GROUPE GORGÉ

2021

UNIVERSAL REGISTRATION DOCUMENT

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2021 Universal Registration Document

INCLUDING ANNUAL FINANCIAL REPORT

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Universal Registration Document was filed on 15 April 2022 with the French Financial Markets Authority (*Autorité des marchés financiers* – AMF) as the competent authority pursuant to EU Regulation No. 2017/1129, without prior approval in accordance with article 9 of said regulation. The Universal Registration Document can be used for the purpose of an offer of securities to the public or the admission of securities to trading on a regulated market if it is accompanied by a securities note and, where applicable, a summary and all the modifications made to the Universal Registration Document. The entire document is approved by the AMF in accordance with Regulation (EU) No. 2017/1129.

INCORPORATED BY REFERENCE

In application of article 19 of Regulation (EU) 2017/1129, the following items are incorporated by reference in this Universal Registration Document:

- for the financial year ended 31 December 2020: the management report, the consolidated and separate financial statements and the corresponding Statutory Auditors' reports are included in the Universal Registration Document filed with the AMF on 7 April 2021 (file number D.21-0267). This document does not incorporate XBRL tags;
- for the financial year ended 31 December 2019: the management report, the consolidated financial statements and individual financial statements and the corresponding Statutory Auditors' reports are included in the registration Document filed with the AMF on 15 April 2020 (file number D.20-0297). This document does not incorporate XBRL tags.

Copies of this Universal Registration Document are available free of charge at the Company's registered office at 30 rue de Gramont, 75002 Paris, upon request to the Company, on the website www.groupe-gorge.com and on the AMF website at www.amf-france.org.

The information provided on the www.groupe-gorge.com website and accessed *via* the hypertext links on page 152 of this Universal Registration Document, with the exception of any information incorporated by reference, does not constitute part of this Universal Registration Document. Accordingly, this information has neither been reviewed nor approved by the AMF.

The Universal Registration Document is a reproduction of the official version of the Universal Registration Document which has been established in XHTML format and is available on the website of the issuer Groupe Gorgé, www.groupe-gorge.com.

MESSAGE FROM

RAPHAËL GORGÉ, THE CHAIRMAN & CEO

Dear Shareholders,

GROUPE GORGÉ took major steps to strategically refocus and simplify its activities in 2021, with the distribution of most of its PRODWAYS GROUP shares to its shareholders and the plan to withdraw from certain Engineering and Protection Systems division activities. These operations, combined with the strong growth in operating income, are transforming the Group's profitability profile.

The progress made in refocusing activities demonstrates the ability of the teams to quickly and successfully execute the strategic plan. Thanks to the simplification of its activities, GROUPE GORGÉ now has greater clarity and a better profitability profile. The clear focus on the Drones & Systems business (through ECA Group) positions GROUPE GORGÉ as a recognized specialist in the field of autonomous robotics and integrated systems. The transformation will continue in 2022 with the merger between ECA Group and iXblue in order to create a French technological champion.

GROUPE GORGÉ's financial performance improved significantly in 2021, both in terms of revenue growth (+21% organic growth) and profitability (+50% operating income). This significant improvement is mainly due to strategic refocusing on growth and high-margin activities and the withdrawal from less profitable activities.

Non-financial performance is also improving, with progress in all Environmental, Social and Governance areas. This performance was rewarded by non-financial rating agencies. For the first time, GROUPE GORGÉ joined the Gaïa-Index, which identifies the 70 most virtuous French SMEs and mid-sized companies in terms of non-financial performance. This increase is expected to continue in the coming years thanks to the setting of targets and the increasing involvement of all GROUPE GORGÉ teams, supported by the Board of Directors.

Raphaël Gorgé
Chairman and Chief Executive Officer

2021 KEY FIGURES

REVENUE
€178 MILLION
+21% ON A LIKE-FOR-LIKE SCOPE

EMPLOYEES
1,280

BACKLOG
€540 MILLION

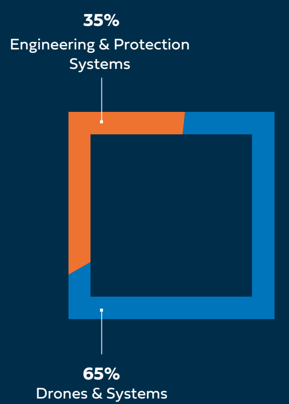
CURRENT EBITDA [1]
€30 MILLION

NET DEBT [2]
€80 MILLION

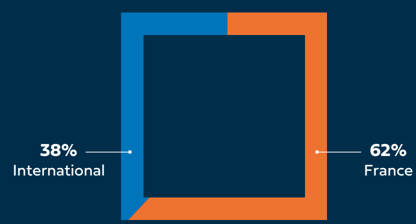
DIVIDEND (IN € PER SHARE) [3]
€4.11

1 *Operating income effort "depreciation, atomization and provisions", "other items of operating income" and Group share of the earnings of affiliated companies.*
2 *Excluding IFRS and including treasury shares.*
3 *Exceptional dividend in kind of Prodways Group shares.*

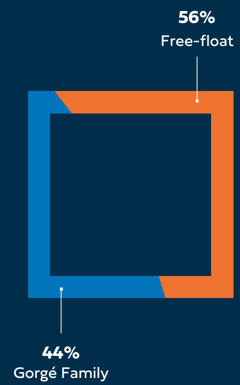
BREAKDOWN OF REVENUE BY BUSINESS



BREAKDOWN OF REVENUE BY GEOGRAPHICAL AREA

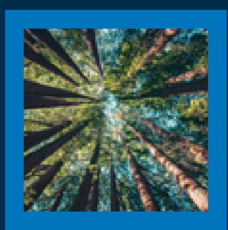


SHAREHOLDING (AT 31 DECEMBER 2021)



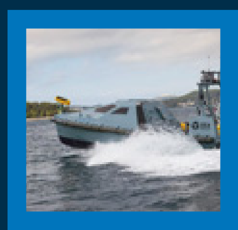
2021 HIGHLIGHTS

JANUARY 2021
New order for an underwater mine disposal drone system for €20 million with the Dutch navy



MARCH 2021
GROUPE GORGÉ successfully secured its first syndicated corporate loan with an impact of €145 million to optimize its financing

DECEMBER 2021
Strategic refocusing of activities: GROUPE GORGÉ distributed most of its PRODWAYS GROUP shares to its shareholders



DECEMBER 2021
Achievement of an important milestone for the Belgian-Dutch underwater mine action program

GROUPE GORGÉ IS AN ENTREPRENEURIAL GROUP

OUR RESOURCES

HUMAN CAPITAL

- Nearly 1,280 qualified employees
- 59% executives and engineers

INDUSTRIAL/ SOCIETAL CAPITAL

- 10 technology centers
- A solid network of industrial and university partnerships

INTELLECTUAL CAPITAL

- 10% of revenue invested in R&D

FINANCIAL CAPITAL

- Stability guaranteed by long-term family shareholders
- A robust financial structure

ENVIRONMENTAL CAPITAL

- 3,381 MWh of electricity consumed
- 973 MWh of gas consumed

OUR BUSINESS MODEL OUR STRENGTHS

Leader on niche markets	Experience in developing technological companies	In-depth market knowledge	Agile and close to customers	Strong entrepreneurial culture

Drones & Systems

Autonomous robotics and integrated systems in the naval, land and aerospace sectors, for military and civil applications

- Propose autonomous robotics solutions capable of performing sensitive missions in difficult environments and maintaining them under operational conditions
- Install integrated systems and on-board equipment with high technological added value (energy conversion, control systems, sensors, radio frequency and digital signal processing, etc.) and maintain them under operational conditions

Engineering & Protection Systems

Offer an Engineering & Technology Consulting service and protect high-risk sites

- Engineering and technology consulting
- Fire protection systems (sprinklers and water mist, firebreak doors and windows)

SPECIALIZING IN HIGH-TECH INDUSTRIES

OUR MARKETS

- MARITIME
- DEFENCE AND SECURITY
- AEROSPACE
- INDUSTRY
- NUCLEAR

MARKETS OUR VALUE CREATION

OUR CONTRIBUTION TO THE SDGS

Attracting and training talent

- 372 hires of which 319 are permanent hires
- 22,024 hours of training

Working to achieve gender parity

23% women

SDGs: 4 QUALITY EDUCATION; 8 DECENT WORK AND ECONOMIC GROWTH; 5 GENDER EQUALITY

Innovation for the protection of people and property

- Protecting people and property
- Helping our clients innovate and guiding them through their digital transformation

Acting as an effective, responsible, and ethical group

SDGs: 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 3 GOOD HEALTH AND WELL-BEING; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Building a top player in terms of technology innovation

- Many patents filed
- Innovative new product launches across all divisions

SDGs: 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

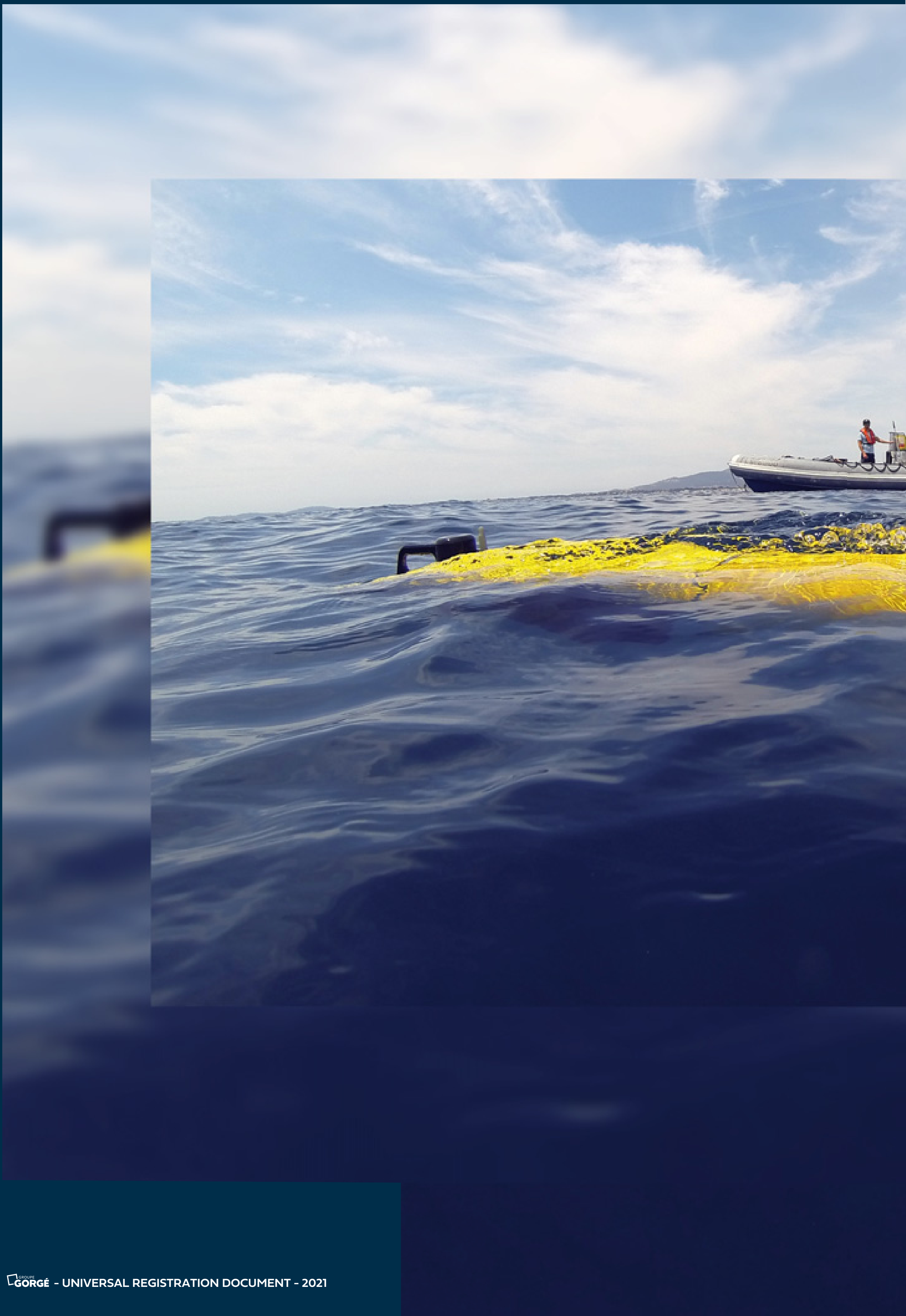
Create long-term value

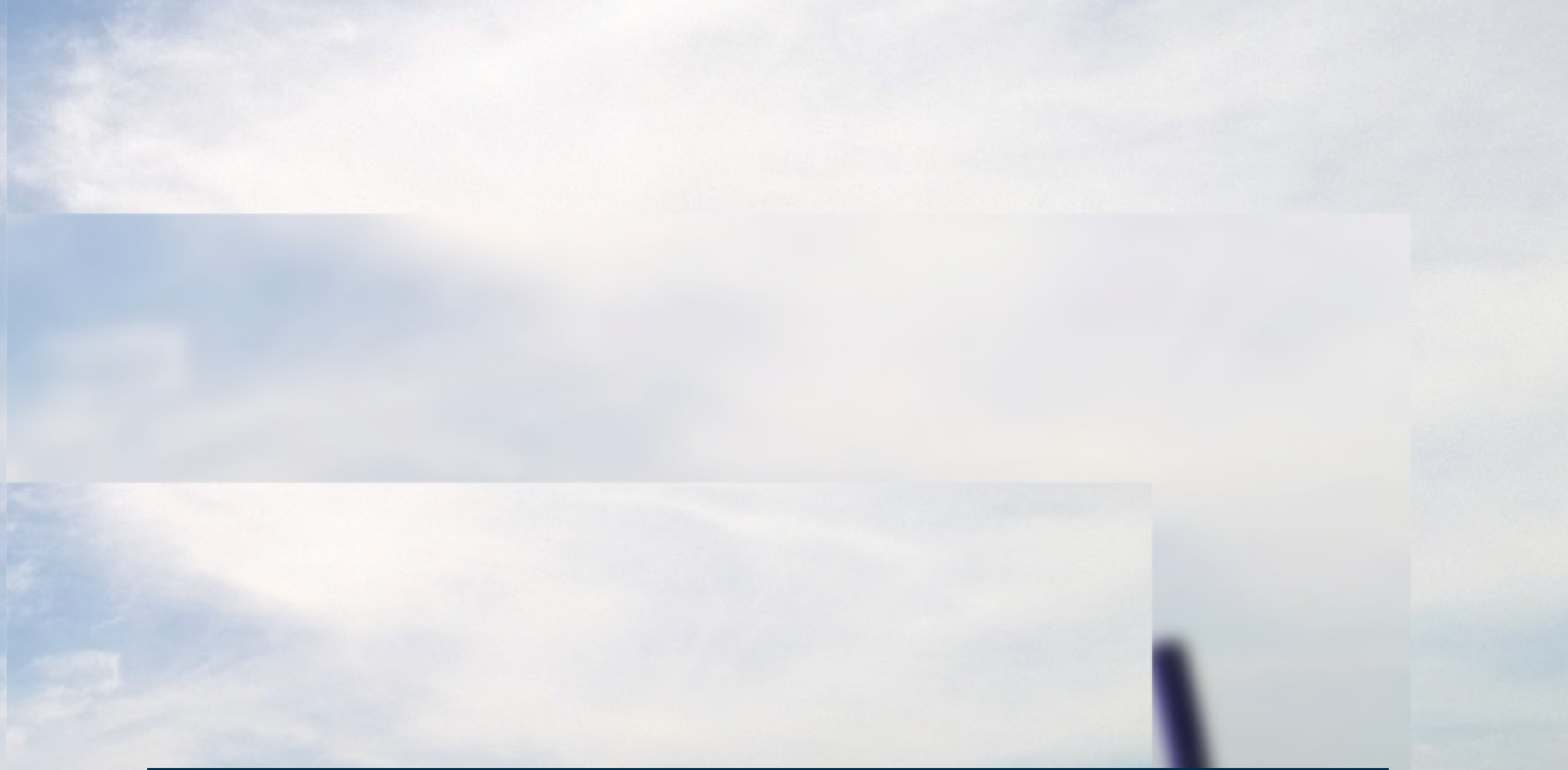
- Increase in profitability and cash generation in 2021

Reduce our impact on the environment and limit our consumption of resources

- A modest environmental footprint

SDGs: 13 CLIMATE ACTION; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION





1

OVERVIEW OF THE GROUP AND ITS BUSINESSES

1.1 KEY FIGURES

The key figures have been extracted from the consolidated financial statements. The 2020 figures have been restated as detailed in the notes to the 2021 consolidated financial statements (Note 1.4 “Restatement of prior-period financial disclosures”).

1.1.1 MAIN AGGREGATES OF THE CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	**2021**	2020	2019[1]
Revenue	178,273	150,913	274,641
Current EBITDA[2]	30,178	23,141	31,681
Operating income	14,228	11,047	4,910
Financial income and expenses	(2,463)	(1,662)	(1,140)
Tax	(3,179)	(1,066)	(2,225)
NET INCOME FROM CONTINUING OPERATIONS	**8,586**	**(9,123)**	**1,546**
NET INCOME FROM DISCONTINUED OPERATIONS	**38,286**	**(20,634)**	**21,574**
NET INCOME	**46,871**	**(11,510)**	**23,119**
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF THE PARENT	**46,208**	**(5,811)**	**20,894**

(1) 2019 column not restated for the impacts of IFRS 5 relating to the sale of PRODWAYS GROUP and the exit of NUCLÉATION from the Group.
(2) Current EBITDA: operating income before depreciation, amortization and provisions, other items of operating income and share of profit from associates. This indicator, which is not strictly accounting, is detailed in Note 3 to the consolidated financial statements.

1.1.2 KEY FINANCIAL DATA

(in millions of euros)	**2021**	2020	2019
Equity*	59.30	94.89	108.55
Available cash and cash equivalents (A)	42.91	80.87	59.31
Borrowings (B)	(127.74)	(112.86)	(70.15)
Treasury shares (C)	5.13	1.39	2.68
NET CASH INCLUDING TREASURY SHARES (A) + (B) + (C)	**(79.78)**	**(30.60)**	**(8.16)**

* *Group share.*

1.1.3 WORKFORCE

	2021	2020*	2019*
Drones & Systems	760	708	640
Engineering & Protection Systems	515	668	625
3D Printing	-	466	505
Structure	7	7	7
TOTAL WORKFORCE	**1,282**	**1,849**	**1,777**

* *The workforce of discontinued operations beyond 2021 are not included.*

1.2 OVERVIEW OF THE GROUP AND ITS BUSINESSES

GROUPE GORGÉ is an entrepreneurial group that specializes in high-tech industries. At present, the Group is active in autonomous robotics and integrated systems with high technological added value (Drones & Systems division) as well as in engineering consulting and the protection of high-risk sites ("Engineering & Protection Systems" division). GROUPE GORGÉ employs around 1,280 people and directly exports around 38% of its business. The Group has always enjoyed a strong entrepreneurial and family culture. It was founded in 1990 by Jean-Pierre GORGÉ, the father of the current Chairperson and CEO, Raphaël GORGÉ. The GORGÉ family currently owns 43.77% of the share capital of GROUPE GORGÉ, which is listed on EURONEXT Paris.

1.2.1 HISTORY AND DEVELOPMENT OF GROUPE GORGÉ

In its more than 25-year history, GROUPE GORGÉ has always developed and driven the latest technological and industrial innovations.

1990: FINUCHEM is created by Jean-Pierre GORGÉ (it becomes GROUPE GORGÉ in 2009).

1990-2005: ECA and industrial robotics.

1992: Acquisition of ECA.

1998: Listing on the secondary market of the Paris stock exchange.

1999: Acquisition of CIMLEC INDUSTRIE.

2004: Listing of ECA on the secondary market of the Paris stock exchange.

2005-2009: Move into new business sectors.

2005: Raphaël GORGÉ joins the Group and is appointed Deputy CEO. He embarks on a strategic reorientation of the Group to reduce its dependence on the automotive sector and investment in high potential sectors, in particular semi-conductors and naval construction, security and protection.

2006: Acquisition of ECA FAROS in the simulation sector.

2008: Raphaël GORGÉ is appointed Chief Executive Officer.

2009-2013: Development of the security and protection sectors.

2009: The Group diversifies into the protection of high-risk sites with the acquisitions of BAUMERT and CLF-SATREM.

2011: Raphaël GORGÉ is appointed Chairperson and Chief Executive Officer.

2013-2018: Diversification of activities and expansion of the mobile robotics offering.

2013: Entry into 3D printing with the acquisition of PHIDIAS TECHNOLOGIES (since renamed PRODWAYS).

2014: The Group acquires DELTAMED and INFOTRON.

The Group proudly received the *Prix de l'Audace Créatrice* (Audacity and Creativity Prize) presented by the President of the French Republic.

2015: Acquisitions of INITIAL, NORGE SYSTEMS and EXCELTEC.

2016: Strengthening of the skills in the Drones & Systems division with the acquisitions of ELTA and MAURIC.

2017: IPO of PRODWAYS GROUP, the "3D Printing" division of GROUPE GORGÉ, on Euronext Paris.

In 3D printing: strengthening of the offer with the acquisition of AVENAO and INTERSON PROTAC.

The French Minister of Defense, visiting ECA for the 14th Annual French Defense Conference, hailed the Group's excellence and innovative ability.

2018: NAVAL GROUP and ECA ROBOTICS propose an innovative mine-hunting solution in Belgium and the Netherlands and ECA sets up in Belgium with the creation of the subsidiary ECA ROBOTICS BELGIUM.

ECA restructures. In the "Robotics" division, three of its subsidiaries merge, and subsidiary EN MOTEURS is disposed of.

PRODWAYS GROUP acquires the American company SOLIDSCAPE.

2019-2021: Divestment of certain activities of the "Engineering & Protection Systems" division and reinforcement in the field of autonomous robotics.

2019: Along with NAVAL, GROUPE ECA was awarded a flagship contract worth nearly €2 billion for the supply of 12 mine-hunting ships to the Belgian and Dutch navies. GROUPE ECA's share of around €450 million concerns the delivery of some ten drone systems that will equip the ships, or a total of about 100 drones.

In July, GROUPE GORGÉ completes the sale of the CIMLEC group to SPIE, generating a capital gain of more than €20 million.

GROUPE GORGÉ reorganizes the capital of its Fire Protection France activity (CLF-SATREM, SVF and AMOPSI) through a leveraged transaction in which management would own up to 30% of the share capital of the activity; GROUPE GORGÉ remains the reference shareholder, retaining 70% of the share capital.

2020: In 2020 the Group was impacted by the Covid-19 health crisis. This crisis had an unfavorable effect on the Group's level of activity, in particular on the aeronautical activities of the Drones & Systems division. The Group has nevertheless been able to demonstrate the strength of its model and organization; the level of activity after a penalized second quarter, has gradually approached pre-crisis levels, quarter after quarter.

A major reorganization operation was carried out, with the absorption of ECA by GROUPE GORGÉ. This rationalization operation enables GROUPE GORGÉ to facilitate flows within the Group.

Withdrawal from the VAN DAM subsidiary, a further step in the simplification of the "Engineering & Protection Systems" division, which is no longer present in the cyclical Oil & Gas sector.

2021: New order for an underwater mine disposal drone system for €20 million with the Dutch Navy. This new contract reinforces the very strong position taken by GROUPE ECA in the underwater robotics sector.

GROUPE GORGÉ successfully secured its first syndicated corporate loan with an impact of €145 million to optimize its financing. This transaction follows the merger-absorption of ECA by GROUPE GORGÉ and is the result of accelerating the Group's ESG strategy since 2018.

Continued strategic refocusing: GROUPE GORGÉ distributes most of its PRODWAYS GROUP shares to its shareholders and thus makes a major new step forward in the simplification of the Group.

Achievement of an important milestone for the Belgian-Dutch underwater mine action program with the validation of the detailed design review.

1.2.2 ACTIVITIES, MARKETS AND COMPETITION

The Group is structured into two divisions:

- Drones & Systems division – consisting of GROUPE ECA SA and its subsidiaries, often referred to as "GROUPE ECA" or "ECA";
- "Engineering & Protection Systems" division – VIGIANS PROTECTION INCENDIE and its subsidiaries (CLF-SATREM, AMOPSI, SVF), SERES TECHNOLOGIES and STEDY.

The subsidiaries are in direct contact with their markets and competitors. The divisions bring together the subsidiaries depending on their businesses and sectors of activity. Through this organization, GROUPE GORGÉ is positioned on disruptive technological advances, particularly in the field of advanced robotics and autonomous vehicles.

1.2.2.1 Drones & Systems division – GROUPE ECA

GROUPE ECA is a world-class player recognized for its expertise in robotics, specialized automation systems and simulation. Since 1936, ECA has been developing complete, innovative technological solutions for complex missions in hostile and confined environments.

Its product offering is designed for an international client base that is demanding, both in terms of safety and effectiveness. The Group's main markets are in the defense, maritime, aeronautics, nuclear, energy, transportation and industrial equipment sectors.

GROUPE ECA offers its solutions in two areas of activity: Robotics and Aerospace.

In 2021, the revenue of GROUPE ECA and its subsidiaries totaled €115 million, *i.e.* around 65% of GROUPE GORGÉ's overall revenue.

"Robotics" division

Nine of the world's ten leading armies are equipped with solutions developed by GROUPE ECA. With world-renowned know-how and expertise, GROUPE ECA has combined its design skills in the field of mobile underwater, sea, land and airborne drones and in integrated systems development for a complete line of solutions aimed at the defense, maritime, nuclear, oil, gas and manufacturing markets.

Robotics markets

The global market for mobile robotics is currently growing strongly for a number of reasons:

- the increase in armed conflicts around the world has led governments to allocate new resources to assure the safety and security of their armed forces and reduce their exposure to threats and risks. This effect is being heightened by, on the one hand, "mature armies" which are seeking to limit human losses through the use of drone and robot systems and, on the other, "new armies" which are striving to access the most modern solutions straight away;
- the increase in terrorist acts and threats is encouraging governments to provide maximum security for their sensitive sites (nuclear, petrochemical, etc.);
- dwindling natural resources are leading industrialists to turn to advanced technologies to access new reserves in increasingly extreme environments at optimum cost.

GROUPE ECA is meeting these new challenges as one of the few players in the world with a complete, mobile robotics offering that can operate in all environments (under and on water, on land and in the air). This unique competitive advantage enables it to address very specific needs in the different mobile robotics markets. GROUPE ECA offers both mobile robotics and robot systems designed for specific missions. Naval architecture, the core business of MAURIC, gives the Group control over the design of its forthcoming range of unmanned surface vehicles (USVs). At the same time, faced with the increasingly specific requirements of its external clients, BUREAU D'ÉTUDES MAURIC is meeting new challenges, specifically in designing hulls (speed and seaworthiness considerations) as well as developing new concepts using combined energy or alternatives to all-diesel (hybrid electric, LNG, Hydrogen or sail propulsion). MAURIC's expertise in complex system integration aboard vessels and its technical ability in the field give the Group excellent prospects and ensure GROUPE ECA's clients the best possible integration of the Group's robotic systems on their ships.

The group's simulation activities and skills will contribute to the development of future drone systems.

Defense and Security

For 80 years, GROUPE ECA's mobile robotics, training simulation and remote-control systems solutions have been meeting the specific needs of internal security and special forces in numerous countries, as well as the needs of naval, air and land forces. This is GROUPE ECA's most important market and accounts for over 70% of its revenue.

For instance, the GROUPE ECA is involved in:

- underwater combat (mine disposal and submarine systems);
- tactic reconnaissance missions (protection of sensitive infrastructure, inland protection, protection of armies and bases, surveillance and protection of territorial waters).

In the submarine mine clearance segment, GROUPE ECA is positioned in an identified addressable market of over €2 billion over the next 15 years, by adding the next addressable markets in this area (France, UK, United Arab Emirates, Australia, etc.). This forecast underestimates reality, as it does not take into account the maintenance/support work generated by these contracts and the multitude of small contracts that the Group could also win.

The mastery of technologies related to the integration of sensors, decision-making autonomy, magnetism and energy conversion also allows GROUPE ECA to offer equipment and services with high technological added value, such as control systems, propulsion or demagnetization in the naval field.

Maritime

GROUPE ECA's advanced robotic offering perfectly meets the different requirements and specificities of the maritime sector's activities both on and under water. Its Autonomous Underwater Vehicles (AUV), Remotely Operated Vehicles (ROV), and Unmanned Surface Vehicles (USV) solutions equipped with cameras, sensors and articulated arms meet a wide range of mission requirements such as:

- ocean floor exploration (search for new underwater reserves, hydrographic and oceanographic research, inspection and study of underwater deposits);
- monitoring of sensitive zones (offshore platforms);
- search and rescue operations;
- the monitoring and exploration of the deep seabed, major strategic issues that are the subject of civil and military government programs.

Energy and Industry

The solutions developed by the Group are particularly well-suited for the energy and industrial sectors which need to do work in close quarters in environments that are hazardous and difficult for people. Some of the Group's drones are equipped with cameras or articulated arms and can also be radiation-resistant or equipped with a variety of sensors.

Thanks to the Group's expertise in these areas, it can contribute to missions such as:

- inspection, protection and maintenance of water and industrial networks;
- infrastructure monitoring (dams, refineries, wind farms, nuclear plants, etc.);
- decommissioning of nuclear power plants; and
- radioactive or hazardous waste management.

Competition

The mobile robotics market includes a large number of applications. GROUPE ECA has different competitors depending on the type of application. They are nearly all large international groups. They include:

- for complete mine warfare solutions, the Group's main competitors are: ATLAS ELEKTRONIK, ELBIT SYSTEMS, THALES, ULTRA ELECTRONICS, KRAKEN and SAAB. None of these competitors offer the full range of drone solutions. Thus, KONGSBERG and BLUEFIN ROBOTICS offer Autonomous Underwater Vehicles (AUV), ATLAS ELEKTRONIK and BAE SYSTEMS offer underwater demining robots, SAAB SEAEYE offers Remotely Operated Vehicles (ROV), while ELBIT SYSTEMS and L3 offer a range of Unmanned Surface Vehicles (USV);
- for land robots – NEXTER, IROBOT and TELEROB;
- for airborne drones – AIRBUS, AIRROBOT, MICRODRONES, AERYON LABS and AEROVIRONMENT.

R&D skills are critical in adapting the delivery systems, payloads, data analysis and systems to mission requirements. GROUPE ECA's ability to provide this integrated offer in all environments distinguishes the Group from its competitors.

Our products and solutions are the most recognized in the marketplace

Many of the solutions developed by the Group are now amongst the most widely-recognized in the mobile robotics marketplace. Here are a few flagship examples:

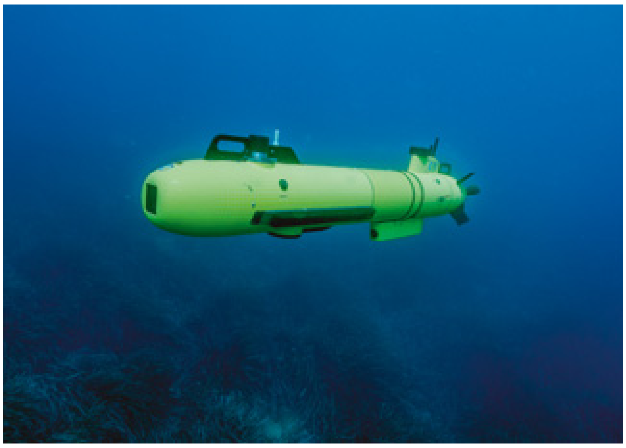
- UMIS™

GROUPE ECA has developed UMIS™ an integrated Mine Counter Measures (MCM) system. UMIS™ is a complete system that combines the new generation UMISOFT™ software suite with the actions of Unmanned Surface Vehicles (USVs), Autonomous Underwater Vehicles (AUVs), Unmanned Airborne Vehicles (UAVs) and Remotely Operated Vehicles (ROVs). UMIS™ has many advantages over traditional maritime MCMs: it is safer since the mother vessel no longer has to enter the minefield, more effective in detecting mines since the AUVs are very stable and navigate at an ideal altitude above the seabed, and faster, enabling robots to carry out tasks such as detection and identification at the same time and to work in collaborative mode.

This system has already been sold to several navies, including the Belgian and Dutch navies in early 2019 to equip 12 mine-hunters.

- AUV line

GROUPE ECA possesses know-how and a complete range of underwater drones, the AUV. From the most compact and portable with the A9, to the largest with the A27, the ALISTAR 3000, or even the latest achievement for IFREMER within the CORAL framework, which can operate down to a depth of 6,000 meters. They share the same IT architecture, autonomous software and supervision interface. Their size and performance are calibrated according to their missions (inspection, detection, survey, etc.) and the environment in which they operate, which is often very poor. They are designed for the most demanding missions. The latest generation A18 AUV is available for civil applications such as hydrography or offshore, as well as military applications such as modern mine disposal.



- INSPECTOR line

With its INSPECTOR range of Unmanned Surface Vehicles (USVs), GROUPE ECA offers maritime inspection and surveillance solutions applicable in the fields of maritime mine disposal, internal security and the protection of critical or strategic infrastructures such as port areas or oil platforms. When using these surface drones, navies or security operators get an accurate view of the situation, conduct deterrence or mine disposal missions, deploying other robots from the USV, in poor conditions without exposing their crews to the risks associated with these missions.

- Unmanned Ground Vehicle (UGV) range.
- The IGUANA land mine disposal robot is a robust solution for dealing with hazardous situations on the battlefield or in urban areas. The next-generation robot features a large number of tools and performs complex operations (such as inspecting cars or drop ceilings, opening packages and retrieving ammunition). This robot is used by police units and will also equip the French Armed Forces.
- The CAMELEON LG is designed to be carried in a backpack in addition to the standard equipment of an infantry soldier deployed in external operations. The CAMELEON LG is a real partner that multiplies the capacities of a unit deployed in the field without slowing it down or disturbing its tactical movements. This new-generation land robot has been selected for use by the French and Canadian Armed Forces.

Iguana

Cameleon

- UAVs

The IT180 airborne drone is part of the Unmanned Autonomous Vehicle (UAV) range. It is an autonomous solution for tactical inspection and reconnaissance missions. This drone offers long endurance (120 min) and can cover a distance of up to 10km. With a carrying capacity of up to 5kg, it can carry cameras and provide high volumes of data. Its wind resistance as well as its acoustic discretion are its major assets to be chosen by the French Armed Forces and other countries for their operations in support of troops on the battlefield. When used in naval environments, on naval vessels, for example, equipped with magnetometers, it can provide magnetic signature measurements of vessels and contribute to the management of magnetic risk, a key parameter for protection against mines or other threats. This innovative solution called STERNA, unique in its market, combines the Group's know-how in robotics and magnetic signature management.

Aerospace

The "Aerospace" division of GROUPE ECA offers a range of solutions historically intended for civil and military aviation; today, with its range of AGVs, the division addresses wider markets, such as logistics and the mining sector. Its expertise in the field, combined with its robotics and automation know-how, enables it to respond to the requirements of aircraft manufacturers, airline companies, maintenance and repair centers, as well as those of industrialists and scientists in the space sector and the defense industry.

Aerospace markets

GROUPE ECA is involved throughout the aircraft's life cycle and designs assembly stations, production and maintenance tools, on-board electronic equipment (distress beacons, connectivity equipment, and power inverters), and test equipment for aircraft manufacturers, as well as mechatronic repair and maintenance equipment (Ground Support Equipment – GSE) for aircraft operators. The Group has also developed an Autonomous Mobile Robots (AMR) activity, with indoor and outdoor operations for autonomous and hybrid transport in an industrial environment, in particular for in-plant logistics and transportation of aircraft sub-assemblies.

In the space sector, the division offers ground stations and balloon systems (platform gondola and associated ground station), as well as electronic equipment (radio-frequency, microwave and signal processing).

The AMR activity also addresses non-aerospace sectors, particularly the logistics sector on industrial sites requiring heavy loads, particularly for the steel, defense and agri-food markets.

Competition

Thanks to its recognized expertise in its different businesses, GROUPE ECA is able to guarantee technical innovation and economic effectiveness to its clients. The Group is now a leading supplier to aircraft manufacturers and operators. It is faced with larger or smaller players such as NEXEYA and SPHEREA for its test equipment solutions; ACTEMIUM and HYDRO for production and maintenance tools, and REEL, BROETJE, ARITEX, LATECIS and AIT for all of GROUPE ECA's business lines in this division (test equipment, assembly lines, production tools).

In the fields of electronic security, radio transmission and measurement, GROUPE ECA competes against the likes of French group OROLIA, specializing in GPS applications, and HONEYWELL, which supplies black boxes and specializes in measurement, control and detection devices.

The Group's AMR offering is quite unique in its market, as it can operate both indoors and outdoors; very few players offer comparable solutions.

Our products and solutions are the most recognized in the marketplace

GROUPE ECA's expertise is recognized by its clients, to which it provides proven products and solutions including:

- On-Board Electronics

The Group develops and markets Emergency Locator Transmitter (ELT) beacons and Wireless Access Point (WAP) connectivity equipment for the commercial and business aviation sector. The Group is the commercial aviation leader in the ELT market (more than 40% of the worldwide ELT market for the AIRBUS and BOEING aircraft families with its ADT406 and ELITE products).

- Mechanical Ground Support Equipment (MGSE)

GROUPE ECA supplies repair and maintenance tools for the worldwide fleet of AIRBUS and ATR aircraft in operation, as well as for PRATT & WHITNEY engines. The Group designs, manufactures, repairs and calibrates all ground support equipment tools for aircraft maintenance.

- Electrical Ground Support Equipment (EGSE) and Testing Means

The Group develops and markets a line of troubleshooting equipment for on-board avionics systems based on proprietary technology (T-Cell) with over 99% availability to meet the maintenance imperatives of all types of aircraft.

- Radiofrequency Equipment (RF Equipment)

The Group develops and markets a range of satellite radio transmission equipment such as Compact Tracking Receivers (CTR) and Tracking Down-Converters (TDC) for satellite reception ground stations. On the strength of its expertise in radiofrequency and digital signal processing, GROUPE ECA is a partner of choice for THALES ALENIA SPACE on the next-generation ground station program MEOLUT. Pairing its RF expertise and its experience developing on-board avionics systems, the "Aerospace" division has been working on an on-board satellite card product for actors in the aerospace sector for the past two years.

Commercial robotics: Autonomous Mobile Robots

GROUPE ECA has designed an autonomous vehicle with unique performance as it is able to operate both outside and inside buildings, ensuring logistical flows in total autonomy, in all weathers and in complete safety, in a co-active environment with other vehicles without infrastructure modifications.

The first model, the L-S 1PT, is in operation at an AIRBUS site in Nantes. It is dedicated to inter-building pallet transport protecting its load from bad weather. An additional model, capable of raising a pallet to a height of six meters outdoors, in complete autonomy, will be available very soon. These two AMRs are part of a larger catalogue offering a range of autonomous robots specially developed to meet the growing need for autonomy in the logistics sector.

Model LS 1PT.

1.2.2.2 "Engineering & Protection Systems" division – CLF-SATREM, AMOPSI, SVF and SERES TECHNOLOGIES

Specializing in large projects and services alike, the "Engineering & Protection Systems" division of GROUPE GORGÉ designs, assembles, installs, optimizes and maintains integrated solutions in the areas of protection against industrial, natural or terrorist hazards (*e.g.* fire, explosion, flood), whatever the activity: nuclear, oil, natural gas, chemicals, manufacturing or tertiary.

The division offers its solutions in two business areas: fire protection (through VIGIANS PROTECTION INCENDIE), and engineering (through SERES TECHNOLOGIES and STEDY).

The "Engineering & Protection Systems" division generated revenue of €64 million in 2021, *i.e.* around 36% of GROUPE GORGÉ's overall revenue.

Fire Protection business

The Fire Protection business, which is essentially French, is grouped within VIGIANS PROTECTION INCENDIE, whose subsidiaries CLF-SATREM, SVF and AMOPSI have complementary activities:

- fixed active fire protection systems for the tertiary sector and general industries (CLF-SATREM);
- project management assistance for fire safety and training projects (AMOPSI);
- design of fire-resistant glazed doors (SVF).

Fire Protection markets

VIGIANS PROTECTION INCENDIE targets the fire protection market for the consumer goods and energy sectors, as well as for the industrial and service sectors in France.

Fixed active fire protection systems

CLF-SATREM's core business is the installation and maintenance of fire extinguishing systems. Innovative related solutions complement the services offering. Its solutions range from traditional fixed systems (sprinklers, RIA) to more specialized systems for special risks (deluge, foam, water mist and gas systems). The company covers all of France through ten regional agencies.

CLF-SATREM operates in the active fire protection market for the industrial, retail and service sectors in France. About 60% of its revenue comes from new and extension work and the other 40% from recurring maintenance work on installed systems at over 500 client sites. The company is also growing in the residential fire protection market. It was the first to install a residential sprinkler system in a retirement home in France.

Passive fire protection

Through its SVF subsidiary, VIGIANS PROTECTION INCENDIE offers high-performance and creative fire-resistant glazed joineries, custom-designed by its design office, guaranteed by the most demanding laboratories and then manufactured in its workshops in Eastern France. Thanks to the cladding of the system in stainless steel, aluminum or high-end metals, they are appreciated by architects for high-end buildings.

Competition

CLF-SATREM is the fifth largest player in France behind three international groups (VINCI ÉNERGIES, ENGIE AXIMA and TYCO) and a local firm (ATLANTIQUE AUTOMATISMES INCENDIE) and ahead of AIRESS and MINIMAX. Together, these seven actors account for 80% of the French market, estimated at €360 million.

Our products and solutions are the most recognized in the marketplace

- Sprinkler network

A sprinkler is a device that detects excessive heat and automatically releases water (sometimes with additives) when a fire breaks out. Sprinkler systems are networked above the zone to be protected. An abnormal increase in temperature will burst the bulb or melt the fuse that keeps the sprinkler head closed. Sprinkler systems are activated without human intervention.

Engineering and technology consulting activity

SERES TECHNOLOGIES is an engineering and technical studies group in the field of support for high-risk installations and the engineering of critical systems. By ensuring risk management, SERES TECHNOLOGIES enables its customers to better guarantee the stability of their industrial environment, thus improving the performance and lifespan of their production facilities in research laboratories, manufacturing plants, prototype workshops, etc.

Engineering and technology consulting markets

SERES TECHNOLOGIES offers its expertise for four categories of missions: risk prevention, safety and quality, operational safety, ergonomics and organizational and human factors, as well as compliance in the life sciences.

As part of its activity in high-risk industries, SERES has also developed the MEKKATRONIX brand, a specialist in complex systems.

The sectors of activity addressed by SERES TECHNOLOGIES have expanded in recent years and now include: the nuclear sector, in which the Group initially developed its skills, automotive, defense, aeronautics, rail, petrochemicals, and life sciences and health.

Competition

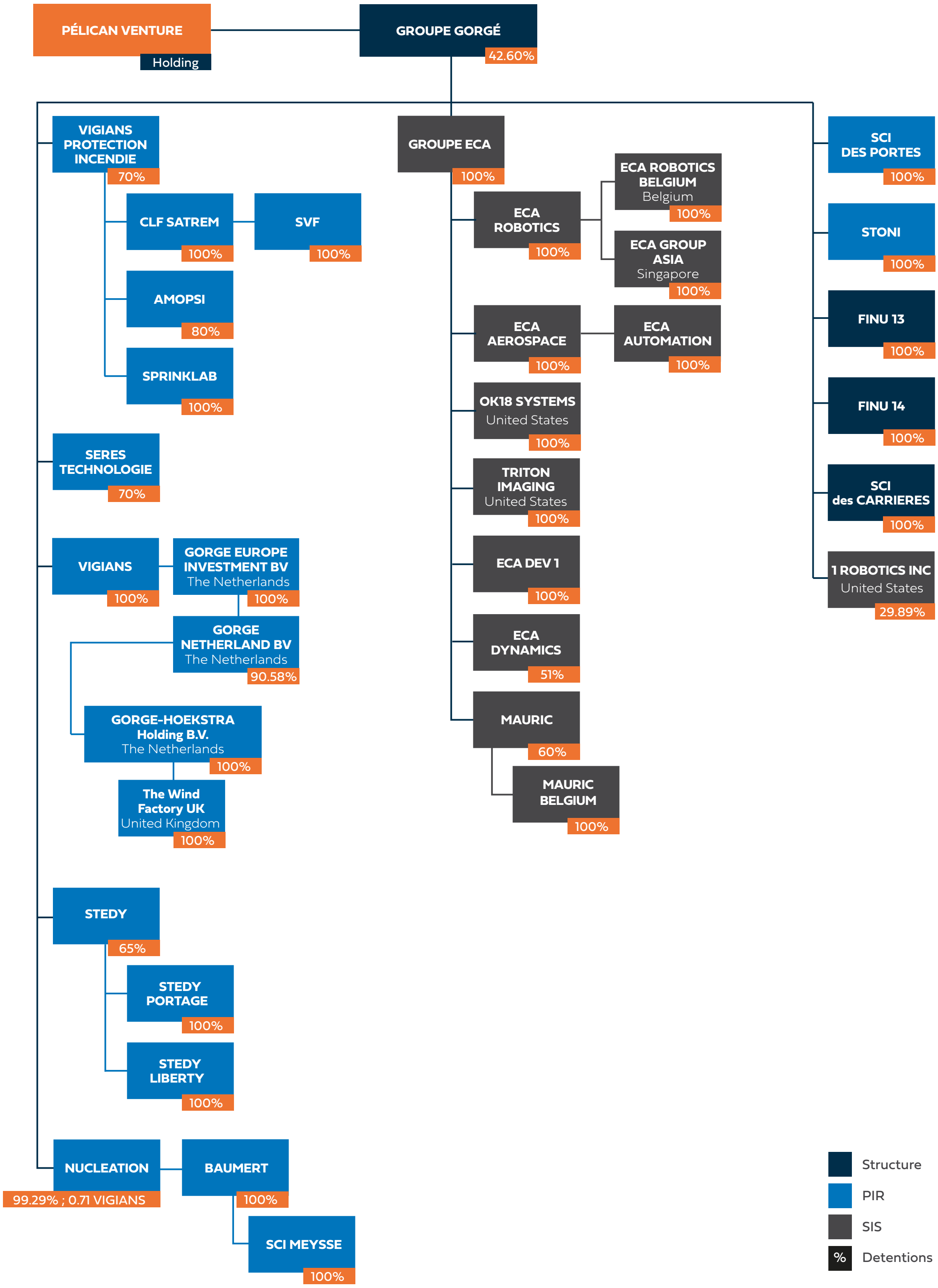
In its specific market of engineering consulting in risk management and operational safety, SERES TECHNOLOGIES enjoys an excellent reputation for expertise, particularly in the nuclear market, and thus stands out from general engineering firms (such as ALTEN, AKKA TECHNOLOGIES, ASSYSTEM and ALTRAN).

Development of the StedY consulting business

To support industry players in the challenges they face, GROUPE GORGÉ has launched a new digital service offering, StedY.io. This new generation offering is rethinking the engineering and technology consulting business with a more emancipatory vision. The objective is to empower companies and consultants by injecting more transparency, efficiency and commitment into the relationship of trust between them.

Initiated in 2020, this business continued to grow in 2021 with the launch of a certain number of missions for large groups in different business sectors (banking, technology, industries, etc.).

1.2.3 MAIN SUBSIDIARIES AND ORGANIZATIONAL CHART AT 16 MARCH 2022



The rates indicated correspond to the percentage share capital holding. The holdings in terms of capital and voting rights differs in one case: PÉLICAN VENTURE holds 42.60% of the share capital and 59.27% of the voting rights of GROUPE GORGÉ (together with the members of the GORGÉ family, these percentages increase to 43.77% and 60.53%). As GROUPE GORGÉ now holds only 5.95% of the share capital of PRODWAYS GROUP, the subsidiaries of PRODWAYS GROUP are not represented in this organizational chart.

The major changes (acquisitions and disposals) in the organizational structure over the past three years were as follows:

	Newly consolidated	Deconsolidated
2021	CREABIS GmbH (subsidiary of PRODWAYS GROUP)	PRODWAYS GROUP and its subsidiaries*
2020	-	VAN DAM and its subsidiaries
2019	SURDIFUSE EMBOUT FRANÇAIS STEDY	CIMLEC and its subsidiaries NTS HOEKSTRA

* *In December 2021, GROUPE GORGÉ distributed most of its PRODWAYS GROUP shares to its shareholders. GROUPE GORGÉ has become a minority shareholder of the Group.*

The full list of the Group's companies, grouped by division, can be found in Note 14 to the consolidated financial statements. The table showing GROUPE GORGÉ SA's subsidiaries and equity interests can be found in Note 6 to the Company's individual financial statements. The consolidated financial statements can be found in Section 4.1 of this document, and the individual financial statements of GROUPE GORGÉ SA in Section 4.2.

1.2.4 HIGHLIGHTS

GROUPE GORGÉ experienced good growth in its strategic activities in 2021. The Group achieved a robust performance marked by the smooth running of the various robotics programs underway and a solid commercial activity, enabling it to garner multiple equipment orders. Following the distribution of PRODWAYS GROUP shares at the end of December 2021, GROUPE GORGÉ benefits from improved clarity with a clear focus on the Drones & Systems business (through its subsidiary GROUPE ECA), which is the Group's main growth engine. The performance of this division in 2021 confirms the relevance of the strategic choices made and demonstrates the Group's ability to execute them effectively.

1.2.4.1 Strategic refocusing of activities

Initiated in 2018, the strategy of refocusing the Group's activities began with the sale of certain subsidiaries of the "Engineering & Protection Systems" division, which are positioned in highly cyclical sectors (automotive, Oil & Gas): disposal of AI GROUP in 2018, followed by that of CIMLEC in 2019 and VAN DAM in 2020. An important step in this refocusing was then taken in 2020 by the strengthening of the Drones & Systems division, thanks to the merger-absorption of ECA, now wholly owned by GROUPE GORGÉ.

GROUPE GORGÉ distributes most of its PRODWAYS GROUP shares to its shareholders

In December 2021, GROUPE GORGÉ distributed most of its shares in PRODWAYS GROUP, a leading player in 3D printing, to its shareholders. The Group held 56.31% of the share capital of PRODWAYS GROUP. This project was submitted to the shareholders for approval at a combined shareholders' meeting held on 14 December 2021. Following this distribution, PRODWAYS GROUP is now deconsolidated and GROUPE GORGÉ strengthens its positioning as a specialist player focused mainly on autonomous robotics.

Thanks to this strategic refocusing, the Group benefits from greater clarity, a better profile on the stock markets and has benefited from a better valuation, penalized for many years by the diversity of its activities. GROUPE GORGÉ thus has a more focused investment capacity to develop its rapidly growing Drones & Systems division and seize consolidation opportunities in the sector.

Divestment of the technical doors business for the nuclear sector

GROUPE GORGÉ has announced the project to withdraw from the business, led by the BAUMERT subsidiary, of manufacturing and installing technical doors for the nuclear sector. This new step in the simplification is part of the strategy of withdrawing from less technology-intensive activities in order to strengthen the Group's position in high-tech markets. This division has virtually no synergies with the Group's other activities and has been experiencing difficulties for several years. The outlook for the construction of new reactors in France is not expected to generate any revenue before 2028.

The planned withdrawal from this activity, which contributes negatively to the result, would significantly strengthen GROUPE GORGÉ's profitability profile. The terms of this withdrawal will be communicated as soon as this project is sufficiently advanced.

1.2.4.2 Drones & Systems division: performance generated by several engines

Strong increase in naval revenues (approximately 70% of Drones & Systems revenue)

The increase in revenue in 2021 reflects the good health of the autonomous robotics and integrated systems activities. This increase is due in particular to the successful execution of the large-scale contract with the Belgian and Dutch navies, whose contribution represented €40 million in 2021 (compared to €20 million in 2020), in line with expectations.

A major milestone in the design phase of this contract was signed at the end of 2022 with the validation by the client of the Critical Design Review (or Detailed Design Review), in accordance with the initial schedule. The production of the drones will take place in the Ostend plant in Belgium, which is currently being completed, for a presentation to the acceptance operations with the customer at the end of the year 2023. The year 2022 will therefore be largely devoted to the continued manufacture of the various prototypes and their sea trials. As such, the first tests of the Launch & Recovery System (LARS) for the USV Inspector 125 surface drone were successfully carried out in early January 2022 (link to the video of the tests).

Modelling of an integrated LARS system on a vessel

Sea trials with an Inspector 125 USV

In parallel with this major program, the sales of drones and integrated systems in the naval sector also increased in 2021, by around 8%. These revenues are generated by a diversified order base for different types of customers, both civilian and military. They include underwater mine hunting modernization programs (such as the Latvian Navy program) and the sale of equipment and services with high technological added value (piloting systems, energy conversion, naval architecture, etc.).

On-board equipment and related solutions for the aerospace sector (approximately 20% of Drones & Systems revenue): 6% growth

ELITE SC beacon

In 2021, GROUPE ECA strengthened its position as world leader in the niche emergency beacon market, with significant market share gains, notably for the renewal of aircraft fleet equipment in Asia. This summer, the Group delivered its 35,000th beacon since the beginning of its history and is currently continuing to develop the latest generation of beacons, in compliance with the latest regulations concerning on-board batteries.

Recognized for the reliability and high performance of its products, GROUPE ECA relies on its technological expertise in digital signal processing and radio frequency to strengthen its sales to its existing customer base in the aerospace sector (more than 350 customers). In particular, the group offers products for In-Flight Entertainment systems (on-board aWAP Wi-Fi access points) as well as satellite communications processing equipment, thus responding to the rise of the digitization of airlines and the New Space industry.

Other activities, particularly industrial activities (approximately 10% of the revenue of Drones & Systems), still marked by limited investments in the aeronautics sector: decrease in revenue of 24%.

The strategic allocation of resources in favor of areas in which GROUPE ECA enjoys a strong position, in deep and well-oriented markets (such as the naval sector), have resulted in a decline in revenues in the less attractive activities from a strategic point of view. These include revenues generated by products of low unit value for diversified industrial customers (maintenance equipment, production tooling, etc.).

1.2.4.2 "Engineering & Protection Systems" division

Following the withdrawal from VAN DAM in 2020, and the withdrawal underway from BAUMERT, this division now comprises the Engineering & Technology Consulting activity and the Fire Protection activity, with active (sprinklers, water mist, fire-fighting networks, etc.) and passive (fire doors, fire-resistant partitions and glass) protection solutions.

The revenue growth of 17% (26% on a like-for-like basis) was driven by the continued development of engineering consulting, with an increase in the workforce and the number of ongoing assignments. The good performance of the fire protection business also contributed to revenue growth in 2021.

1.3 STRATEGY AND OUTLOOK, INVESTMENT AND R&D POLICY

1.3.1 STRATEGY

GROUPE GORGÉ supports, develops and promotes the companies and entrepreneurs of tomorrow, towards a sustainable performance because its model is part of the long term:

- a stable family shareholding structure;
- a robust financial structure;
- high-tech businesses with strong barriers to entry and growth drivers over the long term;
- technological and industrial activities at different levels of maturity.

GROUPE GORGÉ is developing in high-tech businesses that aim to transform their industries. These transformations involve new products or services, innovative manufacturing methods, or new business models. Today, the Group is active in cutting-edge technologies such as drones and systems, engineering and protection systems.

1.3.1.1 Drones & Systems division

Ongoing efforts to consolidate GROUPE ECA's positions in its core markets, such as mobile robotics and robot systems, are bearing fruit, and the Group is seeing the size of the contracts it is addressing increase over the years.

GROUPE ECA is implementing a strategy of integrating its various activities and technological skills in order to create a stronger group, valuing its various areas of expertise and strengthening its positions in the targeted markets, particularly in the naval field.

For many years, GROUPE ECA has pursued a strategy of developing and marketing drone systems operating underwater, on the surface, on land and in the air, specializing in the detection, classification, identification and neutralization of mines remotely, keeping crews out of danger zones. The mine warfare contract awarded in 2019 by the Belgian and Dutch navies to the BELGIUM NAVAL & ROBOTICS consortium bringing together ECA ROBOTICS and NAVAL GROUP is the culmination of this strategy for GROUPE ECA and a major asset for exports, just like the tripartite minehunter program 40 years ago which generated sales of PAP robots to several dozen navies over 20 years. Several large navies including France, Canada, Australia and the UK will be updating their fleet of mine-hunters in the next few years. The drone systems proposed by GROUPE ECA can also be used by navies that do not wish to renew their entire fleet (such as the Latvian order), and the Group is thus expanding its potential market. Moreover, GROUPE ECA believes that most navies will also equip themselves with transportable drone systems that can be used from the coast or systems with smaller vessels that can be developed by its naval design office MAURIC. The Group also hopes to deploy its know-how in other markets such as offshore, protection or maritime safety. In simulation, the Group continues to focus on the area of mission training, in particular for the defense and security sectors.

The "Aerospace" division continues to consolidate its leadership positions in the RF embedded equipment market with its distress beacons (ELT) and connectivity products (AWAP). The division continued to grow in the EGSE and Test Means market through its "T-Cell Technology" solutions, while deploying new solutions in autonomous indoor-outdoor AMRs for Plant 4.0, once again demonstrating its positioning as a high-tech player.

In the majority of its activities, GROUPE ECA benefits from several favorable factors, in particular the growth of the advanced robotics markets and the reinforcement of simulation in training and training.

1.3.1.2 "Engineering & Protection Systems" division

The "Engineering & Protection Systems" division is continuing its transformation. In 2018, the Group initiated the divestment of activities that had become non-strategic with, in 2019, the sale of the CIMLEC group and NTS, the reorganization of the capital of VIGIANS PROTECTION INCENDIE by selling 30% of its share capital to its management in order to boost the performance of the activity, and in 2020 the sale of VAN DAM to its direct competitor.

GROUPE GORGÉ also announced the plan to withdraw from the nuclear doors business (BAUMERT subsidiary), now classified as "Discontinued operations".

In **fire protection**, the division has set its sights on becoming a major player in passive and active fire protection in the energy sector (particularly oil & gas) and in the industrial and service sectors in France. The recurring industrial and service activity in France makes it possible to balance the cyclical effect of these energy sectors. To achieve this objective, our two fire protection and security subsidiaries are working to:

- support our historical clients in their new projects;
- expand their product offerings, solutions and services;
- develop in the international market.

Finally, **Engineering's activity** continued to grow, driven by the increasing demand in its core businesses and expansion into new geographical areas (opening of offices in Quebec, Nantes, Rouen in 2020) and new sectors of activity (compliance and life sciences). The launch of StedY.io in 2020, a new breakthrough in the field of engineering, more transparent and based on automated and optimized matching for the needs of customers and talents, shows the dynamism of this engineering activity.

1.3.2 OUTLOOK

GROUPE GORGÉ begins the year 2022 with an order book of €540 million, offering the Group a solid revenue base and a good level of visibility on its future growth.

1.3.2.1 Drones & Systems division

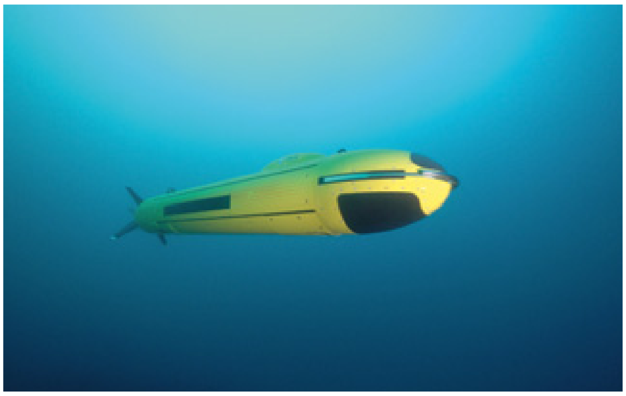
A backlog of €490 million

At 31 December 2021, the division's order book stood at nearly €490 million. It includes, in particular, autonomous robotics equipment, such as the program with the Belgian and Dutch navies, which is scheduled for delivery in 2027. The commercial activity in 2021 enabled this backlog to be renewed with nearly €70 million in new orders, mainly in the naval sector, where the Group enjoys major competitive advantages.

New markets in autonomous robotics: GROUPE GORGÉ prepares for future growth

Thanks to cutting-edge technologies and drone systems developed over more than ten years, GROUPE GORGÉ, through its subsidiary GROUPE ECA, is preparing the deployment of its solutions on new maritime and commercial applications. The significant development potential in the hydrography, deep-seabed, maritime surveillance and logistics markets increases the Group's growth prospects.

The A18D autonomous underwater drone, a solution for hydro-oceanography and control of the deep seabed



The AUV A18D underwater surveillance drone, derived from a version developed for underwater mine hunting, was recently the subject of an operational trial by the French Directorate General of Armaments (*Direction générale de l'armement* – DGA), the French Navy and the French Naval Hydrographic and Oceanographic Service (*Service hydrographique et océanographique de la marine* – SHOM), as part of the Future Hydrographic and Oceanographic Capacity (*Capacité hydrographique et océanographique future* – CHOF) program. This program aims to renew, sustain and transform France's current capacity for acquiring and processing hydrographic and oceanographic data by 2025/2026.

Embarked on a French Navy vessel, the A18D carried out a wide variety of missions for eight consecutive days to accurately map the reliefs and seabed down to a depth of 3,000 meters in the currents and swell of the Atlantic Ocean. The drone has proven its reliability and demonstrated its ease of installation and implementation, notably thanks to its optimized size-to-mass ratio (5.7m – 780kg) and its intuitive user interface. The quality of the very high-resolution images acquired by the A18D was also recognized, as well as the added value it brings in this type of mission, depending on the choice of on-board sensors.

With the supervision of GROUPE ECA, the onboard teams of the DGA, the French Navy and SHOM were able to take charge of the AUV and be autonomous in all stages of its mission: from preparation to launching into the water, supervision of measurement campaigns, up to the recovery of the vehicle and the use of the data obtained. These tests proved the maturity of the A18D. In addition, the wealth of experience feedback has made it possible to assess the potential use of this drone to support and enhance hydro-oceanography missions.

In addition to the very demanding scientific missions such as hydrography, the A18D's performance lends itself naturally to seabed monitoring thanks to the wide range of payloads it allows, depending on the concept of use and the profile of the mission, civilian or military. Mastering the deep sea is now a strategic issue for many navies around the world, including France, which has made it one of the priorities of the "France 2030" investment plan. The surveillance of this space is a key action to ensure the integrity of the devices installed there (communication cables, pipelines, etc.), through which 95% of the global information flow passes, to search for debris or wreckage, or to locate potential malicious systems.

The A18D already offers these capacities at depths of down to 3,000 meters and the potential to upgrade in the medium term to a version that can operate down to 6,000 meters. It is thus a key element in the construction of a French strategy to control the seabed.

Maritime surveillance and port protection: GROUPE GORGÉ's drone systems demonstrate their capabilities

GROUPE ECA recently presented its capabilities in the field of maritime surveillance and protection during an expo-demonstration off the coast of Hyères, in the south of France.

The Group has partnered with several industry manufacturers to highlight how autonomous systems work together to protect at-risk maritime sites. The demonstration thus illustrated the ability of several drones to locate, identify and neutralize potential threats. These threats can be of any size and endanger maritime areas such as ports, sporting competitions and protected marine areas.

Able to offer several types of drones, GROUPE ECA is one of the few players able to respond effectively to these protection and surveillance needs. Its range of multi-environment robots includes a USV surface drone, a UAV aerial drone and several AUV submarine drones, all capable of operating interactively as a team and managed by a single command and control system, UMISOFT. This demonstration highlighted the Group's skills and expertise in the areas of decision-making, management of the robot team and all sensors, as well as data collection and processing.

Autonomous logistics: positive business outlook for Autonomous Mobile Robot (AMR) solutions in France and internationally

GROUPE ECA has designed an autonomous vehicle with unique performances as it is able to operate both outside and inside buildings, ensuring logistical flows in total autonomy, in all weathers and in complete safety, in a co-active environment with other vehicles without infrastructure modifications.

After a first commercial success with IDEA, a leading logistics company, which deployed an AMR on the AIRBUS site in Nantes, GROUPE ECA has recently successfully completed a test campaign on a site of a large German industrial group. The unique performances of this solution have been validated despite difficult weather conditions. New contracts should materialize in 2022 in various industrial sectors such as steel, construction, gas production, nuclear power and agri-food.

The model in question, the LS 1PT, is dedicated to inter-building pallet transport while protecting its load from bad weather. An additional model, capable of raising a pallet to a height of six meters outdoors, in complete autonomy, will be available very soon. These two AMRs are part of a larger catalogue offering a range of autonomous robots specially developed to meet the growing need for autonomy in the logistics sector. The good orientation of this business segment positions the Group today as a pioneer in autonomous indoor-outdoor logistics solutions. GROUPE GORGÉ has been able to rely on technological bricks related to autonomy and navigation, initially developed for the defense sector over more than ten years, in order to create a competitive advantage in this commercial application area.

All these new fields of application of autonomous robotics represent several billion euros of potential markets that can be addressed in the medium and long term. They open up significant prospects beyond the field of underwater mine hunting. With these various actions, GROUPE GORGÉ is continuing its efforts to capture a significant share of these markets, by relying in particular on its existing and proven drone solutions.

1.3.2.2 "Engineering & Protection Systems" division

The division's backlog amounted to €50 million at 31 December 2021.

Business prospects are expected to be good in all its markets. In the Engineering and Technology Consulting business, the Group expects good commercial momentum in the coming years, particularly with the launch of StedY, which strengthens this division. The "Fire Protection" division benefits from the reinforcement of safety standards on sensitive sites and GROUPE GORGÉ, through its Vigians brand, is one of the few players able to offer complete offers, from design to construction, with active and passive protection solutions. The design and manufacture of technical doors for nuclear sites benefits from long cycles and therefore high visibility on future revenues. The outlook is good thanks to the large order book, in addition to recurring revenues from services and maintenance.

1.3.2.4 Objectives for 2022

The smooth running of the ongoing programs of the Drones & Systems business, as well as the solid order base, are essential to continue the high growth trajectory in the short, medium and long term. The contribution of the Belgian-Dutch program, which is entering the pre-production phase, is estimated at around €40 million for the year 2022. Overall, for the Drones & Systems business, GROUPE GORGÉ has set itself the target of increasing revenues from this business between 10% and 20% in 2022. In addition, for the "Engineering & Protection Systems" division, the Group aims to continue the current trajectory.

1.3.2.5 Recent information

In the evening of 10 March 2022, GROUPE GORGÉ entered into exclusive negotiations with the shareholders of IXBLUE to acquire 100% of the company's share capital. This major strategic project marks a turning point in the history of GROUPE GORGÉ and will make it possible to create a world-leading player in cutting-edge technologies for critical applications, particularly in defense, space and maritime operations. An event to present the transaction to the financial community and answer questions was held in April 2022.

1.3.3 INVESTMENT POLICY AND R&D

1.3.3.1 R&D policy

In order to maintain and develop competitive advantages, the Group maintains a high level of investment in research and development. The Group sometimes files patents if this can protect technical, technological or commercial progress. The Group's Research and Development policy is described in Note 6.2 to the consolidated financial statements.

1.3.3.2 Invention protection policy

The Group protects its inventions and know-how through non-disclosure agreements and patent applications.

Given the cost of filing and maintaining in force patents, the Group regularly assesses the opportunity for filing a patent application for a given invention and the need to maintain in force patents and patent applications, as well as the suitability of their geographic coverage in relation to the Group's current and/or future activities.

The Company's subsidiaries generally initially file a national patent application. Each subsidiary then takes advantage of the priority period granted following this initial patent application to further research patent clearance and assess in-house the potential for extending the protection to other countries.

1.3.3.3 Main investments made in 2021

In addition to research and development, the Group's ongoing investments include IT equipment, software, workshop tools and the fitting and installation of premises and industrial sites.

In 2021 the Group made several real estate investments:

- the acquisition of land (€2.7 million) for a new project in La Garde (83) to modernize and enlarge the existing site;
- continuation of the construction project in Ostend (Belgium) to meet the needs of the Drones & Systems division under the contract with the Belgian and Dutch navies. The budget amounts to approximately €10 million, €5.7 million had been invested at the end of 2021.

The Group's investments totaled €25.7 million. Nearly half consisted of intangible investments (R&D, software). The real estate investments were particularly substantial in 2021, more than €9.6 million (including ongoing investments) on two sites (La Garde, Ostend). Industrial investments are mainly funded out of own resources, and occasionally through leasing. Real estate investments, which are infrequent but significant at the moment, are financed by traditional debt or could be in the form of finance leases.

The value of the investments over three years breaks down as follows:

(in millions of euros)	**2021**	2020	2019
Research and development[1]	10.5	8.9	7.2
Other intangible assets[2]	1.9	1.1	2.0
Land and buildings	4.6	3.0	0.9
Technical installations, equipment	2.2	2.5	4.0
Other property, plant and equipment[3]	6.5	2.9	3.4
TOTAL	**25.7**	**18.4**	**17.5**

(1) Only capitalized R&D.
(2) Excluding costs of obtaining and performing contracts.
(3) Only advance payments and non-current assets in progress. The ongoing real estate project in Ostend amounted to a total of €5.7 million at the end of 2021.

In 2021, the Group did not carry out any external growth transactions, with the exception of an acquisition in the "3D Printing" division, which was deconsolidated in December.

There is no other significant investment for which firm commitments have already been made. No planned Group investment is conditional on receipt of anticipated significant funding.

1.3.3.4 Major property, plant and equipment/Property leases

The Group's fixed assets comprise of certain real estate assets as described below, fittings and installations and IT equipment. The vehicle fleet is for the most part leased from specialized agencies. The Group only has a limited amount of production machinery as its business is not one of large-scale industrial production. However, it does have tooling for which it has not measured the usage rate.

With respect to real estate, the Group mainly leases its sites under standard leasing agreements.

The Group owns premises used for the Group's activities in La Garde (near Toulon, 83, GROUPE ECA's main site), in Lannion (22, ECA ROBOTICS site) and in Schaeffersheim (67, two operating sites of the "Engineering & Protection Systems" division), in addition to the three projects described below. The premises at Les Mureaux (78, PRODWAYS and CLF-SATREM site), which the Group acquired under a finance lease agreement in 2019, were sold in July 2020 for a price of €6.95 million. The sites that are currently being leased do not present any risk in terms of their extended availability or that of other similar operating sites.

The real estate projects underway or completed in 2020 (Annecy, Montpellier, Ostend) are intended to bring together activities spread over three sites (Annecy), and to relocate the ECA ROBOTICS establishment to premises better adapted to its activity (Montpellier) and to meet the needs related to the growth of the activity (Ostend). Land was acquired in La Garde for a new project for ECA ROBOTICS.

1.3.4 SUBSEQUENT EVENTS

The major events that have occurred between the closing of the financial year and the date of issue of the financial statements (21 March 2022) are described in Note 13.3 to the consolidated financial statements.

The major highlight at the beginning of 2022 was the entry into exclusive negotiations with the shareholders of IXBLUE to acquire 100% of the company's share capital. This major strategic project marks a turning point in the history of GROUPE GORGÉ and will make it possible to create a world-leading player in cutting-edge technologies for critical applications, particularly in defense, space and maritime operations.

1.4 ANALYSES OF CONSOLIDATED PERFORMANCE AND SEGMENTS

1.4.1 ANALYSIS OF GROUP RESULTS

The Board of Directors approved the 2021 consolidated financial statements on 21 March 2022, showing:

- revenue of €178,273 thousand;
- net income of €46,871 thousand;
- profit for the period attributable to the owners of the parent of €46,208 thousand.

The consolidated financial statements were drawn up in compliance with the financial information presentation and evaluation rules of the International Financial Reporting Standards (IFRS) and interpretations adopted by the European Union and published in the Official Journal dated 13 October 2003. The figures presented below are from the financial statements for 2021 and 2020. The data can be compared only by taking into account the changes in the scope of business reported in the notes to the consolidated financial statements.

Apart from operating activities, which were notably marked by the health crisis in 2020 and 2021 (see Note 1.1 to the consolidated financial statements), the most significant events of the financial year having an impact on the financial statements are as follows:

- in December 2021, the Group distributed to its shareholders most of the PRODWAYS GROUP securities in its possession. As a result of this exceptional distribution, GROUPE GORGÉ no longer controls PRODWAYS GROUP. The contribution of PRODWAYS GROUP was therefore treated in 2021 and retrospectively in 2020 on a separate line of the income statement and the statement of cash flows, as this group corresponded to a discontinued operation. The group was deconsolidated at the end of 2021, a capital gain was recognized on this occasion, recognized on the same line of the income statement;
- in 2021, GROUPE GORGÉ's Executive Management decided to implement a plan for the disposal of the subsidiary BAUMERT (held by a sub-holding named NUCLÉACTION). Ongoing discussions have led to the conclusion that the transaction is highly probable. The employees of BAUMERT were informed of this in March 2022. This business was also treated as a discontinued operation (IFRS 5).

The consolidated net profit (loss) for the period breaks down as follows:

- Group share: €46.21 million;
- non-controlling interests: €0.66 million.

The Group also uses non-GAAP adjusted measures. This information makes it possible to better assess the performance of the Group's long-term activities, in particular due to the deconsolidation in 2021 of PRODWAYS GROUP and its subsidiaries, and the planned disposal of the NUCLÉACTION group. Note 3.1 to the consolidated financial statements reconciles the adjusted measures and the financial statements for the period.

1.4.1.1 Main aggregates of the consolidated income statement

(in thousands of euros)	**2021**	2020	2019[1]
Revenue	178,273	150,913	274,641
Current EBITDA[2]	30,178	23,141	31,681
Operating income	14,228	11,047	4,910
Financial income and expenses	(2,463)	(1,662)	(1,140)
Tax	(3,179)	(1,066)	(2,225)
NET INCOME FROM CONTINUING OPERATIONS	**8,586**	**(9,123)**	**1,546**
NET INCOME FROM DISCONTINUED OPERATIONS	**38,286**	**(20,634)**	**21,574**
NET INCOME	**46,871**	**(11,510)**	**23,119**
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF THE PARENT	**46,208**	**(5,811)**	**20,894**

(1) *The 2019 income statement was not restated like the one for 2019. This is in the context of the application of IFRS 5, see Note 1.3 to the consolidated financial statements.*
(2) *Operating income before depreciation, amortization and provisions, other items of operating income and share of profit (loss) from associates, see Note 3.1 to the consolidated financial statements.*

Performance is analyzed by division in the following tables.

2021 financial year – Segment information

(in thousands of euros)	Engineering & Protection Systems	Drones & Systems	3D Printing	Structure and disposals	**Segment total**	Adjustments[1]	**Consolidated**
Backlog at start of period	77,156	539,730	6,566	(212)	623,240	(40,528)	582,712
Backlog at the end of the period	86,061	489,885	10,176	(307)	585,815	(46,195)	539,620
REVENUE	**87,350**	**115,323**	**70,645**	**(1,297)**	**272,021**	**(93,748)**	**178,273**
Capitalized production	1,347	11,393	1,510	-	14,250	(2,680)	11,569
Inventories and work in progress	-	(1,907)	(555)	-	(2,463)	555	(1,907)
Other income from operations	1,118	7,215	1,937	-	10,270	(2,085)	8,185
Purchases and external charges	(47,358)	(55,143)	(35,319)	3,068	(134,751)	50,749	(84,003)
Personnel expenses	(40,404)	(51,287)	(28,422)	(1,950)	(122,062)	39,768	(82,294)
Tax and duties	(1,003)	(1,046)	(767)	(119)	(2,936)	1,038	(1,898)
Other operating income and expenses	(5)	(513)	(226)	1,521	778	1,475	2,253
CURRENT EBITDA	**1,045**	**24,035**	**8,804**	**1,224**	**35,108**	**(4,930)**	**30,178**
% revenue	*1.2%*	*20.8%*	*12.5%*	*N/A*	*12.9%*	*5.3%*	*16.9%*
Depreciation, amortization and provisions (net of reversals)	(4,462)	(12,275)	(4,491)	(542)	(21,770)	6,986	(14,784)
INCOME FROM ORDINARY ACTIVITIES	**(3,416)**	**11,760**	**4,312**	**682**	**13,338**	**2,057**	**15,394**
% revenue	*-3.9%*	*10.2%*	*6.1%*	*N/A*	*4.9%*	*-2.2%*	*8.6%*
Payment in shares	-	-	(713)	-	(713)	713	-
Restructuring costs	(23)	(12)	(771)	(64)	(870)	794	(76)
Amort. of intangible assets recognized at FV during acquisitions	-	(23)	(643)	-	(666)	643	(23)
Acquisition/disposal costs	-		(94)	(1,180)	(1,274)	503	(772)
Impact of the exit of the"3D Printing" division	-	-		(43,957)	(43,957)	(43,957)	-
Reversal of the provision relating to the disposal of CIMLEC INDUSTRIE	700	-	-	-	700	(700)	-
Exceptional provisions for impairment of asset values	-	(296)	(307)	-	(603)	307	(296)
Other	-	-	(82)	-	(82)	82	-
TOTAL OTHER OPERATING ITEMS	**677**	**(331)**	**(2,610)**	**42,713**	**40,449**	**(41,615)**	**(1,166)**
Group share of the earnings of affiliated companies	-	-	45	-	45	(45)	-
OPERATING INCOME	**(2,739)**	**11,429**	**1,747**	**43,395**	**53,832**	**(39,604)**	**14,228**
% revenue	*-3.1%*	*9.9%*	*2.5%*	*N/A*	*19.8%*	*42.2%*	*8.0%*
R&D expenses capitalized over the period	406	10,487	1,352	-	12,244	(1,757)	10,487
Other property, plant and equipment and intangible investments[2]	1,959	13,541	1,815	837	18,152	(2,903)	15,249

(1) The "Adjustments" column concerns provisions for liability guarantees relating to the disposal of CIMLEC and all the contributions of the "3D Printing" division and the NUCLÉACTION group, included in the segment information but classified in the consolidated income statement on the line "Net income from discontinued operations", pursuant to IFRS 5.
(2) Does not include the costs of obtaining and performing contracts (IFRS 15) or new rights of use (IFRS 16).

2020 financial year – Segment information

(in thousands of euros)	Engineering & Protection Systems	Drones & Systems	3D Printing	Structure and disposals	**Segment total**	Adjustments(1)	**Consolidated**
Backlog at start of period	73,833	526,343	6,143	(166)	606,154	-	606,154
Backlog at the end of the period	77,156	539,730	6,566	(212)	623,240	(40,528)	582,712
REVENUE	**78,122**	**96,206**	**57,206**	**(420)**	**231,114**	**(80,202)**	**150,913**
Capitalized production	987	7,848	1,150	-	9,985	(2,085)	7,899
Inventories and work in progress	(87)	2,172	85	-	2,170	(84)	2,086
Other income from operations	851	4,794	897	-	6,542	(1,391)	5,151
Purchases and external charges	(44,032)	(51,154)	(30,177)	3,067	(122,296)	45,118	(77,177)
Personnel expenses	(33,452)	(42,298)	(25,280)	(2,724)	(103,754)	35,557	(68,197)
Tax and duties	(1,092)	(842)	(758)	(168)	(2,860)	997	(1,862)
Other operating income and expenses	3,676	(631)	219	(67)	3,197	1,132	4,329
CURRENT EBITDA	**4,973**	**16,096**	**3,342**	**(312)**	**24,099**	**(958)**	**23,141**
% revenue	*6.4%*	*16.7%*	*5.8%*	*n/a*	*10.4%*	*1.2%*	*15.3%*
Depreciation, amortization and provisions (net of reversals)	(4,608)	(9,095)	(7,174)	(682)	(21,559)	8,689	(12,870)
INCOME FROM ORDINARY ACTIVITIES	**364**	**7,001**	**(3,832)**	**(994)**	**2,540**	**7,731**	**10,271**
% revenue	*0.5%*	*7.3%*	*-6.7%*	*n/a*	*1.0%*	*-9.6%*	*6.8%*
Payment in shares	-	-	(269)	-	(269)	269	-
Restructuring costs(2)	-	(474)	(3,246)	-	(3,720)	3,246	(474)
Amort. of intangible assets recognized at FV during acquisitions	-	(23)	(765)	-	(788)	765	(23)
Impact of the disposal of VAN DAM/CIMLEC	3,283	-	-	(745)	2,538	1,000	3,538
Exceptional provisions for impairment of assets(3)	(1,967)	(1,736)	(6,397)	-	(10,100)	7,834	(2,266)
Other	3	-	(258)	-	(255)	255	-
TOTAL OTHER OPERATING ITEMS	**1,319**	**(2,233)**	**(10,936)**	**(745)**	**(12,595)**	**13,370**	**776**
Group share of the earnings of affiliated companies	-	-	5	-	5	(5)	-
OPERATING INCOME	**1,683**	**4,768**	**(14,762)**	**(1,739)**	**(10,050)**	**21,096**	**11,047**
% revenue	*2.2%*	*5.0%*	*-25.8%*	*n/a*	*-4.3%*	*-26.3%*	*7.3%*
R&D expenses capitalized over the period	603	7,159	1,116	-	8,878	(1,719)	7,159
Other tangible and intangible investments(4)	1,234	4,216	3,942	127	9,519	(4,642)	4,878

(1) The "Adjustments" column concerns provisions for liability guarantees relating to the disposal of CIMLEC and all contributions from the "3D Printing" division and the NUCLÉACTION group, included in the segment information but classified in the consolidated income statement on the line "Net income from discontinued operations", pursuant to IFRS 5.

(2) The restructuring costs mainly concern the "3D Printing" division, a reorganization of the printer design and manufacturing activities was launched at the end of 2020, involving staff departures, transfers of staff between Group sites and the scheduled closure of the Les Mureaux site (part of the cost is provisioned in the form of a provision for expenses, see Note 11).

(3) The provisions for asset impairment losses mainly relate to intangible assets for €7.9 million (see Notes 6.2 and 6.4), inventories for €1.5 million (see Note 4.4) and right-of-use assets for €0.6 million (see Note 4.8).

(4) Does not include the costs of obtaining and performing contracts (IFRS 15) or new rights of use (IFRS 16).

1.4.1.2 Drones & Systems

The Drones & Systems division generated revenue of €115.3 million compared to €96.2 million in 2020. Revenue was therefore up by 20% over the financial year.

The improvement in the profits of the Drones & Systems division was due to:

- the ramp-up of revenues, in particular thanks to the good execution of the BENL program;
- the good cost control demonstrated by GROUPE ECA's teams and the resizing of the on-board equipment business, which are boosting the division's profitability;
- the negative impact in 2021 of the new Autonomous Mobile Robot (AMR) activity, whose marketing began in 2021 and which is expected to ramp up.

The division's income from ordinary activities amounted to €11.8 million, compared with €7.0 million in 2020. The division's operating income amounted to €11.4 million, compared with €4.8 million in 2020. In 2021, the non-recurring items were not significant (-€0.3 million) whereas in 2020 €2.2 million in costs were recognized.

1.4.1.3 Engineering & Protection Systems

Following the withdrawal from VAN DAM in 2020, and the withdrawal underway from BAUMERT, this division now comprises the Engineering & Technology Consulting activity and the Fire Protection activity.

The division's revenue, adjusted for the discontinued operations, amounted to €64.0 million, compared to €54.8 million in 2020. In 2020, VAN DAM contributed only in the first half of the year. As a result, the revenue growth of 17% in 2021 reached 26% if the contribution of VAN DAM is excluded.

The contribution to the division's current EBITDA, adjusted for the discontinued operations, reached €4.9 million this year, compared to €7.2 million in 2020. This decrease was due to a capital gain on the disposal of an asset (disposal of VAN DAM) which had been recognized in 2020. On a like-for-like basis and restated for this capital gain, current EBITDA increased by 27%, in line with revenue growth.

The division's operating income, adjusted for the discontinued operations, amounted to €3.0 million.

1.4.2 FINANCIAL POSITION OF THE GROUP (CASH AND CASH EQUIVALENTS, FINANCING AND SHARE CAPITAL)

The consolidated equity amounted to €64.3 million at 31 December 2021, compared with €126.3 million at 31 December 2020. The decrease in GROUPE GORGÉ's equity was due in particular to the distribution to its shareholders of most of the PRODWAYS GROUP shares in its possession.

At 31 December 2021, the consolidated net debt (financial debt of €127.7 million and bank overdrafts of €0.01 million less €42.9 million in cash) amounted to €84.9 million. At 1 January 2021, restated for discontinued operations, the net debt amounted to €30.8 million. The treasury shares held by GROUPE GORGÉ are not included in these figures. The net debt adjusted for treasury shares amounted to €79.8 million (compared with net debt of €29.6 million at 1 January 2021).

The cash flow from operations (after neutralization of the cost of net financial debt and taxes) increased by €6.5 million, reaching €24.4 million in 2021. The operating cash flow from continuing operations (cash flow from operations and change in working capital) decreased sharply from €41.2 million in 2020 to -€11.8 million in 2021, due to the change in working capital requirements, which was unfavorable for -€34.8 million. These changes are the result of the resumption of activity after the health crisis and changes in the payment schedule of the contract with the Belgian and Dutch navies.

The cash flows related to the investment cycle of the continuing operations amounted to -€25.3 million in 2021 compared to -€11.3 million in 2020. In fact, the level of the flows in 2021 was the result of a maintained high level of intangible investments (€12.8 million compared to €13.7 million in 2020) and tangible investments with two real estate projects in progress (€9.7 million over the year). The 2020 financial year benefited from more than one major asset disposal (Les Mureaux building).

In 2021, debts increased significantly with €108.3 million related to the new syndicated loan (amount net of attachable costs for the period), a financing of €2.7 million put in place at ECA ROBOTICS (Drone & Systems division) for the acquisition of land, and lastly with drawdowns of €6.0 million made under the credit agreement for €8.0 million set up to finance the construction of the Ostend plant (Drones & Systems division). More than €79 million were repaid, including €46 million in debt existing prior to the new syndicated loan set up in February 2021, which were repaid early.

Detailed information about the Group's financial debt and any related covenants is provided in Note 8 "Financing and financial instruments" to the consolidated financial statements.

1.5 ACTIVITIES AND RESULTS OF GROUPE GORGÉ SA

1.5.1 GROUPE GORGÉ SA'S ROLE IN THE GROUP

The organization of the Group is as follows:

GROUPE GORGÉ SA is a holding company, whose assets are made up of the stakes in its subsidiaries. The Company does not carry out any industrial activities; its purpose is to:

- implement the Group's strategy;
- supervise the management of its subsidiaries (human resources, communications, transactions, etc.);
- liaise with financial stakeholders such as banks and investors;
- provide technical assistance in areas such as management control and legal affairs;
- develop and maintain common procedures in areas such as reporting, management control and accounting.

Its funding is ensured by the dividends that it receives and a contract for the provision of services based on the invoicing of actual costs concluded between GROUPE GORGÉ SA and its subsidiaries.

GROUPE GORGÉ SA has also entered into a service agreement with PÉLICAN VENTURE (holding company of the GORGÉ family and majority shareholder of GROUPE GORGÉ).

Under this agreement GROUPE GORGÉ provides administrative, financial and legal services to PÉLICAN VENTURE. Finally, although not of material impact, GROUPE GORGÉ sub-lets offices to PÉLICAN VENTURE. In total, GROUPE GORGÉ invoiced €499 thousand to PÉLICAN VENTURE in 2021.

Jean-Pierre GORGÉ (Director and former Chairperson of GROUPE GORGÉ) is paid exclusively by PÉLICAN VENTURE. Raphaël GORGÉ (Chairperson and Chief Executive Officer) is paid by GROUPE GORGÉ and PRODWAYS GROUP. The remuneration of Raphaël GORGÉ from GROUPE GORGÉ companies is determined by the Board of Directors on the proposal of the Remuneration Committee.

PÉLICAN VENTURE is a French simplified joint-stock company (*société par actions simplifiée* – SAS) with a capital of €3,309,778.08. Its consolidated equity (2020) amounted to €218 million, with its main asset being its stake in GROUPE GORGÉ. Its other assets are:

- SOPROMEC PARTICIPATIONS SA, a private equity firm managing around €20 million in assets;
- a group of three companies operating in the field of engineering for the energy/chemical sector;
- real estate and financial assets.

1.5.2 ACTIVITIES AND RESULTS

At its meeting of 21 March 2022, the Board of Directors approved the separate financial statements of GROUPE GORGÉ SA.

The income statement shows:

- revenue of €3,161 thousand;
- net income of €47,917 thousand.

The financial statements were prepared using the same principles and rules as for previous years.

The revenue amounted to €3.16 million *versus* €5.6 million in 2020.

The income from ordinary activities for the financial year amounted to -€1.6 million *versus* -€1.0 million in 2020.

The income from continuing operations before tax amounted to €1.37 million *versus* €8.09 million in 2020. The financial income of GROUPE GORGÉ in 2021 amounted to €2.95 million (€9.09 million in 2020), including €15.57 million in dividends (€9.53 million in 2020) and provisions for impairment of securities.

After taking into account the non-recurring income of €46.47 million, mainly comprising the net capital gain related to the distribution in kind of PRODWAYS GROUP shares (+€5.19 million in 2020) and tax income of €0.01 million related to the tax consolidation of which GROUPE GORGÉ SA is the parent company (income of €0.95 million in the previous financial year), the financial year ended 31 December 2021 showed a profit of €47.92 million, compared to €14.24 million in 2020.

We are also asking the shareholders to approve the non tax-deductible expenses and charges that we incurred during the past financial year, amounting to a total of €24,435, as well as the corresponding theoretical tax amount of €6,475.

1.5.3 PROPOSED APPROPRIATION OF INCOME

The Company's income for the financial year ended 31 December 2021 showed a profit of €47,917,325.84. At its meeting of 21 March 2022, the Board of Directors decided to allocate the income to retained earnings and not to propose a dividend payment at the next shareholders' meeting. This decision is part of the merger between GROUPE ECA and IXBLUE, the financing of which mobilizes the Group's resources, thus avoiding a capital increase and dilution for shareholders.

In addition, it should be noted that in December 2021, GROUPE GORGÉ paid an exceptional dividend to its shareholders, in the form of a distribution in kind of PRODWAYS GROUP shares. This distribution represented €4.11 per GROUPE GORGÉ share, which was added to the €0.32 per share paid in June 2021 in respect of 2020.

It is recalled that the dividend distributions made for the last three financial years were as follows:

	Dividend per share *(in euros)*	Number of shares comprising the share capital(1)	Total dividend(2) *(in euros)*
2019	0.32	13,502,843	4,320,909.76
2020	0.32	17,424,747	5,575,919.04
2021(3)	4.11	17,424,747	71,615,710.20

(1) At the date of the shareholders' meeting held to approve the financial statements.
(2) These sums include the unpaid amount of the dividend corresponding to treasury shares, which is allocated to the retained earnings account.
(3) Exceptional distribution in kind of PRODWAYS GROUP shares.

1.5.4 USUAL PAYMENT TERMS

In order to comply with the provisions of Article D.441-6 of the French Commercial Code, we inform you that, as at 31 December 2021, the balance of GROUPE GORGÉ SA's trade payables amounted to €847 thousand (1,744 thousand euros at 31 December 2020). These trade payables are not yet due and in general are payable at 30 days (in 2021 as in 2020).

1.5.5 OTHER FINANCIAL AND ACCOUNTING INFORMATION

Inventory of the transferable securities held in the portfolio at 31 December 2021

Company	Net asset values *(in euros)*
I – Equity securities	
1. French companies	
a) Listed equity securities	
PRODWAYS GROUP	8,998,120
b) Unlisted equity securities	
GROUPE ECA	33,271,875
NUCLÉACTION	37,463
SCI DES CARRIÈRES	115,164
SCI DES PORTES	999
SERES TECHNOLOGIES	990,000
STEDY	1,009,600
STONI	174,680
VIGIANS	275,000
VIGIANS PROTECTION INCENDIE	2,100,000
FINU 13	5,000
FINU 14	5,000
2. Foreign companies	
WANDERCRAFT	500,008
1ROBOTICS LLC	-
TOTAL I	**42,482,909**
II – Other long-term investments	
1. French companies	
a) Listed securities	
None	
b) Unlisted securities	
VIGIANS PROTECTION INCENDIE convertible bonds	3,250,000
2. Foreign companies	
a) Listed securities	
None	
b) Unlisted securities	
None	
TOTAL II	**3,250,000**
III – Transferable securities	
a) Money market funds (SICAV) and term deposits	5,300,536
b) Listed French shares	
None	
c) Listed foreign shares	
d) Treasury shares	4,445,668
TOTAL III	**9,746,204**
GRAND TOTAL (I + II + III)	**55,479,113**

Financial table – Article R.225-102 of the French Commercial Code

Nature of Information	**2021**	2020	2019	2018	2017
Share capital	€17,424,747	€17,424,747	€13,502,843	€13,502,843	€13,502,843
Number of shares	17,424,747	17,424,747	13,502,843	13,502,843	13,502,843
Par value per share	€1	€1	€1	€1	€1
Revenue excluding taxes	3,161,400	5,602,249	3,913,722	3,467,444	3,289,653
Earnings before taxes depreciation, amortization & provisions	65,321,551	6,083,289	(2,066,349)	70,421	18,528,323
Income tax	(63,101)	(955,597)	210,720	(219,428)	(611,022)
Earnings after taxes but before depreciation, amortization & provisions	65,384,652	7,038,886	(2,277,069)	289,849	19,139,345
Earnings after taxes, depreciation, amortization & provisions	47,917,326	14,239,360	2,320,492	338,116	20,080,409
Distributed earnings(1)	5,508,606	4,319,124	4,319,578	4,319,831	-
Earnings per share after taxes but before depreciation, amortization & provisions	3.75	0.40	(0.17)	0.02	1.42
Earnings per share after taxes, depreciation, amortization & provisions	2.75	0.82	0.17	0.03	1.49
Net dividend per share*	0.32	0.32	0.32	0.32	-
Average number of employees	7	15	7	7	8
Total payroll	1,353,836	1,797,268	1,163,331	812,314	922,357
Social security contributions and employee benefits	595,746	774,514	541,713	377,759	421,382

(1) Dividend paid during the financial year, for the previous financial year. In 2021, an exceptional dividend in PRODWAYS GROUP shares was paid at €4.11 per share.

2

RISK FACTORS

Risk management forms an integral part of the Group's overall strategy, which is aiming to constantly construct and improve its systems for this purpose.

It aims to anticipate the threats to which the Group is exposed and to identify future opportunities in order to:

- preserve its employees, its assets and its reputation;
- promote the achievement of its objectives; and
- ensure its sustainability.

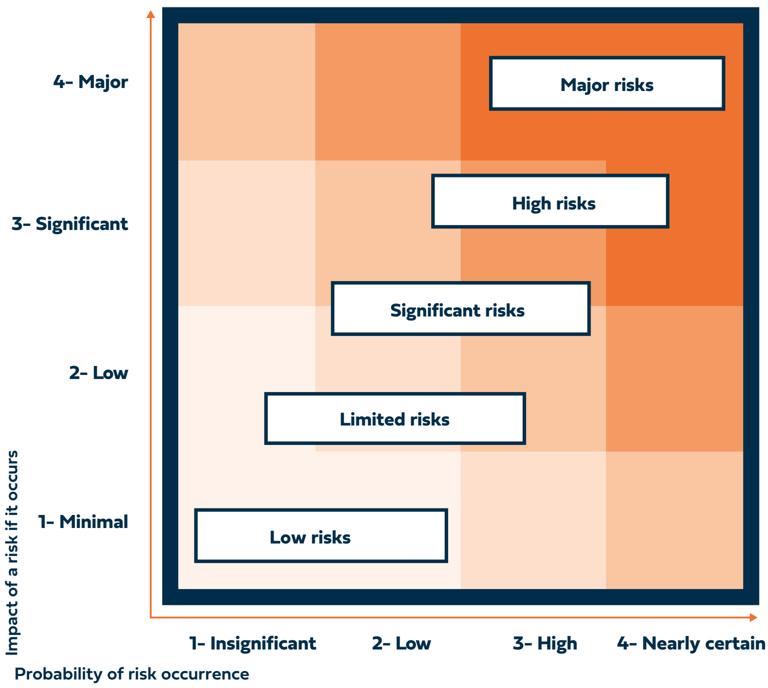
At the end of 2019 and in early 2020, the Group once again carried out in-depth risk mapping of each of its three divisions and global mapping for all of GROUPE GORGÉ. Following the exit of the "3D Printing" division from the Group's scope at the end of 2021, the description of the risks was reviewed but the criticality matrix remains unchanged. It will be reviewed in 2022, notably with the planned integration of IXBLUE.

2.1 METHODOLOGY

The GROUPE GORGÉ risk mapping process involves representatives of all of the Group's main subsidiaries and functions using the following method:

- identification of risks: the first step is to identify the risks likely to affect the ability of the Group and its divisions to achieve their objectives through a survey and interviews with key stakeholders;
- risk evaluation: the risks to which the Group is exposed were evaluated according to their probability of occurrence and their potential impact if the risk occurred, on three scales at several levels:
  - probability of occurrence over a three-year horizon: insignificant, low, high, almost certain,
  - scale of impact (harm to persons, financial, harm to reputation and legal): negligible, low, significant and major,
  - the level of risk control: high, partial, weak;
- hierarchical ordering of risks: by cross-referencing the probability and the impact of the risk, a position of the net criticality of the risk is obtained: major risk, high risk, significant risk, limited risk and low risk.

Net Risk Criticality Matrix



The matrices thus developed for each division and the Group were discussed and reviewed by the Executive Management of the divisions and the Group. At GROUPE GORGÉ level, the following risk matrix was prepared:

	Assessment of residual risk
STRATEGIC RISKS	
Risks related to deterioration of the Group's brand image and positive momentum	High
Risks related to faulty strategic positioning	Significant
Risks related to technological developments and R&D investments	Significant
CROSS-FUNCTIONAL RISKS	
Organization and governance	
Risks related to failures in the management of a subsidiary	Major
Risks related to difficulties in integrating acquired companies	High
Risk of unreliability of financial data used within the Group	Significant
Risk related to a misalignment of interests between the Group and its subsidiaries	Significant
Legal	
Risks related to failure to comply with the applicable regulations	Major
Risk related to inadequate protection of intellectual property or infringement of third-party patents	Significant
IT	
IT risks	High
Fraud or external attacks	High
OPERATING RISKS	
Risks related to shortfalls in the execution of contracts	High
Risks related to difficulties in attracting or retaining employees at the expected level of skill	High
Risks related to employee safety and security	High
Risks related to the skills of employees not matching the Group's transformation	High
Inappropriate business practices	Significant
Insufficient quality and performance of the partners or subcontractors used	Significant
Customer default	Significant
Risk related to the level of cash generation	Significant

The following paragraphs set out the main risks identified, broken down into three categories: strategic risks, operating risks and cross-functional risks. In each category, the risk factors are presented in decreasing order of importance determined by the Group at the date of this Universal Registration Document.

The overall understanding of the risks with which the Group is confronted requires full reading of the consolidated financial statements (particularly the parts related to financial risks and litigation) and the Universal Registration Document as a whole, in addition to reading this chapter.

Current context

After a year 2020 strongly marked by the Covid-19 crisis, 2021 saw an upturn in the activity of many of the Group's companies. However, certain activities continued to be impacted by the health situation and did not return to the level of 2019. This is notably the case for activities related to the aeronautics sector, which had been resized in 2020 to adapt to the context of the crisis. Due to a mixed recovery in this sector in 2021, air traffic has still not recovered to pre-health crisis levels.

The recovery of global activity, in a context of production difficulties, has also highlighted the risk of dependence on suppliers, a risk that was deemed significant already in the 2020 risk matrix. Indeed, tensions on the supply chain lead to delays in the delivery of parts necessary for the manufacture of the Group's machines and products, as well as to an increase in the prices of components, partly passed on to the prices charged to the Group's customers.

The recovery in global activity has also affected the labor market, with tensions in the recruitment and retention of talent, which could affect some of the Group's activities if they were to become understaffed.

Lastly, the current geopolitical context is a source of potential risks; the Group does not generate revenue in Russia and Ukraine but a generalization of conflicts or a resulting economic crisis could materially affect the results of the Group.

This context therefore contains significant risks that impact certain activities and may thus affect the Group's revenue, results and financial position.

GROUPE GORGÉ has real assets to absorb these risks, to a certain extent. On the one hand, a large part of the Group's activities are less dependent on these cycles or affected markets; this is notably the case for the defense sector, which accounts for approximately 45% of the Group's revenue. In addition, some of the Group's activities, even those positioned in impacted sectors, are recurring. These include the maintenance activities of the "Drones & Systems" division, which are an integral part of the business model, or the maintenance activities of the "Engineering & Protection Systems" division. Lastly, the Group is able to implement initiatives to reduce costs and adjust its manufacturing facilities. For example, in 2020 the Group implemented a resizing of the Aerospace activity of GROUPE ECA. These actions mitigate the slowdown to some extent, while continuing to invest in technologies to support future growth. Lastly, it should be noted that such crises are also drivers of an acceleration of trends that support the development of the Group's markets, whether in the field of robotics for the defense sector or autonomous solutions for logistics.

2.2 STRATEGIC RISKS

2.2.1 RISKS RELATED TO DETERIORATION OF THE GROUP'S BRAND IMAGE AND POSITIVE MOMENTUM

The Group's reputation has grown considerably over the last five years and was driven by favorable momentum, thanks in particular to successful developments in robotics. The positive image enjoyed by the Group has been strengthened as a result. This positive image is an advantage for attracting talent, promoting employee retention, establishing contacts and for favorably presenting the Group to investors and financial or commercial partners.

This favorable context could be marred by unfavorable events such as significant disasters, failure to meet the expectations generated by the Group, destabilizing actions taken by competitors, etc. Such events could lead to loss of opportunities or customers, unfavorable media coverage, or loss of partner confidence.

In order to limit these risks, the Group first of all aims to expose itself as little as possible to criticism by ensuring it does not excessively raise expectations and by complying with rules and practices. In order to maintain positive dynamics, the Group has put several actions in place:

- strengthening relationships, in particular with national, regional and local public authorities, to present the Group, its activities and facilities and its challenges and potential risks. This preventive action makes it possible to gain understanding and proximity in times of crisis, in situations where the involvement of these services is necessary;
- development of regular communication with targeted media and on social networks to facilitate understanding of the Group and engage in a high-quality dialog;
- informing and training managers, communicators and spokespersons of the Group. Specific media training sessions may be organized with the managers of the Group;
- distribution of press procedures intended for GROUPE GORGÉ subsidiaries, enabling them to follow up on and monitor media coverage;
- specific press and web monitoring (social media, Internet sites, blogs, press, etc.).

In addition, to support GROUPE GORGÉ employees, who are the primary vectors of the Group's image, and to guide them in their actions and behavior out of concern for integrity and ethics, tools and training are made available, the most important of which is the Anti-Corruption Code of Conduct.

2.2.2 RISKS RELATED TO FAULTY STRATEGIC POSITIONING

The markets in which the Group operates (Robotics, Defense) are undergoing rapid and far-reaching changes that require the Group to review the relevance of its strategic choices for the trajectory of its activities and commercial policy regularly to detect and penetrate the new markets that are the most promising and value-creating for the Group. Its strategic choices can also be impacted by changes in its relationships with strategic partners, distributors or suppliers.

At the same time, the competitive landscape is itself changing.

In the field of robotics and defense, major competitor companies are attempting to "lock in" market segments with integrated or extremely attractively priced offers, which may compromise the Group's ability to continue its development in those markets. Finally, profound changes in trends in some of our markets, in particular the large-scale introduction of digital technology consistently in all areas of activity (research, production, marketing) may present a real risk that the services sought by our customers will be transformed.

In this context of a change to its technological and competitive environment, errors of interpretation or a failure to anticipate market developments could lead the Group to take misguided strategic positions or, on the contrary, be late in moving into new and profitable segments. As a result, the Group's income could be affected by changes in market or competitive conditions.

To anticipate these potential upheavals, the Group can rely on its diverse activities and a presence at various points in the value chain. The Group also actively monitors forecast developments and, in its budgetary process, performs analyses of threats/opportunities per activity, which provide cross-functional insights and help decision-making by Executive Management. In addition, once a year, discussions are organized with the members of the Board of Directors to present a forward-looking vision and explore new themes to support the Group's growth in terms of activities and products. Thanks to these analyses and its positioning, GROUPE GORGÉ has demonstrated its agility and its capacity to update its strategy, but cannot guarantee that its choices will always be the most relevant in evolving markets.

2.2.3 RISKS RELATED TO TECHNOLOGICAL DEVELOPMENTS AND R&D INVESTMENT

The Group operates in areas that require advanced techniques or technologies. Research and development and innovation activities are a key element of the Group's strategy. In order to develop the products of tomorrow and thus ensure its future growth, the Group constantly invests in research and development projects. These investments represented 9.5% of the Group's revenue in 2021 (see Note 6.2 to the consolidated financial statements in Section 4.1.6 of this Universal Registration Document).

These efforts with regard to innovation policy must be maintained for the Group to retain its position as a key player in technological innovation, remain in a position to adapt to any future technological innovations in the sectors in which it operates and continue to gain market share.

The Group's competitiveness and medium-term development could be strongly impacted if:

- R&D projects are inadequate for future market needs, given the long duration of some R&D cycles;
- there is an imbalance in the distribution of investments allocated to R&D projects due to insufficiently diversified targets or targeting towards markets with no proven growth potential or milestones that are poorly staggered over time;
- emerging technologies that may impact our product improvement processes are identified too late;
- R&D results do not comply with the performance, deadline or price objectives sought;
- a breakthrough innovation by a competitor in terms of technology or, more broadly, business model is launched that would expose the Group to the loss of a competitive advantage in one of its business segments.

The Group is working on several topics simultaneously and is careful not to focus all its development efforts on a single technology. To secure its investments in R&D, the Group focuses its system on several axes:

- continuous scientific, technological and competitive watch and numerous partnerships with academic players, research institutes and professional organizations alike enable it to identify emerging trends and the disruptions with which the Group and its environment must contend in the future. The R&D partnerships entered into by the Group are presented in Section 6.5 "Building a top player in terms of technological innovation" of this Universal Registration Document and in Section 6.4;
- furthermore, the Group has a selective approach in each of its activities and develops only certain projects within project portfolios, taking into account the expectations expressed by customers, accessible financing, market trends and the expected profitability of the programs in progress;
- lastly, the Group operates in a variety of activities, which enables it to naturally diversify its risk exposure to any of the technologies or R&D projects.

2.3 CROSS-FUNCTIONAL RISKS

2.3.1 RISKS RELATED TO FAILURES IN THE MANAGEMENT OF A SUBSIDIARY

The execution of the Group's strategy is highly dependent on the way in which operations are conducted by the subsidiaries. GROUPE GORGÉ's decentralized model, which is based on a high degree of subsidiary autonomy, is an undeniable aspect of its success. It also creates a risk in the event that any of the subsidiaries were to be insufficiently managed at certain critical moments. A failure of management in a subsidiary may result in insufficient performance levels by the subsidiary, or even the Group if the event is significant enough, or adversely affect the Group's development strategy.

This difficulty in oversight may be caused by faulty or fraudulent management, insufficiently understood internal control principles that may lead to unreliable forecasts or accounting errors, a divergent assessment of risks and issues between the management of the subsidiary and that of the Group, or insufficient exchanges of information between the subsidiary and the Group.

The Group is aware of this potential risk and has put structures in place capable of limiting it. Firstly, the Group ensures that the managers of its subsidiaries are perfectly selected and prepared for the responsibilities entrusted to them. Periodic meetings take place between the Group's Executive Management and the managers of subsidiaries. During these reviews, the commercial, technical, human resources and financial aspects of the subsidiaries are discussed. Particular attention is paid to the main contracts or the most significant R&D projects. Lastly, the Group has developed an internal control framework that subsidiaries must apply, including monthly reporting, a two-stage budget preparation process and budget revisions three times a year. This process helps to identify situations that are out of line with the subsidiaries' expected trajectories and lead to the implementation of in-depth identification of the causes and corrective actions.

2.3.2 RISKS RELATED TO FAILURE TO COMPLY WITH THE APPLICABLE REGULATIONS

In a context of constantly changing and increasingly complex regulatory constraints and compliance procedures, and given the diversity of the Group's activities, its geographical locations and its many subsidiaries of various sizes and structures, the Group's activities may be impacted by the legal risks associated with compliance with the laws and regulations applicable in France and in all jurisdictions in which the Group has interests. For example, this concerns subjects as vast as taxation, employment law, safety standards, anti-corruption arrangements, protection of personal data, business confidentiality or stock-market regulations.

To limit these risks, the Group strives to establish appropriate structures, special procedures and employee training. The Group also takes pains to surround itself with internal or external skills adapted to its activities. The Group's companies rely on its legal experts and its network of external advisors (lawyers, consultants, experts). Cross-functional actions have been carried out within the Group or the divisions on the topic of anti-corruption measures. Finally, the internal control framework provides for the implementation of controls and the necessary compliance with all applicable regulations, which is the heart of Executive Management's concerns, and it is reiterated with the managers of subsidiaries during business reviews.

2.3.3 RISKS RELATED TO DIFFICULTIES IN INTEGRATING ACQUIRED COMPANIES

The Group's development strategy is based on a combination of organic and external growth. The Group has regularly acquired activities or third-party companies as part of its development and is likely to pursue this strategy according to the opportunities identified.

Any acquisition involves risks associated with the price of the acquisition in a context of scarcity of potentially relevant targets and strong competition between potential acquirers, the integration into the Group of the company or activity acquired, the existence of unanticipated costs and the risk of the departure of key personnel from said companies. Difficulties in the acquisition and integration process (analysis, structuring, integration, preservation of skills and know-how, adoption of the Group's procedures and guidelines, and implementation of the business plan and expected synergies within or between the various divisions) might affect the value of an external growth operation and generate economic and accounting losses for the Group.

To meet these challenges, building on the strength of its extensive experience in acquisitions, the Group has developed a mergers and acquisitions process, from the identification of targets to their integration, which involves numerous functions at both the Group and divisional levels. Each stage of the acquisition process is monitored and approved by the Group's management bodies; the integration of targets is handled through operational collaboration between the relevant divisions and the Group departments that prepared the acquisition, as adapted to each target. A particular effort is made at the beginning of the integration processes to identify upstream the key success factors and potential risks on which to focus. Lastly, the Group strives to retain the individuals identified as key personnel for its business ventures, thus ensuring the long-term future of those companies.

2.3.4 RISKS RELATED TO FAILURES IN IT SECURITY

Despite increased awareness of and attention to cybersecurity, the number, cost and complexity of cyber incidents continues to increase worldwide and the Group regularly faces attempts to steal or breach the security of its sensitive and confidential data. A computer attack or failure in the infrastructure that supports information systems, inefficient backup processes or disaster recovery plans, or information systems that are inadequate cyberthreats may result in a service disruption of information systems, interrupt operations for extended periods of time and allow data to be stolen by third parties.

Any attack on the availability, integrity, confidentiality or traceability of the Group's information systems and data, whether malicious, accidental or technical, could have an immediate negative impact on the activities, reputation and results of the relevant subsidiary or division. In addition, the deployment of major software (ERP) or the implementation of new infrastructures may cause malfunctions at each of the various stages of project management (organization, design defect, user defect, technical defect).

Recognizing the importance of IT-related risks, the Group's divisions are implementing specific governance based on a cross-functional organizational structure.

The Group has focused in particular on implementing charters relating to the use of IT tools, raising awareness of and providing training for cybersecurity risks, setting up procedures for controlling authorizations and access, and performing audits and intrusion tests.

Faced with these risks, the Group is putting in place an infrastructure, tools and methodology aimed at reducing these risks, and, more specifically, it is gradually taking action in the following areas:

- assessment and monitoring of network and computer technology security and system vulnerabilities. Audits have been conducted in some Group subsidiaries;
- strengthening of information security rules, guidelines and procedures to ensure that employees are more aware of and trained in information security issues and that personal information is better protected;
- reviewing the terms and conditions of access and limiting access to personal information.

2.3.5 FRAUD OR EXTERNAL ATTACKS

By frequency and severity, the risk of fraud and cyber criminality has been growing for several years in France. Like more than seven companies out of ten in France, the Group is regularly subject to attempts at fraud, particularly attempts to misappropriate funds or steal strategic data (fraud targeting the Chairperson, cyberattacks, etc.).

The Group ensures that its subsidiaries apply effective internal control systems. A Group internal control framework was crafted for this purpose. In matters of fraud, actions to inform and train particularly-exposed employees are regularly carried out. Each attack identified in a subsidiary is systematically reported to the Group's Executive Management, which in turn informs the divisions of the *modus operandi* of the attack and recalls the appropriate prevention rules.

2.3.6 RISKS RELATED TO INADEQUATE PROTECTION OF INTELLECTUAL PROPERTY OR INFRINGEMENT OF THIRD-PARTY PATENTS

The products created by the Group's subsidiaries use advanced technologies. The Group invests heavily in research and development to ensure that its products enjoy competitive advantages, all for the benefit of its customers. This positioning enables the Group to operate in markets with a high barrier to entry but exposes the Group to risks of loss of market share in case of infringement affecting its innovations. However, the Group cannot totally rule out a scenario where, even in the absence of deliberate intent, it finds itself infringing patents of third parties, implying a legal and financial risk.

The Group's subsidiaries pursue an active policy of protecting the value of their innovative ideas. To this end, they rely on their teams of specialists and intellectual property attorneys. Applications for patents are the subject of examination procedures by the competent local or international bodies. It takes a number of years before a patent is granted. The examination process may also result in a patent being granted with narrower claims than initially sought, or it may be refused in certain jurisdictions. Furthermore, the intellectual property rights registered do not provide protection in all jurisdictions.

Lastly, under its partnerships, the Group must frequently share certain aspects of its know-how or sensitive business data with its counterparties that are not protected by patents. Although this information is covered by confidentiality undertakings, the Group must allow for the possibility that its know-how or business data is misappropriated and used by third parties.

The occurrence of one of these events (invalidity of a patent, infringement by a third party, use of patented technology by a third party, leaking of know-how, litigation, etc.) could have an adverse effect on the competitive advantage of the Group's product offering and therefore on its business prospects, reputation, development and future results.

To address these risks, training and awareness-raising actions have been put in place in order to better identify strategic inventions and ensure that patents are filed to protect the Group's technological and commercial advances. The latter manages and maintains its technological lead compared to its competitors, the patents being exploited, maintained and extended according to established internal procedures, and according to the prospects of application of these innovations (see Sections 6.4 and 6.5 of this Universal Registration Document, as well as Note 6.2 of the notes to the consolidated financial statements, in Section 4.1.6). The subsidiaries, with their internal teams, monitor the activity of their competitors (particularly as regards the filing of patents) and assess (through freedom to operate studies) the risk of infringement of third-party patents during the course of their research or development programs. External advice may be sought for occasional assessments of the activities of entities outside the Group. In addition, even though the Group holds patents for various types of products, most of the Group's revenue is not dependent on any particular patent or license.

Lastly, each division has set up internal structures and procedures to assess the risks of infringement of third-party patents when conducting R&D programs within the Group. This organization examines the various projects, ensures that the solutions adopted comply with the rights of third parties and, where applicable, ascertains whether these solutions can be patented. Nevertheless, there is a risk that a third party might bring legal action against the Group in matters of industrial property.

2.3.7 RISKS OF UNRELIABILITY OF FINANCIAL DATA USED WITHIN THE GROUP

The Group is the product of its history, and in particular of its diverse backgrounds. As a result, the financial and accounting reporting and organizations may have diverged in the past. The complexity and frequent changes in accounting standards have also created a context that is unfavorable to good readability of the financial statements and comparisons between years. Unavailability, inexactness or a lack of consistency between financial data may lead the Group to make unsuitable decisions or to financial losses.

In this context, the Group is working to harmonize the methods and tools of its subsidiaries and is supported by a centralized Finance Department, which has set up a single reporting system that each subsidiary completes monthly, manages the consolidation and monitoring of the updating of standards in subsidiaries and prepares the Group's consolidated financial statements.

2.3.8 RISKS RELATED TO A MISALIGNMENT OF INTERESTS BETWEEN THE GROUP AND ITS SUBSIDIARIES

The Group has experienced strong growth since its creation as a result of organic growth and successive acquisitions. With their different positioning and sometimes separate histories, the Group's companies have considerable autonomy. These characteristics are the strength of the Group but also create a certain level of complexity that can lead to strategic alignment challenges between the parent company and its subsidiaries or between subsidiaries. Occurrence of this risk could lead to a failure in the development strategy or the loss of opportunities for the Group.

The Group is aware of these characteristics and attentive to dialogue with its subsidiaries. The Deputy Chief Executive Officer is in particular responsible for facilitating the implementation of the Group's strategy, promoting cross-fertilization, and developing a sense of belonging, without disrupting the dynamics specific to each activity. In 2021, new mutually beneficial partnerships were established, for instance between GROUPE ECA, which is experiencing strong growth, and SERES TECHNOLOGIES, the Group's engineering subsidiary.

2.4 OPERATING RISKS

2.4.1 RISKS RELATED TO SHORTFALLS IN THE EXECUTION OF IGNIFICANT CONTRACTS

Some of the Group's activities enjoy good visibility thanks to significant multiannual contracts, such as the contract signed in 2019 by GROUPE ECA for the supply of mine-hunting drones for the Belgian and Dutch Navies.

Due to the size of some of these contracts and their challenges in terms of technology, strategy and business model development, any deviation in the management or operational execution of the contracts can have significant financial impacts even at Group level: decrease in the margin level, payment of late payment penalties, termination of contract, even loss of customers, calling of parent company guarantees.

The causes of such a deviation can be manifold: underestimation of the complexity of the project, lack of skills on the part of project managers, team turnover and loss of knowledge or know-how resulting in poor contractual management of the changes requested by the customer, errors of assessment, poor management, especially financial. They may also be caused by weaknesses in the industrialization process that involves product reliability, non-compliance with procedures, contractual commitments that are not clearly defined or respected, management tools that are not suited to project monitoring or are poorly used, poor qualification of customer needs, poor management of subcontracting, supplier failures, etc.

The Group cannot therefore totally discount the risk that it might have problems meeting a performance obligation it has contractually promised a customer or achieving its financial objectives in order to do so.

The Group has long-standing experience in the management of this risk, which is at the heart of its activities. It implements control procedures at the time of contract approval, monitoring and verification procedures to detect possible defects, delays or difficulties during the performance of the contract, financial control procedures appropriate for its activities, the size and duration of contracts.

The business managers in charge of monitoring the technical, contractual and financial aspects of contracts are regularly trained and rely on the technical expertise present in the subsidiaries as well as the financial and legal support services. These experienced teams may rely on proven methodologies developed in similar cases, or even resort to external specialist advice when necessary. The monthly business reviews that take place between the subsidiaries and the Group are moments dedicated to anticipating or detecting divergences and implementing corrective actions. For major contracts, the Group may also call on external consultants to carry out progress and follow-up audits in order to anticipate potential problems and implement preventive solutions or resolve proven difficulties. For example, as part of the program with the Belgian and Dutch navies, the Group has set up an "Operations Audit Committee" specific to this project to ensure its proper management. This committee includes an expert from outside the company to strengthen the monitoring.

Lastly, the performance of these significant contracts complies with the Group's general rules concerning the maintenance of constructive and transparent business relationships with customers and partners, which should make it possible to anticipate and correct deviations.

It should also be noted that the Group is by nature not dependent on a single key contract, being present in multiple activities.

2.4.2 RISKS RELATED TO DIFFICULTIES IN ATTRACTING OR RETAINING EMPLOYEES WITH THE REQUIRED SKILL LEVELS

Against a backdrop of strong growth in some of the Group's activities (especially in the field of robotics), a tight job market for certain sought-after skills, sometimes in competition with large and reputable players, the ability to attract and retain employees with strong and constantly evolving technical skills is essential to the achievement of our strategic objectives.

Any difficulty in recruiting or retaining a sufficient number of employees at the required skill level could therefore cause failure to perform or hinder the growth of the Group. Highly qualified professionals are scarce and the market is booming, as competition has intensified around the population of advanced mechanical, software and electronic engineers necessary for the successful completion of our projects. Despite 2020 seeing a reduction in competition for certain types of expertise, the competition for software and critical electronics experts remains tense.

Group employees are naturally motivated by the commercial or technical appeal of the projects on which they work. In addition, the Group's subsidiaries have put in place a human resources policy whose purpose is to build employee loyalty and facilitate recruitment (see Section 6.6 "The Group's commitments to its employees" of this Universal Registration Document) that includes:

- reinforcement of the Human Resources teams;
- implementation of profit-sharing and employee shareholding plans, which are often additional motivating factors;
- actions to promote the development of employer brands are carried out within the divisions, which also work on the integration process for new employees;
- an attractive remuneration policy adapted to market conditions;
- premises offering a pleasant working environment – recent or ongoing relocations have taken place for sites that no longer met employees' expectations (*e.g.* GROUPE ECA in Montpellier);
- a permanent, certification-based training policy;
- the introduction of teleworking; in this respect, the Covid-19 pandemic was a real accelerator in the implementation of teleworking and the provision of the necessary tools;
- a policy of recognition of individual and collective performance, with, for example, the creation of an "Expert" program at GROUPE ECA;
- an internal mobility policy;
- the implementation of partnerships with schools, universities and other training institutions;
- access in certain companies to day care for our employees' children.

These assets, combined with the Company's culture and its known successes, should make it possible to make the hires needed to carry out the development plan and help limit the turnover rate.

At the same time, the Group's decentralized structure is based on the Directors of key subsidiaries or divisions in the pursuit of development. An inadequate succession plan or a failure to transfer know-how could adversely affect the Group's performance. The GROUPE GORGÉ management team also endeavors to ensure that a subsidiary's or division's success is not built around an overly small group of people and that managers at subsidiaries consider drawing up succession plans for key people.

2.4.3 RISKS RELATED TO THE SAFETY AND SECURITY OF EMPLOYEES

The Group operates in industry in general and more specifically in certain areas of activity that may present specific risks to the physical safety of employees (nuclear environment, construction sites, handling of hazardous products, etc.). A serious accident on a construction site, an accident related to handling, electrical risks, the working environment, exposure to noxious materials, a traffic accident, or the kidnapping of an employee during a business trip to a high-risk country could result in bodily or psychological harm to employees, the payment of significant damages or the payment of a ransom. If the occurrence of these risks remains low, a proven risk could have significant consequences for the Group's cash position or management.

The Group considers the safety and working conditions of its employees to be among its leading priorities. To achieve this, the subsidiaries are taking steps to develop and harmonize their safety culture, strengthen their approach to safety and professionalize their practices (see Section 6.6.3 "Health and safety: a commitment to all employees" of this Universal Registration Document).

The Group also has a procedure for monitoring and alerts covering at-risk countries for limiting the exposure of employees travelling internationally. This monitoring is supplemented by procedures for employees on the move. Lastly, solutions for responsive repatriation are operational.

2.4.4 RISKS RELATED TO THE SKILLS OF EMPLOYEES NOT MATCHING THE GROUP'S TRANSFORMATION

The Group's business lines and technologies are evolving rapidly. In this context, internal skills that are poorly adapted to changes in the Group's business lines or businesses, a lack of training or anticipation of the necessary skills or poorly-organized transfer of know-how could hinder the Group's growth and the success of its long-term development.

The quality and skills of the Group's employees are at the core of its key success factors. The mission of the Human Resources Departments in the various divisions and subsidiaries is to support Executive Management and anticipate the departure of employees with key knowledge and skills, especially when founders or historical leaders leave. They are also in charge of monitoring employees' internal training and succession plans with the purpose of encouraging the transmission of skills and knowledge by experts, the recruitment of highly specific in-demand skills, and the career development of employees (see Section 6.6 "The Group's commitments to its employees" of this Universal Registration Document).

2.4.5 INAPPROPRIATE BUSINESS PRACTICES

The Group has highly developed activity internationally. It deals with markets involving more or less significant unit values and is in contact with a multiplicity of private and public players. Business practices differ from one geographical area to another and decision-making processes can sometimes be long and complex. Inappropriate practices, even without a deliberate intent to obtain an undue advantage, are severely punished by anti-corruption laws. For these reasons, it is critical for the Group to be extremely vigilant about the compliance of its practices with ethical principles and anti-corruption laws. This vigilance on the part of the Group is important to ensure that neither it nor its employees are exposed to financial penalties and/or criminal sanctions.

The Group deploys measures to combat corruption and influence peddling in accordance with the Sapin II Act. Based on a mapping of the corruption risks to which it may be exposed, the Group drafted and deployed an Anti-Corruption Code of Conduct that strengthens the guiding principles of the fight against corruption. A whistleblowing system open to the Group's employees and stakeholders, and training for the managers and employees most exposed to the risk, reinforce the measures to identify and combat corruption (see Section 6.7.2 "Building an efficient, responsible and ethical Group" of this Universal Registration Document).

2.4.6 INSUFFICIENT QUALITY AND PERFORMANCE OF THE PARTNERS OR SUBCONTRACTORS USED

To conduct its activities, the Group mainly handles the most strategic and confidential parts of its business internally, in particular those relating to product design. On the other hand, it relies on a network of partners, suppliers and subcontractors, in particular for all aspects of production, which enables it to have a more variable and flexible cost structure, but generates a risk of experiencing difficulties in meeting an obligation of result that it would have contractually accepted vis-à-vis a customer, due not to an internal default but to a default by a third party with whom the Group has contracted for the performance of the contract in question. The key contracts (including the contract signed in 2019 by GROUPE ECA for the supply of mine-hunting drones for the Belgian and Dutch Navies) rely in part on major subcontractors that are carefully selected and subject to customer approval. This situation may cause dependence on said subcontractors.

The products or services purchased by the Group may be complex and may contain design or production defects. These defects may also be caused by parts bought from suppliers. The Group may receive complaints concerning the quality of its products and these could lead to costs. This product complexity can also lead to dependency on certain key suppliers, as the required skills are not readily available on the market. A default by these major partners or a change in contractual terms may result in delivery delays to the client or pressure on margins and thus have a significant impact on the Group's performance.

The Group has lengthy experience in managing this risk and applies risk assessment procedures when entering into contracts with customers and control procedures when approving contracts with third parties. It regularly conducts audits of its suppliers to select its partners or identify upstream difficulties and strives to have access to several sources for the same service or key component. Control and verification procedures are also put in place by the Group to detect any faults, but may not enable hidden faults to be detected. Ultimately, the Group tries to make sure that its contracts enable, in the case of a complaint from a customer caused by the fault of one of its partners, proportionate claims to be made against this partner.

2.4.7 CUSTOMER PAYMENT DEFAULT

The economic situation around the world and changes to it may affect the Group 's partners, customers and suppliers due to economic slowdowns and financial, geopolitical or social difficulties, or any other factors. The Group has a very wide variety of customers and has the capacity to obtain a growing number of new referrals, so it has little exposure to a particular customer risk, but it could be seriously impacted nonetheless if the international economic situation were to significantly weaken its customers or suppliers in general. In 2020 and 2021, despite the global crisis, the Group did not experience any significant default by any of its customers.

There is no strong dependency across the Group on one customer, as shown by the respective shares of the five largest customers in terms of percentage of consolidated revenue (see the notes the consolidated financial statements, Section 4.1.6, Note 4.5).

Outside France, the Group operates directly or through distributors in a large number of countries. There is no strong concentration of international revenue in any particular country. An alteration in the quality of country risk would significantly affect the Group.

2.4.8 RISKS RELATED TO THE LEVEL OF CASH GENERATION

The Group's activities require the financing of investments in research and development, which is carried out mainly through equity capital and the use of the French research tax credit.

If the research tax credit were to be called into question in the future, it would threaten the level of R&D expenditure that the Group can reasonably finance and would therefore have an unfavorable impact on the Group's business, financial position and outlook. In addition, even if the Group ensures the compliance and quality of its supporting documentation, it cannot be excluded that the tax authorities may question the methods used by the Company to calculate its research and development expenses. A tax adjustment to the Group in this area could have an adverse impact on the Group's results and cash position.

In addition, certain activities may generate significant changes in working capital requirements within a short period of time. These changes are caused by changes in order intake over short periods (since contracts can be large, order intake is not linear) with an impact on the level of down payments on orders, and they are caused by the contract completion cycle (invoicing and payment milestones of customers or suppliers disconnected from cost completion). Changes in working capital requirements can be favorable to the Group but can also be unfavorable and consequently generate cash flow pressures. Tensions that are too frequent or significant or a Group cash position that is too fragile can have an inhibiting impact on the implementation of new development actions.

To limit this risk, the Group pays particular attention to the invoicing and payment terms of customers and suppliers negotiated for contracts. Since the pace of order intake cannot be controlled by the Group or the Group's ability to negotiate payment terms is limited, it is necessary for the Group to acquire the means to finance its activities by means other than cash flow from operations. The Group therefore has access to bank debt as soon as the nature of the investments made allows (full bank financing of real estate investments in particular), so that self-financing is not immobilized whenever possible.

To keep close track of its cash and cash equivalents, the Group monitors changes in the cash position of its subsidiaries on a monthly basis, drives initiatives to improve the cash positions of the divisions and maintains long-term relationships of trust with its bankers, which ensure support if needed. In 2021, the Group obtained a grant of €3.4 million for its "Aerospace" division as part of its recovery plans. The liquidity risk is described in the notes to the consolidated financial statements (Note 8.3.1 "Liquidity risk").

2.5 OTHER RISKS

Other risks have been identified, namely those related to the loss of professional certifications (APSAD, EDF-UTO) or confidential-defense authorizations, geopolitical risks and foreign exchange risk, insufficient understanding of complex legal commitments or new sectors of activity in which skills are lower. Nevertheless, the analysis of those risks over a three-year period in the context of the Group, which enjoys a high level of dispersion of those risks due to the multiplicity of activities and environments in which it operates, did not lead to the conclusion that those risks were significant or major at the Group level. Obviously, these conclusions were drawn at a given date and in a given environment and could be subject to change.

3

CORPORATE GOVERNMENT

This section on corporate governance includes the corporate governance report pursuant to Article L.225-37 of the French Commercial Code, which was approved by the Board of Directors on 21 March 2022.

3.1 GOVERNANCE

3.1.1 COMPOSITION OF THE BOARD OF DIRECTORS AND THE BOARD COMMITTEES

The composition of the Board of Directors reflects the GORGÉ family's control of the Company. However, the Company also promotes democratic and collective representation of all shareholders and the recognition of the prevalence of the Company's corporate interest in the event of conflicts of interest, thanks to the presence of Independent Directors.

The Board endeavors to find Directors with complementary skills that add value to the Board's work, and achieve gender balance.

Each year, the Board reviews the independence of each of the Independent Directors with regard to the independence criteria included in the Middlenext Corporate Governance Code.

At 21 March 2022, the Board of Directors of GROUPE GORGÉ was therefore composed of two Directors representing the majority shareholder of GROUPE GORGÉ, a non-Independent Director, three Independent Directors, and a Director appointed by employees.

Mr. Raphaël GORGÉ (Chairperson and Chief Executive Officer) and Mr. Jean-Pierre GORGÉ represent the majority shareholder of GROUPE GORGÉ namely PÉLICAN VENTURE. Mr. Jean-Pierre GORGÉ is the father of Mr. Raphaël GORGÉ and the founder of the Group.

Despite his rich career and his independence of mind, Mr. Hervé GUILLOU cannot be considered independent with regard to the criteria of the Middlenext Corporate Governance Code as he is Chairperson of the Board of Directors of GROUPE ECA and receives remuneration from GROUPE ECA, a wholly-owned subsidiary of GROUPE GORGÉ.

On the proposal of the Independent Directors, Mrs. Catherine BENON was reclassified as an Independent Director due to changes in her personal situation and her independence of mind.

Mrs. Sylvie LUCOT and GALI SASU, represented by Mrs. Martine GRIFFON-FOUCO, are Independent Directors within the meaning of the Middlenext Corporate Governance Code (*i.e.* these Directors do not have any links to the Company, its Group or its Management, such as might compromise the exercise of their freedom of judgment). In 2018, the Company appointed a salaried Director (Mrs. Céline LEROY) pursuant to Article L.225-27 of the French Commercial Code.

The statutory duration of the terms of office of the Directors is six years. They may be terminated at any time in accordance with the law and legal precedent.

Two Board committees (the Audit Committee and the Remuneration Committee) have been established within the Board. The role and composition of these committees are presented below (see Sections 3.1.8 and 3.1.9).

The Board also meets at least once a year in the form of a Strategy Committee (see Section 3.1.10).

From 2022, the Board will also meet at least once a year in the form of a CSR Committee. As a reminder, as part of the acceleration of its CSR approach, at the end of 2020 the Board of Directors appointed Mrs. Hélène de COINTET as CSR Officer in charge of steering the Group's CSR approach, at (see Section 3.1.11).

At 1 January 2022, the composition of the Board of Directors and the Board committees was as follows:

Name	Independent	Audit Committee	Remuneration Committee	Date of first appointment	Term expires	Relevant experience and expertise contributed
Raphaël GORGÉ CEO	No	/	/	SM of 17 June 2004	SM approving the financial statements for the financial year ended 31/12/2021. The renewal of the term of office will be proposed at the SM of 16/06/2022.	Strategy, executive management, finance, financial reporting, industry, and technology
Jean-Pierre GORGÉ Director	No	/	/	BM of 11 March 1991	SM approving the financial statements for the financial year ending 31/12/2026.	Strategy, executive management, industry, defense
Catherine BENON (former spouse GORGÉ) Director	Yes	Member	/	SM of 8 June 2012	SM approving the financial statements for the financial year ending 31/12/2023.	Project management, Knowledge of the Group's business lines, Audit Committee
Martine GRIFFON-FOUCO (GALI SASU) Director	Yes	/	Chairperson	SM of 8 June 2012	SM approving the financial statements for the financial year ending 31/12/2023.	Nuclear industry, corporate management, remuneration
Hervé GUILLOU Director	No	/	/	SM of 18 June 2021	SM approving the financial statements for the financial year ending 31/12/2026	Defense, strategy, executive management, industry
Sylvie LUCOT Director	Yes	Chairperson	Member	SM of 18 June 2006	SM approving the financial statements for the financial year ending 31/12/2022.	Defense, financial reporting, finance
Céline LEROY Employee Director	No	/	/	Elected in December 2018	SM approving the financial statements for the financial year ending 31/12/2023.	Legal

3.1.2 PRESENTATION OF THE MEMBERS OF THE BOARD

At 1 January 2022:

Raphaël GORGÉ

Chairperson of the Board of Directors and Chief Executive Officer

Main function: Chairperson and Chief Executive Officer of GROUPE GORGÉ

Raphaël GORGÉ joined GROUPE GORGÉ (named FINUCHEM at the time) in 2004 after a ten-year career in finance and technology. He initiated and implemented the Group's withdrawal from the automotive sector (70% of its revenue in 2004), then steered its development toward new areas of business. Raphaël GORGÉ has been the Chief Executive Officer of the Group since 2008. He has an engineering degree from the École Centrale de Marseille and holds an advanced degree in molecular modelling.

First appointment: SM of 17 June 2004

Term expires: SM approving the financial statements for the financial year ended 31 December 2021. The renewal of the term of office will be proposed at the SM of 16 June 2022

Other offices and positions held within the Group:

Chairperson of the Board of Directors of PRODWAYS GROUP SA*

Chief Executive Officer of PRODWAYS GROUP SA* (from 10 July 2021 to 28 February 2022)

Director of GROUPE ECA

Legal representative of GROUPE GORGÉ SA as Chairperson of VIGIANS (formerly BALISCO) SAS

Manager of SCI DES CARRIÈRES

Chairperson of STONI SAS

General Manager of GORGÉ EUROPE INVESTMENT BV

Legal representative of GROUPE GORGÉ SA as Chairperson of VIGIANS PROTECTION INCENDIE SAS

Other offices and positions held outside the Group:

Deputy Chief Executive Officer of PÉLICAN VENTURE SAS

Chairperson of the Supervisory Board of SOPROMEC PARTICIPATIONS SA

Manager of SOCIÉTÉ CIVILE COMPAGNIE INDUSTRIELLE DU VERDELET

Manager of SCI AUSSONNE

Manager of SCI COMMINES (since 31 May 2021)

Legal representative of PÉLICAN VENTURE SAS as Chairperson of HELIATEC HOLDING SAS (since 14 October 2021)

Legal representative of PÉLICAN VENTURE SAS as Chairperson of PÉLICAN 2 SAS (since 16 December 2021)

Legal representative of PÉLICAN VENTURE SAS as Chairperson of PÉLICAN 3 SAS (since 16 December 2021)

Offices held during the last five years in which Raphaël GORGÉ is no longer serving:

Director and Chairperson of the Board of Directors of ECA SA* (until 30 December 2020)

Chairperson of NUCLÉACTION SAS (until 31 January 2017)

Chairperson of FINU 10 SAS (until 10 April 2018)

Chief Executive Officer of PRODWAYS GROUP SA* (separation of the roles of Chief Executive Officer and Chairperson of the Board of Directors in October 2018)

Legal representative of PRODWAYS GROUP SA* as Chairperson of CRISTAL SAS, PRODWAYS SAS, PRODWAYS DISTRIBUTION SAS, PRODWAYS RAPID ADDITIVE FORGING SAS (formerly PRODWAYS 1), PRODWAYS 2 SAS, PODO 3D SAS, PRODWAYS ENTREPRENEURS SAS, PRODWAYS CONSEIL SAS, AVENAO INDUSTRIE SAS, 3D SERVICAD SAS, AVENAO SOLUTIONS 3D SAS, IP GESTION SAS, INTERSON PROTAC SAS (until 4 October 2018)

Manager of SCI MEYSSE (until 28 June 2019)

Legal representative of PÉLICAN VENTURE SAS as Chairperson of VIBRANIUM SAS (until April 2021) (VIBRANIUM SAS has been absorbed by INTRASEC HOLDING)

Legal representative of PÉLICAN VENTURE SAS as Chairperson of KAIRNIAL GROUP SAS (formerly INTRASEC HOLDING) (until December 2021)

Legal representative of INTRASEC HOLDING SAS as Chairperson of INTRASEC SAS (until December 2021)

Legal representative of VIBRANIUM SAS as Chairperson of WAKANDA SAS (until April 2021) (VIBRANIUM SAS has been absorbed by INTRASEC HOLDING)

Legal representative of WAKANDA SAS as Chairperson of KAIRNIAL EUROP SAS (formerly RESOLVING GROUP) (until December 2021)

Legal representative of KAIRNIAL EUROP (formerly RESOLVING GROUP SAS) as Chairperson of KAIRNIAL FRANCE (formerly RESOLVING SAS) (until December 2021)

Legal representative of PÉLICAN VENTURE SAS as Chairperson of PÉLICAN 1 SAS (until October 2021)

Manager of SCI THOUVENOT (until 27 December 2019)

* *Listed company.*

Jean-Pierre GORGÉ Director and founder of GROUPE GORGÉ	**Main function:** Chairperson of PÉLICAN VENTURE SAS Before founding GROUPE GORGÉ (previously named FINUCHEM) in 1988, Jean-Pierre GORGÉ held various positions in public administration, including Deputy Director of the Chemical Industries Department of the French Ministry of Industry as well as SMI delegate and head of the Regional Affairs Department at the Ministry of Industry. Jean-Pierre GORGÉ has an armament engineering degree from the École Polytechnique (X62) and a degree from the Institut d'Études Politiques in Paris (1967). **First appointment:** Board meeting of 11 March 1991 **Term expires:** SM approving the financial statements for the financial year ending 31 December 2026 **Other offices and positions held within the Group:** Director of GROUPE ECA **Other offices and positions held outside the Group:** Chairperson of PÉLICAN VENTURE SAS Vice-Chairperson of the Supervisory Board of SOPROMEC PARTICIPATIONS SA Manager of SOCIÉTÉ CIVILE G21 Manager of SARL TROIDEM Manager of SCI BÉTHUNE 34 Legal representative of PÉLICAN VENTURE SAS as Chairperson of HELIATEC HOLDING SAS (since 14 October 2021) Legal representative of PÉLICAN VENTURE SAS as Chairperson of PÉLICAN 2 SAS (since 16 December 2021) Legal representative of PÉLICAN VENTURE SAS as Chairperson of PÉLICAN 3 SAS (since 16 December 2021) **Offices held during the past five years in which Jean-Pierre GORGÉ is no longer serving:** Director of ECA SA* until 30 December 2020 (ECA SA was absorbed by GROUPE GORGÉ) Permanent representative of PÉLICAN VENTURE as Chairperson of FRANCEOLE HOLDING SAS (until July 2017) Legal representative of PÉLICAN VENTURE SAS as Chairperson of VIBRANIUM SAS (until April 2021) (VIBRANIUM SAS has been absorbed by INTRASEC HOLDING) Legal representative of PÉLICAN VENTURE SAS as Chairperson of KAIRNIAL GROUP SAS (formerly INTRASEC HOLDING) (until December 2021) Legal representative of INTRASEC HOLDING SAS as Chairperson of INTRASEC SAS (until December 2021) Legal representative of VIBRANIUM SAS as Chairperson of WAKANDA SAS (until April 2021) (VIBRANIUM SAS has been absorbed by INTRASEC HOLDING) Legal representative of WAKANDA SAS as Chairperson of KAIRNIAL EUROP SAS (formerly RESOLVING GROUP) (until December 2021) Legal representative of KAIRNIAL EUROP (formerly RESOLVING GROUP SAS) as Chairperson of KAIRNIAL FRANCE (formerly RESOLVING SAS) (until December 2021) Legal representative of PÉLICAN VENTURE SAS as Chairperson of PÉLICAN 1 SAS (until October 2021)

Catherine BENON Independent Director Member of the Audit Committee	**Main position:** Chairperson of CBG CONSEIL SAS Catherine BENON began her career as a process engineer at ATLANTIC RICHFIELD, then joined the TECHNIP Group as a project engineer. After working at the Industrial Projects & Services business of GROUPE GORGÉ, she joined the luxury sector. There, she held the position of Director of Development and Operations at the PUIG group, first for the PACO RABANNE brand, then for the MAJE brand. She currently runs the company CBG CONSEIL, specializing in business consulting. Between 2014 and 2019, she carried out consulting assignments within PRODWAYS GROUP. Catherine BENON is also a Director of GROUPE ECA (subsidiary of GROUPE GORGÉ) and PRODWAYS GROUP*. Catherine BENON has an engineering degree from École Centrale de Marseille and holds an advanced degree in project management. **First appointment:** SM of 8 June 2012 **Term expires:** SM approving the financial statements for the financial year ending 31 December 2023 **Other offices and positions held within the Group:** Director of PRODWAYS GROUP SA* Director of GROUPE ECA **Other offices and positions held outside the Group:** Chairperson of CBG CONSEIL Director of RADIALL since June 2021 **Offices held during the past five years in which Catherine BENON is no longer serving:** Director of ECA SA* until 30 December 2020 (ECA SA was absorbed by GROUPE GORGÉ)

* *Listed company.*

Sylvie LUCOT Independent Director Chairperson of the Audit Committee Member of the Remuneration Committee	**Main function:** None Sylvie LUCOT was Vice-President of International Corporate Affairs at the THALES group, from 2008 until her retirement in February 2014. From 1986 to 1997, she was Director of Investor Relations at the THOMSON group and THOMSON-CSF, then, until 2008, CSF, which became THALES in 2000. From 1974 until joining the THOMSON Group in 1984, she was a financial analyst at DAFSA and the French Ministry of Industry. Between 2011 and 2019, Sylvie LUCOT was an employee shareholders' representative on the Board of the AMF. **First appointment:** SM of 18 December 2006 **Term expires:** SM approving the financial statements for the financial year ending 31 December 2022 **Other offices and positions held within the Group:** None **Other offices and positions held outside the Group:** None **Offices held during the past five years in which Sylvie LUCOT is no longer serving:** Member of the Board of AMF (until January 2019) Member of the AMF Retail Investors Consultative Commission Member of the Office of the FAS (until 2020)

GALI SASU, represented by Martine GRIFFON-FOUCO Independent Director Chairperson of the Remuneration Committee	**Main function:** Chairperson of GALI SASU (personal holding company) In 1977, Martine GRIFFON-FOUCO began her career as an engineer at the National Agency for the Improvement of Working Conditions and then at the French Atomic Energy Commission (CEA) (1978-1982). In 1982, she joined the EDF group where she was successively Director of the human factors group within the Thermal Production Department (1982-1988), Director of the safety-quality mission (1988-1990), Director of power plant 3-4 (1990-1993), Deputy Director (1993-1994), Director (1994-1998) of the Blayais nuclear power plant, Regional Delegate in Aquitaine (1998-2000), Director of the regional action delegation (2000-2001), Director of Communication and member of the Executive Committee (2001-2003). From 2003 to 2008, she held the position of Director of the non-destructive testing business unit and Commercial Director of the CEGELEC group. In 2007, she was appointed as Chairperson of the Facilities subsidiary of the ASSYSTEM group, then became, in 2009, Executive Vice-President and member of the Management Board of the ASSYSTEM group until 2013. Since 2013, she has been the Chairperson of GALI and been a Director of SETEC NUCLÉAIRE (2016-2018). Martine GRIFFON-FOUCO is an engineer with a degree from École Nationale Supérieure de Mécanique et d'Aérotechnique (ENSMA) in Poitiers. She also holds a degree in psychology (Université de Paris-Sorbonne), a graduate degree of technical studies in ergonomics, and a degree in general university studies in Russian. **First appointment:** SM of 8 December 2012 **Term of office expires:** Mrs. GRIFFON-FOUCO resigned from her mandate. Her company, SASU GALI, was co-opted to replace her on 23 March 2020. The term expires at the SM approving the financial statements for the financial year ending 31 December 2023 **Other offices and positions held within the Group:** None **Other offices and positions held outside the Group:** Manager of SCI LAUFRED Manager of SCI GALA Director of RESOLIS Legal representative of GALI SASU as a member of the Supervisory Board of ORAPI (since July 2020) **Offices held during the past five years in which Martine GRIFFON-FOUCO is no longer serving:** Director of ISAE-ENSMA (since June 2021) Director of KEDGE (since November 2021)

* *Listed company.*

Hervé GUILLOU
Director

Main function: see mandates below.

Main function: In 1978, Hervé GUILLOU began his career at the Naval Construction Department in Cherbourg, as an engineer specializing in diving safety on Ruby-type nuclear submarines. He was then responsible for the nuclear propulsion project for Le Triomphant-type nuclear submarines at DCN Indret (1981-1989).

In 1989, he joined the Directorate General for Armaments (DGA), on the staff of Yves SILLARD, then Delegate General for Armaments, as an Advisor and later as Chief of Staff. From 1993 to 1996, he was Director of the Joint Project Office Horizon, an anti-aircraft frigate program, where he set up the tripartite program office in London (United Kingdom, Italy, France).

From 1996 to 2003, he was Deputy Chief Executive Officer of TECHNICATOME, an engineering and project management company specializing in naval propulsion reactors and nuclear research facilities. At the same time, from 1999 to 2003 he was Chairperson of PRINCIPIA (scientific engineering solutions in the naval, offshore and energy sectors) and of TECHNOPLUS INDUSTRIES (high-precision engineering).

In 2003, he joined the EADS group as CEO of Space Transportation, the French-German division specializing in Ariane launchers, orbital infrastructures and missiles for the French deterrent force.

From 2005 to 2011, he was CEO of DEFENSE AND COMMUNICATIONS SYSTEMS, now CASSIDIAN SYSTEMS, a division based in Munich, established in six countries, specializing in telecommunication and security command systems. Co-Chairperson of ATLAS ELECTRONIK and member of the Board of PATRIA.

In 2011, he founded CASSIDIAN CYBERSECURITY, where he became CEO, before being appointed Corporate Executive, Defense & Security within EADS in 2012. From 2012 to 2014, he was Senior Advisor Defense and Security at EADS.

In July 2014, he was appointed CEO of NAVAL GROUP, a position he held for six years.

In 2017, he took over as Chairperson of GICAN and of the Strategy Committee for the Marine Industry.

In March 2020 he was appointed Vice-Chairperson of the French General Council for Armaments.

In January 2021 he was appointed Chairperson of the Board of Directors of GROUPE ECA.

Hervé GUILLOU is a graduate of École Polytechnique (X73), ENSTA Paris and INSTN. He is also a graduate of INSEAD and a certified Director of IFA Sciences Po.

First appointment: first appointment submitted to the SM of 18 June 2021

Term expires: SM approving the financial statements for the financial year ending 31 December 2026

Other offices and positions held within the Group:

Chairperson of the Board of Directors of GROUPE ECASA

Member of the Supervisory Board of MAURIC

Other offices and positions held outside the Group:

Vice-Chairperson of GICAN

Vice-Chairperson of the French General Council for Armaments

Chairperson of 3CAP Advisor SAS

Director of GROUPE SNEF SA

Director of ORTEC EXPANSION SA

Offices held during the past five years in which Hervé GUILLOU is no longer serving:

Chairperson and Chief Executive Officer of NAVAL GROUP

Chairperson of CICS (Conseil des Industries de la Confiance et de la Sécurité)

Member of the Board of Directors of CHANTIERS DE L'ATLANTIQUE and Chairperson of the Audit Committee

Director (Board of Directors) of NAVIRIS SPA (Italy) (until November 2021)

Director of COMEX SA (until November 2021)

* *Listed company.*

Céline LEROY Employee Director	**Main function:** General Counsel of GROUPE GORGÉ Céline LEROY has been General Counsel of GROUPE GORGÉ since 2007. She earned a CAPA (Certificate of Aptitude for the Legal Profession) and a DESS (advanced degree) in corporate law and taxation at Université Paris I, then practiced as an attorney at the firm of FRESHFIELDS BRUCKHAUS DERINGER in the Finance and M&A Departments before spending a year on secondment in the Legal Department of DANONE. **First appointment:** election of 18 December 2018 **Term expires:** SM approving the financial statements for the financial year ending 31 December 2023 **Other offices and positions held within the Group:** Director of PRODWAYS GROUP SA* Non-voting board member of GROUPE ECA SA **Other offices and positions held outside the Group:** None **Offices held during the past five years in which Céline LEROY is no longer serving:** Director of ECA SA* until June 2020

* *Listed company.*

The business address of the Directors is the head office of the Company.

3.1.3 GENDER BALANCE ON THE BOARD OF DIRECTORS AND BOARD COMMITTEES

The Board of Directors complies with the principle of gender balance with four women and two men on the Board at this time.

When electing an Employee Director, every candidacy should include, in addition to the candidate's name, the name of his or her potential replacement, and the candidate and replacement must be of different genders.

In view of the size and composition of the Board, the composition of the Board committees is guided more by the skills of its members than by the goal of perfect gender balance on the committees. The Remuneration Committee currently comprises two women, as does the Audit Committee.

The choice of Directors (other than Employee Directors) is guided primarily by the search for skills that complement those already represented on the Board, knowledge of the markets in which the Group is active, and issues the Group may face.

3.1.4 INFORMATION ON SECURITIES TRANSACTIONS BY CORPORATE OFFICERS

To the best of the Company's knowledge, the corporate officers, the Group's executives and the persons mentioned in Article L.621-18-2 of the French Monetary and Financial Code, subject to spontaneous declaration of their securities transactions, carried out the following securities transactions during the 2021 financial year.

(in number of shares)	Acquisitions	Disposals
Raphaël GORGÉ	-	75,550
PÉLICAN VENTURE SAS	71,897	-

In January and March 2022, the following transactions were reported:

(in number of shares)	Acquisitions	Disposals
Raphaël GORGÉ	-	29,346
PÉLICAN VENTURE SAS	39,346	-

3.1.5 NON-CONVICTION AND CONFLICTS OF INTEREST

To the best of the Company's knowledge, at the date of preparation of this document, no member of the Board of Directors or any executive corporate officer has been, during the last five years, convicted of fraud, involved in a bankruptcy, receivership, liquidation or placing of companies under judicial administration by virtue of having served as a member of an administrative, management or supervisory body thereof, the target of official public questioning and/or sanctioned by a statutory or regulatory authority (including designated professional bodies), barred by a court of law from serving as a member of an administrative, management or supervisory body of an issuer or from participating in the management or conduct of the affairs of an issuer.

To the best of GROUPE GORGÉ's knowledge, at the date of preparation of this document, no potential conflict of interest has been identified between the private interests and/or other duties of any of the members of the administrative, management or supervisory bodies and their duties to the issuer (with the potential exception of non-independent agents as specified in Section 3.1.1 above).

To the best of GROUPE GORGÉ's knowledge, at the date of preparation of this document, there are no arrangements or agreements entered into with the main shareholders or with customers, suppliers or others by virtue of which a corporate officer has been selected (except in the case of non-independent agents with links to the majority shareholder as specified in Section 3.1.1 above).

To the best of GROUPE GORGÉ's knowledge, at the date of preparation of this document, the persons who are members of an administrative, management or supervisory body have not accepted any restrictions on the transfer, within a certain period of time, of the securities of the issuer that they hold.

3.1.6 EXECUTIVE MANAGEMENT

3.1.6.1 Choice of procedures for exercising Executive Management

At its 14 September 2011 meeting, the Board of Directors decided that the positions of Chairperson of the Board of Directors and of Chief Executive Officer would be held by a single person.

3.1.6.2 Scope of the powers of the Chief Executive Officer

No restrictions were placed on the powers of the Chief Executive Officer when he was appointed. The CEO is therefore vested with the broadest powers to act on behalf of the Company in all circumstances, within the limits of the corporate purpose and subject to the powers expressly assigned by law to the shareholders' meeting and to the Board of Directors.

3.1.6.3 Terms of office

The executive corporate officers currently in office were appointed for an indeterminate term.

They may be terminated at any time in accordance with the law and legal precedent.

3.1.7 CONDITIONS FOR THE PREPARATION AND ORGANIZATION OF THE WORK OF THE BOARD OF DIRECTORS DURING THE PERIOD

The rules governing the operation of the Board of Directors can be found in the Articles of Association and are set out in detail in the Board's Internal Regulations.

3.1.7.1 Frequency of meetings – Attendance rate of Directors

Over the past financial year, the Board of Directors met eight times. The attendance rate of the Directors was very good (98.21%).

3.1.7.2 Convening of Board meetings

In accordance with Article 15 of the bylaws, Board meetings may be convened by any means, including verbally.

In 2021, Board meetings were convened by email.

In accordance with Article L.225-238 of the French Commercial Code, the statutory auditors were convened to the meetings of the Board held to review and approve the interim and annual financial statements.

3.1.7.3 Provision of information to Directors

The Directors were provided with all the papers, technical dossiers and information required to carry out their duties either when meetings were called or prior to Board meetings.

3.1.7.4 Holding of Board meetings

Meetings of the Board of Directors are held at the head office. The Internal Regulations approved by the Company's Board of Directors, allow the use of video-conferencing or other telecommunications technologies subject to the regulatory requirements for holding the meetings of the Board of Directors.

3.1.7.5 Decisions taken

During the past financial year, the Board of Directors took decisions on current issues that are in the interest of the Company.

The Board authorized the proposed distribution of the bulk of its PRODWAYS GROUP shares to its shareholders and convened a shareholders' meeting to approve this exceptional distribution in kind.

The exceptional distribution in PRODWAYS GROUP shares is fully in line with the Group's strategic movement to strengthen the Drones and Systems activities and makes it possible to achieve a new major step forward by simplifying the Group.

3.1.7.6 Minutes of Board meetings

The minutes of the Board of Directors meetings are drawn up following each meeting and sent to all Directors at the latest before the next Board meeting.

3.1.7.7 Assessment of the Board's work

In accordance with Recommendation 13 of the Middlenext Corporate Governance Code, the Directors are invited to express their views on the functioning of the Board and on the preparation of its work at the Board meetings' approving the annual financial statements. In 2022, this self-assessment was based on the responses to the new Middlenext self-assessment questionnaire.

3.1.7.8 Relationship with shareholders

In accordance with Recommendation 14 of the Middlenext Code, as of the next shareholders' meeting the Board will review the negative votes cast at shareholders' meetings, by analyzing, among other things, how the majority of the non-controlling shareholders were expressed. If relevant, the Board will consider whether to amend its resolutions accordingly.

3.1.8 AUDIT COMMITTEE

The Audit Committee was set up in 2012. On 31 December 2021, it was composed of Mrs. Sylvie LUCOT (Chairperson) and Catherine BENON.

In accordance with Article L.823-19 of the French Commercial Code and without prejudice to the powers of the Board, the Audit Committee has the following duties:

- follow the financial reporting preparation process and, where required, formulate recommendations to ensure the integrity thereof;
- monitor the efficiency of internal control and risk management systems and, where applicable, internal audit systems with regard to procedures for preparing and processing accounting and financial information, without impacting its independence;
- issue a recommendation on the statutory auditors proposed for appointment by the shareholders' meeting, this recommendation is addressed to the Board in accordance with regulations; issue a recommendation to the Board when the renewal of one or more statutory auditors is considered in accordance with regulations;
- monitor the statutory auditors' audit of the financial statements and take into account the findings and conclusions of the French High Council for Auditing Oversight (Haut Conseil du Commissariat aux Comptes) following the checks performed pursuant to the regulations;
- ensure the statutory auditors' compliance with the independence criteria under the terms and in accordance with the procedures set out by the applicable regulations;
- approve the provision of services by the statutory auditors other than the certification of the financial statements pursuant to the applicable regulations;
- regularly report to the Board on the performance of its duties (including on certifying the financial statements, on how said certification contributed to the integrity of financial reporting, and on the role it played in this process); promptly inform the Board of any difficulties encountered.

In the course of preparing the interim and annual financial statements, the Audit Committee meets with the Company's statutory auditors to finalize the interim and annual financial statements and to get updates from the statutory auditors on their work. In this respect, it ensures the independence of the statutory auditors.

The Audit Committee was not required to vote during the past financial year on the provision of services by the statutory auditors other than the certification of the financial statements. It took part in discussions with the Company and the statutory auditors during the preparation of the statutory auditors' report to the Audit Committee.

The Board of Directors followed the Audit Committee's recommendations.

3.1.9 REMUNERATION COMMITTEE

The Remuneration Committee was set up in 2012. Currently, it consists solely of Independent Directors, namely Mrs. Martine GRIFFON-FOUCO (Chairperson) and Sylvie LUCOT.

The Remuneration Committee is responsible for making all recommendations to the Board regarding the remuneration and benefits that corporate officers of GROUPE GORGÉ receive. These proposals involve the balance of the various components of overall remuneration (including any remuneration received from affiliates) and their allocation conditions, specifically in terms of performance.

3.1.10 STRATEGY COMMITTEE

Given its size, the Board has chosen to not create a Strategy Committee separate from the Board of Directors. However, in addition to meetings relating to the review and approval of specific development or external growth projects, the Company's Board of Directors meets every year, generally in June and if possible at a subsidiary, to review the Group's trajectory and discuss its development strategy.

3.1.11 CSR COMMITTEE

From 2022, the Board will also meet at least once a year to specifically discuss the Group's CSR strategy and monitor its related targets. Given its size and the prior appointment of a CSR Officer, the Board has not deemed it appropriate to create a CSR Committee separate from the Board of Directors. As part of the acceleration of its CSR approach, in December 2020 the Board of Directors appointed Mrs. Hélène de COINTET as CSR Officer, in charge of steering the Group's CSR approach.

3.2 CORPORATE OFFICER REMUNERATION POLICY

(10th to 12th resolutions of the shareholders' meeting of 16 June 2022)

The determination, review and implementation of the remuneration policy for each of the corporate officers are conducted by the Board of Directors on the recommendation of the Remuneration Committee, which is composed exclusively of Independent Directors. It is stipulated that the corporate officer concerned does not take part in the discussions or vote on these questions.

The Remuneration Committee meets each year to discuss a number of issues, including the remuneration of the corporate officers for the current year, the calculation of their bonuses for the past year based on the performance achieved, and bonus criteria for the future.

For its work, the Remuneration Committee may rely on external studies that indicate market practices for comparable companies. It takes into account any remuneration received by the corporate officers elsewhere in companies controlled by GROUPE GORGÉ (in particular GROUPE ECA SA) or the company controlling GROUPE GORGÉ or related companies (in particular PRODWAYS GROUP SA).

In addition, pursuant to recommendations R16 of the Middlenext Corporate Governance Code, the Remuneration Committee takes the following principles into account:

- **comprehensiveness:** the determination of the remuneration of executive officers must be exhaustive: fixed portion, variable portion (bonus), stock options, free shares, Directors' fees, retirement conditions and special benefits must be included in the overall assessment of the remuneration; in the case of variable remuneration, the assessment of performance takes into account quantitative and qualitative criteria;
- **balance** between remuneration components: each component of the remuneration must be justified and be in the best interests of the Company;
- **benchmark:** to the extent possible the remuneration must be assessed in relation to a benchmark business and market and be proportional to the Company's position, taking into account the inflationary effect;
- **consistency:** the executive corporate officer remuneration must be consistent with that of other executives and employees at the Company;
- **clarity:** the rules must be simple and transparent, meaning the performance criteria used to determine the variable portion of remuneration or any stock options or free shares allocated must be in line with the Company's performance, correspond to its objectives, be demanding and easily explained, and be as sustainable as possible. They must be described without compromising the confidentiality of certain components;
- **moderation:** the remuneration must be determined and stock options or free shares allocated in a sensible manner and take into account the Company's best interests, market practices and executive performance;
- **transparency:** in accordance with the law, the Company publishes all components of the remuneration of the corporate officers in its corporate governance report. In the case of variable remuneration, the weighting of the various criteria is communicated to the shareholders.

Lastly, as part of the decision-making process followed for the determination and review of the remuneration policy, the conditions of remuneration and employment of the Company's employees were taken into account by the Remuneration Committee and the Board.

Following the work of the Remuneration Committee, the Board of Directors chooses the criteria for the variable remuneration of the executive corporate officers in line with the Group's strategy as described in Section 1.3, taking into account the interests of all stakeholders while respecting the corporate interest and the Company's continued existence.

No components of remuneration, of any type whatsoever, may be set, allocated or paid by the Company and no commitments made by the Company that do not comply with the approved remuneration policy, or, in its absence, with existing remunerations or practices in the Company. However, in the event of exceptional circumstances, the Board of Directors may waive, on the recommendation of the Remuneration Committee, the application of the remuneration policy if this waiver is temporary, in line with the Company's interests and necessary to guarantee the Company's sustainability or viability in accordance with Article L.22-10-8 of the French Commercial Code. These justifications are brought to the attention of the shareholders in the next corporate governance report. Furthermore, the executive corporate officer in question does not take part in the deliberations or the vote on these matters.

If the governance changes, the remuneration policy shall be applied to the Company's new corporate officers, if applicable with suitable adaptations to take the executive officers' duties, the level of difficulty of their responsibilities, experience in the position and seniority in the Group, and their independence as well as the practices of similar and comparable firms into account.

3.2.1 REMUNERATION POLICY FOR THE CHAIRPERSON AND CHIEF EXECUTIVE OFFICER OF GROUPE GORGÉ

Currently, the offices of Chairperson of the Board of Directors and Chief Executive Officer are held by a single person, Raphaël GORGÉ.

In the event that these functions are separated in the future, the Board will set the remuneration of the Chairperson of the Board of Directors and the Chief Executive Officer, adapting the Group's compensation principles if necessary.

In particular, the Board will take into account the executive's duties, the level of difficulty of his or her responsibilities, experience in the position, length of service in the Group and independence and the practices of other similar and comparable companies.

If the functions are separated, the Chairperson would be entitled to fixed remuneration, any variable remuneration based on special or executive assignments, remuneration as a Director (provided that he or she is also an Independent Director) and the standard benefits in kind.

The variable remuneration principles and criteria applicable to the Chairperson and Chief Executive Officer and to the Deputy Chief Executive Officer detailed below would be applicable to the Chief Executive Officer if the functions are separated, with any necessary adaptations, to take into account the new executive's missions, the level of difficulty of his or her responsibilities, experience in the position, length of service in the Group and independence and the practices of other similar and comparable companies.

3.2.1.1 Fixed remuneration

The Chairperson and Chief Executive Officer receives annual fixed remuneration from GROUPE GORGÉ in respect of his or her office.

The total fixed remuneration of the Chairperson and Chief Executive Officer is determined by taking into account the remuneration received, where applicable, from both GROUPE GORGÉ and the controlling and controlled companies.

This remuneration is also appraised in light of the executive remuneration at firms of similar size or business, the Group's overall performance, and the remuneration of the senior executives of GROUPE GORGÉ's subsidiaries.

3.2.1.2 Variable remuneration

The Chairperson and Chief Executive Officer receives annual variable remuneration from GROUPE GORGÉ in respect of his office.

The variable remuneration of the Chairperson and Chief Executive Officer is determined by taking into account the remuneration received, where applicable, from both GROUPE GORGÉ and the controlling, controlled or related companies.

On a proposal by the Remuneration Committee, the Board of Directors determines the overall amount of variable remuneration and the applicable performance criteria as stated in Section 3.2 above.

Concerning the amount of variable remuneration, the Board of Directors considers that the Chairperson and Chief Executive Officer, as a significant shareholder in GROUPE GORGÉ, is more motivated by his equity interest in the Group than by the variable portion of his remuneration. However, the Board of Directors also believes that allocating variable remuneration based on performance criteria remains a good practice.

As such, since 2019, the Board of Directors has decided that the total variable remuneration of Raphaël GORGÉ will be limited to a maximum of one third of his total fixed remuneration.

The variable remuneration is linked to the achievement of performance criteria established by the Board of Directors on the proposal of the Remuneration Committee. For 2022, the objectives concern the levels of revenue (10% of the variable remuneration), operating income (40%) and cash generation (40%), as well as CSR indicators (10%). These variable remuneration criteria contribute to the objectives of the remuneration policy by aligning the interests of the Director with the Group's strategy and objectives.

The expected level of achievement of the quantitative criteria was pre-established by the Board of Directors on the proposal of the Remuneration Committee but is not made public for reasons of confidentiality.

To determine the extent to which the performance criteria for variable remuneration have been met, the Board of Directors, on the recommendation of the Remuneration Committee, reviews the Group's performance over the past financial year.

No multiannual variable remuneration is set, but it could be in the future.

3.2.1.3 Exceptional remuneration

Under unusual circumstances or in the event of exceptional success, the Board of Directors may decide to allocate exceptional remuneration to the Chairperson and Chief Executive Officer. The reasons for this decision would be explained. This exceptional remuneration would be capped at the amount of the executive's total fixed remuneration.

If new executive corporate officers are appointed, the Board of Directors may decide to grant exceptional remuneration related to the assumption, cessation or change of duties depending on market practices and the executive corporate officer's experience.

3.2.1.4 Stock options and free shares

The Board of Directors may also grant stock options or free shares to executive corporate officers under the conditions provided by law. To do this, it is granted the necessary authorizations as voted by the shareholders' meeting.

Any allocation shall be subject to achievement of performance criteria set by the Board of Directors and the setting of a portion of securities to be retained by the executive corporate officer.

To date, no stock options or free shares have been granted to the Chairperson and Chief Executive Officer.

3.2.1.5 Other commitments and benefits of any kind

The Chairperson and Chief Executive Officer is the beneficiary of the following commitments:

Commitments made by the Company or by a controlled or controlling company	Main features	Criteria for allocation	Conditions of termination
Retirement benefits	N/A	N/A	N/A
Non-compete compensation	N/A	N/A	N/A
Defined-benefit pension commitments	N/A	N/A	N/A
Defined-contribution pension commitments	The Chairperson and Chief Executive Officer has the same supplementary pension contract as all GROUPE GORGÉ executives. The contributions paid by the Company amount to 2.5% of the gross remuneration.	N/A	N/A
Other commitments corresponding to remuneration components, indemnities or benefits that are or may be due as a result of termination or change of functions, or subsequent thereto	N/A	N/A	N/A

The Chairperson and Chief Executive Officer is also the beneficiary of mandatory collective retirement, mutual insurance and provident insurance plans in accordance with the Company's policy in this regard (for management grade).

The Chairperson and Chief Executive Officer is entitled to standard benefits in kind (company car, executive unemployment insurance, etc.).

The Chairperson and Chief Executive Officer may not receive remuneration as a Director, in accordance with the Company's remuneration policy for Directors: the Board of Directors has decided that only Directors who are independent and not otherwise remunerated by a significant shareholder would receive remuneration as a member of the Board.

In the event that new executive corporate officers are appointed, the Board of Directors may also decide to grant other benefits in kind, complementary pension schemes or exceptional remuneration (including compensation or benefits due or likely to be due on account of their assumption, cessation or change of duties or after the performance thereof) in accordance with market practices, the personal situation of the executive and his or her experience.

3.2.2 REMUNERATION POLICY FOR THE DEPUTY CHIEF EXECUTIVE OFFICERS OF GROUPE GORGÉ

In 2019 the Board of Directors appointed Mrs. de COINTET as Deputy Chief Executive Officer. This function had not been filled in previous years.

The remuneration policy for Deputy Chief Executive Officers, which is set by the Board on the recommendations of the Remuneration Committee, is as follows:

3.2.2.1 Fixed remuneration

The Deputy Chief Executive Officer receives annual fixed remuneration from GROUPE GORGÉ in respect of his or her office.

The fixed remuneration of the Deputy CEO is assessed in light of the level of difficulty of his or her responsibilities, experience in the position, length of service in the Group, remuneration of senior executives of companies comparable in terms of size or business, the Group's overall performance and the remuneration of the Chairperson and Chief Executive Officer of GROUPE GORGÉ and the main executives of GROUPE GORGÉ's subsidiaries.

3.2.2.2 Variable remuneration

The Deputy Chief Executive Officer receives annual variable remuneration from GROUPE GORGÉ in respect of his or her office.

The variable remuneration of the Deputy CEO is determined taking into account the remuneration received, where applicable, from both GROUPE GORGÉ and the controlling and controlled companies, the level of difficulty of his or her responsibilities, his or her experience in the position, seniority in the Group and equity interests in the Group, as well as the practices of other similar and comparable companies.

On a proposal by the Remuneration Committee, the Board of Directors determines the overall amount of variable remuneration and the applicable performance criteria as stated in Section 3.2 above.

The annual variable remuneration is capped at a maximum of 50% of the annual fixed remuneration.

The criteria used to determine the variable remuneration used by the Board of Directors for 2022 concern targets in terms of revenue (30% of the variable remuneration), cash generation (20%), objectives concerning CSR indicators (20%), and qualitative objectives related to the acquisition of IXBLUE (30%).

The expected level of achievement of the quantitative criteria was pre-established by the Board of Directors on the proposal of the Remuneration Committee but is not made public for reasons of confidentiality.

To determine the extent to which the performance criteria for variable remuneration have been met, the Board of Directors, on the recommendation of the Remuneration Committee, reviews the Group's performance over the past financial year.

These variable remuneration criteria contribute to the objectives of the remuneration policy in that they align the remuneration of the executive corporate officer with the performance of the Group and the achievement of strategic projects.

If it is appropriate and in the interest of the Company, the Deputy CEO could receive multiannual variable remuneration.

3.2.2.3 Exceptional remuneration

Under unusual circumstances or in the event of exceptional success, the Board of Directors may decide to allocate exceptional remuneration to the Deputy Chief Executive Officer. The reasons for this decision would be explained. This exceptional remuneration would be capped at the amount of the executive's total fixed remuneration.

If new executive corporate officers are appointed, the Board of Directors may decide to grant exceptional remuneration related to the assumption, cessation or change of duties depending on market practices and the executive corporate officer's experience.

3.2.2.4 Stock options and free shares

The Board of Directors may also grant stock options or free shares to the Deputy Chief Executive Officer, under the conditions provided by law. To do this, it is granted the necessary authorizations as voted by the shareholders' meeting.

Any allocation shall be subject to achievement of performance criteria set by the Board of Directors and the setting of a portion of securities to be retained by the executive corporate officer.

To date, no stock options or free shares have been granted to the Deputy CEO.

3.2.2.5 Other commitments and benefits of any kind

The current Deputy Chief Executive Officer is the beneficiary of the following commitments:

Commitments made by the Company or by a controlled or controlling company	Main features	Criteria for allocation	Conditions of termination
Retirement benefits	None	N/A	N/A
Non-compete compensation	None	N/A	N/A
Defined-benefit pension commitments	None	N/A	N/A
Defined-contribution pension commitments	The Deputy CEO has the same supplementary pension contract as all GROUPE GORGÉ executives. The contributions paid by the Company amount to 2.5% of the gross remuneration.	N/A	N/A
Other commitments corresponding to remuneration components, indemnities or benefits that are or may be due as a result of termination or change of functions, or subsequent thereto	The Deputy CEO is covered by executive unemployment insurance (70% insurance for a coverage period of two years).	None	Automatic allocation of unemployment benefits under the GSC in the event of dismissal of the manager after at least one year of contributions.

The Deputy CEO is the beneficiary of mandatory collective retirement, mutual insurance and provident insurance plans in accordance with the Company's policy in this regard (for management grade).

The Deputy CEO is entitled to standard benefits in kind (company car, etc.). He or she is covered by executive unemployment insurance (70% insurance for a coverage period of two years).

If the Deputy CEO is a Director, he or she may not receive remuneration as a Director, in accordance with the Company's remuneration policy for members of the Board, according to which only Independent Directors may receive remuneration as members of the Board.

In the event that new Deputy CEOs are appointed, the Board of Directors may also decide to grant other benefits in kind, complementary pension schemes or exceptional remuneration (including remuneration or benefits due or likely to be due on account of their assumption, cessation or change of duties or after the performance thereof) in accordance with market practices, the personal situation of the executive and his or her experience.

3.2.3 SAY ON PAY ON THE VARIABLE AND EXCEPTIONAL COMPONENTS OF THE REMUNERATION FOR EXECUTIVE CORPORATE OFFICERS

It is recalled that the payment of variable and any exceptional remuneration in respect of the past financial year is subject to the Ordinary shareholders' meeting approving the remuneration package of executive corporate officers paid or allocated during the year (*ex post* vote).

3.2.4 REMUNERATION POLICY FOR THE MEMBERS OF THE BOARD

(12th resolution of the shareholders' meeting of 16 June 2022)

The shareholders' meeting of 8 June 2012 set the remuneration of the members of the Board at the annual sum of €60 thousand, which is valid for the current financial year and until the shareholders' meeting resolves otherwise.

Only Independent Directors from outside the Group receive remuneration. However, non-Independent Directors participating in a committee may receive remuneration in respect of this participation in order to take into account the more substantial work provided.

The criteria for allocating the fixed annual sum allocated by the shareholders' meeting to the members of the Board are set by the Board, on the proposal of the Remuneration Committee, taking into account the Chairpersonship of and participation in the various committees of the Company (Remuneration Committee, Audit Committee, any *ad hoc* committees) and the attendance rate.

3.3 INFORMATION REFERRED TO IN I OF ARTICLE L.22-10-9 OF THE FRENCH COMMERCIAL CODE FOR EACH CORPORATE OFFICER OF THE COMPANY

(13th resolution of the shareholders' meeting of 16 June 2022)

The tables below present the remuneration and benefits paid to each of the corporate officers by the Company, companies controlled by GROUPE GORGÉ or the controlling company of GROUPE GORGÉ, during the past year.

Mr. Raphaël GORGÉ (Chairperson and Chief Executive Officer) is paid as indicated in the Sections 3.2 and 3.4.

Mr. Jean-Pierre GORGÉ (Director) receives remuneration from PÉLICAN VENTURE in his capacity as Chairperson of PÉLICAN VENTURE, the company controlling GROUPE GORGÉ. This remuneration is not in connection with his term of office as Director at GROUPE GORGÉ.

Mr. Hervé GUILLOU (Director) receives remuneration from GROUPE ECA SA in his capacity as Chairperson of the Board of Directors of GROUPE ECA SA (a subsidiary of GROUPE GORGÉ).

It is also stipulated that the total remuneration of each corporate officer complies with the remuneration policy approved by the last shareholders' meeting.

Table 1 – Summary table of the remuneration and options and shares granted to each executive corporate officer

Raphaël GORGÉ, Chairperson and Chief Executive Officer	**2021**	2020
Remuneration granted for the financial year (details in Table 2)	€365,834	€280,660
Remuneration due by a controlling entity for the financial year	None	None
Remuneration due by a controlled company for the financial year (details in Table 2)	€100,000	€85,562
Value of the multiannual variable remuneration granted during the financial year	None	None
Value of the options granted during the financial year	None	None
Value of free shares granted	None	None
TOTAL RAPHAËL GORGÉ	**€465,834**	**€366,222**

Hélène de COINTET, Deputy CEO	**2021**	2020
Remuneration granted for the financial year (details in Table 2)	€282,526	€281,455
Value of the multiannual variable remuneration granted during the financial year	None	None
Value of the options granted during the financial year	None	None
Value of free shares granted	None	None
TOTAL FOR HÉLÈNE DE COINTET	**€282,526**	**€281,455**

These remuneration components have contributed to the long-term performance of the Company by creating a link between Management's variable remuneration and the Group's strategy and objectives.

Table 2 – Summary table of the remuneration of each executive corporate officer

	Amounts for 2021		Amounts for 2020	
Raphaël GORGÉ, Chairperson and Chief Executive Officer	**Allocated(1)**	**Paid(2)**	Allocated(1)	Paid(2)
• Fixed remuneration	€225,000	€225,000	€207,750	€207,750
• Fixed remuneration from a controlling company	None	None	None	None
• Fixed remuneration from a controlled company(3)	€75,000	€75,000	€68,750	€68,750
• Annual variable remuneration(4)	€31,125	€63,000	€63,000	€0
• Annual variable remuneration from a controlling company	None	None	None	None
• Annual variable remuneration from a controlled company(5)	€25,000	€16,812	€16,812	€11,500
• Multiannual variable remuneration	None	None	None	None
• exceptional remuneration	€100,000	None	None	€109,000
• Remuneration granted as a member of the Board	None	None	None	None
• Benefits in kind	€9,709	€9,709	€9,910	€9,910
TOTAL	**€465,834**	**€389,521**	**€366,222**	**€406,910**

(1) Remuneration payable to the corporate officer during the financial year, the amount of which cannot be changed regardless of the payment date.
(2) Remuneration paid to the corporate officer during the financial year.
(3) This remuneration was paid by PRODWAYS GROUP, a company controlled by GROUPE GORGÉ until December 2021.
(4) The Board of Directors decided to allocate variable remuneration of up to €75 thousand to Mr. Raphaël GORGÉ for 2021 (as for 2020), based on criteria established in 2021 by the Board of Directors on the proposal of the Remuneration Committee. These criteria concerned the achievement of objectives concerning the level of revenue, operating income, cash generation and the achievement of CSR objectives.
(5) The Board of Directors of PRODWAYS GROUP decided to allocate variable remuneration of up to €25 thousand to Mr. Raphaël GORGÉ (as in 2020), depending on the achievement of quantitative and qualitative criteria linked to Group's performance and projects. The criteria were precisely defined at the beginning of the year by the Board of Directors of PRODWAYS GROUP. These were quantitative criteria concerning revenue, income from ordinary activities, cash flow generation and criteria relating to CSR objectives.

For 2021, the relative proportion of the total variable remuneration amounted to 52% of the total fixed remuneration.

	Amounts for 2021		Amounts for 2020	
Hélène de COINTET, Deputy CEO	**Allocated(1)**	**Paid(2)**	Allocated(1)	Paid(2)
• Fixed remuneration	€210,000	€200,000	€193,750	€193,750
• Annual variable remuneration(3)	€61,740	€84,000	€84,000	None
• multiannual variable remuneration	None	None	None	None
• exceptional remuneration	None	None	None	None
• Benefits in kind	€10,786	€10,783	€3,705	€3,705
TOTAL	**€282,526**	**€294,786**	**€281,455**	**€197,455**

(1) Remuneration payable to the corporate officer during the financial year, the amount of which cannot be changed regardless of the payment date.
(2) Remuneration paid to the corporate officer during the financial year.
(3) The Board of Directors decided to allocate to Mrs. Hélène de COINTET a variable remuneration of up to €105 thousand gross for 2022 (€100 thousand in 2021), depending on the achievement of criteria established by the Board of Directors on the proposal of Remuneration Committee. These criteria concerned the achievement of objectives concerning revenue, level of operating income, cash generation and CSR objectives.

For 2021, the relative proportion of the total variable remuneration amounted to 31% of the fixed remuneration.

Table 3 – Table of the remuneration received by non-executive corporate officers

Members of the Board of Directors	**Paid in 2021**	Paid in 2020
Jean-Pierre GORGÉ		
Remuneration for Board membership	-	-
Other remuneration[1]	€68,045	€69,515
Sylvie LUCOT		
Remuneration for Board membership[2]	€20,000	€15,000
Other remuneration	-	-
GALI SASU (represented by Martine GRIFFON-FOUCO)		
Remuneration for Board membership[2]	€20,000	€15,000
Other remuneration	-	-
Catherine BENON		
Remuneration for Board membership	-	-
Other remuneration	-	-
Hugues SOUPARIS		
Remuneration for Board membership[2]	-	€10,000
Other remuneration	-	-
Hervé GUILLOU		
Remuneration for Board membership	-	-
Other remuneration	-	-
Céline LEROY		
Remuneration for Board membership	-	-
Other remuneration[3]	€106,613	€114,530

(1) The remuneration paid to Jean-Pierre GORGÉ was paid by PÉLICAN VENTURE, the company controlling GROUPE GORGÉ SA.
(2) Remuneration granted for the financial year preceding the year of payment.
(3) Céline LEROY is an employee of GROUPE GORGÉ.

Table 4 – Share subscription or purchase options granted during the financial year to each executive corporate officer by the issuer and by any Group company

None

Table 5 – Share subscription or purchase options exercised during the financial year by each executive corporate officer

None

Table 6 – Free shares granted to each corporate officer

None

Table 7 – Free shares made available to each corporate officer

None

Table 8 – History of share subscription or purchase options

None

Table 9 – Share subscription or purchase options granted to the top ten employees who are not corporate officers and options exercised by them

None

Table 10 – History of free share awards

Date of shareholders' meeting	18/12/2006	08/06/2010	08/06/2014
Date of Board of Directors' meeting	22/02/2008	06/06/2011	12/05/2014
Total number of free shares granted[1]	62,000	49,000	30,000
of which corporate officers	31,000	-	-
Raphaël GORGÉ	*31,000*	-	-
Acquisition date of the shares	22/04/2010	06/06/2013	12/05/2016 and 31/12/2016
Date of end of the lock-up period	22/04/2012	06/06/2015	12/05/2018 and 31/12/2018
Number of shares acquired	20,668	42,000	15,000
of which corporate officers	10,334	-	-
Raphaël GORGÉ	*10,334*	-	-
Number of cancelled shares	41,332	7,000	15,000
Free shares with ongoing acquisition period	-	-	-

(1) Distribution subject to performance conditions associated with the profits of the Group and/or of the subsidiaries.

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Table 11 – Information relating to the employment contract, supplementary pension plans and indemnities for each executive corporate officer

Executive corporate officers	Raphaël GORGÉ, Chairperson and Chief Executive Officer
Employment contract	No
Supplementary pension scheme	Yes[1]
Remuneration or benefits due or likely to be due on account of the end or change of office	No
Remuneration relating to a non-compete clause	No

(1) Supplementary defined-contribution pension contract equal to 2.5% of the gross salary paid by GROUPE GORGÉ.

Executive corporate officers	Hélène de COINTET, Deputy CEO
Employment contract	No
Supplementary pension scheme	Yes[1]
Remuneration or benefits due or likely to be due on account of the end or change of office	No
Remuneration relating to a non-compete clause	No

(1) Supplementary defined-contribution pension contract equal to 2.5% of the gross salary paid by GROUPE GORGÉ.

Table 12 – Equity ratios

2021 financial year	Chairperson and Chief Executive Officer	Deputy CEO
Average employee remuneration(1) excluding corporate officers(2)	97,563	97,563
Median employee remuneration(1) excluding corporate officers(2)	62,356	62,356
Remuneration of the executive corporate officer(3)	365,834	275,526
Ratio with average employee remuneration(4)	3.75	2.79
Ratio with median employee remuneration(5)	5.87	4.37
Ratio with the annual minimum wage(6)	19.18	14.29
2020 financial year(7)		
Average employee remuneration(1) excluding corporate officers(2)	90,870	90,870
Median employee remuneration(1) excluding corporate officers(2)	65,038	65,038
Remuneration of the executive corporate officer(3)	280,660	281,452
Ratio with average employee remuneration(4)	3.09	3.10
Ratio with median employee remuneration(5)	4.32	4.33
Ratio with the annual minimum wage(6)	15.19	15.24
2019 financial year		
Average employee remuneration(1) excluding corporate officers(2)	100,886	100,886
Median employee remuneration(1) excluding corporate officers(2)	70,608	70,608
Remuneration of the executive corporate officer(3)	304,548	200,000
Ratio with average employee remuneration(4)	3.02	1.98
Ratio with median employee remuneration(5)	4.31	2.83
Ratio with the annual minimum wage(6)	16.68	10.96
2018 financial year		
Average employee remuneration(1) excluding corporate officers(2)	105,597	N/A
Median employee remuneration(1) excluding corporate officers(2)	64,011	N/A
Remuneration of the executive corporate officer(3)	88,030	N/A
Ratio with average employee remuneration(4)	0.83	N/A
Ratio with median employee remuneration(5)	1.38	N/A
Ratio with the annual minimum wage(6)	4.90	N/A
2017 financial year		
Average employee remuneration(1) excluding corporate officers(2)	94,246	N/A
Median employee remuneration(1) excluding corporate officers(2)	57,894	N/A
Remuneration of the executive corporate officer(3)	27,600	N/A
Ratio with average employee remuneration(4)	0.29	N/A
Ratio with median employee remuneration(5)	0.48	N/A
Ratio with the annual minimum wage(6)	1.55	N/A

(1) Average remuneration on a full-time equivalent basis of the Company's employees.
(2) The average remuneration excludes those of the Chairperson and Chief Executive Officer, the Deputy CEO, and the Directors.
(3) Includes all remuneration and benefits paid (fixed remuneration, benefits in kind) or allocated (variable or exceptional remuneration) by the Company.
(4) Ratio between the amount of remuneration for the executive corporate officer and the average remuneration of Company employees.
(5) Ratio between the amount of remuneration for the executive corporate officer and the median remuneration of Company employees.
(6) Ratio between the amount of the executive's remuneration and the annual minimum wage for the period.
(7) For the 2020 financial year, the workforce of ECA, who joined and left during the year, were not taken into account for the preparation of the table.
Moreover, the evolution of the Company's performance over these last five financial years can be assessed in light of GROUPE GORGÉ SA's separate financial statements (see Section 4.2 of this Universal Registration Document) or of the Group's consolidated financial statements (see Section 4.1 of this annual report for the last two financial years and Section 3.1 of the Registration Documents for the prior financial years).

3.4 REMUNERATION OF THE CORPORATE OFFICERS FOR THE 2021 FINANCIAL YEAR

3.4.1 FIXED, VARIABLE AND EXCEPTIONAL COMPONENTS OF THE TOTAL REMUNERATION AND BENEFITS OF ALL KINDS PAID DURING OR ALLOCATED IN RESPECT OF THE FINANCIAL YEAR ENDED TO RAPHAËL GORGÉ, CHAIRPERSON AND CHIEF EXECUTIVE OFFICER

(14th resolution of the shareholders' meeting of 16 June 2022)

The remuneration package and benefits of all kinds paid or allocated to Mr. Raphaël GORGÉ as Chairperson and Chief Executive Officer of the Company for the 2021 financial year are summarized in the table below.

The shareholders' meeting of 16 June 2022 (14th resolution) will be asked to approve the fixed, variable or exceptional components of the total remuneration and benefits of all kinds paid or allocated to Mr. Raphaël GORGÉ for the 2021 financial year in his capacity as Chairperson and Chief Executive Officer of GROUPE GORGÉ SA:

Remuneration components paid or allocated for the financial year ended	Amounts or book value submitted for approval	Presentation
Fixed remuneration from GROUPE GORGÉ	€225,000	Fixed remuneration paid by GROUPE GORGÉ in 2021.
Fixed remuneration from a controlling company	None	
Fixed remuneration from a controlled company	€75,000	Fixed remuneration paid by PRODWAYS GROUP in 2021.
TOTAL FIXED REMUNERATION FOR 2021	**€300,000**	
Annual variable remuneration from GROUPE GORGÉ	€31,125 (amount to be paid after approval of the shareholders' meeting)	In 2021, Mr. Raphaël GORGÉ received variable remuneration of €63 thousand in respect of 2020. The Board of Directors of GROUPE GORGÉ decided to allocate variable remuneration of up to €75 thousand gross for 2021, depending on the achievement of criteria established by the Board of Directors on the proposal of the Remuneration Committee. For 2021 the objectives concerned the level of revenue, operating income, cash generation as well as CSR objectives.
Variable remuneration from controlling companies	None	
Variable remuneration from controlled companies	€25,000 (amount to be paid after approval of the shareholders' meeting of PRODWAYS GROUP)	In 2021, Mr. Raphaël GORGÉ received variable remuneration of €16,812 in respect of 2020. The Board of Directors of PRODWAYS GROUP decided to allocate to Mr. Raphaël GORGÉ, in his capacity as Chairperson of the Board of Directors, variable remuneration of up to €25 thousand gross for 2021, depending on the achievement of criteria established by the Board of Directors of PRODWAYS GROUP. The objectives concerned the levels of revenue, operating income, cash generation and CSR objectives.
TOTAL VARIABLE REMUNERATION IN RESPECT OF 2021:	**€56,125**	
Multiannual variable remuneration in cash	None	Raphaël GORGÉ does not receive any multiannual variable remuneration in cash from GROUPE GORGÉ nor from controlling or controlled companies.
Stock options allocated	None	The Board did not grant any stock options in 2021.
Free shares allocated	None	The Board did not grant any free shares in 2021.
Exceptional remuneration	€100,000	Exceptional remuneration due for 2021 allocated by the Board of Directors of GROUPE GORGÉ
Remuneration for a Director's term of office	None	GROUPE GORGÉ does not pay any remuneration to the non-Independent Directors (except in the event of participation in committees).
Remuneration, allowances or benefits for taking office	None	Not applicable.
Components of remuneration paid on account of the cessation or change of duties, retirement commitments and non-compete commitments	None	No remuneration is due on account of the cessation or change of duties, retirement commitments and non-compete commitments.
Remuneration components and benefits of all kinds under agreements entered into with the Company by virtue of office, or any company controlled by the Company, or any company that controls it, or any entity controlled by the entity that controls it	None	No such agreements exist. The service agreement between GROUPE GORGÉ and PÉLICAN VENTURE is unconnected to Raphaël GORGÉ's office.
Other components of remuneration granted in respect of the term of office	Supplementary defined-contribution pension	Raphaël GORGÉ has a supplementary pension contract for 2.5% of his gross salary at GROUPE GORGÉ.
Benefits of all kinds	**€9,709** (accounting valuation)	Raphaël GORGÉ received a benefit in kind in respect of his mandate at GROUPE GORGÉ.

3.4.2 FIXED, VARIABLE AND EXCEPTIONAL COMPONENTS OF THE TOTAL REMUNERATION AND BENEFITS OF ALL KINDS PAID DURING OR ALLOCATED IN RESPECT OF THE FINANCIAL YEAR ENDED TO HÉLÈNE DE COINTET, DEPUTY CHIEF EXECUTIVE OFFICER

(15th resolution of the shareholders' meeting of 16 June 2022)

The remuneration components and benefits of all kinds paid or allocated to Mrs. Hélène de COINTET as Deputy Chief Executive Officer of the Company for the 2021 financial year are summarized in the table below.

The shareholders' meeting of 16 June 2022 (15th resolution) will be asked to approve the fixed, variable or exceptional components of the total remuneration and benefits of all kinds paid or allocated to Mrs. Hélène de COINTET for the 2021 financial year in her capacity as Deputy Chief Executive Officer of GROUPE GORGÉ SA:

Remuneration components paid or allocated for the financial year ended	Amounts or book value submitted for approval	Presentation
Fixed remuneration from GROUPE GORGÉ	€210,000	Fixed remuneration paid by GROUPE GORGÉ.
Fixed remuneration from a controlling company	None	
Fixed remuneration from a controlled company	None	
TOTAL FIXED REMUNERATION FOR 2021	**€210,000**	
Annual variable remuneration from GROUPE GORGÉ	€31,125	The Board of Directors of GROUPE GORGÉ decided to allocate variable remuneration of up to €100 thousand gross for 2021, based on criteria established by the Board of Directors on the proposal of the Remuneration Committee. For 2021, the objectives concerned the levels of revenue, operating income, cash generation, and targets in terms of CSR.
Variable remuneration from controlling companies	None	
Variable remuneration from controlled companies	None	
TOTAL VARIABLE REMUNERATION IN RESPECT OF 2021:	**€31,125**	
Multiannual variable remuneration in cash	None	Hélène de COINTET does not currently receive any multiannual variable remuneration in cash from GROUPE GORGÉ or from its controlled or controlling companies.
Stock options allocated	None	The Board did not grant any stock options in 2021.
Free shares allocated	None	The Board did not grant any free shares in 2021.
Exceptional remuneration	None	No exceptional remuneration is due in respect of 2021.
Remuneration in respect of the office of Director	None	Mrs. de COINTET is not a Director of GROUPE GORGÉ.
Remuneration, allowances or benefits for taking office	None	Not applicable.
Components of remuneration paid on account of the cessation or change of duties, retirement commitments and non-compete commitments	None	No remuneration is due on account of the cessation or change of duties, retirement commitments and non-compete commitments.
Remuneration components and benefits of all kinds under agreements entered into with the Company by virtue of office, or any company controlled by the Company, or any company that controls it, or any entity controlled by the entity that controls it	None	No such agreements exist.
Other components of remuneration granted in respect of the term of office	Supplementary defined-contribution pension	Hélène de COINTET has a supplementary pension contract for 2.5% of her gross salary at GROUPE GORGÉ.
Benefits of all kinds	**€10,786** (accounting valuation)	Hélène de COINTET received a benefit in kind in respect of her mandate at GROUPE GORGÉ.

3.5 COMPANY REFERENCE TO A CORPORATE GOVERNANCE CODE AND ITS APPLICATION BY THE COMPANY

At the Board of Directors meeting held on 7 April 2010, the Company decided to adhere to the Middlenext Corporate Governance Code for small- and midcap companies. MIDDLENEXT updated its Code in 2016 then in September 2021. This Code can be consulted on the MIDDLENEXT website (www.middlenext.com).

The Board of Directors took note of the "Points of vigilance" of the Middlenext Code and considered the issues raised in said points.

Most of the recommendations of the Middlenext Code are met.

Code recommendation	Compliant	Non-compliant
Recommendation 1 (ethics of Board members)	x(1)	
Recommendation 2 (conflicts of interest)	x	
Recommendation 3 (composition of the Board – presence of independent members)	x	
Recommendation 4 (information for Board members)	x	
Recommendation 5 (training of Board members)	x(2)	
Recommendation 6 (organization of Board and committee meetings)	x	
Recommendation 7 (establishment of committees)	x	
Recommendation 8 (establishment of a specialized committee on CSR)	x	
Recommendation 9 (establishment of internal regulations for the Board)	x	
Recommendation 10 (choice of each Director)	x	
Recommendation 11 (term of office of Board members)	x	
Recommendation 12 (Director remuneration)	x	
Recommendation 13 (implementation of an assessment of the Board's work)	x	
Recommendation 14 (relationship with shareholders)	x	
Recommendation 15 (diversity and equity policy within the company)	x	
Recommendation 16 (definition and transparency of the remuneration of executive corporate officers)	x	
Recommendation 17 (preparation for the succession of officers)		x(3)
Recommendation 18 (combination of employment contract and corporate office)	x	
Recommendation 19 (severance pay)	x	
Recommendation 20 (supplementary pension schemes)	x	
Recommendation 21 (stock options and allocation of free shares)	x	
Recommendation 22 (review of vigilance points)	x	

(1) Recommendation 1 (ethics of Board members): not all Board members attend each shareholders' meeting. In principle, they attend the meeting at the time of their appointment or renewal.

(2) As this is a new recommendation in the Middlenext Code, the Board has not yet implemented a three-year training plan. Until now, Directors who felt the need to attend training selected the required training and the costs of the training were covered by the Company. At the Board meeting of 21 March 2022, the Directors were invited to express their training wishes at the next Board meeting, taking into account their experience, the remaining duration of their term of office and the training also carried out or desired as part of their other terms of office and activities.

(3) Recommendation 17 (preparation of executive succession): there is no formal succession plan. The Remuneration Committee or the Board of Directors will have to reflect on this subject.

3.6 SPECIAL ARRANGEMENTS, IF ANY, REGARDING SHAREHOLDER PARTICIPATION IN SHAREHOLDERS' MEETINGS

The bylaws do not contain any provision waiving the ordinary legal provisions governing the arrangements for shareholder participation in shareholders' meetings.

3.7 REGULATED AGREEMENTS AND AGREEMENTS REFERRED TO IN ARTICLES L.225-38 AND L. 225-37-4-2 OF THE FRENCH COMMERCIAL CODE

3.7.1 PRESENTATION OF THE AGREEMENTS

Regulated agreements

No agreement of the kind referred to in Article L.225-38 of the French Commercial Code was entered into during the 2021 financial year.

Following the exceptional distribution of PRODWAYS GROUP shares by GROUPE GORGÉ, the single and comprehensive service agreement concluded between the two companies ended on 31 January 2022. This agreement was previously treated as a current agreement within a group.

PRODWAYS GROUP, wishing to continue to benefit from GROUPE GORGÉ's services while setting up an appropriate organization, has concluded new service agreements, by theme – and no longer global – in order to give PRODWAYS GROUP more flexibility in the implementation, if necessary, of alternative solutions. Five service provision agreements were signed on 1 February 2022, each on a specific theme:

Topic	Lump-sum remuneration for 2022 excl. tax
Financial services agreement (consolidation of annual and interim financial statements, assistance with reporting and budget, CSR campaign, drafting of the Universal Registration Document, etc.)	€206 thousand/year
Corporate services agreement (assistance to the legal secretariat of PRODWAYS GROUP, one-off support, preliminary M&A, etc.)	€121 thousand/year
Financial communication and investor relations services agreement (preparation of press releases, presentation of results, organization of webcasts, roadshow and conference, management of regulated information on the website, etc.)	€119 thousand/year
Service agreement for the provision of temporary assistance to Executive Management (preparation or analysis of reports on Group activities, coordination with Group managers and CFOs, preparation of annual interviews with subsidiaries' managers, etc.)	€62 thousand/quarter
Service provision agreement for the completion of M&A transactions (completion of the M&A process)	At the request of PRODWAYS GROUP, according to the M&A projects, based on the teams' hourly rates and a fixed estimate per project

The agreements are open-ended. Each party may terminate an agreement at any time subject to six months' notice (with the exception of the provision of assistance to Interim Executive Management, which may be terminated with one month's notice).

The Directors "interested" in these agreements within the meaning of the Article L.225.38 of the French Commercial Code are Mr. Raphaël GORGÉ (Chairperson of the Board of Directors and until 28 February 2022 Chief Executive Officer of PRODWAYS GROUP), Mrs. Catherine BENON (Director of PRODWAYS GROUP) and Mrs. Céline LEROY (Director of PRODWAYS GROUP).

In addition, at its meeting to approve the 2021 financial statements, the Board of Directors noted that there were no more regulated agreements in force from previous financial years.

Related-party agreements

No agreement of the kind referred to in Article L.225-37-4-2 of the French Commercial Code is in force.

Current agreements

The Group treats intra-group service agreements, real estate leases and sublets between Group companies, Directors' employment contracts (apart from significant promotions or exceptional salary increases), cash management agreements, and tax consolidation agreements as standard agreements entered into under normal conditions, specifically as regards the terms and remuneration applied.

Concerning the service agreements entered into between GROUPE GORGÉ and PÉLICAN VENTURE, they are detailed in Section 1.5.1 of this Universal Registration Document.

The Company has set up a procedure to regularly assess whether the agreements on current transactions signed under normal market terms and conditions meet these conditions. This assessment procedure provides for a review of the conditions for ongoing current agreements no later than during the Board of Directors' meeting that approves the annual financial statements. The persons directly or indirectly involved in one of these agreements do not take part in this assessment. This procedure was implemented at the Board meeting held to approve the financial statements for the past financial year. The Board considered that the current agreements continued in 2021 remain concluded under arm's length conditions and continue in accordance with their terms.

3.7.2 REPORT OF THE STATUTORY AUDITORS ON THE REGULATED AGREEMENTS

Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2021

To the Shareholders' Meeting of GROUPE GORGÉ,

In our capacity as your Company's Statutory Auditors, we hereby report to you on the regulated agreements.

It is our responsibility to inform you, on the basis of the information provided to us, of the characteristics, the main terms and conditions as well as the reasons justifying the interest for the company of the agreements of which we have been informed or that we have discovered at the time of our assignment, without having to comment on their usefulness and merits or to seek the existence of other agreements. It is your responsibility, in accordance with the terms of Article R. 225-31 of the French Commercial Code, to assess the benefits of entering into these agreements with a view to their approval.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R. 225-31 of the French Commercial Code in relation to the implementation, during the past financial year, of the agreements already approved by the Shareholders' Meeting.

We have conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this assignment. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements and commitments submitted for approval to the shareholders' meeting

Agreements and commitments authorized and entered into during the past financial year

We hereby inform you that we have not been made aware of any agreements authorized and signed during the past financial year to be submitted for the approval of the Shareholders' Meeting in application of the provisions of Article L. 225-38 of the French Commercial Code.

Agreements and commitments authorized and signed since the reporting date

We have been informed of the following agreements and commitments, authorized and entered into since the end of the past financial year, which were subject to prior authorization by your Board of Directors:

Co-contractors: PRODWAYS GROUP

Due to the loss of control by GROUPE GORGÉ on 22 December 2021, the service provision agreement between PRODWAYS GROUP and GROUPE GORGÉ expired on 31 January 2022. As a result, new service agreements by theme were signed on 1 February 2022.

Agreement 1: Executive management assistance services agreement

GROUPE GORGÉ provides PRODWAYS GROUP with assistance in the area of Executive Management, in particular the following services:

- Preparation or analysis of the Group's financial reports and activities; coordination with the Group's managers and CFOs.
- Preparation of annual interviews with the managers of subsidiaries.
- Monitoring of the recruitment process for the new Chief Executive Officer, selection of candidates, realization of preliminary interviews, preparation of offers.

The consideration for the services provided by GROUPE GORGÉ to PRODWAYS GROUP is a fixed remuneration of €62,000 excl. tax per quarter.

This agreement is concluded for an indefinite period with effect from 1 February 2022. Either party may terminate it at any time by giving one (1) month's notice to the other party by registered letter with acknowledgement of receipt. In addition, given its essentially "intuitu personae" nature and the confidentiality of the operations it covers, this agreement will be terminated automatically and immediately, without compensation on either side or prior notice, in the event of receivership, liquidation, amicable settlement or cessation of payments by one of the parties.

Agreement 2: M&A assistance services agreement

GROUPE GORGÉ provides PRODWAYS GROUP with assistance in the area of M&A operations, in particular the following services:

- Assistance in the selection of advisors (lawyers, financial advisors, *etc.*).
- Consulting management; monitoring of consulting services (audits, preparation of disposal documents, *etc.)*.
- Target analysis.
- Review or preparation of financial and M&A documents.

- Negotiation with counterparties.
- Advice on acquisition financing.

The consideration for the services provided by GROUPE GORGÉ to PRODWAYS GROUP is a remuneration on a time-spent basis per M&A project at a rate of €250 to €550 excl. tax per hour depending on the seniority of the staff involved and the expertise requested.

This agreement is concluded for an indefinite period with effect from 1 February 2022. Either party may terminate it at any time by giving one (1) month's notice to the other party by registered letter with acknowledgement of receipt. In addition, given its essentially "intuitu personae" nature and the confidentiality of the operations it covers, this agreement will be terminated automatically and immediately, without compensation on either side or prior notice, in the event of receivership, liquidation, amicable settlement or cessation of payments by one of the parties.

Agreement 3: Corporate services agreement

GROUPE GORGÉ provides PRODWAYS GROUP with corporate assistance, in particular the following services:

- Assistance to the legal secretariat (preparation, convening and holding of PRODWAYS GROUP Board of Directors' and Shareholders' Meetings, drafting of minutes, updating of the bylaws and incorporation certificate, formalities, liaison with CACEIS and the Statutory Auditors).
- *Ad hoc* corporate support, hotline (assumption of 12 hours per year).
- *Ad hoc* assistance to the Administrative and Financial Department.
- Preliminary M&A (prospecting, drafting of NDAs, first discussion with potential targets and list of questions).
- Liaison with insurers and brokers in collaboration with the CFO.
- Re-invoicing of a share of GROUPE GORGÉ's insurance policies still covering PRODWAYS GROUP and its subsidiaries.
- Re-invoicing of a share of the Middlenext subscription.
- Provision of meeting rooms at GROUPE GORGÉ's head office.

The consideration for the services provided by GROUPE GORGÉ to PRODWAYS GROUP is a fixed remuneration of €121,000 excl. tax per year.

This agreement is concluded for an indefinite period with effect from 1 February 2022. Either party may terminate it at any time by giving six (6) months' notice to the other party by registered letter with return receipt requested. In addition, given its essentially "intuitu personae" nature and the confidentiality of the operations it covers, this agreement will be terminated automatically and immediately, without compensation on either side or prior notice, in the event of receivership, liquidation, amicable settlement or cessation of payments by one of the parties.

Agreement 4: Financial communication services agreement

GROUPE GORGÉ provides PRODWAYS GROUP with financial communication assistance, in particular the following services:

- Preparation of the Group's financial communication to its stakeholders (investors, shareholders, market), in conjunction with the Executive Management and Chairperson of PRODWAYS GROUP.
- Preparation of draft financial releases and press releases.
- Presentation of results (presentation, webcast).
- Management of the PRODWAYS GROUP website, publication of press releases and regulated information.
- Monitoring of the financial analyzes.
- Relations with the financial analysts following the Group.
- Organization and facilitation of roadshows, participation in conferences, organization of site visits for investors.
- Monitoring of competitors' financial communication.
- Monitoring of the stock market liquidity and animation contract regarding PRODWAYS GROUP's shares.
- Preparation of non-financial communication (ESG) intended for the financial community.
- Relations with non-financial rating agencies (responses to questionnaires, discussions).

The consideration for the services provided by GROUPE GORGÉ to PRODWAYS GROUP is a fixed remuneration of €119,000 excl. tax per year.

This agreement is concluded for an indefinite period with effect from 1 February 2022. Either party may terminate it at any time by giving six (6) months' notice to the other party by registered letter with return receipt requested. In addition, given its essentially "intuitu personae" nature and the confidentiality of the operations it covers, this agreement will be terminated automatically and immediately, without compensation on either side or prior notice, in the event of receivership, liquidation, amicable settlement or cessation of payments by one of the parties.

- ***Agreement 5: Financial, reporting and consolidation services agreement***

GROUPE GORGÉ provides PRODWAYS GROUP with accounting and financial assistance, in particular the following services:

- Completion of the annual consolidation of the financial statements.
- Completion of the interim consolidation.
- CSR campaign (preparation of documents and questionnaires, relations with auditors/monitoring of the work of the ITB, verification of data, preparation of the SNFP, *etc.*).
- Relations with the Statutory Auditors as part of the audit of the consolidated financial statements.
- Complete drafting and filing with the AMF of the Universal Registration Document.

- Provision of SAP BFC and maintenance.
- Training of PRODWAYS GROUP employees in the use of SAP BFC.
- Assistance in the preparation and presentation of budgets and reports.

The consideration for the services provided by GROUPE GORGÉ to PRODWAYS GROUP is a fixed remuneration of €206,000 excl. tax per year.

This agreement is concluded for an indefinite period with effect from 1 February 2022. Either party may terminate it at any time by giving six (6) months' notice to the other party by registered letter with return receipt requested. In addition, given its essentially "intuitu personae" nature and the confidentiality of the operations it covers, this agreement will be terminated automatically and immediately, without compensation on either side or prior notice, in the event of receivership, liquidation, amicable settlement or cessation of payments by one of the parties.

Agreements and commitments already approved by the shareholders' meeting

Agreements already approved by the Shareholders' Meeting

We hereby inform you that we have not been informed of any agreement or commitment already approved by the Shareholders' Meeting, the execution of which would have continued during the past financial year.

Done in Paris on 14 April 2022

The Statutory Auditors

RSM Paris
Firm of Statutory Auditors and Member of the Paris Regional Institute of Statutory Auditors
Stéphane Marie
Partner

PricewaterhouseCoopers Audit
Firm of Statutory Auditors and Member of the Paris Regional Institute of Statutory Auditors
Christophe Drieu
Partner

3.8 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

Our Company has developed internal control procedures with a view to achieving, to the extent possible, strict financial management and risks control, and preparing the information provided to shareholders on the financial position and financial statements.

The main risks facing the Group are described in Chapter 2 of the Universal Registration Document ("Risk factors").

The internal control system is built around the following organization and methodologies:

3.8.1 GENERAL ORGANIZATION OF THE INTERNAL CONTROL

The Chairperson and Chief Executive Officer, assisted by the Chief Financial Officer, established the Company's internal control system with a view to ensuring:

- the safeguarding and integrity of assets;
- the reliability of information flows.

This internal control system primarily encompasses:

- oversight of the Group's business by the introduction of a procedure for monthly reporting and analysis of sales, profit (loss) and cash flow;
- a procedure for organizing the closing of accounts and the preparation of consolidated financial statements every half-year;
- a special reporting procedure for the quarterly preparation of consolidated revenue figures.

3.8.2 GROUP ORGANIZATION

GROUPE GORGÉ SA does not carry out any industrial activities, its purpose is to:

- define and implement the Group's strategy;
- supervise the management of its subsidiaries (human resources, communication, purchases, etc.);
- liaise with financial stakeholders (banks, stock market, etc.);
- develop and maintain common procedures (reporting, management control, accounting, etc.).

The Group's activities were organized into three divisions until PRODWAYS GROUP exited the scope in December 2021. These three divisions were: Drones and Systems, Engineering and Protection Systems, and 3D Printing. Currently there are only two divisions. Each segment is independent with its own operational and management structures (Executive Management, Financial Department, management control, etc.).

Management at the Group's main operating subsidiaries reports directly to the Group's Executive Management.

3.8.3 IMPLEMENTATION OF INTERNAL CONTROL

3.8.3.1 Activity reporting

All direct and indirect subsidiaries of GROUPE GORGÉ complete the Group's reporting scorecards which include the following indicators:

- monthly and year-to-date sales;
- monthly order intakes;
- significant events.

These scorecards, once approved by the Executive Management and Financial Departments of the operating entities, are sent on the 5th of each month together with any notes or comments required to analyze and understand them.

3.8.3.2 Performance reporting

All direct and indirect subsidiaries of GROUPE GORGÉ prepare a monthly income statement in the Group's format with a comparison against the budget. The cash flow position and a three-month cash flow forecast are also included. These reports also include information on working capital requirements (WCR), capital expenditure, a statement of cash flows and significant events.

This information, together with any comments required to understand it and following approval by Management, is sent on the 18th of each month.

Monthly meetings are held between Group Management and the Management of the three divisions to discuss the information sent and to consider any corrective measures taken or to be taken and to update forecasts.

This monthly report is accompanied by an end-of-year income statement, which is updated several times during the year.

3.8.3.3 Closing of the financial statements

All the Group's subsidiaries close their annual and interim financial statements on 31 December and 30 June respectively.

The interim or annual financial statements as well as the consolidation reporting are audited or partially reviewed by the statutory auditors.

Preparation meetings between Group Executive Management and Management at subsidiaries are held at each accounting close in order to agree on the relevant options for said accounting closes.

The data required for preparing the consolidated financial statements are entered in a decentralized input system. The software used is SAP BFC, with an automatic module that immediately reconciles reported intra-group transactions. An internal manual details the principles and policies applied by the Group for the purposes of preparing the consolidation reporting.

The Group's consolidated financial statements are prepared internally in accordance with the applicable principles and are audited by the statutory auditors.

Following these accounting closes, all legal disclosure requirements are satisfied.

The SAP BFC software package is used for the consolidation of the financial statements as well as all budgets, reports and forecasts.

3.8.3.4 Quarterly activity reports

The Group publishes its quarterly consolidated revenue. These numbers are prepared in the same way as for the preparation of the consolidated financial statements. The press releases disclosing quarterly revenue numbers are prepared on the basis of the business and profit (loss) reports as well as discussions with management at the subsidiaries.

3.8.3.5 Assessment of internal control

At the end of 2019, the Group performed a complete risk mapping review. The previous risk mapping dated back to 2016, the year in which the Group's internal control framework was built. The objective was to stabilize a robust and sustainable internal control system, taking into account the specificities of the Group, and to provide a reasonable level of assurance as to the management of the main risks. The work carried out by the Group in 2016 (mapping and internal control framework) was reviewed by one of our statutory auditors, PwC. In 2019, the Group drew up the new mapping with its internal resources and then sent it to the two statutory auditors.

With regard to risk, the project began with risk identification, which took place through a set of maintenance actions. The identified risks were sorted, categorized and evaluated in terms of impact and likelihood of occurrence. The risks were regrouped on a map by division and then for the Group as a whole (see Section 2). The risk mapping is intended to be updated periodically for each division and at Group level.

The strengthening and dissemination of internal control measures remains one of the main focuses for improving risk management.

The Group internal control framework common to all GROUPE GORGÉ subsidiaries was developed to facilitate the dissemination and monitoring of good internal control practices. Critical processes were identified (accounting closure, cash, purchases, sales, inventories, HR/payroll, project management, legal and tax, R&D, control environment and general computer controls). An internal control framework was built for each process and then adapted and validated in cross-functional workshops. The sum of the frameworks for each process constitutes the Group's internal control framework. For each process and sub-process, this framework defines the risks to which the Group is exposed, the objectives of the controls to be carried out, the control activities, their frequency, responsible persons and proof of achievement.

The dissemination of the internal control framework within the Group was accompanied by self-assessment questionnaires that focused on the controls deemed to be priorities.

The use of the internal control framework within the Group is the responsibility of the entire management chain, starting with the activity managers (division Directors or CEOs of subsidiaries) who are supported by the Administrative and Financial Managers or Directors.

3.8.4 PREPARATION AND CONTROL OF ACCOUNTING AND FINANCIAL INFORMATION FOR SHAREHOLDERS

The Chairperson and Chief Executive Officer, assisted by the Chief Financial Officer, establishes the financial communications policy.

Presentations of highlights, outlook and interim and annual financial statements are put up on the Group's website when results are published. The Company also takes part in investor meetings.

3.8.5 LEGAL AND REGULATORY COMPLIANCE

In order to ensure that their businesses are in compliance with the applicable regulations, the Group's companies have recourse to its legal resources and to external advisers (lawyers, labor law experts and intellectual property experts).


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4

FINANCIAL AND ACCOUNTING INFORMATION

4.1 CONSOLIDATED FINANCIAL STATEMENTS FOR 2021

The Group's consolidated financial statements are prepared in accordance with IFRS published by the International Accounting Standards Board (IASB) as approved by the European Union. The accounting policies are detailed in the notes to the consolidated financial statements, in Note 4.1.6.

4.1.1 CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	2021	2020[1]
Revenue	**4.1**	**178,273**	**150,913**
Capitalized production		11,569	7,899
Inventories and work in progress		(1,907)	2,086
Other income from operations	4.2	8,185	5,151
Purchases and external charges		(84,003)	(77,177)
Personnel expenses	5.2	(82,294)	(68,197)
Tax and duties		(1,898)	(1,862)
Depreciation, amortization, and provisions (net of reversals)	4.3	(14,784)	(12,870)
Other operating income and expenses		2,253	4,329
Income from ordinary activities		**15,394**	**10,271**
Group share of the earnings of affiliated companies		-	-
Non-recurring items of operating income	3.1	(1,166)	776
Operating income		**14,228**	**11,047**
Interest on gross debt		(2,293)	(990)
Interest on cash and cash equivalents		4	23
Cost of net debt (A)	**8.2**	**(2,289)**	**(967)**
Other financial income (B)		173	394
Other financial expense (C)		(347)	(285)
Financial income and expenses (D = A + B + C)	**8.2**	**(2,463)**	**(858)**
Income tax	9.1	(3,179)	(1,066)
Net income from continuing operations		**8,586**	**9,123**
Net income from discontinued operations	12	38,286	(20,634)
Consolidated net income		**46,871**	**(11,510)**
Income attributable to parent company shareholders		**46,208**	**(5,811)**
Income attributable to non-controlling interests		**663**	**(5,700)**
Average number of shares	10.2	17,218,321	13,524,747
Earnings per share (in euros)	10.2	2.684	(0.430)
Diluted earnings per share (in euros)	10.2	2.684	(0.430)
Net earnings per share from continuing operations, in euros	10.2	0.471	0.637
Diluted net earnings per share from continuing operations, in euros	10.2	0.471	0.637

(1) 2020 column restated for the items detailed in Note 1.4.

4.1.2 STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	2021	2020[1]
Net income	**46,871**	**(11,510)**
Currency translation adjustments	58	(154)
Tax relating to currency translation adjustments	-	-
Actuarial gains and losses on defined benefit plans	811	(179)
Tax relating to actuarial gains and losses on defined benefit plans	(203)	45
Financial assets measured at fair value	(2,721)	-
Taxes on financial assets measured at fair value	-	-
Group share of gains and losses recognized directly in equity of affiliated companies	-	-
Total other comprehensive income	**(2,055)**	**(288)**
of which can be reclassified subsequently to profit and loss	58	(154)
of which cannot be subsequently reclassified to profit and loss	(2,113)	(134)
Comprehensive income	**44,815**	**(11,798)**
Comprehensive income attributable to parent company shareholders	**44,274**	**(5,954)**
Comprehensive income attributable to non-controlling interests	**541**	**(5,844)**

(1) 2020 column restated for the items detailed in Note 1.4.

4.1.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

(in thousands of euros)	Notes	31/12/2021	31/12/2020
Non-current assets		**116,244**	**169,696**
Goodwill	6.1	23,792	63,245
Other intangible assets	6.2	34,172	41,371
Property, plant and equipment	6.3	38,355	47,038
Investments in affiliated companies	8.1.5	5	1,139
Other financial assets	8.1.5	18,543	12,090
Deferred tax assets	9.2	1,378	4,813
Other non-current assets		-	-
Current assets		**203,565**	**259,300**
Net inventories	4.4	23,003	33,400
Net trade receivables	4.5	43,757	44,443
Contract assets	4.5	63,189	63,393
Other current assets	4.6	17,115	21,334
Tax receivables payable	9.1.1	13,375	14,061
Other current financial assets		217	2
Cash and cash equivalents	8.1.2	42,909	82,668
Assets held for sale	**12**	**32,751**	**-**
TOTAL ASSETS		**352,560**	**428,996**

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Equity and liabilities

(in thousands of euros)	Notes	31/12/2021	31/12/2020
Equity attributable to owners of the parent		**59,300**	**94,887**
Capital(1)	10.1	17,425	17,425
Share premiums(1)		12,171	28,614
Retained earnings and consolidated net income(2)		29,705	48,849
Interest attributable to non-controlling interests		**5,001**	**31,401**
Non-current liabilities		**107,355**	**89,389**
Long-term provisions	5.3	5,224	7,978
Long-term liabilities – portion due in more than one year	8.1.1	86,696	60,304
Lease liabilities – portion due in more than one year	8.1.3	11,972	18,187
Other financial liabilities	8.1.4	3,138	2,133
Deferred tax liabilities	9.2	150	447
Other non-current liabilities	4.7	175	341
Current liabilities		**148,643**	**213,319**
Short-term provisions	11	4,881	8,810
Long-term liabilities – portion due in less than one year	8.1.1	41,114	54,357
Lease liabilities – portion due in less than one year	8.1.3	3,279	5,945
Other current financial liabilities		-	-
Trade payables	4.7	32,843	49,529
Contract liabilities	4.5	22,504	38,749
Other current liabilities	4.7	43,780	55,423
Tax liabilities payable	9.1.1	242	506
Liabilities held for sale	**12**	**32,260**	**-**
TOTAL LIABILITIES		**352,560**	**428,996**

(1) *Of the consolidating parent company.*
(2) *Including profit (loss) for the period.*

4.1.4 CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	Notes	2021	2020[1][2]
Net income from continuing operations		**8,586**	**9,123**
Accruals		10,306	15,199
Capital gains and losses on disposals		13	(8,520)
Group share of income of equity-accounted companies		-	-
Cash flow from operating activities (before neutralization of the cost of net financial debt and taxes)	**7.1**	**18,904**	**15,803**
Expense for net debt	8.2	2,289	967
Tax expense	9.1	3,179	1,066
Cash flow from operations (after neutralization of the net borrowing cost and taxes)		**24,372**	**17,835**
Tax paid		(1,448)	(1,560)
Change in working capital requirements	7.2	(34,752)	25,002
Net cash flow from operating activities (A)		**(11,827)**	**41,277**
Investing activities			
Payments/acquisition of intangible assets		(12,799)	(13,727)
Payments/acquisition of property, plant and equipment		(12,493)	(4,062)
Proceeds/disposal of property, plant and equipment and intangible assets		20	7,143
Payments/acquisition of non-current financial assets		(352)	(131)
Proceeds/disposal of non-current financial assets		286	255
Net cash inflow/outflow on the acquisition/disposal of subsidiaries[1]	7.3	-	(729)
Net cash flow from investing activities (B)		**(25,338)**	**(11,251)**
Financing activities			
Capital increase or contributions		-	-
Dividends paid to parent company shareholders		(5,509)	(4,319)
Dividends paid to non-controlling interests		(360)	(1,484)
Other equity transactions	7.4	(3,213)	(32,654)
Proceeds from borrowings	8.1.1	118,476	34,458
Repayment of borrowings and lease liabilities	8.1.1 -8.1.3	(83,150)	(12,600)
Cost of net debt		(1,811)	(896)
Net cash flow from financing activities (C)		**24,433**	**(17,494)**
Cash flow generated by activities performed (D = A + B + C)		**(12,732)**	**12,531**
Cash flow generated by discontinued operations	**12**	**(8,253)**	**9,116**
Change in cash and cash equivalents		**(20,985)**	**21,647**
Effects of exchange rate changes		16	(18)
Cash and cash equivalents at the beginning of the year	**8.1.2**	**57,857**	**46,839**
Cash from discontinued operations[3]		(2,308)	(1,495)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**8.1.2**	**42,835**	**57,857**

(1) 2020 column restated for the items detailed in Note 1.4.
(2) Change in the presentation of the costs of obtaining contracts in the cash flow statement; restated as an intangible asset (in "Acquisition of fixed assets") and not in the working capital requirement (WCR).
(3) Impact of the flows with discontinued operations.

4.1.5 CHANGE IN CONSOLIDATED EQUITY

	Group share or owners of the parent company						
(in thousands of euros)	Capital	Share capital premiums	Treasury shares	Retained earnings and other reserves	**Equity – attributable to parent company shareholders**	Equity – attributable to non-controlling interests	**Total equity**
2019 equity	**13,503**	**26,914**	**(786)**	**68,923**	**108,553**	**68,175**	**176,728**
Share capital transactions	3,922	1,700	-	(5,622)	-	-	-
Free share allocation plan and stock option plan	-	-	-	139	139	107	247
Treasury share transactions	-	-	(130)	-	(130)	-	(130)
Equity instruments(1)	-	-	-	(431)	(431)	-	(431)
Dividends	-	-	-	(4,319)	(4,319)	(262)	(4,581)
Net income for the period	-	-	*30*	*(5,840)*	*(5,810)*	*(5,700)*	*(11,510)*
Gains and losses recognized directly in equity	-	-	-	*(144)*	*(144)*	*(144)*	*(288)*
COMPREHENSIVE INCOME	**-**	**-**	**30**	**(5,984)**	**(5,954)**	**(5,844)**	**(11,798)**
Changes in scope	-	-	(405)	(2,566)	(2,970)	(30,776)	(33,746)
2020 CLOSING EQUITY	**17,425**	**28,614**	**(1,291)**	**50,140**	**94,887**	**31,401**	**126,288**
Impact of IFRIC IAS 19 decision(2)	-	-	-	614	614	90	704
EQUITY RESTATED AT THE END OF 2020	**17,425**	**28,614**	**(1,291)**	**50,754**	**95,501**	**31,491**	**126,992**
Share capital transactions	-	-	-	-	-	-	-
Free share allocation plan and stock option plan	-	-	-	325	325	252	578
Treasury share transactions	-	-	(3,194)	-	(3,194)	5	(3,189)
Equity instruments(1)	-	-	-	(1,005)	(1,005)	-	(1,005)
Dividends	-	(16,443)		(59,803)	(76,247)	(360)	(76,607)
Net income for the period	-	-	*(35)*	*46,242*	*46,208*	*663*	*46,871*
Gains and losses recognized directly in equity	-	-	-	*(1,934)*	*(1,934)*	*(122)*	*(2,055)*
COMPREHENSIVE INCOME	**-**	**-**	**(35)**	**44,309**	**44,274**	**541**	**44,815**
Changes in scope(3)	-	-	74	(429)	(355)	(26,927)	(27,283)
2021 closing equity	**17,425**	**12,171**	**(4,446)**	**34,150**	**59,300**	**5,001**	**64,302**

(1) Concerning call options for non-controlling interests (see Note 8.1.4).
(2) See Note 1.2 related to the IFRIC decision.
(3) Mainly related to the exceptional payment of dividends in the form of PRODWAYS GROUP shares.

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4.1.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Summary of notes

NOTE 1 Accounting principles

The consolidated financial statements of GROUPE GORGÉ for the financial year ended 31 December 2021 include:

- the financial statements of GROUPE GORGÉ;
- the financial statements of its subsidiaries;
- the proportion of the net assets and the net income of the companies accounted for using the equity method (joint ventures and partnership businesses).

The consolidated financial statements of GROUPE GORGÉ for the 2021 financial year were approved by the Board of Directors on 21 March 2022. They will be submitted to the next Ordinary shareholders' meeting for approval.

Note 1.1 Impacts of the health crisis on the financial statements for the financial year

The year 2020, in particular its first half, was strongly affected by the crisis caused by the Covid-19 pandemic. The crisis affects the Group, like most companies.

In this context, several decisions were taken to support our activities. These various measures were implemented with the priority of protecting the health and safety of all our employees and stakeholders, adapting our activities to continue serving our customers while preserving the Group's cash flow and liquidity.

These measures were continued in 2021 depending on the evolution of the health crisis. In the area of the Group's liquidity, SOLIDSCAPE, a subsidiary of the "3D Printing" division in the United States, received during the first half of the year $1.1 million under the federal corporate assistance program, in addition to the $0.8 million already received in 2020. As such, the company benefited from a debt write-off from the US federal government (for the equivalent of €0.9 million). For the French companies that benefit from it, the decision was taken to amortize the loans guaranteed by the French State over five years.

The Group was awarded two grants as part of the economic recovery plan:

- a grant of €3.3 million named Future 3D in the "3D Printing" division. This grant will be recognized as income over several years. In 2021, €357 thousand was recognized and reclassified as income from discontinued operations;

- a grant of €3.4 million named ECA AEROSPACE-NEW WORLD in the "Drones & Systems" division. The grant was recognized as income in the amount of the expenses recognized for the financial year for €568 thousand.

Note 1.2 Standards applied

The accounting standards used to prepare the consolidated financial statements comply with the regulations and interpretations of the International Financial Reporting Standards (IFRS) as adopted by the European Union as of 31 December 2021. These accounting standards are consistent with those used to prepare the annual consolidated financial statements for the financial year ended 31 December 2020, with the exception of the new standards, revised standards and interpretations whose application became mandatory as of 1st January 2021.

The Group has applied all mandatory standards, amendments and interpretations to the financial years beginning on or after 1st January 2021, with no significant impact:

- amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – *Reform of benchmark interest rates – Phase 2*;
- amendments to IFRS 16 – *Rent reductions linked to Covid-19 beyond 30 June 2021.*

The Group has not applied the following standards and interpretations, the application of which is mandatory after 31 December 2021:

- standards adopted by the European Union:
  - amendments to IAS 1 – *Presentation of the financial statements and Practical application guide 2: disclosures on accounting policies,*
  - amendments to IFRS 3 – *Business combinations: references to the conceptual framework,*
  - amendments to IAS 8 – *Accounting policies, changes in estimates and errors: definition of accounting estimates,*
  - amendments to IAS 16 – *Property, plant and equipment: recognition of revenue generated before commissioning,*
  - amendments to IAS 37 – *Provisions, contingent assets and liabilities: onerous contracts, notion of costs directly related to the contract,*
  - 2018-2020 cycle of annual IFRS improvements;
- standards not adopted by the European Union:
  - amendments to IAS 1 – *Presentation of the financial statements: classification of current and non-current liabilities and classification of current and non-current liabilities – Deferral of the effective date,*
  - amendments to IAS 12 – *Income tax: deferred tax on assets and liabilities arising from the same transaction.*

These new amendments are being analyzed by the Group when they are applicable to it.

IFRIC decision – Attribution of benefits to periods of service IAS 19 – Employee benefits

The Group has taken into consideration the impact resulting from the IFRIC decision of April 2021 on the valuation of defined benefit plans. This decision clarifies the periods over which employee benefits expense must be considered in the measurement of the IAS 19 expense. The impact of this decision, restated in opening equity, represents a reduction of €704 thousand in the commitment.

Note 1.3 Basis of preparation

The financial statements are presented in euros and are rounded to the nearest thousand.

The financial statements are prepared on a historical cost basis, with the exception of derivative instruments and non-consolidated securities, which have been measured at their fair value. Financial liabilities are measured at amortized cost. The carrying amount of hedged assets and liabilities and the related hedging instruments corresponds to their fair value.

The preparation of the financial statements requires that the Executive Management of the Group or the subsidiaries make estimates and assumptions that affect the reported amounts of assets and liabilities on the consolidated statement of financial position, the reported amounts of income and expense items on the income statement and the commitments relating to the period under review. The actual results could be different if the reality differs from the assumptions and estimates used.

The above-mentioned assumptions mainly concern:

- the calculation of the recoverable amounts of assets;
- the evaluation of the research and development costs (see Notes 6.2 and 6.4);
- the calculation of provisions for risks and charges (see Note 11);
- the calculation of income upon completion of work in progress;
- the calculation of pension and other post-employment benefit obligations (assumptions set out in Note 5.3);
- the valuation of deferred taxes (see Note 9.2).

As the Group's consolidated companies operate in different sectors, the valuation and impairment methods used for certain items may vary according to the sector.

The current exposure of the Group's activities to the consequences of climate change is very limited. Therefore, at this stage, the impacts of climate change on the financial statements are not material.

Note 1.4 Restatement of financial information for prior years

The financial statements for previous financial years have been amended as part of the application of IFRS 5. Throughout the notes, the information relating to 2021 is compared with the restated information for 2020 as explained below.

Application of IFRS 5 – Non-current assets held for sale and discontinued operations

The Group applies IFRS 5 – *Non-current assets held for sale and discontinued operations*, which requires a specific recognition and presentation of assets (or groups of assets) held for sale, along with discontinued operations and operations sold or being sold.

Non-current assets or groups of assets and directly associated liabilities are deemed to be held for sale if their carrying amount is recovered primarily through a sale rather than through continued use. For that to be the case, the asset (or group of assets) must be available for immediate sale and its sale must be highly probable. These assets are no longer depreciated as from their classification as assets (or groups of assets) held for sale. They are presented on a separate line of the Group's statement of financial position, without restatement of prior periods.

A discontinued operation is defined as a component of an entity that generates cash flows that can be clearly distinguished from the rest of the entity and represents a separate major line of business or geographical area of operations. The net income of these activities is presented on a separate line in the income statement and is adjusted in the cash flow statement for all reported periods.

In October 2021, the Group announced the plan to distribute most of its PRODWAYS GROUP shares ("3D Printing" division) to its shareholders. The actual distribution took place at the end of December 2021. The income statement and statement of cash flows at 31 December 2020 have been amended so that the contribution of the "3D Printing" division appears on a separate line (see Note 12).

In addition, a process to sell the subsidiary NUCLÉACTION was initiated in 2021 and it is highly likely that this process will be successful in 2022. The contribution of NUCLÉACTION and its subsidiaries to the income statement and the cash flow statement has therefore been reclassified on a separate line, all assets and liabilities as at 31 December 2021 are also reclassified on a specific line of activities being sold on the statement of financial position.

Impact of restatements on the financial statements

The impacts of the changes made to the 2020 financial statements are described in the following tables:

(in thousands of euros)	2020 published	Impact of IFRS 5 on NUCLÉACTION	Impact of IFRS 5 on 3D Printing	**2020 restated**
Revenue	**231,114**	**(23,354)**	**(56,847)**	**150,913**
Capitalized production	9,985	(936)	(1,150)	7,899
Inventories and work in progress	2,170	1	(85)	2,086
Other income from operations	6,542	(494)	(897)	5,151
Purchases and external charges	(122,296)	15,473	29,646	(77,177)
Personnel expenses	(103,754)	10,277	25,280	(68,197)
Tax and duties	(2,860)	273	725	(1,862)
Depreciation, amortization and provisions (net of reversals)	(21,559)	1,638	7,052	(12,870)
Other operating income and expenses	3,197	1,005	127	4,329
Income from ordinary activities	**2,540**	**3,882**	**3,850**	**10,271**
Other operating items	(11,595)	1,435	10,935	776
Group share of the earnings of affiliated companies	5	-	(5)	-
Operating income	**(9,050)**	**5,317**	**14,780**	**11,047**
Financial income and expenses	**(1,662)**	**488**	**316**	**(858)**
Income tax	201	(224)	(1,043)	(1,066)
Net income from continuing operations	**(10,510)**	**5,581**	**14,053**	**9,123**
Net income from discontinued operations	(1,000)	(5,581)	(14,053)	(20,634)
Net income	**(11,510)**	**-**	**-**	**(11,510)**
to parent company shareholders	**(5,811)**	**-**	**-**	**(5,811)**
to non-controlling interests	**(5,700)**	**-**	**-**	**(5,700)**

NOTE 2 Scope of consolidation

Note 2.1 Accounting principles related to the scope of consolidation

2.1.1 Consolidation method

The companies that are either directly or indirectly controlled by the Group are fully consolidated. Companies over which the Group exercises significant influence are accounted for using the equity method. Significant influence is assumed to exist when the Group holds more than 20% of the voting rights.

Acquisitions or disposals of companies during the year are recognized in the consolidated financial statements from the date on which the Group took direct or indirect control or gained significant influence (or until the date on which control or significant influence was lost).

All significant transactions between consolidated subsidiaries are eliminated, as is income that is internal to the Group (capital gains, profits on stocks and dividends).

Consolidation is carried out with reference to the financial statements or positions as of 31 December.

The list of consolidated subsidiaries and equity interests is shown in Note 14.

2.1.2 Translation of the financial statements of foreign companies

The currency in which the consolidated financial statements are prepared is the euro.

The financial statements of subsidiaries that have a different functional currency are translated into euros using:

- the official exchange rate on the reporting date, in the case of assets and liabilities;
- the average exchange rate for the year, in the case of income statement and cash flow statement items.

The average exchange rates for the year may be calculated using monthly exchange rates prorated in relation to revenue.

Translation differences arising from the application of these exchange rates are recognized under the item "Cumulative translation reserves" in consolidated equity.

2.1.3 Transactions in foreign currencies

Transactions in foreign currencies are recognized using the exchange rate applicable on the date the transactions are recognized or the hedging rate. At closing, payables or receivables denominated in foreign currencies are converted into euros at the closing exchange rate or at the hedging rate. Currency exchange rate differences on foreign currency transactions are recognized in financial income.

2.1.4 Business combinations

As part of the application of the revised IFRS 3 – *Business combinations*, business combinations are accounted for using the purchase method:

- the cost of an acquisition is evaluated at the fair value of the consideration transferred, including any price adjustment, at the date of taking control. Any subsequent variation in the fair value of a price adjustment is recognized in the income statement or in other comprehensive income, in accordance with the standards applicable;
- the difference between the consideration transferred and the fair value of the identifiable assets acquired and liabilities assumed at the takeover date represents the goodwill, recognized in the assets in the statement of the financial position.

Adjustments to the fair value of identifiable assets acquired and liabilities taken over recognized on a provisional basis (as a result of expert assessment work in progress or additional analyses) are recognized as retrospective adjustments to the goodwill if they occur within a period of one year with effect from the date of acquisition and if they result from facts or circumstances existing at the date of acquisition. Beyond this deadline, the effects are recognized directly in the income statement, as are any changes in estimates or error corrections.

For each takeover of control which involves the taking of an equity stake of less than 100%, the interest fraction which is not required (equity stakes which do not give control) is valued:

- either at fair value, in which case goodwill is recognized for the proportion relating to equity stakes which do not give control (complete goodwill method);
- or at its proportion of the net identifiable assets of the acquired entity, in which case only goodwill in respect of the proportion acquired is recognized (partial goodwill method).

The costs directly attributable to the acquisition are recognized in expenses over the period during which they are incurred.

Note 2.2 Changes in the consolidation scope

The changes in the scope over the year were as follows:

- the acquisition of CREABIS GmbH by the "3D Printing" division took place in July 2021;
- the "3D Printing" division left the Group's scope in December 2021 on the occasion of the distribution by GROUPE GORGÉ to its shareholders of most of its PRODWAYS GROUP shares.

The full list of consolidated companies is included in Note 14.

Note 2.3 Off-statement of financial position commitments related to the consolidation scope

For the disposal of AI GROUP (November 2018), the Group granted a limited liability guarantee on the existence of a dispute with a former employee. This commitment ended with the resolution of the Labor Tribunal proceedings, which resulted in a favorable decision for AI GROUP. The purchaser of AI GROUP has a commitment to pay an earn-out, determined according to the company's future performance from 2021.

For the disposal of EN MOTEURS (December 2018), the Group granted an asset and liability guarantee of an amount capped at half the disposal price. This commitment expired on 10 December 2020 except with regard to tax and social matters. For these, the guarantee will end when the relevant administrations' statute of limitations expires. The amount was reduced by 40% at the end of one year, and will be reduced by one third until the end of the social and tax limitation periods. In support of this guarantee, the Group has provided a first-demand bank guarantee in an amount equal to half of the asset and liability guarantee and with the same degressivity.

In April 2019, CIMLEC INDUSTRIE sold its subsidiary NTS. Within the context of this disposal, CIMLEC INDUSTRIE granted the buyer a liability guarantee capped at €0.07 million and valid for three years or until the expiry of the applicable statute of limitation for fiscal and social guarantees.

In July 2019, the Group sold CIMLEC INDUSTRIE and its subsidiaries (COMMERCY ROBOTIQUE, TENWHIL, CIMLEC INDUSTRIAL and COMMERCY ROBOTICA) to the SPIE INDUSTRIE ET TERTIAIRE group. Within the context of this disposal, the Group granted an asset and liability guarantee capped at €3.7 million for general guarantees and at €1 million for specific guarantees, with durations ranging from 18 months to three years (or the duration of the applicable social and fiscal statutes of limitation) depending on the subject. In 2020, SPIE INDUSTRIE ET TERTIAIRE made several claims against GROUPE GORGÉ in respect of the assets and liabilities guarantee, which were rejected by GROUPE GORGÉ. SPIE INDUSTRIE ET TERTIAIRE filed proceedings against GROUPE GORGÉ in 2021 (see Note 13.2).

In August 2019, GROUPE GORGÉ reorganized the capital of its fire protection activities in France (CLF-SATREM, SVF, AMOPSI). Management now owns 30% of the share capital of a leveraged entity (VIGIANS PROTECTION INCENDIE).

In July 2020, the Group sold its subsidiary VAN DAM to FPB HOLDING BV, a company wholly owned by RYDER TOPCO BV. FPB HOLDING BV also owns INTERDAM, a competitor of VAN DAM. On this occasion, GORGÉ NETHERLANDS BV became a minority shareholder of RYDER TOPCO BV. An asset and liability guarantee was granted for a maximum amount of €6.2 million and a maximum term of two to five years depending on the subject. In the event that the guarantee is called into play, GORGÉ NETHERLANDS may decide to deduct the guarantees from the claims that the Group holds against VAN DAM or RYDER TOPCO BV, as the case may be. As guarantee calls are likely for measurable amounts, impairment losses on receivables were recognized for an amount of €0.7 million, within the non-recurring items of operating income.

In SERES TECHNOLOGIES, STEDY, MAURIC, GORGÉ NETHERLANDS and VIGIANS PROTECTION INCENDIE, the Group partners with non-controlling shareholders who are managers of these companies. Shareholders' agreements provide for the possible liquidity of their holdings (see Note 8.1.4).

NOTE 3 Segment information

In accordance with IFRS 8 – *Operating segments*, the segment information presented below is based on the internal reporting used by Executive Management to assess the performance of and allocate resources to the various segments. Executive Management is the principal operational decision maker within the meaning of IFRS 8.

The three divisions defined as operating segments are as follows:

- "Engineering & Protection Systems" division: VIGIANS PROTECTION INCENDIE and its subsidiaries (CLF-SATREM, AMOPSI and SVF), NUCLÉACTION and its subsidiaries (notably BAUMERT), SERES TECHNOLOGIES and STEDY;
- "Drones & Systems" division: GROUPE ECA and its subsidiaries;
- "3D Printing" division: PRODWAYS GROUP and its subsidiaries.

The key indicators by division presented in the tables below are the following:

- the backlog, which corresponds to revenue yet to be recognized in respect of orders recorded;
- revenue, which includes revenue generated with the other divisions;
- current EBITDA;
- income from ordinary activities;
- operating income;
- the Research and Development expenses recognized in the assets during the financial year;
- other tangible and intangible investments.

Note 3.1 Reconciliation of the non-IFRS indicators and segment indicators with the consolidated operating income

The Group uses non-IFRS financial information for the purposes of information, management and planning because they offer a better assessment of its long-term performance. This additional information is not a substitute for any IFRS measures of operating and financial performance. The data presented by the Group are always non-adjusted consolidated data, like the segment data, unless expressly stated otherwise.

Operating income includes all income and expenses other than:

- interest income and expenses;
- other financial income and expenses;
- corporate income tax.

To make it easier to compare financial years and monitor operating performance, the Group has decided to isolate certain items of operating income and to show an "Income from ordinary activities". It also uses a current EBITDA indicator. These non-accounting indicators do not constitute financial aggregates defined by IFRS; they are alternative performance indicators. They may not be comparable to similarly named indicators by other companies, depending on the definitions used by them.

- The income from ordinary activities is the operating income before "Non-recurring items of operating income", which includes the cost of restructuring actions, recognized or fully provisioned, when it constitutes a liability arising from a liability of the Group *vis-à-vis* third parties arising from a decision made by a competent body materialized before the closing date by the announcement of this decision to the third parties concerned and provided that the Group no longer expects any compensation for these costs. These costs consist primarily of compensation for termination of employment contracts, severance pay, as well as miscellaneous expenses. The other items included on this line of the income statement concern the costs of free share allocations, the costs of acquisition and disposals of activities, amortization of acquired intangible assets recorded under business combinations, impairment of goodwill, and all unusual items by their occurrence or amount.
- Current Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) are defined by the Group as operating income before "Net depreciation, amortization and provisions", "Group share of the earnings of affiliated companies" and "Non-recurring items of operating income".

The 2021 and 2020 segment income statements are reconciled below with the Group's consolidated financial statements. They are prepared in accordance with the Group's operational reporting. The differences between the segment information (internal reporting) and the consolidated financial statements concern in particular the scope of continuing operations. Throughout the year 2021, the Group integrated in its reporting the "3D Printing" division and still includes NUCLÉACTION and its subsidiaries, despite the existence of a disposal project. The "3D Printing" division and NUCLÉACTION and its subsidiaries comply with the conditions justifying the application of IFRS 5 – *Non-current assets held for sale and discontinued operations*. The reclassification of their contribution on a specific line of the income statement thus creates a discrepancy between the operating reporting and the consolidated financial statements.

2021 financial year – Segment information

(in thousands of euros)	Engineering & Protection Systems	Drones & Systems	3D Printing	Structure and disposals	**Segment total**	Adjustments[1]	**Consolidated**
Backlog at start of period	77,156	539,730	6,566	(212)	623,240	(40,528)	582,712
Backlog at the end of the period	86,061	489,885	10,176	(307)	585,815	(46,195)	539,620
REVENUE	**87,350**	**115,323**	**70,645**	**(1,297)**	**272,021**	**(93,748)**	**178,273**
Capitalized production	1,347	11,393	1,510	-	14,250	(2,680)	11,569
Inventories and work in progress	-	(1,907)	(555)	-	(2,463)	555	(1,907)
Other income from operations	1,118	7,215	1,937	-	10,270	(2,085)	8,185
Purchases and external charges	(47,358)	(55,143)	(35,319)	3,068	(134,751)	50,749	(84,003)
Personnel expenses	(40,404)	(51,287)	(28,422)	(1,950)	(122,062)	39,768	(82,294)
Tax and duties	(1,003)	(1,046)	(767)	(119)	(2,936)	1,038	(1,898)
Other operating income and expenses	(5)	(513)	(226)	1,521	778	1,475	2,253
CURRENT EBITDA	**1,045**	**24,035**	**8,804**	**1,224**	**35,108**	**(4,930)**	**30,178**
% revenue	*1.2%*	*20.8%*	*12.5%*	*N/A*	*12.9%*	*5.3%*	*16.9%*
Depreciation, amortization and provisions (net of reversals)	(4,462)	(12,275)	(4,491)	(542)	(21,770)	6,986	(14,784)
INCOME FROM ORDINARY ACTIVITIES	**(3,416)**	**11,760**	**4,312**	**682**	**13,338**	**2,057**	**15,394**
% revenue	*-3.9%*	*10.2%*	*6.1%*	*N/A*	*4.9%*	*-2.2%*	*8.6%*
Payment in shares	-	-	(713)	-	(713)	713	-
Restructuring costs	(23)	(12)	(771)	(64)	(870)	794	(76)
Amort. of intangible assets recognized at FV during acquisitions	-	(23)	(643)	-	(666)	643	(23)
Acquisition/disposal costs	-	-	(94)	(1,180)	(1,274)	503	(772)
Impact of the exit of the "3D Printing division"	-	-		(43,957)	(43,957)	(43,957)	-
Reversal of the provision relating to the disposal of CIMLEC INDUSTRIE	700	-	-	-	700	(700)	-
Exceptional provisions for impairment of asset values	-	(296)	(307)	-	(603)	307	(296)
Other	-	-	(82)	-	(82)	82	-
TOTAL OTHER OPERATING ITEMS	**677**	**(331)**	**(2,610)**	**42,713**	**40,449**	**(41,615)**	**(1,166)**
Group share of the earnings of affiliated companies	-	-	45	-	45	(45)	-
OPERATING INCOME	**(2,739)**	**11,429**	**1,747**	**43,395**	**53,832**	**(39,604)**	**14,228**
% revenue	*-3.1%*	*9.9%*	*2.5%*	*N/A*	*19.8%*	*42.2%*	*8.0%*
R&D expenses capitalized over the period	406	10,487	1,352	-	12,244	(1,757)	10,487
Other tangible and intangible investments[2]	1,959	13,541	1,815	837	18,152	(2,903)	15,249

(1) The "Adjustments" column concerns provisions for liability guarantees relating to the disposal of CIMLEC and all the contributions of the "3D Printing" division and the NUCLÉACTION group, included in the segment information but classified in the consolidated income statement on the line "Net income from discontinued operations", pursuant to IFRS 5.
(2) Does not include the costs of obtaining and performing contracts (IFRS 15) or new rights of use (IFRS 16).

2020 financial year – segment information

(in thousands of euros)	Engineering & Protection Systems	Drones & Systems	3D Printing	Structure and disposals	**Segment total**	Adjustments[1]	**Consolidated**
Backlog at start of period	73,833	526,343	6,143	(166)	606,154	-	606,154
Backlog at the end of the period	77,156	539,730	6,566	(212)	623,240	(40,528)	582,712
REVENUE	**78,122**	**96,206**	**57,206**	**(420)**	**231,114**	**(80,202)**	**150,913**
Capitalized production	987	7,848	1,150	-	9,985	(2,085)	7,899
Inventories and work in progress	(87)	2,172	85	-	2,170	(84)	2,086
Other income from operations	851	4,794	897	-	6,542	(1,391)	5,151
Purchases and external charges	(44,032)	(51,154)	(30,177)	3,067	(122,296)	45,118	(77,177)
Personnel expenses	(33,452)	(42,298)	(25,280)	(2,724)	(103,754)	35,557	(68,197)
Tax and duties	(1,092)	(842)	(758)	(168)	(2,860)	997	(1,862)
Other operating income and expenses	3,676	(631)	219	(67)	3,197	1,132	4,329
CURRENT EBITDA	**4,973**	**16,096**	**3,342**	**(312)**	**24,099**	**(958)**	**23,141**
% revenue	*6.4%*	*16.7%*	*5.8%*	*N/A*	*10.4%*	*1.2%*	*15.3%*
Depreciation, amortization and provisions (net of reversals)	(4,608)	(9,095)	(7,174)	(682)	(21,559)	8,689	(12,870)
INCOME FROM ORDINARY ACTIVITIES	**364**	**7,001**	**(3,832)**	**(994)**	**2,540**	**7,731**	**10,271**
% revenue	*0.5%*	*7.3%*	*-6.7%*	*N/A*	*1.0%*	*-9.6%*	*6.8%*
Payment in shares	-	-	(269)	-	(269)	269	-
Restructuring costs[2]	-	(474)	(3,246)	-	(3,720)	3,246	(474)
Amort. of intangible assets recognized at FV during acquisitions	-	(23)	(765)	-	(788)	765	(23)
Impact of the disposal of VAN DAM/CIMLEC	3,283	-	-	(745)	2,538	1,000	3,538
Exceptional provisions for impairment of assets[3]	(1,967)	(1,736)	(6,397)	-	(10,100)	7,834	(2,266)
Other	3	-	(258)	-	(255)	255	-
TOTAL OTHER OPERATING ITEMS	**1,319**	**(2,233)**	**(10,936)**	**(745)**	**(12,595)**	**13,370**	**776**
Group share of the earnings of affiliated companies	-	-	5	-	5	(5)	-
OPERATING INCOME	**1,683**	**4,768**	**(14,762)**	**(1,739)**	**(10,050)**	**21,096**	**11,047**
% revenue	*2.2%*	*5.0%*	*-25.8%*	*N/A*	*-4.3%*	*-26.3%*	*7.3%*
R&D expenses capitalized over the period	603	7,159	1,116	-	8,878	(1,719)	7,159
Other tangible and intangible investments[4]	1,234	4,216	3,942	127	9,519	(4,642)	4,878

(1) The "Adjustments" column concerns provisions for liability guarantees relating to the disposal of CIMLEC and all contributions from the "3D Printing" division and the NUCLÉACTION group, included in the segment information but classified in the consolidated income statement on the line "Net income from discontinued operations", pursuant to IFRS 5.

(2)The restructuring costs mainly concern the "3D Printing" division, a reorganization of the printer design and manufacturing activities was launched at the end of 2020, involving staff departures, transfers of staff between Group sites and the scheduled closure of the Les Mureaux site (part of the cost is provisioned in the form of a provision for expenses, see Note 11).

(3) The provisions for asset impairment losses mainly relate to intangible assets for €7.9 million (see Note 6.2), inventories for €1.5 million (see Note 4.4) and right-of-use assets for €0.6 million.

(4) Does not include the costs of obtaining and performing contracts (IFRS 15) or new rights of use (IFRS 16).

Note 3.2 Reconciliation of segment assets and liabilities

The segment assets refer to the current assets used in operations (inventories, receivables, advances from suppliers, other operating debtors such as social and tax receivables), the property, plant and equipment and intangible assets (including the goodwill); the segment liabilities refer to supplier and other operating liabilities, accrued liabilities, customer advances, warranty provisions and costs related to goods and services sold.

The total segment assets and liabilities are reconciled as follows with the total assets and liabilities of the Group:

2021 financial year

(in thousands of euros)	Engineering & Protection Systems	Drones & Systems	Structure	Disposals	**Consolidated**	IFRS 5 adjustments(2)	**Total**
Segment assets	65,351	200,789	36,214	(16,003)	286,351	(27,976)	256,375
Other current financial assets	20	1	196	-	217	-	217
Deferred tax assets	793	(2,853)	3,953	-	1,893	(516)	1,378
Tax receivables payable	1,334	334	11,706	-	13,375	-	13,375
Other current and non-current assets	2,535	11,466	51,041	(59,830)	5,212	(1,657)	3,555
Cash and cash equivalents	7,623	11,164	26,724	-	45,512	(2,603)	42,909
TOTAL CONSOLIDATED ASSETS	**77,657**	**220,901**	**129,834**	**(75,832)**	**352,560**	**(32,751)**	**319,809**
Assets segment liabilities	48,693	61,372	1,964	(1,817)	110,212	(16,964)	93,248
Long-term provisions	888	4,543	139	-	5,570	(346)	5,224
Long-term debt	17,257	50,903	82,164	(13,926)	136,398	(8,587)	127,810
Lease liabilities	7,022	8,622	2,475	(226)	17,892	(2,641)	15,251
Financial instruments and derivatives	-	1,788	1,350	-	3,138	-	3,138
Other current and non-current liabilities	35,976	28,237	10,308	(59,864)	14,657	(3,723)	10,935
Deferred tax liabilities	150	-	-	-	150	-	150
Tax liabilities payable	227	15	-	-	242	-	242
TOTAL CONSOLIDATED LIABILITIES(1)	**110,212**	**155,480**	**98,400**	**(75,833)**	**288,258**	**(32,260)**	**255,998**

(1) Total liabilities less equity and non-controlling interests.
(2) The "Adjustments" column concerns the contributions of the NUCLÉACTION group, included in the segment information but classified in the statement of financial position on an "Assets and liabilities held for sale" line, in accordance with IFRS 5.

2020 financial year

(in thousands of euros)	Engineering & Protection Systems	Drones & Systems	3D Printing	Structure	Disposals	**Consolidated**
Segment assets	64,764	163,784	82,008	21,224	(10,691)	321,090
Other current financial assets	-	-	-	2	-	2
Deferred tax assets	588	(588)	1,276	3,536	-	4,813
Tax receivables payable	572	155	2,091	11,244	-	14,061
Other current and non-current assets	8,922	15,569	818	40,982	(59,929)	6,362
Cash and cash equivalents	11,786	21,764	22,500	26,617	-	82,668
TOTAL CONSOLIDATED ASSETS	**86,632**	**200,685**	**108,695**	**103,604**	**(70,620)**	**428,996**
Assets segment liabilities	41,374	80,601	19,115	3,592	(2,988)	141,694
Long-term provisions	1,249	5,416	1,120	193	-	7,978
Long-term debt	26,277	23,580	16,773	55,704	(7,673)	114,661
Lease liabilities	7,814	8,525	7,572	234	(13)	24,132
Financial instruments and derivatives	-	-	-	2,133	-	2,133
Other current and non-current liabilities	23,091	25,573	2,316	20,126	(59,946)	11,158
Deferred tax liabilities	-	-	447	-	-	447
Tax liabilities payable	105	30	371	-	-	506
TOTAL CONSOLIDATED LIABILITIES(1)	**99,910**	**143,725**	**47,712**	**81,981**	**(70,620)**	**302,708**

(1) Total liabilities less equity and non-controlling interests.

Note 3.3 Revenue by geographical area

2021 financial year

(in thousands of euros)	**France**	**%**	**Europe**	**%**	**Other**	**%**	**Total**
Engineering & Protection Systems	78,307	90%	5,629	6%	3,414	4%	87,350
Drones & Systems	46,902	41%	48,700	42%	19,721	17%	115,323
3D Printing	44,920	64%	17,495	25%	8,230	12%	70,645
Structure and disposals	(1,297)	N/A	-	-	-	-	(1,297)
Impact of IFRS 5	(59,794)		(22,916)		(11,038)		(93,748)
TOTAL	**109,038**	**61%**	**48,908**	**27%**	**20,327**	**11%**	**178,273**

2020 financial year

(in thousands of euros)	France	%	Europe	%	Other	%	Total
Engineering & Protection Systems	67,721	87%	6,423	8%	3,979	5%	78,122
Drones & Systems	43,958	46%	34,579	36%	17,669	18%	96,206
3D Printing	37,653	93%	12,925	6%	6,629	1%	57,206
Structure and disposals	(154)	N/A	(267)	N/A			(420)
Impact of IFRS 5	(54,346)		(16,012)		(9,843)		(80,202)
TOTAL	**94,832**	**63%**	**37,648**	**25%**	**18,433**	**12%**	**150,913**

NOTE 4 Operational data

Note 4.1 Recognition of income

The Group now applies IFRS 15 regarding the recognition of revenue from contracts with customers. Its revenues comprise sales of goods, the provision of services and in large part the completion of projects.

The percentage of completion method applies to project activities. For these activities, solutions are determined for the specific and unique needs of each customer. The method is applicable as long as the good sold has no alternative use and that the Group has an irrevocable right to payment regarding the work completed to date (corresponding to the costs incurred to date, plus a reasonable profit margin) in the event of termination for a reason other than the Group's failure to perform. In addition, revenue from the majority of service contracts is recognized over time since the customer receives and uses the benefits from the services provided simultaneously.

Proceeds from contracts may include items that may increase or decrease (rebates, revisions, indexation, penalties, claims, etc.). Claims are taken into account when they can be assessed reliably and when the Group's negotiations with the customer reach a point where the claims are likely to be accepted.

The Group has not identified any situations in its contracts that would require the segmentation of some contracts by service obligation, with different rate margins, as can notably be the case for contracts combing construction and operation.

The estimates of revenue and termination costs are regularly reviewed by operational and financial managers. If profit forecasts at the end of a project indicate a loss, a provision for termination losses is recognized independently of the project's completion. Provisions for losses on completion are presented on the liabilities side of the statement of financial position The calculation method for completion is based on cost (the rate of completion is equal to the ratio between the cost recognized to date and the total estimated costs at the end of the project).

The backlog corresponds to the amount of customer contracts for which revenue has not yet been recognized. The Group expects a significant portion of the backlog existing at end-2021 to be used within three years. A portion of the backlog of the Drones & Systems division will be completed over a longer period that may stretch up to around seven years.

In 2021, the Group's revenue increased by 18.1%.

Note 4.2 Other income from operations

Other income from the activity consists mainly of public subsidies and research tax credit (RTC).

These subsidies and research tax credits (RTC), which partially or totally cover the cost of an asset, are recognized in the income statement at the same rate as the asset's depreciation.

In 2021, the research tax credit for the period stood at €6.4 million, of which €2.0 million was recognized directly as deferred income and €4.4 million in the income statement. In 2020, restated for the discontinued operations, these amounts were respectively €4.5 million, €1.9 million and €2.6 million. The research tax credit recorded as deferred income in previous years was also recognized in the income statement in 2021 for €0.8 million (€0.9 million in 2020). The deferred income which appears in liabilities includes €5.6 million in research tax credits and €1.5 million in grants funding non-current assets not yet amortized (see Note 4.7).

(in thousands of euros)	**2021**	2020(1)
Subsidies	2,964	1,657
Research tax credit	5,221	3,494
TOTAL OF OTHER INCOME FROM THE BUSINESS	**8,185**	**5,151**

(1) 2020 column restated for the items detailed in Note 1.3.

The tax credits recognized on the income statement and which were not able to be offset against tax to be paid are shown on the asset side of the consolidated statement of financial position, in the item "Tax receivables payable". They amount to €13.3 million, including €11.4 million of research tax credit and €1.9 million of tax credit for competitiveness and employment (see Note 9.1.1).

The Group (the ECA AEROSPACE subsidiary) benefits from a subsidy obtained as part of the economic recovery plan (€3.4 million). This grant was recognized as income in the amount of the expenses recognized for the financial year for €568 thousand.

Note 4.3 Depreciation, amortization and provisions

(in thousands of euros)	**2021**	2020(1)
Depreciation, amortization and provisions		
Other intangible assets	(4,687)	(4,153)
Property, plant and equipment	(1,792)	(2,967)
Costs of obtaining and performing contracts	(1,746)	(1,303)
Rights of use	(3,922)	(3,490)
SUBTOTAL	**(12,146)**	**(11,912)**
Charges to provisions, net of reversals		
Inventory and work in progress	(916)	(293)
Current assets	(191)	(372)
Liabilities and expenses	(1,531)	(293)
SUBTOTAL	**(2,637)**	**(958)**
TOTAL NET CHARGES TO AMORTIZATION AND PROVISIONS	**(14,784)**	**(12,870)**

(1) Column 2020 restated for the items detailed in Note 1.4.

In 2020, significant asset impairments were recorded in the income statement under "Non-recurring items of operating income" (see Note 3.1).

Note 4.4 Inventories and work in progress

Inventories of raw materials and semi-finished and finished goods are valued at the lower of their acquisition cost or their estimated net realizable value. The cost price is calculated using the FIFO or weighted average cost method.

The methods for valuing and impairing work in progress are tailored to the context of each consolidated company. However, the valuation principles generally accepted in the field are followed, including:

- work in progress is valued at direct and indirect production costs, excluding all sales and financial costs;
- hourly production rates are based on normal activity excluding any sub-activity cost;
- when, based on the forecast revenue and cost estimates, a termination loss is probable, said loss is covered by an impairment provision for the portion included in work in progress and a provision for liabilities and expenses for the part of the costs yet to be committed.

Movements in inventories in the consolidated statement of financial position are as follows:

	2021			2020		
(in thousands of euros)	**Gross value**	**Depreciation**	**Net value**	Gross value	Depreciation	Net value
Raw materials	21,174	(5,691)	15,483	26,159	(5,570)	20,590
Work in progress	6,290	-	6,290	8,604	-	8,604
Semi-finished and finished goods	1,796	(565)	1,230	3,666	(625)	3,041
Goods	-	-	-	3,242	(2,076)	1,166
TOTAL INVENTORY AND WORK IN PROGRESS	**29,259**	**(6,257)**	**23,003**	**41,671**	**(8,271)**	**33,400**

Over the period, the impairment net of reversals recognized in the income statement amounted to €0.9 million

In 2020, exceptional impairments were recorded in the amount of €1.5 million in the "3D Printing" division and appeared in the 2020 segment income statement under "Non-recurring items of operating income".

Note 4.5 Trade receivables, contract assets and liabilities

Trade receivables are invoiced receivables entitling the issuer to payment.

(in thousands of euros)	**2021**	2020
Trade receivables	45,332	48,352
Provisions for expected losses	(1,575)	(3,910)
TRADE RECEIVABLES, NET VALUES	**43,757**	**44,443**

Trade receivables are impaired according the IFRS 9 simplified approach. As soon as they arise, trade receivables would be impaired for their expected losses over their remaining term.

Credit risk assessment of trade receivables is carried out for each customer. Provisions for expected losses are thus assessed by using the default history of comparable customers, the aged balance of the receivables and the Group's assessment of credit risk for each receivable. When it is certain that the receivable will not be collected, the receivable and its impairment are transferred to losses in the income statement.

The Group as a whole is not over-reliant on any one customer, as can be seen from the percentage of consolidated revenue generated from each of the top five customers in 2021 (and for the sake of comparison, in 2020):

	2021	2020
• Customer A:	15.5%	10.7%
• Customer B:	3.7%	-
• Customer C:	3.2%	3.5%
• Customer D:	2.6%	-
• Customer E:	2.0%	-

In 2021, the top five customers represented 27.0% of the Group's revenue (compared to 22.6% for the top five customers in 2020). The top 15 customers represented 42.7% of the Group's 2021 revenue (compared to 36.2% for the top 15 in 2020).

The risk of customer default is the main credit risk to which the Group is exposed. The Group has implemented a policy of monitoring its credit risk at all of its subsidiaries.

The overdue trade receivables for which there is no provision amounted to €10.6 million, including €5.1 million for the Drones & Systems division, and break down as follows:

Overdue (in thousands of euros)	**2021**	(in %)
Trade receivables not yet due	33,134	76%
<one month overdue	4,097	9%
one-two months overdue	1,088	2%
two-three months overdue	982	2%
>three months overdue	4,457	10%
NET TRADE RECEIVABLES	**43,757**	**100%**

Of the total receivables, almost €5.3 million had been paid at 10 March 2022. The Group is not aware of additional difficulties which might justify a provision.

"Contract assets" and "Contract liabilities" are determined on a contract-by-contract basis. "Contract assets" correspond to contracts in force for which the value of created assets exceeds the advances received. "Contract liabilities" correspond to all contracts in a situation where the assets (receivables in progress) are less than the liabilities (advances from clients and deferred income recorded when the invoices issued exceed the revenue recognized to date).

The backlog (revenue to be recognized) is indicated by division in Note 3.1.

(in thousands of euros)	**2021**	2020
Work in progress (A)	1,212	1,653
Receivables in progress (B)	93,389	103,975
Down-payments received (C)	31,412	42,235
Deferred income (D)	-	-
CONTRACT ASSETS (A) + (B) - (C) - (D)	**63,189**	**63,393**

(in thousands of euros)	**2021**	2020
Work in progress (A)	441	457
Receivables in progress (B)	90	827
Down-payments received (C)	6,762	6,798
Deferred income (D)	15,912	32,715
Other liabilities (E)	362	520
CONTRACT LIABILITIES - (A) - (B) + (C) + (D) + (E)	**22,504**	**38,749**

Note 4.6 Other current assets

	2021			2020
(in thousands of euros)	**Gross value**	**Depreciation**	**Net value**	Net value
Advances and down-payments made	7,405	-	7,405	5,442
Other receivables(1)	3,100	(1,038)	2,062	2,093
Social and tax receivables	6,637	-	6,637	9,530
Prepaid expenses	1,011	-	1,011	4,269
TOTAL OTHER CURRENT RECEIVABLES	**18,153**	**(1,038)**	**17,115**	**21,334**

(1) Including grants receivable for €1,239 thousand, royalties for €345 thousand and €143 thousand of receivables relating to VAN DAM.

Note 4.7 Other current and non-current liabilities

(in thousands of euros)	**2021**	2020
Suppliers	32,014	49,483
Fixed asset suppliers	829	46
TOTAL TRADE PAYABLES	**32,843**	**49,529**
Advances and down-payments received	256	740
Social security liabilities	16,275	24,181
Tax liabilities	17,318	19,731
Miscellaneous debts	2,258	2,122
Deferred income	7,672	8,649
TOTAL OTHER CURRENT LIABILITIES	**43,780**	**55,423**
Conditional advances	175	341
TOTAL OTHER NON-CURRENT LIABILITIES	**175**	**341**

Trade payables are paid on their normal due dates, provided the services from the suppliers are fully completed and in the absence of litigation.

The deferred income corresponds to subsidies and research tax credits that will be recognized as income concurrent with the amortization of the corresponding assets (€7.1 million, see Note 4.2).

Note 4.8 Summary of leases

The Group implement IFRS 16 – *Leases* since 1 January 2019.

The new standard on leases, IFRS 16, places more focus on controlling the leased asset. Under IFRS 16, the Group must recognize assets (corresponding to the rights of use of underlying assets) and lease liabilities with respect to its obligations to pay the rent due on all its leases. The value of the lease asset (right of use) and liability is measured initially at the discounted value of future lease payments, as well as estimated payments at the end of the lease. The lease term is defined on a lease-by-lease basis and corresponds to the firm commitment period, taking into account option periods that are reasonably certain to be carried out. The right-of-use asset is amortized over the remaining lease period. The Group applies the exemptions provided by the standard for leases with a term of 12 months or less, and for leases where the underlying asset has a low value when it is new. These lease payments are recognized directly as expenses.

The discount rates applied are based on the Group's marginal borrowing rates by type of asset. The average marginal rate used for the 2021 financial year is 1.01%.

Leases entered into by the Group and falling within the scope of this standard concern primarily:

- property leases;
- vehicle and other equipment leases.

The leases stated under IFRS 16 had a total statement of financial position value of €14.8 million and an impact on the net income statement, attributable to owners of the parent, of €173 thousand. With IFRS 16, the nature of the expenses related to these leases has changed since the application of IFRS 16 has replaced the recognition on a straight-line basis of expenses for operating leases with depreciation expense for assets. "Right-of-use" amounting to €3,922 thousand, without distinction between operating leases and finance leases, and by an interest charge for lease liabilities amounting to an amount of to €199 thousand for 2021.

The impacts of IFRS 16 on the financial statements are detailed in the table below:

(in thousands of euros)	Property	Other property, plant and equipment	Prepaid payments	**Total net assets**	**Lease liabilities on the liabilities side of the statement of financial position**
At 1 January 2021	**19,833**	**3,626**	**(303)**	**23,155**	**24,132**
Restatement of discontinued operations	(8,299)	(1,240)	45	(9,493)	(10,059)
1 January 2021 restated	**11,534**	**2,386**	**(258)**	**13,662**	**14,073**
New leases	4,520	1,239		5,758	5,765
Changes in scope	-	-	-	-	-
Amortization of rights of use	(2,763)	(1,159)	-	(3,922)	-
Impairment of right-of-use assets	-	-	-	-	-
Interest expenses	-	-	-	-	199
Payments (lease expenses cancelled)	-	-	(46)	(46)	(4,478)
Change in accrued interest	-	-	-	-	2
Departures/revaluations	(235)	(443)	-	(678)	(310)
Currency translation adjustments	-	-	-	-	-
AT 31 DECEMBER 2021	**13,055**	**2,023**	**(304)**	**14,775**	**15,251**
of which lease liabilities due in less than one year					*3,279*
of which lease liabilities due in more than one year					*11,972*

The application of IFRS 16 therefore has a significant impact on current EBITDA as defined by the Group (see Note 3.1), with no significant impact on operating income and even less significant on net income. The current EBITDA for 2021, which amounted to €30,178 thousand, would have amounted to €26,222 thousand without the application of IFRS 16.

Note 4.9 Off-statement of financial position commitments related to operations

(in millions of euros)	**2021**	2020
Endorsements, security deposits and guarantees given	53.7	59.9
Other commitments given	-	-
TOTAL	**53.7**	**59.9**

Furthermore, GROUPE GORGÉ SA and GROUPE ECA SA have given certain customers individual performance guarantees on contracts awarded to Group companies; the value of these guarantees cannot be measured.

There are no other significant commitments related to operating activities that are not included in the financial statements.

NOTE 5 Employee expenses and benefits

Note 5.1 Workforce

Continuing operations	31/12/2021	31/12/2020
Workforce	1,282	1,162
Average workforce	1,226	1,126

At 31 December 2021, approximately 2% of the total workforce was based abroad.

At the end of 2021, the workforce in discontinued operations represented 200 employees (NUCLÉACTION group).

Note 5.2 Employee expenses and benefits

The employee benefits are estimated in accordance with the revised IAS 19. They are broken down between short-term and long-term benefits.

The employees of the Group receive short-term benefits such as holiday pay, sickness pay, bonuses and other benefits (other than contract termination payments) payable within the 12 months following the end of the period during which the employees provided the corresponding services.

These benefits are recognized in current liabilities and recorded in the expenses in the year in which the service is provided by the employee.

The long-term benefits cover two categories of employee benefit:

- the benefits subsequent to employment, which include the allowance paid on retirement;
- the other long-term benefits (during employment), which mainly concern long service awards.

The various benefits offered to each employee depend on the local legislation and the conventions and agreements in effect in each Group company.

Employee benefits expense includes the following items:

(in thousands of euros)	2021	2020(1)
Salaries and benefits	(56,974)	(47,434)
Social security contributions	(22,735)	(18,666)
Profit sharing and incentive schemes	(494)	(288)
Other(2)	(2,090)	(1,809)
TOTAL	**(82,294)**	**(68,197)**

(1) 2020 column restated for the items detailed in Note 1.4.
(2) Mainly includes contributions to the Works Council, occupational health, meal vouchers.

Note 5.3 Provisions for pensions and similar commitments

The Group makes provisions for post-employment benefits (retirement pay) and long-term employee benefit plans (awards). The cost of retirement and related benefits (awards) is provisioned for the remaining obligations. It is estimated for the entire workforce on the basis of accrued rights and a projection of current salaries, taking into account the risk of mortality, staff turnover and a discounting assumption.

The discount rates are determined by reference to the yields on bonds issued by first class corporations over terms equivalent to those of the commitments on the date of valuation.

Actuarial variances are generated where differences are recorded between the actual data and the forecasts made previously, or due to changes in actuarial assumptions. The actuarial variances generated are recognized in the overall income statement, net of deferred taxes.

The expense recognized in the income statement includes:

- the costs of services provided during the financial year, the cost of past services, as well as any effects of any reduction or liquidation of the scheme;
- the net interest expense on bonds and hedging assets.

The provision for claims is updated annually on the basis of the prevailing fee schedules, changes to the assessment base, staff turnover and mortality assumptions and discount rates.

The main parameters used for the year are as follows:

- departure at the employee's initiative (voluntary departure);
- calculation of the compensation under the collective agreement in force in each of the companies (metallurgy, SYNTEC, etc.);
- assumed retirement age 67;
- IBOXX discount rate in the euro zone 0.98% (0.40% in 2020);
- average loading rate: differs from one entity to another and ranges between 40% and 46%;
- turnover: differs from one entity to another according to the type of activity, seniority and the average age of personnel;
- rate of revaluation of the salary calculation bases: differs from one entity to another according to various factors;
- INSEE mortality table 2016-2018.

Change in the obligation (in thousands of euros)	2021	2020
Opening provision	**7,956**	**7,587**
Restatement of discontinued operations	(1,119)	-
Impact of IFRIC IAS 19 decision(1)	(774)	
Provision restated at opening	**6,063**	**7,587**
Cost of services provided for the period	462	634
Interest on discounting	24	54
Cost of services provided	34	-
First consolidation/(Deconsolidation)	-	-
Profit/(Loss) relating to liquidation or curtailment	-	(200)
Actuarial losses/(gains) generated on the obligation	(747)	179
Benefits paid	(289)	(299)
CLOSING PROVISION	**5,547**	**7,956**

(1) See Note 1.2, IFRIC decision.

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With respect to retirement and other post-employment benefits, a 0.5 point rise in the discount rate would decrease the amount of the obligation by approximately €319 thousand. An equivalent decline would increase the obligation by €348 thousand.

The provisions for long-term service awards on the statement of financial position amounted to €20 thousand for the financial year (*versus* €19 thousand in 2020, restated for discontinued operations).

Note 5.4 Payments in shares (stock options, share subscription warrants, allocation of free shares)

Certain employees of the Group receive a remuneration in equity instruments, for which the payment is based on shares. The costs of the free share award schemes, share subscription warrants or options are recognized in non-recurring items of operating income. This expense, which corresponds to the fair value of the instrument issued, is spread over the vesting period for the rights, counterbalanced by a corresponding adjustment to the shareholders' equity. The Group periodically re-examines the number of potential shares. Where applicable, it recognizes the consequences of the revision of its estimates in the income statement.

PRODWAYS GROUP (deconsolidated at the end of the 2021 financial year) set up free share allocation plans in 2016, 2019 and 2021.

Note 5.5 Remuneration of executives and related parties

5.5.1 Remuneration of executives

The members of the Board of Directors of GROUPE GORGÉ received remuneration in 2021 for a total amount of €40 thousand.

The Chairperson and CEO is paid by GROUPE GORGÉ and by PRODWAYS GROUP controlled until December 2021. In 2021, GROUPE GORGÉ paid him total gross compensation of €297,709 (€225,000 in fixed compensation, €63,000 in variable compensation for 2020 and €9,709 in benefits in kind). In 2021, PRODWAYS GROUP paid him total gross remuneration of €91,812 (€75,000 in fixed remuneration and €16,812 in variable remuneration for 2020). The variable remuneration of the Chairperson for 2021 were set at €31,125 and €25,000 by the Boards of Directors of GROUPE GORGÉ and PRODWAYS GROUP, respectively.

GROUPE GORGÉ paid the Deputy Chief Executive Officer gross remuneration of €294,786 (€200,000 in fixed remuneration, €84,000 in variable remuneration for 2020 and €10,786 in benefits in kind). The variable remuneration of the Deputy CEO for 2021 was set at €61,740 by the Board of Directors of GROUPE GORGÉ.

5.5.2 Related parties

Related parties are persons (Directors, managers of GROUPE GORGÉ or of its principal subsidiaries) or companies owned or managed by such persons (except for subsidiaries of GROUPE GORGÉ). The following transactions with related parties conducted during the year have been identified in the GROUPE GORGÉ financial statements:

(in thousands of euros)	PÉLICAN VENTURE	SOPROMEC
2021 income statement		
Revenue	499	29
Other income	-	-
Purchases and external charges	(19)	-
Financial income	-	-
2021 statement of financial position		
Trade accounts receivable	539	-
Debtors	-	-
Suppliers	23	-
Creditors	-	-
Deposits and guarantees received	-	-

PÉLICAN VENTURE is a holding company, and the main shareholder of GROUPE GORGÉ. It is chaired by Mr. Jean-Pierre GORGÉ, a Director of GROUPE GORGÉ. SOPROMEC PARTICIPATIONS is a subsidiary of PÉLICAN VENTURE.

NOTE 6 Intangible assets and property, plant and equipment

Note 6.1 Goodwill

Goodwill is initially recognized at the time of a combination of businesses as described in Note 2.1.

Goodwill corresponds to the difference between the cost of an acquisition and the fair value of the Group's share in the identifiable net assets acquired. Positive differences are recognized under "Goodwill" on the assets side of the statement of financial position, while negative differences are recognized directly in the income statement. Goodwill is allocated to cash-generating units (CGU). The essential elements of the business are treated in the same way as goodwill. The profit/loss on disposal of the activity of a CGU takes into account the goodwill related to the transferred activity based on the relative values of the activity transferred and the share of the CGU retained.

Goodwill may be adjusted in the 12 months following the acquisition date to reflect the final calculation of the fair value of the assets and liabilities acquired.

Subsequent to their initial recognition, they are not amortized but are the subject of an impairment test on the appearance of indications of loss of value, and at least once a year. The impairment test procedures carried out in 2021 and 2020 are described in Note 6.4.

Net value *(in thousands of euros)*	**2021**	2020
At 1 January	**63,245**	**64,078**
Impact of discontinued operations[1]	(3,766)	-
First consolidations	-	-
Deconsolidated[2]	(35,687)	(834)
AT 31 DECEMBER	**23,792**	**63,245**
Of which impairment at 31 December 2021	(498)	(498)

(1) Concerns the NUCLÉACTION group.
(2) Concerns the exit of PRODWAYS GROUP and its subsidiaries and of VAN DAM and its subsidiaries in 2020.

Goodwill breaks down as follows:	
• Drones & Systems	80%
• Engineering & Protection Systems	20%

Note 6.2 Other intangible assets

Intangible assets acquired separately are recognized in the statement of financial position at their acquisition cost. They are subsequently measured at amortized cost, as recommended by IAS 38 – *Intangible Assets.* Intangible assets acquired as part of business combinations are recorded in the statement of financial position at their fair value, determined on the basis of valuations. These valuations are performed using generally accepted methods, based on future inflows. The value of intangible assets is tested on a regular basis for impairment.

Intangible assets, with the exception of brands, are amortized on a straight-line basis over their useful life, taking into account the period of legal protection, if applicable.

The value of amortized intangible assets is tested when there is any indication that their recoverable amount may be less than their carrying amount. The impairment losses resulting from the valuation tests are recognized as "Non-recurring items of operating income".

Intangible assets acquired in a business combination are not amortized when their useful life cannot be determined. The criteria for deciding whether or not the lifetimes of these intangible assets is indeterminate, and where applicable, for deciding their lifetimes, are the following:

- reputation of the asset;
- longevity of the asset according to the strategy for including it in the Group's portfolio of activities.

The values of intangible assets with indeterminate lifetimes are tested at least once a year, as soon as an impairment index is identified. Where applicable, exceptional write-downs are recognized.

Fixed assets generated internally, concerning mainly expenses for development of new projects. They are capitalized where the following criteria are strictly fulfilled:

- the technical feasibility necessary for the completion of the intangible asset with a view to its commissioning or its sale;
- the intention to complete the intangible asset and to commission it or to sell it;
- the ability to use or sell the intangible asset;
- the way in which the intangible asset will generate probable future economic benefits. The entity must demonstrate, among other things, the existence of a market for the production from the intangible assets or for the intangible assets itself or, if the latter has to be used internally, its utility;
- the availability of technical, financial and other resources necessary to complete the development and to commission or sell the intangible assets;
- the capacity to reliably estimate the expenses attributable to the intangible asset during its development.

Development costs that do not meet these criteria are expensed in the period in which they are incurred. This is notably the case for research and development work that may be carried out in connection with customer orders where the costs cannot be separated from the costs involved in fulfilling the order.

Capitalized development projects are depreciated over the lifetime of the underlying technology, generally between three and 15 years from their date of completion.

The development expenses are tested for impairment each time there is an indication of impairment.

Under IFRS 15, the costs of obtaining and executing a contract must be recognized as an asset and amortized if they represent incremental costs, *i.e.* costs the entity would not have incurred had that individual contract not been obtained, and which the entity expects to recover on the basis of the contract's expected profit. The Group occasionally incurs costs associated with obtaining and performing contracts (mainly fees). The application of this method reduces the rate of progress of the relevant contracts at launch, since fewer expenses are recorded and the costs to obtain the contract are recognized through amortization over the term of the contract.

(in thousands of euros)	Development projects	Costs of obtaining and performing contracts	Other intangible assets	Non-current assets in progress	**Total**
Gross value					
31 December 2020 published	**81,441**	**6,982**	**27,363**	**172**	**115,958**
Restatement of discontinued operations	(22,681)	-	(14,137)	-	(36,818)
1 January 2021	**58,760**	**6,982**	**13,226**	**172**	**79,140**
Acquisitions	10,487	180	931	1,000	12,598
Changes in scope	-	-	25	-	25
Departures	-	-	(75)	-	(75)
Other changes	-	(512)	461	(459)	(510)
Impact of changes in exchange rates	-	-	-	-	-
At 31 December 2021	**69,246**	**6,650**	**14,569**	**714**	**91,179**
Depreciation, amortization and impairment					
31 December 2020 published	**54,828**	**1,511**	**18,248**	**-**	**74,587**
Restatement of discontinued operations	(16,281)	-	(7,459)	-	(23,740)
1 January 2021	**38,547**	**1,511**	**10,788**	**-**	**50,847**
Depreciation and amortization	3,464	1,746	1,245	-	6,455
Changes in scope	-	-	26	-	26
Impairment losses	250	-	-	-	250
Departures	-	-	(75)	-	(75)
Other changes	-	(494)	(1)	-	(495)
Impact of changes in exchange rates	-	-	-	-	-
At 31 December 2021	**42,261**	**2,763**	**11,983**	**-**	**57,007**
Net value					
At 1 January 2021	20,212	5,471	2,438	172	28,293
AT 31 DECEMBER 2021	**26,985**	**3,887**	**2,586**	**714**	**34,172**

Intangible assets are tested for impairment in accordance with the procedures indicated in Note 6.4 and in the circumstances indicated in Note 1.1.

In 2020 impairment losses were recognized for R&D projects (€5.6 million, of which €2.4 million for the "3D Printing" division, €1.7 million for the "Drones & Systems" division, and €1.4 million for the "Engineering & Protection Systems" division) and for intangible assets recognized at fair value at the time of the acquisitions (€2.3 million, concerning the "3D Printing" division). In 2021, impairment losses were recognized in respect of R&D projects for an amount of €0.3 million. They appear in the income statement under "Non-recurring items of operating income".

Development projects and other intangible asset line items are as follows:

Net value *(in thousands of euros)*	Engineering & Protection Systems	Drones & Systems	Structure	**Total**
Underwater robotics	-	21,015	-	21,015
Land and air robotics	-	399	-	399
Avionics	-	1,015	-	1,015
Ground support equipment (GSE)	-	2,951	-	2,951
Flight simulation	-	526	-	526
Other	52	1,027	-	1,079
Subtotal development projects	**52**	**26,933**	**-**	**26,985**
Costs of obtaining and performing contracts	-	3,887	-	3,887
INFOTRON patents[(1)]	-	277	-	277
Other	867	1,853	302	3,023
TOTAL INTANGIBLE ASSETS	**919**	**32,950**	**302**	**34,172**

(1) Including revaluation of assets at fair value in the context of acquisitions for €277 thousand.

In order to maintain and develop competitive advantages, the Group maintains a high level of investment in research and development. The Group sometimes files patents if this can protect technical, technological or commercial progress.

In 2021, the Group's research and development (R&D) effort was mainly focused on the "Drones & Systems" division. The Group's research and development was mainly focused on the following areas:

- continuation of the development program of compact Test Means incorporating "T-Cell Technology" modules to test aircraft functions as close as possible to the aircraft to limit connection harnesses as much as possible;
- continued development of ELITE SC (application of the ELITE product complying with the new C126C regulation on lithium-ion batteries) to complete our ELT range;
- launch of the development of a new version of SMART WAP and SMART SERVER to meet the demand for on-board connectivity on board aircraft using the new "Wifi6E" standard;
- continued development of a range of "AMR outdoor-indoor" autonomous vehicles to meet market demand for automation of inter-building logistics flows using standard containers on industrial sites;
- completion of the upstream research project for a new architecture for the front end of aircraft: DINA (Disruptive Nose Architecture). The CORAC project is financed by the DGAC in collaboration between AIRBUS, LATECOERE, HUTCHINSON, STELIA, TE-CONNECTIVITY and ECA;
- the "Robotics" division continues to invest in R&D to meet its growth ambitions around drone systems;
- Artificial Intelligence, Cybersecurity, Sensors and Algorithms, Energy, Underwater Acoustics and Magnetism are among the key skills constituting the technological base at the service of our solutions and our clients.

The R&D expenditure amounted to approximately €16.9 million in 2021. The R&D expenditures evolved as follows:

(in millions of euros)	**2021**	2020(1)
Capitalized research and development	10.5	7.2
Research and development recognized as an expense	6.4	6.6
TOTAL EXPENDITURE ON RESEARCH AND DEVELOPMENT	**16.9**	**13.7**
Total research and development as% of revenue	*9.5%*	*9.1%*
Tax credits for the financial year	6.9	5.0
Research and development net of tax credits	10.0	8.7

(1) 2020 column restated for the items detailed in Note 1.4.

The Drones & Systems division (ECA and subsidiaries) accounted for most of the total expenses (€14.0 million out of €16.9 million and all capitalized expenses).

The Group consistently seeks external financing to cover these investments (French Defense Procurement, BPIFRANCE, Europe, Regional, etc.) and uses its French tax credit for research. The Group's subsidiaries obtained research tax credits amounting to a total of €6.4 million in 2021, including €4.4 million recognized as income in the income statement for the year and €2.0 million recognized as deferred income, which will contribute to future results. The "Drones & Systems" division recorded €5.5 million out of a total of €6.4 million in research tax credits.

R&D expenditures are for the most part internal costs; it is very rare that R&D work is subcontracted.

Note 6.3 Property, plant and equipment

Property, plant and equipment primarily comprises land, buildings and production equipment, and is recognized at purchase cost, less accumulated depreciation and any impairment losses, as recommended by IAS 16 – *Property, Plant and Equipment*.

Each component of an item of property, plant and equipment with a useful life that differs from that of the item as a whole, is depreciated separately on a straight-line basis, without taking into account the residual values. The useful lives of items of property, plant and equipment are generally considered to be the following:

- buildings: ten to 35 years;
- technical facilities, equipment and tools: three to ten years;
- other: to 12 years.

The useful life of items of property, plant and equipment used in operating activities reflect the estimated life cycles of the products. The useful life of items of property, plant and equipment are reviewed periodically, and may be adjusted prospectively, if appropriate.

Depreciation is expensed in the year incurred.

Property, plant and equipment are tested for impairment when there is an indication that they may be impaired. If necessary, an additional impairment is recognized in the income statement under "Non-recurring items of operating income".

(in thousands of euros)	Land and buildings	Fixtures and equipment	Rights of use – property	Rights of use – other assets	Non-current assets in progress	Advances and down-payments	Total
Gross value							
31 December 2020 published	**18,119**	**43,414**	**27,956**	**7,642**	**3,504**	**35**	**100,670**
Restatement of discontinued operations	(6,780)	(21,559)	(12,071)	(4,069)	(635)	(35)	(45,149)
1 January 2021	**11,338**	**21,855**	**15,885**	**3,574**	**2,870**	**-**	**55,521**
Acquisitions	4,591	2,198	4,520	1,239	6,529	-	19,076
Changes in scope	-	-	-	-	-	-	-
Departures	(218)	(465)	(1,113)	(607)	-	-	(2,403)
Other changes	1,695	698	(116)	(15)	(2,396)	-	(133)
Impact of changes in exchange rates	-	15	-	-	-	-	15
At 31 December 2021	**17,407**	**24,300**	**19,176**	**4,191**	**7,002**	**-**	**72,076**
Depreciation, amortization and impairment							
31 December 2020 published	**6,748**	**34,744**	**8,123**	**4,016**	**-**	**-**	**53,632**
Restatement of discontinued operations	(835)	(16,919)	(3,772)	(2, 474)	-	-	(24,001)
1 January 2021	**5,912**	**17,825**	**4,352**	**1,542**	**-**	**-**	**29,631**
Depreciation and amortization	525	1,801	2,763	1,159	-	-	6,247
Changes in scope	-	-	-	-	-	-	-
Impairment losses	-	(5)	-	-	-	-	(5)
Departures	(181)	(454)	(993)	(534)	-	-	(2,162)
Other changes	-	-	-	-	-	-	-
Impact of changes in exchange rates	-	10	-	-	-	-	10
At 31 December 2021	**6,256**	**19,177**	**6,121**	**2,168**	**-**	**-**	**33,721**
Net value							
1 January 2021	5,426	4,030	19,833	3,626	2,870	-	35,784
At 31 December 2021	**11,151**	**5,124**	**13,055**	**2,023**	**7,002**	**-**	**38,355**

A significant real estate investment is underway for the "Drones & Systems" division (Ostend site in Belgium, investment of around €10 million which began in 2020). This division also acquired land in 2021 (€2.7 million) for a new project in La Garde (83).

Note 6.4 Impairment of fixed assets

Open-ended non-current assets are not amortized and are tested for impairment at each reporting date. These assets consist of goodwill. Goodwill impairment losses are irreversible.

Open-ended non-current assets are tested for impairment at each reporting date. Amortized assets are tested for impairment when, due to special events or circumstances, the probability of recovering their carrying amount comes into question. The appearance of impairment factors specific to certain assets other than goodwill, and notably R&D assets, may be a reason for a test and justify write-downs of these assets independent of an impairment test by the CGU to which they until then belonged. These impairment factors may be related either to internal factors (for example, change in the management's assessment of the ability to complete an R&D project or concerning the costs necessary for this) or to external events (for example change in commercial prospects). The sum of these factors influences management's appraisal, asset by asset, of whether or not there are any future economic benefits or what those future economic benefits are. For non-current assets that are impaired, the possible recovery of the impairment is reviewed on each reporting date.

For the purposes of measuring impairment, assets are grouped into cash-generating units (CGUs), which represent the lowest level of unit generating separate cash flow.

Impairment is accounted for to match the surplus of the carrying amount over the recoverable amount of a CGU. The recoverable amount corresponds to the higher of the fair value less costs to sell and the value in use, calculated using the discounted future cash flow method.

The CGUs used in the Group's current configuration and organization are now, within the "Drones & Systems" division, Aerospace and Robotics; within the "Engineering & Protection Systems" division, SERES and Fire Protection France.

Process for the impairment tests

Impairment tests were carried out on all intangible assets and property, plant and equipment, which led to the recognition of impairment losses of €0.3 million for R&D projects. These impairment losses are recognized in non-recurring items of operating income.

The value in use is calculated using the discounted future cash flow method. The discount rate used is the weighted average cost of capital (WACC), calculated using the 10-year OAT (risk-free rate) rate, a market risk premium and Beta calculated based on the share price of the Company and the performance of the CAC 40 index. The after-tax cash flows are projected conservatively over the forecast period of the activity in question (five years), plus an extrapolated value and a terminal value with a growth assumption of 1.5%.

The key operating assumptions used include assumptions on the level of activity that are estimated to be conservative. The Aerospace CGU's activity recovery was modest in 2021, making it the Group CGU that will take time to return to its 2019 level of activity. As cautious assumptions were made, the specific risk premiums were not revised upwards. Certain CGUs, driven by long-term projects (Nuclear, Robotics) are less penalized by the crisis. Assumptions about improving profitability rates, optimizing production costs and better absorption of fixed costs have been accelerated as a result of the crisis. Lastly, in order to support the development of activities, it is planned to maintain a sustained level of investment (R&D) and a working capital requirement maintained at a high level.

The discount rate calculated at the end of 2021 for the CGU was 6.55%, excluding specific risk premiums. The tests performed take into account the measurement of the sensitivity of key assumptions (including operational ones) used for calculating the recoverable value (discount rate of +/-1.0 point, perpetual growth rate of +/-1.0 point, EBITDA of +/-1.0 point). These sensitivity measurements are identical for each of the CGUs but applied to wider ranges than during previous tests.

No impairment of goodwill was observed. Management does not believe that any reasonably possible change in the key assumptions used to calculate the recoverable value might lead to the carrying amount of a CGU being considerably higher than its recoverable value.

The CGUs and the discount rates used are therefore the following:

CGU	Goodwill	Discount rates, including risk premiums
Aerospace	1,332	8.6%
Robotics	17,690	9.1%
Drones & Systems	**19,022**	
NUCLÉACTION[(1)]	3,766	9.6%
Fire Protection	3,964	8.6%
SERES	806	10.6%
Engineering & Protection Systems	**8,536**	
TOTAL GROUPE GORGÉ	**27,559**	

(1) Restated within discontinued operations.

NOTE 7 Details of cash flows

Note 7.1 Calculation of cash flow

(in thousands of euros)	2021	2020
Net income from continuing operations	**8,586**	**9,123**
Allowances for/reversals of depreciation, amortization and provisions	10,288	15,231
Cancellation of capital gains and losses on treasury shares	18	(31)
Expense calculated related to share-based payments and equivalent	-	-
Earnings of equity-accounted companies	-	-
Capital gains and losses on disposals(1)	13	(8,520)
Revaluation of financial assets at fair value	-	-
CASH FLOW FROM OPERATING ACTIVITIES (BEFORE ELIMINATION OF NET BORROWING COSTS AND TAXES)	**18,904**	**15,803**

(1) *Capital gains and losses on disposals are included in investment flows in the statement of cash flows.*

Current EBITDA is reconciled with the operating cash flow as follows:

(in thousands of euros)	2021	2020
Current EBITDA	**30,178**	**23,141**
Cancelation of capital gains and losses on treasury shares	18	(31)
Capital gains and losses on disposals(1)	13	(8,520)
Revaluation of non-consolidated securities at fair value	(1,585)	-
Appropriations and reversals concerning current assets	(1,107)	(1,194)
Non-recurring items excluding charges and reversals	(2,530)	4,388
Financial income excluding financial charges and reversals	(2,846)	(585)
Corporation tax	(3,179)	(1,066)
Other calculated expenses	(58)	(331)
CASH FLOW FROM OPERATING ACTIVITIES (BEFORE ELIMINATION OF NET BORROWING COSTS AND TAXES)	**18,904**	**15,803**

(1) *Capital gains and losses on disposals are included in investment flows in the statement of cash flows.*

Note 7.2 Change in working capital requirements

(in thousands of euros)	Notes	Start of the period(1)	Discontinued operations(2)	Changes in scope	Change over the year	Other movement(3)	Currency translation adjustments	Closing
Net inventories		33,400	(8,476)	-	(1,922)	-	-	23,003
Net receivables		44,443	(14,313)	427	9,909	3,291	1	43,757
Contract assets		63,392	(11,711)	-	11,508	-	-	63,189
Advances and down-payments		5,442	(430)	-	2,393	-	-	7,405
Prepaid expenses		4,269	(1,067)	2	984	(3,178)	-	1,011
Subtotal	**A**	**150,946**	**(35,997)**	**430**	**22,872**	**113**	**1**	**138,365**
Trade payables		49,483	(14,282)	101	(3,288)	-	1	32,014
Contract liabilities		38,229	(3,656)	-	(12,431)	-	-	22,143
Advances and down-payments		739	(738)	-	255	-	-	256
Deferred income related to operations		2,314	(2,121)	-	410	-	-	603
Subtotal	**B**	**90,766**	**(20,798)**	**101**	**(15,054)**	**-**	**1**	**55,016**
Working capital requirement	**C = A - B**	**60,180**	**(15,199)**	**329**	**37,926**	**113**	**0**	**83,349**
Costs of obtaining and performing contracts(1)		-		-	-	-	-	-
Social and tax receivables		23,591	(4,484)	-	904	-	-	20,011
Other receivables		1,566	(407)	-	571	-	2	1,732
Subtotal	**D**	**25,157**	**(4,891)**	**-**	**1,475**	**-**	**2**	**21,743**
Tax and social debts		44,419	(12,647)	-	2,063	-	-	33,836
Accrued interest		-	-	-	-	-	-	-
Other payables and derivative instruments		4,594	(1,064)	(6)	928	987	130	5,570
Current accounts payable		1	-	-	1	-	-	1
Deferred income from subsidies and research tax credit		6,334	(922)	-	1,657	-	-	7,069
Subtotal	**E**	**55,348**	**(14,633)**	**(6)**	**4,650**	**987**	**130**	**46,476**
Other items of working capital requirement	**F = D – E**	**(30,191)**	**9,743**	**6**	**(3,175)**	**(987)**	**(129)**	**(24,732)**
WORKING CAPITAL REQUIREMENT	**G = C + F**	**29,989**	**(5,456)**	**335**	**35,752**	**(875)**	**(128)**	**58,617**

(1) *Change in the presentation of the costs of obtaining contracts in the cash flow statement; restated for the year as an intangible asset (in "Acquisition of fixed assets") and not in working capital.*
(2) *Concerns the NUCLÉACTION group and PRODWAYS GROUP, items detailed in Note 1.4.*
(3) *The "Other movements" column concerns flows that do not generate any cash flow or any reclassification from account to account.*

Note 7.3 Acquisitions/disposals of equity holdings

The cash flows recorded on the line "Acquisitions/disposals of equity holdings" relate to acquisitions or disposals of shares in subsidiaries on the occasion of a change of control.

(in thousands of euros)	**2021**	2020
Proceeds	-	-
Payments	-	-
Cash and cash equivalents of acquired and sold companies	-	(729)
TOTAL	**-**	**(729)**

In July 2020, the Group sold VAN DAM's Oil & Gas fire protection activities. VAN DAM's cash position was deconsolidated on 30 June 2020.

In July 2021, the Group acquired CREABIS "3D Printing" division); the cash flow impact is included in the line of discontinued operations.

Note 7.4 Other equity transactions

The cash flows recorded on the line "Other transactions on the share capital" concern the acquisitions or disposals of equity securities of GROUPE GORGÉ or companies controlled by GROUPE GORGÉ (flows that do not result in a change of control), as well as cash flows related to purchases and sales of treasury shares under ECA's liquidity contracts (before its merger with GROUPE GORGÉ in December 2020) and GROUPE GORGÉ.

(in thousands of euros)	**2021**	2020(1)
Proceeds	-	-
Payments	(3,213)	(32,654)
TOTAL	**(3,213)**	**(32,654)**

(1) 2020 column restated for the items detailed in Note 1.4.

In 2020 GROUPE GORGÉ acquired blocks of shares in PRODWAYS GROUP (€0.17 million) and ECA (€5.8 million). As part of its buyback program, GROUPE GORGÉ also disbursed €1.15 million. Lastly, in the second half of 2020, ECA carried out a simplified public tender offer (OPAS) for 875,000 of its own shares, for an amount of €24.5 million.

In December 2020 GROUPE GORGÉ absorbed its subsidiary ECA. The costs related to the merger, *i.e.* €1 million, were posted in full to the "Other equity transactions" line.

In 2021 GROUPE GORGÉ disbursed €3.2 million as part of its share buyback program.

NOTE 8 Financing and financial instruments

The financial assets and liabilities consist mainly of the following items:

- long-term financial liabilities, short-term loans and bank overdrafts which make up the gross financial debt (see Note 8.1.1);
- loans and other long-term financial assets and the cash and cash equivalents which are added to the gross financial debt to arrive at the net financial debt (see Note 8.1.2);
- lease liabilities measured according to IFRS 16 (see Note 8.1.3);
- derivative instruments (see Note 8.1.4);
- other financial assets and liabilities (see Note 8.1.5).

Note 8.1 Financial assets and liabilities

8.1.1 Gross financial debt

Gross financial debt includes long-term financial liabilities, short-term loans and bank overdrafts.

The "Other borrowings" include repayable advances received by the Group in respect of research and development in particular. These advances cannot be repaid, or only repaid partially according to the success of the operations on the basis of which they were granted.

Financial liabilities consist primarily of current and non-current financial debt contracted with credit institutions as well as bonds. These liabilities are initially recognized at fair value, from which are deducted, if need be, any directly attributable transaction costs. They are then valued at amortized cost based on their actual interest rate.

In the first quarter of 2021, the Group restructured its debt. A syndicated loan has been signed with four banking partners and two institutional investors. The loan comprises a confirmed part of €120 million and an "unconfirmed external growth loan" part of €25 million which can be rapidly mobilized if needed. The confirmed portion of €120 million is broken down into three tranches: a tranche of €42.5 million amortizable over five years, an *in fine* tranche of €42.5 million comprising €24.5 million over six years and €18 million over seven years, and a Revolving Credit Facility of €35 million. At 31 December 2021, the RCF line had been used to the tune of €25 million.

When this loan was set up, €46 million of previously existing debt were repaid in advance (including €9 million in loans guaranteed by the French State). The RCF lines totaling 50 million were also waived, amounting to €20 million at 31 December 2020.

The loan is accompanied by covenants (leverage and debt on equity), the margin grid is flexible according to the leverage. The contract also provides for additional ESG indicators, with the achievement or not of ESG objectives adding additional flexibility to the margin.

In addition,

- drawdowns in the amount of €6.0 million were made under the credit agreement of €8 million set up to finance the construction of the Ostend plant ("Drones & Systems" division);
- the fire protection activity ("Engineering & Protection Systems" division) repaid €4.2 million in advance of an original €7 million loan (€1.05 million still due at 31 December 2021) and set up an amortizable credit line of €1.5 million;
- funding of €2.7 million was set up at ECA ROBOTICS ("Drone & Systems" division) in the form of a revolving credit facility for a period of three years for the acquisition of land on which a real estate project will be carried out. This interim financing will be restructured when the project is launched as a whole.

Most of the loans guaranteed by the French State that were not repaid early were subject to amendments to be amortized over several years.

Changes in borrowings and financial debt

(in thousands of euros)	Bank borrowings	Other borrowings	**Financial debt**	Bank overdrafts	**Gross financial debt[1]**
31 December 2020 published	**111,513**	**1,348**	**112,861**	**1,800**	**114,661**
Reclassification of discontinued operations	(23,967)	(201)	(24,168)	(1,727)	(25,895)
1 January 2021	**87,546**	**1,148**	**88,694**	**73**	**88,766**
New loans	118,108	368	118,476	73	118,548
Redemptions	(78,910)	(412)	(79,321)	(73)	(79,394)
Other changes[2]	(110)	-	(110)	-	(110)
First consolidation/(deconsolidation)	-	-	-	-	-
Currency translation adjustments	-	-	-	-	-
At 31 December 2021	**126,634**	**1,104**	**127,738**	**73**	**127,810**

(1) *Does not include the lease liability calculated in accordance with IFRS 16, see Note 8.1.3.*
(2) *Changes with no impact on cash flow, related to effective interest rates and accrued interest on borrowings.*

Schedule of borrowings and financial debt

				Of which breakdown of maturities at more than one year				
(in thousands of euros)	**31/12/2021**	<1 year	>1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	>5 years
Bank borrowings	126,634	40,976	85,659	10,998	10,292	10,155	5,307	48,907
Other borrowings	1,104	66	1,039	163	119	729	29	-
Long-term debt	127,738	41,042	86,898	11,160	10,410	10,884	5,336	48,907
Bank overdrafts	73	73	-	-	-	-	-	-
GROSS FINANCIAL DEBT	**127,810**	**41,114**	**86,698**	**11,160**	**10,410**	**10,884**	**5,336**	**48,907**

Borrowings of less than one year include €27.7 million in revolving drawdowns under committed credit lines for a minimum of three years.

8.1.2 Restated net cash and cash equivalents

Cash and cash equivalents presented in the statement of financial position consist of cash in hand, bank accounts, term deposits of no more than three months and transferable securities meeting the criteria in IAS 7.

Accrued interest earned on term accounts is recorded under investment income.

(in thousands of euros)	**31/12/2021**	01/01/2021[1]
Available cash and cash equivalents (A)	42,909	57,929
Equivalent financial instruments (A')	(2)	-
Bank overdrafts (B)	73	73
Available cash and cash equivalents appearing on the statement of cash flows (C) = (A) + (A') - (B)	**42,835**	**57,857**
Financial debt excluding bank overdrafts (D)	127,738	88,694
NET CASH (NET DEBT) (E) = (C) - (D)	**(84,903)**	**(30,837)**
GROUPE GORGÉ treasury shares	5,127	1,276
ADJUSTED NET CASH (DEBT), BEFORE IFRS 16	**(79,776)**	**(29,561)**

(1) *Column restated for discontinued operations to be consistent with the cash flow statement.*

8.1.3 Lease liabilities valued according to IFRS 16

Lease liabilities valued according to IFRS 16 have changed as follows:

(in thousands of euros)	Lease liabilities
31 December 2020 published	**24,132**
Restatement of discontinued operations	(10,510)
1 January 2021	**13,622**
New leases	5,765
Redemptions	(3,829)
Exits/revaluations[1]	(308)
First consolidation/(deconsolidation)	-
Impact of changes in exchange rates	-
At 31 December 2021	**15,251**

(1) Non-cash changes related to accrued interest and revaluation of contracts.

Schedule of lease liabilities

				Of which breakdown of maturities at more than one year				
(in thousands of euros)	**31/12/2021**	<1 year	>1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	>5 years
LEASE LIABILITIES UNDER IFRS 16	**15,251**	**3,279**	**11,971**	**2,828**	**2,129**	**1,793**	**1,576**	**3,646**

8.1.4 Derivative financial instruments

Composite financial instruments such as convertible bonds or bonds redeemable in shares are recognized in accordance with IAS 32, *i.e.* separate recognition of the bond component recorded as debt at amortized cost and of the share component recognized as equity (similar to selling a stock option). Related issuance expenses are recognized as equity and debt respectively in proportion to the proceeds of the issue.

The Group may use, if it deems it necessary, derivative financial instruments to hedge against foreign exchange rate risks associated with operations. These risks mainly arise from sales in USD. Corresponding future cash flows are partially hedged by firm or optional foreign exchange futures transactions. On initial posting, derivatives are recorded in the statement of financial position at their acquisition cost. They are then valued at their fair value calculated on the basis of market prices provided by the relevant financial institutions. The Group applies hedge accounting for foreign exchange transactions according to the criteria defined by IFRS 9. This is macro currency hedging, with changes in the fair value of the hedging instrument being recognized as income.

The Group uses swaps or cap contracts to operationally manage and hedge fluctuations in interest rates.

The derivative instruments used are economically matched too the maturities, rates and currencies of the loans hedged. These contracts imply the exchange of fixed and variable rates. The interest differential is recognized in financial income and expense by offsetting against interest to be received or paid as applicable. For these interest-rate instruments, the Group applies hedge accounting according to IFRS 9: the instruments are recognized at their acquisition cost then revalued at their fair value at the reporting date.

The Group's financial instruments are allocated to hedging future transactions (cash flow hedge). Therefore, treatment of the change in fair value is the following:

- the effective part of the change in fair value is recognized in hedging reserves until the actual completion of the planned transaction. When the planned transaction is completed, the amount recognized in equity is booked to profit (loss), the income or expense is corrected by the effective part of the gain or loss on the fair value of the hedging instrument;
- the ineffective part of the variation in fair value is recognized in financial income.

The fair value of swap contracts is evaluated according to the valuation techniques based on observable market data, in application of IFRS 7.

In October 2016, GROUPE GORGÉ took out a 1% interest rate cap to hedge the €9.5 million variable-rate loan contracted with BNP. The maturity date was October 2021.

As part of its refinancing in 2021, GROUPE GORGÉ entered into interest rate hedges in the form of caps for two tranches of the syndicated loan. The hedge chosen was an interest rate cap of 0.5% for a nominal initial amount of €47.6 million. The amount of the premiums of the two contracts (originally €226 thousand) was recorded in financial instruments, with the premiums recognized as financial expenses over the term of the hedge. The respective maturity dates of the two contracts are 24 March 2026 and 24 March 2027.

The non-controlling shareholder of SERES TECHNOLOGIES has a put option, and GROUPE GORGÉ has a call option, exercisable from 2021. The minority shareholder's option was measured at fair value through equity. The valuation is equivalent to the estimated current value of the option to date, which is itself a multiple of the estimated income of the subsidiary over the period in question.

The non-controlling shareholders in MAURIC have put options exercisable under a shareholders' agreement entered into in November 2016 for a period of ten years. The Group has a call option exercisable since 2017. These options have been valued at fair value through equity. The valuation is equivalent to the estimated current value of the option to date, which is itself a multiple of the estimated income of the subsidiary over the period in question.

(in thousands of euros)	Start of the period	In	Options exercised	Equity effect	Other	Closing
Option to purchase SERES TECHNOLOGIES	924	-	-	426	-	1,350
MAURIC call option	1,209	-	-	579	-	1,788
OTHER NON-CURRENT FINANCIAL LIABILITIES	**2,133**	**-**	**-**	**1,005**	**-**	**3,138**

8.1.5 Investments in associates and other non-current financial assets

IFRS 9 presents three major classes of financial assets, namely those measured at amortized cost, those measured at fair value through other comprehensive income and those measured at fair value through profit or loss. Financial assets are classified according to the asset's economic holding model and the characteristics of its contractual cash flows.

Net value (in thousands of euros)	**2021**	2020
INVESTMENTS IN AFFILIATED COMPANIES	**5**	**1,139**
Loans	698	1,392
Deposits and guarantees	1,197	1,477
Non-consolidated holdings	14,974	8,004
Other non-current financial assets	1,192	1,218
OTHER FINANCIAL ASSETS	**18,061**	**12,090**

Details on investments in associates

The movements over the year are as follows:

(in thousands of euros)	**Start of the period**	Restatement of discontinued operations[1]	Income	Currency translation adjustments	Exit	**Closing**
1ROBOTICS	5	-	-	-	-	5
BIOTECH DENTAL SMILERS	1,134	(1,134)	-	-	-	-
TOTAL	**1,139**	**(1,134)**	**-**	**-**	**-**	**5**

(1) 2020 column restated for the items detailed in Note 1.4.

Breakdown of non-consolidated investments

RYDER acquired VAN DAM in 2020. The receivable resulting from the sale price was converted into RYDER shares for 15% of the capital and into a financial receivable. In a difficult market environment for RYDER, the shares were revalued at fair value for €3.1 million recorded through equity.

The Group holds a 2.64% stake in WANDERCRAFT, acquired for €0.5 million. In 2019, in accordance with IFRS 9, WANDERCRAFT shares were then remeasured at their fair value for €1 million through profit or loss. In 2021 the Company carried out a capital increase. On the basis of the valuation used for this transaction, the securities held by the Group were again revalued by €0.9 million.

Since the operation to distribute PRODWAYS GROUP securities in December 2021, GROUPE GORGÉ holds only 5.95% of the share capital of PRODWAYS GROUP. As these securities are listed, they will now be measured at fair value through profit or loss, based on the stock market price.

The shares held by the Group in companies over which it has no significant influence are as follows:

(in thousands of euros)	% control	Capital	Equity	Gross value of securities	Net value of securities	Revenue	Net income
RYDER	15%	N/C	N/C	6,231	3,510	N/C	N/C
PRODWAYS GROUP	5.95%	25,632	70,073	15,466	8,998	1,608	1,586
WANDERCRAFT[1]	2.64%	82	19,000	2,441	2,441	698	(6,748)
Other	N/A	N/A	N/A	25	25	N/A	N/A

(1) Forecast data for 2021.

Note 8.2 Financial income and expenses

On the one hand, financial income and expenses comprise interest income and expense related to the cost of net financial debt and, on the other hand, financial income and expenses.

Interest expenses correspond to the amount of interest recognized in respect of the financial debts and the interest income to the amount of the interest received from cash investments.

(in thousands of euros)	**2021**	2020[1]
Interest expense	(2,095)	(830)
Interest expenses on lease liabilities	(199)	(160)
Income from other securities	5	23
Net profit (loss) on disposal of investment securities	-	-
Cost of net debt	**(2,289)**	**(967)**
Other interest income	265	492
Net exchange gain or loss	104	(111)
Financial allowances net of reversals	(543)	(273)
TOTAL FINANCIAL INCOME AND EXPENSES	**(2,463)**	**(858)**

(1) 2020 column restated for the items detailed in Note 1.4.

Note 8.3 Risk management policy

8.3.1 Liquidity risk

At 31 December 2021, the Group's net cash amounted to €42.8 million (€42.9 million in cash, minus €0.1 million in bank overdrafts). The Group also has revolving credit facilities with a total available amount of €10 million at the reporting date.

At the end of February 2021 the Group restructured its debt. A syndicated loan has been signed with four banking partners and two institutional investors. The loan comprises a confirmed part of €120 million and an "unconfirmed external growth loan" part of €25 million which can be rapidly mobilized if needed. The confirmed portion of €120 million is broken down into three tranches: a tranche of €42.5 million amortizable over five years, an *in fine* tranche of €42.5 million comprising €24.5 million over six years and €18 million over seven years, and a Revolving Credit Facility of €35 million. The implementation of this loan enabled the refinancing of €46 million of debt existing at 31 December 2020 (including €9 million of loans guaranteed by the French State repaid in advance), the refinancing of the ECA simplified tender offer carried out in 2020 and the consolidation and renewal over five years of the RCF (they amounted to €50 million and were drawn down on average for €10 million to €15 million). The loan is subject to covenants (net debt to current EBITDA and net debt to equity) which are respected. The margin grid is flexible depending on the leverage. ESG indicators are defined so that their achievement or not adds additional flexibility to the margin.

The Group has the financing it needs. There is no financing essential to the activity that is being negotiated. The Group has no bank financing dependent on the rating of the Group nor significant concentration of credit risk.

The terms for the reimbursement of the main loans outstanding at the end of the year are the following:

Loan *(in thousands of euros)*	Rate	Amount	Capital remaining due	Maturity
TA syndicated loan	E3M + margin	42,500	38,250	Ten quarterly instalments from March 2021
TB syndicated loan	E3M + margin	24,500	24,500	*In fine* March 2026
TC syndicated loan	3.25%	18,000	18,000	*In fine* March 2027
RCF syndicated loan	E3M + margin	35,000	25,000	RCF line March deadline 2026
BELFIUS	1.65%	8,000	5,959	Real estate financing being drawn down
LCL	1.25%	3,600	3,363	Real estate financing, over 15 years
BNP PARIBAS	E3M +1%	2,700	2,700	RCF line maturity December 2024
LCL	0.95%	3,000	2,062	20 quarterly instalments from April 2020
Loans guaranteed by the French State	N/A	8,870	8,870	20 quarterly instalments from April 2020
BPIFRANCE	1.78%	5,000	1,250	20 quarterly instalments from October 2017

The principal borrowings of GROUPE GORGÉ as well as the principal borrowings of subsidiaries may include a change of control clause.

8.3.2 Interest rate risk

Generally, the Group's policy for managing interest rate risk is to examine on a case by case basis credit agreements concluded on the basis of a variable interest rate and to consider, with the help of its external financial advisors, whether it is opportune to use *ad hoc* financial instruments to hedge, where appropriate, identified rate risks. The liabilities and assets exposed to changes in interest rates are as follows, by maturity:

(in thousands of euros)	DD to 1 year	1 to 5 years	Beyond
Financial liabilities(1)	36,973	54,600	-
Financial assets(2)	-	698	-
Net position before management	36,973	53,902	-
Off-statement of financial position	-	-	-
Net position after management	36,973	53,902	-

(1) Excluding financing that does not bear interest but including current bank overdrafts for an amount of €73 thousand.
(2) Not including transferable securities and investments for €887 thousand.

As part of its refinancing in 2021, GROUPE GORGÉ entered into interest rate hedges in the form of caps for two tranches of the syndicated loan. The hedge chosen was an interest rate cap of 0.5% for a nominal initial amount of €47.6 million (see Section 8.1.4 "Financial instruments").

Overdrafts and short-term loans (financing of trading receivables) are concluded at variable rates and therefore expose the Group to fluctuations in interest rates.

The net debt exposed to interest rate fluctuations amounted to approximately €90.0 million at 31 December 2021. An increase or decrease of 100 basis points (1%) of all rates would have an impact of about +/- €900 thousand in the Group's annual pre-tax financial expense, assuming strict stability of the debt.

8.3.3 Foreign exchange risk

The foreign currency transactions are concentrated in the "Drones & Systems" division (mainly US dollar). The share of revenue of the Group's French companies earned in foreign currencies remains limited, with the companies in the "Engineering & Protection Systems" division reporting the bulk of their exports in euros.

The "Drones & Systems" division has established a policy of monitoring foreign exchange risk by anticipating all the currency flows of the Group constituted by GROUPE ECA and its subsidiaries (receipts and payments), measuring the Group's net exposure by maturity and, if necessary, using currency hedging if the net position with an identified deadline warrants it. This requires an assessment of the risk of currency changes, which is issued by the Management advised by its banks. At the end of 2021, the division no longer had any forward sales transactions.

Financial debt in foreign currencies is marginal; only a few foreign subsidiaries may have temporary bank overdrafts.

(in thousands of euros)	USD
Assets	1,953
Liabilities	1,841
Net position before management	(112)
Off-statement of financial position	-
Net position after management	(112)

A uniform exchange rate with a rise or decline of €0.01 against the major currencies could have an insignificant impact on the net position, assuming a strict stability of assets and liabilities.

8.3.4 Market risk

Treasury shares are held by GROUPE GORGÉ (312,976 shares). These shares were acquired under liquidity contracts or in order to deliver shares when exercising rights attached to securities giving access to capital through redemption, granting stock purchase options to employees, cancelling all or some of the shares thus redeemed, delivering securities in payment or exchange in the framework of external growth transactions, or regulating the share price on the stock market.

At 31 December 2021, the market value of the treasury shares held amounted to €5.13 million.

In addition, GROUPE GORGÉ holds 5.95% of the share capital of PRODWAYS GROUP (3,050,210 shares) with a market value of €9.0 million as of 31 December 2021.

A uniform change of 10% in the share price could have an impact on equity of €1.4 million compared with the situation at 31 December 2021 (GROUPE GORGÉ and PRODWAYS GROUP).

The rest of the cash invested by the Group is in money market funds or deposits.

Note 8.4 Off-statement of financial position commitments related to financing

8.4.1 Pledges of the issuer's assets

There is no collateral, guarantee or surety at the close of the 2021 financial year other than the pledging of assets to guarantee loans used to finance them.

8.4.2 Commitments received

At 31 December 2021, GROUPE GORGÉ benefited from a revolving credit facility of €35 million, confirmed until March 2026. This credit line was used for an amount of €25 million at the closing date. It is accompanied by a change of control clause and a financial covenant.

ECA ROBOTICS has a revolving credit facility of €2.7 million, confirmed until December 2024. This credit facility was used for an amount of €2.7 million at 31 December 2021.

8.4.3 Other commitments

No other pledges, guarantees or sureties exist at the close of the 2021 financial year.

NOTE 9 Corporate income tax

Note 9.1 Details of corporate income tax

The tax charge on net income includes the tax payable and the deferred taxes of the consolidated companies.

The taxes related to items recognized directly in other items of total net income are recognized in other items of total net income and not in the income statement.

9.1.1 Details of corporate income tax

Breakdown of tax expense

(in thousands of euros)	**2021**	2020[1]
Deferred tax liabilities	(1,731)	494
Taxes payable	(1,448)	(1,560)
TAX EXPENSE	**(3,179)**	**(1,066)**

(1) 2020 column restated for the items detailed in Note 1.4.

The tax expense does not include the research tax credits, classified as other income (see Notes 4.2 and 9.1.2). It does, however, include the CVAE in the amount of €0.7 million in 2021 and €1.2 million in 2020.

Tax receivables and payable

(in thousands of euros)	**2021**	2020
Tax receivables	13,375	14,061
Tax payable	242	506
NET TAX RECEIVABLE/(DUE)	**13,132**	**13,556**

The tax receivable is mainly made up of research tax credit receivables (€11.4 million) and CICE receivables (€1.9 million), which could not be deducted from the tax charge payable. These receivables amounted to €10.0 and €4.0 million, respectively, at the end of 2020 including discontinued operations for €2.1 million.

9.1.2 Analysis of the tax charge

In accordance with standard practice and with IAS 12 and IAS 20, as the research tax credit is neither an element of taxable income, nor computed on the basis of taxable income, and as it is neither a tax liquidation component nor limited to the amount of tax liquidated, it is classified as operating income.

The research tax credits for the year are recognized in income from ordinary activities rather than as a reduction in the tax charge if they are not generated by research and development expenses recognized in the consolidated statement of financial position. If they are generated by research and development expenses recognized in the consolidated statement of financial statement, research tax credits are recognized as deferred income in liabilities and recognized in income at the rate of future amortization.

Contributions on Corporate Added Value (CVAE) are recognized in income tax accounts, this tax being based on value added. The Group's analysis is based in particular on the definition of income tax as defined in IAS 12 and on an IFRIC position from 2006 that states that the term “taxable income” implies a notion of a net rather than a gross amount, although not necessarily identical to the accounting income.

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(in thousands of euros)	**2021**	2020[1]
Net income from continuing operations	**8,586**	**9,124**
Tax income/(expense)	(3,179)	(1,066)
Earnings of equity-accounted companies	-	-
Earnings before tax	11,766	10,189
Tax rate	26.5%	28%
Theoretical tax charge	**(3,118)**	**(2,853)**
Reconciliation items		
Uncapitalized tax losses incurred for the period	(558)	-
Use of uncapitalized tax losses	511	702
Reassessment of deferred tax assets	1,313	-
Differential rates France/Foreign countries and reduced rates	(106)	(296)
CVAE	(699)	(1,166)
Tax effects related to the accounting classification of the CVAE and tax credits/or tax savings on CVAE and restatement/cancelation of theoretical tax on tax credits	1,924	1,647
Other permanent differences	(2,519)	900
ACTUAL NET TAX INCOME/(EXPENSE)	**(3,179)**	**(1,066)**

(1) 2020 column restated for the items detailed in Note 1.4.

The tax rate matches the parent company's current rate.

Note 9.2 Deferred tax liabilities

The deferred tax assets and liabilities corresponding to the time differences and accounting bases of consolidated assets and liabilities are recognized using the liability method. Deferred tax assets are recognized when their future realization seems likely on a date which can be reasonably determined.

Future income tax breaks arising from the use of tax loss carry-forwards (including unlimited carry-forward) are recognized only when they can be reasonably anticipated.

The main timing differences are related to tax losses carried forward, to provisions for pensions and other similar benefits, to other provisions which are temporarily non tax-deductible and to capitalized development expenses. The deferred tax assets and liabilities are calculated using tax rates which will be in effect at the time of the reversal of the timing differences.

Deferred tax assets and liabilities are not discounted and are offset if they relate to the same taxable entity and have identical repayment maturities.

Breakdown of deferred taxes by type

(in thousands of euros)	**2021**	2020
Differences over time		
Retirement and related benefits	1,163	1,747
Development costs	(6,242)	(5,169)
Grants	(84)	(145)
Rights of use	125	272
Derivative financial instruments	47	33
Fair value – IFRS 3	36	(1,510)
Other	1,470	1,191
SUBTOTAL	**(3,484)**	**(3,582)**
Temporary differences and other restatements	(2,642)	744
Deficits carried forward	7,348	7,212
CVAE	5	(9)
TOTAL	**1,228**	**4,366**
DEFERRED TAX LIABILITIES	**(150)**	**(447)**
DEFERRED TAX ASSETS	**1,378**	**4,813**

Deficits carried forward are capitalized due to opportunities for rapid posting of these deficits. Some deferred tax assets resulting from these capitalizations can be charged to tax liabilities because of the net deferred tax liability position of the companies concerned.

Underlying tax position

Uncapitalized deficits carried forward *(bases in millions of euros)*	**2021**	2020
Ordinary deficits	21.8	75.7
TOTAL	**21.8**	**75.7**

As part of the merger of GROUPE GORGÉ and ECA, a request for approval was made to the tax authorities so that the tax losses carried forward from the tax consolidation of ECA existing at the end of 2019 (€10.1 million) can be used by Group companies. The request is being processed, pending the decision the deficits in question are not taken into consideration by the Group.

The sharp decrease in tax loss carryforwards relates in particular to the exit of PRODWAYS GROUP and its subsidiaries from the scope of consolidation.

NOTE 10 Equity and earnings per share

Note 10.1 Equity

10.1.1 Share capital and issue premiums

At 31 December 2021, the share capital of GROUPE GORGÉ SA amounted to €17,424,747, made up of 17,424,747 shares each with a par value of €1, fully paid up and of which 7,583,236 shares have double voting rights.

Changes in capital

	Cumulative number of shares	Amount of capital *(in euros)*
Capital at 31/12/2019	13,502,843	13,502,843
Capital at 31/12/2020	17,424,747	17,424,747
Capital at 31/12/2021	17,424,747	17,424,747

In 2020, the share capital was increased by 3,921,904 shares as part of the merger between GROUPE GORGÉ and its subsidiary ECA, bringing the share capital to 17,424,747 shares.

The share premiums represent the difference between the par value of the securities issued and the amount, net of expenses, of the cash contributions received by GROUPE GORGÉ SA at the time of the issue. They amount to €11,268 thousand.

10.1.2 Dividend per share

The dividend distributed in 2019, 2020 and 2021 amounted to €0.32 per share, or a total amount of €4,320 thousand in 2019 and 2020 and €5,576 thousand in 2021.

In December 2021, an exceptional distribution of PRODWAYS GROUP shares took place; each GROUPE GORGÉ share received 1.5 PRODWAYS GROUP shares valued at €2.74 on the ex-date, *i.e.* a dividend of €4.11 per share.

The distributable reserves of the parent company (equity excluding share capital and legal reserve) amounted to €59,185 thousand, before appropriation of the 2021 net income. They amounted to €73,669 thousand at 31 December 2020. Their decrease is mainly due to the exceptional distribution of PRODWAYS GROUP shares in December 2021.

10.1.3 Treasury shares and share buyback plan

The share buybacks in 2021 were carried out under the authorizations given by the shareholders' meetings of 8 June 2020 or 18 June 2021.

At 31 December 2021, GROUPE GORGÉ SA held 312,976 treasury shares, of which 4,869 were under a liquidity agreement and 308,107 under the buyback program. At 31 December 2020, 100,772 treasury shares were held. The purpose of these shares may be to:

- transfer shares when exercising the rights attached to securities giving access to the share capital by reimbursement;
- grant stock options to employees;
- cancel all or part of the shares thus repurchased;
- provide securities in payment or exchange for acquisitions;
- stabilize the share's stock market price.

Note 10.2 Earnings per share

Earnings per share are calculated by dividing the Group's net income attributable to shareholders by the weighted average number of shares outstanding during the year calculated on a *pro rata* basis, net of treasury shares, in compliance with IAS 33.

The diluted earnings per share take into account instruments having a dilutive effect. It is calculated from the pro rata weighted average of the number of shares equivalent to outstanding shares during the year. The dilutive effect of the stock options or purchases of shares is calculated according to the "share buyback" method, taking into account the average price of the period concerned.

	2021	2020
Weighted average number of shares	17,218,321	13,524,747
Dividend per share paid in respect of the financial year *(in euros)*	ND	0.32
Earnings per share *(in euros)*	**2.684**	**(0.430)**

	2021	2020
Earnings per share from ongoing activities *(in euros)*	**0.471**	**0.637**
Potentially dilutive shares(1)	-	-
Diluted weighted average number of shares	17,218,321	13,524,747
Diluted earnings per share *(in euros)*	**2.684**	**(0.430)**
DILUTED EARNINGS PER SHARE FROM ONGOING ACTIVITIES *(IN EUROS)*	**0.471**	**0.637**

(1) There are no potentially dilutive shares.

Note 10.3 Pledges of the issuer's shares

In 2020, PÉLICAN VENTURE pledged 2,250,000 GROUPE GORGÉ shares (12.9% of the share capital) in favor of banks as collateral for financing and a confirmed credit line.

The Company has no knowledge of any pledges of GROUPE GORGÉ shares outstanding at the reporting date.

NOTE 11 Other provisions and contingent liabilities

The Group recognizes a provision if it has an obligation to a third party prior to the reporting date, where the loss or liability is probable and can be reasonably estimated. In cases where such loss or liability is neither probable nor reliably measurable, but still possible, the Group reports a contingent liability in commitments (excluding the posting of contingent liabilities in the event of acquisition). Provisions are estimated on a case by case basis or on a statistical basis.

Provisions are primarily intended to cover:

- economic risks: these provisions cover tax risks identified during inspections carried out locally by tax authorities and financial risks arising primarily on guarantees given to third parties covering certain assets and liabilities;
- business risks and contingencies; these provisions comprise:
  - statistical provisions for guarantees: the Group subsidiaries provide for all guarantees which may be given on equipment sales on a statistical basis. Some guarantees may cover 24 months,
  - provisions for termination losses on ongoing projects,
  - provisions for work outstanding on projects already delivered;
- restructuring costs, if the restructuring was covered by a detailed plan and an announcement or project launch before the reporting date.

In contrast to the foregoing definition of a provision, a potential liability is:

- a potential obligation resulting from a past event of which the existence will only be confirmed by the occurrence or otherwise of an uncertain event which is not within the control of the Group;
- a current obligation resulting from a past event for which either the amount of the obligation cannot be reliably estimated or it is unlikely that an outflow of resources representative of economic benefits will be necessary to extinguish the obligation.

As part of business combinations, potential liabilities may be recognized as provisions in accordance with the criteria defined in the IFRS 3R standard.

Changes to provisions over the financial year are the following:

Provisions (in thousands of euros)	Litigation	Customer warranties	Termination losses	Fine and penalties	Other[1]	Total
31 December 2020 published	**2,943**	**1,015**	**1,128**	**941**	**2,783**	**8,810**
Restatement of discontinued operations	(1,016)	(60)	(183)	-	(1,602)	(2,862)
1 January 2021	**1,927**	**954**	**944**	**941**	**1,182**	**5,948**
Appropriations	341	944	265	344	598	2,493
Provisions used	(224)	(158)	(60)	(550)	(666)	(1,657)
Reversals	(805)	(252)	(455)	(113)	(454)	(2,079)
Impact on income for the period	**(687)**	**535**	**(250)**	**(319)**	**(521)**	**(1,242)**
Changes in scope	-	-	-	-	-	-
Other changes	63	113	-	-	(2)	175
Impact of changes in exchange rates	-	-	-	-	-	-
AT 31 DECEMBER 2021	**1,304**	**1,602**	**695**	**622**	**659**	**4,881**

(1) *In 2020, provision for restructuring of €1,964 thousand, mainly concerning the "3D Printing" division (€1,498 thousand).*

NOTE 12 Non-current assets held for sale and discontinued operations

The Group applies IFRS 5 – *Non-current assets held for sale and discontinued operations*, which requires a specific recognition and presentation of assets (or groups of assets) held for sale, along with discontinued operations and operations sold or being sold.

Non-current assets or groups of assets and directly associated liabilities are deemed to be held for sale if their carrying amount is recovered primarily through a sale rather than through continued use. For that to be the case, the asset (or group of assets) must be available for immediate sale and its sale must be highly probable. These assets are no longer depreciated as from their classification as assets (or groups of assets) held for sale. They are presented on a separate line of the Group's statement of financial position, without restatement of prior periods.

An operation that is discontinued, sold or being sold is defined as a component of an entity that generates cash flows that can be clearly distinguished from the rest of the entity and represents a separate major line of business or geographical area of operations. The net income of these activities is presented on a separate line in the income statement and is adjusted in the cash flow statement for all reported periods.

In July 2019, the Group sold its subsidiary CIMLEC INDUSTRIE ("Engineering & Protection Systems" division) to SPIE. The contribution of CIMLEC INDUSTRIE in 2019 appears on a separate line of the income statement and the statement of cash flows, as this group corresponded to a discontinued operation. A provision for the guarantee of assets and liabilities granted to SPIE was recorded on this same line of the income statement for 2020 and part of this provision was reversed in 2021.

In December 2021, the Group distributed to its shareholders most of the PRODWAYS GROUP securities in its possession. Due to this exceptional distribution, GROUPE GORGÉ no longer controls PRODWAYS GROUP. The contribution of PRODWAYS GROUP was therefore treated in 2021 and retrospectively in 2020 on a separate line of the income statement and the statement of cash flows, as this group corresponded to a discontinued operation. The group was deconsolidated at the end of 2021 and a capital gain was recognized on this occasion, recorded on the same line of the income statement.

The Management of GROUPE GORGÉ decided in 2021 to implement a plan for the sale of the subsidiary BAUMERT (held by a NUCLÉACTION sub-holding). Ongoing discussions have led to the conclusion that the transaction is highly probable. The employees of BAUMERT were informed of this in March 2022. The contribution of NUCLÉACTION and its subsidiary BAUMERT was therefore treated in 2021 and retrospectively in 2020 on a separate line of the income statement and the cash flow statement, as the group corresponded to a discontinued operation. The assets and liabilities of the Group are classified in the statement of financial position under assets and liabilities held for sale.

The net income of the discontinued operations in the income statement and cash flow statement is as follows:

	2021	2020
Revenue	93,748	80,202
Income from ordinary activities	**(2,057)**	**(7,731)**
Non-recurring items of operating income[1]	41,615	(13,370)
Group share of the earnings of affiliated companies	45	5
Operating income	**39,604**	**(21,096)**
Financial income and expenses	(529)	(804)
Income tax	(789)	1,267
Net income from discontinued operations	**38,286**	**(20,634)**

(1) *In 2021, mainly includes the capital gain on the exit of PRODWAYS GROUP; and in 2020, mainly includes restructuring costs and asset impairment losses in the "3D Printing" division.*

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	2021	2020
Contribution relating to CIMLEC	700	(1,000)
Contribution relating to PRODWAYS GROUP including the exit capital gain	44,474	(14,053)
Contribution relating to NUCLÉACTION	(6,480)	(5,581)
Disposal costs	(409)	-
Net income from discontinued operations	**38,286**	**(20,634)**

(in thousands of euros)	2021	2020
Net income from discontinued operations	**38,286**	**(20,634)**
Cash flow from operations (after neutralization of the net borrowing cost and taxes)	**1,275**	**(4,025)**
Tax paid	(1,324)	(1,051)
Change in working capital requirements	4,690	1,314
Net cash flow from operating activities (A)	**4,641**	**(3,763)**
Net cash flow from investing activities (B)	**(7,674)**	**(650)**
Net cash flow from financing activities (C)	**(5,220)**	**13,529**
Change in cash and cash equivalents (D = A + B + C)	**(8,253)**	**9,116**
Effects of exchange rate changes	-	(70)
Cash and cash equivalents at the beginning of the year	**23,011**	**12,469**
Restatement of cash and cash equivalents[(1)]	2,308	1,495
Cash and cash equivalents at the end of the year	**17,130**	**23,011**

(1) Corresponds to the impact of the flows with continuing operations.

NOTE 13 Other notes

Note 13.1 Statutory auditors' fees

The fees invoiced to all Group companies by GROUPE GORGÉ SA's statutory auditors were as follows:

2021 (in thousands of euros)	PricewaterhouseCoopers Audit		RSM		Total	
Statutory Audits, review of financial statements	287	96.5%	343	96.8%	630	96.6%
• parent company	81	-	75	-	156	-
• Fully consolidated companies	206	-	268	-	474	-
Services other than certification of the financial statements	11	3.54%	11	3.2%	22	3.4%
TOTAL	**298**	**100.0%**	**355**	**100.0%**	**652**	**100.0%**

2020 (in thousands of euros)	PricewaterhouseCoopers Audit		RSM		Total	
Statutory Audits, review of financial statements	355	96.6%	419	98.3%	774	97.6%
• Parent company	125	-	125	-	250	-
• Fully consolidated companies	230	-	294	-	524	-
Services other than certification of the financial statements	12	3.4%	7	1.7%	19	2.4%
TOTAL	**367**	**100.0%**	**426**	**100.0%**	**793**	**100.0%**

The services provided by the statutory auditors to the parent entity, other than the certification of the financial statements, concern a certificate on the information relating to Know Your Customer (KYC) procedures applicable to third parties; the services provided to the rest of the Group mainly consist of certificates relating to costs or revenue and legal reports.

Note 13.2 Exceptional events and litigation

The Group is involved in various legal proceedings. After reviewing each case and seeking counsel, the provisions considered necessary have, as applicable, been recorded in the financial statements.

In July 2013, a fire destroyed the DEPALOR particle board production plant in Phalsbourg. Some fire protection systems at the fire's initial break-out point are thought to have failed to function. DEPALOR and its insurance company launched a court-ordered appraisal against the various specialist companies responsible for the design, maintenance, verification and occasional work on the fire extinguishing systems, including CLF-SATREM, and their respective insurers. The legal appraisal, which was required to determine the causes of the incident as well as the causes of any malfunctions of the fire safety systems and determine the impact thereof in the incident, concluded in March 2018 that the origin of the incident would come from the rupture of a pressurized hydraulic oil pipeline from a particle board press; the oil would have vaporized on contact with the elements brought to the high temperature of the press and would then have ignited spontaneously. The damage suffered by DEPALOR was estimated at €34 million (replacement value of the plant). The report indicates that several fire extinguishing systems appear to have been more or less faulty and were therefore not effective in fighting the primary outbreak. The sprinkler system was not triggered due to the presence of a check valve in the fire protection system. Liability for the check valve installation could not be attributed to anyone in particular. As such, it would appear that the network had been out of service for several years. None of the service providers (APAVE, AXIMA or CLF) working on the fire protection system had noted this anomaly during their work. The DEPALOR employees responsible for weekly checks and re-commissioning following the incident should reasonably have known about the anomaly. Moreover, the report shows that DEPALOR appears to have been negligent in monitoring the network's maintenance and the dust removal from its structures. The appraiser maintains that, in any event, "it is uncertain that the fire extinguishing systems, even in an operational condition, would have been effective in controlling a fire caused by the ignition of a mist of oil resulting from a breach in the high-pressure, high-flow pipeline, since the sprinkler system would have been designed mainly to neutralize the impact of the "disc" being manufactured". In 2019, DEPALOR's insurers filed a claim against DEPALOR, all those having worked on DEPALOR's fire protection system and their respective insurers, before the Nanterre Commercial Court. Without taking the findings of the legal appraisal into account, they requested the Court to hold that the failings of AXIMA, CLF and APAVE are directly responsible for the damages suffered by DEPALOR, and requested a joint order against those companies in the amount of €34 million. CLF considers that those claims contradict the findings set out in the appraisal, since the failure of the sprinkler system did not cause the fire, but was merely one of several factors aggravating the risk of a fire (DEPALOR's negligence, problem of dust removal from structures). Moreover, the appraisal could not determine who was responsible for installing the check valve that prevented the functioning of the sprinkler network, but it is probable that DEPALOR was aware of its existence. Unless the insurers manage to settle, this dispute is likely to continue for several years. CLF is covered by its insurance policy for €3 million with respect to this claim.

In 2014, BAUMERT wanted to close its establishment in Dreux in order to redeploy the business carried out on this site to its main site in Alsace in particular. Since 15 out of 16 employees refused to move, the Company was obliged to implement a plan (PSE) to safeguard the employees' jobs. Fourteen employees requested the cancelation of the PSE on the grounds that it had not been approved by the competent Regional Directorate of businesses, competition, consumption, labor and employment ("DIRECCTE") and that the PSE had not been assessed by the latter with regard to the resources available to the Group to which the BAUMERT company belongs. The proceedings before the administrative courts confirmed that the DIRECCTE which approved the PSE had no jurisdiction in the area. Due to the cancelation of the PSE, the employees also initiated Labor Tribunal proceedings for dismissal without real and serious cause. BAUMERT was thus ordered by the Labor Tribunal in 2016 to pay damages to employees for an amount of approximately €460 thousand. This ruling was upheld on appeal in September 2018 for an amount finally set at €302 thousand. BAUMERT has launched legal proceedings to call into question the responsibilities of the French State and its lawyer, who advised the Company on the PSE, in particular due to DIRECCTE's lack of jurisdiction.

In 2014 and 2015, BAUMERT designed, manufactured and installed sealed doors for nine methanation units designed by NASKEO ENVIRONNEMENT that were sold to agricultural operators. The price of this contract totaled €720 thousand for BAUMERT. Four methanation units with malfunctions affecting the expected performance of farmers are or have been the subject of legal appraisals. To date, an appraisal concerning a site in Salive (21) has ended without BAUMERT being held liable. An appraisal is in progress concerning a site in Saint George (49). An appraisal report concerning a site in Is-sur-Tille (21) and a site in Hazebrouck (59) concluded that the technical responsibilities were shared between BAUMERT and NASKEO ENVIRONNEMENT. BAUMERT currently considers that these doors were designed in compliance with the requirements of the specifications of NASKEO ENVIRONNEMENT.

In 2014, as per the specifications of a project manager and an architectural firm, CLF installed a deluge system for the Theatre of Saumur. Following a power outage in 2018 and a compressor malfunction, the deluge system was triggered and the theatre was partially flooded. A joint appraisal is under way involving everyone involved in the installation (design, installation, supply, certification, and maintenance) and their insurers, to determine each party's liability. The expertise is ongoing.

At the end of a nine-year legal appraisal, SCI FERCA, ECA EN's former lessor, sued the companies in charge of the unfinished asbestos removal work (and their insurers) to claim compensation for the damage suffered due to poorly executed and incomplete asbestos removal. SCI FERCA sued ECA EN, along with the companies in charge of the asbestos removal, accusing it, in its capacity as former tenant, of having hampered the asbestos removal process, which ECA EN vigorously contests. In a judgment of 24 November 2020, the Paris Court of Justice ruled out the liability of ECA ROBOTICS (which came to the rights of ECA EN following the simplified merger between these companies); an appeal has since been lodged by SCI FERCA.

In 2020, the Group received claims from SPIE in respect of the guarantee of assets and liabilities granted at the time of the sale of CIMLEC Industrie. A provision was made in the 2020 financial statements. The Group has only accepted one claim; the other claims are now time-barred, as SPIE did not sue the Group within the contractual deadlines (one summons was received after the contractual deadlines). The provision was therefore revised downwards to cover only the risk related to the accepted claim.

In 2014, DODIN CAMPENON BERNARD, agent of the VFR consortium comprising, among others, VINCI CONSTRUCTION GRANDS PROJETS SAS, FERROVIAL AGROMAN SA, RAZEL-BEC SAS, entered into a subcontracting agreement with our subsidiary BAUMERT, relating to the design, manufacture and installation of a set of technical doors for integration into the ITER international thermonuclear experimental reactor. BAUMERT made a certain number of claims against VFR when the cost of the work became higher than the sale price, following in particular the failure to take into account technical problems identified by BAUMERT in 2016, which should have been handled by VFR, and major changes in the conditions for performing the services.

To defeat these claims, VFR alleged contractual breaches by BAUMERT and refused to take BAUMERT's claims into account.

Under these conditions, in June 2021, BAUMERT brought proceedings against DODIN CAMPENON BERNARD for the nullity of the subcontracting contract for violations of the mandatory laws of 1975 on subcontracting, in order to have the contract and the bank performance guarantee related to this project declared void, and to be compensated for all costs incurred in connection with the execution of the project.

As the project is still under way, and VFR has stopped paying BAUMERT's invoices, in August 2021 DODIN CAMPENON BERNARD activated the bank performance guarantee in the amount of €1.08 million. BAUMERT objected to the abuse of this guarantee.

At the end of 2021, the parties finally reached a settlement agreement, thus putting an end to their disputes and allocating part of its claims to BAUMERT. The project is expected to be completed in 2022.

Note 13.3 Subsequent events

On 14 March 2022, GROUPE GORGÉ announced that it had entered into exclusive negotiations with the shareholders of IXBLUE to acquire 100% of the company's share capital. The acquisition of IXBLUE, for an enterprise value of €410 million, would be carried out by a holding company (NEWCO) to which 100% of the shares of GROUPE ECA would be contributed and/or sold. On this occasion, a cash increase of approximately €65 million would allow the deleveraging of GROUPE GORGÉ SA, which would have a positive net cash position at the end of the operation. NEWCO would finance the acquisition of IXBLUE through a €185 million syndicated loan, half of which would be amortized over six years and the other half over six and a half years, with bullet financing provided by the INTERMEDIATE CAPITAL GROUP (ICG) investment fund and several tens of millions of euros contributed by Hervé ARDITTY, IXBLUE's founding shareholder, as well as by its managers and employees. This financing would be complemented by a confirmed revolving credit line of €50 million and an unconfirmed external growth line of €50 million. The majority of NEWCO's share capital would be held by GROUPE GORGÉ, which would control over 60% of the capital and about 80% of the voting rights.

No other significant events took place between 31 December 2021 and the date of the Board of Directors meeting that approved the consolidated financial statements.

NOTE 14 List of consolidated companies

Companies	Parent company at 31 December 2021	% control 2021	% control 2020	% interest 2021	% interest 2020	Method 2021	Method 2020
Consolidating company							
GROUPE GORGÉ SA		Top	Top	Top	Top	FC	FC
Structure							
FINU 13[(1)]	GROUPE GORGÉ SA	100	100	100	100	FC	FC
FINU 14[(1)]	GROUPE GORGÉ SA	100	-	100	-	FC	-
SCI DES CARRIÈRES	GROUPE GORGÉ SA	100	100	100	100	FC	FC
GORGÉ EUROPE INVESTMENT (Netherlands)	VIGIANS	100	100	100	100	FC	FC
GORGÉ NETHERLANDS (Netherlands)	GEI	90.58	90.58	90.58	90.58	FC	FC
Drones & Systems							
GROUPE ECA[(2)]	GROUPE GORGÉ SA	100	100	100	100	FC	FC
ECA DEV1[(1)]	GROUPE ECA	100	100	100	100	FC	FC
ECA AEROSPACE	GROUPE ECA	100	100	100	100	FC	FC
ECA AUTOMATION	ECA AEROSPACE	100	100	100	100	FC	FC
ECA DYNAMICS[(1)]	GROUPE ECA	51	51	51	51	FC	FC
ECA ROBOTICS	GROUPE ECA	100	100	100	100	FC	FC
ECA ROBOTICS BELGIUM (Belgium)	ECA ROBOTICS	100	100	100	100	FC	FC
ECA GROUP ASIA (Singapore)	GROUPE ECA	100	100	100	100	FC	FC
MAURIC	GROUPE ECA	60.06	60.06	60.06	60.06	FC	FC
MAURIC BELGIUM (Belgium)	MAURIC	100	100	60.06	60.06	FC	FC
OK18 SYSTEMS (United States)[(1)]	GROUPE ECA	100	100	100	100	FC	FC
TRITON IMAGING (United States)[(1)]	GROUPE ECA	100	100	100	100	FC	FC
1ROBOTICS (United States)[(1)]	GROUPE GORGÉ SA	29.89	29.89	81	81	EM	EM
Engineering & Protection Systems							
AMOPSI	VIGIANS P. INCENDIE	80	80	56	56	FC	FC
VIGIANS	GROUPE GORGÉ SA	100	100	100	100	FC	FC
BAUMERT[(3)]	NUCLÉACTION	100	100	100	100	FC	FC
BAUMERT HONG KONG[(1)(3)(4)]	-	-	100	-	100	-	FC
CLF-SATREM	VIGIANS P. INCENDIE	100	100	70	70	FC	FC
GORGÉ HOEKSTRA HOLDING BV (Netherlands)	GORGÉ NETHERLANDS	100	100	90.58	90.58	FC	FC
NUCLÉACTION[(3)]	GROUPE GORGÉ SA	100	100	100	100	FC	FC
SAS STONI	GROUPE GORGÉ SA	100	100	100	100	FC	FC
SCI MEYSSE[(3)]	BAUMERT	100	100	100	100	FC	FC
SCI DES PORTES	GROUPE GORGÉ SA	100	100	100	100	FC	FC
SERES TECHNOLOGIES	GROUPE GORGÉ SA	70	70	70	70	FC	FC
SPRINKLAB	VIGIANS P. INCENDIE	100	-	100	-	FC	-
STEDY	GROUPE GORGÉ SA	65	65	65	65	FC	FC
STEDY LIBERTY	STEDY	100	100	65	65	FC	FC
STEDY PORTAGE	STEDY	100	100	65	65	FC	FC
SVF	CLF-SATREM	100	100	70	70	FC	FC
THE WIND FACTORY UK LTD (Ireland)	GORGÉ HOEKSTRA	100	100	90.58	90.58	FC	FC
VAN DAM (Netherlands)[(5)]	-	-	100	-	90.58	-	FC
VAN DAM ASIA (Singapore)[(5)]	-	-	100	-	90.58	-	FC
VAN DAM MAINTENANCE AND REPAIR (Netherlands)[(5)]	-	-	100	-	90.58	-	FC
VAN DAM USA (United States)[(5)]	-	-	100	-	90.58	-	FC
VIGIANS PROTECTION INCENDIE	GROUPE GORGÉ SA	70	70	70	70	FC	FC

Companies	Parent company at 31 December 2021	% control 2021	% control 2020	% interest 2021	% interest 2020	Method 2021	Method 2020
3D Printing[6]							
3D SERVICAD	AS 3D	100	100	56.31	56.52	FC	FC
AVENAO SOLUTIONS 3D	PRODWAYS GROUP	100	100	56.31	56.52	FC	FC
AVENAO INDUSTRIE	AS 3D	100	100	56.31	56.52	FC	FC
CREABIS (Germany)[7]	INITIAL	100	-	56.31	-	FC	-
CRISTAL	PRODWAYS GROUP	100	100	56.31	56.52	FC	FC
DELTAMED (Germany)	PRODWAYS GROUP	100	100	56.31	56.52	FC	FC
BIOTECH DENTAL SMILERS	PW ENTREPRENEURS	20	20	11.26	11.30	EM	EM
EXCELTEC	PRODWAYS GROUP	100	100	56.31	56.52	FC	FC
INITIAL	PRODWAYS GROUP	100	100	56.31	56.52	FC	FC
INTERSON PROTAC	PRODWAYS GROUP	100	100	56.31	56.52	FC	FC
NEXTCUBE.IO	AS3D	64.67	64.67	36.41	36.55	FC	FC
PRODWAYS AMERICAS (United States)	PRODWAYS	100	100	56.31	56.52	FC	FC
PRODWAYS GROUP	See note (6)	67.70	67.23	56.31	56.52	FC	FC
PRODWAYS	PRODWAYS GROUP	100	100	56.31	56.52	FC	FC
PRODWAYS CONSEIL[1]	PRODWAYS GROUP	100	100	56.31	56.52	FC	FC
PRODWAYS ENTREPRENEURS	PRODWAYS GROUP	100	100	56.31	56.52	FC	FC
PODO 3D	PRODWAYS GROUP	100	82.07	56.31	46.38	FC	FC
PRODWAYS MATERIALS (Germany)	DELTAMED	100	100	56.31	56.52	FC	FC
PRODWAYS RAPID ADDITIVE FORGING	PRODWAYS GROUP	100	100	56.31	56.52	FC	FC
PRODWAYS 2[1]	PRODWAYS GROUP	100	100	56.31	56.52	FC	FC
SCI CHAVANOD	PRODWAYS GROUP	100	100	56.31	56.52	FC	FC
SOLIDSCAPE (United States)	PRODWAYS GROUP	100	100	56.31	56.52	FC	FC
VARIA 3D (United States)	PRODWAYS GROUP	70	70	39.42	39.56	FC	FC

(1) Companies with no activities.
(2)GROUPE ECA became the new head of the “Drones & Systems” division in December 2020, after the merger between ECA and GROUPE GORGÉ.
(3) The NUCLEACTION group is in the process of being sold and is consolidated within discontinued operations.
(4) BAUMERT HONG KONG was dissolved at the end of 2020.
(5) Disposal in July 2020, consolidated in the first half of 2020.
(6) The “3D Printing” division (corresponding to the group made up of PRODWAYS GROUP and its subsidiaries) is consolidated within discontinued operations over the periods shown and was deconsolidated at the end of December 2021. The table shows the percentages of ownership and control in force until the date of deconsolidation (end of 2021). At 31 December 2021, GROUPE GORGÉ held only 5.95% of the share capital of PRODWAYS GROUP.
(7) Acquisition en juillet 2021.

4.1.7 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Financial year ended on 31 December 2021)

To the Shareholders' Meeting

Opinion

In compliance with the assignment entrusted to us by your Shareholders' Meeting, we have audited the consolidated financial statements of GROUPE GORGÉ ("the Group") for the financial year ended 31 December 2021, as appended to this report.

We hereby certify that the consolidated financial statements give a true and fair view, in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, of the results of the operations of the past financial year, and of the financial position and assets and liabilities, at the close of the financial year, of the entities included in the scope of consolidation.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis for the opinion

Audit framework

We have conducted our review in accordance with the professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the consolidated financial statements section of our report.

Independence

We have conducted our audit in accordance with the rules of independence set out by the French Commercial Code and the Professional Code of Ethics for the period from 1 January 2021 to the date on which our report was issued; in particular, we did not render any services prohibited by Article 5, paragraph 1 of Regulation (EU) No. 537/2014.

Justification of our assessment – Key audit points

The global crisis linked to the Covid-19 pandemic creates special conditions for the preparation and audit of financial statements for this financial year. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency have multiple consequences for companies, particularly on their activity and their financing, as well as increased uncertainties about their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on the internal organization of companies and the way in which audits are carried out.

It is in this complex and evolving context that, in accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of greatest significance for the audit of the consolidated financial statements of the financial year, as well as of how we addressed those risks.

These assessments were undertaken as part of the audit of the consolidated financial statements, taken as a whole, and of the opinion we formed and expressed above. We have not expressed an opinion on individual elements contained in these consolidated financial statements.

Recognition of income from long-term projects

Risk identified

As indicated in Note 4.1 to the consolidated financial statements, GROUPE GORGÉ's consolidated revenue consist of sales of goods, services and, to a significant extent, project-related revenues.

For these projects, therefore, the revenue and margin are recognized according to percentage of completion of the project, taking into account the following items:

- the percentage of completion is determined for each project by comparing the costs incurred at the reporting date with the total estimated costs at the conclusion of the project;
- the proceeds from contracts may include claims when these can be assessed reliably and when the Group's negotiations with the customer reach a point where the claims are likely to be accepted.

Estimates of revenue and termination costs are regularly reviewed by operational and financial managers.

If profit forecasts at the end of a project indicate a loss, a provision for termination losses is recognized independently of the project's completion according to the best estimates of projected profits, to the extent that these are probable and can be reliably measured. Provisions for losses on completion are presented on the liabilities side of the balance sheet

We considered this topic to be a key point of the audit given the significance of these estimates and the importance of the judgments exercised by Management to assess the completion of projects. The modification of these estimates could have a material impact on the GROUPE GORGÉ financial statements.

Audit procedures implemented to address identified risks

Firstly, we assessed and tested the internal control procedures considered key to project accounting.

We also selected projects based on essentially quantitative criteria (amount of revenue recognized over the financial year and amount of income completion) and did the following:

- conducted interviews with operational and financial managers to understand the judgments made in the determination of income at termination;
- reconciled recognized profit at termination with contract documents (contracts, amendments or purchase orders);
- examined management documents by project in order to assess the consistency of the estimate of the costs at completion: for a selection of projects whose current estimates differ significantly from previous estimates, we sought the origin of the change to the forecasts at completion in order to assess, on the basis of our experience gained in previous years, the reliability of the process for monitoring costs incurred and estimating the costs necessary to finalize the project.

In addition, we also compared completions against previous estimates to assess the reliability of the estimates.

When applicable, we analyzed the entities' interactions with their customers or any other project stakeholders and corroborated that information with the estimates used by GROUPE GORGÉ's Management.

Measurement of the recoverable amount of goodwill

Risk identified

As part of its development, the Group has carried out targeted acquisitions and recognized a certain amount of goodwill.

At 31 December 2021, goodwill was recorded in the statement of financial position for a net carrying amount of €23.8 million, i.e. 6.7% of the assets. Each year, Management ensures that goodwill is not carried at more than its recoverable amount by performing impairment tests. For the purposes of these tests, goodwill acquired through a business combination is allocated to the cash generating units (CGUs).

Determining the net recoverable amount of each CGU relies on discounted future cash flow projections and requires Management to exercise significant discretion, specifically with respect to preparing forecasts and the discount and long-term growth rates to adopt.

In light of the foregoing, we considered the recoverable amount of goodwill to be a key audit point, given the inherent uncertainty linked to certain factors, such as the likelihood of forecasts used to determine the recoverable amount actually materializing.

Audit procedures implemented to address identified risks

We carried out a critical review of the methods used by Management to analyze impairment indicators and perform impairment testing. Our work consisted in:

- obtaining an understanding of the process used to prepare estimates and the assumptions made by the Group as part of the impairment tests, particularly with regard to the parameters of activity and profitability;
- carrying out a critical review of the impairment tests performed by the Company at 31 December 2021, by:
  - verifying that the discounted future cash flow projections used to determine the value in use of the cash generating units (CGUs) tested corresponds to those generated by elements comprising the carrying amount of the CGUs;
  - assessing the appropriateness of assumptions used, in particular cash flow projections, the discount rate and long-term growth rate, via a comparison with past performance and external analyses available on the market context;
  - reviewing the tests carried out by Management on the sensitivity of the recoverable amount of the CGUs to a reasonable change in the discount or long-term growth rates.

Lastly, we assessed the appropriateness of the information provided in Notes 6.1 and 6.4 to the consolidated financial statements.

Specific verifications

We have also performed, in accordance with the professional standards applicable in France, the specific verification required by laws and regulations of the Group's information given in the management report of the Board of Directors.

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

We attest that the consolidated statement of non-financial performance required by Article L. 225-102-1 of the French Commercial Code is included in the Group's management report, it being specified that, in accordance with provisions of Article L. 823-10 of said code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Pursuant to the law, we draw your attention to the fact that the non-financial performance statement does not include, as indicated by your company in note 6.3.1 "The European Green Taxonomy" of the management report, information relating to the portion of its operating expenditure related to assets or processes associated with economic activities that may be considered environmentally sustainable under Articles 3 and 9 as required by Article 8(2) of Regulation (EU) 2020/852.

Other verifications or information required under legal and regulatory texts

Format of the presentation of the consolidated financial statements intended to be included in the annual financial report

In accordance with the professional standards on the Statutory Auditors' work relating to the annual and consolidated financial statements presented in the single European electronic reporting format, we have also verified the compliance with this format, defined by Delegated Regulation (EU) No. 2019/815 of 17 December 2018, in the presentation of the annual financial statements intended to be included in the annual financial report mentioned in section I of Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chairperson. With regard to the consolidated financial statements, our work includes verifying that the mark-up of these financial statements complies with the format defined by the aforementioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the single European electronic reporting format.

It is not our responsibility to verify that the consolidated financial statements that will in effect be included by your company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of Statutory Auditors

RSM Paris was appointed as Statutory Auditors of GROUPE GORGÉ by your Shareholders' Meeting of 13 June 2018 and PricewaterhouseCoopers Audit by the Shareholders' Meeting of 17 June 2015.

At 31 December 2021 RSM Paris was in the fourth consecutive year of its mission and PricewaterhouseCoopers Audit was in the seventh year.

Responsibilities of Management and those in charge of corporate governance in relation to the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, it is Management's responsibility to assess the company's ability to continue trading as a going concern, to present, where relevant, the necessary information relating to business continuity, and to apply the going concern principle of accounting, unless there are plans to liquidate or cease the company's activity.

The Audit Committee is responsible for monitoring the preparation of financial information and for verifying the effectiveness of the internal control and risk management systems and, where applicable, of the internal audit, with regard to the procedures for preparing and processing accounting and financial information.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Audit objective and approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance means a high level of assurance, however without any guarantee that an audit conducted in accordance with professional standards will systematically detect any material misstatement. Misstatements may be the result of fraud or errors, and are considered material when, individually or combined, they can be reasonably expected to impact economic decisions taken based on the financial statements.

As set out in Article L. 823-10-1 of the French Commercial Code, our assignment to certify the financial statements does not involve guaranteeing the sustainability or quality of the management of your company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises their professional judgement throughout the entire audit.

Furthermore:

- the Statutory Auditor identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from an error, given that fraud may imply collusion, falsification, willful omissions, false statements or the circumvention of internal control;
- the Statutory Auditor obtains an understanding of the internal control processes relevant to the audit, in order to define suitable audit procedures, and not for the purpose of expressing an opinion on the effectiveness of said internal control;
- the Statutory Auditor assesses the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as information concerning them provided in the consolidated financial statements;

- the Statutory Auditor assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is founded on information obtained up until the date of the report, it being specified, however, that subsequent circumstances or events may jeopardize business continuity. If the Statutory Auditors identify significant uncertainty, they highlight such uncertainty in their report by drawing readers' attention to the corresponding information presented in the consolidated financial statements, or, if this information has not been provided or is not relevant, issue certification with reserves or refuse to certify;
- the Statutory Auditor assesses the overall presentation of the consolidated financial statements and determines whether they provide a true and fair reflection of the underlying transactions and events;
- the Statutory Auditor obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on said statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also bring to its attention, where appropriate, the significant weaknesses of the internal control that we have identified with regard to the procedures relating to the preparation and processing of accounting and financial information.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and the profession's Code of Ethics. Where necessary, we discuss the potential risks to our independence and the safeguard measures applied with the Audit Committee.

Done in Neuilly-sur-Seine and Paris on 14 April 2022

The Statutory Auditors

PricewaterhouseCoopers Audit	**RSM Paris**
Christophe DRIEU	Stéphane MARIE

4.2 INDIVIDUAL FINANCIAL STATEMENTS FOR 2021

4.2.1 INCOME STATEMENT

(in thousands of euros)	**2021**	2020
Revenue	**3,161**	**5,602**
Reversals of provisions, expense transfers and other income	1,729	53
Total operating income	**4,891**	**5,655**
Other purchases and external charges	3,952	3,087
Taxes and similar payments	128	252
Payroll expense	1,950	2,572
Depreciation, amortization and provisions:		
non-current assets	399	641
current assets	-	62
Other expenses	40	40
Total operating expenses	**6,469**	**6,654**
INCOME FROM ORDINARY ACTIVITIES (A)	**(1,578)**	**(999)**
FINANCIAL INCOME (B)	**2,947**	**9,089**
INCOME FROM CONTINUING OPERATIONS BEFORE TAX (C) = (A) + (B)	**1,368**	**8,090**
EXCEPTIONAL INCOME (D)	**46,486**	**5,194**
Income tax (E)	63	955
NET INCOME (F) = (C) + (D) + (E)	**47,917**	**14,239**

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4.2.2 STATEMENT OF FINANCIAL POSITION

Assets

	2021			2020
(in thousands of euros)	**Gross**	**Depreciation, amortization and provisions**	**Net**	
Other intangible assets	575	273	302	739
Property, plant and equipment	996	175	821	258
Equity securities	62,502	15,019	47,483	72,590
Receivables related to shareholdings	10,000	-	10,000	403
Other non-current financial assets	29,819	-	29,819	33,108
Non-current assets	**103,892**	**15,467**	**88,425**	**107,098**
Net trade receivables and related accounts	2,265	-	2,265	2,741
Other trade receivables	65,441	15,011	50,430	49,780
Treasury shares	4,446	-	4,446	1,233
Cash and cash equivalents	26,708	-	26,708	26,421
Current assets	**98,860**	**15,011**	**83,849**	**80,175**
Prepaid expenses	118	-	118	172
Debt issuance costs	1,472		1,472	-
TOTAL ASSETS	**204,342**	**30,478**	**173,864**	**187,445**

Liabilities

(in thousands of euros)	**2021**	2020
Share capital	17,425	17,425
Share premiums	11,268	27,711
Legal reserve	1,742	1,350
Other reserves	-	290
Retained earnings	-	45,668
Income (loss) for the period	**47,917**	**14,239**
Equity	**78,352**	**106,684**
Provisions for risks and charges	**-**	**201**
Bank borrowings	83,933	55,646
Other borrowings	81	77
Suppliers	847	1,745
Tax and social debts	10,540	7,198
Other liabilities	111	15,894
Total debt	**95,512**	**80,560**
TOTAL LIABILITIES	**173,864**	**187,445**

4.2.3 CHANGE IN CASH AND CASH EQUIVALENTS

(in thousands of euros)	**2021**	2020
Net income	**47,917**	**14,239**
Accruals	17,467	(7,200)
Capital gains and losses on disposals	(57,566)	3,253
Other	-	-
Cash flow from operating activities	**7,818**	**10,292**
Change in working capital requirements	(20,283)	21,843
Net cash flow from operating activities (A)	**(12,465)**	**32,135**
Investing activities		
Payments/acquisition of intangible assets	(49)	(79)
Payments/acquisition of property, plant and equipment	(788)	(47)
Proceeds/disposal of property, plant and equipment and intangible assets	528	-
Payments/acquisition of non-current financial assets	(11,630)	(7,617)
Proceeds/disposal of non-current financial assets	5,127	1,978
Impact of the merger	-	(25,484)
Net cash flow from investing activities (B)	**(6,812)**	**(31,249)**
Financing activities		
Capital increase or contributions	-	-
Dividends paid	(5,508)(1)	(4,319)
Proceeds from borrowings	85,000	12,400
Repayment of borrowings	(56,714)	(4,390)
Net cash flow from financing activities (C)	**22,777**	**3,691**
Change in cash and cash equivalents (A) + (B) + (C)	**3,500**	**4,577**
Cash and cash equivalents at the beginning of the year	**27,654**	**23,078**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**31,154**	**27,654**

(1) Dividend paid in cash in June 2021, does not include the exceptional distribution in PRODWAYS GROUP shares in December 2021.

4.2.4 NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Summary of notes

The notes, tables and comments referenced below in the list of contents to the notes are an integral part of the annual financial statements.

The financial year covers the 12 months from 1 January to 31 December 2021.

The financial statements (statement of financial position, income statement) presented are as follows:

- the net statement of financial position total for the financial year ended 31 December 2021 amounted to €173,863,941.74;
- the income statement presented in list form shows a profit of €47,917,325.84.

The Board of Directors approved the annual financial statements of GROUPE GORGÉ on 21 March 2022. They are subject to approval of the shareholders' meeting of 16 June 2022.

Reminder of the impact of the merger between GROUPE GORGÉ and its subsidiary ECA in December 2020

The Extraordinary shareholders' meeting of 30 December 2020 approved the merger-absorption of ECA. From an accounting and tax point of view, the operations of ECA are considered to have been carried out by GROUPE GORGÉ as of 1 January 2020.

In 2020 the reorganization operations took place as follows: acquisition of 875,000 of its own shares by ECA SA for €24.5 million as part of a simplified public tender offer (*offre publique d'achat simplifiée* – OPAS) launched in October, contribution of a real estate asset by ECA SA to its subsidiary ECA ROBOTICS in November, completion of the merger on 30 December, transfer of staff from ECA to the GROUPE GORGÉ subsidiary GROUPE ECA (formerly FINU12), contribution by GROUPE GORGÉ to GROUPE ECA of all the subsidiaries held more than 50% by the former company ECA on 31 December.

The contribution to the 2020 results of the two merged entities is shown in the notes to the 2020 annual financial statements.

Due to the transfer of the employees of the former ECA SA to GROUPE ECA SA and the contribution of the shares of the subsidiaries at the end of December, as well as the sale by GROUPE GORGÉ of most of the assets of ECA SA to GROUPE ECA at the beginning of 2021, GROUPE GORGÉ's 2021 financial statements no longer include the contribution of the former ECA SA.

Impact of the exceptional distribution in kind of PRODWAYS GROUP shares in December 2021

The combined shareholders' meeting of 14 December 2021 approved the distribution of PRODWAYS GROUP shares to GROUPE GORGÉ's shareholders. The allocation ratio for this distribution was three PRODWAYS GROUP shares for two GROUPE GORGÉ shares. The total amount of the distribution in kind amounted to €70,740,013.02 drawn from the reserve accounts for €54,296,747.02 and the premium accounts for €16,443,266.00. A capital gain of €57.6 million was recognized in non-recurring income.

Following the distribution, GROUPE GORGÉ still holds 5.95% of PRODWAYS GROUP's share capital. The shares have been maintained as equity securities, as GROUPE GORGÉ has no intention of selling them in the short term. A provision was made for the securities in question at 31 December 2021 so that their net value would be equal to the stock market price on that date.

NOTE 1 Accounting principles

The annual financial statements have been prepared in accordance with the provisions of the French Commercial Code and the accounting rules and principles generally accepted in France in accordance with the provisions of the French General Accounting Plan (*Plan comptable général* – PCG) (ANC Regulation No. 2014-03 relating to the PCG). The basic assumptions are as follows:

- going concern;
- consistency of accounting policies;
- prudence principle;
- separateness of accounting periods.

The recommendations of the French Accounting Standards Authority (Autorité des Normes Comptables), the French Association of Chartered Accountants (Ordre des Experts-Comptables) and the French National Institution of statutory auditors (Compagnie Nationale des Commissaires aux Comptes) have been applied to the financial statements.

The basic method used to value items in the financial statements is the historical cost method.

Generally accepted accounting principles have been applied in accordance with the French legislation in effect on the reporting date.

The accounting rules and methods applied are identical to those used in the previous financial year.

NOTE 2 Notes to the income statement

Note 2.1 Revenue

The revenue comprises the invoicing of services provided to Group subsidiaries for €2,653 thousand and the invoicing of ancillary services or sub-letting of offices to affiliated companies (parent, sister) for €508 thousand.

Note 2.2 Statutory auditors' fees

The fees for GROUPE GORGÉ's two statutory auditors to certify the 2021 financial statements amounted to €161 thousand.

Note 2.3 Total payroll

Average workforce over the financial year is broken down as follows:

	2021	2020
Average workforce employed	7	15
of which executives and higher professional positions	6	14
of which technicians and supervisors	1	1

The 2020 workforce includes those of ECA SA which were transferred to GROUPE ECA SA at the end of December 2020.

As regards the corporate officers:

- the remuneration of the members of the Board of Directors of GROUPE GORGÉ totaled €40 thousand;
- the officers and Directors received gross remuneration of €592 thousand (fixed and variable remuneration of Raphaël GORGÉ and remuneration of the Deputy CEO) during the 2021 financial year. One Director (Jean-Pierre GORGÉ) is paid by PÉLICAN VENTURE, linked to GROUPE GORGÉ by a service agreement. PÉLICAN VENTURE paid him total gross remuneration of €66,000 and €2,045 in benefits in kind.

Note 2.4 Financial result

(in thousands of euros)	**2021**	2020
Investment income[1]	15,951	10,066
Net income from financial investments	606	785
Interest expense	(1,408)	(850)
FINANCIAL INCOME BEFORE PROVISIONS	**15,149**	**10,001**
Reversals of provisions for impairment of equity securities	-	10
Reversals of provisions for impairment of securities held short-term	-	-
Reversals of provisions for risks	1	-
Provisions for impairment of equity securities[2]	(12,203)	(921)
Provisions for impairment of transferable securities	-	-
FINANCIAL INCOME	**2,947**	**9,089**

(1) In 2021, investment income mainly consisted of dividends received from VIGIANS, STONI, SCI DES CARRIERES, SERES TECHNOLOGIES and interest on bonds subscribed with VIGIANS PROTECTION INCENDIE.
(2) The provisions mainly concern the impairment of the securities of the following companies: PRODWAYS GROUP, STONI and SCI DES CARRIERES.

Note 2.5 Non-recurring income

(in thousands of euros)	**2021**	2020
Capital gains and losses on asset disposals[1]	57,567	(3,253)
Non-recurring income from management operations[2]	(6,215)	(316)
NON-RECURRING INCOME BEFORE PROVISIONS	**51,352**	**(3,569)**
Reversals of provisions[2][3]	6,746	8,763
Provisions[4]	(11,612)	-
EXCEPTIONAL INCOME	**46,486**	**5,194**

(1) The net capital gain recognized in 2021 is mainly related to the distribution in kind of the PRODWAYS GROUP shares.
(2) Mainly includes in 2021 an expense of €5,974 thousand related to the disposal of fully impaired receivables to GROUPE ECA, a wholly-owned subsidiary of GROUPE GORGÉ.
(3) Mainly includes a provision reversal related to receivables sold to GROUPE ECA.
(4) Mainly includes impairment of current account advances granted to VIGIANS for €3,071 thousand and to NUCLÉACTION for €8,351 thousand.

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Note 2.6 Corporate income tax

GROUPE GORGÉ is solely liable for corporation tax as the parent company of the tax consolidation group comprising itself and the following subsidiaries:

Companies	Date of entry
STONI	1 January 2005
BAUMERT	1 January 2010
NUCLÉACTION	1 January 2010
VIGIANS	1 January 2014
SCI MEYSSE	1 January 2018
GROUPE ECA	1 January 2019
ECA AUTOMATION	1 January 2020
ECA ROBOTICS	1 January 2020
ECA AEROSPACE	1 January 2020
ECA DEV1	1 January 2020
FINU 13	1 January 2021

At 31 December 2021, the taxable income of the consolidated entity was a profit of €948 thousand before the allocation of losses.

After deducting previous losses, the remaining deficit to be carried forward in respect of the tax group amounted to €43,753 thousand.

At the same time, income of €63 thousand was recognized as a result of the tax consolidation.

A request for tax approval was filed by GROUPE GORGÉ to benefit from the transfer of the tax losses that existed at 31 December 2019 to the tax consolidation of ECA. The request is still being processed by the tax authority and the deficits in question are not included in the overall deficit of GROUPE GORGÉ.

NOTE 3 Notes to the statement of financial position

Note 3.1 Non-current assets

Property, plant and equipment and intangible assets are recorded at their acquisition cost.

Depreciation and amortization are calculated on a straight-line basis using the following main useful lives:

- software: 3 to 10 years;
- fixtures and fittings: 9 years;
- office and computer equipment: 3 to 5 years;
- transport equipment: 5 years;
- furniture: 5 to 10 years.

Equity securities are recognized on the statement of financial position at their acquisition cost less any necessary estimated impairment.

An impairment may be recognized based on the value after tax of the securities, which represents the acceptable value payable to acquire the securities. Value after tax is estimated according to the value of the share of equity of the relevant entities at year-end as well as their income and short-term earnings outlook. This involves using cash flow projections. When the shares have been listed on the stock exchange, the market capitalization of the last months is also considered.

When the equity securities and related receivables have a present value lower than their book value and the financial position is compromised, the equity securities are written down before carrying out the impairment of the related receivables (unless a specific situation justifies a different order of impairment).

Loans and other non-current financial assets are recognized at their original value less any necessary estimated impairment.

Gross values *(in thousands of euros)*	Start of the period	Increase	Decrease	**End of period**
Other intangible assets				
Other intangible assets(1)	2,852	73	2,350	575
TOTAL	**2,852**	**73**	**2,350**	**575**
Property, plant and equipment				
Other property, plant and equipment	892	788	684	996
TOTAL	**892**	**788**	**684**	**996**
Non-current financial assets				
Equity securities(2)	75,440	5	12,943	62,502
Receivables related to shareholdings(3)	403	11,120	1,523	10,000
Loans	807	-	34	773
Other non-current financial assets(4)	32,301	505	3,760	29,046
TOTAL	**108,951**	**11,630**	**18,260**	**102,321**

(1) The decrease in this item is mainly due to the disposal of software received from ECA SA and sold to the GROUPE ECA subsidiary.
(2) The decrease in this item is mainly due to the distribution in kind of PRODWAYS GROUP shares (€12,908 thousand).
(3) The increase in this item is mainly due to the loan granted to the subsidiary GROUPE ECA for €10 million.
(4) The decrease in this item is mainly due to the partial redemption of the bonds subscribed with VIGIANS PROTECTION INCENDIE for an amount of €3,510 thousand. As a reminder, this item includes a merger loss of €24,355 thousand recorded during the merger with ECA SA.

Depreciation and amortization for the financial year amounted to €143 thousand. The total depreciation and amortization at 31 December 2021 was €448 thousand.

The technical loss of €24,355 thousand, generated by the merger with ECA, is allocated to the stake in GROUPE ECA.

Note 3.2 Schedule of receivables

(in thousands of euros)	**Gross amount**	Due within one year	At more than one year
Loans	773	22	751
Receivables related to shareholdings	10,000	2,500	7,500
Other non-current financial assets	4,691	350	4,341
Other trade receivables	2,265	2,265	-
Social Security and other organizations	4	4	-
State and other government authorities:			
• Income tax(1)	11,724	2,155	9,569
• value-added tax	331	331	-
• other	15	15	-
Group and associated companies	53,199	38,188	15,011
Other receivables	169	169	-
Prepaid expenses	118	118	-
Debt issuance costs(2)	1,472	308	1,164
TOTAL	**84,761**	**46,425**	**38,336**

(1) *This item includes tax credits of the tax group for €11,704 thousand (mainly the research tax credit and competitiveness and employment tax credit). The portion due in less than one year corresponds to tax credits repayable in 2022.*
(2) *The issue costs of €1,729 thousand related to the subscription of the syndicated loan of €85 million are spread over the average duration of the loans taken out.*

The receivables due in more than one year mainly relate to bonds taken out with the subsidiary VIGIANS PROTECTION INCENDIE, a share of the loan granted to GROUPE ECA, impaired receivables on subsidiaries and tax credit receivables from the tax consolidation group.

Receivables and payables are valued at their nominal value. Where applicable, receivables are written down to take into account any collection difficulties to which they may give rise.

Accrued income by statement of financial position item:

(in thousands of euros)	Amount
Other trade receivables	516
State and other government authorities:	-
Other receivables	-
Cash and cash equivalents	4
TOTAL	**520**

Note 3.3 Equity

(in thousands of euros)	Beginning of period	Capital increase or decrease	Allocation of income	Payment of dividends	**End of period**
Capital	17,425	-	-	-	17,425
Share premiums	27,711	-	-	(16,443)	11,268
Legal reserve	1,350	-	392	-	1,742
Other reserves	290	-	-	(290)	-
Retained earnings	45,668	-	13,847	(59,515)	-
N-1 income	14,239	-	(14,239)	-	-
Total	**106,684**	**-**	**-**	**(76,248)**	**30,435**
Income (loss) for the period					47,917
TOTAL EQUITY AT CLOSING					**78,352**

The share capital consists of 17,424,747 shares with a par value of €1.

The dividend distribution corresponds to the cash distribution in June 2021 for €5.51 million and the distribution in PRODWAYS GROUP shares in December 2021 for €70.74 million.

Note 3.4 Provisions

(in thousands of euros)	Start of the period	Increase	Decrease	**End of period**
Provisions for risks and charges	201	-	201	-
Total (1)	**201**	**-**	**201**	**-**
Impairment of:				
• equity securities	2,850	12,203	34	15,019
• non-current financial assets	-	-	-	-
• other receivables	9,912	11,422	6,323	15,011
• treasury shares	-	-	-	-
Total (2)	**12,762**	**23,625**	**6,357**	**30,030**
GRAND TOTAL (1) + (2)	**12,963**	**23,625**	**6,558**	**30,030**

The impairment of equity securities and other non-current financial assets at year-end relates to:	
• PRODWAYS GROUP shares	€6,468 thousand
• Shares in STONI	€5,515 thousand
• Shares in SCI DES CARRIÈRES	€2,729 thousand
• Shares in 1ROBOTICS	€307 thousand

The impairments of other receivables relate to advances granted to NUCLÉACTION, VIGIANS and a company under liquidation (BEMA INGENIERIE).

Note 3.5 Net financial debt

3.5.1 Available cash and cash equivalents

Transferable securities are recognized on the statement of financial position at their acquisition cost. Accrued interest earned on term accounts is recorded under investment income. A provision for impairment is recognized when the net asset value is less than the acquisition cost.

The "Liquidities" item in assets at 31 December 2021, reflecting an amount of €26,708 thousand, comprised cash for €26,207 thousand, transferable securities for €301 thousand, accrued interest acquired on term account for €4 thousand, and an interest rate cap premium for €196 thousand.

The Company took out an interest rate hedge for two tranches of the syndicated loan in 2021. The hedge chosen was an interest rate cap of 0.5% for a nominal initial amount of €47.55 million. The amount of the premiums of the two contracts (originally €226 thousand) was recorded in financial instruments, the premiums are recognized in financial expenses over the term of the hedge. The respective maturity dates of the two contracts are 24 March 2026 and 24 March 2027.

GROUPE GORGÉ holds 312,976 treasury shares under its liquidity and buyback agreement. At 31 December 2021, the value of the treasury shares was €4,446 thousand.

3.5.2 Financial debt

	Gross amount	<1 year	1 to 2 years	2 to3 years	3 to 4 years	4 to 5 years	>5 years
Bank borrowings:							
• originally due within one year	-	-	-	-	-	-	-
• originally due in more than one year	83,932	10,830	8,948	8,623	8,624	4,374	42,533
Other borrowings and financial debt	81	81	-	-	-	-	-
TOTAL	**84,013**	**10,911**	**8,948**	**8,623**	**8,624**	**4,374**	**42,533**

Note 3.6 Operating payables and other liabilities

Schedule of debts

(in thousands of euros)	Gross amount	Due within one year	At more than one year
Trade payables	847	847	-
Employees	401	401	-
Social Security and other social services	302	302	-
State and other government authorities:			
• Income tax(1)	9,427	18	9,409
• value-added tax	377	377	-
• other taxes and similar payments	33	33	-
Group and associated companies	-	-	-
Other liabilities	111	111	-
TOTAL	**11,498**	**2,089**	**9,409**

(1) *This item includes payables to Group subsidiaries arising from the tax consolidation. The share due in more than one year corresponds to outstanding tax credits for loss-making subsidiaries that are not repayable in 2022.*

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Accrued liabilities by statement of financial position item

(in thousands of euros)	Amount
Other borrowings	81
Suppliers	334
Tax and social security liabilities	642
Other liabilities	60
TOTAL	**1,117**

NOTE 4 Transactions with affiliate companies and related parties

Related parties are persons (Directors, managers of GROUPE GORGÉ or of its principal subsidiaries) or companies owned or managed by these persons. PÉLICAN VENTURE is the parent company of GROUPE GORGÉ.

The net amounts for related undertakings included in GROUPE GORGÉ SA's statement of financial position and income statement items for the financial year ended 31 December 2021 are as follows:

(in thousands of euros)	Directors	Subsidiaries	PÉLICAN VENTURE
Receivables related to shareholdings	-	10,000	-
Trade accounts receivable	-	1,716	539
Current accounts receivable	-	49,610	-
Receivables related to tax consolidation	-	20	-
Other receivables	-	-	-
Deposits and guarantees received	-	-	-
Trade payables	-	15	45
Current accounts payable	-	-	-
Liabilities related to tax consolidation	-	9,427	-
Other liabilities	-	-	-
Revenue	-	2,603	499
Purchases and external charges	-	18	38
Gross remuneration	298	-	-
Remuneration of the members of the Board of Directors	40	-	-
Investment income	-	15,951	-
Other financial income	-	570	-
Financial expense	-	50	-
Non-recurring expenses	-	-	-

Related-party transactions are concluded under arm's length conditions.

NOTE 5 Off-statement of financial position commitments

Note 5.1 Off-statement of financial position commitments related to ordinary activities

- €9.0 million in guarantees given to banking institutions for loans granted to BAUMERT.
- €210 thousand in guarantees given to a banking institution to secure an interest-free loan for PRODWAYS.
- €85 thousand in guarantees given to a banking institution for loans granted to STEDY PORTAGE.
- €1.0 million in guarantees given to a banking institution for a loan granted the subsidiary VIGIANS PROTECTION INCENDIE.
- €10.8 million in guarantees given to financial institutions to guarantee loans granted to ECA ROBOTICS.

In addition, the Company may have to deliver comfort letters or parent company guarantees to subsidiary customers or partners, under particular circumstances.

Note 5.2 Complex commitments

GROUPE GORGÉ, which owns 70% of the capital of SERES TECHNOLOGIES, has commitments to purchase the remainder of the share capital from the non-controlling shareholder. These commitments have been exercisable since 2021.

As a result of the merger with ECA, GROUPE GORGÉ now carries the commitments made as part of the acquisition of 60% of MAURIC's share capital. GROUPE GORGÉ is therefore committed, under certain conditions, to repurchase the shares of the non-controlling shareholders. The commitment is valid for a period of ten years from the date of signature of the shareholders' agreement entered into on 21 November 2016. In December 2017 options were exercised by executive shareholders. The shares were acquired before being sold to other MAURIC executives, at the same price. No other transaction has taken place since.

Note 5.3 Financial covenants

The syndicated loan signed in March 2021 is subject to a leverage covenant, a gearing covenant, and a change of control clause. The covenants are respected.

Note 5.4 Commitments received

GROUPE GORGÉ has a confirmed credit facility for €35 million to finance general requirements or acquisitions. This credit line can be used by GROUPE GORGÉ, GROUPE ECA and ECA ROBOTICS. At 31 December 2021, ECA ROBOTICS had used it to the tune of €25 million.

Note 5.5 Pledges, guarantees and sureties

None.

Note 5.6 Retirement pay

Retirement pay was estimated at €139.3 thousand at the reporting date.

The assumptions used to estimate the retirement pay are as follows:

- departure at the employee's initiative (voluntary departure): voluntary departure;
- assumed retirement age: 67;
- discount rate: 0.98%;
- loading rate: 45%;
- turnover: under 35 years: 10%; 35-45 years: 7%; 45-55 years: 2%; over 55 years: 0%;
- salary increase rate: 2.50%;
- mortality table: 2016-2018.

Note 5.7 Financial instruments

In 2021, GROUPE GORGÉ took out an interest rate hedge with two cap contracts providing for an interest rate cap of 0.5%. The original nominal amount was €47,550 thousand. The respective maturity dates of the two contracts are 24 March 2026 and 24 March 2027.

NOTE 6 Subsidiaries and equity interests

(in thousands of euros)	Capital *Equity*	Share *Dividends*	Gross value of securities *Net value of securities*	Loans, advances *Warranties*	Revenue *Income*
NUCLÉACTION	273	99.29%	37	18,089	398
	2,276	-	*37*	-	*(216)*
STONI	38	100%	5,690	-	-
	175	*4,641*	*175*	-	*45*
SCI CARRIÈRES	1	100%	2,844	-	-
	115	*1,145*	*115*	-	*4*
SCI DES PORTES	1	99%	1	300	65
	28	-	*1*	-	*(3)*
SERES TECHNOLOGIES	80	70%	990	-	14,706
	1,958	*280*	*990*	-	*1,300*
VIGIANS	5	100%	275	8,951	-
	(2,361)	*9,500*	*275*	-	*(2,533)*
PRODWAYS GROUP	25,632	5.95%	15,466	-	1,608
	70,073	-	*8,998*	-	*1,586*
GROUPE ECA	3,359	100%	33,272	29,509	2,319
	35,395	-	*33,272*	*60*	*2,159*
STEDY PORTAGE	200	65%	1,010	2,755	1,952
	(2,093)	-	*1,010*	*85*	*(1,376)*
VIGIANS PROTECTION INCENDIE	3,000	70%	2,100	3,926	-
	8,472	-	*2,100*	*1,050*	*(10)*
1ROBOTICS	407	81%	308	-	-
	7	-	-	-	-
WANDERCRAFT[1]	82	2.64%	500	-	698
	19,000	-	*500*	-	*(6,748)*
FINU 13	5	100%	5	1	-
	2	-	*5*	-	*(2)*
FINU 14	5	100%	5	-	-
	4	-	*5*	-	*(1)*

(1) Concerning WANDERCRAFT, the data are forecast.

NOTE 7 Other information

Note 7.1 Exceptional events and litigation

The Group is involved in various legal proceedings. After reviewing each case and seeking counsel, the provisions considered necessary have, as applicable, been recorded in the financial statements.

Note 7.2 Subsequent events

On 14 March 2022, GROUPE GORGÉ announced that it had entered into exclusive negotiations with the shareholders of IXBLUE to acquire 100% of the company's share capital. The acquisition of IXBLUE, for an enterprise value of €410 million, would be carried out by a holding company (NEWCO) to which 100% of the shares of GROUPE ECA would be contributed and/or sold. On this occasion, a cash increase of approximately €65 million would allow the deleveraging of GROUPE GORGÉ SA, which would have a positive net cash position at the end of the operation. NEWCO would finance the acquisition of IXBLUE through a €185 million syndicated loan, half of which would be amortized over six years and the other half over six and a half years, with bullet financing provided by the INTERMEDIATE CAPITAL GROUP (ICG) investment fund and several tens of millions of euros contributed by Hervé ARDITTY, IXBLUE's founding shareholder, as well as by its managers and employees. This financing would be complemented by a confirmed revolving credit line of €50 million and an unconfirmed external growth line of €50 million. The majority of NEWCO's share capital would be held by GROUPE GORGÉ, which would control over 60% of the capital and about 80% of the voting rights.

There were no significant events between 31 December 2021 and the date of the Board of Directors which approved the separate financial statements.

4.2.5 STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Financial year ended on 31 December 2021

To the Shareholders' Meeting

Opinion

In application of the assignment entrusted to us by your Shareholders' Meeting, we have conducted an audit of the GROUPE GORGÉ annual financial statements for the financial year ended 31 December 2021, as appended to this report.

We hereby certify that the annual financial statements give a true and fair view of the assets and liabilities, the financial position and the results of the Company's operations in accordance with French accounting principles.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis for the opinion

Audit framework

We have conducted our review in accordance with the professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities in view of these standards are set out in the section entitled "Statutory Auditors' responsibilities regarding the audit of the annual financial statements" in this report.

Independence

We have conducted our audit in accordance with the rules of independence set out by the French Commercial Code and the Professional Code of Ethics for the period from 1 January 2021 to the date on which our report was issued; in particular, we did not render any services prohibited by Article 5, paragraph 1 of Regulation (EU) No. 537/2014.

Justification of our assessment – Key audit points

The global crisis linked to the Covid-19 pandemic creates special conditions for the preparation and audit of financial statements for this financial year. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency have multiple consequences for companies, particularly on their activity and their financing, as well as increased uncertainties about their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on the internal organization of companies and the way in which audits are carried out.

It is in this complex and changing context that, in accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key points of the audit relating to the risks of material misstatement which, in our professional judgment, were the most significant for the audit of the annual financial statements for the financial year, as well as our responses to address such risks.

These assessments were undertaken as part of the audit of the annual financial statements, taken as a whole, approved under the conditions previously mentioned, and of the opinion we formed and expressed above. We have not expressed an opinion on individual elements contained in these annual financial statements.

Valuation of equity securities

At 31 December 2021, equity securities were recorded on the statement of financial position for a net carrying amount of €47.5 million, representing 27% of total assets. They are recognized on the date of purchase at their acquisition cost.

When the value in use of securities is lower than their net carrying value, a provision for impairment is recorded for the difference. The value in use is determined, where applicable, based on:

- the value of the share of equity of the investment;
- an analysis of the short term results and profitability outlook of the investment, in particular through the use of cash flow projections; and
- when the equity securities are listed on a stock exchange, the market capitalization of the last months.

Estimating the value in use of these securities therefore requires Management to exercise its judgement in selecting the items to consider, depending on the investments concerned.

In this respect, we considered the estimation of the value in use of equity securities a key audit point, given the representation of equity securities on the statement of financial position and inherent uncertainty linked to the likelihood of forecasts used to determine the value in use actually materializing.

Audit procedures implemented to address identified risks

Our work consisted in:

- obtaining an understanding of the value testing process implemented by Management;
- assessing the appropriateness of the valuation method applied by management, the assumptions and the figures used;
- comparing the data used to conduct impairment testing of equity securities with the accounting data or market capitalization of the last months where applicable;

- where applicable, analyzing the consistency of management's future cash flow projections with past achievements and our knowledge of the subsidiaries' activities.

We have also verified the appropriateness of the information presented in Sections 3.1 "Non-current assets" and 3.4 "Provisions" of the notes to the annual financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations.

Information provided in the management report and in the other documents sent to the shareholders with respect to the financial position and the annual financial statements

We have no matters to report as to the fair presentation and consistency with the annual financial statements of the information given in the Board of Directors' management report and in the other documents sent to shareholders on the financial position and the annual financial statements with the exception of the item below.

In application of the law, we hereby bring to your attention the fact that the information relating to customer payment terms specified by Article D. 441-6 of the French Commercial Code is incompletely discussed in the management report. Consequently, we cannot attest to their accuracy and fair presentation or their agreement with the annual financial statements.

Corporate governance report

We hereby certify the inclusion, in the Board of Directors' report on corporate governance, of the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

With regard to the information provided pursuant to the provisions of Article L. 22-10-9 of the French Commercial Code on compensation and benefits paid or awarded to corporate officers, as well as the commitments granted to them, we verified that they were consistent with those of the Company's financial statements or with the data used to prepare these financial statements and, where applicable, with the information collected by your company from the companies controlled by it that are included in the scope of consolidation. Based on this work, we attest the accuracy and fair presentation of this information.

Concerning the information relating to factors that your company considers likely to have an impact in the event of a public tender or exchange offer, provided in application of the provisions of Article L. 22-10-11 of the French Commercial Code, we verified its compliance with the documents from which it was taken and which were provided to us. On the basis of this work, we have no observations to make regarding this information.

Other information

Pursuant to French law, we have verified that the various information relating to the identity of shareholders and holders of voting rights has been properly disclosed in the management report.

Other verifications or information required under legal and regulatory texts

Format of the annual financial statements intended to be included in the annual financial report

In accordance with the professional standards on the Statutory Auditors' work relating to the annual and consolidated financial statements presented in the single European electronic reporting format, we have also verified the compliance with this format, defined by Delegated Regulation (EU) No. 2019/815 of 17 December 2018, in the presentation of the annual financial statements intended to be included in the annual financial report mentioned in section I of Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chairman.

On the basis of our work, we conclude that the presentation of the annual financial statements intended to be included in the annual financial report complies, in all material respects, with the single European electronic reporting format.

It is not our responsibility to verify that the annual financial statements that will in effect be included by your company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of Statutory Auditors

RSM Paris was appointed as Statutory Auditors of GROUPE GORGÉ by your Shareholders' Meeting of 13 June 2018 and PricewaterhouseCoopers Audit by the Shareholders' Meeting of 17 June 2015.

At 31 December 2021, RSM Paris was in the fourth consecutive year of its mission and PricewaterhouseCoopers Audit was in the seventh year.

Responsibilities of Management and those in charge of corporate governance in relation to the annual financial statements

It is Management's responsibility to prepare fair and accurate annual financial statements in compliance with French accounting principles, and to implement the internal control procedures which it deems necessary for the preparation of annual financial statements free of any material misstatements, whether resulting from fraud or errors.

In preparing the annual financial statements, it is Management's responsibility to assess the company's ability to continue trading as a going concern, to present, where relevant, the necessary information relating to business continuity, and to apply the going concern principle of accounting, unless there are plans to liquidate or cease the company's activity.

The Audit Committee is responsible for monitoring the preparation of financial information and for verifying the effectiveness of the internal control and risk management systems and, where applicable, of the internal audit, with regard to the procedures for preparing and processing accounting and financial information.

These annual financial statements have been approved by the Board of Directors.

Statutory Auditors' responsibilities regarding the audit of the annual financial statements

Audit objective and approach

We are tasked with preparing a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements, taken as a whole, are free of material misstatements. Reasonable assurance means a high level of assurance, however without any guarantee that an audit conducted in accordance with professional standards will systematically detect any material misstatement. Misstatements may be the result of fraud or errors, and are considered material when, individually or combined, they can be reasonably expected to impact economic decisions taken based on the financial statements.

As set out in Article L. 823-10-1 of the French Commercial Code, our assignment to certify the financial statements does not involve guaranteeing the sustainability or quality of the management of your company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises their professional judgement throughout the entire audit. Furthermore:

- the Statutory Auditor identifies and assesses the risk of material misstatement in the annual financial statements, whether the result of fraud or errors, defines and implements audit procedures to address such risks, and gathers adequate and appropriate information on which to form an opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from an error, given that fraud may imply collusion, falsification, willful omissions, false statements or the circumvention of internal control;
- the Statutory Auditor acknowledges internal control processes relevant to the audit, in order to define suitable audit procedures, and not for the purpose of expressing an opinion on the effectiveness of such internal control;
- the Statutory Auditor assesses the appropriateness of the accounting policies adopted and the soundness of accounting estimates made by Management, as well as information concerning them provided in the annual financial statements;
- the Statutory Auditor assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is founded on information obtained up until the date of the report, it being specified, however, that subsequent circumstances or events may jeopardize business continuity. If the Statutory Auditors identify significant uncertainty, they highlight such uncertainty in their report by drawing readers' attention to the corresponding information presented in the annual financial statements, or, if this information has not been provided or is not relevant, issue certification with reserves or refuse to certify;
- the Statutory Auditor assesses the overall presentation of the annual financial statements and determines whether they provide a true and fair reflection of the underlying transactions and events.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also bring to its attention, where appropriate, the significant weaknesses of the internal control that we have identified with regard to the procedures relating to the preparation and processing of accounting and financial information.

The information provided in the report to the Audit Committee includes the risks of material misstatements that we deemed to be the most significant for the audit of the annual financial statements for the financial year, and which constitute key audit points, which we are required to include in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and the profession's Code of Ethics. Where necessary, we discuss the potential risks to our independence and the safeguard measures applied with the Audit Committee.

Done in Neuilly-sur-Seine and Paris on 14 April 2022

The Statutory Auditors

PricewaterhouseCoopers Audit	**RSM Paris**
Christophe DRIEU	Stéphane MARIE


Advanced Environment
Ongoing Projects 2017
Ongoing Projects 2018

5

INFORMATION ABOUT THE COMPANY, ITS SHARE CAPITAL AND SHAREHOLDERS

5.1 INFORMATION ABOUT THE COMPANY

5.1.1 GENERAL INFORMATION

Company name

GROUPE GORGÉ SA

Place of registration and registration number

RCS Paris 348 541 186 (France)

Code ISIN FR0000062671 – GOE

Date of incorporation and term

GROUPE GORGÉ was formed on 3 November 1988. Its term is 99 years, to expire on 3 November 2087.

Head office, legal form and applicable law

Head office address:

30 rue de Gramont, 75002 Paris (France)

Telephone: +33 (0)1 44 77 94 77

The Company is a public limited company (*société anonyme*) under French law with a Board of Directors.

Legal Entity Identifier (LEI)

549300EWC06TYV07XE53

5.1.2 CORPORATE CHARTER AND BYLAWS

Corporate object

As set forth in Article 3 of the bylaws, the Company's purpose is to:

- undertake any transaction directly or indirectly related to managing the securities portfolio, buying and selling securities and any related transactions, and investing liquidities;
- acquire, manage and transfer by any means holdings in any commercial or industrial companies;
- generally undertake any transaction directly or indirectly related to these purposes or to similar or related purposes.

Provisions of the bylaws, a charter or regulations related to the members of administrative, management and supervisory bodies

Pursuant to GROUPE GORGÉ's bylaws, the Board of Directors consists of three to 18 members subject to the exceptions provided for by law in the event of a merger. The term of office of the Directors is six years and is renewable.

Directors can be natural or legal persons. At the time of appointment, legal persons must appoint a permanent representative who is subject to the same conditions and obligations and incurs the same liability as if he or she were a Director in his/her own name, without prejudice to the joint and several liability of the legal entity he or she represents.

The number of Directors over the age of 70 may not exceed one third of the Directors in office. For the calculation of this ratio, the person of the founder of the Company, Mr. Jean-Pierre GORGÉ, is not taken into account in the number of Directors over the age of 70.

Rights, privileges and restrictions attaching to each class of existing shares

There are no privileges or restrictions attached to certain shares or classes of shares.

"With respect to the percentage of share capital that they represent, double voting rights are conferred upon all fully paid-up shares which have been held in registered form for at least four (4) years in the name of the same holder. In the event of a share capital increase by incorporating reserves, profits or premiums, this double voting right will be attached on the date of their issuance to the new registered shares allotted free of charge to a shareholder in consideration for the old shares giving rise to such right."

(Extract from Article 12 of the bylaws)

General shareholders' meetings

"Shareholders' meetings are convened and deliberate under the terms and conditions set by the law.

Shareholder resolutions are made at Ordinary, Extraordinary or Special shareholders' meetings depending on the type of decision.

Shareholders' meetings are convened by the Board of Directors, or, failing that, by those individuals named by the French Commercial Code, particularly the statutory auditors or a court-appointed agent as provided by law.

Meetings are held at the head office or in any other location stated in the convocation.

Shareholders' meetings are convened as provided by the regulations in force.

Any shareholder, regardless of the number of shares he or she holds, has the right to attend and vote at the shareholders' meetings, whether in person, by proxy, or by remote voting, under the conditions and within the time limits laid down by the regulations in force.

Shareholders may, under the conditions laid down by the legislation in force, send their voting form by mail for any shareholders' meeting, either as a printed paper copy or, on a decision by the Board of Directors recorded in the meeting notice and the convening notice, as an electronic copy.

Shareholders may, on a decision by the Board of Directors, attend and vote at any shareholders' meeting by means of video-conference or any means of telecommunication, under the conditions laid down by the regulations in force. This decision is included in the meeting notice published in the *Bulletin des Annonces Légales Obligatoires* (BALO). These shareholders are thereupon considered to be in attendance at the meeting, for the purpose of counting the *quorum* and majority.

Postal voting forms and proxies granted to be represented at a meeting may include an electronic signature by the shareholder or his or her legal or court-appointed representative, in the form of a process in compliance with the requirements of Article 1316-4, paragraph 2, of the French Civil Code, namely a reliable identification process guaranteeing its connection with the instrument to which it relates.

All shareholders have the right to access the documents required to be able to make an informed decision on the Company's management and situation.

The laws and regulations determine the type of documents as well as how they are sent and made available to shareholders.

The officers of the meeting certify as accurate the attendance sheet, duly signed by the attending shareholders and their proxies and to which shall be appended the powers of attorney awarded to each proxy and, where applicable, the vote-by-mail forms.

The meetings are presided over by the Chairperson of the Board of Directors or, in his or her absence, by a Deputy Chairperson or another Director specially appointed for this purpose by the Board. Failing such measures, the shareholders' meeting appoints the Chairperson of the meeting itself.

The duties of scrutineer shall be performed by the two shareholders, present and accepting such duties, who hold the largest number of shares, either on their own behalf or as proxy-holders. The officers so appointed shall appoint the Secretary, who does not need to be a shareholder.

The minutes of the meetings will be prepared and copies or excerpts of the proceedings will be certified in accordance with law.

Ordinary and Extraordinary shareholders' meetings, ruling under the conditions of *quorum* and majority required by the provisions that govern them respectively, exercise the powers granted to them by law."

(Extract from Article 22 of the bylaws)

Crossing of ownership thresholds

The Company's bylaws include an obligation to report crossing the thresholds of 2%, 3% and 4%.

"In addition to the applicable regulation governing the crossing of thresholds, any physical or legal person who, alone or together, comes to hold or ceases to hold, in any manner whatsoever, a number of shares representing more than 2%, 3% or 4% of the capital or voting rights, is required to notify the Company within a period of ten calendar days from the crossing of one of these thresholds, of the number of shares, securities giving access to the share capital and voting rights attached thereto, that it holds. For the purposes of application of this statutory obligation, the participation thresholds are determined under the same conditions as legal participation thresholds.

In the event of non-compliance with the statutory requirement, the shares exceeding the undeclared fraction shall be deprived of voting rights for any shareholders' meeting held up until the expiry of a period of two years following the date of regularization, at the request, recorded in the minutes of the shareholders' meeting, of one or more shareholders holding 5% at least of the share capital."

(Extract from Article 10 of the bylaws).

5.2 SHARE CAPITAL

5.2.1 TOTAL SUBSCRIBED SHARE CAPITAL AND POTENTIAL SHARE CAPITAL

At 31 December 2021, the Company's share capital comprised 17,424,747 fully-paid up shares with a nominal value of €1 each.

There are no potential shares relating to stock option, stock warrant or free share allocation plans, or other securities that may be convertible, exchangeable or associated with stock warrants, or acquisition rights and/or obligations attached to subscribed but not paid-up capital.

5.2.2 TREASURY SHARES

Share buybacks

The share buybacks in 2021 took place under the authorizations granted by the shareholders' meetings of 8 June 2020 and 18 June 2021.

a) Number of shares bought and sold during the financial year in accordance with Articles L.225-208, L. 225-209 and L.225-209-1 of the French Commercial Code and average purchase and sale price

In 2021, within the framework of the liquidity contract, 162,206 GROUPE GORGÉ shares were repurchased by the Company under the authorization granted by the shareholders' meetings of 8 June 2020 and 18 June 2021. These shares were repurchased at an average price of €15.45 per share, for a total cost of €2,506,330. In addition, 161,685 GROUPE GORGÉ shares were sold in 2021 at an average price of €15.44 per share (total of €2,496,218).

In addition, GROUPE GORGÉ purchased 213,583 shares in 2021 outside its liquidity contract, with the aim of cancelling the shares. These shares were acquired for €3,218 thousand, *i.e.* an average price of €15.07.

b) Trading charges

In 2021, the trading costs consisted of the liquidity contract fees, which amounted to €22,917, and transaction costs outside the liquidity contract of approximately €8,900.

c) The number of shares registered in the Company's name at the end of the financial year and their value at purchase price – Fraction of the share capital that they represent

At 31 December 2021, GROUPE GORGÉ held 4,869 treasury shares (*i.e.* 0.03% of its share capital), valued at €77,372 on the statement of financial position (€79,754 at the stock market price of €16.38 on 31 December 2021), in order to regularize the share price. GROUPE GORGÉ also held 308,107 treasury shares (*i.e.* 1.77% of its share capital), valued at €4,368 thousand on the statement of financial position (€5,046,793 euros at the stock market price of €16.38 on 31 December 2021), with a view to cancellation.

The above number of shares and figures are given on the basis of a nominal value of €1 per share and 17,424,747 shares making up the share capital at 31 December 2021.

The treasury shares are recorded in the statement of financial position of GROUPE GORGÉ SA under "Cash and cash equivalents".

d) Cancelation of Company shares during the 2021 financial year

In 2021, the Company did not use the authorizations granted by the combined shareholders' meetings of 8 June 2020 and 18 June 2021 to reduce the share capital by cancelling shares owned by the Company up to 10% of the share capital for every 24-month period.

e) Number of shares potentially used

Repurchased shares may be used to:

- transfer shares when exercising the rights attached to securities giving access to the share capital by reimbursement;
- grant stock options to employees;
- cancel all or part of the shares thus repurchased;
- provide securities in payment or exchange for acquisitions;
- stabilize the share's stock market price.

f) Potential reallocation for other purposes decided during the 2021 financial year

None.

Renewal of the share repurchase program – Description of the share repurchase program

The authorization of the Board of Directors, with the option of sub delegation, to renew the share buyback program by the Company of its own shares will be requested at the shareholders' meeting of 16 June 2022 (sixteenth resolution).

The purpose of this authorization is to enable the Company to trade in its treasury shares, as provided for by law, in order to:

- stimulate the secondary market or the liquidity of Company shares through the intermediary of an investment service provider under a liquidity contract that complies with the practices permitted by the regulations in effect. It should be noted that in this context, the number of shares taken into account for the calculation of the aforementioned limit corresponds to the number of shares purchased, after deduction of the number of shares resold;
- retain the purchased shares and subsequently use them in payment or exchange in potential external growth transactions;
- provide coverage for stock option plans and/or free share allotments (or similar plans) for Group employees and/or corporate officers as well as all share allotments to Group or Company savings plans (or similar plans), under profit-sharing schemes and/or all other forms of share allotment to Group employees and/or corporate officers;
- provide coverage for transferable securities giving entitlement to the assignment of shares in the Company under the regulations in force;
- possibly cancel the acquired shares, in accordance with the authorization granted or to be granted by the Extraordinary shareholders' meeting;
- and more generally, carry out any objective authorized by law or any market practice approved by market authorities.

This authorization falls within the legal scope of Article L.225-209 of the French Commercial Code:

- it would be valid for a maximum period of 18 months and, as from its adoption by the shareholders' meeting and for the remaining balance, it would cancel and replace any prior delegation of authority to the Board of Directors to allow the Company to trade in its own shares;
- the maximum amount of shares which the Board of Directors may acquire cannot exceed 10% of the total number of shares forming the share capital; it being specified that the Company may not hold more than 10% of the shares forming the share capital at any time;
- the maximum purchase price per share would be set at €50.

In the event that the capital is increased through capitalization of reserves and allocation of free shares, as well as in the event of a share split, reverse share split or any other transaction affecting equity, the shareholders' meeting would delegate to the Board of Directors the power to adjust the aforementioned prices in such a way as to allow for the impact of such transactions on the share value.

It is understood that these transactions must be performed in compliance with the rules laid down in Articles 241-1 to 241-7 of the General Regulation of the French Financial Markets Authority (Autorité des Marchés Financiers) as regards market trading conditions and timing.

5.2.3 ADDITIONAL INFORMATION ON THE SHARE CAPITAL

Table of the history of the development of the Company's share capital

Date	Operations	Number of shares before	Number of shares after	Par value *(in euros)*	Additional paid-in capital *(in euros)*	Share capital after *(in euros)*
24 February 1998	Share capital increase (listing on secondary market)	900,000	1,050,000	FRF 10	FRF 29,822,332	FRF 10,500,000
25 February 2000	Share capital increase by incorporating an amount deducted from the issuance premium line item	1,050,000	1,050,000	FRF 32.79	FRF (23,937,742.50)	FRF 34,429,500
25 February 2000	Conversion of share capital into euros and a share capital increase to take into account the exchange rate.	1,050,000	1,050,000	5	(3,649,285.32)	5,250,000
18 February 2005	Stock split to reduce the nominal value of the Company's shares from €5 to €1	1,050,000	5,250,000	1	-	5,250,000
24 November 2005	Share capital increase following a conversion of bonds.	5,250,000	6,183,689	1	12,183,158.06	6,183,689
25 July 2007	Share capital increase following a dividend payment in shares	6,183,689	6,323,321	1	2,073,535.20	6,323,321
30 June 2009	Reduction of share capital by allocation to a share premium account	6,323,321	6,323,321	0.01	6,260,087.79	63,233.21
	Share capital increase resulting from the merger-absorption of BALISCO	6,323,321	11,553,735	0.01	689,581.79	115,537.35
27 July 2009	Increase in the nominal value of the Company's shares by incorporating the premium	11,553,735	11,553,735	1	(11,438,197.65)	11,553,735
22 April 2010	Share capital increase resulting from the acquisition of shares granted under a free share allocation plan	11,553,735	11,574,403	1	-	11,574,403
27 December 2011	Share capital increase in cash	11,574,403	12,731,843	1	7,500,211.20	12,731,843
8 June 2012	Dividend payment taken from the premiums	12,731,843	12,731,843	1	(1,363,158.42)	12,731,843
6 June 2013	Charging of a portion of 2012 losses against additional paid-in capital.	12,731,843	12,731,843	1	(1,422,063.89)	12,731,843
6 June 2013	Dividend payment taken from the premiums	12,731,843	12,731,843	1	(4,074,189.76)	12,731,843
11 March 2014	Share capital increase following the exercise of share issue warrants	12,731,843	12,781,843	1	1,011,167.45	12,781,843
26 March 2014	Share capital increase following the exercise of share issue warrants	12,781,843	12,881,843	1	1,769,798.00	12,881,843
3 April 2014	Share capital increase following the exercise of share issue warrants	12,881,843	12,981,843	1	1,852,223.10	12,981,843
15 July 2014	Share capital increase following the exercise of share issue warrants	12,981,843	13,031,843	1	854,808.15	13,031,843
8 December 2014	Share capital increase following the exercise of share issue warrants	13,031,843	13,081,843	1	934,437.50	13,081,843

Date	Operations	Number of shares before	Number of shares after	Par value *(in euros)*	Additional paid-in capital *(in euros)*	Share capital after *(in euros)*
9 April 2015	Share capital increase following the exercise of share issue warrants	13,081,843	13,156,843	1	1,519,302.30	13,156,843
15 April 2015	Share capital increase following the exercise of share issue warrants	13,156,843	13,181,843	1	506,434.10	13,181,843
8 July 2015	Share capital increase following the exercise of share issue warrants	13,181,843	13,231,843	1	1,123,978.95	13,231,843
15 July 2015	Share capital increase following the exercise of share issue warrants	13,231,843	13,281,843	1	1,122,971.95	13,281,843
7 October 2015	Share capital increase following the exercise of share issue warrants	13,281,843	13,311,843	1	600,921.67	13,311,843
14 October 2015	Share capital increase following the exercise of share issue warrants	13,311,843	13,366,843	1	1,100,697.89	13,366,843
30 March 2016	Share capital increase following the exercise of share issue warrants	13,366,843	13,409,843	1	861,951.80	13,409,843
30 May 2016	Share capital increase resulting from the acquisition of shares granted under a free share allocation plan	13,409,843	13,424,843	1	-	13,424,843
31 May 2016	Share capital increase following the exercise of share issue warrants	13,424,843	13,439,843	1	296,033.70	13,439,843
10 October 2016	Share capital increase following the exercise of share issue warrants	13,439,843	13,444,843	1	90,543.40	13,444,843
20 October 2016	Share capital increase following the exercise of share issue warrants	13,444,843	13,449,843	1	89,163.00	13,449,843
21 October 2016	Share capital increase following the exercise of share issue warrants	13,449,843	13,454,843	1	89,163.00	13,454,843
25 October 2016	Share capital increase following the exercise of share issue warrants	13,454,843	13,459,843	1	89,360.20	13,459,843
9 December 2016	Share capital increase following the exercise of share issue warrants	13,459,843	13,469,843	1	179,509.20	13,469,843
14 December 2016	Share capital increase following the exercise of share issue warrants	13,469,843	13,474,843	1	89,163.00	13,474,843
26 December 2016	Share capital increase following the exercise of share issue warrants	13,474,843	13,484,843	1	179,312.00	13,484,843
28 December 2016	Share capital increase following the exercise of share issue warrants	13,484,843	13,489,843	1	89,656.00	13,489,843
29 December 2016	Share capital increase following the exercise of share issue warrants	13,489,843	13,495,843	1	108,947.88	13,495,843
27 January 2017	Share capital increase following the exercise of share issue warrants	13,495,843	13,502,843	1	114,913.02	13,502,843
30 December 2020	Share capital increase resulting from the merger-absorption of ECA	13,502,843	17,424,747	1	1,699,881.27	17,424,747

Table of delegations valid on 21 March 2022 granted by the shareholders' meeting to the Board of Directors in the area of share capital increases

Date	Delegation	Validity	Maximum nominal mount	Use
CSM of 18/06/2021 (17th resolution)	Delegation of authority to increase the share capital by incorporation of reserves, profits and/or premiums	26 months	€5,000,000	None
CSM of 18/06/2021 (18th resolution)	Delegation of authority to issue ordinary shares giving, as applicable, access to ordinary shares (of the Company or a Group company) or entitlement to the allocation of debt securities and/or transferable securities giving access to ordinary shares to be issued (by the Company or a Group company) with shareholders' pre-emptive subscription rights	26 months	€5,000,000(1) €50,000,000(2) (securities representing receivables giving access to the share capital)	None
CSM of 18/06/2021 (19th resolution)	Delegation of authority to issue ordinary shares giving access to ordinary shares (of the Company or a Group company) or to the allocation of debt securities, and/or transferable securities giving access to ordinary shares to be issued (by the Company or by a Group company), with cancelation of the shareholders' pre-emptive subscription right, by public offering (excluding the offers referred to in Article L.411-2-1 of the French Monetary and Financial Code) and/or in consideration of securities in the context of a public exchange offer	26 months	€5,000,000(3) €50,000,000(3) (securities representing receivables giving access to the share capital)	None
CSM of 18/06/2021 (20th resolution)	Delegation of authority to issue ordinary shares giving, as applicable, access to ordinary shares (of the Company or a Group company) or entitlement to the allocation of debt securities and/or transferable securities giving access to ordinary shares to be issued (by the Company or a Group company), with cancelation of the shareholders' pre-emptive subscription right, by an offer referred to in Article L.411-2-1 of the French Monetary and Financial Code (private placement).	26 months	€3,000,000 (legal limit of 20% of the share capital per year)(3) €30,000,000(3) (securities representing receivables giving access to the share capital)	None
CSM of 18/06/2021 (21st resolution)	Determining the terms for setting the subscription price in the case of waiver by shareholders of their pre-emptive subscription rights, subject to the annual limit of 10% of the share capital	26 months	10% of the share capital per year, for an issue of ordinary shares or transferable securities pursuant to the 19th and 20th resolutions of the CSM of 18/06/2021	None
CSM of 18/06/2021 (23rd resolution)	Delegation of authority to increase the number of securities to be issued in the event of excess demand during a capital increase pursuant to the 19th, 20th and 22nd resolutions of the CSM of 18/06/2021	26 months	15% of the amount of the initial issue (according to Articles L.225-135-1 and R.225-118 of the French Commercial Code)(3)	None
CSM of 18/06/2021 (24th resolution)	Delegation of authority to increase the share capital by issuing ordinary shares and/or securities giving access to the share capital up to a limit of 10% of the share capital in order to remunerate contributions in kind of shares or securities giving access to the share capital	26 months	10% of the share capital at the date of 18 June 2021(3)	None
CSM of 18/06/2021 (22nd resolution)	Delegation of powers to increase the share capital through the issue of ordinary shares or equity securities giving access to other equity securities or rights to the allocation of debt securities, and/or transferable securities giving access to equity securities to be issued, with cancelation of the shareholders' pre-emptive subscription rights, in favor of a category of persons who will underwrite the Company's capital securities that might result therefrom in connection with an equity line of financing	18 months	€3,000,000(3) €30,000,000(3) (securities representing receivables giving access to the share capital)	None
CSM of 18/06/2021 (25th resolution)	Authorization to grant stock options to employees and/or certain company officers	38 months	5% of the Company's share capital	None
CSM of 18/06/2021 (26th resolution)	Authorization to allocate existing or future free shares to employees and/or certain company officers	38 months	5% of the Company's share capital	None
CSM of 18/06/2021 (27th resolution)	Delegation of authority to increase the share capital for the benefit of the members of a company savings plan.	26 months	3% of the Company's share capital	None

(1) This ceiling includes the nominal amount of the capital increases that may be carried out pursuant to the 19th, 20th, 22nd, 23rd and 24th resolutions of the combined shareholders' meeting of 18 June 2021.
(2) This ceiling includes the nominal amount of the capital increases that may be carried out pursuant to the 19th, 20th, 22nd and 23rd resolutions of the combined shareholders' meeting of 18 June 2021.
(3) With deduction from the overall ceiling provided for in the 18th resolution of the combined shareholders' meeting of 18 June 2021.

5.3 SHAREHOLDING

5.3.1 BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS

The share capital and voting rights break down as follows:

	31 December 2021				31 December 2020			
	Shares	**% of share of capital**	**Voting rights exercisable at SM(1)**	**% of voting rights exercisable at SM**	Shares	% of share of capital	Voting rights exercisable at SM(2)	% of voting rights exercisable at SM
GORGÉ family(1)	7,626,449	43.77%	14,946,293	60.52%	7,630,100	43.79%	15,013,045	60.04%
Treasury shares	312,976	1.80%	-	-	100,772	0.58%	-	-
Public	9,485,322	54.44%	9,748,714	39.48%	9,693,875	55.63%	9,900,029	39.96%
TOTAL	**17,424,747**	**100%**	**24,695,007**	**100%**	**17,424,747**	**100%**	**25,003,074**	**100%**

(1) *"GORGÉ Family" refers to shares held directly by Jean-Pierre GORGÉ, founder of the Group, i.e. 115,409 shares, and those held directly by Raphaël GORGÉ, i.e. 118,315 shares, as well as the shares held by PÉLICAN VENTURE SAS, a holding company controlled by three members of the GORGÉ family.*
(2) *The voting rights exercisable at the shareholders' meeting do not include treasury shares. The number of theoretical votes may be obtained by adding the number of votes exercisable at the shareholders' meeting to the number of treasury shares.*

In January 2021, Raphaël GORGÉ declared that he had sold 50,000 shares to PÉLICAN VENTURE, the holding company of the GORGÉ family. These shares then lost their double voting rights.

In January 2021:

- FINANCIÈRE ARBEVEL, acting on behalf of the funds it manages, declared that it had crossed above the threshold of 5% of the share capital and held 5.98% of the capital and 4.53% of the voting rights of the Company;
- AMUNDI, as part of its UCITS management activities, declared that it had crossed above the statutory threshold of 3% of the share capital (3.44%) and the statutory threshold of 2% of the voting rights (2.59%);
- AXA INVESTMENT MANAGERS, as part of its portfolio management activities of its subsidiaries, declared that it had crossed below the statutory threshold of 3% of the share capital and held 2.63% of the capital and 1.83% of the voting rights.

In February 2021, QUAERO CAPITAL FUNDS, managed by QUAERO CAPITAL SA, announced that it had crossed above, on 12 February 2021, the statutory threshold of more than 4% of the share capital (4.006%).

In March 2021, AXA INVESTMENT MANAGERS declared that it had crossed above the statutory thresholds of 3% of the share capital and 2% of the voting rights and that it held 3.41% of the share capital and 2.37% of the voting rights.

In May 2021, FINANCIÈRE ARBEVEL, acting on behalf of the funds it manages, declared that it had crossed below the threshold of 5% of the share capital and held 4.87% of the share capital and 3.69% of the voting rights of the Company;

In January 2022, Raphaël GORGÉ declared that he had sold 29,346 shares to PÉLICAN VENTURE, the holding company of the GORGÉ family.

In March 2022, PÉLICAN VENTURE declared the acquisition of 10,000 GROUPE GORGÉ shares.

To the Company's knowledge, since the reporting date, no significant changes in shareholding have occurred and there are no shareholders, other than those mentioned above, directly or indirectly holding 2% or more of the Company's share capital or voting rights.

5.3.2 VOTING RIGHTS OF THE MAJOR SHAREHOLDERS

In accordance with the Company's bylaws, GROUPE GORGÉ shares that have been held in registered form for more than four years carry double voting rights. As such, PÉLICAN VENTURE holds a certain number of shares with double voting rights (see table above).

To the Company's knowledge no shareholder's or other agreement exists that could result in a change of control of the Company.

5.3.3 CONTROLLING SHAREHOLDERS

The Company is controlled by the GORGÉ family through PÉLICAN VENTURE.

Three Independent Directors sit on GROUPE GORGÉ's Board of Directors. Having Independent Directors (who have no association with the Company, its group or its management that is such as to influence their free judgement) ensures that there is no abuse or misuse of power as these Independent Directors could take the appropriate action if any such abuse were discovered. One of these Directors is also Chairperson of the Company's Audit Committee.

5.3.4 INFORMATION LIABLE TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER

Holders of shares registered in their names for more than four years enjoy double voting rights.

The Company is controlled by the GORGÉ family through PÉLICAN VENTURE.

5.3.5 EMPLOYEE SHAREHOLDING

The Group's existing share subscription or purchase option plans, free share grants and warrant grant plans are described in Note 5.4 of the notes to the consolidated financial statements.

In accordance with the provisions of Article L.225-102 of the French Commercial Code, it should be noted that at 31 December 2021:

- no employees' shares were held under collective management;
- Group employees hold 27,334 GROUPE GORGÉ registered shares following the acquisition of shares under free share allocation plans.

5.4 FINANCIAL COMMUNICATION (FINANCIAL CALENDAR, SHARE PERFORMANCE, DIVIDEND POLICY, ETC.)

5.4.1 STOCK MARKET INFORMATION

Change in price and volume traded on Euronext

Month	High *(in euros)*	Low *(in euros)*	Number of shares traded	Capital *(in euros)*
January 2021	12.30	9.49	1,202,767	13,098,180
February 2021	12.79	11.07	650,756	7,698,643
March 2021	12.90	11.13	653,450	7,876,498
April 2021	12.58	11.54	320,248	3,860,865
May 2021	11.95	10.73	394,215	4,538,450
June 2021	12.37	11.24	315,445	3,703,076
July 2021	12.06	10.56	298,943	3,368,829
August 2021	12.31	11.12	256,589	3,024,041
September 2021	12.22	11.20	237,568	2,753,044
October 2021	12.06	10.62	441,511	5,062,559
November 2021	12.67	11.21	462,039	5,508,083
December 2021	17.10	11.33	807,632	11,180,477
January 2022	17.54	14.74	520,253	8,505,813
February 2022	15.80	13.20	274,521	3,989,468

Source: Euronext.

GROUPE GORGÉ shares are listed in compartment B of Euronext Paris. Compartment B comprises listed companies with a market capitalization between €150 million and €1 billion.

Since 1 April 2014, GROUPE GORGÉ meets all the eligibility criteria for the French PEA-SME tax-efficient investment regime (in accordance with Decree No. 2014-283), *i.e.* it has fewer than 5,000 employees and has annual revenue of less than €1,500 million or total assets of less than €2,000 million. These criteria apply to the entire Group.

GROUPE GORGÉ also joined the CAC PEA-PME index on 1 April 2014. This index, compiled by EURONEXT and launched on 27 February 2014, comprises 40 stocks from its listed SME and mid-tier firms which qualify as PEA-SMEs.

The GROUPE GORGÉ share has been included in the SRD Long-only deferred settlement list since 29 December 2014. The SRD Long-only listing should help improve the share's liquidity.

5.4.2 DIVIDEND DISTRIBUTION POLICY

The Company intends to pay dividends, but it has not defined a systematic policy with respect to the apportionment of its profits between dividends and the financing of its operations.

The dividends approved by the shareholders' meeting in previous financial years totaled:

- 2016: none;
- 2017: dividend per share of €0.32 (13,502,843 shares), or a total dividend of €4,320,909.76;
- 2018: dividend per share of €0.32 (13,502,843 shares), or a total dividend of €4,320,909.76;
- 2019: dividend per share of €0.32 (13,502,843 shares), or a total dividend of €4,320,909.76;
- 2020: dividend per share of €0.32 (17,424,747 shares), or a total dividend of €5,575,919.04.

In December 2021, the Company also made an exceptional distribution in kind of PRODWAYS GROUP shares (three PRODWAYS GROUP shares for two GROUPE GORGÉ shares), representing the equivalent of, at the stock market price on the day of the distribution, €4.11 per PRODWAYS GROUP share.

Following this significant distribution, GROUPE GORGÉ will propose to the shareholders' meeting of 16 June 2022 not to pay an ordinary dividend in respect of the 2021 financial year. This decision is part of the merger between GROUPE ECA and IXBLUE, the financing of which mobilizes the Group's resources, thus avoiding a capital increase and dilution for shareholders.

5.4.3 INFORMATION DOCUMENTS

The Company communicates with its shareholders primarily *via* its website (www.groupe-gorge.com), its Twitter account, and the financial press agency ACTUSNEWSWIRE.

The quarterly, half-yearly and annual financial results are disclosed in press releases according to the indicative timetable below:

- Q1 2022 revenue: 21 April 2022;
- shareholders' meeting: 16 June 2022;
- Q2 2022 revenue: 27 July 2022;
- HY 2022 financial results: 19 September 2022;
- Q3 2022 revenue: 19 October 2022;
- Q4 2022 revenue: end February 2023.

The 2021 financial results were announced on 21 March 2022.

During the period of validity of the Universal Registration Document, the following documents may be consulted at the Company's head office:

- the latest updated version of the Company's bylaws;
- all reports, correspondence and other documents part of which is included or referred to in this Universal Registration Document.

The annual reports are available at the Company's head office, 30 rue de Gramont, 75002 Paris, as well as on the website www.groupe-gorge.com. The Company's press releases are relayed *via* professional broadcasting services (ACTUSNEWSWIRE) that can be consulted on the main stock exchange websites, accessible to all audiences, such as BOURSORAMA, BOURSIER.COM, EURONEXT, etc.

The Company's website contains all of GROUPE GORGÉ's up-to-date financial information. All GROUPE GORGÉ press releases are readily available on it, as are all documents of relevance to shareholders such as Registration Documents, half-year consolidated financial statements and information on share buybacks.

GROUPE GORGÉ participates in Small cap and/or Midcap events, road shows, as well as other events throughout the year where the Group can present its activities and results to analysts, investors and shareholders. The Group also organizes investor and analyst visits during the Group's most important trade exhibitions throughout the year.

A Securities Service directly administers fully registered shares free of charge. Shareholders who wish to register their securities in this form may send their request to CACEIS Financial Services, 14 rue Rouget-de-Lisle, 92862 Issy-les-Moulineaux Cedex 09, France, or to their own financial advisor.

Our shareholder/investor contact, ACTUS FINANCE (52, rue de Ponthieu – 75008 Paris), is available for all questions about news and the various press releases about the Group.

6

OUR VALUES, OUR EMPLOYEES AND OUR CSR COMMITMENTS

6.1 GENERAL APPROACH AND METHODOLOGY

6.1.1 SPECIFIC CONTEXT OF THE NON-FINANCIAL PERFORMANCE STATEMENT

In accordance with Article R.225-105 of the French Commercial Code, GROUPE GORGÉ produces a non-financial performance statement (NFPS) for the Group scope. This statement is verified by an independent third-party entity.

This Non-Financial Performance Statement is a new step, which fits in with the continuous improvement process of the Group's social, environmental and economic commitment.

Reporting scope

The information presented in this report is consolidated and relates to the main French and Belgian subsidiaries at 31 December 2021, *i.e.* 10 subsidiaries in 2021, of which three entering the scope (the "3D Printing" division, representing 7 subsidiaries, left the scope at the end of the financial year) compared with 15 subsidiaries in 2020.

At the end of 2021, the latter represented 97% of the Group's workforce and 98% of its revenue, compared with 89% of its workforce and 88% of its revenue in 2020 (94% and 93%, respectively, on a like-for-like basis). For practical and organizational reasons within the Group, it seemed relevant to retain this materiality threshold. Subsidiaries that fall below this materiality threshold do not present any significant risk.

It should be noted that BAUMERT, classed under discontinued operations, is included in the scope of reporting.

Governance and reporting of the CSR indicators

The production of Corporate Social Responsibility (CSR) indicators requires setting up a system for reporting information to the GROUPE GORGÉ Financial Department. A protocol that describes the CSR indicators in a precise, consistent manner has been established.

Two years ago, the Group strengthened its data collection process with the appointment in each subsidiary of two CSR managers (HR and QHSE or CFO) in order to have access to contacts and accelerate the development of CSR practices at local level within its subsidiaries. The Group now organizes an annual meeting with all the contact persons of the subsidiaries to present the results of the previous campaign, the news of the upcoming campaign and raise their awareness of these issues.

At the end of 2020, GROUPE GORGÉ also strengthened its CSR governance through the increasing involvement of the Board of Directors. It appointed Hélène de COINTET, Group Deputy Chief Executive Officer, as CSR Officer, to lead the progress across the Group. In addition, it will be proposed to the shareholders' meeting to introduce CSR criteria in the calculation of executive remuneration; these criteria would represent up to 15% of the variable portion.

The Group has decided to set targets for the coming years in line with its strategic and CSR challenges. These targets concern:

- talent retention, employee skills development and well-being of employees, with the aim of reducing the employee departure rate;
- reducing GROUPE GORGÉ's carbon emissions;
- efforts to implement a more responsible supply chain.

6.1.2 CSR COMMITMENTS OF GROUPE GORGÉ

Since 2018, GROUPE GORGÉ has intensified the assessment of its CSR-related challenges and risks by completing, with the support of an outside consultant, a materiality study in order to look ahead to the expectations, risks, and opportunities of sustainable development issues and our responsibilities to our stakeholders.

This analysis was conducted in several stages:

- establishment of sector benchmarks;
- identifying the main challenges using internal resources, specifically financial risk-mapping;
- organizing internal workshops with operational employees from all divisions to validate the issues' relevance;
- the collection of CSR data by the GROUPE GORGÉ Executive Management.

Through this work, the environmental, social, and societal issues of each division and the Group were identified and prioritized according to:

- stakeholder expectations;
- their impact on the Group's activity.

The rating of these risks revealed three levels of potential risks: moderate, significant or capital.

GROUPE GORGÉ evaluated its issues as well as the contribution of its mission and social and environmental initiatives on the 2030 Agenda for Sustainable Development adopted by the UN in 2015. This program consists of 17 Sustainable Development Goals (SDGs).

The SDGs are emerging as the new global priority framework and their adaptation for companies by the Global Compact, the WBCSD and the GRI is a new comprehensive and sustainable CSR framework with which the Group hopes to comply.

6.2 OUR BUSINESS MODEL

GROUPE GORGÉ is an industrial group specializing in high-tech businesses driven by a strong entrepreneurial culture. GROUPE GORGÉ is a top player in its leading-edge markets and operates worldwide in innovative and promising sectors: drones, robotics, engineering and protection systems.

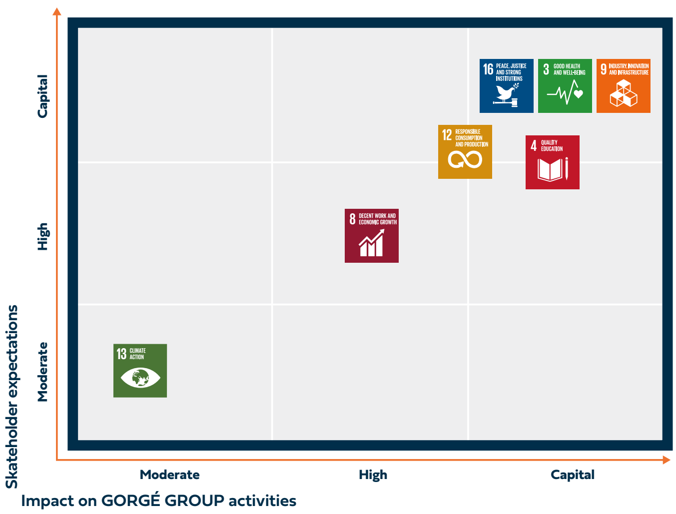
The Group's detailed business model is presented in Section 1.2 "Overview of the Group and its businesses" as well as in the introductory pages of this Universal Registration Document.

6.3 CSR RISKS AND ISSUES OF GROUPE GORGÉ

The challenges of GROUPE GORGÉ's business have been assigned to the various Sustainable Development Goals to track the Group's CSR-related contribution and measure the actions and their associated performance.

GROUPE GORGÉ materiality matrix

The Group's materiality matrix shows the CSR issues identified as priorities for the Group. The Group's materiality study identified **nine priority challenges**, matching **six Sustainable Development Goals**. These nine challenges reflect the risks and opportunities identified in the risk analysis.



SDG	CSR issues	SDG	CSR issues
3 GOOD HEALTH AND WELL-BEING	• **Innovation for the protection of people and property** • **Workplace health & safety, a commitment to all employees**	8 DECENT WORK AND ECONOMIC GROWTH	• **Investing in sustainable and responsible relationships with employees** • **Ensuring decent working conditions at our suppliers**
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	• **Building a major player in technological innovation** • **Making infrastructure safer**	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	• **Acting as an effective, responsible and ethical group**
4 QUALITY EDUCATION	• **Attracting and training talent**	13 CLIMATE ACTION	• **Activities with limited impact on climate change**

In 2021, key performance indicators were identified, in line with the GROUPE GORGÉ risk matrix, around three major themes: employee well-being and retention, the creation of a close and responsible supply chain, and the reduction of the Group's carbon emissions. These performance indicators and quantitative targets are closely monitored, and most of the Group's CSR officers are assigned targets related to these CSR criteria in their 2022 bonus.

An ambitious CSR action plan meeting the challenges of GROUPE GORGÉ's activities

Areas	SDG	Commitments	Goals	KPIs	Achievement in 2021
Human capital	8 DECENT WORK AND ECONOMIC GROWTH	**Employee well-being and motivation**	**Retain human capital and develop employee skills**	**Employee departure rate[1]**	**Departure rate of 9% in 2021 for the "D&S" division (compared to 14% in 2019)** **25.4% for the "EPS" division (compared to 28% in 2019)**
Environment	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION	**Joining in the fight against climate change**	**Reducing the Group's carbon footprint**	**"Drones & Systems" division: Carbon emissions (scopes 1 and 2)/surface area of premises** **"EPS" division: Percentage of low-emission vehicles in vehicle renewals**	**10% drop compared to 2019 for the "D&S" division** **Development of a policy to renew the vehicle fleet with low-emission vehicles**
Responsible procurement	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 8 DECENT WORK AND ECONOMIC GROWTH	**Participate in the creation of a responsible supply chain**	**Strengthen the consideration of CSR criteria in relations with our suppliers**	**Multiple criteria aggregate[2]**	**Development and strengthening of the responsible purchasing policy, in line with the progress made by the Group's various subsidiaries**
Governance	5 GENDER EQUALITY; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**Conducting effective and ethical governance**	**Ensuring an ethical and transparent framework ensuring exemplary practices**	**Percentage of independent members of the Board of Directors** **Percentage of women on the Board of Directors** **Attendance rate of Directors**	**50% independent members[3]** **50% women[3]** **98% attendance rate**

(1) *Turnover rate = number of departures during the year (layoffs, resignations, contractual terminations)/headcount at the beginning of the year.*
(2) *Aggregate of several criteria inspired by non-financial rating agencies and subject to change (integration of social and environmental criteria into purchasing practices, implementation of a supplier charter, etc.).*
(3) *Percentage calculated excluding Employee Directors, in line with the recommendations of the Corporate Governance Code.*

6.3.1 EUROPEAN GREEN TAXONOMY

Derived from the action plan for sustainable finance launched in 2018 by the European Commission, EU Regulation No. 2020/852 of 18 June 2020 establishes a framework to promote "sustainable" investments in the European Union, called "European green taxonomy". In accordance with this regulation, the Group was therefore subject for the first time in 2021 to the obligation to publish the portion of its activity eligible for the taxonomy - revenue, capital expenditure (capex) and operating expenditure (opex) - on the first two environmental objectives related to climate change.

To be considered sustainable, an activity must make a substantial contribution to one of the six environmental objectives listed below, not hamper the other five according to the Do No Significant Harm principle and comply with minimum social standards. The taxonomy regulation is supplemented by two delegated acts: the first published in April 2021 specifying the environmental technical criteria for the first two objectives, the second published in July 2021 specifying the terms of the reporting expected on taxonomy.

The six environmental objectives of the taxonomy

1. Climate change mitigation;
2. Adapting to climate change;
3. Sustainable use of water and marine resources;
4. Transition to a circular economy;
5. Pollution prevention and reduction;
6. Protection and restoration of biodiversity and ecosystems.

On the first two objectives related to climate change, a given activity may be eligible for the taxonomy if it is already low-carbon (Own performance), if it contributes to the transition to a net zero emissions economy by 2050 (Transitional activity), or if it enables other activities to reduce their CO_2 emissions (Enabling activity). To be aligned, an activity must be eligible and meet the technical screening criteria and minimum social standards specified in the regulation.

The Group has analyzed each of its activities using the criteria defined by the European taxonomy to determine whether it qualifies for one of the first two climate change mitigation and/or adaptation objectives.

At first glance, it emerges that 55% of GROUPE GORGÉ's revenue and 73% of its capex are eligible for at least one of the first two objectives of the European taxonomy. At this stage, GROUPE GORGÉ is not in a position to determine the share of eligible opex as defined by the taxonomy regulation based on the existing processes and information systems. A more in-depth analysis will be carried out in order to specify this indicator in the next Universal Registration Document.

Eligible revenue and capex by division at 31 December 2021

	Indicator	Eligibility in %
GROUPE GORGÉ revenue(1)	201.7	55%
Drones & Systems	115.3	83%
Engineering & Protection Systems(2)	87.4	18%
Capex	33.6	73%

(1) Total revenues of the "Drones & Systems" and "Engineering & Protection Systems" divisions and the "Structure and intra-group elimination" restatements for -€1 million.
(2) Revenue including BAUMERT, classified as "Discontinued operations".

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6.4 INNOVATION FOR THE PROTECTION OF PEOPLE AND PROPERTY

Through each of its business units, the Group aims to protect people and property. In particular, in its Defense activities, the Group only develops and produces solutions aimed at identifying and neutralizing threats, and not at attacking them. The Group's activities in the field of the protection of high-risk sites also aim to protect people, whether through the supply of fire protection systems, secure doors or consulting in safety and security engineering.

6.4.1 DRONES & SYSTEMS: INNOVATION FOR THE PROTECTION OF PEOPLE AND PROPERTY

GROUPE ECA offers its customers solutions to ensure the safety of their operations.

For the armed forces and civil security, GROUPE ECA develops cutting-edge robotic solutions dedicated to defense and security missions. The main objective of GROUPE ECA's developments is to avoid personnel exposure to dangers such as Explosive Ordnance Disposal (EOD) and Improvised Explosive Devices (IED), conflicts, and terrorist threats. GROUPE ECA does not develop weapons.

GROUPE ECA has been involved in the fight against landmines for over 50 years. Today, marine mines remain a threat and a very effective means of disrupting commercial shipping or preventing naval operations. They are inexpensive, easy to deploy and deadly; in France in 2020, the three groups of naval mine clearance divers and three-party mine hunters neutralized 1,760 explosive devices at sea or on the coast. GROUPE ECA is a leader in autonomous and remotely operated solutions specializing in the detection, classification, identification and neutralization of mines remotely, keeping crews out of danger zones; the solution sold in 2019 by the Belgium Naval & Robotics consortium formed by NAVAL GROUP and GROUPE ECA is the first in the world based on the innovative "stand-off" approach to remote mine clearance.

GROUPE ECA could also offer versions of its drones to meet deep seabed protection and preservation needs as part of the France 2030 program announced by the President of the Republic.

In its "Aerospace" division, GROUPE ECA is the world leader in distress beacons, which are mandatory aircraft equipment intended to help search and rescue authorities locate any aircraft in distress as well as passengers or crews. Its "ELiTe" beacon is the first Emergency Locator Transmitter (ELT) to include a GPS transmitter as well as a system that activates on contact with water, making the activation and location of survivors in a distressed aircraft more reliable.

The range of AGVs developed by GROUPE ECA since 2019 also has a personal protection function: this range of autonomous vehicles can handle logistics and hazardous and repetitive tasks on industrial sites, thus contributing to greater safety in workplace and improved working conditions for operators.

6.4.2 ENGINEERING & PROTECTION SYSTEMS: PROTECTING THE MOST DEMANDING INFRASTRUCTURES

The "Engineering & Protection Systems" division develops innovative and customized solutions for the protection of infrastructures. These high-performance protections make it possible to secure the most demanding infrastructures (nuclear power plants, industries, etc.) against natural risks (fires, floods, earthquakes, etc.). They have a direct impact on the protection of people (users and local residents), and limit direct damage (repairs, refurbishment of buildings) and indirect damage (stoppage of activities in companies, relocation of evacuees).

VIGIAN PROTECTION INCENDIE supplies and installs fire-fighting solutions for all types of buildings (sprinklers, water mists, etc.) through its subsidiary CLF. The risk of fire is a real threat to people and property. The sprinkler system is the active solution that today offers any company the best protection of property and people against the risk of fire. Sprinklers are used to detect the start of a fire, raise the alarm in the event of an incipient outbreak and contain the fire until the arrival of the emergency services. Sprinkler systems are mandatory in a certain number of sites (warehouses, shopping centers, cultural sites, etc.) and are strongly recommended in many installations by insurers. They are also being developed in the residential sector, particularly in EPHADs and hospitals, where they save the lives of the most vulnerable.

For its part, BAUMERT develops, manufactures, supplies and installs technical doors and partitions that are mainly used in nuclear power plants, but also in research centers, reprocessing plants and sensitive industrial sites (petrochemical or pharmaceutical). BAUMERT is the world leader in neutron gates in France and internationally. Its solutions protect the personnel working closest to the power plants, citizens and the environment.

SERES TECHNOLOGIES, the Group's Engineering subsidiary, has made the safety and security of nuclear facilities and solutions its specialty. The company offers its clients services and engineering services in the areas of safety/security risk prevention (quality, safety, environment and nuclear safety), ergonomics, operational safety and integrated logistics (analysis, modelling and assessment of complex systems with high challenges in terms of reliability, operational availability and safety), contributing to the construction and sustainability of a safe nuclear industry.

6.5 BUILDING A MAJOR PLAYER IN TECHNOLOGICAL INNOVATION

CSR objective addressing the risk described in Chapter 2, Section 2.2.3"Risks related to technological developments and R&D investments".

The Group's ambition is to stay on the cutting edge of innovation. Today, the Group's R&D teams are designing the innovations of tomorrow in order to respond even more effectively to the needs of their customers in robotics and infrastructure protection.

6.5.1 INNOVATION: A GROWTH LEVER

The Group invests significantly in research and development to maintain and further develop its competitive edge. The Group's Research and Development policy is described in Section 1.3 "Strategy and outlook, investment and R&D Policies".

In 2021, R&D amounted to €16.9 million or 9.5% of the Group's revenue.

The Group encourages this innovation in each of its divisions and intends to prepare for the future by financing the development of new technologies and new products.

In 2021, the **"Drones & Systems" division** allocated €14.0 million to R&D, or 12.1% of its revenue, compared to €10.9 million and 11.3% of revenue in 2020. The division is developing a research program on "robotic systems" of the future so they can develop tomorrow's robots today.

Lastly, in the **"Engineering & Protection Systems" division** the subsidiary SERES TECHNOLOGIES has an "R&D" division dedicated to the technologies of the future to address the challenges of digital transformation and new modes of operation.

Patents filed

The Group makes major investments in research and development to maintain and further develop its competitive edge. The Group's subsidiaries file patent applications when they become necessary in protecting technical, technological, or commercial breakthroughs.

GROUPE ECA holds a portfolio of 34 patent families. To encourage and guide innovation and enhance intellectual property, an innovation charter has been drafted and deployed at GROUPE ECA.

6.5.2 TAKING CSR ISSUES INTO ACCOUNT IN PRODUCT INNOVATIONS AND DEVELOPMENTS

Aware that the Group's products meet societal challenges and anxious to further improve their impact, the women and men of the Group are working on virtuous product innovations in the sense of CSR.

In 2021, the following initiatives are continuing or have been initiated, including:

- development of a range of electric Autonomous Mobile Robots (AMR) and current development of a hydrogen version to limit CO_2 emissions;
- research work in the new R&D center of SERES TECHNOLOGIES, particularly in the field of non-polluting energies (hydrogen fuel cell, offshore wind turbines);
- research work in the "Drones & Systems" division on hybrid propulsion.

6.5.3 TECHNOLOGY SHARING AND HERITAGE

The Group's view of innovation is based on openness and partnership, in many aspects:

Joint innovation projects

GROUPE ECA regularly participates in pan-European research projects. For example, GROUPE ECA is a major participant in the CORAL project, a project co-financed by the Provence-Alpes-Côte d'Azur region, the French State, the European Union and IFREMER, which draws on the expertise of innovative companies and universities to develop Ulyx, a deep AUV; the first device was delivered in 2020. Ulyx can dive to a depth of 6,000 meters and accomplish autonomous multi-function missions lasting from 24 to 48 hours.

GROUPE ECA is also leading H2020 collaborative projects in the field of distress beacons, such as the Innovative System for Search and Rescue (ISSAR) project, which involves several players in the sector such as THALES ALENIA SPACE and TÜV SUD, which aims to develop an aeronautical distress beacon ready to be certified and marketed, and the H2020-GAMBAS project, with THALES ALENIA SPACE, PILDO LABS and SYNTHETICA PC, which aims to support and promote new generation marine emergency beacons.

Industrial partnerships

The Group regularly forms partnerships with clients or SME or large corporations in its ecosystem to propose innovative solutions.

Since 2016, NAVAL GROUP and GROUPE ECA have been working closely together as part of a technological and commercial partnership in the field of robotic mine warfare. The first concrete application was in response to the consultation launched by Belgium part of a Belgian-Dutch cooperative venture for the supply of 12 mine hunters.

Sharing knowledge with as many people as possible

Through conferences and round tables, GROUPE GORGÉ attempts to share knowledge about its business lines with any audience that may take an interest in the Group's activities.

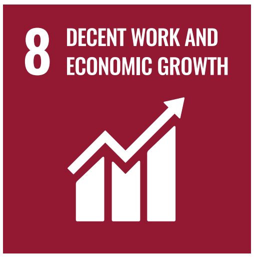
During the year 2021, the Group took part in programs on the digitization of industry, such as BFM Business, as well as in trade shows. By attending these types of events, the Group seeks to promote the role of middle-market companies in France and support French innovation.

GROUPE ECA is very active in the Naval and Defense industries in France. Through conferences and round tables, the Group attempts to share knowledge about its business lines with any audience likely to take an interest in the Group's activities, in particular by organizing thematic conferences with its experts at trade fairs in which it participates.

GROUPE ECA is also very active in its aeronautical ecosystem. For instance, GROUPE ECA is a member of the Onboard Equipment and Test Systems Subcommittee of the Regional Strategic Committee for the Aeronautics Sector in Occitanie, where it promotes the interests of medium-sized companies in the sector.

6.6 COMMITMENTS OF THE GROUP TO ITS EMPLOYEES

6.6.1 INVESTING IN SUSTAINABLE AND RESPONSIBLE RELATIONSHIPS WITH EMPLOYEES



CSR objective addressing the risk described in Chapter 2, Section 2.4.2 "Risks related to difficulties in attracting or retaining employees with the required skill levels".

Promoting long-term, appealing employment and providing all its employees with access to quality healthcare services.

6.6.1.1 Employment policy

In high technology sectors innovation – and therefore talent – determines the successes of tomorrow. That is why developing human potential is a priority for the Group. To offer its employees a stimulating environment, the Group's subsidiaries seek to implement the best practices of HR policy.

All the indicators below (with the exception of the table below) relate to the headcount of the panel of subsidiaries selected. In 2021, the indicators related to 1,439 employees, *i.e.* 97% of the Group's total workforce (equivalent to 2020 on a like-for-like basis). The 2020 period has been restated for the divested activities (3D printing, group exited from the scope as of 31 December 2021) to facilitate comparison.

Total Group workforce and geographic locations

The population considered in the following table comprises all the Group's employees, excluding trainees. The total workforce is the number of people present within the Group at 31 December 2021 who are bound by a permanent contract, a fixed-term contract or a trainee contract. Part-time workers are counted as one person.

	Drones & Systems		Engineering & Protection Systems		Corporate		Group	
	2021	2020*	**2021**	2020*	**2021**	2020*	**2021**	2020*
Executives	497	460	390	310	6	6	893	776
Technicians and supervisors	147	123	92	124	1	1	240	248
Employees	74	74	96	83	-	-	170	157
Workers	42	51	137	151	-	-	179	202
TOTAL	**760**	**708**	**715**	**668**	**7**	**7**	**1,482**	**1,383**

* *2020 column restated for discontinued operations.*

After a complex 2020, the year 2021 was characterized by recovery. The Group continued to grow and hire new employees, particularly in France. In France, where the Group employs the vast majority of its workforce, GROUPE GORGÉ is the result of a local and committed history. Established in eleven regions and more specifically in the PACA, Occitanie, Île-de-France, Grand Est and Auvergne-Rhône-Alpes regions, with ten major sites, the Group is a local and sustainable employment provider. It also has operations in the United States, Belgium and Singapore.

The workforce of the "Engineering & Protection Systems" division continued to increase in 2021. This growth was due in particular to the Group's engineering companies, which experienced strong growth.

Distribution by socio-professional categories

	Men			Women			Total		
(in%)	**2021**	2020 restated	2020	**2021**	2020 restated	2020	**2021**	2020 restated	2020
Executives	47	44	41	12	11	10	59	55	51
Technicians and supervisors	14	15	15	3	3	5	17	17	20
Employees	4	3	6	6	7	8	11	10	15
Workers	11	13	11	1	2	1	12	14	12
Apprentices	1	2	2	1	1	1	2	3	2
TOTAL	**77**	**77**	**75**	**23**	**23**	**25**	**100**	**100**	**100**

Distribution by age

(in%)	**2021**	2020 restated	2020
Less than 30 years old	19	18	19
30 to 39 years old	29	27	28
40 to 49 years old	24	27	27
50 to 59 years old	22	22	21
60 years old and over	5	6	5

6.6.1.2 Recruitment policy

The Group wants to recruit candidates with high skill levels (engineers, graduates of prestigious universities) in a mobile labor market. Skills must often be acquired internally after hiring.

As the Group is positioned in high-tech activities that most often require its employees to have special know-how and/or expertise, it tends to recruit in the form of permanent contracts, so as to retain knowledge and know-how internally.

In fact, in 2021, permanent employment contracts represented 95% of the total workforce and 86% of new hires.

	2021	2020 restated	2020
Hires*	372	335	374
• of which permanent employment contract	319	277	305
• of which fixed-term employment contract	34	39	46
• of which trainee contract	19	19	31

* *Excluding transfers between Group entities. As regards personnel movements, 58 of the hires involved transfers from a company within the Group that is part of the panel of selected companies.*

The table below details departures by reason:

	2021	2020 restated	2020
Departures:	276	220	280
• for economic reasons	12	-	11
• for other reasons	35	16	21
• (end of contract, retirement, resignation, termination by mutual agreement)	229	204	213

The lay-offs listed below include those, for all reasons combined, in the Group's companies for 2021 in France. In 2020, the Covid-19 crisis affected some of the Group's activities, which reorganized its "Drones & Systems" division ("Aerospace" division).

As regards employee mobility, 14 transfers took place between Group companies this year, reflecting the vectors of internal mobility. This internal mobility is a factor in attracting and retaining talent, and also makes it possible to cushion the effects on staff of the reorganizations made necessary by the current economic context in certain Group activities.

In 2021, the Group has a staff turnover rate of 23.0% compared to 24.7% in 2020, excluding 3D printing. This improvement can be seen in each of the divisions. The reduction in this rate is the result of the efforts made by the Group since 2019 on the human resources policy in general, and in particular the promotion of the employer brand and internal communication. The departure rate is an important indicator for our high-tech group, and a quantitative target has been set for this aggregate.

Integration of young graduates and the Group's employment policy

To retain its leadership in its activities, the Group wishes to attract and retain tomorrow's talent. The Group and its divisions are active social media, through LinkedIn and Twitter, so they can share important news and information about markets, trends, recently-won contracts, new solutions, participation in a trade show, or job offers, etc. This volume of news reflects the dynamism of the Group, which is aiming to raise its profile worldwide as an employer.

Along with this online presence, the Group's divisions are actively working on developing their employer brand and appeal.

In the "Drones & Systems" division, some 15 schools have been identified near the Toulon, Toulouse, and Brest sites, where the program of studies for students is well suited to the needs of GROUPE ECA. Designated points of contact for these schools within the Company attend student forums and talk with students, to promote GROUPE ECA's business lines. Publications about the business lines have also been created to familiarize people with the kinds of jobs available at GROUPE ECA. For several years now, the division has been taking part in trade fairs for targeted engineering schools and IUTs.

The "Robotics" division of GROUPE ECA also became a partner of Campus des Industries Navales (CINAV) in partnership with GICAN in order to exchange with students and promote the Group's naval business lines and the naval industry.

In the "Engineering & Protection Systems" division, VIGIANS PROTECTION INCENDIE has implemented an attractiveness policy based on three areas: access to sport, occupational medicine and reimbursement of healthcare costs.

Among the benefits, these measures for employees' health and well-being at work reduce absenteeism, provide motivation, and strengthen team unity.

Other actions are taken under the policy, such as entering into labor agreements and creating a working group whose members are under 30 years of age, which meets twice a year to share the younger generation's proposals with the Executive Committee.

The Group practices a number of pre-employment initiatives for young graduates, with career introduction contracts, apprenticeships, end-of-study internships, and theses. In fact, in 2021 the Group welcomed 89 interns and apprentices, *i.e.* 6.0% of its workforce.

	2021	2020 restated	2020
Employees of a work-study contract	32	37	42
Interns	57	27	55

Diversity of experience on the teams

GROUPE GORGÉ believes that diversity of backgrounds is an asset for the Company. The Group is committed to being a responsible employer and takes care to ensure that its conduct and practices are exemplary. For this reason, it is committed to preventing any form of discrimination in hiring.

In 2021, 1.3% of GROUPE GORGÉ's employees were disabled, a slight decrease compared to 2020.

	2021	2020 restated	2020
Number of employees with disabilities	19	22	27

6.6.1.3 Gender equality

The tech industry is still struggling to recruit women in certain business lines. The Group has not achieved parity in all areas, but is taking action in its subsidiaries to remedy this. The Group's companies must respect the laws on equal treatment of employees.

In 2021, 20% of executives were women, compared to 10% in 2020.

In 2021, five GROUPE GORGÉ companies had more than 50 employees and therefore calculated their gender equality index; the five companies with enough data to calculate this index obtained indexes between 78 and 91/100 and an average of 86/100 when weighted for their number of employees; the Group is committed to strengthening this score.

The composition of the Company's Board of Directors follows the gender parity rules set out in Act No. 2011-103.

Wage guidelines

Each Group subsidiary has its own wage policy and makes its own independent decisions regarding the wage developments of its employees, depending on its field of business and growth or its own constraints and the salary evolution of its employees.

To limit the risk of wage discrimination, GROUPE ECA has established a wage guideline policy that gives IRPs access to the wage scale during the hiring process.

Work/life balance

Measures promoting work/life balance benefit gender parity by allowing both parents to share family responsibilities.

In this respect, various agreements are in place within the Group's companies, including:

- agreements on teleworking: the health crisis greatly accelerated the negotiations on this subject and made it possible to deploy the tools necessary for its implementation; the vast majority of the Group's companies have signed an agreement on this issue;
- leave for "sick children"; almost all subsidiaries now have an agreement to take at least one day of sick child leave per year;
- better consideration of the constraints of personal life through scheduling of work meetings on adapted schedules and telecommuting;
- voluntary part-time;
- continued remuneration of men during paternity leave;
- provision of nursery places for employees in the Drones & Systems division in Toulon; new places were reserved in 2021.

At CLF SATREM, a partnership has been set up with some private childcare centers to attract younger workers, retain employees for at least three years, and meet a societal need for quality of working life.

In the subsidiaries, agreements on the organization of working time and work/life balance have been signed or are under negotiation.

	2021	2020 restated	2020
Total workforce (% women)	23	23	25
Executives (% women)	12	11	10
Non-executives (% women)	11	12	15
Permanent employment contract workers (% women)	22	22	25
Fixed-term contract workers (% women)	1	1	1

6.6.1.4 Remuneration policy and financial benefits

Each subsidiary has its own remuneration policy, and some have set up incentive agreements. The Group also contributes to the meal voucher program and has set up agreements in some subsidiaries with intercompany restaurants.

Remuneration report

	2021	2020 restated	2020
Gross remuneration	61,221	48,703	60,401
Social security contributions	24,342	19,462	23,977
Pension liabilities: remuneration paid and IAS 19 provision	493	441	628
Shareholding plans, profit-sharing	443	288	288
TOTAL	**86,500**	**68,012**	**85,295**

6.6.1.5 Social dialogue

All of the Group's companies implement an active policy of dialogue with their social partners. Meetings between employee and Management delegates are held each month in all of the Group's subsidiaries.

In addition, the Group opposes any discrimination or pressure on an employee or employee representative due to his membership in or support or opposition of a union. The communication methods internal to the Group (intranet, internal displays, newsletter, internal memos) make it possible to broadcast local and national information.

The Group's social policy promotes the conclusion of a number of collective agreements according to the regulatory requirements of those countries where the Group is located. In 2021, as in previous years, collective agreements were signed with the employee representative bodies in the Group's subsidiaries, in particular on gender equality and working time.

6.6.2 BUILDING SKILLS AND PROMOTING LEARNING OPPORTUNITIES

CSR objective addressing the risk described in Chapter 2, Section 2.4.2 "Risks related to difficulties in attracting or retaining employees with the required skill levels"; Section 2.4.4 "Risks related to the skills of employees not matching the Group's transformation"; Section 2.3.2 "Risk related to failure to comply with applicable regulations".

Technological developments and client expectations demand that GROUPE GORGÉ make efforts in R&D and innovation and maintain the skills of its human capital.

Developing know-how and innovation is a priority in the skills management policy of GROUPE GORGÉ. Each division has established its own skills development policy internally in response to market-related pressures.

Training plans are set up by human resources, factoring in the expectations of employees and their managers, and the strategy of Executive Management. Thus, the training, development and internal promotion policy ensures employees their personal and professional development.

In general, the highly technical nature of the Group's business lines requires new employees to be trained, by their superiors or internal training courses, in their specific professions, as well as in the safety and security of their environments (particularly in the nuclear sector).

Transfer of knowledge and best practices from one subsidiary to another is a priority for GROUPE ECA. The decision was therefore made to develop GROUPE ECA training programs for all project heads and business managers. These people have a pivotal role in the division in its commitment to its clients, in charge of coordinating the different teams, for the purpose of delivering the best solutions for ensuring the security, precision, reliability, and durability of solutions for clients. In establishing this training program, GROUPE ECA's aim was to create a common culture and a shared skills base.

Training report

During the 2021 financial year, nearly 22,024 hours of training were provided. Trainees made up 58% of the workforce used for the figures. The growth compared to 2020 is due to the resumption of face-to-face training following the healthcare context of the past year.

	2021	2020 restated	2020
Number of hours of training provided	22,024	12,180	13,347
Number of employees trained	832	537	579
Rate of access to training	58	42	35
Average number of training hours per employee	26	23	23
Budget (in thousands of euros)	728	392	412

6.6.3 HEALTH AND SAFETY: A COMMITMENT TO ALL EMPLOYEES

3 GOOD HEALTH AND WELL-BEING

CSR objective addressing the risks described in Chapter 2, Section 2.4.3 "Risks related to employee safety and security"

Workplace health and safety policies are managed within each Company in the Group depending on its field of business and its own constraints. The assessment of health and safety risks in relation to employees is set out in a document drawn up by each company. Employees are also informed of these risks through the CHSCT (Committee for Health, Safety and Working Conditions), in companies where such a committee exists. Employees who work with hazardous or polluting products receive appropriate training according to the risks in relation to these products.

The BAUMERT site, a subsidiary of the "Engineering & Protection Systems" division, is classified as an installation classified for the protection of the environment.

Drones & Systems

Most of GROUPE ECA's employees work in engineering design offices, but some of the work they do, specifically on location, requires certain procedures to be followed.

In light of the regulations and thresholds set on work hardship and exposure to major risks in France, GROUPE ECA is not exposed to this kind of work and therefore is not bound to formalize any collective agreements in the matter. As a responsible employer and in an effort to guarantee the health and safety of its employees, individual risk exposure sheets are prepared by the various committees for Health, Safety and Working Conditions (CHSCT) in the most at-risk subsidiaries. These forms are used to monitor occupational hazards and implement preventive actions.

Engineering & Protection Systems

As part of its passive fire protection business, the division has started a campaign to replace hazardous chemical agents, particularly CMR products, with a less-hazardous product. The division is subject to mandatory periodic on-site FSC testing of its sprinkler systems.

Training initiatives to reduce occupational health risks have been deployed throughout the division. This training covers:

- movements and postures;
- safety, security and radiation protection; and
- chemical risks.

Noise pollution has been identified by the division as a hazard for employees working on sites and in workshops. Inspections are performed by occupational medicine, and all employees wear earplugs.

When employing temporary workers, the division also applies a "temporary worker protection" policy.

GROUPE GORGÉ Health & Safety policy performance

The absenteeism rate as well as the number of accidents at work have been recorded as relevant workplace health and safety indicators.

	2021	2020 restated	2020
Number of workplace accidents with stoppage	33	16	22
Number of days lost	711	962	1,088
Frequency rate	13.4	8.0	8.5
Severity rate	0.30	0.48	0.42
Absenteeism rate	4.05	5.13	5.15

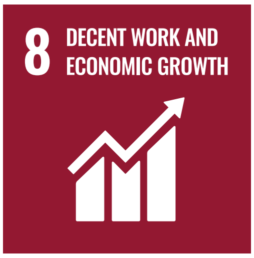
Occupational accidents concern accidents that occur at the workplace and during travelling for work, but do not include commuting accidents. The frequency rate is equal to the number of accidents expressed in millions of hours worked, the severity rate, the number of days not worked (calendar days) expressed in thousands of hours worked.

GROUPE GORGÉ recorded 33 accidents at work in 2021, all of which included lost time. The frequency rate of 13.4 increased compared to the year 2020, while the severity rate decreased. Most workplace accidents occur in the "Engineering & Protection Systems" division, whose employees in particular work on construction sites. Despite proactive efforts by the companies to reduce this rate (mandatory wearing of required PPE, increase and generalization of safety training, and increased verification of employee compliance with all rules), the frequency rate increased compared to 2020, in particular in the "Engineering" division, as the prior year was marked by the slowdown or even shutdown of some sites.

6.7 RESPONSIBLE CONDUCT AND LASTING RELATIONSHIPS WITH OUR STAKEHOLDERS

The Group is aware that it is part of an ecosystem of stakeholders, with whom it is incumbent on the Group to organize balanced, ethical, law-abiding, and inspiring relationships. Thus, participants in the Group's current and future success are: employees, clients, subcontractors and other suppliers, schools, state and local government, actors in civil society, and shareholders.

6.7.1 ENSURING DECENT WORKING CONDITIONS AT OUR SUPPLIERS



CSR objective addressing the risks described in Chapter 2, Section 2.4.6 "Risks related to the quality and performance of the partners or subcontractors used".

The Group is not located in so-called "at-risk" geographic areas but does work with suppliers and subcontractors who may be.

In general, the Group has little industrial integration and mainly carries out assembly rather than production activities: assembly of robots and drones at GROUPE ECA or doors at BAUMERT. Subcontracting and the choice of suppliers are therefore of strategic importance. Aware of this aspect and its role in the value chain, GROUPE GORGÉ has decided to set one or more clear and measurable objectives concerning the attitude of its suppliers towards the SDGs.

Each Group company selects its suppliers and subcontractors according to their reputation, performance and reliability to ensure that they are able to help the Group to meet its business objectives.

In addition to these key criteria, some Group companies are gradually putting in place a charter of requirements and monitoring of their main suppliers. The objectives are at several levels:

- compliance by suppliers with ethical and social rules;
- compliance by suppliers with environmental rules;
- supplier independence *vis-à-vis* the Group.

This issue has been identified in the "Drones & Systems" division, which has included due diligence in its purchasing terms and conditions. The terms and conditions of purchase of GROUPE ECA incorporate OECD's principles in terms of ethics and anti-corruption and include a clause on the Supplier Code of Conduct currently being rolled out, which includes CSR principles. In addition, GROUPE ECA conducts audits at some of its key suppliers.

Promotion of and compliance with the core conventions of the International Labor Organization

As all companies of the selected panel are located in France, compliance with French regulations is sufficient to ensure promotion of and compliance with the core conventions of the ILO (prohibition of child labor, freedom of association, abolition of forced labor, etc.).

6.7.2 BUILDING AN EFFICIENT, RESPONSIBLE AND ETHICAL GROUP

CSR objective addressing the risks described in Chapter 2, Section 2.4.5 "Risks related to inappropriate business practices".

Given the range of activities as well as the nature of the stakeholders with whom the Group works, ethics and compliance issues must be addressed. Preventing and combating corruption has always been an important issue for the Group, whose highly international activities require special vigilance in such matters.

6.7.2.1 Fight against corruption

Business integrity contributes to the good reputation of the Group, which is committed to acting appropriately and fairly with its stakeholders

The Group has very diverse activities that are more or less exposed to the risk of corruption. The Group deploys the eight measures combating corruption and influence-peddling, as set out in the Sapin II Act in those of its subsidiaries that are at greatest risk, based on their activity or organization, before moving on to deployment in other less-vulnerable subsidiaries.

Typically, the challenge of fighting corruption affects the core activities of GROUPE ECA, which helps governments strengthen their sovereignty by making citizens and public spaces more secure, fighting terrorism, and protecting their territory and populations. Based on its own risk-mapping, which identifies, assesses, and prioritizes the risks of corruption to which it is exposed, GROUPE ECA has developed a Code of Conduct and internal prevention and training procedures and policies. The Management in the subsidiaries, the Legal Department, and the Human Resources Departments are involved in drawing up and rolling out the anti-corruption measures provided for in the Sapin II Act. This roll-out will be strengthened in 2022.

In 2021, GROUPE GORGÉ began rolling out a digital tool to provide anti-corruption training for employees. All GROUPE GORGÉ SA teams used it in 2021 and the other Group companies are starting to implement this type of tool. As every year, new employees received the Anti-Corruption Code of Conduct. In addition, the Anti-Corruption Code of Conduct and the Group's internal whistle-blowing procedure can be downloaded from the Group's website.

6.7.2.2 Fair business practices

Each Group company applies its know-how to offer reliable products to its customers. Products are generally subjected to internal quality control procedures.

The Group's economic impact is primarily located in France. The Group is transparent about its taxes and wants its fiscal policy to fitfully into its corporate responsibility strategy. The Group therefore adopts corporate behavior that consists not only of following the laws, but also paying its fair share in taxes to the countries in which it does business.

In terms of cybersecurity, all the companies in the "Engineering & Protection Systems" division have an IT charter and some carry out anti-intrusion tests.

6.8 ACTIVITIES WITH LIMITED IMPACT ON THE ENVIRONMENT AND CLIMATE CHANGE

GROUPE GORGÉ is positioned as a designer and assembler for all of its activities. The Group companies strive to limit their environmental impact on their sites or those of their clients, while promoting sustainable practices for procuring and optimizing natural resources, in compliance with applicable regulations.

The "Drones & Systems" division selects its supplies on the basis of the safety of their products and their compliance with the expected technical specifications. GROUPE ECA produces technological solutions for complex missions in hostile or restricted environments (aircraft distress beacons, DGA-rated drones, mine-disposal submarines, etc.). Above all else, GROUPE ECA integrates human safety requirements and technological requirements in its products (including maintenance of its products in operating condition, or lifespan).

6.8.1 BEST PRACTICES THAT CONVERGE WITH THE SUSTAINABLE DEVELOPMENT CHALLENGES

Environmental regulations and policy

Overall, Group companies have low-emission activities. The two companies particularly affected by environmental standards are GROUPE ECA ROBOTICS and BAUMERT.

GROUPE ECA is subject to very strict regulations related to its activities: REACH, RoHS, ATEX and WEEE. ECA ROBOTICS has set up a whole system of procedures based on ISO 14001 and ISO 45001, without, however, having a short-term certification objective. As a stakeholder in major groups (such as AIRBUS or NAVAL GROUP), GROUPE ECA has had to undergo an analysis of its environmental impacts and audits.

Also working in the nuclear field, SERES TECHNOLOGIES is ISO 14001 and MASE certified and performs its services in accordance with the OHSAS standard in force at nuclear sites.

Generally speaking, the majority of the Group's companies are ISO 9001 certified.

Responsible procurement approach

The Group's processes in terms of procurement are shaped by significant technical and quality constraints. The Group subcontracts most of its production and is limited in its purchasing choices by its clients' specifications and strict regulations (REACH, UECE, ROHS, etc.).

For the sake of quality, regulatory constraints and logistics, all Group companies mainly source their supplies from local suppliers, which reduces the CO_2 emissions related to transport and promotes the development of the local economic fabric.

Managing end-of-life for products and waste

In its production activities, the Group only assembles components purchased from suppliers and produces a limited quantity of waste. The Group implements certain preventive waste recycling and disposal actions and generally uses external service providers for the recovery and treatment of waste.

Within the "Drones & Systems" division, the reuse of materials and "zero waste" work sites are standard procedures, which the "Aerospace" division applies on a daily basis. GROUPE ECA invites its employees to protect the environment and reduce its activity's impact on the environment with everyday actions.

The primary waste generated by the division's subsidiaries are non-hazardous waste like wood, cardboard, and paper. This waste is systematically collected by approved organizations.

All hazardous waste generated by the subsidiaries is collected and processed in accordance with the regulations in force.

The amounts of metal shavings and polluted content (oils and solvents) were negligible.

In the "Engineering & Protection Systems" division, CLF SATREM, a specialist in fire protection using sprinklers, has implemented an eco-responsible construction site policy and is committed to:

- reducing noise pollution for local residents;
- limiting consumption;
- reducing waste;
- limiting nearby pollution;
- limiting the health risks of workers.

The main waste produced in the Group is divided into two categories:

Quantity of waste produced (list of main types of waste) *(tons)*	**2021**	2020 restated	2020
Hazardous waste	n/s	n/s	28
Non-hazardous waste	235	292	345

Hazardous waste volumes are negligible.

Non-hazardous waste refers to household waste, wood, cardboard, steel and paper.

6.8.2 JOINING IN THE FIGHT AGAINST CLIMATE CHANGE

In view of its activities, the Group has a limited impact on climate change and the environment, but implements actions to reduce its environmental impact whenever possible.

The coverage rate for the data relating to energy and water consumption and greenhouse gas emissions represents all of the total surfaces occupied by panel companies. Direct GHG emissions relate to natural gas consumption and vehicle fleets, and indirect GHG emissions relate to electricity consumption.

In addition, the data on gas and electricity cover a 12-month period for all subsidiaries; however, the periods covered do not necessarily correspond to a calendar year.

In order to give its consultant engineers a real impact on the world they are shaping, the next generation engineering consulting firm StedY, a pioneer of empoweering (empowerment in engineering), launches the *Cagnotte pour la planète*: for each day of mission carried out with their clients, the consulting engineers employed by StedY see their "Money pot for the planet" credited by the company with an amount equivalent to 1% of the price charged to the client.

Once a year, each consultant allocates the jackpot amount during the year to the environmental protection action of his or her choice, among the hundreds of initiatives affiliated with the organization 1% for the Planet, of which StedY is a member as 3,500 other organizations in nearly 45 countries. An innovative way of making StedY employees the arm of the company's CSR policy.

6.8.2.1 Employee travel

As a result of the Group policy of reducing employee travel, internal video conferencing and phone conferencing are commonplace, as is or widespread use of public transport. Since 2020, the spread of teleworking and the provision of appropriate tools by Group companies to their employees has also had a strong impact on reducing employee travel.

In addition to these elements, almost all subsidiaries have launched green mobility actions for employees by:

- promoting bicycle travel: bicycle bonuses for employees using this mode of transport and/or the provision of bicycles at GROUPE ECA and CLF SATREM, for example;
- promoting the use of less polluting vehicles by employees: renewal of vehicles for vehicles less than three years old, or use of electric cars on customer sites at CLF SATREM, fleets incorporating more and more electric or hybrid vehicles at SERES TECHNOLOGIES, installation of electrical terminals in many of the Group's sites (notably within GROUPE ECA).

In 2021, the emissions related to the vehicle fleets of the subsidiaries amounted to 1,844 t eq. CO_2 and increased markedly compared to 2020 due to the resumption of business travel.

	2021	2020 restated	2020
GHG emissions from vehicle fleets (teq. CO_2)	1,844	1,505	1,834

6.8.2.2 Energy consumption

Most gas and electricity consumption is generated by site heating and the powering of mainly small industrial equipment.

The Group is increasingly implementing measures to reduce this consumption. In particular, in recent years, several companies from the three business divisions have relocated to gain access to entirely new or recently built premises. These new buildings, which are compliant with the latest environmental standards in force, are significantly reducing energy consumption. The automation of lighting with occupancy sensors has also been implemented, as at GROUPE ECA, for example.

	2021	2020 restated	2020
Gas consumption (in MWh PCS)	973	897	1,128
Electricity consumption (in MWh)	3,381	3,393	5,334

Despite the strong upturn in business in 2021, electricity and gas consumption remained relatively stable.

GROUPE GORGÉ carbon footprint

CO_2 equivalent emissions represented 2,320 metric tons in 2021, up compared to 2020, mainly due to the recovery in activity during the year, particularly business travel.

	2021	2020 restated	2020
GHG emissions from vehicle fleets (teq. CO_2)	1,844	1,505	1,834
GHG emissions from gas (teq. CO_2)	199	184	231
GHG emissions from electricity (teq. CO_2)	277	278	437
Total CO_2 emissions	2,320	1,967	2,502

	2021	2020 restated	2020
Direct GHG emissions (teq. CO_2)	2,043	1,689	2,065
Indirect GHG emissions (teq. CO_2)	277	278	437
Total CO_2 emissions	2,320	1,967	2,502

Emissions reduction target

In 2021, GROUPE GORGÉ set itself new ambitions in its efforts to reduce carbon emissions. The Group analyzed the main sources of emissions by business segment and defined monitoring indicators accordingly. Quantitative targets are being considered to define a reduction trajectory over several years.

“Drones & Systems” division (GROUPE ECA): reducing the energy consumption of buildings

The main source of carbon emissions in this division, which is not very energy-intensive, is the energy consumption of buildings. Consequently, GROUPE GORGÉ used the following ratio: division’s total carbon emissions/total surface area of premises in m^2.

In 2021, this ratio stood at 0.0094 metric tons of CO_2 equivalent, per m^2, down 10% compared to 2019 (the comparison with 2020 not being relevant due to the health situation).

This drop was mainly due to efforts to reduce energy consumption in buildings and to raise employee awareness of the best practices to adopt.

“Engineering & Protection Systems” division: renewing the vehicle fleet with low-emission vehicles

The main source of this division’s carbon emissions is the fuel consumption of the vehicle fleet. As a result, GROUPE GORGÉ has set itself the goal of gradually renewing the fleet of company vehicles in this division with low-emission vehicles (electric or plug-in hybrid cars).

The monitoring indicator used is the percentage of low-emission vehicles in annual company vehicle renewals.

In 2021, GROUPE GORGÉ began rolling out this renewal policy in the fire protection business (“Vigians” division), which has around 70 company vehicles. To date, around 15 low-emission vehicles have joined the fleet or are on order.

The target set is to achieve 80% low-emission vehicles in company vehicles by 2025.

6.9 REPORT OF THE INDEPENDENT THIRD PARTY ON THE CONSOLIDATED STATEMENT OF NON-FINANCIAL PERFORMANCE INCLUDED IN THE MANAGEMENT REPORT

Financial year ended on 31 December 2021

To the Shareholders,

In our capacity as Independent Third Party to the company GROUPE GORGÉ, accredited by COFRAC under No. 3-1080[(1)], we hereby present our report on the consolidated statement of non-financial performance for the financial year ended 31 December 2021 (hereinafter the "Statement"), presented in the management report in application of the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Corporate responsibility

It is the responsibility of the Board of Directors to prepare a Statement that complies with the legal and regulatory provisions, including a presentation of the business model, a description of -the main non-financial risks, a presentation of the policies with regard to these risks, as well as the results of these policies, including key performance indicators.

The Statement was prepared by applying the company's procedures (hereafter the "Reporting Standards") for which the significant elements are presented in the Statement.

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the profession's Code of Ethics. In addition, we have implemented a quality control system including documented policies and procedures that aim to ensure compliance with ethical rules, professional standards and the applicable legal and regulatory texts.

Independent third-party entity responsibility

Based on our work, it is our responsibility to provide a reasoned opinion expressing a conclusion of moderate assurance on:

- the Statement's compliance with the provisions in Article R. 225-105 of the French Commercial Code;
- the truthfulness and fairness of the information provided in application of paragraph 3 of I and of II of Article R. 225-105 of the French Commercial Code, namely the results of the policies, including key performance indicators and actions, relating to the main risks,

  hereinafter the "Information".

It is not our responsibility to express an opinion on:

- the Company's compliance with the other applicable legal and regulatory provisions, notably in terms of the vigilance plan and the fight against corruption and tax evasion;
- the compliance of products and services with applicable regulations.

Nature and scope of work

Our work described below was carried out in accordance with the provisions of Articles A. 225-1 *et seq.* of the French Commercial Code determining the terms under which the Independent Third Party conducts its mission and in accordance with the international standard ISAE 3000 – *Assurance engagements other than audits or reviews of historical financial information.*

We conducted work to enable us to assess the compliance of the Statement with the regulatory provisions and the truthfulness of the Information:

- we examined the activity of all the companies included in the scope of consolidation and the presentation of the main social and environmental risks linked to this activity;
- we assessed the appropriateness of the Reporting Standards with respect to their relevance, comprehensiveness, reliability, neutrality and understandability, taking into consideration, as necessary, good practices in the industry;
- we verified that the Statement provides the information specified in part II of Article R. 225-105, when it is relevant to the main risks, and that it includes, where applicable, an explanation of the reasons for the absence of the information required by the second paragraph of section III of Article L. 225-102-1;

(1) *COFRAC Inspection accreditation for which the scope of accreditation is available on the website www.cofrac.fr.*

- we checked to make sure that the Statement presents the business model and the main risks linked to the activity of all of the entities included in the scope of consolidation, including, when relevant and proportionate, the risks created by the Company's business relationships, products and/or services, as well as the policies, actions and results, including key performance indicators;
- we consulted the documentary sources and conducted interviews to:
  - assess the process used for the selection and validation of the main risks as well as the consistency of the outcomes, including the key performance indicators selected in respect of the main risks and policies presented, and
  - corroborate the qualitative information (actions and results) that we considered the most important[(1)];
- we checked to make sure that the Statement covers the consolidated scope, *i.e.* all of the entities included in the scope of consolidation in compliance with Article L. 233-16;
- we familiarized ourselves with the internal control and risk management procedures put in place in the entity and assessed the process of collection aiming for the comprehensiveness and truthfulness of the Information;
- for the key performance indicators and other quantitative results that we considered the most important, [(2)]we conducted the following:
  - analytical procedures consisting of verifying the proper consolidation of the data collected as well as the consistency of their changes,
  - detailed tests based on sampling methods, to verify the proper application of the definitions and procedures and to compare these with the documentation. This work was carried out on a selection of contributing entities[(3)] and covers between 22% and 65% of the consolidated data selected for these tests;
- we assessed the consistency of the Statement as a whole with respect to our knowledge of all the entities included in the consolidation scope.

We consider that the work that we have carried out by exercising our professional judgment allows us to formulate a moderate assurance conclusion; a higher level of assurance would have required more extensive verification work.

Means and resources

Our work mobilized the skills of four people and took place between February and March 2022.

We called upon the help of our experts in sustainable development and corporate social responsibility to complete this assignment. We conducted interviews with the people responsible for preparing the Statement.

Conclusion

Based on our work, we found no material misstatement that would cause us to question the compliance of the Statement of non-financial performance with the applicable regulatory provisions and that the Information, taken as a whole, is presented in a fair manner, and in compliance with the Reporting Standards.

Neuilly-sur-Seine, 14 April 2022

Independent third-party entity

Grant Thornton

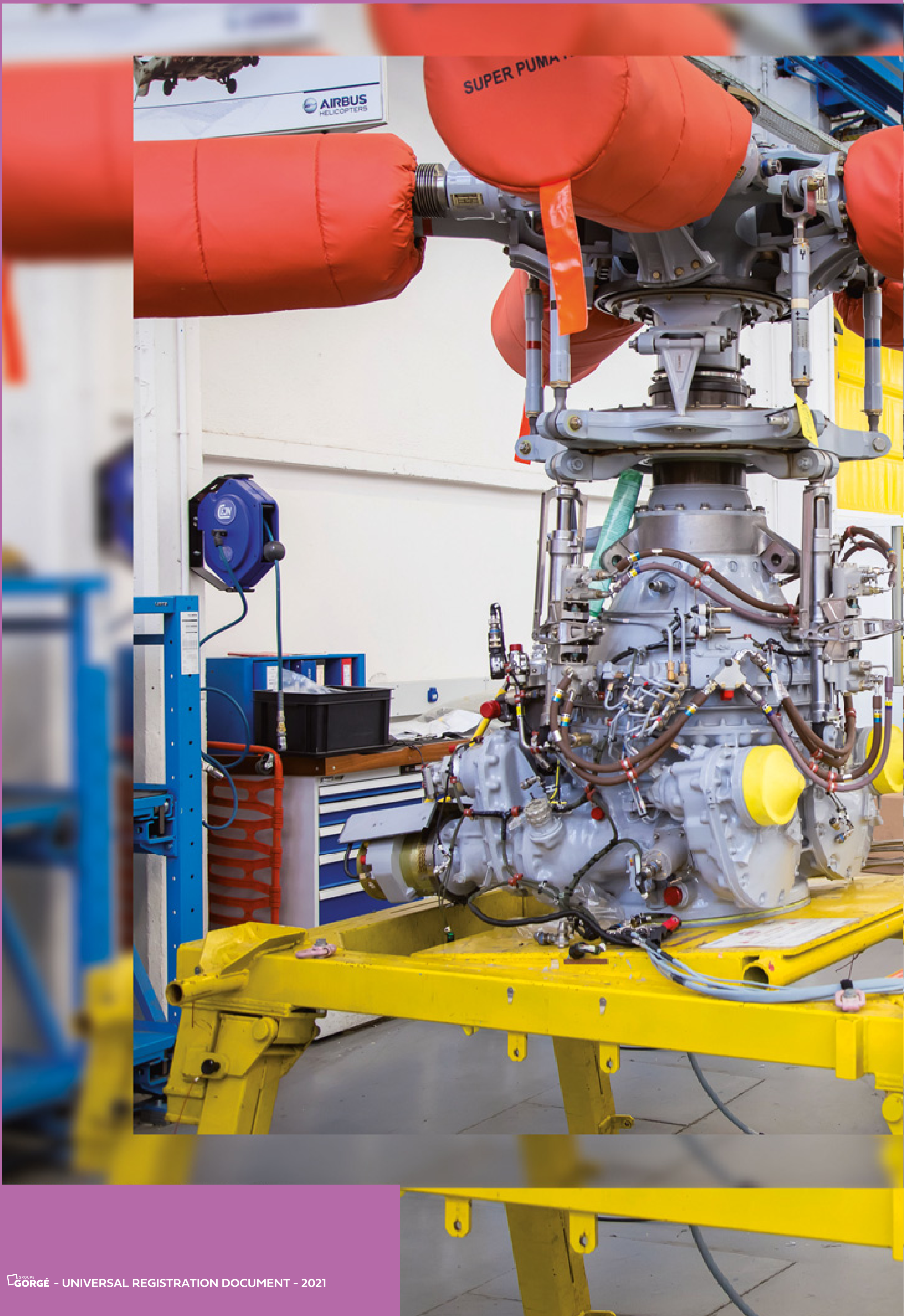
French member of Grant Thornton international

Vincent PAPAZIAN	Bertille CRICHTON
Partner	Partner

(1) *Qualitative information relating to the following sections: "Integration of young graduates and the group's employer policy"; "Building a major player in technological innovation".*

(2) *Quantitative social information: total headcount and breakdown by gender, age and region; recruitments; departures (of which dismissals); number of accidents with work stoppage; number of days lost for accidents with work stoppage; theoretical number of hours worked; frequency rate; severity rate; number of training hours; number of people trained. Quantitative environmental information: electricity consumption; gas consumption; fuel consumption; direct GHG emissions; indirect GHG emissions; amount of waste generated; amount of raw materials consumed.*

(3) *ECA ROBOTICS, CLF SATREM.*


SUPER PUMA
AIRBUS
HELICOPTERS

7

INFORMATION ON THE COMBINED SHAREHOLDERS' MEETING OF 18 JUNE 2021

7.1 REPORT OF THE BOARD OF DIRECTORS PRESENTING THE RESOLUTIONS SUBMITTED TO THE COMBINED SHAREHOLDERS' MEETING OF 16 JUNE 2022

1. APPROVAL OF THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 – APPROVAL OF NON-TAX-DEDUCTIBLE EXPENSES AND CHARGES (FIRST AND SECOND RESOLUTIONS)

We ask you to approve the separate financial statements for the financial year ended 31 December 2021, which ended with a profit of €47,917,325.84, as well as the consolidated financial statements for the financial year ended 31 December 2021, which ended in a profit (Group share) of €46,208 thousand.

We will ask you to approve the total amount of the expenses and charges referred to in point 4 of Article 39 of the French General Tax Code, *i.e.* the amount of €24,435 and the corresponding theoretical tax of €6,475.

2. ALLOCATION OF THE INCOME FOR THE FINANCIAL YEAR (THIRD RESOLUTION)

The allocation of the Company's income that we are proposing complies with the law and our bylaws.

No dividend distribution is proposed this year. This decision is part of the merger between GROUPE ECA and IXBLUE, the financing of which mobilizes the Group's resources, thus avoiding a capital increase and dilution for shareholders.

We therefore propose that you allocate the total profit for the financial year, amounting to €47,917,325.84, to retained earnings, as follows:

- Origin:
  - profit for the financial year: €47,917,325.84;
- Appropriation:
  - retained earnings: €47,917,325.84.

In accordance with the provisions of Article 243 *bis* of the French General Tax Code, we remind you that the income and dividend distribution in the three last financial years were as follows:

	Income eligible for reduction		
For financial year	Dividends	Other distributed income	Income not eligible for reduction
2018	€4,320,909.76(1) or €0.32 per share	-	-
2019	€4,320,909.76(1) or €0.32 per share	-	-
2020	€5,575,919.04(1) or €0.32 per share	-	-
2021	-	Distribution in kind of PRODWAYS GROUP shares (€70,740,013.02 or €4.11 per share) (2)	

(1) Including the unpaid amount of the dividend corresponding to treasury shares, which is allocated to the retained earnings account.
(2) The total amount of the distribution in kind amounted to €70,740,013.02 drawn from the reserve accounts for €54,296,747.02 and the premium accounts for €16,443,266. Of the dividend of €4.11 per share, €3.15 is qualified as distributed income and €0.96 is qualified as a contribution refund.

3. APPROVAL OF THE REGULATED AGREEMENTS (FOURTH TO EIGHTH RESOLUTIONS)

We kindly ask you to approve the conclusion on 1 February 2022 of new agreements of the type referred to in Article L.225-38 of the French Commercial Code. These new agreements concern the provision of services in favor of PRODWAYS GROUP, which is no longer controlled by GROUPE GORGÉ.

These new agreements are presented in Section 3.7.1 of the Universal Registration Document. The statutory auditors' report on these agreements is provided in Section 3.7.2 of the Universal Registration Document.

There are no agreements entered into and authorized during previous financial years, the execution of which would have continued during the last financial year.

4. UPDATE ON THE TERMS OF OFFICE OF DIRECTORS (NINTH RESOLUTION)

The term of office as member of the Board of Directors of Mr. Raphaël GORGÉ expires at the end of the next shareholders' meeting.

We ask you to renew the term of office of Mr. Raphaël GORGÉ, Chairperson and Chief Executive Officer of GROUPE GORGÉ.

Independence

We inform you that Mr. Raphaël GORGÉ is not an Independent Director with regard to the independence criteria of the Middlenext Code, adopted by the Company as the reference code for corporate governance.

Expertise, experience, skills

Information on the candidate's expertise and experience is detailed in Section 3.1.2 of the 2021 Universal Registration Document.

5. ALLOCATION OF THE INCOME FOR THE CHAIRPERSON AND CHIEF EXECUTIVE OFFICER, THE DEPUTY CHIEF EXECUTIVE OFFICER AND THE DIRECTORS (TENTH TO TWELFTH RESOLUTIONS)

Pursuant to Article L.22-10-8 of the French Commercial Code, we ask you to approve the remuneration policy for the Chairperson and Chief Executive Officer, the Deputy Chief Executive Officer and/or any other executive corporate officer(s), and the Directors. These policies are presented in the corporate governance report included in Section 3.2 of the Universal Registration Document.

6. APPROVAL OF THE INFORMATION REFERRED TO IN I OF ARTICLE L.22-10-9 OF THE FRENCH COMMERCIAL CODE (THIRTEENTH RESOLUTION)

Pursuant to Article L.22-10-34 of the French Commercial Code, we ask you to approve the information referred to in Article L.22-10-9-1 of the French Commercial Code mentioned in the corporate governance report included in Section 3.3 of the Universal Registration Document.

7. APPROVAL OF THE FIXED, VARIABLE AND EXCEPTIONAL ITEMS MAKING UP THE TOTAL REMUNERATION AND BENEFITS OF ANY KIND PAID DURING THE PAST FINANCIAL YEAR OR ALLOCATED FOR THE SAME FINANCIAL YEAR TO MR. RAPHAËL GORGÉ, CHAIRPERSON AND CHIEF EXECUTIVE OFFICER (FOURTEENTH RESOLUTION)

Pursuant to Article L.22-10-34 of the French Commercial Code, we ask you to approve the fixed, variable and exceptional components of the total remuneration and benefits of all kinds paid or allocated for the financial year ended to Mr. Raphaël GORGÉ, in his capacity as Chairperson and Chief Executive Officer, presented in the corporate governance report included in Section 3.4.1 of the Universal Registration Document.

8. APPROVAL OF THE FIXED, VARIABLE AND EXCEPTIONAL COMPONENTS OF THE TOTAL REMUNERATION AND BENEFITS OF ANY KIND PAID DURING THE PAST FINANCIAL YEAR OR ALLOCATED FOR THE SAME FINANCIAL YEAR TO MRS. HÉLÈNE DE COINTET, DEPUTY CHIEF EXECUTIVE OFFICER (FIFTEENTH RESOLUTION)

Pursuant to Article L.22-10-34 of the French Commercial Code, we ask you to approve the fixed, variable and exceptional components of the total remuneration and benefits of all kinds paid or allocated for the financial year ended to Mrs. Hélène de COINTET, in her capacity as Deputy Chief Executive Officer, presented in the corporate governance report included in Section 3.4.2 of the Universal Registration Document.

9. PROPOSAL TO RENEW THE AUTHORIZATION CONCERNING THE IMPLEMENTATION OF THE SHARE BUYBACK PROGRAM (SIXTEENTH RESOLUTION) AND CONCERNING THE CAPITAL REDUCTION THROUGH THE CANCELLATION OF TREASURY SHARES (SEVENTEENTH RESOLUTION)

We propose that, pursuant to the sixteenth resolution, you authorize the Board of Directors, for a period of 18 months, to purchase shares of the Company, on one or more occasions, at the times it will determine, within the limit of 10% of the number of shares comprising the share capital, adjusted where appropriate in order to take account of any increase or reduction of capital that may occur during the term of the program.

This authorization would terminate the authorization given to the Board of Directors by the shareholders' meeting of 18 June 2021 in its fifteenth ordinary resolution.

Acquisitions may be made to:

- stimulate the secondary market or the liquidity of GROUPE GORGÉ shares through the intermediary of an investment service provider under a liquidity contract that complies with practices permitted by any regulations in effect. It should be noted that, in this context, the number of shares taken into account for the calculation of the aforementioned limit corresponds to the number of shares purchased after deduction of the number of shares resold;
- retain the purchased shares and subsequently use them in payment or exchange in potential external growth transactions;
- provide coverage for stock option plans and/or free share allotments (or similar plans) for Group employees and/or corporate officers as well as all share allotments to Group or Company savings plans (or similar plans), under profit-sharing schemes and/or all other forms of share allotment to Group employees and/or corporate officers;
- provide coverage for transferable securities giving entitlement to the assignment of shares in the Company under the regulations in force;
- possibly cancel the acquired shares, in accordance with the authorization granted or to be granted by the Extraordinary shareholders' meeting;
- and more generally, carry out any objective authorized by law or any market practice approved by market authorities.

These share purchases may be carried out by any means, including by acquisition of blocks of shares, and at times that the Board might deem appropriate.

The Company reserves the right to use option mechanisms or derivatives in line with the applicable regulations.

We propose that you set a maximum purchase price of €50 per share and, consequently, that you set the maximum amount of the transaction at €87,123,700 (corresponding to 10% of the share capital as at 21 March 2022 at a maximum price of €50 per share).

As a consequence of the cancelation objective, we ask you, pursuant to the seventeenth resolution, to authorize the Board of Directors, for a period of 24 months, to cancel, at its sole discretion, on one or more occasions, within the limit of 10% of the share capital, calculated on the day of the cancelation decision, excluding any shares cancelled during the preceding 24 months, the shares that the Company holds or may hold as a result of repurchases under its program to repurchase shares, and to reduce the share capital accordingly, in accordance with the legal and regulatory provisions in force.

The Board of Directors would therefore have the necessary powers to take action in such matters.

10. RENEWAL OF THE FINANCIAL DELEGATIONS (EIGHTEENTH AND NINETEENTH RESOLUTIONS)

Most of the financial delegations were renewed in June 2021. As none have been used, there is no need to renew them, with the exception of the delegation allowing the Company to set up an equity line which is valid for 18 months and must therefore be renewed each year.

10.1 Delegation of authority to be given to the Board to increase the share capital through the issue, immediately or in future, of ordinary shares or equity securities giving access to other equity securities or rights to the allocation of debt securities, and/or transferable securities giving access to equity securities to be issued, without shareholders' pre-emptive subscription rights, for the benefit of a category of persons who will underwrite the Company's equity securities that might result therefrom in connection with an equity line of financing (eighteenth resolution)

This delegation will authorize the Board to increase capital through the issue of ordinary shares or equity securities giving access to other equity securities or rights to the allocation of debt securities, and/or securities giving access to equity securities issued, without pre-emptive rights in favor of a category of persons who will underwrite the Company's capital securities that might result therefrom in connection with an equity line of financing.

Such a delegation could be used by the Company to set up an equity line with which the Company could increase its financial flexibility alongside the other financing tools it may already have in place.

Under this delegation, we ask you to cancel the shareholders' pre-emptive subscription right to ordinary shares in the Company, to equity securities giving access to other equity securities or giving rights to the allocation of debt securities and/or to any transferable securities to be issued, in favor of the following category of persons: any credit institution, investment service provider, or member of an investment banking syndicate or any investment fund or company undertaking to guarantee the completion of the capital increase or of any issue that may eventually result in a capital increase that could be completed pursuant to this delegation in the context of the setup of an equity line of financing.

For the bearers of transferable securities thus issued, this delegation is, as of right, an express waiver by shareholders of their pre-emptive rights to the shares to which these transferable securities will give right.

The total nominal amount of the share capital increases that may be carried out immediately and/or in future under this delegation may not exceed €3 million or its exchange value in foreign currency to which ceiling will be added, as the case may be, the additional amount of shares to be issued to preserve the rights of security holders and other rights giving access to the share capital, in accordance with the law and any applicable contractual stipulations.

The maximum nominal amount of the debt securities that may be issued under this delegation would be set at €30 million (or exchange value if the issue is in another currency).

These amounts will be deducted from the ceiling provided for in the eighteenth resolution.

The issue price of the shares issued pursuant to this delegation would be determined by the Board of Directors and would be at least equal to the weighted average of the share prices of the last three trading days preceding its determination, such as, where applicable, reduced by a maximum discount of 30%, taking into account the vesting date, if applicable; it being specified that (i) in the event of the issue of transferable securities giving access to the share capital, the issue price of the shares likely to result from their exercise, conversion or exchange could be set, if applicable, at the discretion of the Board of Directors, by reference to a calculation formula defined by the latter and applicable after the issue of said transferable securities (for example upon exercise, conversion or exchange) in which case the aforementioned maximum discount could be assessed, if the Board of Directors deemed it appropriate, on the date of application of said formula (and not on the date of issue of the securities), and (ii) the issue price of the transferable securities granting access to the share capital, if any, issued under this resolution would be such that the amount, if any, received immediately by the Company, increased by that likely to be received by it on the exercise or conversion of these transferable securities, would be, for each share issued as a result of the issue of these transferable securities, at least equal to the aforementioned minimum amount.

The 30% discount on the issue price of the shares or transferable securities would allow the Company to have greater flexibility in the context of negotiations that could take place with institutions with which the Company might set up this equity line of financing.

This delegation would be granted for a period of 18 months.

10.2 Delegation of authority to increase the share capital for the benefit of the members of a company savings plan (nineteenth resolution)

We submit this resolution for your approval to comply with the provisions of Article L.225-129-6 of the French Commercial Code, under the terms of which the Extraordinary shareholders' meeting is called upon to vote on delegations of authority that may generate, immediately or in the future, capital increases in cash, and it must also vote on a delegation for members of a company savings plan.

As part of this delegation, we propose that you authorize the Board of Directors, for a period of 26 months, to increase the share capital, on one or more occasions, by the issuance of ordinary shares or transferable securities giving access to equity securities to be issued by the Company for the benefit of members of one or more Company or Group savings plans set up by the Company and/or the French or foreign companies related to it under the conditions of Articles L.225-180 of the French Commercial Code and L. 3344-1 of the French Labor Code.

In accordance with the law, the shareholders' meeting would remove shareholders' pre-emptive subscription rights.

The maximum nominal amount of the share capital increase(s) that may be made by using this delegation would be limited to 3% of the amount of the share capital reached at the time of the Board's decision to carry out this increase. This amount is independent of any other ceiling set regarding capital increase delegations. To this amount would be added, if applicable, the nominal amount of the capital increase necessary to preserve, in accordance with the law and, where applicable, contractual stipulations providing for other methods of preservation, the rights of the holders of rights or securities giving access to the Company's share capital.

It should be noted that, in accordance with the provisions of Article L.3332-19 of the French Labor Code, the price of the shares to be issued may not be more than 30% (or 40% when the non-availability provided for by the plan pursuant to Articles L.3332-25 and L. 3332-26 of said code is greater than or equal to ten years) below the average of the opening prices quoted for the share during the 20 trading sessions prior to the decision setting the opening date of the subscription, nor higher than that average.

Pursuant to Article L.3332-21 of the French Labor Code, the Board of Directors may provide for the allocation to the beneficiaries, free of charge, of shares that have been or will be issued or other securities giving access to the Company's share capital that have been or will be issued, for (i) the employer's contribution that may be paid pursuant to the company or group savings plan rules, and/or (ii) if applicable, the discount and may decide, in the event of the issue of new shares for the discount and/or employer's contribution, to incorporate into the capital the reserves, profits or issue premiums necessary to pay for said shares.

The Board of Directors asks you to approve by your vote the texts of the resolutions proposed to you.

The Board of Directors

7.2 TEXT OF THE RESOLUTIONS SUBMITTED TO THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF 16 JUNE 2022

AGENDA

Ordinary resolutions

1. Approval of the annual financial statements for the financial year ended 31 December 2021 – Approval of non-tax-deductible expenses and charges.
2. Approval of the consolidated financial statements for the financial year ended 31 December 2021.
3. Allocation of the income for the financial year and determination of the dividend.
4. Special report of the statutory auditors on regulated agreements and commitments and approval of these agreements – Approval of the "finance" services agreement with PRODWAYS GROUP.
5. Special report of the statutory auditors on regulated agreements and commitments and approval of these agreements – Approval of the "corporate" services agreement with PRODWAYS GROUP.
6. Special report of the statutory auditors on regulated agreements and commitments and approval of these agreements – Approval of the "financial communication" service agreement with PRODWAYS GROUP.
7. Special report of the statutory auditors on regulated agreements and commitments and approval of these agreements – Approval of the "interim assistance to Executive Management" service agreement with PRODWAYS GROUP.
8. Special report of the statutory auditors on regulated agreements and commitments and approval of these agreements – Approval of the "M&A" service agreement with PRODWAYS GROUP.
9. Renewal of the term of office as Director of Mr. Raphaël GORGÉ.
10. Approval of the remuneration policy for the Chairperson and Chief Executive Officer.
11. Approval of the remuneration policy for the Deputy Chief Executive Officer.
12. Approval of the remuneration policy for the Directors.
13. Approval of the information referred to in I of Article L.22-10-9 of the French Commercial Code.
14. Approval of the fixed, variable and exceptional components of the total remuneration and benefits of all kinds paid during or allocated in respect of the financial year ended to Mr. Raphaël Gorgé, Chairperson and Chief Executive Officer.
15. Approval of the fixed, variable and exceptional components of the total remuneration and benefits of all kinds paid during or allocated in respect of the financial year ended to Mrs. Hélène de COINTET, Deputy Chief Executive Officer.
16. Authorization to be granted to the Board of Directors to allow the Company to buy its own shares pursuant to Article L.22-10-62 of the French Commercial Code, duration of the authorization, objectives, terms and conditions, ceiling.

Extraordinary resolutions

17. Authorization to be given to the Board of Directors to cancel treasury shares under Article L.22-10-62 of the French Commercial Code, duration of the authorization, ceiling.
18. Delegation of authority to be given to the Board to increase the share capital through the issue, immediately or in future, of ordinary shares or equity securities giving access to other equity securities or rights to the allocation of debt securities, and/or transferable securities giving access to equity securities to be issued, without shareholders' pre-emptive subscription rights, for the benefit of a category of persons who will underwrite the Company's equity securities that might result therefrom in connection with an equity line of financing.
19. Delegation of authority to be granted to the Board of Directors to increase the share capital through the issuance of ordinary shares and/or securities giving access to the share capital, without preemptive subscription rights, for the benefit of members of a company savings plan pursuant to Articles L.3332-18 *et seq.* of the French Labor Code, duration of delegation, maximum nominal amount of the capital increase, issue price, option to allocate free shares pursuant to Article L.3332-21 of said code.
20. Powers for formalities.

DRAFT RESOLUTIONS

Ordinary resolutions

First resolution – Approval of the annual financial statements for the financial year ended 31 December 2021 – Approval of the non-tax-deductible expenses and charges

The shareholders' meeting, ruling under the *quorum* and majority conditions for ordinary shareholders' meetings, having taken note of the reports of the Board of Directors and statutory auditors for the financial year ended 31 December 2021, approves, as they were presented, the annual financial statements as of this date, showing a profit of €47,917,325.84.

The shareholders' meeting specifically approves the overall total, amounting to €24,435, of the expenses and charges referred to in paragraph 4 of Article 39 of the French General Tax Code, as well as the corresponding theoretical tax.

Second resolution – Approval of the consolidated financial statements for the financial year ended 31 December 2021

The shareholders' meeting, ruling under the conditions of *quorum* and majority required for ordinary shareholders' meetings, having reviewed the reports of the Board of Directors and of the statutory auditors on the consolidated financial statements as at 31 December 2021, approves said statements as they were presented, returning a profit (Group share) of €46,208 thousand.

Third resolution – Allocation of the income for the financial year and determination of the dividend

The shareholders' meeting, ruling under the *quorum* and majority conditions for ordinary shareholders' meetings, on the proposal of the Board of Directors, resolves to allocate the income for the financial year ended 31 December 2021, as follows:

- *origin*:
  - profit for the financial year: €47,917,325.84;
- *appropriation*:
  - retained earnings: €47,917,325.84.

In accordance with the provisions of Article 243 *bis* of the French General Tax Code, the shareholders' meeting notes that it has been reminded that the dividends paid in the last three financial years were as follows:

	Income eligible for reduction		Income not eligible for reduction
For financial year	Dividends	Other distributed income	
2018	€4,320,909.76[1] or €0.32 per share	-	-
2019	€4,320,909.76[1] or €0.32 per share	-	-
2020	€5,575,919.04[1] or €0.32 per share	-	-
2021	-	Distribution in kind of PRODWAYS GROUP shares (€70,740,013.02 or €4.11 per share) [2]	

(1) Including the unpaid amount of the dividend corresponding to treasury shares, which is allocated to the retained earnings account.
(2) The total amount of the distribution in kind amounted to €70,740,013.02 drawn from the reserve accounts for €54,296,747.02 and the premium accounts for €16,443,266. Of the dividend of €4.11 per share, €3.15 is qualified as distributed income and €0.96 is qualified as a contribution refund.

Fourth resolution – Statutory auditors' special report on regulated agreements and commitments and approval of these agreements – Approval of the services agreement entered into with PRODWAYS GROUP, under the terms of which GROUPE GORGÉ provides financial services to PRODWAYS GROUP

The shareholders' meeting, ruling under the *quorum* and majority requirements for ordinary shareholders' meetings, having reviewed the statutory auditors' special report on the regulated agreements and commitments referred to in Article L.225-38 of the French Commercial Code, approves the new agreement for the provision of financial services in favor of PRODWAYS GROUP, which is presented therein.

Fifth resolution – Statutory auditors' special report on regulated agreements and commitments and approval of these agreements – Approval of the services agreement entered into with PRODWAYS GROUP, under the terms of which GROUPE GORGÉ provides corporate services to PRODWAYS GROUP

The shareholders' meeting, ruling under the *quorum* and majority requirements for ordinary shareholders' meetings, having reviewed the statutory auditors' special report on the regulated agreements and commitments referred to in Article L.225-38 of the French Commercial Code, approves the new corporate services agreement in favor of PRODWAYS GROUP which is presented therein.

Sixth resolution – Statutory auditors' special report on regulated agreements and commitments and approval of these agreements – Approval of the services agreement entered into with PRODWAYS GROUP, under the terms of which GROUPE GORGÉ provides financial communication services to PRODWAYS GROUP

The shareholders' meeting, ruling under the *quorum* and majority requirements for ordinary shareholders' meetings, having reviewed the statutory auditors' special report on the regulated agreements and commitments referred to in Article L.225-38 of the French Commercial Code, approves the new agreement for the provision of financial communication services in favor of PRODWAYS GROUP, which is presented therein.

Seventh resolution – Statutory auditors' special report on regulated agreements and commitments and approval of these agreements – Approval of the services agreement entered into with PRODWAYS GROUP, under the terms of which GROUPE GORGÉ provides temporary assistance services to PRODWAYS GROUP's Executive Management

The shareholders' meeting, ruling under the *quorum* and majority requirements for ordinary shareholders' meetings, having reviewed the statutory auditors' special report on the regulated agreements and commitments referred to in Article L.225-38 of the French Commercial Code, approves the new agreement for the provision of temporary assistance to PRODWAYS GROUP's Executive Management, which is presented therein.

Eighth resolution – Statutory auditors' special report on regulated agreements and commitments and approval of these agreements – Approval of the services agreement entered into with PRODWAYS GROUP, under the terms of which GROUPE GORGÉ provides M&A services to PRODWAYS GROUP

The shareholders' meeting, ruling under the *quorum* and majority requirements for ordinary shareholders' meetings, having reviewed the statutory auditors' special report on the regulated agreements and commitments referred to in Article L.225-38 of the French Commercial Code, approves the new agreement for the provision of M&A services in favor of PRODWAYS GROUP, which is presented therein.

Ninth resolution – Renewal of the term of office as Director of Mr. Raphaël GORGÉ

The shareholders' meeting, ruling under the *quorum* and majority requirements for ordinary shareholders' meetings, resolves to renew the term of office as Director of Mr. Raphaël GORGÉ, for a period of six years, expiring at the end of the shareholders' meeting held in the year 2028 called to approve the financial statements for the previous financial year.

Tenth resolution – Approval of the remuneration policy for the Chairperson and Chief Executive Officer

The shareholders' meeting, ruling under the conditions of *quorum* and majority required for ordinary shareholders' meetings, and pursuant to Article L.22-10-8 of the French Commercial Code, approves the remuneration policy for the Chairperson and Chief Executive Officer and/or any other executive corporate officer, presented in the corporate governance report included in Section 3.2.1 of the Universal Registration Document.

Eleventh resolution – Approval of the remuneration policy for the Deputy Chief Executive Officer

The shareholders' meeting, ruling under the conditions of *quorum* and majority required for ordinary shareholders' meetings, and pursuant to Article L.22-10-8 of the French Commercial Code, approves the remuneration policy for the Deputy CEO, presented in the corporate governance report included in Section 3.2.2 of the Universal Registration Document.

Twelfth resolution – Approval of the remuneration policy for the Directors

The shareholders' meeting, ruling under the conditions of *quorum* and majority required for ordinary shareholders' meetings, and pursuant to Article L.22-10-8 of the French Commercial Code, approves the remuneration policy for the Directors, presented in the corporate governance report included in Section 3.2.4 of the Universal Registration Document.

Thirteenth resolution – Approval of the information referred to in I of Article L.22-10-9 of the French Commercial Code

The shareholders' meeting, ruling under the conditions of *quorum* and majority required for ordinary shareholders' meetings, and pursuant to Article L.22-10-34 of the French Commercial Code, approves the disclosures referred to in Article L.22-10-9-1 of the French Commercial Code, mentioned in the corporate governance report included in Section 3.3 of the Universal Registration Document.

Fourteenth resolution – Approval of the fixed, variable and exceptional components of the total remuneration and benefits of any kind paid during the past financial year or allocated in respect of the same financial year to Mr. Raphaël GORGÉ, Chairperson and Chief Executive Officer

The shareholders' meeting, ruling under the conditions of *quorum* and majority required for ordinary shareholders' meetings, and pursuant to Article L.22-10-34 of the French Commercial Code, approves the fixed, variable and exceptional components of the total remuneration and benefits of all kinds paid or allocated for the financial year ended to Mr. Raphaël GORGÉ, in his capacity as Chairperson and Chief Executive Officer, presented in the corporate governance report included in Section 3.4.1 of the Universal Registration Document.

Fifteenth resolution – Approval of the fixed, variable and exceptional components of the total remuneration and benefits of any kind paid during the past financial year or allocated for the same financial year to Mrs. Hélène de COINTET, Deputy Chief Executive Officer

The shareholders' meeting, ruling under the conditions of *quorum* and majority required for ordinary shareholders' meetings, and pursuant to Article L.22-10-34 of the French Commercial Code, approves the fixed, variable and exceptional components of the total remuneration and benefits of all kinds paid during or allocated for the financial year ended to Mrs. Hélène de COINTET, in her capacity as Deputy Chief Executive Officer, presented in the corporate governance report included in Section 3.4.2 of the Universal Registration Document.

Sixteenth resolution – Authorization to be granted to the Board of Directors for the Company to buy its own shares in accordance with Article L.22-10-62 of the French Commercial Code

The shareholders' meeting, ruling under the *quorum* and majority conditions for ordinary shareholders' meetings, noting the report of the Board of Directors, authorizes the latter, for a period of 18 months, in accordance with Articles L.22-10-62 *et seq.* of the French Commercial Code to purchase, on one or more occasions, at times it will determine, shares in the Company, up to a maximum of 10% of the number of shares comprising the share capital, adjusted where appropriate to take account of any capital increase or reduction that may occur during the term of the program.

This authorization terminates the authorization given to the Board of Directors by the shareholders' meeting of 18 June 2020 in its fifteenth ordinary resolution.

Acquisitions may be made to:

- stimulate the secondary market or the liquidity of GROUPE GORGÉ shares through the intermediary of an investment service provider under a liquidity contract that complies with practices permitted by any regulations in effect. It should be noted that, in this context, the number of shares taken into account for the calculation of the aforementioned limit corresponds to the number of shares purchased after deduction of the number of shares resold;
- retain the purchased shares and subsequently use them in payment or exchange in potential external growth transactions;

- provide coverage for stock option plans and/or free share allotments (or similar plans) for Group employees and/or corporate officers as well as all share allotments to Group or Company savings plans (or similar plans), under profit-sharing schemes and/or all other forms of share allotment to Group employees and/or corporate officers;
- provide coverage for transferable securities giving entitlement to the assignment of shares in the Company under the regulations in force;
- possibly cancel the acquired shares, in accordance with the authorization granted or to be granted by the Extraordinary shareholders' meeting.

And more generally, carry out any objective authorized by law or any market practice approved by market authorities.

These share purchases may be carried out by any means, including by acquisition of blocks of shares, and at times that the Board shall deem appropriate.

The Company reserves the right to use option mechanisms or derivatives in line with the applicable regulations.

The maximum purchase price is set at €50 per share. In case of operations on the capital, including division or grouping of shares or a free allocation of shares, the aforementioned amount will be adjusted in the same proportions (multiplier coefficient equal to the ratio of the number of shares composing the capital before the operation and the number of shares after the operation).

The maximum amount of the transaction is set at €87,123,700 (corresponding to 10% of the share capital on 21 March 2022 at the maximum price of €50 per share).

The shareholders' meeting grants all powers to the Board of Directors for the purpose of carrying out these operations, to approve the terms and conditions, to conclude all agreements and execute all formalities.

Extraordinary resolutions

Seventeenth resolution – Authorization to be given to the Board of Directors to cancel treasury shares under the provisions of Article L.22-10-62 of the French Commercial Code

The shareholders' meeting, ruling under the *quorum* and majority conditions for Extraordinary shareholders' meetings, having noted the report of the Board of Directors and the report of the statutory auditors:

1) authorizes the Board of Directors to cancel, at its sole discretion, on one or more occasions, within the limit of 10% of the capital, calculated on the day of the cancelation decision, excluding any shares cancelled during the preceding 24 months, the shares that the Company holds or may hold as a result of repurchases carried out under Article L.22-10-62 of the French Commercial Code, and to reduce the share capital accordingly, pursuant to the laws and regulations in force;
2) sets the period of validity of this authorization at 24 months starting from the date of this meeting;
3) gives the Board of Directors all powers to carry out the transactions required for such cancelations and the related reductions in share capital, amend the Company bylaws as a result, and complete all required formalities.

Eighteenth resolution – Delegation of authority to be given to the Board to increase the share capital through the issue, immediately or in future, of ordinary shares or equity securities giving access to other equity securities or rights to the allocation of debt securities, and/or transferable securities giving access to equity securities issued, without shareholders' pre-emptive subscription rights, for the benefit of a category of persons who will underwrite the Company's equity securities that might result therefrom in connection with an equity line of financing

The shareholders' meeting, ruling under the *quorum* and majority conditions for Extraordinary shareholders' meetings, having taken note of the report of the Board of Directors and the report of the statutory auditors, in accordance with the provisions of Articles L.225-129 *et seq.* of the French Commercial Code, specifically its Articles L.225-129-2, L. 22-10-49, L. 225-135, L. 22-10-51, L. 225-138, L. 228-91 *et seq.*:

1) delegates to the Board of Directors its authority to approve the issue, on one or more occasions, in the proportions and at the times it deems appropriate, in France or abroad, either in euros, in foreign currencies or in any other unit of account established by reference to a set of currencies, of ordinary shares or equity securities giving access to other equity securities or giving right to the allocation of debt securities and/or transferable securities (including all debt securities) giving access to equity securities to be issued;
2) resolves that the transferable securities issued can consist of debt securities, can be associated with the issue of such securities or allow the issue thereof as intermediate securities;
3) resolves to cancel the shareholders' pre-emptive subscription rights to ordinary shares in the Company, to equity securities giving access to other equity securities or giving rights to the allocation of debt securities and/or to any transferable securities to be issued, in favor of the following category of persons: any credit institution, investment service provider, or member of an investment banking syndicate or any investment fund or company undertaking to guarantee the completion of the capital increase or of any issue that may eventually result in a capital increase that could be completed pursuant to this delegation in the context of the setup of an equity line of financing;
4) duly notes that where necessary this delegation entails the waiver by the shareholders of their pre-emptive subscription rights to any shares to which these transferable securities give access, in favor of the holders of the transferable securities issued;
5) resolves that the total nominal amount of the share capital increases that may be carried out immediately and/or in future under this delegation may not exceed €3 million or its exchange value in foreign currency, to which ceiling will be added, as the case may be, the additional amount of the shares to be issued to preserve the rights of security holders and other rights giving access to the share capital, in accordance with the law and any applicable contractual stipulations.

   This amount is deducted from the maximum amount of the capital increase set in the eighteenth extraordinary resolution of the shareholders' meeting of 18 June 2021 or any subsequent resolution;

6) resolves to set at €30 million (or exchange value if the issue is in another currency) the maximum nominal amount of the debt securities that may be issued under this delegation; it being specified that said amount will be increased, as the case may be, by any redemption premium above par. This ceiling does not apply to the debt securities referred to in Articles L.228-40, L. 228-36-A and L. 228-92 paragraph 3 of the French Commercial Code whose issue is decided or authorized by the Board of Directors under the conditions set out in Article L.228-40 of said code or, in other cases, under the conditions determined by the Company in accordance with Article L.228-36-A of said code.

   This amount is deducted from the maximum nominal amount of the debt securities provided for in the eighteenth extraordinary resolution of the shareholders' meeting of 18 June 2021 or any subsequent resolution;

7) resolves that the issue price of the shares issued under this delegation will be determined by the Board of Directors and will be at least equal to the weighted average of the share prices of the last three trading days preceding its determination, reduced, if applicable, by a maximum discount of 30%, taking into account, if applicable, their vesting date; it being specified that (i) in the event of the issue of transferable securities giving access to the share capital, the issue price of the shares likely to result from their exercise, conversion or exchange may be set, where applicable, at the discretion of the Board of Directors, by reference to a calculation formula defined by the latter and applicable after the issue of said transferable securities (for example upon exercise, conversion or exchange) in which case the aforementioned maximum discount may be assessed, if the Board of Directors deems it appropriate, on the date of application of said formula (and not on the date of issue of the securities), and (ii) the issue price of the transferable securities granting access to the share capital, if any, issued pursuant to this resolution shall be such that the amount, if any, received immediately by the Company, increased by that likely to be received by it upon the exercise or conversion of said transferable securities, or, for each share issued as a result of the issue of these transferable securities, at least equal to the aforementioned minimum amount;

8) specifies that the delegation thus conferred on the Board is valid for a period of 18 months starting from this shareholders' meeting;

9) resolves that the Board of Directors will have all powers, with the option of sub-delegation pursuant to the law, to implement, under the conditions set by law and the bylaws, this delegation in order specifically to:
   - decide the amount of share capital increase, the issue price (determined per the pricing conditions recorded above) and the amount of the premium that may, as applicable, be requested at issue,
   - determine the dates, terms and conditions of any issue as well as the form and characteristics of the shares or securities giving access to the share capital to be issued,
   - determine the dividend entitlement date, which may be retroactive, of the shares or securities giving access to the share capital to be issued, and the manner in which they are to be paid up,
   - set the list of beneficiaries in the aforementioned category of persons and the number of shares to be allocated to each of them,
   - at its sole initiative and when it deems appropriate, charge the costs, duties and fees incurred by the capital increases carried out under the delegation mentioned in this resolution, against the amount of premiums related to these transactions and withdraw, from the amount of these premiums, the sums necessary to bring the legal reserve to one-tenth of the new share capital after each increase,
   - note the completion of each share capital increase and amend the bylaws accordingly,
   - in general enter into any agreement to ensure the success of the planned issues, take all measures and carry out all formalities required for the issue and listing of and trade in the securities issued under this delegation as well as the exercise of the rights attached thereto,
   - take any decision respecting the admission of the shares and transferable securities thus issued on any market;

10) notes that this delegation supersedes any unused portion of any previous delegation with the same purpose.

Nineteenth resolution – Delegation of authority to be granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or transferable securities giving access to share capital, without shareholders' pre-emptive subscription rights, in favor of members of a company savings plan pursuant to Articles L.3332-18 et seq. of the French Labor Code

The shareholders' meeting, having taken note of the report of the Board of Directors and the special report of the statutory auditors, and pursuant to Articles L.225-129-6, L. 225-138-1 and L. 228-92 of the French Commercial Code and L. 3332-18 *et seq.* of the French Labor Code:

1) delegates its powers to the Board of Directors, if the latter sees fit and at its sole discretion, to increase the share capital on one or more occasions, by issuing ordinary shares or transferable securities giving access to capital securities to be issued by the Company to members of one or more company or group savings plans set up by the Company and/or French or foreign companies related to it under the terms of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labor Code;

2) waives for the benefit of these individuals the pre-emptive subscription rights to the shares which may be issued pursuant to this delegation;

3) sets the period of validity of this authorization at 26 months starting from the date of this delegation;

4) limits the maximum nominal amount of the share capital increase(s) that may be made by using this delegation to 3% of the amount of the share capital reached at the time of the Board's decision to carry out this increase. This amount is independent of any other ceiling set regarding capital increase delegations. To this amount will be added, if applicable, the nominal amount of the capital increase necessary to preserve, in accordance with the law and, where applicable, contractual stipulations providing for other methods of preservation, the rights of the holders of rights or transferable securities giving access to the Company's share capital;

5) resolves that the price of the shares to be issued, pursuant to 1) of this delegation, may not be more than 30% (or 40% when the lock-up period provided for in the plan pursuant to Articles L.3332-25 and L. 3332-26 of the French Labor Code is greater than or equal to ten years) below the average of the opening prices quoted for the share during the 20 trading sessions prior to the decision setting the opening date of the subscription, nor higher than said average;
6) resolves, pursuant to Article L.3332-21 of the French Labor Code, that the Board of Directors may provide for the allocation to beneficiaries defined in the first paragraph above, free of charge, of shares that have been or will be issued or other securities giving access to the Company's share capital that have been or will be issued, for (i) the employer's contribution that may be paid pursuant to the company or group savings plan rules, and/or (ii) if applicable, the discount and may decide, in the event of the issue of new shares for the discount and/or employer's contribution, to incorporate into the capital the reserves, profits or issue premiums necessary to pay for said shares.

The Board of Directors may or may not implement this delegation, take all measures and carry out all necessary formalities.

Twentieth resolution – Powers for formalities

The shareholders' meeting grants all powers to the bearer of an example, a copy or an extract of these minutes in order to accomplish all filing and publicity formalities required by law.

7.3 REPORTS OF THE STATUTORY AUDITORS PRESENTED TO THE SHAREHOLDERS' MEETING

STATUTORY AUDITORS' REPORT ON THE REGULATED AGREEMENTS AND COMMITMENTS

See Section 2.5.2 of the Universal Registration Document.

STATUTORY AUDITORS' REPORT ON THE SHARE CAPITAL REDUCTION

Shareholders' Meeting of 16 June 2022 – Resolution no. 17

To the Shareholders' Meeting,

In our capacity as your company's Statutory Auditors, and pursuant to the assignment set forth in Article L. 22-10-62 of the French Commercial Code in the event of a share capital reduction through the cancelation of shares purchased, we have drawn up this report intended to inform you of our assessment of the causes and conditions of the proposed share capital reduction.

Your Board of Directors proposes that you delegate to it, for a period of 24 months from the date of this meeting, all powers to cancel, within the limit of 10% of your company's share capital, per 24-month period, the shares purchased pursuant to the implementation of a share buyback program by the company within the framework of the provisions of the aforementioned article.

We have conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this assignment. These procedures require us to examine whether the causes and conditions of the proposed share capital reduction, of a nature not to impair the equality of shareholders, are regular.

We have no matters to report on the causes and conditions of the proposed share capital reduction.

Done in Neuilly-sur-Seine and Paris on 14 April 2022

Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT	RSM PARIS
Christophe DRIEU	Stéphane MARIE
Partner	Partner

STATUTORY AUDITORS' REPORT ON THE ISSUANCE OF ORDINARY SHARES AND/OR VARIOUS TRANSFERABLE SECURITIES WITH OR WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS

Combined Shareholders' Meeting of 16 June 2022 – Resolution no. 18

To the Shareholders' Meeting

In our capacity as Statutory Auditors of your company and pursuant to the mission provided for by Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code, we hereby present to you our report on the proposal to delegate to the Board of Directors the authority to decide on an issue, with cancelation of the pre-emptive subscription rights, reserved for any credit institution, any investment services provider or member of an investment banking syndicate or any investment fund or company undertaking to guarantee the completion of the capital increase or any issue likely to result in a capital increase that could be carried out under this delegation as part of the implementation of an equity financing line, a transaction upon which you are called to vote.

Your Board of Directors proposes, on the basis of its report, that you delegate to it, for a period of 18 months, the authority to decide on the issue of ordinary shares of the company or equity securities giving access to other equity securities or securities giving entitlement to the allocation of debt securities, and/or securities (including, in particular, all debt securities) giving access to equity securities to be issued, with cancelation of pre-emptive subscription rights, in favor of any credit institution, any investment services provider or member of an investment banking syndicate or any investment fund or company undertaking to guarantee the completion of the capital increase or any issue likely to result in a capital increase in the future that could be carried out under this delegation as part of the implementation of an equity financing line.

The total nominal amount of capital increases that may be carried out immediately or in the future may not exceed €3 million.

In addition, this cap will be deducted from the overall limit on capital increases provided for in the 18th extraordinary resolution of the Shareholders' Meeting of 18 June 2021, or any resolution that may succeed it, which sets the maximum overall nominal amount of the capital increases that may be carried out at €5 million.

The overall nominal amount of the debt securities that may be issued may not exceed €30 million.

In addition, this cap will be deducted from the overall limitation provided for in the 18th extraordinary resolution of the Shareholders' Meeting of 18 June 2021, or any resolution that may succeed it, which sets the maximum total nominal amount of the securities that may be issued at €50 million.

It is the responsibility of the Board of Directors to prepare a report in compliance with Articles R. 225-113 *et seq.* of the French Commercial Code. Our role is to express an opinion on the truthfulness of the quantified financial information drawn from the financial statements, on the proposal to cancel the pre-emptive subscription rights and on certain other details concerning these transactions, set out in this report.

We have conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this assignment. These procedures consisted in verifying the contents of the report from the Board of Directors on this transaction and the process for setting the issue price of the equity securities to be issued.

Subject to reviewing, at a future date, the terms and conditions of any issues that may be decided upon, we have no comments to make on the process for setting the issue price of the equity securities to be issued, set out in the report of the Board of Directors.

As indicated in the report of the Board of Directors and in resolution no. 18, the cancellation of the pre-emptive right under the 18th resolution would be made in favor of any credit institution, any investment services provider or member of an investment banking syndicate or any investment fund or company undertaking to guarantee the completion of the capital increase or any issue likely to result in a capital increase in the future that could be carried out under this delegation as part of the implementation of an equity financing line. This description does not appear to us to comply with the provisions of Article L. 225-138 of the French Commercial Code providing for the possibility of reserving share capital increases to categories of persons satisfying determined characteristics insofar as the Board of Directors does not sufficiently nor precisely specify the identification criteria for the category to which the beneficiaries of the envisaged issue belong.

Consequently, we cannot express an opinion on the proposal to cancel the pre-emptive subscription rights made to you.

Pursuant to Article R. 225-116 of the French Commercial Code, we will prepare an additional report, as required, when the Board of Directors makes use of this authorization.

Done in Neuilly-sur-Seine and Paris on 14 April 2022

The Statutory Auditors

PricewaterhouseCoopers Audit	**RSM PARIS**
Christophe DRIEU	Stéphane MARIE

STATUTORY AUDITORS' REPORT ON THE ISSUANCE OF ORDINARY SHARES AND/OR TRANSFERABLE SECURITIES GIVING ACCESS TO THE SHARE CAPITAL RESERVED FOR SUBSCRIBERS TO A COMPANY SAVINGS PLAN

Extraordinary Shareholders' Meeting of 16 June 2022 – Resolution no. 19

To the Shareholders' Meeting,

In our capacity as your company's statutory auditors, and pursuant to the assignment set forth in Articles L. 228-92, L. 225-135 *et seq.* and L. 22-10-51 of the French Commercial Code, we hereby present our report on the proposed delegation of authority to your Board of Directors to decide an issue of ordinary shares or transferable securities granting access to equity securities to be issued by the Company, with cancelation of the pre-emptive subscription right, reserved for subscribers to one or more company or group savings plans implemented by the Group and/or the French and foreign companies related to the Company under the conditions set forth in Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code, a transaction upon which you are called to vote.

The maximum nominal amount of the share capital increase likely to result from this issue is set at 3% of the amount of the share capital reached upon the Board's decision to carry out this increase.

This share capital increase is subject to your approval pursuant to the provisions of Article L. 225-129-6 of the French Commercial Code and Articles L. 3332-18 *et seq.* of the French Labor Code.

Based on its report, your Board of Directors is asking that you grant it full powers, for a period of 26 months commencing from the date of this shareholders' meeting, to decide an issue with cancelation of your pre-emptive subscription rights to the transferable securities to be issued. When appropriate, it will set the final terms and conditions of these issues.

It is the responsibility of the Board of Directors to prepare a report in compliance with Articles R. 225-113 *et seq.* of the French Commercial Code. Our role is to express an opinion on the truthfulness of the quantified financial information drawn from the financial statements, on the proposal to cancel preferential subscription rights and on certain other details concerning this issue, contained in this report.

We have conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this assignment. These procedures consisted in verifying the contents of the report of the Board of Directors on this transaction and the process for setting the issue price of the equity securities to be issued.

Subject to reviewing, at a future date, the terms and conditions of any issues that may be decided upon, we have no comments to make on the process for setting the issue price of the equity securities to be issued, set out in the report of the Board of Directors.

As the final terms and conditions of the share capital increase have not been set, we do not express an opinion thereon, nor on the proposed cancelation of preferential subscription rights on which you are asked to decide.

Pursuant to Article R. 225-116 of the French Commercial Code, we will prepare an additional report, as required, when the Board of Directors makes use of this authorization.

Done in Neuilly-sur-Seine and Paris on 14 April 2022

The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT	RSM PARIS
Christophe DRIEU	Stéphane MARIE
Partner	Partner

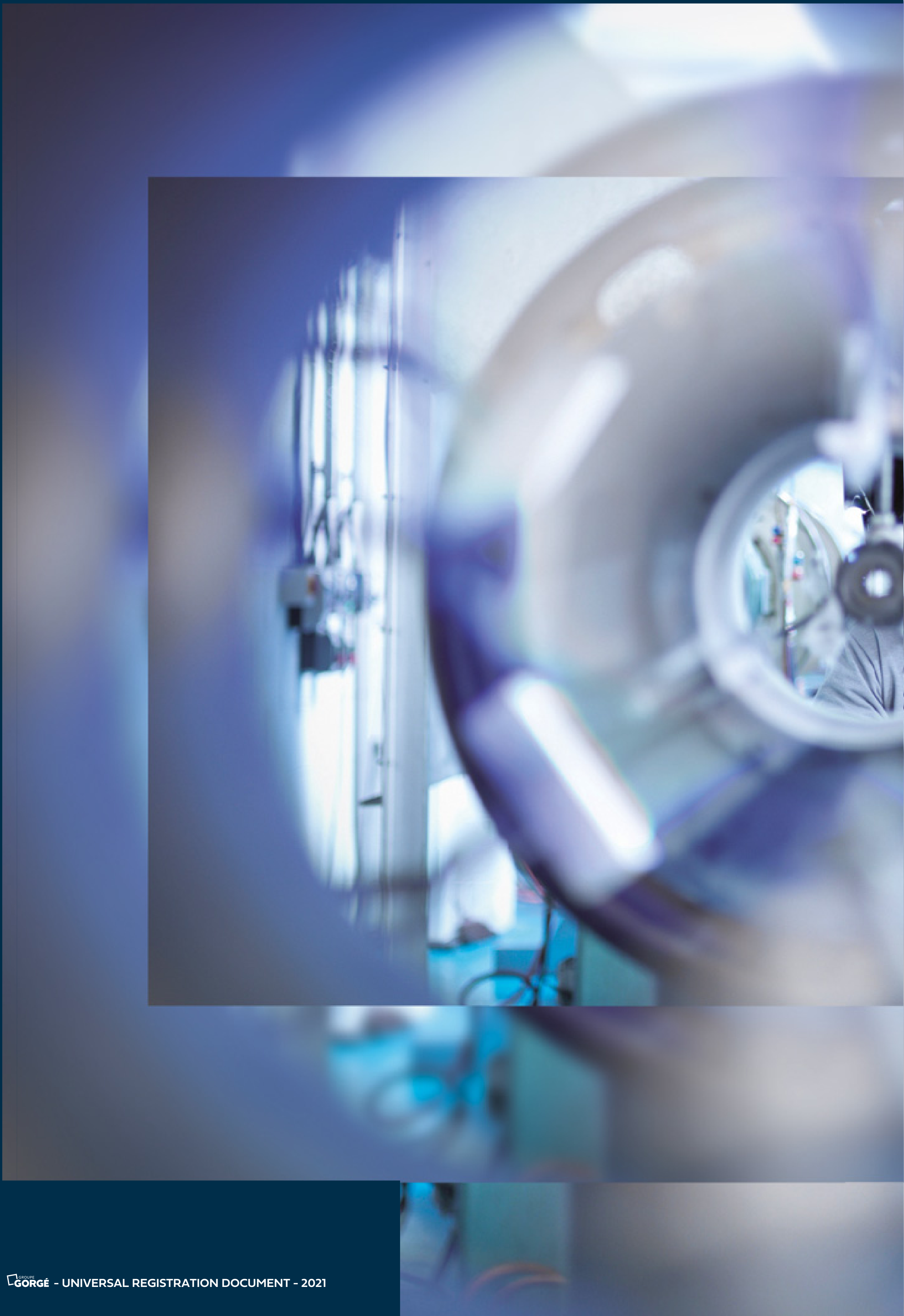
7.4 REPORTS OF THE BOARD OF DIRECTORS PRESENTED TO THE SHAREHOLDERS' MEETING OF 16 JUNE 2022

MANAGEMENT REPORT

See the cross-reference table in Section 8.3.3 of the Universal Registration Document.

BOARD OF DIRECTORS' REPORT PREPARED IN ACCORDANCE WITH ARTICLE L.225-37 ET SEQ. OF THE FRENCH COMMERCIAL CODE

See the cross-reference table in Section 8.3.4 of the Universal Registration Document.



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ADDITIONAL INFORMATION

8.1 INFORMATION CONCERNING THE STATUTORY AUDITORS

Principal statutory auditors

PRICEWATERHOUSECOOPERS AUDIT

Member of the Versailles regional association of statutory auditors

Represented by Christophe DRIEU

63 rue de Villiers – 92200 Neuilly-sur-Seine

Company's Statutory Auditors, appointed for the first time by the Combined Meeting of 17 June 2015. The term of office was renewed by the Shareholders' Meeting of 18 June 2021 (second term of office). It will expire after the Shareholders' Meeting called to approve the financial statements for the financial year ended 21 December 2026.

RSM Paris

Member of the Paris regional association of statutory auditors

Represented by Stéphane MARIE

26 rue Cambacérès – 75008 Paris

Statutory Auditor of the Company appointed by the combined shareholders' meeting of 13 June 2018 for a term of six financial years to expire at the end of the shareholders' meeting convened to approve the financial statements for the financial year ending 31 December 2023 (first appointment).

Alternate statutory auditors

FIDINTER

26 rue Cambacérès – 75008 Paris

Alternate Statutory Auditor of the Company appointed by the combined shareholders' meeting of 13 June 2018 for a term of six financial years to expire at the end of the shareholders' meeting convened to approve the financial statements for the financial year ending 31 December 2023 (first appointment).

8.2 PERSON RESPONSIBLE FOR THE INFORMATION

8.2.1 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT CONTAINING THE ANNUAL FINANCIAL REPORT

Raphaël GORGÉ as Chairman and Chief Executive Officer of GROUPE GORGÉ SA.

8.2.2 STATEMENT OF THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

"I certify that the information contained in this Universal Registration Document is, to the best of my knowledge, true to the facts and does not contain any omission that would alter its scope.

I certify that, to my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial situation and earnings of the Company and of all the companies included in the scope of consolidation, and that the management report (included by reference in this document, according to the cross-reference table on pages 199 and 200) fairly presents the business trends, earnings and financial situation of the Company and of all the companies included the scope of consolidation, as well as a description of the main risks and uncertainties they face."

Done in Paris, on 15 April 2021

Chairman and Chief Executive Officer

8.3 CROSS-REFERENCE TABLES

8.3.1 CROSS-REFERENCE TABLE OF THE UNIVERSAL REGISTRATION DOCUMENT (APPENDICES 1 AND 2 OF EU DELEGATED REGULATION NO. 2019/980)

To facilitate the reading of this Universal Registration Document, the cross-reference table presented below identifies the main information required by Appendices 1 and 2 of Commission Delegated Regulation (EU) No. 2019/980 of 14 March 2019:

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Section 7.1.2	*Future developments and research and development activities*	*1.3*	*19 et seq.*
Section 7.2	Operating results	4.1.1, 4.2.1	80, 125
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8.3.2 CROSS-REFERENCE TABLE – ANNUAL FINANCIAL REPORT

This Universal Registration Document includes all sections of the annual financial report listed in article L.451-1-2 of the French Monetary and Financial Code, as well as in articles 222-3 and 222-9 of the General Regulation of the French Financial Markets Authority (Autorité des Marchés Financiers – AMF). The documents referred to in article 222-3 of the aforementioned regulations and the corresponding sections of this Universal Registration Document are specified below:

	Annual financial report	Chapters/sections	Page
1.	Annual financial statements	4.2	125 et seq.
2.	Consolidated financial statements	4.1	80 et seq.
3.	Management report (information within the meaning of article 222-3 of the AMF General Regulation)	See cross-reference table in Section 8.3.3 below.	-
4.	Statement by the person responsible for the annual financial report	8.2.2	194
5.	Statutory auditors' report on the separate financial statements	4.2.5	137 et seq.
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7.	Statutory auditors' special report on regulated agreements and commitments	3.7.2	73-74
8.	Report of the Board of Directors on corporate governance (article L.225-37 of the French Commercial Code)	See cross-reference table in Section 8.3.4 below.	-

8.3.3 CROSS-REFERENCE TABLE OF THE CONSOLIDATED MANAGEMENT REPORT (TO WHICH THE CORPORATE GOVERNANCE REPORT AND THE NON-FINANCIAL PERFORMANCE STATEMENT ARE ATTACHED)

This Universal Registration Document includes the elements of the management report mentioned in articles L.225-100 *et seq.* and L.232-1 of the French Commercial Code, as well as the corporate governance report in application of articles L.225-37 *et seq.* of the French Commercial Code.

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4.	**Shareholders and share capital**		
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6.5.	Amount of intercompany loans granted under article L.511-6-3 *bis* of the French Monetary and Financial Code	N/A	-
6.6.	Works Council opinion on changes to the Company's financial and legal structure	N/A	-
6.7.	Payment times for trade receivables and payables	1.5.4, Note 3.6 to the separate financial statements	28, 132

8.3.4 CROSS-REFERENCE TABLE – CORPORATE GOVERNANCE REPORT PURSUANT TO ARTICLE L.225-37 OF THE FRENCH COMMERCIAL CODE

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