



Financial report Half-year

As of 30 September 2023

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**Management report on condensed interim consolidated financial statements,
Half-year ended 30 September 2023**

1. Main events of half-year ended 30 September 2023

1.1. Trigger event assessment for assets impairment test

Alstom disclosed preliminary financial information for its first half of fiscal year 2023/24, ending September 30 2023, as well as an updated guidance regarding the full year 2023/24 (as disclosed in the press release dated 4 October 2023). Following this announcement, Alstom's share price has significantly decreased, leading to a market capitalization lower than the carrying amount of Alstom's net assets. As per IAS 36, this situation has been considered as a trigger event to reperform impairment test on goodwill (detailed in Note 11.1). The impairment test confirmed that the recoverable amount exceeds its carrying value at 30 September 2023, therefore no impairment loss was recognized on Goodwill over the period.

On other assets: technology and other intangible assets (amortised assets), as well as deferred taxes (see Note 8), impairment tests are reviewed at least annually and whenever events or circumstances indicate that they might be impaired. Based on its reasonable estimates, the visibility available and previous enlarged sensitivity analyses performed in March 2023, Alstom has not identified any trigger event indicating that any assets should be impaired at the end of September 2023.

1.2. Uncertainties linked to the current economic and political context

The current economic and political context creates uncertainties on business activities (namely inflation, price volatility of certain commodities, energy, increases of interest rates, supply chain disruptions or electronic components shortage...). Nevertheless, the Group carefully follows and monitors the potential increase in its cost structures (raw materials prices, supply chain and wages inflation), being quite well protected (73% of the backlog being covered by price escalation clauses on global inflation - commodities, energy and labour indexes).

1.3. One Alstom team - Agile, Inclusive and Responsible

More than ever, decarbonization is at the heart of Alstom's strategy. The Group is reducing its own direct and indirect emissions (Scope 1 & 2) and is also committed to work with suppliers and customers (Scope 3) to contribute to Net Zero carbon in the mobility sector. Alstom CO2 emissions reduction targets had been validated on the 6th of July 2023 by the independent Science Based Targets initiative (SBTi) as in line with requirements to reach Paris Agreement commitments.

The supply of electricity from renewable sources has also been expanded. Alstom signed a significant Power Purchase Agreement focused on solar development in Spain. The solar farm is expected to begin operations early 2025 with a 10-years contract. The project will cover the equivalent of 80% of Alstom's electricity consumption in Europe, so this is a major step in reaching our target of 100% electricity consumption from renewables.

Alstom's Corporate Social Responsibility performance is regularly evaluated by various rating agencies; the Group maintained its presence among the CAC40 ESG index for the 3rd consecutive year. Alstom improved its scoring to ECOVADIS questionnaire with a score of 77/100 and kept AA score with MSCI agency. Those results reflect its strong position and strategy on Sustainability.

1.4. Key figures for Alstom in the first half of fiscal year 2023/24

Group's key performance indicators for the first half of fiscal year 2023/24:

<i>(in € million)</i>	Half-Year ended 30 September 2023	Half-Year ended 30 September 2022	% Variation Sep. 23/ Sep. 22
			Actual
Orders Received ⁽¹⁾	8,446	10,072	(16%)
Sales	8,443	8,048	5%
Adjusted Gross Margin before PPA & impairment ⁽¹⁾	1,165	1,060	10%
aEBIT ⁽¹⁾	438	397	10%
aEBIT % ⁽²⁾	5.2%	4.9%	
EBIT before PPA & impairment ⁽¹⁾	275	200	
EBIT ⁽⁴⁾	86	(14)	
Adjusted Net Profit ⁽¹⁾⁽²⁾	174	179	
Net Profit - Group share ⁽³⁾	1	(21)	
Free Cash Flow ⁽¹⁾	(1,119)	(45)	

<i>(in € million)</i>	Half-Year ended 30 September 2023	Year ended 31 March 2023	% Variation Sep. 23/ Mar. 23
			Actual
Backlog	90,080	87,387	3%
Gross Margin % on backlog ⁽¹⁾	17.2%	16.9%	
Capital Employed ⁽¹⁾	13,012	11,728	
Net Cash/(Debt) ⁽¹⁾	(3,433)	(2,135)	
Equity	9,121	9,102	

⁽¹⁾ Non - GAAP. See definition page 16

⁽²⁾ Based on Net profit from continuing operations, excluding amortisation expenses of the purchase price allocation, net of corresponding tax

⁽³⁾ Incl. Net profit from discontinued operations and excl. non-controlling interests

⁽⁴⁾ Incl. PPA from Chinese joint ventures counted as share in net income of equity investees in the Notes for €(5) million

The aEBIT as a percentage of sales has progressed from 4.9% over the first semester of 2022/23 to 5.2% over the first semester of 2023/24, benefiting from synergies for 30bps, a steady reduction of low performing contracts for 40bps, an increased volume and favourable mix for 50bps, an improved indexation of our backlog for 20bps, partially offset by R&D acceleration for (30)bps and the negative gross margin impact related to the Aventura program stabilisation costs (80)bps.

1.5. Organic growth

For comparison purposes, the above-mentioned figures can be adjusted for foreign exchange variation resulting from the translation of the original currency to Euro. The below tables show the conversion of prior year actual figures to a like-for-like set of numbers:

	Half-Year ended 30 September 2023		Half-Year ended 30 September 2022			Sep. 23/ Sep. 22	
	(in € million)	Actual figures	Actual figures	Exchange rate and scope impact	Comparable figures	% Var Actual	% Var Org.
Orders Received		8,446	10,072	(257)	9,815	(16%)	(14%)
Sales		8,443	8,048	(287)	7,761	5%	9%

	Half-Year ended 30 September 2023		Year ended 31 March 2023			Sep. 23/ Mar. 23	
	(in € million)	Actual figures	Actual figures	Exchange rate impact	Comparable figures	% Var Actual	% Var Org.
Backlog		90,080	87,387	287	87,674	3%	3%

The actual figures for orders received and sales of the first half of fiscal year 2022/23, and the backlog of 31 March 2023 are restated to reflect September 2023 exchange rates. This restatement showed an appreciation of the Euro against several currencies making up the Alstom portfolio for orders and sales for first half of 2022/23, and a depreciation of the Euro against several currencies for the backlog of 31 March 2023.

- Orders received have been impacted by an unfavourable translation effect mainly due to depreciation of the Australian dollar (AUD), the Swedish krona (SEK), the Indian rupee (INR) and the Egyptian pound (EGP) against the Euro (EUR).
- Sales were mainly impacted by the depreciation of the US dollar (USD), the Australian dollar (AUD), the South African rand (ZAR), the Indian rupee (INR), the Swedish krona (SEK), the British pound sterling (GBP) and the Canadian dollar (CAD) against the Euro (EUR).
- Backlog was impacted by a favourable translation effect driven by the appreciation of the US dollar (USD), the British pound sterling (GBP) and the Mexican pesos (MXN) against the Euro (EUR). This favourable translation effect was partly offset by the depreciation of the South African rand (ZAR) and the Swedish krona (SEK) against the Euro (EUR).

1.6. Acquisitions and partnerships

There are no significant changes in the consolidation scope between 31 March 2023 and 30 September 2023.

2. Commercial performance

During the first half of fiscal year 2023/24, the Group witnessed significant commercial success across multiple geographies, notably in Europe, Asia/Pacific and in Americas, and product lines, mostly in Rolling Stock, Systems and Services. The recorded order intake stood at €8.4 billion, presenting a decrease of (16)% compared to the same period last fiscal year on an actual basis. This decrease is mostly driven by last year's landmark contract awarded by Landesanstalt Schienenfahrzeuge Baden Württemberg (SFBW) network in Germany of almost €2.5 billion. For the same period last fiscal year, Alstom reported an order intake of €10.1 billion.

Geographic breakdown Actual figures (in € million)	Half-Year ended 30 September 2023	% of contrib	Half-Year ended 30 September 2022	% of contrib	% Variation Sep. 23/ Sep. 22	
					Actual	Organic
Europe	5,232	62%	6,571	65%	(20%)	(19%)
Americas	1,456	17%	806	8%	81%	80%
Asia/Pacific	1,723	21%	1,687	17%	2%	13%
Africa/Middle East/Central Asia	35	0%	1,008	10%	(97%)	(96%)
ORDERS BY DESTINATION	8,446	100%	10,072	100%	(16%)	(14%)

Product breakdown Actual figures (in € million)	Half-Year ended 30 September 2023	% of contrib	Half-Year ended 30 September 2022	% of contrib	% Variation Sep. 23/ Sep. 22	
					Actual	Organic
Rolling stock	3,818	45%	5,508	55%	(31%)	(28%)
Services	2,141	26%	3,038	30%	(30%)	(28%)
Systems	1,548	18%	524	5%	195%	189%
Signalling	939	11%	1,002	10%	(6%)	(3%)
ORDERS BY DESTINATION	8,446	100%	10,072	100%	(16%)	(14%)

In **Europe**, Alstom recorded €5.2 billion order intake during the first half of fiscal year 2023/24, as compared to €6.6 billion over the same period last fiscal year.

In Germany, Alstom was awarded a contract to supply 40 Coradia Stream™ High Capacity electric multiple units together with full maintenance for 30 years to Nahverkehrsverbund Schleswig-Holstein (NAH.SH), valued at close to €900 million, and including an option for up to 55 additional trains with a corresponding full-service package. The Group also signed a contract with RAILPOOL for 50 Traxx™ Universal multi-purpose locomotives.

In France, the Group signed a framework contract with Akiem European rolling stock leasing company for 100 Traxx™ Universal multi-system (MS3) locomotives, together with an initial firm order for 65 locomotives. The total amount of the framework agreement is up to €500 million.

Alstom, as part of a consortium with the civil works companies Gulermak and Arcada, also signed a contract with the Cluj-Napoca City Hall in Romania for the construction of the Cluj-Napoca Metro Line 1. Alstom's share of this state-of-the-art turnkey project reaches approximately €400 million.

In Italy, Alstom was awarded a contract for the supply of high-speed trains.

Last year's performance in Europe was mainly driven by significant orders awarded by customers in Germany, France, Sweden, Romania, the U.K., and Spain.

In **Americas**, Alstom reported €1.5 billion order intake, as compared to €0.8 billion over the same period last fiscal year, driven by a contract with the Southeastern Pennsylvania Transportation Authority (SEPTA) in the United States to deliver 130 full low floor electric streetcars for Philadelphia, valued at over €667 million and with options to build an additional 30 streetcars. And the Group was awarded a contract by the Connecticut Department of Transportation (CTDOT) in the United States to supply 60 single-level rail coach cars valued at approximately €285 million with options to build an additional 313 cars, as part of CTDOT's coach renewal program for its statewide rail system.

The performance in Americas last year was mainly driven by the award of several small contracts.

In **Asia/Pacific**, the order intake stood at €1.7 billion, as compared to €1.7 billion over the same period last fiscal year. In the Philippines, Alstom in consortium with Colas Rail has been awarded by Mitsubishi Corporation a contract to provide an integrated railway system for the extension of the North-South Commuter Railway project (NSCR). Alstom's contract share is worth approximately €1 billion. In Australia, the Group will build an additional 23 VLocity™ trains in Victoria.

Last year's performance in Asia/Pacific was driven by significant contracts with the Department of Transport Victoria in Australia, and for the Bhopal and Indore metro projects in India.

In **Africa/Middle East/Central Asia**, the Group reported €35 million order intake, as compared to €1.0 billion over the same period last fiscal year. The performance last year was mainly driven by a contract to supply Metropolis™ trains and maintenance services for upgrade of Cairo Metro Line 1.

Alstom received the following major orders during the first half of fiscal year 2023/24:

Country	Product	Description
Australia	Rolling stock	Supply of additional VLocity™ trains
France	Rolling stock	Supply of 65 multi-system Traxx™ Universal locomotives to Akiem, under a framework contract for 100 locomotives
Germany	Rolling stock / Services	Supply 40 Coradia Stream™ high-capacity electric multiple units and 30 years of full-service maintenance to Nahverkehrsverbund Schleswig-Holstein (NAH.SH), with an option for up to 55 additional trains with a corresponding full-service package
Germany	Rolling stock	Supply of 50 Traxx™ Universal multi-purpose locomotives to Railpool
Italy	Rolling stock	Supply of high-speed trains
Philippines	Systems	Integrated railway system for the extension of the North-South Commuter Railway project in consortium with Colas Rail
Romania	Systems	Construction of Cluj-Napoca Metro Line 1 turnkey project as part of a consortium with the civil works companies Gulermak and Arcada
U.S.A.	Rolling stock	Supply of 130 low floor electric Citadis™ light rail vehicles to Southeastern Pennsylvania Transportation Authority (SEPTA), with options for an additional 30 streetcars
U.S.A.	Rolling stock	Supply of 60 single-level rail coach cars to Connecticut Department of Transportation (CTDOT), with option for an additional 313 cars

3. Backlog

As of 30 September 2023, the backlog stood at €90.1 billion, providing the Group with strong visibility over future sales. This represents a 3% increase on both an actual basis and on an organic basis as compared to 31 March 2023. The increase of backlog is mostly driven by positive contract price adjustments.

The appreciation of several currencies against the Euro (EUR) since March 2023, mainly the US dollar (USD) and the Mexican peso (MXN) in Americas, positively impacted backlog for a total amount of €0.3 billion. This mainly affected the backlog of services and systems products.

Geographic breakdown

Actual figures <i>(in € million)</i>	Half-Year ended 30 September 2023	% of contrib	Year ended 31 March 2023	% of contrib
Europe	50,802	57%	49,146	56%
Americas	14,245	16%	13,796	16%
Asia/Pacific	12,975	14%	12,191	14%
Africa/Middle East/Central Asia	12,058	13%	12,254	14%
BACKLOG BY DESTINATION	90,080	100%	87,387	100%

Product breakdown

Actual figures <i>(in € million)</i>	Half-Year ended 30 September 2023	% of contrib	Year ended 31 March 2023	% of contrib
Rolling stock	43,328	48%	42,806	49%
Services	31,860	36%	30,741	35%
Systems	7,320	8%	6,330	7%
Signalling	7,572	8%	7,510	9%
BACKLOG BY DESTINATION	90,080	100%	87,387	100%

4. Income statement

4.1. Sales

Alstom's sales amounted to €8.4 billion for the first half of fiscal year 2023/24, representing a growth of 5% on an actual basis and 9% on an organic basis as compared to Alstom sales in the same period last fiscal year. Sales related to non-performing backlog, representing sales on projects with a negative margin at completion, amounted to €1.0 billion during the first half of the fiscal year 2023/24.

Geographic breakdown Actual figures (in € million)	Half-Year ended 30 September 2023		Half-Year ended 30 September 2022		% Variation Sep. 23/ Sep. 22	
		% of contrib		% of contrib	Actual	Organic
Europe	4,875	57%	4,788	59%	2%	3%
Americas	1,664	20%	1,352	17%	23%	29%
Asia/Pacific	1,165	14%	1,178	15%	(1)%	7%
Africa/Middle East/Central Asia	739	9%	730	9%	1%	10%
SALES BY DESTINATION	8,443	100%	8,048	100%	5%	9%

Product breakdown Actual figures (in € million)	Half-Year ended 30 September 2023		Half-Year ended 30 September 2022		% Variation Sep. 23/ Sep. 22	
		% of contrib		% of contrib	Actual	Organic
Rolling stock	4,463	52%	4,360	54%	2%	6%
Services	1,986	24%	1,802	23%	10%	14%
Systems	751	9%	734	9%	2%	5%
Signalling	1,243	15%	1,152	14%	8%	12%
SALES BY DESTINATION	8,443	100%	8,048	100%	5%	9%

In **Europe**, sales reached €4.9 billion, accounting for 57% of the Group's total sales and representing an increase of 2% on an actual basis. It was mainly driven by the continued execution of large rolling stock contracts, including the Coradia Stream™ trains in the Netherlands, the Regio 2N regional trains, the Avelia™ high-speed trains for SNCF as well as EMU trains for the Paris Metro for RATP in France, the Coradia Stream™ regional trains for Trenitalia in Italy, the ICE 4 trains for Deutsche Bahn in Germany, the Aventra™ trains in the United Kingdom and the double-deck M7-type multifunctional coaches for SNCB in Belgium. The ramp-up of Services contracts in the United Kingdom has also been a strong contributor to this growth. On the other hand, large Rolling Stock contracts such as the S-Bahn Stuttgart trains for Deutsche Bahn in Germany and the Francilien suburban trains for SNCF in France are close to completion, therefore generating lower level of sales as compared to the same period last year.

In **Americas**, sales stood at €1.7 billion, accounting for 20% of the Group's sales and representing an increase of 23% compared to last year on an actual basis. The performance was mainly driven by the metro cars for BART fleet of the future in San Francisco and Tren Maya project for the National Fund for the Promotion of Tourism in Mexico. The projects of Amtrak high-speed trains in the United States and the light metro system for REM in Canada remain key sales contributors within the region, together with the Metropolis™ trains for São Paulo Metropolitan Train System in Brazil.

In **Asia/Pacific**, sales amounted to €1.2 billion, accounting for 14% of the Group's sales and representing a decrease of 1% compared to last year on an actual basis. These sales were driven by the continuous ramp-up of the production of electric locomotives and metro cars in India, the Bombardier movia™ cars for LTA Singapore and the VLocity™ regional trains for The Department of Transport (DoT) in Victoria in Australia.

In **Africa/Middle East/Central Asia**, sales stood at €0.7 billion, contributing to 9% to the Group's total sales and representing an increase of 1% on an actual basis. The system contract for the Cairo monorail trains in Egypt, the rolling stock contract for the X'Trapolis™ Mega commuter trains in South Africa, as well as the Prima™ freight locos for Kazakh Railways and Azerbaijan Railways, are the main sales contributors within the region.

4.2. Research and development

As of end of September 2023, research and development gross costs amounted to €(330) million, i.e. 3.9% of sales, reflecting the Group's continuous investment in innovation to develop smarter and greener mobility solutions, in line with the Alstom In Motion strategy which is based on three pillars: Autonomous mobility, Data factory and Mobility orchestration. Net R&D amounts to €(254) million before PPA amortisation.

<i>(in € million)</i>	Half-Year ended 30 September 2023	Half-Year ended 30 September 2022
R&D Gross costs	(330)	(297)
<i>R&D Gross costs (in % of Sales)</i>	3.9%	3.7%
Funding received ^(*)	56	50
Net R&D spending	(274)	(247)
Development costs capitalised during the period	70	57
Amortisation expense of capitalised development costs ^(**)	(50)	(41)
R&D expenses (in P&L)	(254)	(231)
<i>R&D expenses (in % of Sales)</i>	3.0%	2.9%

^(*) Financing received includes public funding amounting to €34 million at 30 September 2023, compared to €31 million at 30 September 2022.

^(**) For the fiscal period ended 30 September 2023, excluding €(30) million of amortisation expenses of the purchase price allocation of Bombardier Transportation, compared to €(30) million at 30 September 2022.

Programs funded by IPCEI Hydrogen have been launched. This important European program will allow to further develop the components portfolio needed for hydrogen powered trains, fuel cell powerpacks, batteries and power converters. It will support the development of new hydrogen trains for regional applications, shunting locos and freight, leveraging on the experience collected with **Coradia iLint™** regional trains that are now in revenue service.

The development of Avelia range continues. Two pre-serial trainsets of **Avelia Horizon™** pursue dynamic test on the French network. The 320 kph milestone has been reached in September 2023. The development of international configurations is ongoing.

Based on **Citadis™** DNA, Alstom is developing a light rail vehicle addressing the specificities of the market in the USA with a focus on passenger experience and the possibility to operate without catenary.

The replacement of **Adessia™** commuter train has been launched to address the U.K. and USA markets. This new product range will include EMU, BMU, BEMU and HMU versions to also replace the existing Diesel trains.

The other Rolling Stock developments were focused on Alstom **Coradia stream™** range which has been further extended with longer cars and 15kV traction chain (primarily in Germany), and Alstom **TRAXX™ Multi-system 3 - locomotives** with the development of the passenger version at 200kph. The upgrade of Large gauge Metros addressing the Indian market is ongoing.

Services product line continues to focus on addressing green, sustainable and more efficient operation concepts like **Green re-tractioning initiatives** and **Health-Hub™**, an innovative solution for operation and maintenance activities.

Signalling Product Line worked on **Atlas™** European Standard convergence, driving market presence with its integration into TRAXX platform and securing new contracts for cross border operation, **ERTMS*** level 2 and level 3 on-board solution together with Automatic Train Operation, and it continued its footprint expansion with a new contract in Canada with the **ATLAS™** on-board train control solution. Alstom kept on developing CBTC solutions Urbalis **Fluence™** (e.g., Torino Line 1), **Urbalis™ 400™** (e.g., Cluj Metro, Surat Metro L1&2, Bhopal & Indore Metro) and **Cityflo™ 650™** (e.g., Delhi Line 7 extension, Metro Santiago de los Caballeros) for metros and tramways, and **ICONIS™** and **Ebi™Screen™** suites for Operational Control Centres, maximising traffic fluidity and orchestrating operations from a distance.

Alstom Signalling also plays a key role in the System and Innovation Pillar defining a harmonised functional architecture for the rail system including migration paths and regulatory framework as well as contributing to several Flagship projects: MOTIONAL (FP1), R2DATO (FP2) and FUTURE (FP6).

Alstom Innovations cluster continued to develop **Autonomous Mobility** solutions for Passengers & Freight trains.

4.3. Operational performance

In the first half of fiscal year 2023/24, Alstom's adjusted EBIT reached €438 million, equivalent to a 5.2% operational margin, as compared to €397 million or 4.9% during the same period last fiscal year.

Selling and Administrative costs as a percentage of sales represented 6.4% for the group as compared to 6.3% on an actual basis last year.

Over the period, the contribution resulting from the inclusion of the share in net income of the equity-accounted investments whose activity are considered as part of the operating activities of the Group amounted to €65 million, decreasing from the €75 million reported in the same period last fiscal year, impacted by unfavorable exchange rates. The contribution from CASCO Signal Limited joint-ventures and Alstom Sifang (Qingdao) Transportation Ltd. amounted to €30 million and €13 million respectively, compared to €32 million and €13 million respectively in the same period last year. The contribution of the remaining joint-ventures amounted to €22 million, as compared to €30 million in the same period last year.

4.4. From adjusted EBIT to adjusted net profit

During the first half of fiscal year 2023/24, Alstom recorded restructuring and rationalisation charges of €(7) million mainly related to the adaptation of the means of production, especially in Germany for €(3) million, in France for €(2) million and the U.S.A. for €(2) million.

Integration costs & others before impairment of tangible assets related to PPA amounted to €(92) million, consisting of costs related to the integration of Bombardier Transportation for an amount of €(65) million, €(6) million of legal fees in the context of Bombardier Transportation's integration remedies, and other exceptional expenses for €(21) million.

Overall, Alstom's other expenses for the first half of fiscal year 2023/24 amounted to €(98) million, a €24 million decrease in comparison to the same period last fiscal year.

Taking into consideration restructuring and rationalisation charges, capital gains on disposal of business, integration costs, impairment loss & others, Alstom's EBIT before amortisation and impairment of assets exclusively valued when

determining the purchase price allocation (“PPA”) stood at €275 million. This compares to €200 million in the same period last fiscal year.

Net financial expenses of the period amounted to €(98) million, impacted by higher interest rates, as compared to €(24) million in the same period last fiscal year.

The Group recorded an income tax charge of €(28) million in the first half of fiscal year 2023/24, corresponding to an effective tax rate before PPA of 25%, compared to €(29) million for the same period last fiscal year and an effective tax rate of 27%.

The share in net income from equity investments amounted to €53 million – excluding the amortisation of the purchase price allocation (“PPA”) from Chinese joint ventures of €(5) million –, compared to €62 million in the same period last fiscal year, with strong performances from CASCO joint-venture as well as Alstom Sifang (Qingdao) Transportation Ltd., Jiangsu Alstom NUG Propulsion System Co. Ltd and Changchun Changke Alstom Railway Vehicles Company Ltd.

Net profit attributable to non-controlling interest totalled €12 million, compared to €11 million in the same period last fiscal year.

Adjusted net profit, representing the group’s share of net profit from continued operations excluding PPA and impairment net of tax, amounts to €174 million for the first half of fiscal year 2023/24. This compares to an adjusted net profit of €179 million in the same period last fiscal year.

4.5. From adjusted net profit to net profit

During the first half of fiscal year 2023/24, amortisation & impairment of assets exclusively valued when determining the purchase price allocation (“PPA”) in the context of business combination amounted to €(189) million before tax, compared to €(214) million in the same period last year. Positive tax effect associated with the PPA amounts to €16 million, compared to €19 million last year.

The Group’s share of net profit from continued operations (Group share), including net effect from PPA after tax for €(173) million, stood at €1 million, compared to €(16) million in the same period last fiscal year.

The net profit from discontinued operations for the first half of fiscal year 2023/24 is nil. As a result, the Group’s Net profit (Group share) stood at €1 million for the first half of fiscal year 2023/24, compared to €(21) million in the same period last fiscal year.

5. Free cash-flow

<i>(in € million)</i>	Half-Year ended 30 September 2023	Half-Year ended 30 September 2022
EBIT before PPA	275	200
Depreciation and amortisation	211	233
JV dividends	106	97
EBITDA before PPA + JV dividends	592	530
Capital expenditure	(86)	(99)
R&D capitalisation	(70)	(57)
Financial and Tax cash-out	(164)	(86)
Other	(15)	48
Funds from Operations	256	336
Trade Working Capital Changes	(730)	(44)
Contract Working Capital Changes	(645)	(337)
FREE CASH FLOW	(1,119)	(45)

The Group's Free Cash Flow stands at €(1,119) million for the first half of fiscal year 2023/24 as compared to €(45) million during the same period last fiscal year.

Funds from Operations stand at €256 million, compared to €336 million in the same period last fiscal year, despite an increase in EBIT before PPA (€275 million compared to €200 million in the same period last fiscal year).

Depreciation and amortisation excluding PPA amounted to €211 million (€395 million including PPA), compared to €233 million in the same period last fiscal year (€441 million including PPA). Right-of-use assets amortisation amounted to €61 million compared to the €68 million for the first semester of fiscal year 2022/23.

Financial cash-out reached €(92) million, compared to €(14) million in the same period last fiscal year, mainly due to increased interest rates on the Group's short-term debt and fees paid for the Committed Guarantee Facility Agreement ("CGFA") renegotiated in July 22.

In the first semester of the 2023/24 fiscal year, Alstom spent €(86) million in capital expenditures excluding R&D, as compared to €(99) million in the same period last fiscal year. The Capex program was focused on transformation & productivity-related investments in Europe as well as on the strategy of continuous increase of the industrial capacity in best cost countries such as Poland, Brazil, Hungary, Mexico, Kazakhstan, and India. Alstom continued to invest in energy savings and safety, reinforcing the Company's commitments for sustainable growth

Cash generation was also impacted by an unfavourable €(1,375) million change in working capital compared to €(381) million in the same period last fiscal year; mostly due to a degradation of Trade Working Capital of which a €(408) million inventory build-up is the main element, as well as the reversal effect of the change in law on VAT in France for €(380) million. The Contract Working Capital is negatively impacted by the delay of the Aventura program in the UK and the lower-than-expected downpayments in the first semester.

6. Net Cash/(debt)

At 30 September 2023, the Group recorded a net debt position of €(3,433) million, compared to the €(2,135) million net cash balance that the group reported on 31 March 2023. This €1,298 million increase is driven by various factors. Free Cash Flow consumption is at €(1,119) million. It is also impacted by €(46) million dividend pay-out, €(72) million lease, €(9) million acquisitions/disposals and €(53) million other items including FX and remedies.

7. Equity

The Group Equity on 30 September 2023 amounted to €9,121 million (including non-controlling interests), from €9,102 million on 31 March 2023, mostly impacted by:

- net profit/(loss) of €1 million (Group share);
- actuarial hypothesis variation on pensions (recorded in equity) of €(40) million net of tax;
- currency translation adjustment of €63 million;
- dividends of €(95) million by Alstom SA;
- capital increase of €58 million related to performance shares and dividends convertible into shares;
- other items including €23 million mark to market volatility and €16 million of recognition of equity settled share-based payments.

8. Subsequent events

8.1. Moody's Investors Service rating

On 12 October 2023, the credit rating agency Moody's Investors Service has decided to confirm Alstom's Baa3 long-term issuer rating. It has lowered its credit outlook to Negative from Stable.

8.2. New liquidity line

On the 31 October 2023, the Group has signed a new €2.25 billion liquidity line with a 1st tier international bank as a step to demonstrate the financial flexibility of Alstom. This facility is not subject to financial covenant and its maturity is October 2024 with two six-month extensions at borrowers' discretion.

8.3 Project of savings plan to reduce overhead costs

Announcement on Tuesday, November 14 by Alstom management to the European staff representative body of a proposed savings plan to reduce overhead costs representing close to 10% of total S&A positions (around 1,500 FTE reduction).

9. Non-GAAP financial indicators definitions

This section presents financial indicators used by the Group that are not defined by accounting standard setters.

9.1. Orders received

A new order is recognised as an order received only when the contract creates enforceable obligations between the Group and its customer.

When this condition is met, the order is recognised at the contract value.

If the contract is denominated in a currency other than the functional currency of the reporting unit, the Group requires the immediate elimination of currency exposure using forward currency sales. Orders are then measured using the spot rate at inception of hedging instruments.

9.2. Book-to-bill

The book-to-bill ratio is the ratio of orders received to the amount of sales traded for a specific period.

9.3. Gross Margin % on backlog

Gross Margin % on backlog is a Key Performance Indicator to present the expected performance level of firm contracts in backlog. It represents the difference between the sales not yet recognized and the cost of sales not yet incurred from the contracts in backlog. This % is an average of the portfolio of contracts in backlog and is meaningful to project mid and long term profitability.

9.4. Adjusted Gross Margin before PPA

Adjusted Gross Margin before PPA is a Key Performance Indicator to present the level of recurring operational performance. It represents the sales minus the cost of sales, adjusted to exclude the impact of amortisation of assets exclusively valued when determining the purchase price allocations ("PPA") in the context of business combination as well as non-recurring "one off" items that are not supposed to occur again in following years and are significant.

9.5. Adjusted EBIT and EBIT before PPA

9.5.1. Adjusted EBIT

Adjusted EBIT (“aEBIT”) is the Key Performance Indicator to present the level of recurring operational performance. This indicator is also aligned with market practice and comparable to direct competitors.

Starting September 2019, Alstom has opted for the inclusion of the share in net income of the equity-accounted investments into the aEBIT when these are considered to be part of the operating activities of the Group (because there are significant operational flows and/or common project execution with these entities). This mainly includes Chinese joint-ventures, namely CASCO joint-venture for Alstom as well as, following the integration of Bombardier Transportation, Alstom Sifang (Qingdao) Transportation Ltd., Bombardier NUG Propulsion System Co. Ltd and Changchun Changke Alstom Railway Vehicles Company Ltd.

aEBIT corresponds to Earning Before Interests and Tax adjusted for the following elements:

- net restructuring expenses (including rationalisation costs);
- tangibles and intangibles impairment;
- capital gains or loss/revaluation on investments disposals or controls changes of an entity;
- any other non-recurring items, such as some costs incurred to realise business combinations and amortisation of an asset exclusively valued in the context of business combination, as well as litigation costs that have arisen outside the ordinary course of business;
- and including the share in net income of the operational equity-accounted investments.

A non-recurring item is a “one-off” exceptional item that is not supposed to occur again in following years and that is significant.

Adjusted EBIT margin corresponds to Adjusted EBIT expressed as a percentage of sales.

9.5.2. EBIT before PPA

Following the Bombardier Transportation acquisition and with effect from the fiscal year 2021/22 condensed consolidated financial statements, Alstom decided to introduce the “EBIT before PPA” indicator aimed at restating its Earnings Before Interest and Taxes (“EBIT”) to exclude the impact of amortisation of assets exclusively valued when determining the purchase price allocations (“PPA”) in the context of business combination. This indicator is also aligned with market practice.

The non-GAAP measure adjusted EBIT (aEBIT hereafter) and EBIT before PPA indicators reconcile with the GAAP measure EBIT as follows:

<i>(in € million)</i>	Half-Year ended 30 September 2023	Half-Year ended 30 September 2022
Sales	8,443	8,048
Adjusted Earnings Before Interest and Taxes (aEBIT)	438	397
<i>aEBIT (in % of Sales)</i>	<i>5.2%</i>	<i>4.9%</i>
Capital Gains / (losses) on disposal of business	1	(20)
Restructuring and rationalisation costs	(7)	(6)
Integration costs, impairment and other	(92)	(96)
Reversal of Net Interest in Equity Investees pick-up	(65)	(75)
EARNING BEFORE INTEREST AND TAXES (EBIT) BEFORE PPA & IMPAIRMENT	275	200
PPA amortisation & impairment*	(189)	(214)
EARNING BEFORE INTEREST AND TAXES (EBIT)	86	(14)

(* Gross amount before tax)

9.6. Adjusted net profit

The “Adjusted Net Profit” indicator aims at restating the Alstom’s net profit from continued operations (Group share) to exclude the impact of amortisation of assets exclusively valued when determining the purchase price allocations (“PPA”) in the context of business combination, net of the corresponding tax effect.

This non-GAAP measure adjusted net profit indicator reconciles with the GAAP measure Net profit from continued operations attributable to equity holders (Net profit from continued operations – Group share) as follows:

<i>(in € million)</i>	Half-Year ended 30 September 2023	Half-Year ended 30 September 2022
Adjusted Net Profit*	174	179
Amortization & impairment of assets valued when determining the purchase price allocation	(173)	(195)
NET PROFIT FROM CONTINUED OPERATIONS (GROUP SHARE)	1	(16)

9.7. Free cash flow

Free Cash Flow is defined as net cash provided by operating activities less capital expenditures including capitalised development costs, net of proceeds from disposals of tangible and intangible assets. Free Cash Flow does not include any proceeds from disposals of activity.

The most directly comparable financial measure to Free Cash Flow calculated and presented in accordance with IFRS is net cash provided by operating activities.

A reconciliation of Free Cash Flow and net cash provided by operating activities is presented below:

<i>(in € million)</i>	Half-Year ended 30 September 2023	Year ended 30 September 2022
Net cash provided by / (used in) operating activities	(967)	95
<i>Of which operating flows provided / (used) by discontinued operations</i>		
Capital expenditure (including capitalised R&D costs)	(156)	(156)
Proceeds from disposals of tangible and intangible assets	4	16
FREE CASH FLOW	(1,119)	(45)

Alstom uses the Free Cash Flow both for internal analysis purposes as well as for external communication as the Group believes it provides accurate insight into the actual amount of cash generated or used by operations.

During the first half of fiscal year 2023/24, the Group Free Cash Flow was at €(1,119) million compared to €(45) million in the same period last fiscal year.

9.8. Capital employed

Capital employed corresponds to hereafter-defined assets minus liabilities.

- Assets: sum of goodwill, intangible assets, property, plant and equipment, equity-accounted investments and other investments, other non-current assets (other than those related to financial debt and to employee defined benefit plans), inventories, costs to fulfil a contract, contract assets, trade receivables and other operating assets;
- Liabilities: sum of non-current and current provisions, contract liabilities, trade payables and other operating liabilities.

At the end of September 2023, capital employed stood at €13,012 million, from €11,728 million on 31 March 2023.

<i>(in € million)</i>	Half-Year ended 30 September 2023	Year ended 31 March 2023
Non current assets	16,698	16,845
less deferred tax assets	(634)	(596)
less non-current assets directly associated to financial debt	(103)	(108)
Capital employed - non current assets (A)	15,961	16,141
Current assets	16,515	14,551
less cash & cash equivalents	(826)	(826)
less other current financial assets	(59)	(92)
Capital employed - current assets (B)	15,630	13,633
Current liabilities	19,467	17,643
less current financial debt	(1,665)	(396)
plus non current lease obligations	515	501
less other obligations associated to financial debt	(145)	(144)
plus non current provisions	407	442
Capital employed - liabilities (C)	18,579	18,046
CAPITAL EMPLOYED (A)+(B)-(C)	13,012	11,728

9.9. Net cash/(debt)

The net cash/(debt) is defined as cash and cash equivalents, marketable securities and other current financial asset, less borrowings. On 30 September 2023, the Group recorded a net cash level of €(3,433) million, as compared to the net cash position of €(2,135) million on 31 March 2023.

<i>(in € million)</i>	Half-Year ended 30 September 2023	Year ended 31 March 2023
Cash and cash equivalents	826	826
Other current financial assets	59	65
Other non current assets	27	27
<i>less:</i>		
Current financial debt	1,665	396
Non current financial debt	2,680	2,657
NET CASH/(DEBT) AT THE END OF THE PERIOD	(3,433)	(2,135)

9.10. Organic basis

Management report on condensed interim consolidated financial statements include performance indicators presented on an actual basis and on an organic basis. Figures given on an organic basis eliminate the impact of changes in scope of consolidation and changes resulting from the translation of the accounts into Euro following the variation of foreign currencies against the Euro.

The Group uses figures prepared on an organic basis both for internal analysis and for external communication, as it believes they provide means to analyse and explain variations from one period to another. However, these figures are not measurements of performance under IFRS.

9.11. Sales by Currency

Currencies	Half-Year ended 30 septembre 2023 as a % of Sales
EUR	46.3%
USD	12.5%
GBP	11.5%
INR	5.0%
AUD	4.8%
CAD	3.0%
SEK	2.7%
ZAR	2.6%
MXN	2.2%
KZT	1.2%
BRL	1.2%
Currencies below 1% of sales	7.1%

9.12. Adjusted income statement, EBIT and Adjusted Net Profit

This section presents the reconciliation between the consolidated income statement and the MD&A management view.

<i>(in € million)</i>	Total Consolidated Financial Statements (GAAP)	Adjustments			Total Consolidated Financial Statements (MD&A view)
		(1)	(2)	(3)	
30 September 2023					
Sales	8,443				8,443
Cost of Sales	(7,432)	154			(7,278)
Adjusted Gross Margin before PPA & impairment ^(*)	1,011	154	-	-	1,165
R&D expenses	(284)	30			(254)
Selling expenses	(180)				(180)
Administrative expenses	(358)				(358)
Equity pick-up	-			65	65
Adjusted EBIT ^(*)	189	184	-	65	438
Other income / (expenses)	(98)				(98)
Equity pick-up (reversal)	-			(65)	(65)
EBIT / EBIT before PPA & impairment ^(*)	91	184	-	-	275
Financial income (expenses)	(98)				(98)
Pre-tax income	(7)	184	-	-	177
Income tax Charge	(28)	(16)			(44)
Share in net income of equity-accounted investments	48	5			53
Net profit (loss) from continued operations	13	173	-	-	186
Net profit (loss) attributable to non controlling interests (-)	(12)				(12)
Net profit (loss) from continued operations (Group share) / Adjusted Net Profit (loss) ^(*)	1	173	-	-	174
Purchase Price Allocation (PPA) & impairment net of corresponding tax effect	-	(173)			(173)
Net profit (loss) from discontinued operations	-				-
Net profit (Group share)	1	-	-	-	1

() non-GAAP indicator, see definition in section 9*

Adjustments 30 September 2023:

- (1) Impact of business combinations: amortisation of assets exclusively valued when determining the purchase price allocation (PPA), including net income of equity accounted investments, and including corresponding tax effect;
- (2) Impact of business combinations: impairment of assets exclusively valued when determining the purchase price allocation (PPA) (see Note 3.6 of the financial statements), including corresponding tax effect – no impact this semester;
- (3) Reclassification of share in net income of the equity-accounted investments when these are considered to be part of operating activities of the Group (see section 9.5.1 “Adjusted aEBIT”)

<i>(in € million)</i>	Total Consolidated Financial Statements (GAAP)	Adjustments				Total Consolidated Financial Statements (MD&A view)
		(1)	(2)	(3)	(4)	
30 September 2022						
Sales	8,048					8,048
Cost of Sales	(7,168)	178		2		(6,988)
Adjusted Gross Margin before PPA & impairment ^(*)	880	178	-	2	-	1,060
R&D expenses	(261)	30				(231)
Selling expenses	(178)	-				(178)
Administrative expenses	(329)	-				(329)
Equity pick-up	-				75	75
Adjusted EBIT ^(*)	112	208	-	2	75	397
Other income / (expenses)	(120)			(2)		(122)
Equity pick-up (reversal)	-	-	-	-	(75)	(75)
EBIT / EBIT before PPA & impairment ^(*)	(8)	208	-	-	-	200
Financial income (expenses)	(24)					(24)
Pre-tax income	(32)	208	-	-	-	176
Income tax Charge	(29)	(19)				(48)
Share in net income of equity-accounted investments	56	6				62
Net profit (loss) from continued operations	(5)	195	-	-	-	190
Net profit (loss) attributable to non controlling interests (-)	(11)					(11)
Net profit (loss) from continued operations (Group share) / Adjusted Net Profit (loss) ^(*)	(16)	195	-	-	-	179
Purchase Price Allocation (PPA) & impairment net of corresponding tax effect	-	(195)				(195)
Net profit (loss) from discontinued operations	(5)					(5)
Net profit (Group share)	(21)	-	-	-	-	(21)

() non-GAAP indicator, see definition in section 9*

Adjustments 30 September 2022:

- (1) Impact of business combinations: amortisation of assets exclusively valued when determining the purchase price allocation (PPA), including net income of equity accounted investments, and including corresponding tax effect;
- (2) Impact of business combinations: impairment of assets exclusively valued when determining the purchase price allocation (PPA) (see Note 3.6 of the financial statements), including corresponding tax effect – no impact this semester;
- (3) Impact of Aptis closure: reclassification of operational results as non-recurring items following Alstom's announced and planned discontinuance of Aptis activities;
- (4) Reclassification of share in net income of the equity-accounted investments when these are considered to be part of operating activities of the Group (see section 9.5.1 "Adjusted aEBIT")

9.13. From Enterprise Value to Equity Value

<i>(in € million)</i>		30 September 2023	31 March 2023
Total Gross debt, incl. lease obligations	(1)	4,897	3,579
Pensions liabilities net of prepaid and deferred tax asset related to pensions	(2)	632	582
Non controlling interest	(3)	104	105
Cash and cash equivalents	(4)	(826)	(826)
Other current financial assets	(4)	(59)	(65)
Other non-current financial assets	(5)	(55)	(56)
Net deferred tax liability / (asset)	(6)	(493)	(443)
Investments in associates & JVs, excluding Chinese JVs	(7)	(110)	(123)
Non-consolidated Investments	(8)	(75)	(82)
Bridge		4,015	2,671

- (1) Long-term and short-term debt and Leases (Note 20), excluding the lease to a London metro operator for €109 million due to matching financial asset (Notes 14 and 20)
- (2) As per Note 22 net of €(25) million of deferred tax allocated to accruals for employees benefit costs
- (3) As per balance sheet
- (4) As per balance sheet
- (5) Other non-current assets: Loans to non-consolidated Investments for €27 million and deposit on a US loan for €28 million (Notes 14 and 20)
- (6) Deferred Tax Assets and Liabilities – as per balance sheet, net of €(25) million of deferred tax allocated to accruals for employees benefit costs
- (7) JVs – to the extent they are not included in the share in net income of the equity-accounted investments whose activity are considered as part of the operating activities of the Group / FCF, ie excluding Chinese JVs
- (8) Non-consolidated investments as per balance sheet

9.14. Bombardier Transportation PPA amortisation plan

This section presents the amortisation plan of the Purchase Price Allocation of Bombardier Transportation.

<i>(in € million)</i>	Half-Year ended 30 September 2023
Amortisation Plan, as per P&L booking ^(*)	(3,148)
2021	(71)
2022	(428)
2023	(436)
2024	(368)
2025	(373)
2026	(264)
2027	(213)
2028	(203)
2029	(166)
2030	(138)
2031	(107)
2032	(96)
2033	(95)
2034	(46)
Beyond	(143)

() excludes PPA other than related to the purchase of Bombardier Transportation*

9.15. Contract & Trade Working Capital

This section defines the Contract & Trade Working Capital.

Contract Working Capital is the sum of:

- Contract Assets & Liabilities, which includes the Customer Down-Payments
- Current provisions, which includes Risks on contracts and Warranties

Trade Working Capital is the Working Capital that is not strictly contractual, hence not included in Project Working Capital. It includes:

- Inventories
- Trade Receivables
- Trade Payables
- Other elements of Working Capital defined as the sum of Other Current Assets/Liabilities and Non-Current provisions

9.16. Funds From Operations Adjusted

Funds from Operations “FFO” in the EBIT to FCF statement refers to the Free Cash Flow generated by Operations, before Working Capital variations.

9.17. EBITDA before PPA + JV dividends

EBITDA before PPA + JV dividends is the EBIT before PPA, before the depreciation and amortisation, with the addition of the dividends received from the JVs.

Condensed interim consolidated financial statements

30 September 2023

INTERIM CONSOLIDATED INCOME STATEMENT

<i>(in € million)</i>	Note	Half-year ended	
		At 30 September 2023	At 30 September 2022
Sales	(4)	8,443	8,048
Cost of sales		(7,432)	(7,168)
Research and development expenses	(5)	(284)	(261)
Selling expenses		(180)	(178)
Administrative expenses		(358)	(329)
Other income/(expense)	(6)	(98)	(120)
Earnings Before Interests and Taxes		91	(8)
Financial income	(7)	26	23
Financial expense	(7)	(124)	(47)
Pre-tax income		(7)	(32)
Income Tax Charge	(8)	(28)	(29)
Share in net income of equity-accounted investments	(13)	48	56
Net profit (loss) from continuing operations		13	(5)
Net profit (loss) from discontinued operations	(9)	-	(5)
NET PROFIT (LOSS)		13	(10)
Net profit (loss) attributable to equity holders of the parent		1	(21)
Net profit (loss) attributable to non controlling interests		12	11
Net profit (loss) from continuing operations attributable to:			
· Equity holders of the parent		1	(16)
· Non controlling interests		12	11
Net profit (loss) from discontinued operations attributable to:			
· Equity holders of the parent		-	(5)
· Non controlling interests		-	-
Earnings (losses) per share (in €)			
· Basic earnings (losses) per share	(10)	0.00	(0.06)
· Diluted earnings (losses) per share	(10)	0.00	(0.06)

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(in € million)</i>	Note	Half-year ended	
		At 30 September 2023	At 30 September 2022
Net profit (loss) recognised in income statement		13	(10)
Remeasurement of post-employment benefits obligations	(22)	(52)	298
Equity investments at FVOCI		(2)	6
Income tax relating to items that will not be reclassified to profit or loss	(8)	7	(113)
Items that will not be reclassified to profit or loss		(47)	191
<i>of which from equity-accounted investments</i>		-	-
Fair value adjustments on cash flow hedge derivatives		(3)	6
Costs of hedging reserve		35	49
Currency translation adjustments (*)		67	170
Income tax relating to items that may be reclassified to profit or loss	(8)	(10)	(14)
Items that may be reclassified to profit or loss		89	211
<i>of which from equity-accounted investments</i>	(13)	(5)	10
TOTAL COMPREHENSIVE INCOME		55	392
Attributable to:			
• Equity holders of the parent		44	383
• Non controlling interests		11	9
Total comprehensive income attributable to equity shareholders arises from:			
• Continuing operations		44	388
• Discontinued operations		-	(5)
Total comprehensive income attributable to non controlling interests arises from:			
• Continuing operations		10	9
• Discontinued operations		1	-

(*) Includes currency translation adjustments on actuarial gains and losses for €8 million as of 30 September 2023 (€3 million as of 30 September 2022).

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

INTERIM CONSOLIDATED BALANCE SHEET

Assets

<i>(in € million)</i>	Note	At 30 September 2023	At 31 March 2023
Goodwill	(11)	9,402	9,380
Intangible assets	(11)	2,465	2,606
Property, plant and equipment	(12)	2,515	2,481
Investments in joint-venture and associates	(13)	1,067	1,131
Non consolidated investments		76	82
Other non-current assets	(14)	539	569
Deferred Tax	(8)	634	596
Total non-current assets		16,698	16,845
Inventories	(15)	4,216	3,729
Contract assets	(15)	5,369	4,533
Trade receivables	(15)	3,019	2,670
Other current operating assets	(15)	3,026	2,728
Other current financial assets	(18)	59	65
Cash and cash equivalents	(19)	826	826
Total current assets		16,515	14,551
Assets held for sale	(9)	-	-
TOTAL ASSETS		33,213	31,396

Equity and Liabilities

<i>(in € million)</i>	Note	At 30 September 2023	At 31 March 2023
Equity attributable to the equity holders of the parent	(16)	9,017	8,997
Non controlling interests		104	105
Total equity		9,121	9,102
Non current provisions	(15)	407	442
Accrued pensions and other employee benefits	(22)	906	923
Non-current borrowings	(20)	2,681	2,657
Non-current lease obligations	(20)	515	501
Deferred Tax	(8)	116	128
Total non-current liabilities		4,625	4,651
Current provisions	(15)	1,750	1,779
Current borrowings	(20)	1,665	396
Current lease obligations	(20)	145	144
Contract liabilities	(15)	6,958	6,781
Trade payables	(15)	4,223	3,640
Other current liabilities	(15)	4,726	4,903
Total current liabilities		19,467	17,643
Liabilities related to assets held for sale	(9)	-	-
TOTAL EQUITY AND LIABILITIES		33,213	31,396

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(in € million)</i>	Note	Half-year ended	
		At 30 September 2023	At 30 September 2022
Net profit (loss)		13	(10)
Depreciation, amortisation and impairment	(11)/(12)	395	441
Expense arising from share-based payments		16	27
Cost of net financial debt and costs of foreign exchange hedging, net of interest paid and received (a), and other change in provisions		(11)	6
Post-employment and other long-term defined employee benefits		-	10
Net (gains)/losses on disposal of assets		(3)	18
Share of net income (loss) of equity-accounted investments (net of dividends received)	(13)	58	41
Deferred taxes charged to income statement		(43)	(95)
Net cash provided by operating activities - before changes in working capital		425	438
Changes in working capital resulting from operating activities (b)	(15)	(1,392)	(343)
Net cash provided by/(used in) operating activities		(967)	95
Proceeds from disposals of tangible and intangible assets		4	16
Capital expenditure (including capitalised R&D costs)		(156)	(156)
Increase/(decrease) in other non-current assets	(14)	8	15
Acquisitions of businesses, net of cash acquired	(2)	(9)	(29)
Disposals of businesses, net of cash sold		-	(73)
Net cash provided by/(used in) investing activities		(153)	(227)
<i>Of which investing flows provided / (used) by discontinued operations</i>	<i>(9)</i>	<i>(5)</i>	<i>(5)</i>
Dividends paid including payments to non controlling interests		(46)	(51)
Changes in current and non-current borrowings	(20)	1,197	248
Changes in lease obligations	(20)	(72)	(76)
Changes in other current financial assets and liabilities	(20)	30	25
Net cash provided by/(used in) financing activities		1,109	146
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(11)	14
Cash and cash equivalents at the beginning of the period		826	810
Net effect of exchange rate variations		11	7
Transfer to assets held for sale		-	2
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	(19)	826	833
<i>(a) Interests paid & received</i>		<i>(60)</i>	<i>(14)</i>
<i>(b) Income tax paid</i>		<i>(73)</i>	<i>(72)</i>

<i>(in € million)</i>	Half-year ended	
	At 30 September 2023	At 30 September 2022
Net cash/(debt) variation analysis		
Changes in cash and cash equivalents	(11)	14
Changes in other current financial assets and liabilities	(30)	(25)
Changes in current and non-current borrowings	(1,197)	(248)
Net debt of acquired/disposed entities at acquisition/disposal date and other variations	(60)	38
Decrease/(increase) in net debt	(1,298)	(221)
Net cash(debt) at the beginning of the period	(2,135)	(2,085)
NET CASH/(DEBT) AT THE END OF THE PERIOD	(3,433)	(2,306)

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>(in € million, except for number of shares)</i>	Number of outstanding shares	Capital	Additional paid-in capital	Retained earnings	Actuarial gains and losses	Cash- flow hedge	Currency translation adjustment	Equity attributable to the equity holders of the parent	Non controlling interests	Total equity
At 31 March 2022	373,391,746	2,614	5,354	1,236	160	(3)	(450)	8,911	113	9,024
Movements in other comprehensive income		-	-	38	189	9	168	404	(2)	402
Net income for the period		-	-	(21)	-	-	-	(21)	11	(10)
Total comprehensive income		-	-	17	189	9	168	383	9	392
Dividends convertible into share		-	-	(50)	-	-	-	(50)	-	(50)
Dividends paid in cash		-	-	(43)	-	-	-	(43)	(8)	(51)
Capital increase by issuance of new shares	2,432,331	17	35	-	-	-	-	52	-	52
Issue of ordinary shares under long term incentive plans	392,010	3	-	(3)	-	-	-	-	-	-
Recognition of equity settled share-based payments	-	-	-	27	-	-	-	27	-	27
At 30 September 2022	376,216,087	2,634	5,388	1,184	349	6	(282)	9,279	113	9,392
Movements in other comprehensive income		-	-	23	53	(7)	(368)	(299)	(11)	(310)
Net income for the period		-	-	(111)	-	-	-	(111)	13	(98)
Total comprehensive income		-	-	(88)	53	(7)	(368)	(410)	2	(408)
Change in controlling interests and others		-	-	(1)	4	-	-	3	-	3
Dividends paid in cash		-	-	-	-	-	-	-	(11)	(11)
Issue of ordinary shares under long term incentive plans	4,237,367	29	56	-	-	-	-	85	-	85
Recognition of equity settled share-based payments	-	-	-	39	-	-	-	39	-	39
At 31 March 2023	380,453,454	2,663	5,445	1,134	406	(1)	(650)	8,997	105	9,102
Movements in other comprehensive income		-	-	23	(40)	(3)	63	43	(1)	42
Net income for the period		-	-	1	-	-	-	1	12	12
Total comprehensive income		-	-	24	(40)	(3)	63	44	11	55
Change in controlling interests and others		-	-	(1)	-	-	(1)	(2)	(1)	(3)
Dividends convertible into share	2,435,803	17	41	(58)	-	-	-	-	-	-
Dividends paid in cash		-	-	(37)	-	-	-	(37)	(11)	(48)
Issue of ordinary shares under long term incentive plans	1,401,811	10	-	(10)	-	-	-	-	-	-
Recognition of equity settled share-based payments	-	-	-	16	-	-	-	16	-	16
At 30 September 2023	384,291,068	2,690	5,486	1,067	366	(4)	(588)	9,017	104	9,121

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

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Alstom is a leading player in the world rail transport industry. As such, the Company offers a complete range of solutions, including rolling stock, systems, services as well as signalling for passenger and freight railway transportation. It benefits from a growing market with solid fundamentals. The key market drivers are urbanisation, environmental concerns, economic growth, governmental spending, and digital transformation.

In this context, Alstom has been able to develop both a local and global presence that sets it apart from many of its competitors, while offering proximity to customers and great industrial flexibility. Its range of solutions, one of the most complete and integrated on the market, and its position as a technological leader, place Alstom in a unique situation to benefit from the worldwide growth in the rail transport market. Lastly, in order to generate profitable growth, Alstom focuses on operational excellence and its product mix evolution.

The condensed interim consolidated financial statements are presented in euro and have been authorised for issue by the Board of Directors held on 14 November 2023.

A. MAJOR EVENTS AND CHANGES IN SCOPE OF CONSOLIDATION

NOTE 1. MAJOR EVENTS

Trigger event assessment for assets impairment test

Alstom disclosed preliminary financial information for its first half of fiscal year 2023/24, ending September 30 2023, as well as an updated guidance regarding the full year 2023/24 (as disclosed in the press release dated 4 October 2023). Following this announcement, Alstom's share price has significantly decreased, leading to a market capitalization lower than the carrying amount of Alstom's net assets. As per IAS 36, this situation has been considered as a trigger event to reperform impairment test on goodwill (detailed in Note 11.1). The impairment test confirmed that the recoverable amount exceeds its carrying value at 30 September 2023, therefore no impairment loss was recognized on Goodwill over the period.

On other assets: technology and other intangible assets (amortised assets), as well as deferred taxes (see Note 8), impairment tests are reviewed at least annually and whenever events or circumstances indicate that they might be impaired. Based on its reasonable estimates, the visibility available and previous enlarged sensitivity analyses performed in March 2023, Alstom has not identified any trigger event indicating that any assets should be impaired at the end of September 2023.

NOTE 2. CHANGES IN CONSOLIDATION SCOPE

There are no significant changes in the consolidation scope between 31 March 2023 and 30 September 2023.

B. ACCOUNTING POLICIES AND USE OF ESTIMATE

NOTE 3. Accounting policies

3.1 Basis of preparation of the condensed interim consolidated financial statements

Alstom condensed interim consolidated financial statements, for the half year ended 30 September 2023, are presented in millions of Euros and have been prepared:

- in accordance with the International Financial Reporting Standards (IFRS) and interpretations published by the International Accounting Standards Board (IASB) and endorsed by the European Union and whose application was mandatory at 1 April 2023 and in accordance with IAS 34, Interim Financial Reporting;
- using the same accounting policies and measurement methods as at 31 March 2023, with the exceptions of changes required by the enforcement of new standards and interpretations presented here after and the specific measurement methods of IAS 34 applied for the preparation of condensed interim consolidated financial statements regarding estimate of tax expense (as described in Note 8) and Post-employment and other long term employee defined benefits valuations (as described in Note 22).

The full set of standards endorsed by the European Union can be consulted at: <http://www.efrag.org/Endorsement>.

3.2 New standards and interpretations mandatorily applicable for financial periods beginning on 1 April 2023

Amendments that are applicable on 1 April 2023 and endorsed by European Union:

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies;
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates;
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

All these amendments effective at 1 April 2023 for Alstom have no material impact on the Group's consolidated financial statements.

3.3 New standards and interpretations not yet mandatorily applicable

New standards and interpretations endorsed by the European Union not yet mandatorily applicable:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (applicable for annual periods beginning after 1 January 2024);
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (applicable for annual periods beginning after 1 January 2024);
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (applicable for annual periods beginning after 1 January 2024);
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (applicable for annual periods beginning after 1 January 2025).

The potential impacts of all those new pronouncements are currently being analysed.

The IASB has also published amendments to IAS 12, “Income Taxes” – International Tax Reform – Pillar Two Model Rules. Due to its size, Alstom is in the scope of the Pillar two Model Rules as released by the OECD, introducing a minimum corporate income tax rate of 15% and that should come into force in 2024. The amendment to IAS 12 International Tax Reform - Pillar Two Model Rules provides a temporary exception from accounting for deferred taxes arising from the implementation of the Pillar Two Rules and requires targeted disclosures. It should be applicable as soon as endorsed by the European Union. At 30 September 2023 the Group has not accounted for deferred taxes in relation with the Pillar Two Rules and is currently analysing potential impacts of these new provisions.

3.4 Uncertainties linked to the current economic and political context

The current economic and political context creates uncertainties on business activities (namely inflation, price volatility of certain commodities, energy, increases of interest rates, supply chain disruptions or electronic components shortage...). Nevertheless, the Group carefully follows and monitors the potential increase in its cost structures (raw materials prices, supply chain and wages inflation), being quite well protected (73% of the backlog being covered by price escalation clauses on global inflation - commodities, energy and labour indexes).

3.5 Climate change consequences

Thanks to the activities managed, the Group is actively engaged in the climate transition which generates new opportunities of business development for the Group. At 30 September 2023, to the best of the Group knowledge and considering in-depth analysis of the risks and opportunities related to the consequences of climate change has not been yet finalised, Alstom did not identify any triggering events that could change the environmental risks assessment performed in March 2023. Therefore, Alstom does not foresee significant environmental risks that might negatively impact in the coming years the useful lives and/or residual values of non-financial assets such as goodwill, intangible, tangible fixed assets, as well as rights of use.

By signing a Virtual Power Purchase Agreement on the 10th of July 2023, in order to secure the procurement of green power certificates for 10 years, Alstom achieves an important milestone to accelerate decarbonisation related to energy consumption of its facilities and sites in Europe. The power will be purchased as produced from a Spanish solar asset, for an estimated volume of 160 GWh/year. The solar farm which will be built in Andalusia is expected to start operating early 2025 and is deemed to cover 80% of Alstom’s electricity consumption in Europe. Accounting-wise, the VPPA is a split between i) a non-financial host contract (the obligation to deliver the green power certificates from the producer to Alstom), which is accounted for as an executory contract (application of own use exemption as per IFRS 9), and ii) a power price related embedded derivative (due to systematic net settlement between the power contractual price and the power grid market price) which is accounted for at fair value through Profit and Loss. This contract does not have significant impacts on the Group Financial Statements as of 30 September 2023.

3.6 Amortisation of Purchase Price Allocation

The amortisation expense of assets exclusively acquired in the context of business combinations is accounted in costs of sales for backlog, product and project, customer relationships, as well as property, plant and equipment in R&D costs for acquired technology, and in share in net income of equity-accounted investment for investments in Joint Ventures and Associates. The PPA amortisation impacting the pre-tax income (meaning cost of sales and R&D costs) amounts to €(185) million at 30 September 2023, compared to €(208) million at 30 September 2022, while the PPA

amortisation impacting the share in net income of equity-accounted investment amounts to €(5) million at 30 September 2023, compared to €(6) million at 30 September 2022.

C. SEGMENT INFORMATION

NOTE 4. SEGMENT INFORMATION

The financial information of Alstom Group is regularly reviewed by the Executive Committee, identified as Chief Operating Decision Maker, for assessing performance and allocating resources. This reporting presents Key Performance Indicators at Group level. The reassessment of segment information performed after Bombardier Transportation's acquisition did not change the analysis that strategic decisions and resource allocation are still driven based on this reporting.

Sales by product

<i>(in € million)</i>	Half-year ended	
	At 30 September 2023	At 30 September 2022
Rolling stock	4,463	4,360
Services	1,986	1,802
Systems	751	734
Signalling	1,243	1,152
TOTAL GROUP	8,443	8,048

Sales by country of destination

<i>(in € million)</i>	Half-year ended	
	At 30 September 2023	At 30 September 2022
Europe	4,875	4,788
<i>of which France</i>	<i>1,237</i>	<i>1,250</i>
Americas	1,664	1,352
Asia/Pacific	1,165	1,178
Africa/Middle-East /Central Asia	739	730
TOTAL GROUP	8,443	8,048

Backlog by product

<i>(in € million)</i>	At 30 September 2023	At 31 March 2023
	Rolling stock	43,328
Services	31,860	30,741
Systems	7,320	6,330
Signalling	7,572	7,510
TOTAL GROUP	90,080	87,387

Backlog by country of destination

<i>(in € million)</i>	At 30 September 2023	At 31 March 2023
Europe	50,802	49,146
<i>of which France</i>	<i>13,070</i>	<i>13,121</i>
Americas	14,245	13,796
Asia/Pacific	12,975	12,191
Africa/Middle-East /Central Asia	12,058	12,254
TOTAL GROUP	90,080	87,387

Information about major customers

No external customer represents individually 10% or more of the Group's consolidated sales.

D. OTHER INCOME STATEMENT

NOTE 5. RESEARCH AND DEVELOPMENT EXPENDITURE

<i>(in € million)</i>	Half-year ended	
	At 30 September 2023	At 30 September 2022
Research and development gross cost	(330)	(297)
Financing received (*)	56	50
Research and development spending, net	(274)	(247)
Development costs capitalised during the period	70	57
Amortisation expenses (**)	(81)	(71)
RESEARCH AND DEVELOPMENT EXPENSES	(284)	(261)

(*) Financing received includes public funding amounting to €34 million at 30 September 2023, compared to €31 million at 30 September 2022.

(**) For the first half-year ended 30 September 2023, including €(30) million of amortization expenses related to purchase price allocation compared to €(30) million at 30 September 2022.

As of end of September 2023, Alstom Group invested €330 million in Research and Development, notably to develop:

- its very high-speed trains Avelia Horizon™;
- its Hydrogen and Battery shunter locomotives & freight locomotives;
- its Coradia stream™ range;
- its Citadis™ USA;
- its Adessia™ commuter;
- its TRAXX Multi-system 3 locomotives;
- its Green re-tractioning initiatives (battery and hydrogen);
- its Health Hub solutions set to optimize reliability and availability while maximizing the useful life of components for sustainability improvement;
- its ERTMS level 2 on-board solution;
- its Atlas™ ETCS convergence;
- its CBTC solutions Urbalis Fluence™ and Urbalis 400™;
- its ICONIS™ and EbiScreen™ suites for Operational Control Centers;
- its Autonomous Mobility solutions for Passengers & Freight trains, where Alstom had a successful GoA4 (Grade of Automation 4) test with SNCF under real mainline operating conditions;

- its new SaaS platform that will enhance the global digital offering;
- its AI-driven solutions, as for example Radioscopy, to optimize radio communication.

NOTE 6. OTHER INCOME AND EXPENSES

<i>(in € million)</i>	Half-year ended	
	At 30 September 2023	At 30 September 2022
Capital gains / (losses) on disposal of business	1	(20)
Restructuring and rationalisation costs	(7)	(6)
Integration costs, impairment loss and other	(92)	(94)
OTHER INCOME / (EXPENSES)	(98)	(120)

As of 30 September 2023, acquisition, restructuring and rationalisation costs are mainly related to the adaptation of the means of production.

Over the period ended at 30 September 2023, Integration costs, impairment loss and other include mainly:

- €(65) million of integration costs related to Bombardier Transportation's integration;
- €(6) million related to some legal proceedings (see Note 23) and other risks occurring outside the ordinary course of business.

NOTE 7. FINANCIAL INCOME AND EXPENSES

<i>(in € million)</i>	Half-year ended	
	At 30 September 2023	At 30 September 2022
Interest income	11	4
Interest expense on borrowings and on lease obligations	(71)	(16)
NET FINANCIAL INCOME/(EXPENSES) ON DEBT	(60)	(12)
Net gains/(losses) of foreign exchange hedging	15	16
Net financial expense from employee defined benefit plans	(17)	(11)
Financial component on contracts	(9)	3
Other financial income/(expense)	(27)	(20)
NET FINANCIAL INCOME/(EXPENSES)	(98)	(24)
Total financial income	26	23
Total financial expense	(124)	(47)

Net financial income/(expenses) on debt is the cost of borrowings net of income from cash and cash equivalents. As of 30 September 2023, interest income amounts to €11 million, representing mainly the remuneration of the Group's cash position over the period, while interest expenses amount to €(71) million including €(9) million of interest expenses on lease obligations.

The net gain of foreign exchange hedging of €15 million includes primarily the amortised cost of carry (forward points) of foreign exchange hedging implemented to hedge the exposures in foreign currency arising from commercial contracts and from hedging of intercompany financial positions.

The net financial expense from employee defined benefit plans of €(17) million represents the interest costs on obligations net of interest income from fund assets calculated using the same discount rate.

The financial component of €(9) million is the recognition of financial revenue under IFRS15.

Other net financial income/(expenses) of €(27) million include mainly bank and other fees of which a large part relates to commitment fees paid on guarantee facilities, revolving facilities and fees paid on bonds.

Net Financial income and net financial expenses presentation has been realigned between this note and condensed interim consolidated income statement of the primary statement for both Half Year ended 30 September 2023 and 30 September 2022 as already performed and explained in the Full Year Financial Statement ended 31 March 2023.

NOTE 8. TAXATION

Income tax charge of €(28) million as of 30 September 2023 is recognised based on management's estimate of the projected effective tax rate for the whole financial year applied to the pre-tax income of the interim period and takes into consideration discrete items for €9 million, including notably uncertain tax positions updates. Due to negative pre-tax income, effective tax rate of the period is not meaningful: excluding the €(185) million PPA amortisation (see Note 3.6), effective tax rate is 25% as compared to 27% at 30 September 2022.

Despite the uncertainties created by the current macroeconomic context and based on its reasonable estimates, the visibility available and previous enlarged sensitivity analyses performed in March 2023 (see Note 1), Alstom has not identified any trigger event that would impact the recognition of deferred tax assets as at 30 September 2023.

NOTE 9. FINANCIAL STATEMENTS OF DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

9.1 Discontinued Operations

The line "Net profit from discontinued operations", recognised in the Interim Consolidated Income Statement, includes the reassessment of liabilities related to the disposal of previous activities. Over the half year ended 30 September 2023, Alstom recognised a non-material loss.

Cash flows related to the disposal of previous activities arising from discontinued operations for the half year amounts to €(5) million.

In the context of the General Electric transaction, the release of some conditional and unconditional parent company guarantees formerly issued, mainly by Alstom Holdings SA, to cover obligations of the former Energy affiliates amount of €4 billion. The Group benefits from a general indemnification from General Electric in these matters.

9.2 Assets held for sale - TMH Limited

TMH Limited, located in Cyprus, in which Alstom owns a 20% participation, is the holding company for TMH Group, the leading Russian railway equipment manufacturer.

Related to the current geopolitical context in Russia, on 14 September 2023, the Office of Foreign Assets Control (OFAC) of the US department of Treasury added JSC Transmashholding (TMH AO) to the Specially Designated

Nationals And Blocked Person (SDN) List. TMH AO is the Russian holding company of TMH Group and is 100% owned by TMH Limited.

In September 2023, the Group decided to sell its participation in TMH Limited. Alstom is in advanced discussions with the identified purchaser and will proceed with the sale within a short period of time.

The Group further assessed potential exposures arising from the new OFAC sanctions related to commercial contracts between the Alstom Group and entities of the TMH Group and its participation in two Joint Ventures with TMH Group, Railcomp BV and TMH-Alstom BV, located in the Netherlands. As a result of the assessment, no significant impact on the Group's consolidated financial statements was identified as the commercial contracts with TMH Limited Group and its related entities are suspended and the two Joint Venture entities are in the process of being liquidated.

Considering the decision taken by Alstom Group to sell its participation within TMH Limited, the net asset value previously accounted for as "Investments in joint-venture and associates" was reclassified to "asset held for sales", as per the below detail:

<i>(in € million)</i>	TMH Limited	
	At 30 September 2023	
Net equity value		363
Impairment (*)		(363)
Share in net assets of equity investments		-

(*) The full impairment position taken by the Group at the end of March 2022 considering the environment, and in particular the adoption of trade and financial sanctions, has been maintained at the end of September 2023.

As a reminder, the Currency Translation Adjustment (CTA) recognised directly in equity since the acquisition of TMH Ltd amounts to €(202) million at 30 September 2023, compared to €(202) million at 31 March 2023. At completion of the sale of the investment, the loss recorded in the CTA will be recognized in the net income of the Group, net of the proceeds of the sale.

NOTE 10. EARNINGS (LOSSES) PER SHARE

<i>(in € million)</i>	Half-year ended	
	At 30 September 2023	At 30 September 2022
Net Profit (Loss) attributable to equity holders of the parent:		
· From continuing operations	1	(16)
· From discontinued operations	-	(5)
EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	1	(21)

Half-year ended

<i>number of shares</i>	Half-year ended	
	At 30 September 2023	At 30 September 2022
Weighted average number of ordinary shares used to calculate basic earnings per share	381,764,027	374,123,810
Effect of dilutive instruments other than bonds reimbursable with shares:		
- Stock options and performance shares (LTI plan)	1,850,060	1,324,884
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES USED TO CALCULATE DILUTED EARNINGS PER SHARES	383,614,087	375,448,694

<i>(in €)</i>	Half-year ended	
	At 30 September 2023	At 30 September 2022
Basic earnings (losses) per share	0.00	(0.06)
Diluted earnings (losses) per share	0.00	(0.06)
Basic earnings (losses) per share from continuing operations	0.00	(0.05)
Diluted earnings (losses) per share from continuing operations	0.00	(0.05)
Basic earnings (losses) per share from discontinued operations	-	(0.01)
Diluted earnings (losses) per share from discontinued operations	-	(0.01)

E. NON-CURRENT ASSETS

NOTE 11. GOODWILL AND INTANGIBLE ASSETS

11.1 Goodwill

<i>(in € million)</i>	At 31 March 2023	Acquisition and adjustments on preliminary goodwill	Disposals	Translation adjustments and other changes	At 30 September 2023
GOODWILL	9,380	7	-	15	9,402
Of which:					
Gross value	9,380	7	-	15	9,402
Impairment	-	-	-	-	-

Goodwill impairment test

Goodwill is reviewed for impairment at least annually and whenever events or circumstances indicate that they might be impaired. Such events or circumstances are related to significant, unfavourable changes that are of a lasting nature and affect either the economic environment (i.e. inflation, geopolitical crises, market capitalisation decrease, etc) or the assumptions (i.e. contract execution, procurement, etc). An impairment loss is recognised when the recoverable value of the assets tested becomes lower than their carrying value.

Alstom disclosed preliminary financial information for its first half of fiscal year 2023/24, ending 30 September 2023, as well as an updated guidance regarding the full year 2023/24 (as per the press release dated 4 October 2023). Following this announcement, Alstom's share price has significantly decreased, leading to a market capitalisation lower

than the carrying amount of Alstom's net assets. As per IAS 36, this situation has been considered as a trigger event to reperform impairment test on goodwill as of September 2023.

Presentation of key assumptions used for the determination of recoverable amounts

The value in use is determined as the discounted value of future cash flows by using Group's internal cash flow projections for the next three years and the extrapolation of the two following years. As of September 2023, those cash flow projections correspond, for the first year, to the updated 2023/24 guidance and for the following years, to the Group's projections used for the mid-term guidance published in May 2023. Those assumptions are supported by current acceleration of rail market momentum, the high level of Group's backlog and commercial, profitability and cash generation assumptions. They are also confirmed by first half of fiscal year 2023/24 results: Book to bill ratio of 1, Sales organic growth of +9% and aEBIT Margin of +5.2%.

The value in use is mainly driven by the terminal value which is particularly sensitive to changes in the assumptions on the discount rate after tax, the long-term growth rate and the terminal value Adjusted EBIT margin (corresponding to the ratio "aEBIT" over Sales).

Alstom has opted for the inclusion of the share in net income of the equity-accounted investments into the aEBIT when these are considered to be part of the operating activities of the Group (because there are significant operational flows and/or common project execution with these entities). This mainly includes Chinese joint-ventures, namely CASCO, Alstom Sifang (Qingdao) Transportation Ltd, Jiangsu ALSTOM NUG Propulsion System Co. Ltd. (former Bombardier NUG Propulsion) and Changchun Changke Alstom Railway Vehicles Company Ltd.

The indicator "aEBIT" corresponds to Earning Before Interests and Tax adjusted with the following elements:

- net restructuring expenses (including rationalisation costs);
- tangibles and intangibles impairment;
- capital gains or loss/revaluation on investments disposals or controls changes of an entity;
- any other non-recurring items, such as some costs incurred to realise business combinations and amortisation of an asset exclusively valued in the context of business combination, as well as litigation costs that have arisen outside the ordinary course of business;
- and including the share in net income of the operational equity-accounted investments.

A non-recurring item is a "one-off" exceptional item that is not supposed to occur again in following years and that is significant.

The main assumptions used to assess the recoverable amounts of goodwill are as follows:

Net carrying amount of goodwill at 30 September 2023 (in € million)	9,402
Value elected as representative of the recoverable value	Value in use
Number of years over which cash flow estimates are available	3 years
Extrapolation period of cash flow estimates	2 years
Long-term growth rate at 30 September 2023	3.0%
Long-term growth rate at 31 March 2023	3.0%
After tax discount rate at 30 September (*)	9.5%
After tax discount rate at 31 March 2023 (*)	9.0%

(*) The application of pre-tax discount rates to pre-tax cash flows leads to the same valuation of Group Generating Units.

Discount rate is based on weighted average cost of capital (WACC) which is calculated for the Group based on a risk-free rate and a market risk premium. The current market assessment of the risks specific to Group activity is reflected by taking into account specific peer group information on industry beta, leverage and cost of debt. The parameters for calculating the discount rate are based on external sources of information.

The discount rate has been updated from 9.0% to 9.5% compared to March 2023 as a result of the combination of the increase in the risk free rates and the decrease in equity risk premium over the period.

The long-term growth rate has not changed since March 2023 because it remains consistent with current acceleration of rail market momentum confirmed by independent market studies and the positive evolution of the Group backlog which provides strong visibility over future revenues.

Sensitivity of the values in use to key assumptions can be presented as follows:

<i>(in € million)</i>		
aEBIT Margin in Terminal year	-25bp	+25bp
	(405)	405
After tax discount rate	-25bp	+25bp
	780	(722)
Long-term growth rate	-25bp	+25bp
	(588)	635

The current economic and political context creates uncertainties on business activities (namely inflation, increase of the price of certain commodities, energy, supply chain disruptions or electronic components shortage...). This led the Group to take those into consideration in the key assumptions as well as in the business plan used for the impairment test performed in the frame of the preparation of the Group's condensed interim consolidated financial statements, based on its best reasonable estimates and the visibility available for its operations at 30 September 2023.

The impairment tests confirmed that the recoverable amount comfortably exceeds its carrying value at 30 September 2023. Some enlarged sensitivity analyses were performed with regards to key assumptions, that would not change the conclusions of the impairment test. Namely, a (100) basis point change in the discount rate or in the long-term growth rate or in the Adjusted EBIT margin (versus the usual sensitivities disclosed in the table above), would lead to a recoverable amount still exceeding its carrying value at 30 September 2023.

11.2 Intangible assets

<i>(in € million)</i>	At 31 March 2023	Additions/ amortisation / impairment	Disposals	Other changes including translation adjustments	At 30 September 2023
Development costs	1,659	70	-	2	1,731
Other intangible assets	3,574	6	(3)	27	3,604
Gross value	5,233	76	(3)	29	5,335
Development costs	(1,230)	(50)	-	(2)	(1,282)
Other intangible assets	(1,397)	(182)	3	(12)	(1,588)
Amortisation and impairment	(2,627)	(232)	3	(14)	(2,870)
Development costs	429	20	-	-	449
Other intangible assets	2,177	(176)	-	15	2,016
NET VALUE	2,606	(156)	-	15	2,465

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

<i>(in € million)</i>	At 31 March 2023	Additions / amortisation / impairment	Disposals	Other changes including translation adjustments	At 30 September 2023
Land	281	-	-	3	284
Buildings	2,767	80	(6)	44	2,885
Machinery and equipment	2,064	15	(24)	21	2,076
Constructions in progress	280	86	-	(67)	299
Tools, furniture, fixtures and other	371	13	(5)	(2)	377
Gross value	5,763	194	(35)	(1)	5,921
Land	(12)	-	-	(1)	(13)
Buildings	(1,459)	(92)	6	9	(1,536)
Machinery and equipment	(1,519)	(59)	23	(2)	(1,557)
Constructions in progress	(2)	1	-	-	(1)
Tools, furniture, fixtures and other	(290)	(16)	5	2	(299)
Amortisation and impairment	(3,282)	(166)	34	8	(3,406)
Land	269	-	-	2	271
Buildings	1,308	(12)	-	53	1,349
Machinery and equipment	545	(44)	(1)	19	519
Constructions in progress	278	87	-	(67)	298
Tools, furniture, fixtures and other	81	(3)	-	-	78
NET VALUE	2,481	28	(1)	7	2,515

The commitments of fixed assets which are mainly composed of property, plant and equipment and intangible assets amount to €50 million at 30 September 2023 (compared to €31 million at 31 March 2023).

Right-of-Use

Property, Plant and Equipment balances include Right-of-Use related to Leased Assets for the following amounts:

<i>(in € million)</i>	At 31 March 2023	Additions / amortisation / impairment	Decrease (*)	Other changes of which translation adjustments	At 30 September 2023
Land	9	-	-	-	9
Buildings	716	76	(12)	(3)	777
Machinery and equipment	30	2	(1)	-	31
Tools, furniture, fixtures and other	57	7	(4)	-	60
Gross value	812	85	(17)	(3)	877
Land	(1)	-	-	(1)	(2)
Buildings	(276)	(50)	12	2	(312)
Machinery and equipment	(13)	(3)	1	1	(14)
Tools, furniture, fixtures and other	(27)	(8)	4	-	(31)
Amortisation and impairment	(317)	(61)	17	2	(359)
Land	8	-	-	(1)	7
Buildings	440	26	-	(1)	465
Machinery and equipment	17	(1)	-	1	17
Tools, furniture, fixtures and other	30	(1)	-	-	29
NET VALUE	495	24	-	(1)	518

(*) Decrease are included into the "Other changes including translation adjustments" flow of the Property, Plant and Equipment general table above.

NOTE 13. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Financial information

<i>(in € million)</i>	Share in equity		Share of net income	
	At 30 September 2023	At 31 March 2023	At 30 September 2023	At 30 September 2022
TMH Limited (*)	-	-	-	-
Alstom Sifang (Qingdao) Transportation Ltd	400	413	12	13
Other Associates	310	341	36	36
Associates	710	754	48	49
Jiangsu Alstom NUG Propulsion System Co. Ltd	178	190	2	10
SpeedInnov JV	81	94	(12)	(10)
Other Joint ventures	98	93	10	7
Joint ventures	357	377	-	7
TOTAL	1,067	1,131	48	56

(*) TMH Limited was reclassified to Assets held for sale (see Note 9.2)

Movements during the period

<i>(in € million)</i>	At 30 September 2023	At 31 March 2023
Opening balance	1,131	1,179
Share in net income of equity-accounted investments after impairment	48	112
Dividends	(106)	(114)
Acquisitions (*)	2	27
Translation adjustments and other	(8)	(74)
CLOSING BALANCE	1,067	1,131

(*) Mainly related to capital increase in Speed Innov joint venture in June 2022.

13.1 Alstom Sifang (Qingdao) Transportation LTD

The table below presents the management summarised financial information (at 100%) of Alstom Sifang (Qingdao) Transportation Ltd at 30 September 2023:

Balance sheet

<i>(in € million)</i>	AST Ltd At 30 September 2023	AST Ltd At 31 March 2023
Non-current assets	276	249
Current assets	1,178	1,151
TOTAL ASSETS	1,454	1,400
Equity-attributable to the owners of the parent company	702	725
Current liabilities	752	675
TOTAL EQUITY AND LIABILITIES	1,454	1,400
Equity interest held by the Group	50%	50%
NET ASSET	352	363
Goodwill	35	37
Other (*)	13	14
CARRYING VALUE OF THE GROUP'S INTERESTS	400	413

(*) Correspond to the fair value of acquired assets calculated at the time of the Bombardier Transportation's acquisition.

Income statement

<i>(in € million)</i>	AST Ltd Half year 30 September 2023	AST Ltd Half year 30 September 2022
Sales	292	140
Net income from continuing operations	24	26
Net income attributable to the owners of the parent company	24	26
Equity interest held by the Group	50%	50%
Share in the net income	12	13
Other items (*)	-	-
GROUP'S SHARE IN THE NET INCOME	12	13

(*) Correspond to the amortisation of the fair value of acquired assets calculated at the time of the Bombardier Transportation's acquisition.

13.2 Other associates

The Group's investment in other associates comprises investment in CASCO, held by the Group at 49%, for €158 million (of which €31 million of net profit), compared to €177 million (of which €60 million of net profit), at 31 March 2023, as well as other associates which are not significant on an individual basis. On aggregate, the net carrying value of Alstom's Investment represents €310 million as of 30 September 2023 (€341 million as of 31 March 2023).

NOTE 14. OTHER NON-CURRENT ASSETS

<i>(in € million)</i>	At 30 September 2023	At 31 March 2023
Financial non-current assets associated to financial debt (*)	109	119
Long-term loans, deposits and other (**)	430	450
Other non-current assets	539	569

(*) These non-current assets relate to a long-term rental of trains and associated equipment to a London metro operator (see Note 20).

(**) Including NMTC programs implementation (see Note 20) and the pre-paid assets on pension amounting to €249 million at September 2023 vs €316 million at 31 March 2023 (see Note 22).

F. WORKING CAPITAL

NOTE 15. WORKING CAPITAL

<i>(in € million)</i>	At 30 September 2023	At 31 March 2023	Variation
Inventories	4,216	3,729	487
Contract assets	5,369	4,533	836
Trade receivables	3,019	2,670	349
Other current operating assets / (liabilities)	(1,700)	(2,175)	475
Contract liabilities	(6,958)	(6,781)	(177)
Provisions	(2,157)	(2,221)	64
Trade payables	(4,223)	(3,640)	(583)
WORKING CAPITAL	(2,434)	(3,885)	1,451

<i>(in € million)</i>	Half-year ended at 30 September 2023
Working capital at the beginning of the period	(3,885)
Changes in working capital resulting from operating activities	1,392
Changes in working capital resulting from investing activities	(24)
Translation adjustments and other changes	83
Total changes in working capital	1,451
Working capital at the end of the period	(2,434)

15.1 Inventories

<i>(in € million)</i>	At 30 September 2023	At 31 March 2023
Raw materials and supplies	2,861	2,645
Work in progress	1,499	1,321
Finished products	198	174
Inventories, gross	4,558	4,140
Raw materials and supplies	(207)	(257)
Work in progress	(132)	(151)
Finished products	(3)	(3)
Write-down	(342)	(411)
Inventories, net	4,216	3,729

15.2 Net contract Assets/(Liabilities)

<i>(in € million)</i>	At 30 September 2023	At 31 March 2023	Variation
Cost to fulfil a contract	46	24	22
Contract assets	5,323	4,509	814
Total contract assets	5,369	4,533	836
Contract liabilities	(6,958)	(6,781)	(177)
Net contract Assets/(Liabilities)	(1,589)	(2,248)	659

Net contract Assets/(Liabilities) include down payments as well as, in some specific cases, progress payments received in exchange of irrevocable and unconditional payment undertakings issued by the customer. In those specific cases, such transactions are analysed as an advance payment received on behalf of the customer under the supply contract and they amount to €173 million at 30 September 2023 compared to €198 million at 31 March 2023.

15.3 Other current operating assets & liabilities

<i>(in € million)</i>	At 30 September 2023	At 31 March 2023
Down payments made to suppliers	178	230
Corporate income tax	73	61
Other taxes	598	548
Prepaid expenses	243	153
Other receivables	344	383
Derivatives relating to operating activities	846	682
Remeasurement of hedged firm commitments in foreign currency	744	671
Other current operating assets	3,026	2,728

<i>(in € million)</i>	At 30 September 2023	At 31 March 2023
Staff and associated liabilities	865	950
Corporate income tax	259	268
Other taxes (*)	513	831
Deferred income	3	2
Trade payables with extended payment terms	288	303
Other payables	1,450	1,439
Derivatives relating to operating activities	858	668
Remeasurement of hedged firm commitments in foreign currency	490	442
Other current operating liabilities	4,726	4,903

(*) At 31 March 2023, a one off effect was recorded due to the alignment of the VAT French law with the European VAT Directive according to which VAT is due on all the invoices made to customers including down payments and progress billings. VAT was collected in March 2023 and the corresponding payment has been made during the semester, explaining mainly the decrease of "Other taxes".

Over the period ended 30 September 2023, the Group entered into agreements of assignment of receivables that lead to the derecognition of tax receivables for an amount of €34 million. The total disposed amount outstanding at 30 September 2023 is €160 million compared to €159 million at 31 March 2023.

Bombardier Transportation negotiated extended payment terms of 210 to 240 days after delivery with certain of its suppliers, that have the possibility to early finance their receivables through a supply chain financing program supported by third parties. Those third parties are not committed, and suppliers have the right to return to original payment terms for future payables upon providing a minimum notice period. The Group considers that the balance of trade payables supported by the supply chain financing program does not have the nature of a financial debt as the extension of the payment terms are not contractually linked to the existence of the supply chain financing program. However, following IFRIC Update issued in December 2020, the Group decided to present the amounts of trade payables supported by the supply chain financing arrangement and exceeding regular payment terms on a dedicated line item of its balance sheet in the other current liabilities.

15.4 Provisions

<i>(in € million)</i>	At 31 March 2023	Additions	Releases	Applications	Translation adjustments and other	At 30 September 2023
Warranties	597	88	(42)	(36)	2	609
Risks on contracts	1,182	90	(48)	(134)	51	1,141
Current provisions	1,779	178	(90)	(170)	53	1,750
Tax risks & litigations	121	2	(25)	(2)	7	103
Restructuring	166	7	(2)	(21)	-	150
Other non-current provisions	155	6	(1)	(2)	(4)	154
Non-current provisions	442	15	(28)	(25)	3	407
Total Provisions	2,221	193	(118)	(195)	56	2,157

Provisions for warranties relate to estimated costs to be incurred over the residual contractual warranty period on completed contracts.

Provisions for risks on contracts relate to provisions on contract losses and to commercial disputes and operating risks.

In relation to uncertain tax treatments and tax risks, the Group tax filings are subject to audit by tax authorities in most jurisdictions in which the Group operates. These audits may result in assessment of additional taxes that are subsequently resolved with the authorities or potentially through the courts. The Group believes that it has strong arguments against the questions being raised, that it will pursue all legal remedies to avoid an unfavorable outcome and that it has adequately provided for any risk that could result from those proceedings where it is probable that it will pay some amounts. Following IFRIC 23 application in April 2019, it is reminded that liabilities for uncertainty over income tax treatments are now presented as tax liabilities on the line corporate income tax in the other current operating liabilities (see Note 15.3).

Restructuring provisions mainly derive from the adaptation of the means of production in certain countries, mainly Germany.

Other non-current provisions mainly relate to guarantees delivered or risks in connection with disposals, employee litigations, commercial disputes, and environmental obligations.

The management identifies and analyses on a regular basis current litigations and other risks, using its best estimate to assess, when necessary, provisions. These estimates take into account information available and different possible outcomes. Main disputes are described in Note 23.

G. EQUITY AND DIVIDENDS

NOTE 16. EQUITY

16.1 Capital

At 30 September 2023, the share capital of Alstom amounts to €2,690,037,476 consisting of 384,291,068 ordinary shares with a par value of €7 each. Over the period, the weighted average number of outstanding ordinary shares amounts to 383,614,087 after the effect of all dilutive instruments.

During the period ended 30 September 2023:

- 2,435,803 ordinary shares were issued under dividends;
- 611,086 ordinary shares were issued under long term incentive plans;
- 790,725 ordinary shares were issued under employee free shares plan "We Are Alstom 2021".

16.2 Currency translation adjustment

As at 30 September 2023, the currency translation group reserve amounts to €(588) million.

The currency translation adjustment, presented within the consolidated statement of comprehensive income for €(62) million, primarily reflects the effect of variations of the Canadian Dollar (€24 million), US Dollar (€18 million), British Pound (€15 million), Swiss Franc (€10 million), partially offset by Swedish Krona (€(10) million) and Chinese Yuan (€(10) million), against the Euro for the half-year ended 30 September 2023.

NOTE 17. DISTRIBUTION OF DIVIDENDS

The Combined Shareholders' Meeting, which took place on 11 July 2023, approved the dividend related to the 2022/23 fiscal year for an amount of €0.25 gross per share, and has decided to offer to each shareholder an option, for payment of such dividend to be made in cash or in new shares. The period to exercise the option ran from 19 July to 1 September 2023 included. At the end of the option period, 2,435,803 new shares were issued at a share price of €23.75 and amounted to €58 million. The cash dividend to be paid to the shareholders who did not elect to receive 2022/23 dividend in shares amounted to €37 million and the date for the payment was 7 September 2023.

H. FINANCING AND FINANCIAL RISK MANAGEMENT

NOTE 18. OTHER CURRENT FINANCIAL ASSETS

As at 30 September 2023, other current financial assets comprise the positive market value of derivatives instruments hedging financing activities.

<i>(in € million)</i>	At 30 September 2023	At 31 March 2023
Derivatives related to financing activities and others	59	65
OTHER CURRENT FINANCIAL ASSETS	59	65

NOTE 19. CASH AND CASH EQUIVALENTS

<i>(in € million)</i>	At 30 September 2023	At 31 March 2023
Cash	745	806
Cash equivalents	81	20
CASH AND CASH EQUIVALENT	826	826

In addition to bank open deposits classified as cash for €745 million, the Group invests in cash equivalents:

- Bank term deposits that can be terminated at any time with less than three months notification period for an amount of €79 million (€18 million at 31 March 2023);
- Euro money market funds for an amount of €2 million (€2 million at 31 March 2023) qualified as "monetary" or "monetary short-term" under the French AMF classification.

NOTE 20. FINANCIAL DEBT

<i>(in € million)</i>	At 31 March 2023	Cash movements	Non-cash movements	At 30 September 2023
		Net cash variation	Translation adjustments and other	
Bonds	2,631	-	1	2,632
Commercial paper program (NEU CP)	248	1,122	-	1,370
Bank debt & other financial debt (*)	102	75	67	244
Derivatives relating to financing activities	58	18	10	86
Accrued interests and Other(**)	14	-	-	14
Borrowings	3,053	1,215	78	4,346
Lease obligations (***)	645	(72)	87	660
Total financial debt	3,698	1,143	165	5,006

(*) Includes New Markets Tax Credit (NMTC) 7-year \$40 million loan (€37 million at end of September 2023) implemented during fiscal year 2021-2022 and covered by a 7-year deposit of \$29 million (€28 million at end of September 2023).

(**) Paid interests are disclosed in the net cash provided by operating activities part in the cash flow statement. Net interests paid and received amount to €(60) million and those related to lease obligations amount to €(9) million.

(***) Lease obligations include obligations under long-term rental representing liabilities related to lease obligations on trains and associated equipment for €109 million at 30 September 2023 and €119 million at 31 March 2023 (see Note 14).

The financial debt's variation over the period is mainly due to:

- The issuance of €1.1 billion Negotiable European Commercial Papers under the group NEU CP program bringing the level outstanding at 30 September 2023 to €1,370 million (from €248 million in March 2023);
- €141 million overdraft;

The following table summarizes terms of the Group's bond:

	Initial Nominal value (in € million)	Maturity date (dd/mm/yy)	Nominal interest rate	Effective interest rate	Accounting value at 30 September 2023	Market value at 30 September 2023
Alstom October 2026	700	14/10/2026	0.25%	0.38%	697	628
Alstom July 2027	500	27/07/2027	0.13%	0.21%	498	434
Alstom January 2029	750	11/01/2029	0.00%	0.18%	744	607
Alstom July 2030	700	27/07/2030	0.50%	0.62%	693	553
Total and weighted average rate			0.22%	0.35%	2,632	2,222

NOTE 21. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The main categories of financial assets and financial liabilities of the Group and Financial Risk Management are identical to those described in the consolidated financial statements at 31 March 2023.

Revolving Credit Facility

In addition to its available cash and cash equivalents, amounting to €826 million at 30 September 2023, Alstom benefits from strong liquidity through short term lines. The facilities available at 30 September 2023 for the Group are made of:

- €1.75 billion short term Revolving Credit Facility maturing in January 2026;
- €2.5 billion Revolving Credit Facility maturing in January 2028.

These two facilities have a one-year extension option remaining at lenders' discretion and are undrawn at 30 September 2023.

The €2.5 billion Revolving Credit Facility serves as a back-up of the Group €2.5 billion NEU CP program in place. Considering the €1,370 million of Negotiable European Commercial Papers outstanding and €141 million overdraft, the remaining liquidity available at 30 September 2023 reached €3.6 billion.

Commercial obligations

Contractual obligations of the Group towards its customers may be guaranteed by bank bonds or insurance bonds. Bank and insurance bonds may guarantee liabilities already recorded on the balance sheet as well as contingent liabilities.

To issue these bonds, the Group relies on both uncommitted bilateral lines in numerous countries and a €12.7 billion Committed Guarantee Facility Agreement ("CGFA") with sixteen tier one banks allowing issuance until 22 July 2025 of bonds with tenors up to 7 years. This bilateral line contains a change of control clause, which may result in the program being suspended, in the obligation to procure new bonds to replace outstanding bonds or to provide cash collateral.

At 30 September 2023, the total outstanding bonding guarantees related to contracts from continuing operations, issued by banks or insurance companies, amounted to €26.4 billion (€26.2 billion at 31 March 2023). The available amount under the Committed Guarantee Facility Agreement at 30 September 2023 amounts to €5.4 billion (€5.3 billion at 31 March 2023).

I. POST-EMPLOYMENT AND OTHER LONG-TERM DEFINED EMPLOYEE BENEFITS**NOTE 22. POST-EMPLOYMENT AND OTHER LONG-TERM DEFINED EMPLOYEE BENEFITS**

The net liability on post-employment and on other long-term employee defined benefits is calculated using the latest valuation at the previous financial year closing date. Adjustments of actuarial assumptions are performed on main contributing areas (United Kingdom, Germany, France, Switzerland, Sweden, Canada, and the US) if significant fluctuations or one-time events have occurred during the 6 months period. The fair value of main plan assets was reviewed at 30 September 2023.

Discount rates for main geographic areas (weighted average rates)

<i>(en %)</i>	At 30 September	
	2023	At 31 March 2023
United Kingdom	5.70	4.95
Euro Zone	4.02	3.67
North America	5.73	5.04
Other	2.56	2.78

Movements of the period

At 30 September 2023, the net provision for post-employment benefits amounts to €(657) million (made up of €249 million of prepaid assets and other employee benefit costs (see Note 14) and €(906) million accrued pension and other employee benefit costs) compared with €(607) million at 31 March 2023 (made up of €316 million of prepaid assets and other employee benefit costs (see Note 14) and €(923) million accrued pension and other employee benefit costs). The variation of actuarial gains and losses arising from post-employment defined benefit plans recognised in the Other comprehensive income amounts to €(52) million for the half-year ended 30 September 2023 mainly due to negative unbalanced evolution between decrease of fair value of plan assets and positive evolution of discount rates by geographic areas.

Other variations in the period ended 30 September 2023 mainly arose from service costs related to defined benefits that are consistent with costs incurred in the previous period, and with projections estimated in actuarial valuations performed at 31 March 2023.

J. CONTINGENT LIABILITIES AND DISPUTES

NOTE 23. DISPUTES

23.1 Disputes in the Group's ordinary course of business

The Group is engaged in several legal proceedings, mostly contract-related disputes that have arisen in the ordinary course of business. These disputes, often involving claims for contract delays or additional work, are common in the areas in which the Group operates, particularly for large long-term projects. In some cases, the amounts, which may be significant, are claimed against the Group, sometimes jointly with its consortium partners.

In some proceedings the amount claimed is not specified at the beginning of the proceedings. Amounts retained in respect of these litigations are taken into account in the estimate of margin at completion in case of contracts in progress or included in provisions and other current liabilities in case of completed contracts when considered as reliable estimates of probable liabilities. Actual costs incurred may exceed the amount of initial estimates because of a number of factors including the inherent uncertainties of the outcome of litigation.

23.2 Disputes outside the Group's ordinary course of business

Asbestos

Some of the Group's subsidiaries are subject to civil proceedings in relation to the use of asbestos in France essentially as well as in Spain, in the United Kingdom and in the United States of America. In France, these proceedings are initiated by certain employees or former employees suffering from an occupational disease in relation to asbestos with the aim of obtaining a court decision allowing them to obtain a supplementary compensation from the French Social Security funds. In addition, employees and former employees of the Group not suffering from an asbestos related occupational disease have started lawsuits before the French courts with the aim of obtaining compensation for damages in relation to their alleged exposure to asbestos, including the specific anxiety damage.

The Group believes that the cases where it may be required to bear the financial consequences of such proceedings do not represent a material exposure. While the outcome of the existing asbestos-related cases cannot be predicted with reasonable certainty, the Group believes that these cases would not have any material adverse effect on its financial condition.

Alleged anti-competitive activities

Brazil

In July 2013, the Brazilian Competition Authority ("CADE") raided a number of companies involved in transportation activities in Brazil, including the subsidiaries of Alstom and Bombardier Transportation, following allegations of anti-competitive practices. After a preliminary investigation stage, CADE notified in March 2014 the opening of an administrative procedure against several companies, of which the Alstom's and Bombardier Transportation's subsidiaries in Brazil, and certain current and former employees of the Group.

CADE ruled in July 2019 a financial fine of BRL 133 million (approximately €25 million) on Alstom's subsidiary in Brazil as well as a ban to participate in public procurement bids in Brazil conducted by the Federal, State, and Municipal Public Administration over a period of 5 years. In parallel, CADE applied a financial penalty of BRL 23 million (approximately €4 million) on Bombardier Transportation's subsidiary in Brazil (there is no ban to participate in public procurement bids in Brazil).

In September and December 2020, both Alstom and Bombardier Transportation's subsidiaries in Brazil filed a civil lawsuit before the Brasilia civil court aiming at suspending and ultimately cancelling the July 2019 ruling. Both subsidiaries obtained an injunction to suspend the effects of the administrative ruling until a final judgment is issued on the merits.

The public prosecutor of the State of Sao Paulo launched in May 2014 a civil action against the Group's subsidiaries in Brazil, along with a number of other companies, for a total amount asserted against all companies of BRL 2.5 billion (approximately €465 million) excluding interests and possible damages in connection with a transportation project.

In December 2014, the public prosecutor of the State of Sao Paulo also initiated a lawsuit against Alstom's subsidiaries in Brazil, along with a number of other companies (including now Bombardier Transportation's local subsidiary) related to alleged anti-competitive practices regarding the first phase of a train maintenance project, and in the last quarter of 2016, regarding a second phase of the said maintenance project.

The Group's subsidiaries are actively defending themselves against these two actions.

In case of proven illicit practices, possible sanctions can include the cancellation of the relevant contracts, the payment of damage compensation, the payment of punitive damages and/or the dissolution of the Brazilian subsidiaries involved.

Italy

On 23 June 2020, a series of searches and arrests have been carried out by the Milan police under instructions of the Milan Prosecution Office as part of a preliminary investigation into alleged bribes and bid-rigging in connection with public tenders for Azienda Transporte Milanese ("ATM"), the municipal public transport company and operator of the Milan Subway. The investigation concerns at least seven companies and 28 individuals, including three current employees and one former employee of Alstom Ferroviaria S.p.A (the "Alstom Italy employees").

The Prosecution Office alleges that the Alstom Italy employees engaged in bid-rigging under Article 353 of the Italian Criminal Code, including colluding with an employee of ATM, to obtain confidential technical information in order to secure an undue advantage in the tender process for a 2019 contract for the Milan subway. Alstom did not ultimately submit a bid in respect of this contract.

Alstom Ferroviaria S.p.A. is also subject to investigation regarding alleged violation of Legislative Decree No. 231/2001 ("Decree 231/2001") for not having implemented (or not having efficiently applied) a system of control capable to avoid the commission by its employees of corruption. A company may only be held liable under Decree 231 if the criminal misconduct of its employees is established. In such a case, a company may seek to defend itself from corporate liability under Decree 231/2001 by showing that it had adopted and effectively implemented an organizational model (known as a "Modello") to prevent misconduct and established an independent supervisory body (known as an "organismo di vigilanza") to oversee compliance with the Modello. Alstom Ferroviaria S.p.A. has adopted a Modello and has established an "organismo di vigilanza".

Alstom is conducting an internal investigation into the allegations discussed above in coordination with external counsel and has taken certain interim measures in response to the allegations of the Prosecution Office, in particular by suspending one of its employees of Alstom Ferroviaria S.p.A.

In August 2022, the Prosecution Office determined (i) withdrawal of the bribery charges against Alstom Ferroviaria S.p.A. and the individuals and (ii) is seeking for indictment of two former and two current employees of Alstom Ferroviaria S.p.A for bid rigging. The judge of Preliminary Investigations is now to decide on such determinations.

In November 2022, ATM and the Milan Municipality joined the proceedings as offended parties ("costituzione di parte civile").

Spain

The Spanish Competition Authority ("CNMC") opened a formal procedure end of August 2018 in connection with alleged irregularities in public tenders with the Spanish Railway Infrastructures Administrator ("ADIF") against eight competing companies active in the Spanish signaling market including Bombardier European Investments, S.L.U (BEI) and its parent company Bombardier Transportation (Global Holding) UK Limited, and Alstom Transporte SA and its parent Alstom SA. The inclusion of the parent company is typical of European competition authorities at the early stage of the proceedings. No Alstom or Bombardier managers were included in the file. In September 2020, the companies obtained access to the Statement of Objections in which the CNMC discloses the evidence gathered against the various

participants in the alleged cartel in the Spanish signaling market. Both Alstom and Bombardier have submitted their defense paper rejecting all of CNMC allegations on the basis of absence of evidence. The Sub-directorate of the CNMC submitted a Proposed Resolution end of March 2021 which both Alstom and Bombardier rejected. Both companies submitted their defence to the Council of the CNMC.

The Council of the CNMC ruled in September 2021 a financial fine of €22 million and €3.7 million on Alstom's subsidiary and Bombardier Transportation's subsidiary in Spain respectively. The Council also ruled a ban to participate in public procurement bids in Spain. The scope and duration of the ban to participate in public procurement both for Alstom's and Bombardier Transportation's subsidiaries in Spain remain to be set by the State Public Procurement Advisory Board (Junta Consultiva de Contratación Pública del Estado).

On 29 November and 7 December 2021 Alstom's subsidiary and Bombardier Transportation's subsidiary in Spain respectively lodged an appeal against this ruling of the Council of the CNMC before the National High Court ("Audiencia Nacional"). The Group believes that the grounds of appeal are solid. On 23 September 2022, Alstom's subsidiaries in Spain filed their respective statement of claim under the appeal proceedings.

In parallel to these appeals, Alstom's and Bombardier Transportation's subsidiaries in Spain have respectively requested to the National High Court, as an interim measure, to suspend the implementation of the Council ruling regarding (i) the payment of the financial fine and (ii) the prohibition to tender in public procurement bids in Spain. On the 1 and on the 14 February 2022 respectively, the National High Court accepted both requests for interim measures and granted such suspension.

Pending investigations which relate to Bombardier Transportation

The matters described in this section relate to historical conduct involving Bombardier Transportation that occurred prior to Alstom's acquisition.

Bombardier Transportation is the subject of an audit of the World Bank Integrity Vice Presidency and is participating in several investigations relating to allegations of corruption including by the Swedish Prosecution authority, the Special Investigation Unit (SIU) and National Prosecuting Authority (NPA) in South Africa and the DOJ.

With respect to these above-mentioned matters, Alstom and/or Bombardier Inc. are cooperating with the concerned authorities or institutions. These investigations or procedures may result in criminal sanctions, including fines which may be significant, exclusion of Group's subsidiaries from tenders and third-party actions. In this context, Alstom has obtained a number of contractual protections in the acquisition of Bombardier Transportation to mitigate potential risks.

The matter under investigation by the Swedish authorities, the World Bank and the U.S. Department of Justice (DOJ) (cf. details below) is in relation to a 2013 contract for the supply of equipment and services to Azerbaijan Railways in the amount of approximately \$340 million (principally financed by the World Bank) awarded to a bidding consortium composed of Bombardier Transportation's Sweden's subsidiary (BT Sweden), a Russian Bombardier Transportation affiliate (with third party shareholders) and a third party (the "ADY Contract"). Ownership of the affiliate was subsequently transferred to an entity well established in the Russian and CIS market with which BT Sweden had a historical relationship, and an affiliate of which had been added post-bid approval as a project sub-contractor. There remains uncertainty as to the services provided by these entities in return for some of the payments they received.

Sweden

The Swedish authorities commenced an investigation in relation to the ADY Contract in 2016, and in 2017 filed charges against the former head of Sales, North Region, RCS, BT Sweden (the "former BTS employee") for aggravated bribery, and alternatively, influence trafficking. The authorities alleged that the former BTS employee had contacts and correspondence with a representative of the third-party member of the consortium who was also employed by Azerbaijan railways during the bidding period with a view towards illicitly influencing the outcome of the tender.

After a trial, the former BTS employee was acquitted on both counts in 2017. The authorities appealed the decision and as of today only the aggravated bribery charge is pending. Although no charges have been filed against BT Sweden to date, the Swedish authorities are investigating other former BT Sweden employees and made mutual legal assistance treaty requests to authorities in numerous jurisdictions.

The Swedish authorities concluded investigations on another former BT Sweden employee and filed charges. In December 2021, the Swedish Court issued a decision acquitting the former BTS employee. The authorities appealed such decision. This former BTS employee was acquitted in Appeal in May 2023.

World Bank

The World Bank audited the ADY Contract and in 2018 the World Bank's Integrity Vice Presidency ("INT") issued a strictly confidential show cause letter which was leaked. The letter outlines INT's position regarding alleged collusion, corruption and fraud in the ADY Contract and obstruction of the INT's investigation. The audit could result in some form of debarment of Bombardier Transportation and BT Sweden from bidding on contracts financed by the World Bank for a number of years.

U.S. Department of Justice - DOJ

On 10 February, 2020, the DOJ notified Bombardier that it had opened an investigation. The DOJ has made information requests since March 2020 to Bombardier Inc. regarding the ADY Contract and may be doing so in the near term in relation to other projects in CIS countries. The DOJ has also made information requests regarding contracts with Transnet (cf. below South-Africa and Project related litigation- South-Africa) and a Bombardier Transportation South Africa signaling contract with the Passenger Rail Agency of South Africa (PRASA).

South Africa

Bombardier Transportation South Africa's contract to supply locomotives to Transnet Freight Rail is one of the matters among numerous other matters under investigation by the judicial commission of inquiry into allegations of State Capture (the "Zondo Commission"), by the Special Investigation Unit in South Africa ("SIU"), and by the National Prosecuting Authority ("NPA").

Alstom and Transnet engaged in commercial negotiations which resulted in the signature of a settlement agreement in August 2023 with Transnet and co-signed by the SIU. This settlement requires formal validation by the State Court (cf. below Project execution related litigation – South Africa).

Project execution related litigation

CR-1 Marmaray railway infrastructure – Turkey

In March 2007, the Turkish Ministry of Transport (DLH) awarded the contract to upgrade approximately 75 km of railway infrastructure in the Istanbul region, known as the “Marmaray Commuter Rail Project (CR-1)” to the consortium Alstom Dogus Marubeni (AMD), of which Alstom Transport’s main French subsidiary is a member. This project, which included works on the transcontinental railway tunnel under the Bosphorus, has undergone significant delays mainly due to difficulties for the DLH to make the construction site available. Thus, the AMD consortium terminated the contract in 2010. This termination was challenged by DLH, who thereafter called the bank guarantees issued by the consortium up to an amount of approximately €80 million. Following injunctions, the payment of such bank guarantees was forbidden, and the AMD consortium immediately initiated an arbitration procedure to resolve the substantive issues. The arbitral tribunal has decided in December 2014 that the contract stands as terminated by virtue of Turkish law and has authorized the parties to submit their claims for compensation of the damages arising from such termination.

The set off of the various amounts awarded by the tribunal to both parties after more than ten years of proceedings resulted, in a net amount, after set-off, of €27.4 million payable by the AMD consortium to DLH. AMD partners paid their respective proportionate share to the Ministry (Alstom share being €8.5 million) during the summer of 2021. Bonds were released and the case is therefore closed subject to the process of release of counter-guarantees respectively issued by AMD’s partners which is ongoing.

On the other hand, through arbitration request notified on 29 September 2015, Marubeni Corporation launched proceedings against Alstom Transport SA taken as consortium leader in order to be compensated for the consequences of the termination of the contract with AMD. In a similar fashion, through arbitration request issued on 15 March 2016, the other consortium member Dogus launched proceedings against Alstom Transport SA with similar demands and a request to have the disputes between consortium members consolidated in a single case. Alstom Transport SA is rejecting these compensation requests and is defending itself in these proceedings between consortium members which, while having gone through a consolidation in a single case, have however been suspended by the arbitral tribunal pending the outcome of the main arbitral proceedings between AMD and DLH. In October 2018, Dogus applied for interim measures to clarify certain aspects of the consortium agreement and this request was rejected by the arbitral tribunal on account of the suspension. In January 2021, Dogus filed an application to resume arbitration proceedings while Alstom filed a successful application seeking an order of payment according to partners’ net proportionate shares (see above). In accordance with the timetable defined by the case management team, Dogus and Marubeni filed their respective statements of claims on 30 September 2021 and Alstom submitted its defense and counterclaims on 14 February 2022. On 28 April 2022, the arbitral tribunal issued an order to close the document production phase of the proceedings. On 9 September 2022 and on 13 February 2023, Dogus and Marubeni filed their respective replies and statements of defense to Alstom’s counterclaims and their rejoinder to which Alstom responded on 30 November 2022 and on 20 February 2023 by filing its rejoinder and reply on counterclaims. The arbitral tribunal hearing started on 20 March and ended on 29 March 2023, following which a final decision on the dispute is expected before the end of 2023.

Regional Minuetto trains & high-speed Pendolino trains – Italy

Alstom Transport's subsidiary in Italy is involved in two litigation proceedings with the Italian railway company Trenitalia. One is related to a supply contract of regional Minuetto trains awarded in 2001 (the "Minuetto case"), and the other to a supply contract of high-speed Pendolino trains awarded in 2004 (the "Pendolino case"). Each of these contracts has undergone technical issues and delays leading the Trenitalia company to apply delay and technical penalties and, consequently, to withhold payments. Since the parties dispute certain technical matters as well as the causes and responsibilities of the delays, the matter was brought before Italian courts in 2010 and 2011 respectively. In the Minuetto case on 26 June 2019, the Court of Cuneo issued its decision, which Alstom after careful and detailed analysis considered to be wrong for various legal reasons. On 24 January 2020 Alstom appealed, and on 12 May 2020 Trenitalia counter appealed, the decision before the Court of Appeal of Turin. Proceedings took place and on 24 December 2021 ALSTOM received the Court of Appeal's decision. The Court of Appeal notably (i) rejected Alstom's request to order supplementary technical expertise and (ii) did not recognize Alstom's economic dependence vis-à-vis Trenitalia, which led consequently to the rejection of Alstom's request to have the penalties clause declared null, as opposed to the first-degree decision. However, the Court of Appeal confirmed the first-degree decision regarding (i) the amount of the penalties due to Trenitalia and (ii) the fact that Trenitalia could not obtain the corresponding payment based on procedural grounds. On 21 June 2022, Alstom appealed the decision by filing a recourse to the Supreme Court to which Trenitalia responded by filing its defense and a counter recourse on 1 August 2022. The preliminary decision of the Filter Section ("Sezione Filtro") of the Supreme Court, that shall be limited to the admissibility of the recourse, is not expected before end of 2023.

In the Pendolino case, the technical expertise report was released, and Alstom has obtained certain corrections following its challenge on some of the conclusions of the report. After the closing of the expertise phase the proceedings continued their path on the legal aspects of the dispute. The tribunal rendered in March 2019 a decision acknowledging that a significant part of the delays was not attributable to Alstom and therefore reduced a large portion of the delay damages claimed by Trenitalia. The tribunal also rejected the reliability penalties claimed by Trenitalia while accepting certain of its residual damage compensation requests. Finally, the tribunal accepted Alstom's claims linked to contract price adjustment formula while rejecting some of its other cost compensation claims. Alstom appealed the decision on 7 October 2019. On 15 January 2020 Trenitalia filed its defense and counter-appeal. After postponement of the initial date the Court of Appeal of Rome fixed the first hearing to 30 September 2022 during which the parties to the dispute summarized their respective positions. The Court of Appeal of Rome ordered Alstom and Trenitalia to file (i) their final briefs on 29 November 2022 and (ii) their respective reply to the other party's final briefs on 19 December 2022. On 10 January 2023 the Court of Appeal of Rome issued its decision that was notified to Alstom on 22 February 2023. The Court of Appeal confirmed the ruling of the first-degree judgment in favour of Alstom in its entirety except for the recognition of the economic dependence of Alstom vis-à-vis Trenitalia. Alstom filed a recourse before the Supreme Court against this decision.

In April 2023 Alstom filed a recourse before the Supreme Court against this decision, to which Trenitalia responded by filing its defense and a counter recourse on 31 May 2023.

Saturno – Italy

Following a dispute within a consortium involving Alstom's subsidiary in Italy and three other Italian companies, the arbitral tribunal constituted to resolve the matter has rendered in August 2016 a decision against Alstom by awarding €22 million of damage compensation to the other consortium members. Alstom's subsidiary strongly contests this decision and considers that it should be able to avoid its enforcement and thus prevent any damage compensation payment. On 30 November 2016, Alstom's subsidiary filed a motion in the Court of Appeals of Milan to obtain the

cancellation of the arbitral award. On 1 December 2016, Alstom's subsidiary filed an ex parte motion for injunctive relief to obtain the suspension of the arbitral award pending the outcome of the appeal proceedings, which was temporarily accepted by the Court. After a phase of hearings in contradictory proceedings on the request for suspension of the arbitral award, the Court of Appeal of Milan decided on 3 March 2017 in favor of Alstom's subsidiary by confirming definitively the suspension of this arbitration decision pending the outcome of the proceedings relating to the cancellation of such decision. The Court of Appeal of Milan ruled on the merits in March 2019 in favour of the Alstom's subsidiary and cancelled the arbitration award of August 2016 including the €22 million of damage compensation. The members of the consortium (excluding Alstom) appealed the decision of the Court of Appeal of Milan on 19 October 2019. On 27 November 2019 Alstom filed its defense and counter-appeal. The parties are still waiting for a decision on the admissibility of the recourse, to be given by the so-called "Filter Section" of the Supreme Court.

The Supreme Court considered admissible the recourse and on 25 July 2023 notified to the parties that the hearing to discuss the case will be held on 9 November 2023 by giving a deadline to 30 October 2023 for the parties to file their briefs.

South-Africa

On 17 March 2014, Bombardier Transportation South Africa (BTSA) entered into a locomotive supply agreement with Transnet for the supply of 240 electric locomotives (LSA). The LSA is part of Transnet's 1064 locomotive project concluded between Transnet and four Original Equipment Manufacturers including BTSA.

On 9 March 2021, Transnet and the Special Investigating Unit (SIU), alleging unlawfulness and irregularities in the procurement process and subsequent award of the 1064 locomotive project, launched review application proceedings in the High Court of South Africa (High Court) for, amongst other things, the review and setting aside of the respective LSA's concluded with the four Original Equipment Manufacturers including BTSA. The relief sought by Transnet as it relates to BTSA includes: (i) the review and setting aside of the LSA concluded between BTSA and Transnet on 17 March 2014; (ii) that Transnet be entitled to retain the locomotives delivered by BTSA; and (iii) that BTSA be ordered to make restitution to Transnet of the advance payments and profit and/or excess profit earned in the supply of the locomotives.

On 13 April 2021, the court case team ordered Transnet to provide a properly constituted record of decision (ROD), the ROD being a critical element of Transnet's review application, following the four Original Equipment Manufacturers respective complaints addressing the incompleteness of such ROD filed by Transnet. On 17 July 2021 Transnet submitted a revised ROD to the High Court the completeness of which was again challenged by Alstom (BTSA) end of August 2021.

In parallel, on 2 September 2021 two of the Original Equipment Manufacturers filed an interlocutory motion to dismiss in its entirety the review application, such motion being based on Transnet's and SIU's respective failure to bring such review application in due course. This interlocutory motion has been challenged by Transnet requesting the High Court, via an interlocutory application filed on 15 December 2021, to set it aside. The High Court dismissed the two Original Equipment Manufacturers' interlocutory motion on 12 April 2022. The two Original Equipment Manufacturers brought further procedural applications that remain to be ruled upon by the High Court prior to the setting of the date for the submission of the responding affidavits by the four Original Equipment Manufacturers.

These proceedings are at an early stage and the Group is unable, at this stage, to predict their consequences. These matters are also a subject of the investigation by the DOJ, Zondo Commission and the NPA as referenced above.

Acquisition of Bombardier Transportation – Arbitration Proceedings

With respect to the acquisition of Bombardier Transportation (“BT”), completed on 29 January 2021, Alstom identified various breaches by Bombardier Inc. (“BI”) of its obligations as Seller under the Memorandum of Understanding dated 17 February 2020 (amended and restated on 30 March 2020) and the Sale and Purchase Agreement dated 26 September 2020 (amended on 28 January 2021).

On 15 April 2022, Alstom filed a request for arbitration against BI with the International Chamber of Commerce (in accordance with the Parties’ agreements). Alstom’s claims against BI concern breaches of the interim covenants in force prior to completion, breaches of warranty, and claims related to the calculation of the final purchase price. Notably, Alstom contends that BI’s actions prior to completion wrongfully increased the purchase price paid by Alstom and that BI’s breaches of various obligations caused further losses to Alstom. On 24 June 2022, BI filed its answer to the request for arbitration, denying Alstom’s claims and advancing counterclaims. As to the counterclaims specifically, BI alleges that Alstom attempted to minimise the price it would have to pay to BI at completion in breach of contractual and non-contractual obligations, which is denied by Alstom.

The arbitral tribunal was constituted by the International Chamber of Commerce on 26 August 2022. In October 2022, the tribunal established a procedural timetable leading to an evidentiary hearing in late 2025. On 3 March 2023, Alstom filed its full Statement of Claim. On 27 October 2023, BI filed its full Statement of Defence and Counterclaim. The parties will file additional submissions and evidence during 2024 and 2025, with an evidentiary hearing scheduled for late 2025.

Sale of Alstom’s Energy Businesses in November 2015

Finally, it shall be noted that, by taking over Alstom’s Energy Businesses in November 2015, General Electric undertook to assume all risks and liabilities exclusively or predominantly associated with said businesses and in a symmetrical way, Alstom undertook to keep all risks and liabilities associated with the non-transferred business. Cross-indemnification for a duration of 30 years and asset reallocation (“wrong pocket”) mechanisms have been established to ensure that, on the one hand, assets and liabilities associated with the Energy businesses being sold are indeed transferred to General Electric and on the other hand, assets and liabilities not associated with such businesses are borne by Alstom. As a result, the consequences of litigation matters that were on-going at the time of the sale and associated with these transferred activities are taken over by General Electric. Indemnity provisions protect Alstom in case of third-party claims directed at Alstom and relating to the transferred activities. For this reason and since Alstom no longer manages these litigation matters, Alstom is ceasing to include them in this section.

There are no other governmental, legal or arbitration procedures, including proceedings of which the Group is aware, and which are pending or threatening, which might have, or have had during the last twelve months, a significant impact on the financial situation or profitability of the Group.

K. OTHER NOTES**NOTE 24. RELATED PARTIES**

There are no material changes in related-party transactions between 31 March 2023 and 30 September 2023.

NOTE 25. SUBSEQUENT EVENTS**25.1 Moody's Investors Service rating**

On 12 October 2023, the credit rating agency Moody's Investors Service has decided to confirm Alstom's Baa3 long-term issuer rating. It has lowered its credit outlook to Negative from Stable.

25.2 New liquidity line

On the 31 October 2023, the Group has signed a new €2.25 billion liquidity line with a 1st tier international bank as a further step to demonstrate the financial flexibility of Alstom. This facility is not subject to financial covenant and its maturity is October 2024 with two six-month extensions at borrowers' discretion.

25.3 Project of savings plan to reduce overhead costs

Announcement on Tuesday, November 14 by Alstom management to the European staff representative body of a proposed savings plan to reduce overhead costs representing close to 10% of total S&A positions (around 1,500 FTE reduction).

NOTE 26. SCOPE OF CONSOLIDATION

PARENT COMPANY	Country	Ownership	Consolidation Method
ALSTOM SA	France	-	Parent Company
Companies			
ALSTOM Algérie "Société par Actions"	Algeria	100	Full consolidation
ALSTOM Grid Algérie SPA	Algeria	100	Full consolidation
ALSTOM Argentina S.A.	Argentina	100	Full consolidation
ALSTOM Transport (Customer Support) Australia Pty Limited	Australia	100	Full consolidation
ALSTOM Transport (V/Line) Australia Pty Limited	Australia	100	Full consolidation
ALSTOM Transport Australia Holdings Pty Limited	Australia	100	Full consolidation
ALSTOM Transport Australia Pty Limited	Australia	100	Full consolidation
NOMAD DIGITAL PTY LTD	Australia	100	Full consolidation
ALSTOM Transport Austria GmbH	Austria	100	Full consolidation
ALSTOM Transport Azerbaijan LLC	Azerbaijan	100	Full consolidation
ALSTOM Belgium SA	Belgium	100	Full consolidation
CABLIANCE BELGIUM	Belgium	100	Full consolidation
NOMAD DIGITAL BELGIUM	Belgium	100	Full consolidation
ALSTOM Brasil Energia e Transporte Ltda	Brazil	100	Full consolidation
ALSTOM Holdings LP	Canada	100	Full consolidation
ALSTOM Investments GP Inc.	Canada	100	Full consolidation
ALSTOM Investments GP Manitoba Inc.	Canada	100	Full consolidation
ALSTOM Transport Canada Inc.	Canada	100	Full consolidation
ALSTOM Transport Canada Participation Inc.	Canada	100	Full consolidation
ALSTOM Western Pacific Enterprises Electrical Installation General Partnership	Canada	51	Full consolidation
ALSTOM Chile S.A.	Chile	100	Full consolidation
ALSTOM Investment Company Limited	China	100	Full consolidation
ALSTOM Investment Management and Consulting (Beijing) Co., Ltd.	China	100	Full consolidation
ALSTOM Qingdao Railway Equipment Co., Ltd.	China	51	Full consolidation
ALSTOM Transportation (Engineering Service) Beijing Co., Ltd.	China	100	Full consolidation
ALSTOM Transportation Railway Equipment (Qingdao) Co., Ltd.	China	100	Full consolidation
BOMBARDIER RAILWAY TRANSPORTATION EQUIPMENT (SHANGHAI) CO., LTD.	China	100	Full consolidation
BOMBARDIER TRANSPORTATION CONSULTING (SHANGHAI) CO., LTD.	China	100	Full consolidation
Chenqdu ALSTOM Transport Electrical Equipment Co., Ltd. (CATEE)	China	60	Full consolidation
SHANGHAI ALSTOM Transport Electrical Equipment Company Ltd	China	60	Full consolidation
TRANSLOHR INDUSTRIAL (TIANJIN) CO. LTD	China	100	Full consolidation
XI'AN ALSTOM YONGJI ELECTRIC EQUIPMENT CO., LTD	China	51	Full consolidation
ALSTOM Hong Kong Ltd	China	100	Full consolidation
ALSTOM Transportation China Limited	China	100	Full consolidation
ALSTOM Transportation Colombia S.A.S.	Colombia	100	Full consolidation
ALSTOM Czech Republic a.s.	Czech Republic	98	Full consolidation
ALSTOM Transport Danmark A/S	Denmark	100	Full consolidation
ALSTOM Transport Danmark Hvidovre A/S	Denmark	100	Full consolidation

ALSTOM Transport Danmark NT Maintenance ApS	Denmark	100	Full consolidation
NOMAD DIGITAL (DENMARK) APS	Denmark	100	Full consolidation
NOMAD DIGITAL APS	Denmark	100	Full consolidation
ALSTOM Eqypt for Transport Projects SAE	Eqypt	99	Full consolidation
ALSTOM Monorail Egypt for Contracting Works LLC	Egypt	100	Full consolidation
AREVA INTERNATIONAL EGYPT FOR ELECTRICITY TRANSMISSION & DISTRIBUTION	Egypt	100	Full consolidation
BOMBARDIER TRANSPORTATION ETHIOPIA PLC	Ethiopia	100	Full consolidation
ALSTOM Transport (Helsinki) Finland Oy	Finland	100	Full consolidation
ALSTOM Transport Finland Oy	Finland	100	Full consolidation
ALSTOM APTIS	France	100	Full consolidation
ALSTOM Crespin SAS	France	100	Full consolidation
ALSTOM Executive Management	France	100	Full consolidation
ALSTOM Flertex SAS	France	100	Full consolidation
ALSTOM Holdings	France	100	Full consolidation
ALSTOM Hydroqène SAS	France	100	Full consolidation
ALSTOM Ibre	France	100	Full consolidation
ALSTOM Kleber Sixteen	France	100	Full consolidation
ALSTOM Leroux Naval	France	100	Full consolidation
ALSTOM Network Transport	France	100	Full consolidation
ALSTOM Omega 1	France	100	Full consolidation
ALSTOM Omega 2	France	100	Full consolidation
ALSTOM Shipworks	France	100	Full consolidation
ALSTOM Transport SA	France	100	Full consolidation
CENTRE D'ESSAIS FERROVIAIRES	France	96	Full consolidation
ETOILE KLEBER	France	100	Full consolidation
INTERINFRA (COMPAGNIE INTERNATIONALE POUR LE DEVELOPPEMENT D'INFRASTRUCTURES)	France	50	Full consolidation
LORELEC	France	100	Full consolidation
NOMAD DIGITAL FRANCE	France	100	Full consolidation
STATIONONE	France	100	Full consolidation
ALSTOM Bahntechnologie Holding Germany GmbH	Germany	100	Full consolidation
ALSTOM Drives GmbH	Germany	100	Full consolidation
ALSTOM Lokomotiven Service GmbH	Germany	100	Full consolidation
ALSTOM Signal GmbH	Germany	100	Full consolidation
ALSTOM Transport Deutschland GmbH	Germany	100	Full consolidation
ALSTOM Transportation Germany GmbH	Germany	100	Full consolidation
NOMAD DIGITAL GMBH	Germany	100	Full consolidation
VGT VORBEREITUNGSGESELLSCHAFT TRANSPORTTECHNIK GMBH	Germany	100	Full consolidation
J&P AVAX SA - ETETH SA - ALSTOM TRANSPORT SA	Greece	34	Full consolidation
ALSTOM Hungary Kft.	Hungary	100	Full consolidation
ALSTOM Transport Hungary Zrt.	Hungary	100	Full consolidation
ALSTOM Transport India Limited	India	100	Full consolidation
MADHEPURA ELECTRIC LOCOMOTIVE PRIVATE LIMITED	India	74	Full consolidation
NOMAD DIGITAL (INDIA) PRIVATE LIMITED	India	70	Full consolidation
TWENTY ONE NET (INDIA) PRIVATE LTD	India	100	Full consolidation

PT ALSTOM Transport Indonesia	Indonesia	67	Full consolidation
ALSTOM Khadamat S.A.	Iran	100	Full consolidation
ALSTOM Transport Ireland Ltd	Ireland	100	Full consolidation
ALSTOM Israel Ltd.	Israel	100	Full consolidation
ALSTOM Ferroviaria S.p.A.	Italy	100	Full consolidation
ALSTOM Services Italia S.p.A.	Italy	100	Full consolidation
NOMAD DIGITAL ITALIA S.R.L.	Italy	100	Full consolidation
ALSTOM Métro d'Abidjan	Ivory Coast	100	Full consolidation
ALSTOM Kazakhstan LLP	Kazakhstan	100	Full consolidation
EKZ Service Limited Liability Partnership	Kazakhstan	100	Full consolidation
ELECTROVOZ KURASTYRU ZAUYYTY LLP	Kazakhstan	100	Full consolidation
ALSTOM Baltics SIA	Latvia	100	Full consolidation
ALSTOM Transport Systems (Malaysia) Sdn. Bhd. (formerly: BOMBARDIER (MALAYSIA) SDN. BHD.)	Malaysia	100	Full consolidation
ALSTOM Holding Mauritius Ltd.	Mauritius	100	Full consolidation
ALSTOM Mauritius Ltd.	Mauritius	100	Full consolidation
ALSTOM Ferroviaria Mexico, S.A. de C.V.	Mexico	100	Full consolidation
BT ENSAMBLES MÉXICO, S. DE R.L. DE C.V.	Mexico	100	Full consolidation
BT MÉXICO CONTROLADORA, S. DE R.L. DE C.V.	Mexico	100	Full consolidation
BT PERSONAL MÉXICO, S. DE R.L. DE C.V.	Mexico	100	Full consolidation
ALSTOM Railways Maroc	Morocco	100	Full consolidation
BOMBARDIER TRANSPORT MAROC S.A.S	Morocco	100	Full consolidation
ALSTOM Global Holding SE	Netherlands	100	Full consolidation
ALSTOM Holdings Netherlands B.V.	Netherlands	100	Full consolidation
ALSTOM Netherlands B.V.	Netherlands	100	Full consolidation
ALSTOM Traction B.V.	Netherlands	100	Full consolidation
ALSTOM Vastgoed B.V.	Netherlands	100	Full consolidation
NOMAD DIGITAL B.V.	Netherlands	100	Full consolidation
ALSTOM Rail Transportation New Zealand Limited	New Zealand	100	Full consolidation
AT NIGERIA LIMITED	Nigeria	100	Full consolidation
ALSTOM Enio ANS	Norway	100	Full consolidation
ALSTOM Transport Norway AS	Norway	100	Full consolidation
ALSTOM Panama, S.A.	Panama	100	Full consolidation
ALSTOM Transport Peru S.A.	Peru	100	Full consolidation
ALSTOM (SHARED SERVICES) PHILIPPINES, INC.	Philippines	100	Full consolidation
ALSTOM Transport Construction Philippines, Inc	Philippines	100	Full consolidation
BOMBARDIER TRANSPORTATION PHILIPPINES, INC.	Philippines	100	Full consolidation
ALSTOM Polska Spolka Akcyjna	Poland	100	Full consolidation
ALSTOM Ferroviária Portugal, S.A.	Portugal	100	Full consolidation
NOMAD TECH, LDA.	Portugal	51	Full consolidation
ALSTOM GSS Romania S.R.L.	Romania	100	Full consolidation
ALSTOM Transport SA.	Romania	93	Full consolidation
ALSTOM Transport Rus LLC	Russian Federation	100	Full consolidation
RESOURCE TRANSPORTATION LLC	Russian Federation	100	Full consolidation
ALSTOM Arabia Transportation Limited	Saudi Arabia	100	Full consolidation
ALSTOM Transport (Holdings) Systems Singapore Pte. Ltd.	Singapore	100	Full consolidation
ALSTOM Transport (S) Pte Ltd	Singapore	100	Full consolidation

ALSTOM Transport Systems (Singapore) Pte. Ltd.	Singapore	100	Full consolidation
ALSTOM Rolling Stock SA Pty Ltd	South Africa	74	Full consolidation
ALSTOM Southern Africa Holdings (Pty) Ltd	South Africa	100	Full consolidation
ALSTOM Transport Holdings SA (Pty) Ltd	South Africa	100	Full consolidation
ALSTOM Ubunye (Pty) Ltd	South Africa	100	Full consolidation
BOMBELA ELECTRICAL AND MECHANICAL WORKS (PTY) LTD.	South Africa	90	Full consolidation
BOMBELA MAINTENANCE (PTY) LTD.	South Africa	90	Full consolidation
GIBELA RAIL TRANSPORT CONSORTIUM (PTY) LTD	South Africa	70	Full consolidation
ALSTOM Korea Transport Ltd	South Korea	100	Full consolidation
ALSTOM ATEINSA, SA	Spain	100	Full consolidation
ALSTOM Movilidad, S.L.	Spain	100	Full consolidation
ALSTOM Transporte, S.A.	Spain	100	Full consolidation
AMETIS INGENIERÍA Y ASESORÍA TÉCNICA, S.L.	Spain	100	Full consolidation
ALSTOM Holding Sweden AB	Sweden	100	Full consolidation
ALSTOM Rail Sweden AB	Sweden	100	Full consolidation
ALSTOM Transport AB	Sweden	100	Full consolidation
ALSTOM Transport Information Systems AB	Sweden	100	Full consolidation
ALSTOM Transportation (Signal) Sweden AB	Sweden	100	Full consolidation
ALSTOM Transportation (Signal) Sweden HB	Sweden	67	Full consolidation
ALSTOM Network Schweiz AG, ALSTOM Network Switzerland Ltd, ALSTOM Network Suisse SA	Switzerland	100	Full consolidation
ALSTOM Schienenfahrzeuge AG	Switzerland	100	Full consolidation
ALSTOM Schweiz AG, ALSTOM Suisse SA, ALSTOM Switzerland Ltd.	Switzerland	100	Full consolidation
ALSTOM Transport Solutions (Taiwan) Ltd.	Taiwan	100	Full consolidation
ALSTOM (Thailand) Ltd.	Thailand	100	Full consolidation
ALSTOM Holdings (Thailand) Ltd.	Thailand	100	Full consolidation
ALSTOM Transport (Thailand) Co., Ltd.	Thailand	100	Full consolidation
ALSTOM T&T Ltd	Trinidad and Tobago	100	Full consolidation
ALSTOM Ulasim Anonim Sirketi	Turkey	100	Full consolidation
ALSTOM Signalling, Limited Liability Company	Ukraine	100	Full consolidation
ALSTOM (Investment) UK Limited	United Kingdom	100	Full consolidation
ALSTOM (Litchurch) Limited	United Kingdom	100	Full consolidation
ALSTOM Academy for Rail	United Kingdom	100	Full consolidation
ALSTOM Electronics Limited	United Kingdom	100	Full consolidation
ALSTOM Engineering and Services Limited	United Kingdom	100	Full consolidation
ALSTOM Network UK Ltd	United Kingdom	100	Full consolidation
ALSTOM NL Service Provision Ltd.	United Kingdom	100	Full consolidation
ALSTOM Product and Services Limited	United Kingdom	100	Full consolidation
ALSTOM Transport Service Ltd	United Kingdom	100	Full consolidation
ALSTOM Transport UK (Holdings) Ltd	United Kingdom	100	Full consolidation
ALSTOM Transport UK Limited	United Kingdom	100	Full consolidation
ALSTOM Transportation (Global Holding) UK Limited	United Kingdom	100	Full consolidation
ALSTOM UK CIF Trustee Limited	United Kingdom	100	Full consolidation
ALSTOM UK Pension Trustee Limited	United Kingdom	100	Full consolidation
ALSTOM UK VP Pension Trustee Limited	United Kingdom	100	Full consolidation
CROSSFLEET LIMITED	United Kingdom	100	Full consolidation
INFRASIG LTD.	United Kingdom	100	Full consolidation

NOMAD DIGITAL (INDIA) LIMITED	United Kingdom	70	Full consolidation
NOMAD DIGITAL LIMITED	United Kingdom	100	Full consolidation
NOMAD HOLDINGS LIMITED	United Kingdom	100	Full consolidation
PRORAIL LIMITED	United Kingdom	100	Full consolidation
SOUTH EASTERN TRAIN MAINTENANCE LTD.	United Kingdom	100	Full consolidation
WEST COAST SERVICE PROVISION LIMITED	United Kingdom	100	Full consolidation
WEST COAST TRAINCARE LIMITED	United Kingdom	100	Full consolidation
ALSKAW LLC	United States of America	100	Full consolidation
ALSTOM Mass Transit Corp.	United States of America	100	Full consolidation
ALSTOM Signaling Inc.	United States of America	100	Full consolidation
ALSTOM Signaling Operation, LLC	United States of America	100	Full consolidation
ALSTOM Transit LLC	United States of America	100	Full consolidation
ALSTOM Transport Holding US Inc.	United States of America	100	Full consolidation
ALSTOM Transport Services Inc.	United States of America	100	Full consolidation
ALSTOM Transport USA Inc.	United States of America	100	Full consolidation
ALSTOM Transportation Inc.	United States of America	100	Full consolidation
AUBURN TECHNOLOGY, INC.	United States of America	100	Full consolidation
B&C TRANSIT INC.	United States of America	100	Full consolidation
NOMAD DIGITAL, INC	United States of America	100	Full consolidation
SOUTHERN NEW JERSEY RAIL GROUP L.L.C.	United States of America	100	Full consolidation
ALSTOM Venezuela, S.A.	Venezuela	100	Full consolidation
ALSTOM Transport Vietnam Ltd	Vietnam	100	Full consolidation
ONxpress Transportation Partners Inc.	Canada	25	Joint Operation
BTREN MANTENIMIENTO FERROVIARIO S.A.	Spain	51	Joint Operation
IRVIA MANTENIMIENTO FERROVIARIO, S.A.	Spain	51	Joint Operation
THE ATC JOINT VENTURE	United Kingdom	38	Joint Operation
CITAL	Algeria	49	Equity Method
EDI RAIL - ALSTOM Transport (Maintenance) Pty Limited	Australia	50	Equity Method
EDI RAIL - ALSTOM Transport Pty Limited	Australia	50	Equity Method
NGR HOLDING COMPANY PTY LTD.	Australia	10	Equity Method
NGR PROJECT COMPANY PTY LTD.	Australia	10	Equity Method
GRUPE PMM OPERATIONS AND MAINTENANCE G.P. / GROUPE PMM OPÉRATIONS ET MAINTENANCE S.E.N.C.	Canada	50	Equity Method
TRANSED O&M PARTNERS GENERAL PARTNERSHIP	Canada	60	Equity Method
TRANSED PARTNERS GENERAL PARTNERSHIP	Canada	10	Equity Method
ALSANEO L7 SPA	Chile	50	Equity Method
ALSTOM Sifang (Qingdao) Transportation Ltd.	China	50	Equity Method

BOMBARDIER NUG SIGNALLING SOLUTIONS COMPANY LIMITED	China	50	Equity Method
BOMBARDIER TRANSPORTATION EQUIPMENT (SUZHOU) CO.,	China	50	Equity Method
CASCO SIGNAL LTD	China	49	Equity Method
CHANGCHUN CHANGKE ALSTOM RAILWAY VEHICLES COMPANY LTD.	China	50	Equity Method
CRRP PUZHEN ALSTOM TRANSPORTATION SYSTEMS LIMITED	China	50	Equity Method
GUANGXI LIUZHOU PUZHEN ALSTOM TRANSPORTATION SYSTEM CO., LTD.	China	50	Equity Method
GUANGZHOU CHANGKE ALSTOM RAIL TRANSIT EQUIPMENT COMPANY LTD	China	50	Equity Method
Jiangsu ALSTOM NUG Propulsion System Co Ltd.	China	50	Equity Method
SHANGHAI ALSTOM Transport Company Limited	China	40	Equity Method
SHENTONG ALSTOM (SHANGHAI) RAIL TRANSIT VEHICLE COMPANY LIMITED	China	50	Equity Method
TRANSMASHHOLDING LIMITED(*)	Cyprus	20	Equity Method
ORA L15	France	20	Equity Method
SPEEDINNOV	France	75	Equity Method
LLP JV KAZELEKTROPRIVOD	Kazakhstan	50	Equity Method
SMART TECHNOLOGY ALMATY COM TOO(*)	Kazakhstan	20	Equity Method
TOO PROMMASHKOMPLEKT(*)	Kazakhstan	10	Equity Method
TOO R.W.S. WHEELSET(*)	Kazakhstan	20	Equity Method
TMHS (or "TMXC")(*)	Mongolia	20	Equity Method
MALOCO GIE	Morocco	70	Equity Method
RAILCOMP BV(*)	Netherlands	60	Equity Method
TMH-ALSTOM BV(*)	Netherlands	60	Equity Method
RAIL ENGINEERING SP. Z O.O.	Poland	60	Equity Method
AM-TEKH(*)	Russian Federation	20	Equity Method
AVIS OOO(*)	Russian Federation	17	Equity Method
CENTR PLANIROVANIYA I UPRAVLENIYA MTR OOO (in Russian) MTR PLANNING AND MANAGEMENT CENTER LLC (in English)(*)	Russian Federation	20	Equity Method
CORPORATE UNIVERSITY OF LOCOMOTIVE TECHNOLOGIES (Non- Profit Organization of Additional Professional Education)(*)	Russian Federation	20	Equity Method
DEMIKHOVSKY MASHINOSTROITELNY ZAVOD OAO(*)	Russian Federation	20	Equity Method
DIESEL-INSTRUMENT SPB LLC(*)	Russian Federation	10	Equity Method
DIMICROS OAO(*)	Russian Federation	10	Equity Method
DOL BRIGANTINA LLC(*)	Russian Federation	17	Equity Method
ELTK-URAL LLC(*)	Russian Federation	10	Equity Method
ENERGODRIVE OOO(*)	Russian Federation	10	Equity Method
IVSK OOO(*)	Russian Federation	12	Equity Method
IZD TMH LLC(*)	Russian Federation	19	Equity Method
KOLOMENSKY ZAVOD OAO(*)	Russian Federation	19	Equity Method
KOLOMNA ENERGO DIESEL LLC(*)	Russian Federation	19	Equity Method
LAZUR OOO(*)	Russian Federation	17	Equity Method
LLC ALMETA(*)	Russian Federation	17	Equity Method
LLC PLAVA(*)	Russian Federation	17	Equity Method
LOCOTECH GLOBAL TRADING(*)	Russian Federation	20	Equity Method
LOCOTECH-FOUNDRY PLANTS(*)	Russian Federation	15	Equity Method
LOCOTECH-KOMPOSIT LLC(*)	Russian Federation	8	Equity Method

LOCOTECH-LEASING(*)	Russian Federation	15	Equity Method
LOCOTECH-PROMSERVICE(*)	Russian Federation	20	Equity Method
LOCOTECH-SERVICE(*)	Russian Federation	20	Equity Method
METROVAGONMASH OAO(*)	Russian Federation	17	Equity Method
METROVAGONMASH SERVICE LLC(*)	Russian Federation	17	Equity Method
MONTAZHNAYA BAZA OAO(*)	Russian Federation	2	Equity Method
NO TIV ZAO(*)	Russian Federation	16	Equity Method
NOVOCHERKASSKY ELEKTROVOZOSTROITELNY ZAVOD PROIZVODSTVENNAY KOMPANIYA OOO(*)	Russian Federation	20	Equity Method
OKHOTRESURS LLC(*)	Russian Federation	20	Equity Method
OKTYABRSKY ELEKTROVAGONOREMONTNY ZAVOD OAO(*)	Russian Federation	15	Equity Method
OSTIUM LLC(*)	Russian Federation	17	Equity Method
OVK TMH ZAO(*)	Russian Federation	20	Equity Method
PENZADIESELMASH OAO(*)	Russian Federation	15	Equity Method
PENZENSKIYE DIESELNIYE DVGATELY LLC(*)	Russian Federation	20	Equity Method
PO BEZHITSKAYA STAL OAO(*)	Russian Federation	12	Equity Method
PROFIL LLC(*)	Russian Federation	13	Equity Method
RAILCOMP LLC(*)	Russian Federation	60	Equity Method
RAZVITIYE OOO(*)	Russian Federation	20	Equity Method
REKOLD AO(*)	Russian Federation	7	Equity Method
RIVITSA OOO(*)	Russian Federation	17	Equity Method
SALVEO OOO(*)	Russian Federation	20	Equity Method
SAPFIR OOO(*)	Russian Federation	20	Equity Method
STAGNUM LLC(*)	Russian Federation	17	Equity Method
STERZH OOO(*)	Russian Federation	17	Equity Method
TMH ENERGY SOLUTIONS LLC(*)	Russian Federation	15	Equity Method
TMH ENGINEERING ASIA LLC(*)	Russian Federation	10	Equity Method
TMH ENGINEERING LLC(*)	Russian Federation	20	Equity Method
TMH FINANCE LLC(*)	Russian Federation	20	Equity Method
TMH INVESTMENTS LLC(*)	Russian Federation	20	Equity Method
TMH PRO LLC(*)	Russian Federation	20	Equity Method
TMH TECHNOLOGIE LLC(*)	Russian Federation	20	Equity Method
TMH-ELECTROTEKH LLC(*)	Russian Federation	20	Equity Method
TMH-LOCOMOTIVY AO(*)	Russian Federation	20	Equity Method
TMH-PTR LLC(*)	Russian Federation	20	Equity Method
TMHS LOKALIZATSIYA LLC(*)	Russian Federation	10	Equity Method
TORGOVY DOM TMH ZAO (in Russian) / TRADE HOUSE TMH JSC (in English)(*)	Russian Federation	20	Equity Method
TRAMRUS LLC(*)	Russian Federation	60	Equity Method
TRANSCONVERTER LLC(*)	Russian Federation	13	Equity Method
TRANSHOLDLEASING AO(*)	Russian Federation	4	Equity Method
TRANSMASH OAO(*)	Russian Federation	12	Equity Method
TRANSMASHHOLDING AO(*)	Russian Federation	20	Equity Method
TRTRANS LLC(*)	Russian Federation	60	Equity Method
TSENTR PERSPEKTIVNYKH TECHNOLOGIY TMH LLC(*)	Russian Federation	20	Equity Method
TVER-SAFARI LLC(*)	Russian Federation	17	Equity Method
TVERSKOY VAGONOSTROITELNY ZAVOD OAO(*)	Russian Federation	17	Equity Method

TZENTR PERSPEKTIVNYKH TEKNOLOGIY TMH LLC(*)	Russian Federation	20	Equity Method
UPRAVLYAUSCHAYA KOMPANIYA BRYANSKY MASHINOSTROITELNY ZAVOD ZAO(*)	Russian Federation	20	Equity Method
VOSKHOD LLC(*)	Russian Federation	9	Equity Method
VSEROSSIYSKY NAUCHNO-ISSLEDOVATELSKY I PROEKTNO-KONSTRUKTORSKY INSTITUT ELEKTROVOZOSTROENIYA OAO(*)	Russian Federation	13	Equity Method
YUZHDIIESELMASH OAO(*)	Russian Federation	1	Equity Method
ZAVOD AIT(*)	Russian Federation	7	Equity Method
ZENTROSVARMASH OAO(*)	Russian Federation	20	Equity Method
ZHELDORREMMASH(*)	Russian Federation	15	Equity Method
ZTOV LLC(*)	Russian Federation	3	Equity Method
BOMBELA TKC (PROPRIETARY) LIMITED	South Africa	25	Equity Method
ISITHIMELA RAIL SERVICES (PTY) LTD.	South Africa	50	Equity Method
EK EISENBAHNKOMONENTEN AG(*)	Switzerland	20	Equity Method
FIRST LOCOMOTIVE HOLDING AG	Switzerland	15	Equity Method
LUGANSKTEPLOVOZ OAO(*)	Ukraine	15	Equity Method
TRANSMASH EAST TRAIN TRADING LLC(*)	United Arab Emirates	20	Equity Method
ABC ELECTRIFICATION LTD	United Kingdom	33	Equity Method
LAX INTEGRATED EXPRESS SOLUTIONS HOLDCO, LLC	United States of America	10	Equity Method
LAX INTEGRATED EXPRESS SOLUTIONS, LLC	United States of America	10	Equity Method
V/LINE MAINTENANCE PTY LTD	Australia	100	Non consolidated investment
RTA RAIL TEC ARSENAL FAHRZEUGVERSUCHSANLAGE GMBH	Austria	44	Non consolidated investment
4iTEC 4.0	France	11	Non consolidated investment
AIRE URBAINE INVESTISSEMENT	France	4	Non consolidated investment
CADEMCE SAS (en liquidation judiciaire)	France	16	Non consolidated investment
CAMPUS CYBER	France	3	Non consolidated investment
COMPAGNIE INTERNATIONALE DE MAINTENANCE - C.I.M.	France	1	Non consolidated investment
EASYMILE	France	13	Non consolidated investment
ESPACE DOMICILE SA HABITAT LOYER MODERE	France	1	Non consolidated investment
FRAMECA - FRANCE METRO CARACAS	France	26	Non consolidated investment
MOBILITE AGGLOMERATION REMOISE SAS	France	17	Non consolidated investment
OC'VIA CONSTRUCTION	France	12	Non consolidated investment
OC'VIA MAINTENANCE	France	12	Non consolidated investment
RESTAURINTER	France	35	Non consolidated investment
SOCIÉTÉ CONCESSIONNAIRE DU TRANSPORT SUR VOIE RÉSERVÉE DE L'AGGLOMÉRATION CAENNAISE (S.T.V.R) S.A	France	39	Non consolidated investment
SOCIÉTÉ D'ÉCONOMIE MIXTE LOCALE LE PHÉNIX THÉÂTRE DE VALENCIENNES	France	1	Non consolidated investment
SOCIETE IMMOBILIERE DE VIERZON	France	1	Non consolidated investment
SUPERGRID INSTITUTE SAS	France	3	Non consolidated investment
VALUTECH S.A.	France	1	Non consolidated investment
IFB INSTITUT FÜR BAHNTECHNIK GMBH	Germany	7	Non consolidated investment
PARTNER FÜR BERLIN HOLDING GESELLSCHAFT FÜR HAUPTSTADT-MARKETING MBH	Germany	1	Non consolidated investment
PARS SWITCH	Iran	1	Non consolidated investment
CYLUS CYBER SECURITY LTD.	Israel	9	Non consolidated investment

CONSORZIO ELIS PER LA FORMAZIONE PROFESSIONALE	Italy	0	Non consolidated investment
CRIT SRL	Italy	1	Non consolidated investment
METRO 5 SPA	Italy	9	Non consolidated investment
TRAM DI FIRENZE S.p.A.	Italy	9	Non consolidated investment
SUBURBANO EXPRESS, S.A. DE C.V.	Mexico	11	Non consolidated investment
IDEON S.A.	Poland	0	Non consolidated investment
INWESTSTAR S.A.	Poland	0	Non consolidated investment
KOLMEX SA	Poland	2	Non consolidated investment
KRAKOWSKIE ZAKLADY AUTOMATYKI S. A.	Poland	12	Non consolidated investment
NORMETRO ACE AGRUPAMENTO DO METROPOLITANO DO PORTO	Portugal	25	Non consolidated investment
FIRST LOCOMOTIVE COMPANY LLC	Russian Federation	15	Non consolidated investment
ALBALI SEÑALIZACIÓN, S.A.	Spain	12	Non consolidated investment
TRAMVIA METROPOLITA DEL BESOS SA	Spain	21	Non consolidated investment
TRAMVIA METROPOLITA, S.A.	Spain	24	Non consolidated investment
ARGENTINE CLUB LIMITED	United Kingdom	1	Non consolidated investment
TRAMLINK NOTTINGHAM (HOLDINGS) LIMITED	United Kingdom	13	Non consolidated investment
WHEREISMYTRANSPORT LIMITED	United Kingdom	3	Non consolidated investment
MASSACHUSETTS BAY COMMUTER RAILROAD COMPANY, LLC	United States of America	20	Non consolidated investment

(*) Subsidiaries of TMH Limited., consolidated within Alstom financial statements by equity method.

Report of independent auditors on the half-year financial information

PricewaterhouseCoopers Audit
63, rue de Villiers
92200 Neuilly-sur-Seine

MAZARS
61, rue Henri Regnault
92075 Paris La Défense

STATUTORY AUDITORS' REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION

(Period from 1 April 2023 to 30 September 2023)

This is a free translation into English of the Statutory Auditors' review report on the interim 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.

To the Shareholders,
ALSTOM SA
48 rue Albert Dhalenne
93400 Saint-Ouen-sur-Seine
France

In compliance with the assignment entrusted to us by your Shareholder's 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 interim consolidated financial statements of Alstom SA, for the period from 1 April 2023 to 30 September 2023;
- the verification of the information presented in the interim management report.

These condensed interim 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.

I. Conclusion on the financial statements

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

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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim 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.

II. Specific verification

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

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

Neuilly-sur-Seine and Paris La Défense, November 17, 2023

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit

MAZARS

Edouard Cartier

Cédric Haaser

Daniel Escudeiro

Jean-Luc Barlet

Responsibility statement of the person responsible for the half-year financial report

STATEMENT BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT*

I hereby certify that, to the best of my knowledge, the condensed consolidated financial statements of ALSTOM (the “Company”) for the first half-year of fiscal year 2023/24 have been prepared under generally accepted accounting principles and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company and of all entities included in its scope of consolidation, and that the half-year management report included herein presents a true and fair review of the main events which occurred in the first six months of the fiscal year and their impact on the condensed accounts, as well as the main transactions between related parties and a description of the main risks and uncertainties for the remaining six months of the fiscal year.

Saint-Ouen-sur-Seine, on 14 November 2023,

Original signed by

Henri Poupart-Lafarge

Chairman and Chief Executive Officer

** This is a free translation of the statement signed and issued in French language by the Chairman and Chief Executive Officer of the Company and is provided solely for the convenience of English-speaking readers.*