer, and to the Chief Operating Officer, as used for strategy and decision-making, includes no performance analysis, under IFRS 8 terms, at a level lower than this sector.

Note 2 - Scope of consolidation

Dassault Aviation is a French group that designs and manufactures military aircraft, business jets and space systems. The Group mainly operates in France.

The consolidated financial statements comprise the financial statements of Dassault Aviation and the following entities:

Name	Country	% interest (1)		Consolidation method (2)
		06/30/2024	12/31/2023	
Dassault Aviation (3)	France	Parent company	Parent company	
Dassault Aviation Business Services	Switzerland	100	100	FC
- Dassault Aviation Business Services Le Bourget	France	100	100	FC
- Dassault Aviation Business Services UK	United Kingdom	100	100	FC
- Dassault Aviation Business Services Portugal	Portugal	100	100	FC
Dassault Aviation Business Services FBO	Switzerland	100	100	FC
Dassault Falcon Jet	United States	100	100	FC
- Dassault Falcon Jet Wilmington	United States	100	100	FC
- Dassault Falcon Jet Leasing	United States	100	100	FC
- Aero Precision	United States	50	50	EM
- Midway	United States	100	100	FC
- Dassault Falcon Jet Do Brazil	Brazil	100	100	FC
Dassault Falcon Service	France	100	100	FC
- Falcon Training Center	France	50	50	EM
Dassault Reliance Aerospace Ltd	India	49	49	EM
ExecuJet				
- ExecuJet MRO Services Australia	Australia	100	100	FC
- ExecuJet MRO Services New Zealand	New Zealand	100	100	FC
- ExecuJet MRO Services Belgium	Belgium	100	100	FC
- ExecuJet Services Malaysia	Malaysia	100	100	FC
- ExecuJet Handling Services Sdn Bhd	Malaysia	49	49	FC
- ExecuJet MRO Services	South Africa	100	100	FC
- ExecuJet MRO Services Middle East	Dubai	100	100	FC
Sogitec Industries	France	100	100	FC
Thales	France	27	26	EM

(1) the equity interest percentages are identical to the percentages of control for all Group companies except for Thales, in which the Group held 26.05% of the capital, 26.66% of the interest rights and 29.97% of the voting rights as of June 30, 2024.

(2) FC: full consolidation, EM: equity method.

(3) identity of the parent company: Dassault Aviation, a Société Anonyme (limited company) with capital of EUR 63,161,449.60, listed and registered in France, Paris Trade and Companies Register No. 712 042 456 – 9, Rond-Point des Champs-Élysées Marcel Dassault – 75008 Paris, France.

There was no change in scope in the first half of 2024.

Note 3 - Goodwill

Goodwill at June 30, 2024 amounted to EUR 65,957 thousand, unchanged from December 31, 2023.

As no impairment loss was detected as of June, 2024, cash-generating units (CGUs) were not been tested for impairment.

In accordance with IFRS, goodwill relating to Thales, which is accounted for by the equity method, is included in "Equity associates" (see Note 4).

Note 4 - Equity associates

4.1. Group share in net assets and net income of equity associates

As of June 30, 2024, Dassault Aviation held 26.66% of the interest rights of the Thales Group, compared with 26.49% as of December 31, 2023. Dassault Aviation has significant influence over Thales, especially with regard to the shareholders' agreement between Dassault Aviation and the Public Sector.

(in EUR thousands)	Equity associates		Share in net income of equity associates		
	06/30/2024	12/31/2023	H1 2024	H1 2023	2023
Thales (1)	2,812,434	2,646,541	269,235	161,385	258,762
Other	33,093	34,127	5,484	4,129	7,778
Total	2,845,527	2,680,668	274,719	165,514	266,540

(1) the Group share in Thales' net assets and net income is detailed in Note 4.3.

Thales' net income, accounted for under the equity method, was included at the rate of 26.66% in the first half of 2024, 25.60% in 2023 and 25.10% in the first half of 2023.

4.2. Change in equity associates

(in EUR thousands)	H1 2024	2023
As of January 1	2,680,668	2,351,141
Acquisition of an additional stake in Thales	0	301,596
Share in net income of equity associates	274,719	266,540
Elimination of dividends paid (1)	-149,839	-167,763
Income and expense recognized directly through equity		
- Securities at fair value	-3,218	-1,641
- Derivative financial instruments (2)	-3,041	22,567
- Actuarial adjustments on pension benefit obligations	7,332	-63,402
- Currency translation adjustments	37,641	-34,505
Share of equity associates in other income and expense recognized directly through equity	38,714	-76,981
Other movements (3)	1,265	6,135
At end of period	2,845,527	2,680,668

(1) in H1 2024, the Group received EUR 142,350 thousand in dividends from Thales for 2023. In 2023, Thales paid the Group EUR 117,670 thousand in dividends for 2022 and EUR 43,616 thousand in interim dividends for 2023.

(2) the amounts stated correspond to the change in the market value of the portfolio over the period. They are not representative of the actual gain/loss that will be recognized when the hedges are exercised.

(3) other movements notably include the impact associated with the change in Thales' integration percentage, resulting from Thales' share buyback programs, as well as the impact of changes in scope.

4.3. Reconciliation between the items published by Thales and equity-accounted items

The breakdown between the Group share in net assets published by Thales and the carrying amount of the equity associates is shown in the table below:

(in EUR thousands)	06/30/2024	12/31/2023
Share of Thales equity, attributable to owners of the parent company	7,283,300	6,830,000
Homogenization restatements and PPA	-2,607,517	-2,600,100
Thales restated equity, attributable to owners of the parent company	4,675,783	4,229,900
Group share of Thales net assets	1,246,564	1,120,501
Goodwill (1)	1,565,870	1,526,040
Share in net assets of Thales	2,812,434	2,646,541

(1) the change in goodwill over the first half of 2024 is a result of the increase in interest percentages, after Thales bought back its own shares with a view to canceling them.

The breakdown between the net income, attributable to owners of the parent company, published by Thales and the net income held by Dassault Aviation is as follows:

(in EUR thousands)	H1 2024	H1 2023	2023
Thales net income (100%)	1,017,300	648,900	1,023,400
Dassault Aviation share in Thales net income	271,212	162,874	261,990
Post-tax amortization of the purchase price allocation (1)	-1,977	-1,489	-3,228
Dassault Aviation share in net income of equity associates	269,235	161,385	258,762

(1) amortization of identified assets for which the modes and periods of amortization are identical to those used for the year ended December 31, 2023.

4.4. Impairment

Based on the Thales share price on June 30, 2024 (EUR 149.50 per share), Dassault Aviation's stake in Thales is valued at EUR 8,185 million. In the absence of any objective indication of impairment, the Thales shares were not subject to an impairment test as of June 30, 2024.

Note 5 - Other non-current financial assets

(in EUR thousands)	12/31/2023	Increase	Decrease	Change in fair value	Other	06/30/2024
Unlisted shares (1)	88,052	0	-399	668	-8	88,313
Other financial assets	67,947	7,137	-514	3,223	-5	77,788
<i>Receivables related to investments</i>	19,530	601	-102	0	0	20,029
<i>Other receivables and loans</i>	18,540	746	-412	0	-5	18,869
<i>Investments measured at market value</i>	29,877	5,790	0	3,223	0	38,890
Other non-current financial assets	155,999	7,137	-913	3,891	-13	166,101

(1) non-consolidated, unlisted shares are measured at fair value, against other income and expenses recognized directly through equity, which are not recycled to income.

Note 6 - Inventories and work-in-progress

(in EUR thousands)	06/30/2024			12/31/2023
	Gross	Impairment	Net	Net
Raw materials	512,738	-88,446	424,292	353,788
Work-in-progress	4,078,051	-17,166	4,060,885	3,536,461
Semi-finished and finished goods	2,085,850	-383,814	1,702,036	1,368,024
Inventories and work-in-progress	6,676,639	-489,426	6,187,213	5,258,273

Note 7 - Cash

7.1. Net cash

(in EUR thousands)	06/30/2024	12/31/2023
Cash equivalents (1)	931,373	580,682
Cash at bank and in hand	613,385	876,898
Cash and cash equivalents	1,544,758	1,457,580
Bank overdrafts	0	0
Net cash in the cash flow statement	1,544,758	1,457,580

(1) mainly time deposits and cash equivalent marketable securities. The corresponding risk analysis is described in Note 18.

7.2. Available cash

The Group uses an alternative performance measure indicator, referred to as "Available cash," which reflects the total liquidities available to the Group, net of any financial debt, except for lease liabilities. It is calculated as follows:

(in EUR thousands)	06/30/2024	12/31/2023
Other current financial assets (1)	7,294,321	5,913,980
Cash and cash equivalents	1,544,758	1,457,580
Sub-total	8,839,079	7,371,560
Borrowings and financial debt, excluding lease liabilities (2)	-53,249	-77,861
Available cash	8,785,830	7,293,699

(1) other current financial assets notably include time deposits, debt securities and cash investments in the form of listed marketable securities. These investments could be converted into cash depending on the Group's operational needs.

(2) see breakdown of financial debt in Note 9.

A full analysis of the performance of investments, classified as other current financial assets and cash equivalents, is performed at each closing date. The investment portfolio does not show, line-by-line, any objective indication of significant impairment as of June 30, 2024 (as was the case on December 31, 2023). The corresponding risk analysis is described in Note 18.

Note 8 - Equity

8.1. Share capital

Following the cancellation of 1,850,554 shares in the first half of 2024, the share capital amounted to EUR 63,161 thousand and consisted of 78,951,812 common shares of EUR 0.80 each. The breakdown of capital as of June 30, 2024 is as follows:

	Shares	% Capital	% Voting rights
GIMD (1)	51,960,760	65.8%	79.6%
Float	18,160,976	23.0%	14.1%
Airbus SE	8,275,290	10.5%	6.3%
Dassault Aviation (treasury shares)	554,786	0.7%	-
Total	78,951,812	100%	100%

(1) the parent company, Groupe Industriel Marcel Dassault (GIMD), located at 9, Rond-Point des Champs-Élysées - Marcel Dassault - 75008 Paris, France, fully consolidates the Group financial statements.

8.2. Treasury shares

Movements on treasury shares are detailed below:

(in number of shares)	H1 2024	H1 2023	2023
Treasury shares as of January 1	1,779,777	689,502	689,502
Purchase of treasury shares	669,094	2,103,706	3,813,303
Share-based payment	-43,531	-38,364	-38,364
Cancellation of shares	-1,850,554	-965,251	-2,684,664
Treasury shares at the closing date	554,786	1,789,593	1,779,777
<i>Amount recognized as a reduction in equity (in EUR thousands)</i>	<i>-83,453</i>	<i>-286,863</i>	<i>-295,451</i>

The impact of treasury shares on the Group's consolidated financial statements is detailed in the statement of changes in equity.

In the first half of 2024, Dassault Aviation acquired 669,094 shares for a total of EUR 118,827 thousand (average price of EUR 177.59 per share).

Of the 554,786 remaining treasury shares held by the company at June 30, 2024, the board of directors allocated 356,251 shares to the cancellation target on July 23, 2024 and 198,535 shares had been previously allocated to potential performance share awards and to a potential liquidity contract to guarantee market activity.

Note 9 - Borrowings and financial debt

(in EUR thousands)	Bank borrowings	Lease liabilities	Other borrowings and financial liabilities (1)	Borrowings and financial debt
As of December 31, 2023	0	184,576	77,861	262,437
Increase	0	13,225	1,787	15,012
Decrease	0	-18,440	-26,399	-44,839
Other	0	3,031	0	3,031
As of June 30, 2024	0	182,392	53,249	235,641

(1) other financial liabilities mainly include locked-in employee profit-sharing funds. Employee profit-sharing corresponds to "other long-term benefits," and should be valued and discounted according to the principles of IAS 19 (revised). However, in view of the low historical differences between remuneration rate and discount rate, the Group considers that the valuation method by amortized cost constitutes a reasonable approximation of the profit-sharing liability.

Note 10 - Provisions for contingencies and charges

(in EUR thousands)	12/31/2023	Allocations	Reversals	Other	06/30/2024
Warranty (1)	878,568	37,341	-43,057	881	873,733
Other risks related to contracts (1)	629,519	61,227	-46,263	1,242	645,725
Retirement severance payments (2)	103,037	22,724	-23,150	-45,577	57,034
<i>French companies</i>	103,037	16,510	-16,305	-46,208	57,034
<i>US companies</i>	0	6,214	-6,845	631	0
Other operational risks	8,062	1,483	-1,286	28	8,287
Provisions for contingencies and charges	1,619,186	122,775	-113,756	-43,426	1,584,779

(1) provisions are updated to reflect changes to the fleet in service, deliveries during the period and contractual obligations induced by the execution of contracts.

(2) the actuarial adjustments that contributed to the decrease in provisions for retirement severance payments for EUR -64,579 thousand: They break down as follows:

<i>French companies</i>	-46,208
<i>US companies</i>	-18,371
<i>Total actuarial adjustments</i>	<u>-64,579</u>

The net assets from overfinancing Dassault Falcon Jet's pension plans are posted in "Other receivables" (EUR 45,596 thousand at June 30, 2024 and EUR 25,577 thousand at December 31, 2023).

The discount rate used to calculate the provision for retirement severance payments for French companies (determined by reference to the yield for high-quality corporate long-term bonds) was 3.40% as of June 30, 2024, compared with 2.60% as of December 31, 2023. The rate used to calculate the provision for retirement severance payments for U.S. companies was 5.60% as of June 30, 2024 compared with 5.10% as of December 31, 2023.

The sensitivity of the net pension obligation to a change in the discount rate as of June 30, 2024 is as follows:

Sensitivity in basis points	+100 bps	+50 bps	+25 bps	-25 bps	-50 bps	-100 bps
Decrease (increase) in net obligation	-82,822	-43,584	-22,368	23,599	48,499	102,544

Note 11 - Contract assets and liabilities

(in EUR thousands)	06/30/2024	12/31/2023
Unbilled receivables	170,737	142,495
Deferred income	0	0
Advances and progress payments received from customers	-94,587	-105,513
Contract assets	76,150	36,982
Unbilled receivables	550,576	440,881
Deferred income	-1,094,612	-1,116,225
Advances and progress payments received from customers	-17,741,695	-13,530,921
Contract liabilities	-18,285,731	-14,206,265

For a given contract, a contract asset (liability) represents the unbilled receivables, less deferred income and advances and progress payments received from the customer.

The increase in contract liabilities is mainly explained by the increase in advances and progress payments received from customers. These are increasing primarily due to the receipt of progress payments on military contracts.

As Dassault Aviation acts as "principal" on the Rafale Export contracts, the progress payments received include the co-contractors' share. The progress payments paid reflect the repayment of the co-contractors' share:

(in EUR thousands)	06/30/2024	12/31/2023
Advances and progress payments received	-17,836,282	-13,636,434
Advances and progress payments paid	6,186,140	4,566,732
Advances and progress payments received net of advances and progress payments paid	-11,650,142	-9,069,702

Note 12 - Net sales

The breakdown of net sales by geographical area is as follows:

(in EUR thousands)	H1 2024	H1 2023	2023
France (1)	1,029,377	667,652	1,540,294
Export (2)	1,508,779	1,629,529	3,264,597
Net sales	2,538,156	2,297,181	4,804,891

(1) mainly the government, with whom the Group generated more than 10% of its net sales in the first half of 2024, the first half of 2023 and over 2023 as a whole.

(2) in the first half of 2024, more than 5% of the Group's net sales were generated in the United States and with India. In the first half of 2023 and over 2023 as a whole, more than 5% of the Group's net sales were generated in the United States and with Greece. The net sales from the Rafale Export contracts are recorded on a gross basis (including the co-contractors' parts).

By activity, net sales break down as follows:

(in EUR thousands)	H1 2024	H1 2023	2023
Falcon	979,951	828,744	1,825,128
Defense	1,558,205	1,468,437	2,979,763
<i>Defense France</i>	<i>1,006,182</i>	<i>617,376</i>	<i>1,468,233</i>
<i>Defense Export</i>	<i>552,023</i>	<i>851,061</i>	<i>1,511,530</i>
Net sales	2,538,156	2,297,181	4,804,891

Note 13 - Research and development costs

Self-funded R&D expenses are recognized as an expense for the fiscal year in which they are incurred, with the exception of development expenses for which the capitalization criteria are met, which are capitalized and then amortized.

(in EUR thousands)	H1 2024	H1 2023	2023
Research and development costs	-200,294	-247,188	-483,018

The Group's research and development strategy and initiatives are described in the directors' report.

Note 14 - Net financial income

(in EUR thousands)	H1 2024	H1 2023	2023
Income from cash and cash equivalents	29,377	25,083	48,681
Cost of gross financial debt	-4,460	-2,990	-7,086
<i>Financial interest on leases</i>	-3,253	-1,836	-4,212
<i>Other financial expenses</i>	-1,207	-1,154	-2,874
Cost of net financial debt	24,917	22,093	41,595
Dividends and other investment income	6,612	0	734
Income and expense from other financial assets	117,016	115,247	221,703
Foreign exchange gain/loss (1)	-4,304	1,456	6,151
Financing component (2)	-42,299	-27,839	-58,538
Other financial income and expense	77,025	88,864	170,050
Net financial income	101,942	110,957	211,645

(1) the foreign exchange loss for the period includes the change in market value and the loss associated with the exercise of foreign exchange hedging instruments not eligible for hedge accounting as defined in IFRS 9 "Financial Instruments." The amounts are not representative of the actual gain/loss, which will be recognized when the hedges are exercised.

(2) under IFRS 15, the financing component recognized in respect of long-term Defense contracts.

Note 15 - Taxes

15.1. Income tax

(in EUR thousands)	H1 2024	H1 2023	2023
Corporate tax	-81,313	-45,082	-105,996
Deferred tax	11,869	-21,278	-28,268
Income tax	-69,444	-66,360	-134,264

The impact of the Pillar 2 Directive is non-material.

15.2. Reconciliation of theoretical and recognized income tax expense

(in EUR thousands)	H1 2024	H1 2023	2023
Net income	476,197	361,704	693,398
Less tax expense	69,444	66,360	134,264
Less share in net income of equity associates	-274,719	-165,514	-266,540
Income before tax	270,922	262,550	561,122
Theoretical tax expenses calculated at the current rate (1)	-69,966	-67,817	-144,910
Effect of tax credits (2)	4,294	4,282	10,371
Effect of differences in tax rates	928	1,291	816
Other	-4,700	-4,116	-541
Income tax recognized	-69,444	-66,360	-134,264

(1) the rate used is the rate applicable in France (25.83%), with the income before tax being mainly associated with French entities.

(2) includes the impact of research tax credits, recognized in other revenue in the amount of EUR 15,465 thousand in H1 2024, compared with EUR 15,420 thousand in H1 2023 and EUR 33,835 thousand for 2023.

Note 16 - Earnings per share

Earnings per share	H1 2024	H1 2023	2023
Net income attributable to the owners of the parent company (in EUR thousands) (1)	476,197	361,704	693,398
Average number of shares outstanding	78,643,275	82,257,237	80,926,105
Diluted average number of shares outstanding	78,653,775	82,277,187	80,946,055
Earnings per share (in EUR)	6.06	4.40	8.57
Diluted earnings per share (in EUR)	6.05	4.40	8.57

(1) net income is fully attributable to income from continuing operations (no discontinued operations).

Earnings per share are calculated by dividing the net income attributable to the owners of the parent company by the weighted average number of common shares outstanding during the year, minus treasury shares.

Diluted earnings per share correspond to the net income attributable to the owners of the parent company divided by the diluted weighted average number of shares. This corresponds to the weighted average number of common shares outstanding, increased by performance shares granted.

Note 17 - Summary of financial assets and liabilities

The valuation method used on the balance sheet (cost or fair value) of financial instruments (assets or liabilities) is detailed in the tables below.

The Group used the following hierarchy for the fair value valuation of the financial assets and liabilities:

- Level 1: quoted prices on an active market;
- Level 2: valuation techniques based on observable market data;
- Level 3: valuation techniques based on non-observable market data.

17.1. Financial assets

(in EUR thousands)	Balance sheet value as of 06/30/2024				Balance sheet value as of 12/31/2023
	Cost or amortized cost (1)	Fair value		Total	
		Impact on net income	Impact on equity		
Non-current assets					
Other non-current financial assets	38,898	38,890	88,313	166,101	155,999
Current assets					
Trade and other receivables	1,448,841			1,448,841	1,444,638
Derivative financial instruments		8,004	7,925	15,929	58,694
Other current financial assets	6,486,616	807,705		7,294,321	5,913,980
Cash equivalents	57,792	873,581		931,373	580,682
Total financial assets	8,032,147	1,728,180	96,238	9,856,565	8,153,993
Level 1		1,720,176	0		
Level 2		8,004	7,925		
Level 3		0	88,313		

(1) the carrying amount of the financial assets recognized at cost or at amortized cost corresponds to a reasonable approximation of the fair value.

17.2. Financial liabilities

(in EUR thousands)	Balance sheet value as of 06/30/2024				Balance sheet value as of 12/31/2023
	Cost or amortized cost (1)	Fair value		Total	
		Impact on net income	Impact on equity		
Non-current liabilities					
Bank borrowings	0			0	0
Lease liabilities	151,324			151,324	152,833
Other financial liabilities (2)	26,515			26,515	54,978
Current liabilities					
Bank borrowings	0			0	0
Lease liabilities	31,068			31,068	31,743
Other financial liabilities (2)	26,734			26,734	22,883
Trade and other payables	1,213,577			1,213,577	1,233,754
Derivative financial instruments		14,182	41,286	55,468	29,440
Total financial liabilities	1,449,218	14,182	41,286	1,504,686	1,525,631
Level 1		0	0		
Level 2		14,182	41,286		
Level 3		0	0		

(1) the carrying amount of the financial liabilities recognized at cost or at amortized cost corresponds to a reasonable approximation of the fair value.

(2) mainly locked-in employee profit-sharing funds.

Note 18 - Financial risk management

18.1. Cash and liquidity risks

18.1.1. Financial debts

The Group has no significant risk in relation to its financial debt. The characteristics of the latter are described in Note 9.

18.1.2. Cash, cash equivalents and other current financial assets

The Group has a solid financial structure and works only with top-tier banks.

The Group investment portfolio is primarily composed of time deposits and money market investments with no significant risk of impairment.

(in EUR thousands)	Market value	As %
Cash at bank and in hand, money market investments and time deposits	7,403,608	84%
Investments in bonds and other debt securities	794,361	9%
Unspecified investments	641,110	7%
Total	8,839,079	100%

A full analysis of the performance of investments is performed at each closing date. The investment portfolio does not show, line-by-line, any objective indication of significant impairment as of June 30, 2024 (as was the case on December 31, 2023).

These investments could be converted into cash depending on the Group's operational needs. Cash resources and its portfolio of marketable securities therefore allow the Group to meet its commitments without any liquidity risk. The Group is not faced with restrictions with regard to the availability of its cash and its portfolio of marketable securities.

18.2. Credit and counterparty risks

18.2.3. Credit risk on bank counterparties

The Group allocates its investments plan assets and performs its cash and foreign exchange transactions with recognized financial institutions. The Group has no investments or accounts with financial institutions presenting a significant risk of default.

18.2.4. Customer default risk

The Group limits counterparty risk by conducting most of its sales in cash and ensuring that the loans are secured by export insurance guarantees (Bpifrance Assurance Export) or collaterals. The share of receivables not covered by these procedures is subject to regular individual monitoring and, if necessary, a provision for impairment.

Given the arrangements in risk mitigation that are in place, and the provisions made in its accounts, the Group's residual exposure to the risk of default by a customer in a country subject to uncertainties is limited.

The Bpifrance Assurance Export guarantees and collateral obtained and not exercised as of the closing date are of the same nature as those as of December 31, 2023.

The manufacturing risk is also guaranteed with Bpifrance Assurance Export for major military export contracts.

18.3. Other market risks

18.3.5. Foreign exchange risk

The Group covers risks from exchange rates using derivative financial instruments whose book value is presented below:

(in EUR thousands)	06/30/2024		12/31/2023	
	Assets	Liabilities	Assets	Liabilities
Foreign exchange derivatives	15,929	55,468	58,694	29,440
Net derivative financial instruments		39,539	29,254	

The Group is exposed to a foreign exchange risk through the parent company in relation to its Falcon sales, which are mainly denominated in US dollars. This risk is partially hedged by using forward currency contracts and foreign exchange options.

The Group partially hedges its cash flows that are considered highly probable. It ensures that the initial future cash flows will be sufficient to use the foreign exchange hedges in place. The hedged amount may be adjusted in accordance with changes over time in expected net cash flows.

This risk is permanent, taking into account exchange rate fluctuations and volatility. This is a significant risk for the Group, since the measures put in place to limit this risk are not sufficient to make the net risk zero (periods not covered by hedges, possible financial impact of hedges already taken out the event of reversal of market assumptions).

The foreign exchange derivatives subscribed by the Group are not all eligible for hedge accounting under IFRS 9 "Financial instruments." The breakdown is presented in the table below:

(in EUR thousands)	Market value as of 06/30/2024	Market value as of 12/31/2023
Instruments which qualify for hedge accounting	-25,357	39,018
Instruments which do not qualify for hedge accounting	-14,182	-9,764
Financial foreign exchange derivatives	-39,539	29,254

The breakdown of the fair value of the derivative financial instruments by maturity rate is as follows:

(in EUR thousands)	Within one year	In more than one year	Total
Financial foreign exchange derivatives	-37,049	-2,490	-39,539

The impact on net income and equity of the changes in fair value of hedging instruments for the period is as follows:

(in EUR thousands)	12/31/2023	Impact on equity (1)	Impact on net operating income	Impact on net financial income (2)	06/30/2024
Foreign exchange derivatives	29,254	-60,621	-3,754	-4,418	-39,539

(1) recognized under income and expenses recognized directly through equity, share of fully consolidated companies.

(2) change in fair value of foreign exchange hedging instruments which do not qualify for hedge accounting under IFRS 9 "Financial Instruments."

A sensitivity analysis was performed to determine the impact of a 10-cent increase or decrease in the US dollar/euro exchange rate.

Market value of the portfolio (in EUR thousands)	06/30/2024	
	Net balance sheet position	-39,539
Closing US dollar/euro exchange rate	\$1.0705/€	
Closing US dollar/euro exchange rate +/- 10 cents	\$0.9705/€	\$1.1705/€
Change in net balance sheet position (1)	-192,772	+159,834
<i>Impact on net income</i>	-11,407	+9,458
<i>Impact on equity</i>	-181,365	+150,376

(1) data calculated based on existing market conditions on the balance sheet date. They are not representative of the actual gain/loss to be recognized when hedging is carried out.

18.3.6. Interest rate risk

The group is exposed to interest rate variability, particularly through its variable rate investments.

(in EUR thousands)	06/30/2024		
	Fixed rate	Variable rate	Total
Current financial assets, cash and cash equivalents	6,544,408	2,294,671	8,839,079
Financial debt (excluding lease liabilities)	0	-53,249	-53,249
Net exposure to interest rate risk	6,544,408	2,241,422	8,785,830

A one-point increase in interest rates applied to the Group's average cash flow would have had a positive impact on financial products of EUR 20,881 thousand in the first half of 2024.

Note 19 - Contingent assets and liabilities

There are no contingent assets or liabilities as of June 30, 2024.

Note 20 - Related-party transactions

The related parties as of June 30, 2024 are identical to those identified as of December 31, 2023 and the transactions during the period are of the same type.

Note 21 - Subsequent events

No events likely to have a material impact on the financial statements occurred between June 30, 2024 and the date the financial statements were approved by the Board of Directors.

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

For the period from January 1, 2024 to June 30, 2024

To the Shareholders,

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

- the review of the accompanying condensed half-yearly consolidated financial statements of Dassault Aviation, for the period from January 1, 2024 to June 30, 2024;
- the verification of the information presented in the half-yearly management report.

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

Conclusion on the financial statements

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

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France. Therefore, the assurance obtained during our review that the accounts, taken as a whole, are free from material misstatement is a moderate level of assurance, which is lower level than the one obtained from an audit.

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

Specific verification

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

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

The Statutory Auditors

Forvis Mazars SA

Paris-La Défense, July 23, 2024

Erwan CANDAU
Partner

PRICEWATERHOUSECOOPERS AUDIT

Neuilly-sur-Seine, July 23, 2024

Edouard DEMARCQ
Partner

This is a free translation into English of the statutory auditors' review report half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.