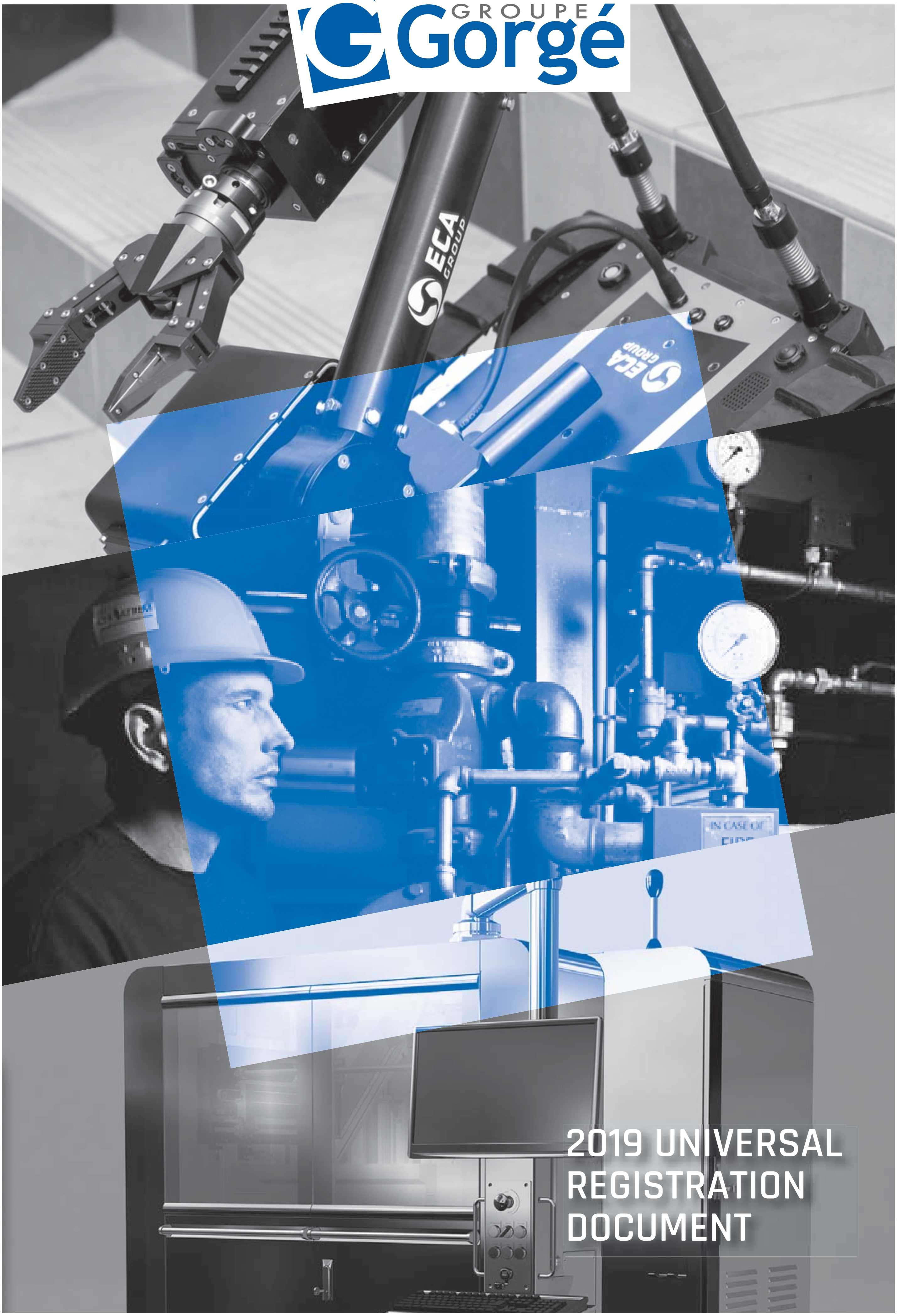
GROUPE Gorgé



2019 UNIVERSAL REGISTRATION DOCUMENT

2019 Universal Registration Document

INCLUDING ANNUAL FINANCIAL REPORT

This Universal Registration Document was filed on 15 April 2020 with the French Financial Markets Authority (*Autorité des Marchés Financiers* – AMF) as the competent authority pursuant to Regulation (EU) 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) 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 2018: the management report, the consolidated financial statements and individual financial statements and the corresponding audit reports, included in the 2018 Registration Document filed with the AMF on 17 April 2019 (file number D.19-0353);
- for the financial year ended 31 December 2017: the management report, the consolidated financial statements and individual financial statements and the corresponding audit reports, included in the 2017 Registration Document filed with the AMF on 12 April 2018 (file number D.18-0327).

Copies of this Universal Registration Document are available upon request and free of charge at the Company's head office located at 19 rue du Quatre-Septembre, 75002 Paris, France, on its website www.groupe-gorge.com and on the AMF's website www.amf-france.org.

The information provided on the www.groupe-gorge.com website and accessed via the hypertext links on page 163 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 not been reviewed or approved by the AMF.

STATEMENT FROM THE CHAIRMAN & CEO

Dear Shareholders,

The Group reported record results this year, thanks to the increase in profitability of our three businesses, and the disposal of the CIMLEC group. Thus, the Group ended 2019 with its most robust financial position to date, allowing us to approach the Covid-19 health crisis with more confidence.

Thanks to these positive results, we are pleased to propose a dividend increase to our Shareholders of almost 10% per share for 2019. To this end, the Board of Directors will propose a dividend of €0.35 per share to the Shareholders' Meeting.

In 2019, the Group continued its simplification as it refocused on its core businesses. This strategy reflects in the July 2019 disposal of the CIMLEC group to SPIE, then the disposal of a 30% share capital in the Fire Protection France business to its management, to boost its performance. At the same time, the recovery of the Nuclear business continued apace.

In 3D Printing and Smart Safety Systems, we operate in markets at the leading edge of technology, where adoption occurs over a period of several years. Our diversified strategy lets us operate on such markets by strengthening our efforts and resources in line with their maturity.

To this end, the 3D Printing division sped up its integration and consolidation, while making targeted acquisitions with the purchase of audiologist SURDIFFUSE-L'EMBOUT FRANÇAIS in January 2019. New commercial successes were noted in the production applications segment, particularly in the medical, chemical and aeronautics industries.

In Smart Safety Systems, the award of a flagship contract to NAVAL GROUP for ECA worth around €450 million to supply drone systems that will equip 12 mine-hunting vessels for the Belgian and Dutch navies, breaks new ground. It showcases the adoption of large-scale robotic solutions, and rewards the talent of our teams that have sustainably held an ambitious, innovative strategic line over many years.

The Group's Executive Management was strengthened in November 2019 with the appointment of Hélène de Cointet, Deputy Chief Executive Officer, who will help to boost our future success. I have full confidence in our Group's ability to remain agile and to seize opportunities thanks to its solid fundamentals, its diversified business and its management teams' ability to create value for all our stakeholders.

Raphaël Gorgé
Chairman and Chief Executive Officer

2019 KEY FIGURES

FINANCIAL INCOME
€274.6 MILLION
UP +10.8%
ON A LIKE-FOR-LIKE BASIS

EBITDA [1]
€31.7 MILLION
+96.1%

BACKLOG
€606 MILLION
MULTIPLIED BY 2.8

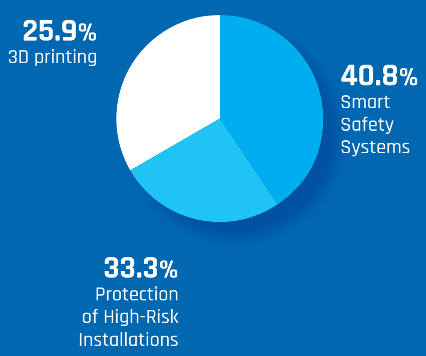
EMPLOYEES
1,777
IN 7 COUNTRIES

NET DEBT [2]
€8.2 MILLION

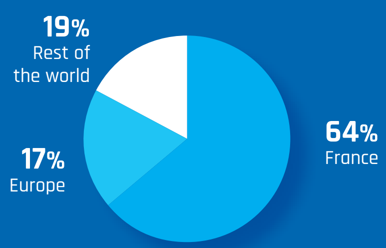
DIVIDENDS (€)
€0.35
+9.7%

1 *Operating income before "depreciation, amortisation and provisions", "other items of operating income" and "Group share of the earnings of affiliated companies".*
2 *Excluding IFRS and including treasury shares.*

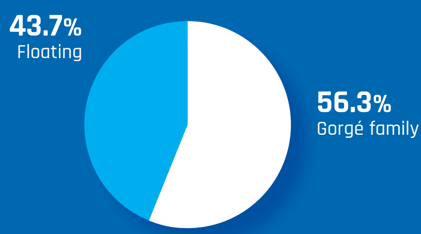
BREAKDOWN OF REVENUE BY BUSINESS



BREAKDOWN OF REVENUE BY GEOGRAPHICAL AREA



SHAREHOLDING (AT 31 DECEMBER 2019)



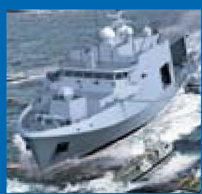
2019 HIGHLIGHTS

4 NOVEMBER 2019
Strengthening of the Executive Management team with the appointment of Hélène de Cointet as Deputy Chief Executive Officer

9 JULY 2019
GROUPE GORGÉ finalised the sale of the CIMLEC group to SPIE

25 JUNE 2019
GROUPE GORGÉ announced its plans to reorganise the share capital of its Fire Protection France business

4 JUNE 2019
GROUPE GORGÉ was awarded a major fire protection contract



18 MARCH 2019
ECA was awarded a flagship contract of around €450 million in robotics to supply 12 mine-hunting ships equipped with some 100 drones to the Belgian and Dutch navies

3 JANUARY 2019
PRODWAYS GROUP strengthened its medical activities with the acquisition of the audiologist SURDIFUSE-L'EMBOUT FRANÇAIS

GROUPE GORGÉ IS AN ENTREPRENEURIAL GROUP

OUR RESOURCES

HUMAN CAPITAL

- **1,777 qualified employees** in 7 countries
- **47%** executives and engineers

INDUSTRIAL/SOCIETAL CAPITAL

- **19** technology **centres**
- A solid network of industrial and university partnerships

INTELLECTUAL CAPITAL

- **5.8% of revenue** invested in R&D

FINANCIAL CAPITAL

- Stability guaranteed by **majority family shareholding**
- A robust **financial structure**

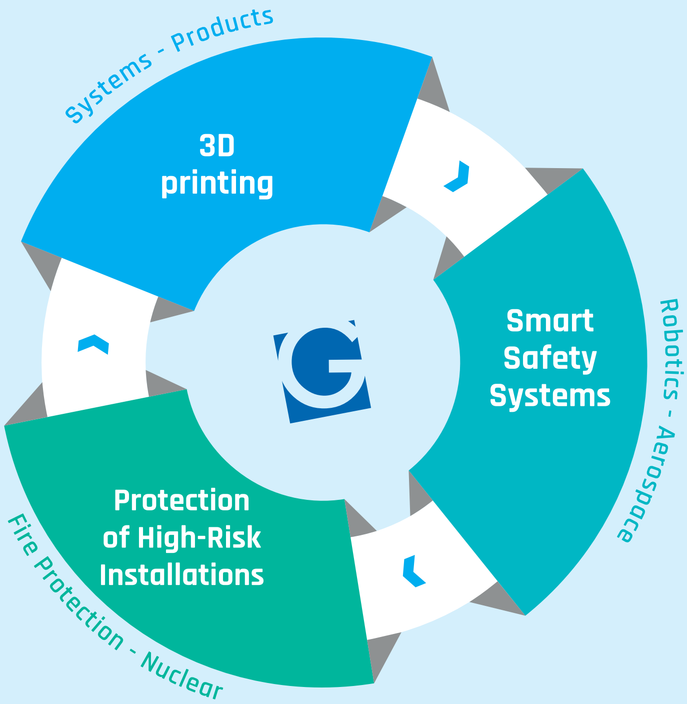
ENVIRONMENTAL CAPITAL

- **5,898 KWh** of electricity
- **1,332 KWh** of gas

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



Offer digital and 3D printing solutions to meet the challenges faced by industrials

- **Distribution and integration** of 3D design software
- **3D printers** and materials dedicated to production applications
- Product development and manufacture of parts using **30 multi-material machines**
- **Sale of 3D-printed products** directly to healthcare professionals (dental, chiropody and audiology)

Develop innovative robotic and aerospace solutions to ensure the safety of people and sites

- **Robotic solutions** for sensitive missions in all environments (land, sea, underwater, air, underground)
- **Support our aerospace customers** throughout the aircraft's life cycle
  From design: assembly lines and test benches
  To flight: distress beacons, on-board equipment
  And all the way to maintenance: diagnostic tools and ground equipment

Protect sensitive sites against industrial and human risks

- **Special doors and walls** for the Nuclear and Oil & Gas sectors
- **Fire protection systems** (sprinklers and water mist), firebreak partitions and windows
- Engineering and risk management **consultancy**

SPECIALISING IN CUTTING-EDGE INDUSTRIES

OUR MARKETS

- MEDICAL
- AEROSPACE
- DEFENCE AND SECURITY
- INDUSTRY
- MARITIME
- NUCLEAR
- OIL & GAS

OUR VALUE CREATION

Attracting and training talent
- 410 hires of which 317 are permanent hires
- 16,165 hours of training

Working to achieve gender parity
- 25% women (22% in 2018)

Our contribution to the SDGs: 4 QUALITY EDUCATION, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH

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
- 119 employees received anti-corruption training in 2019

Our contribution to the 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

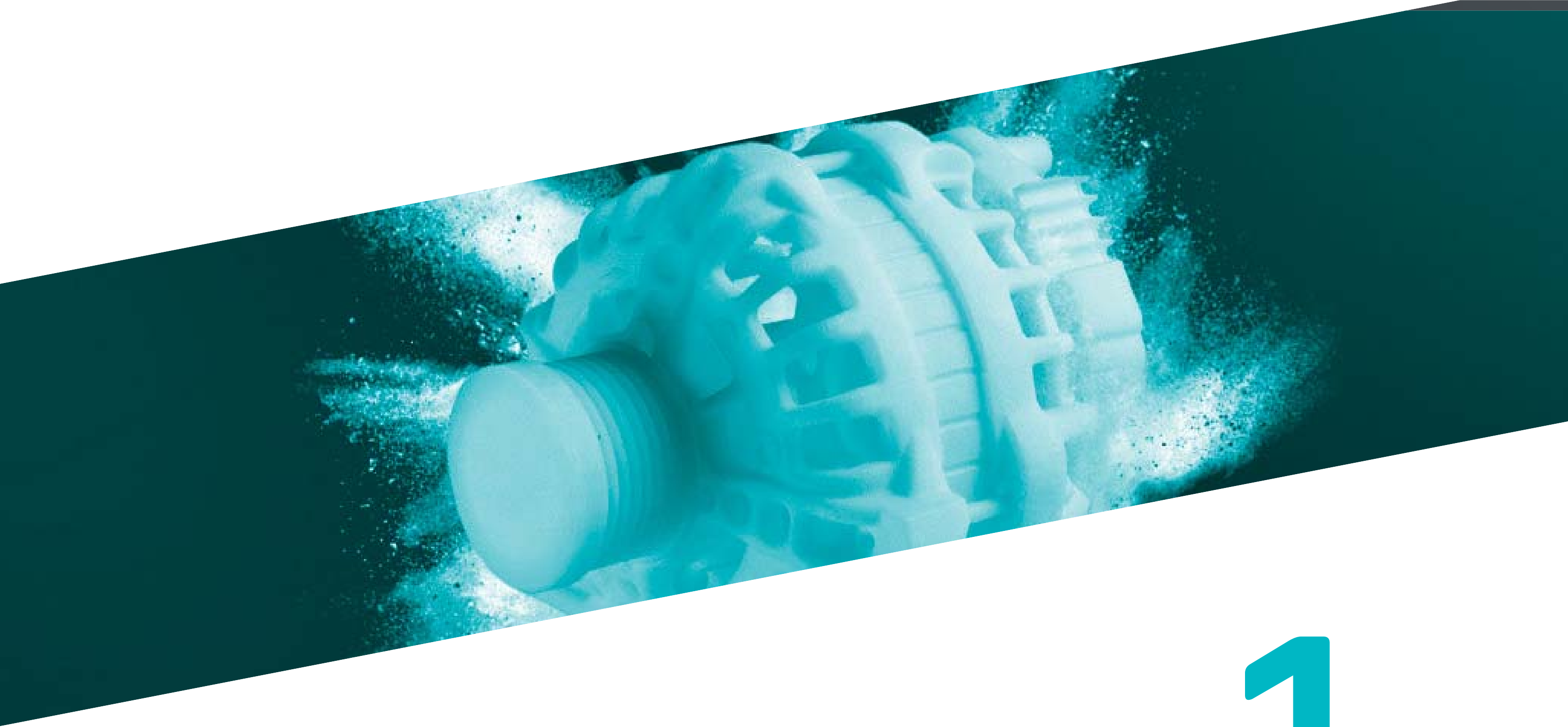
Our contribution to the SDGs: 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Create long-term value
- Revenue €274.6 million, up +10.8% on a like-for-like basis
- Growth in profitability, record net income
- Dividend of €0.35, up +9.7%

Reduce our impact on the environment and limit our consumption of resources
- A modest environmental footprint
- 3D printing: a technology that reduces a material consumption

Our contribution to the SDGs: 13 CLIMATE ACTION, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

OUR CONTRIBUTION TO THE SDGS



OVERVIEW OF THE GROUP AND ITS BUSINESSES

1

1.1 KEY FIGURES

The key figures have been extracted from the consolidated financial statements. The 2018 figures have been restated detailed in the notes to the 2019 consolidated financial statements (Note 1.3 "Restatement of prior-period financial disclosures"). The 2017 figures have been restated detailed in the notes to the 2018 consolidated financial statements (Note 1.3 "Restatement of prior-period financial disclosures").

1.1.1 Main aggregates from the consolidated income statement

(in thousands of euros)	**2019**	**2018**	**2017***
Financial income	274,641	253,170	278,225
EBITDA[(1)]	31,681	16,153	11,833
Operating income	4,910	(575)	(13,634)
Financial income and expense	(1,140)	(1,003)	(2,108)
Tax	(2,225)	(2,173)	(4,901)
NET INCOME FROM CONTINUING OPERATIONS	**1,546**	**(3,752)**	**(20,582)**
NET INCOME FROM DISCONTINUED ACTIVITIES	**21,574**	**1,717**	**-**
NET INCOME	**23,119**	**(2,035)**	**(20,582)**
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF THE PARENT	**20,894**	**(1,917)**	**(16,037)**

* *Column 2017 not restated for IFRS 5 impacts related to the disposal of the CIMLEC Group.*

(1) *The Group uses non-IFRS measures for the sake of information, management and5 planning because they offer a better assessment of its long-term performance. Detailed information is available in Note 3 to the consolidated financial statements.*

1.1.2 Key financial data

(in millions of euros)	**2019**	**2018**	**2017**
Equity[(1)]	108.55	95.94	101.63
Available cash and cash equivalents (A)	59.31	42.00	86.79
Borrowings (B)	(70.15)	(70.84)	(84.62)
Treasury shares (C)	2.7	0.94	1.74
NET CASH INCLUDING TREASURY SHARES (A) + (B) + (C)	**(8.16)**	**(27.89)**	**3.91**

(1) *Including non-controlling interests.*

1.1.3 Workforce

	2019	**2018[(1)]**	**2017[(1)]**
Smart Safety Systems	640	614	714
Protection of High-Risk Installations	625	921	935
3D Printing	505	460	375
Structure	7	7	7
TOTAL WORKFORCE	**1,777**	**2,002**	**2,031**

(1) *The workforce for discontinued activities represented 313 employees in 2018 and 293 employees in 2017.*

1.2 OVERVIEW OF THE GROUP AND ITS BUSINESSES

GROUPE GORGÉ is an entrepreneurial group that specialises in high-tech industries. Today, the Group is active in the fields of security and protection in extreme environments, as well as in the 3D printing sector. The Group employs approximately 1,800 people, has locations in six countries, and exports some 38% of its business directly. 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 Chairman and CEO, Raphaël GORGÉ. The GORGÉ family currently owns 56.3% 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 safety of people and property with the acquisitions of BAUMERT and CLF-SATREM in particular.

2011: Raphaël GORGÉ is appointed Chairman and Chief Executive Officer. Bpifrance (at the time, Fonds stratégique d'investissement, FSI) acquires a stake in the Group.

In 2013: the Group enters the 3D printing sector and extended the mobile robotics offering.

2013: The Group enters the field of 3D printing with the purchase of PHIDIAS TECHNOLOGIES (since renamed PRODWAYS).

2014: The Group acquires DELTAMED and INFOTRON.

In September 2014, the Group was proud to receive the Prix de l'Audace Créatrice (Audacity and Creativity Prize) presented by the french President.

2015: Growth accelerates in the "3D Printing" division: €10 million raised in a round of financing from FIMALAC group; acquisition of the companies INITIAL, NORGE SYSTEMS and EXCELTEC; signing of a strategic partnership with the Chinese company FARSOON; creation of a US subsidiary (PRODWAYS AMERICAS).

In April, the Group received the visit of the French Minister of the Economy, Emmanuel MACRON, to the site of its PRODWAYS subsidiary.

2016: Acquisitions for two of the Group's three divisions:

- for the Smart Safety Systems division: capacity-building for the "Aerospace and Robotics" and "Integrated Systems" divisions with the acquisitions of ELTA and BUREAU D'ÉTUDES MAURIC;
- for the manufacture of high-security doors for nuclear installations, in the Protection of High-Risk Installations division: acquisition of the nuclear business of PORTAFEU.

The Industrial Projects & Services and Protection in Nuclear Environments divisions have merged to form a new division named Protection of High-Risk Installations.

The French President visited the Group's PRODWAYS subsidiary. The President had previously presented the Group with the 2014 Prix de l'Audace Créatrice award.

In September, BPIFRANCE sold its entire stake in GROUPE GORGÉ for around €21 million.

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

The 3D printing range was enhanced with the acquisition of AVENAO and INTERSON PROTAC and the development of the Rapid Additive Forging (RAF) technology, offering 3D meta printing for large-scale parts.

The French Minister of Defence, visiting ECA for the fourteenth annual French Defence 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 MOTEUR is disposed of. In the simulation division ECA closes ECA SINDEL and disposes of the goodwill of its subsidiary SSI.

In the "3D Printing" division: PRODWAYS GROUP takes over 70% of the capital of the American service bureau VARIA 3D, in which it had taken a minority stake in 2015.

PRODWAYS GROUP acquires the American company SOLIDSCAPE, a subsidiary of STRATASYS specializing in 3D printing machines for precision casting applications, in particular for the jewellery market. This acquisition increases sales of machines and the Group's presence in North America and internationally through an expanded distributor network.

2019:

PRODWAYS GROUP acquired 100% of the share capital of SURDIFUSE-L'EMBOUT FRANÇAIS, a major player in custom earmolds, a portion of which are produced using 3D printing.

Along with NAVAL GROUP, ECA was awarded a flagship contract worth nearly €2 billion for the supply of 12 mine-hunting ships to the Belgian and Dutch navies. ECA's share of around €450 million concerns the delivery of some 10 drone systems that will equip those ships, or a total of about 100 drones.

In July, GROUPE GORGÉ completed the sale of the CIMLEC Group to SPIE and generated a capital gain of more than €20 million. This historical activity no longer had many synergies with the Group's other activities.

GROUPE GORGÉ reorganised the share 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 remained the reference shareholder, retaining 70% of the share capital.

1.2.2 Activities, markets and competition

The Group is structured into three divisions:

- Smart Safety Systems division – ECA and its subsidiaries;
- Protection of High-Risk Installations division – VIGIANS and its subsidiaries (VAN DAM), VIGIANS PROTECTION INCENDIE and its subsidiaries (CLF-SATREM, AMOPSI, SVF), NUCLÉACTION and its subsidiaries (BAUMERT) and SERES TECHNOLOGIES;
- 3D Printing division – PRODWAYS GROUP and its subsidiaries.

The subsidiaries are in direct contact with their markets and competitors. The divisions bring together the subsidiaries depending on their businesses and sector of activity. This organisational structure enables GROUPE GORGÉ to be positioned in the disruptive technologies: advanced robotics, autonomous vehicles and 3D printing.

1.2.2.1 Smart Safety Systems division – ECA and its subsidiaries

ECA is a world-class player recognised for its expertise in robotics, specialised automation systems and simulation. The Group has been developing complete, innovative technological solutions for complex missions in hostile and confined environments since 1936.

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 defence, maritime, aeronautics, nuclear, energy, transportation and industrial equipment sectors.

The ECA Group offers its solutions in two business segments: Robotics and Aerospace. In 2019, the Robotics and Simulation divisions were merged to create synergies in the Defence sector.

In 2019, ECA's revenue totalled €112.5 million, *i.e.* around 41.0% of GROUPE GORGÉ's overall revenue.

Robotics division

Nine of the world's ten leading armies are equipped with solutions developed by ECA. With world-renowned know-how and expertise, 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 defence, maritime, nuclear, oil, gas and manufacturing markets. The ECA Group also has a comprehensive range of civil and military driver training simulators and state-of-the-art mission training simulators.

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 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 looking for access to more modern solutions straight away;
- the increase in terrorist acts and threats is encouraging governments to provide maximum security to 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.

ECA is meeting these new challenges as one of the only 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. 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 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.

Defence and Security

For 80 years, ECA 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 of the military. This is ECA's most important market and accounts for about 49% of its revenue.

The Group is also involved in:

- anti-submarine combat (underwater 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).

Maritime

ECA's advanced robotic offering meets the different requirements and specificities of the maritime sector's activities both on and under water very precisely. Its AUV (Autonomous Underwater Vehicles) and ROV (Remotely Operated Vehicles) solutions equipped with cameras sensors and articulated arms fulfil 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.

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:

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

Simulation

The Group's offer covers all environments and is designed for both defence and civilian customers for:

- flight simulation training for AIRBUS and BOEING aircraft;
- land driving simulation (motorcycles, cars, buses and trucks – civilian or military).

The clients for these solutions include airlines, driver training centres and schools, and the armies and navies of a number of countries.

The Group also offers solutions that provide training for a range of different situations likely to be encountered by police forces, firefighters and armed forces, etc. without any risk to their personnel.

These solutions cover missions involving:

- internal security (police, firefighting);
- defence (exploration of hazardous zones, underwater mine disposal).

Competition

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

- for underwater robots – KONGSBERG and BLUEFIN Robotics (Autonomous Underwater Vehicles – AUVs), ATLAS ELEKTRONIK and BAE SYSTEMS (underwater mine disposal robots) and SAAB SEAEYE (Remotely Operated Vehicles – ROVs);
- for naval drones – ELBIT SYSTEMS and L3 (USVs);
- for land robots – NEXTER GROUP, IROBOT CORPORATION and TELEROB;
- for airborne drones – AIRBUS, AIRROBOT, MICRODRONES, AERYON LABS, AEROVIRONMENT and SAAB SKELDAR.

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

The simulation market is competitive and includes large multinational firms as well as low-cost local companies:

- the larger competitors focus on the military driving simulation and tactical simulation markets. They include BAE SYSTEMS, THALES Simulation, LOCKHEED MARTIN, SAAB and L3;
- competitors in the civilian driving simulation market are essentially national companies, the number of which varies depending on the country. They include EDISER and DEVELTER in France and DORON and L3 in the United States;
- competitors in the flight simulation market include CAE in Canada, L3 Link in the UK, AEROSIM and INDRA in the United States, and SIM Industrie in the Netherlands.

R&D is of critical importance in this competitive market to be able to provide the most realistic driving conditions possible. In addition, the global nature of the market means that the regulations in effect in each country for road and air safety must be monitored closely to be able to offer simulation software meeting the latest regulations.

Our products and solutions are widely-recognised in the marketplace

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

- PAP MK6

The PAP MK6 is part of the self-propelled ROV range for mine disposal. It has a large payload capacity. Its robust and reliable design and its propulsion system enable it to manoeuvre in strong currents and withstand harsh environmental conditions.

The command and control software includes autopilot functions. The PAP has become a reference in underwater mine disposal and has been met with worldwide success in its market, equipping over 30 navies. Some navies still use it today and maintain it in operational condition, some for several decades of service.

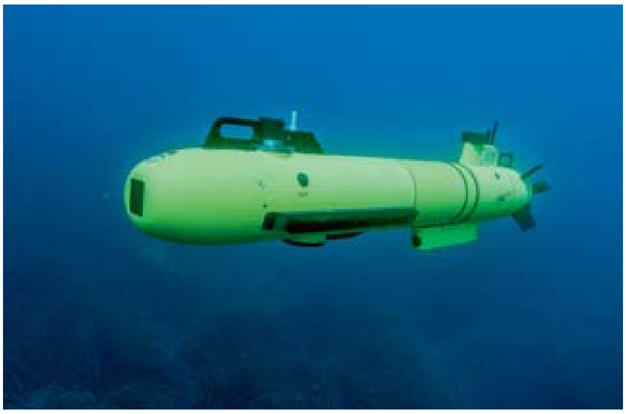
- UMIS™

ECA has developed UMIS™ an integrated mine disposal system – MCM (Mine Counter Measures). 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

The ECA Group has a know-how and a complete range of autonomous underwater vehicles (AUVs), from the most compact and portable with the A9, to the largest with the A27, the ALISTAR 3000 or the latest version for the IFREMER of the AUV CORAL, which can operate up to 6,000m below sea level. They share the same IT architecture, autonomous software and supervision interface. Their size and their 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 AUV A27 will be used by the French and British navies in particular as part of their mine disposal programmes. 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), 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.

- IGUANA E

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.

- CAMELEON LG

This land robot is designed to be carried in a backpack along with the standard equipment of an infantry soldier deployed in OPEX (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.

- 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 10 km. With a carrying capacity of up to 5 kg, it can carry cameras and provide high volumes of data. Its resistance to wind (up to 60 km/h) and extreme climatic conditions (cold, heat, sand, etc.) and its acoustic discretion are the major advantages for which it was chosen by the French Armed Forces and those of other countries for their interventions to support their troops on the battlefields. 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 is unique on its market and combines the Group's know-how in robotics and magnetic signature management. It received an award from the French Ministry of the Armed Forces and won its first customer, the Indonesian Navy, in its first year on the market.

- Military land vehicle driving simulator

The simulator enables armies to train under the conditions they would find in a real theatre of operations.

Aerospace

ECA's Aerospace business offers solutions for civil and military aviation. 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 centres, as well as those of industrialists and scientists in the space sector and the Defence industry.

Aerospace markets

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 mechatronicrepair and maintenance equipment (GSE – Ground Support Equipment) for aircraft operators. The Group has also developed Automated Guided Vehicle (AGV) 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, it offers ground stations and balloon systems (platform gondola and associated ground station), as well as electronic equipment (radio-frequency, microwave and signal processing).

Competition

Thanks to its recognised expertise in its different businesses, 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 competes with companies of varying size 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 across all of the ECA Group's business lines in this field (test equipment, assembly lines and production tools).

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

Our products and solutions are widely-recognised in the marketplace

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

- Manufacturing & Testing Means

The Group designs and delivers production lines and automated testing equipment to aircraft manufacturers, and robotic production stations to major aeronautic OEMs. The Aerospace division develops Autonomous Ground Vehicle (AGV) solutions for logistics and the transportation of aircraft sub-assemblies between industrial sites.

- 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).

- MGSE (Mechanical Ground Support Equipment)

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

- EGSE (Electrical Ground Support Equipment) 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.

- RF Equipment (Radiofrequency 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, ECA is a partner of choice for THALES ALENIA SPACE on the next-generation ground station programme 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.

1.2.2.2 Protection of High-Risk Installations division – CLF-SATREM, AMOPSI, SVF, VAN DAM, BAUMERT, and SERES TECHNOLOGIES

Specialising in large projects and services alike, the Protection of High-Risk Installations division of GROUPE GORGÉ designs, assembles, installs, optimises 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 Protection of High-Risk Installations division comprises five main subsidiaries, three of which (CLF-SATREM, VAN DAM and BAUMERT) provide security and protection for energy markets, including oil, natural gas and nuclear, all over the world, in addition to the industrial and service sectors in France. One subsidiary (CLF-SATREM) is primarily involved in active fire protection, while two subsidiaries (VAN DAM and BAUMERT) specialise in passive fire protection, supplying high-performance partition systems ensuring safety in extreme environments.

The division's solutions cover three main business segments: Fire Protection, Nuclear Protection and Engineering.

The Protection of High-Risk Installations division generated revenue of €91.8 million in 2019, *i.e.* around 45% of GROUPE GORGÉ's overall revenue.

Fire Protection business

The Fire Protection business consists of the subsidiaries CLF-SATREM, SVF, AMOPSI, and VAN DAM, with complementary activities addressing different markets:

- 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);
- passive protection systems (fire- and blast-rated doors, walls, and windows) for the energy markets (VAN DAM).

Fire Protection markets

The Protection of High-Risk Installations division addresses the fire protection market in the field of protection and security for the energy markets, specifically oil, gas and the industrial and tertiary 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 specialised 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 in the industrial and tertiary 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 systems

VAN DAM designs, manufactures and installs passive protection systems (fire- and blast-rated doors, walls and windows) to protect personnel and equipment in hostile environments in the energy industry and, particularly, in the oil and gas, maritime and offshore wind farm industries.

VAN DAM's energy sector markets are growing for several reasons:

- energy markets, particularly gas markets, are growing, driven by increasing demand;
- energy resources are located in increasingly hostile environments (*e.g.*, deepwater drilling, gas in Siberia);
- safety standards are being tightened and regulations are becoming increasingly stringent, particularly in extreme environments. One of the strictest offshore exploration standards currently in place, for example, is the Norwegian NORSOK standard used as reference worldwide and for which VAN DAM is one of the few companies to have received certification.

VAN DAM is also present in renewable energy markets, where it provides protection for offshore wind farm substations, and in the defence and maritime markets, where it supplies shipyards. VAN DAM, which is renowned for its quality and expertise, is particularly well-positioned to benefit from growth in these markets.

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.

VAN DAM operates in niche markets with high barriers to entry. It is one of the few companies able to meet the strict standards in place in these markets. VAN DAM offers two types of products for these markets:

- special doors: with a 5-10% market share in the offshore and maritime fields, VAN DAM is in second place behind RAPP BOMEK, tied with INTERDAM and followed by BOOTH industries and NORAC. These five companies account for 40-50% of global business;
- speciality walls: VAN DAM is primarily active in the market for speciality riveted walls. It competes with companies such as MTE, DSC, INTERDAM, BOOTH Industries and CHARTEC, which offer all types of speciality walls, notably, speciality welded walls.

Our products and solutions are widely-recognised 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.

VAN DAM offers a range of speciality door and wall systems which meet the strictest standards. For example:

The door drive system is equipped with a patented fire safety valve that prevents the door from opening during a fire. Air bottles (20 litres) are installed to operate the door in the event of an emergency (at least four open/close cycles).

Nuclear Protection business

Through its subsidiary BAUMERT, the Protection of High-Risk Installations division offers its clients high-performance partition systems (e.g. doors and walls) with maximum protection against all types of risk. These high-security partition systems are primarily intended for nuclear plants, but are also used in research centres, reprocessing plants, sensitive industrial sites (petrochemical and pharmaceutical), etc.

SERES TECHNOLOGIES provides complementary consultancy services specialised in studies and research for nuclear installation safety, as well as for petrochemical sites and energy innovation industries.

Nuclear Protection markets

Protection in nuclear environments

The Group has developed a complete offering in the field of nuclear environment protection and safety through its BAUMERT subsidiary. This subsidiary designs, produces and installs high-performance partition systems:

- special and technical doors: neutron, biological, blast-resistant, soundproof, firebreak, air and watertight, etc.;
- special walls: anti-radiation, firebreaks, blast and aeroplane crash-resistant, etc.;
- related services and maintenance.

BAUMERT is the world leader in speciality and technical doors for nuclear plants operating French EPR and American WESTINGHOUSE AP1000 technologies (internal source). This subsidiary works with all current technologies (AREVA, KEPCO, CNNC, WESTINGHOUSE, ROSENERGOATOM) and among others, has equipped a large proportion of French nuclear plants, a large number of the nuclear plants built in China over the past 20 years and all six of Belgium's reactors in operation.

BAUMERT is one of the rare European subcontractors to provide services to Chinese energetics specialist working with WESTINGHOUSE AP1000 technology. Other construction programmes are also under way in Europe. For example, in Finland, on the Olkiluoto 3 programme, BAUMERT is designing and installing 60% of the technical doors and valves.

The Group is also positioned on future large-scale programmes in Europe (the Hinkley Point project in Great Britain), China, United States, Russia, India, South Africa and Saudi Arabia.

In addition to these construction projects for new plants, there will be many maintenance and upgrade projects for existing plants, particularly within the EDF Grand Carénage project to update French nuclear plants to EPR and post-Fukushima standards. Thanks to its leadership and international presence, BAUMERT is well-positioned to play an important role in these post-Fukushima projects in France and internationally.

Competition

BAUMERT operates in high value-added niche markets with high barriers to entry (technical barriers, patents, vendor lists, etc.). The subsidiary is now the leader in EPR and AP1000 technologies (internal source) and continues to invest in research and development to maintain its technological lead.

BAUMERT's main competitor in Europe is the German company SOMMER. Other than that, competition is local and varies by country.

Our products and solutions are widely-recognised in the marketplace

BAUMERT has developed a wide range of high-security partition systems recognised globally and used by nuclear programmes around the world. Among our solutions, the most frequently installed products are:

- Neutron doors

Neutron doors installed in EPR plants (3rd generation reactors) are designed to enable secure interventions by professionals in the Reactor Building without the need to shut down operations.

- Fire doors

Fire doors and fire protection systems help to contain fires by preventing their spread in buildings by creating confinement zones.

- Blast-resistant doors

A blast deflector door is an airtight door built to specifications that make it strong enough to resist the pressure created by an explosion inside or outside of a nuclear building.

- Pneumatically-operated doors

1.2.2.3 3D Printing division – PRODWAYS GROUP and its subsidiaries

PRODWAYS GROUP is a specialist in industrial and professional 3D printing uniquely positioned as an integrated European player. The Group has developed operations throughout the entire 3D printing value chain (software, printers, materials, parts & services), offering a technological and high value-added industrial solution.

Via its Systems division, PRODWAYS GROUP is one of the primary European manufacturers of industrial 3D printers, with a wide range of multi-technology 3D printing systems and premium associated materials. The Group's businesses also include the integration of DASSAULT SYSTÈMES' SOLIDWORKS 3D design, simulation and optimisation software. PRODWAYS GROUP operates in a large number of sectors, from aeronautics to healthcare, providing the necessary tools to innovative companies that wish to incorporate 3D printing into their production processes;

Thanks to its Products division, PRODWAYS GROUP is now one of the largest European players in the production of plastic and metal parts, with a substantial fleet of 3D printers for all types of 3D printing technology. PRODWAYS GROUP also develops and markets applications for the chiropody (orthotic insoles), dental (impression trays, mouthpieces) and audiology (hearing aid eartips and customised hearing protectors) sectors, which are sold directly to healthcare professionals.

The 3D printing division generated revenue of €71.3 million in 2019, *i.e.* around 26% of GROUPE GORGÉ's overall revenue.

SYSTEMS division

PRODWAYS GROUP develops, assembles, and sells different types of 3D printers and associated materials, and distributes and integrates 3D SOLIDWORKS design software by DASSAULT SYSTÈMES. This complementary offering establishes PRODWAYS GROUP as a major player in the 4.0 industry. It also generates a recurring revenue stream for the Group, by selling the materials customers need to use the machines they have purchased. PRODWAYS GROUP has identified three key areas: medical, jewellery, and aeronautics.

- 3D printers

PRODWAYS GROUP is one of the top manufacturers of 3D printers. The Group is developing several lines of 3D printing machines based on different kinds of technology:

- stereolithography with DLP® MOVINGLight® proprietary technology for 3D printing of resins and ceramics:
  - plastic DLP® MOVINGLight®: an L range designed to produce detailed prototypes. This range is intended for industrial applications such as dental models and surgical guides, injection and blow moulding, thermoforming models, insoles and jewellery design,
  - ceramic DLP® MOVINGLight®: a V range that uses proprietary DLP® MOVINGLight® technology to produce ceramic parts on an industrial scale. The ProMaker V series is designed to produce ceramic parts for biomedical applications such as bone substitutes and R&D;
- plastic laser sintering: the selective laser sintering P range is designed for industrial rapid prototyping and mass production and came out of the acquisition of NORGE SYSTEMS and the in-house R&D of PRODWAYS. This technology is designed for a wide range of sectors, including aerospace, automotive, healthcare, design and architecture, consumer products, education and research;
- precision casting: the product lines developed by SOLIDSCAPE are dedicated to direct manufacture of high-precision wax parts. This technology applies to precision casting and the manufacture of moulds for sectors such as jewellery, in which SOLIDSCAPE is the market leader, plus medical and aeronautics;
- Rapid Additive Forging (RAF Technology): this machine, used for 3D printing of large-scale metal parts, employs a robot equipped with a head depositing molten metal in an atmosphere of inert gas. This innovative technology quickly manufactures titanium blanks with very similar geometry to the final part. These blanks are then finish-machined, thus avoiding considerable losses of material as shavings which can represent up to 95% of the metal block with traditional machining processes. The aeronautics sector offers high potential for this technology.

The majority of machines designed by PRODWAYS with these kinds of technology are operated in a production environment, most often replacing conventional production methods. PRODWAYS sells its printers for between €15 thousand and €400 thousand, with a life expectancy of up to 10 years.

- Associated materials

Following the acquisition of DELTAMED in 2014, PRODWAYS GROUP makes premium-quality resins for 3D printing using DLP® technology. PRODWAYS also has 15 years of experience in polymer powders used with selective laser sintering technology. The Company therefore has the in-house expertise to become a major player in the materials used in 3D printing processes – an activity which is highly complementary to the machines sold by the Group.

PRODWAYS GROUP offers a range of hybrid and composite materials in the form of liquid resins and polymer powders with a high ceramic, metal, fibre or nanoparticle content. These materials are designed to be high-performance. They boast distinctive characteristics in terms of mechanical properties (strength and elasticity), physical and aesthetic properties (colour and transparency), and stability over time (extended ageing). These materials can be used with the Group's printers as well as with those of other manufacturers.

The 3D printing materials produced by the Group are mainly used in cosmetic and remedial dentistry, hearing aids, jewellery, prototyping and aviation.

PRODWAYS GROUP manufactures and sells proprietary materials, and to a lesser extent third-party materials.

- 3D design software (CAD)

Following the acquisition of AVENAO in 2017, PRODWAYS GROUP integrates and distributes DASSAULT SYSTÈMES' Solidworks 3D design and development applications. AVENAO handles all issues relating to the functioning of the design office and offers 3D design consulting solutions and 3D printing solutions integration.

By offering organisations a complete solution from project design to parts manufacturing, AVENAO strengthens the Group's integration strategy and the partnership between DASSAULT SYSTÈMES and PRODWAYS GROUP in the industry of the future.

PRODUCTS division

With its Products division, PRODWAYS GROUP is now one of the largest European players in the production of plastic and metal parts, with a substantial fleet of 3D printers for all types of 3D printing technology. PRODWAYS GROUP also develops and markets medical applications for the chiropody (orthotic insoles), dental (impression trays, mouthpieces) and audiology (hearing aid eartips and customised hearing protectors) sectors, which are sold directly to healthcare professionals.

This division also enables several objectives:

- use market intelligence to identify new industry trends;
- optimise value by capturing more margins;
- accelerate the uptake rate.

This division is a showcase for potential customers.

- INITIAL, manufacturer of 3D printed parts

Acquired by PRODWAYS GROUP in 2015, INITIAL is the French market leader in the design and production of additive manufacturing and thermoplastic injection parts.

With 28 years of experience, INITIAL offers a wide range of solutions for designing and producing industrial parts with 3D printing. Prototype or mass-produced parts are produced for the industrial, aeronautics and space, medicine, dental, automotive, and luxury goods sectors.

Based in Annecy, INITIAL operates 32 high-technology machines using a single multi-brand pool. It includes 22 plastic and 10 metal printers, offering the best systems available on the market (MOVINGLight®, SLS®, SLA®, FDM, DMLS, EBM, etc.). Today, its expertise in producing prototype parts is facing a growth in mass production of parts by 3D printing. With its appropriately-scaled equipment pool, INITIAL is poised to meet this increase in production. All technologies combined, INITIAL produced more than one million parts in 2018.

INITIAL has more than 4,000 business customers across France and Europe, ranging from large corporations to small firms which it assists from drawing up the specifications through to the industrialisation and series pre-series production phase. With its tooling and thermoplastic injection activity, it covers all production methods.

INITIAL also has a design office with high-definition 3D scanners that capture the geometry of any object and offer its customers reverse engineering or dimensional inspections.

- Medical (dental, audiology, and chiropody) applications for positioning itself on activities transformed by 3D printing

INITIAL identifies key sectors and applications where 3D printing could revolutionise conventional industrial processes. Once these key markets are identified, PRODWAYS GROUP develops and sells via dedicated, specialised entities such as CRISTAL, PODO 3D (which markets Scientifeet®), INTERSON PROTAC and SURDIFUSE-L'EMBOUT FRANÇAIS. For all of these medical applications, additive manufacturing has replaced long and costly customisation processes while offering greater prostheses quality and precision.

- CRISTAL, an in-house dental laboratory which markets PRODWAYS GROUP applications to the dental sector

PRODWAYS GROUP set up CRISTAL in June 2016 to take over the assets of a French dental laboratory (SOCALAB) with the aim of expediting the development of 3D printing applications in dentistry. The dental laboratory CRISTAL has built up a portfolio of over 150 dental surgeons. The dental laboratory also works closely with health insurance companies. CRISTAL offers dentists a comprehensive range of dental devices, including models, surgical guides, splints and impression trays.

PRODWAYS GROUP is keen to transform CRISTAL into a centre of excellence, demonstrating the advantages of 3D printing in the dental sector.

- Scientifeet® (a PODO 3D entity), an offering that aims to revolutionise the orthotic insoles market

In March 2016, PRODWAYS GROUP launched the Scientifeet® offering in a bid to transform the orthotic insoles industry. The market is already being disrupted by 3D printing, with 3D insoles proving highly profitable compared with conventional designs. Lead times have also been reduced along the entire production chain.

The manufacturing process for a 3D insole consists of four separate stages: a scan of the patient's foot, virtualisation of the impression, 3D modelling, printing and delivery of the finished insole.

The insoles are 3D printed by INITIAL in Annecy using SLS® technology, before being shipped to the chiropodists, who then hand them to patients. To date, PODO 3D has outfitted more than 38,000 patients with Scientifeet® insoles.

- INTERSON PROTAC and SURDIFUSE-L'EMBOUT FRANÇAIS, the leading French manufacturer of customised hearing aid eartips

Like the prostheses developed by PRODWAYS GROUP in the dental and chiropody sectors, the audiology world is being transformed by 3D printing. In November 2017, PRODWAYS GROUP moved further into the audiology market with the acquisition of 75% of the share capital of INTERSON PROTAC, then in January 2019 with the acquisition of 100% of the share capital of SURDIFUSE-L'EMBOUT FRANÇAIS. These French leaders offer audio-prosthetists and industry professionals customised hearing aid and hearing protector eartips that match individual users' ear canal impression.

Today, INTERSON PROTAC and SURDIFUSE-L'EMBOUT FRANÇAIS manufacture 20% to 50% of their products through 3D printing. Their integration within PRODWAYS GROUP will enable them to take advantage of the most powerful technologies and further increase this figure.

Markets

3D printing enables direct finished part and product creation from a virtual 3D file without the need for intermediate processing steps. This technique reduces inventories, limits materials waste and, especially, provides access to radically new designs and shapes. 3D printing is already playing a key role in some applications, particularly in the medical field (hearing aids, implants, etc.). Its users are drawn by the many benefits of this new manufacturing process and, in particular, by the improved quality of complex parts and products, the reduced product development time and costs and access to mass personalisation.

In 2018, the industrial 3D printing market was worth €8.3 billion [1]. This market comprises two branches: printing the finished parts (direct approach), and printing the moulds, which are then used to design the finished parts (indirect approach).

Conventional mould design is a lengthy process (going back and forth on the technical specifications, making several attempts before arriving at the perfect mould). Indirect printing represents a considerable time saving when producing moulds to be used for industrial applications. With 3D printing, the mould is rapidly designed to the exact technical specifications enabling the finished part to be produced. The indirect approach is also used to design metal parts. By initially producing a plastic mould that will be used to manufacture the metal part (e.g. aircraft engine parts developed by PRODWAYS GROUP). There are three main types of 3D printing[1]:

- rapid prototyping (€3.2 billion in 2018, 39% of the B2B market).

  Rapid prototyping refers to the production of models and prototypes derived from 3D computer aided design (CAD) data;
- functional parts (€2.4 billion in 2018, 28% of the B2B market).

  In this segment, 3D printing is used to manufacture custom and spare parts and limited editions. It is also suitable for short production runs as well as mass production, particularly in the healthcare and aviation markets;
- instruments and moulds (€1.5 billion in 2018, 19% of the B2B market).

  Instruments and tools are produced directly by the 3D printer, whereas moulds involve the indirect approach. This consists of using a standard template to produce the mould, which will then be used to make the part;
- other (€1.2 billion in 2018, 14% of the B2B market).

  This mainly concerns activities relating to research and education. 3D printers have been immensely popular with technical colleges and research institutes.

The diversity of materials, technologies used, printing systems and products designed using 3D printing makes it possible to handle a growing number of constraints specific to each sector of activity.

Competition

The market is divided into four segments:

- integrated players (offering all three types of 3D printing: manufacture of machines, materials and parts), and non-integrated players;
- rapid prototyping and rapid manufacturing players;
- mono-technology and multi-technology players;
- generalist players in the B2C and B2B market and specialist players in the industrial market (B2B).

PRODWAYS GROUP is an integrated, multi-technology player. It is present in rapid manufacturing and specialises in the industrial market.

3D printing is a particularly dynamic market. It has strong barriers to entry (technology, patents). However, the major players are still quite limited in number and relatively small.

- In 3D printers
  - STRATASYS (€568 million in revenue in 2019 [2]) manufactures 3D printers and offers its customers (B2B & B2C) related services. It is present in America, Europe, Asia, Israel and Australia;
  - 3D SYSTEMS (€562 million in revenue in 2019 [2]) manufactures 3D printers, offers its customers (B2B & B2C) associated services and materials, and is present in North America, Europe and Asia;
  - EOS, which manufactures powder sintering and fusion laser machines and is based in Munich. EOS makes 3D printers and offers its customers (B2B) associated services, materials and software. EOS is present in Europe and North America;
  - CARBON 3D manufactures 3D printers using a technology similar to the DLP technology and offers photosensitive resins. The start-up is based in the United States.
- In the production of parts
  - MATERIALISE NV (€197 million in revenue in 2019[2]) specialises in software solutions, industrial 3D printing services, medical applications, industrial design and 3D online printing services. MATERIALISE NV is present in Europe, America, Asia and the Middle East and focuses on the B2B market;
  - PROTO LABS (€410 million in revenue in 2019[2]) specialises in rapid prototyping, made-to-order production, CNC machining and injection. The US company is based in Europe, North America and Japan.
- In the distribution of Computer-Aided Design software
  - VISIATIV (€203 million in revenue in 2019[2]) is the French leader in the distribution of DASSAULT SYSTÈMES' SOLIDWORKS computer-aided design software (CAD). The company also publishes software and also operates in France and in Europe.

(1) Source: 2019 Wohlers report.
(2) Sources: companies.

Our products and solutions are widely-recognised in the marketplace

The Group now offers a line of 15 machines, 21 materials and a Service Bureau. Its flagship products include:

- ProMaker LD-10

The ProMaker LD-10 3D printer retains the strengths of MOVINGLight® technology, combining very high resolution and precision with increased productivity through its motion DLP® optimised cost-per-part and compact design.

- PLASTCure Model 300 resin

Perfect for the manufacture of dental models, the PLASTCure Model 300 resin is suited to a wide range of dental applications from prosthesis models to orthodontics. It provides high precision and excellent resolution as well as excellent properties.

- Solidscape S300 series

Number one in the jewellery market, Solidscape-designed 3D printers create high-precision lost-wax models. S300-series 3D printers give jewellers ultra-precise wax models with complex geometries and an unmatched surface finish.

- Mass production

INITIAL mass produces polymer and metal parts using additive manufacturing technology, in particular for the aeronautical sector.

- TPU-70A

The TPU-70A powder is an elastomer material used for the printing of flexible rubber parts suitable for a wide range of applications, including gaskets, hoses or even sports shoe insoles and luxury goods. Its excellent stretch capacity enables ultra-flexible objects to be printed with a high level of precision and resolution.

- Passtop®

Passtop® patented customised hearing protectors are personal protection equipment that is especially innovative in its design. Passtop® uses a selective noise attenuation chamber that stands out from the usual simple holes.

1.2.3 Main subsidiaries and organizational structure as at 23 March 2020

The rates indicated correspond to the percentage share capital holding. The share capital holding differs from voting rights held in three cases: PÉLICAN VENTURE holds 53.97% of the share capital and 68.90% of the voting rights in GROUPE GORGÉ (together with the GORGÉ family members, these rates are 56.26% and 71.36%); GROUPE GORGÉ holds 62.22% of the share capital and 76.44% of the voting rights in ECA; GROUPE GORGÉ holds 56.32% of the share capital and 66.63% of the voting rights in PRODWAYS GROUP.

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

	Newly consolidated	Deconsolidated
2019	SURDIFUSE EMBOUT FRANÇAIS STEDY	CIMLEC and its subsidiaries NTS HOEKSTRA
2018	VARIA 3D SOLIDSCAPE	BAUMERT CHINA AI GROUP EN MOTEURS ECA MIDDLE EAST ECA SINDEL SSI business assets
2017	INTERSON PROTAC AVENAO	-

The full list of the Group's companies, grouped by division, can be found in Note 13 to the consolidated financial statements. The table showing GROUPE GORGÉ SA subsidiaries and equity interests can be found in Note 6 of the notes to the Company's separate financial statements. The consolidated financial statements can be found in Section 3.1 of this document, and the separate financial statements of GROUPE GORGÉ SA in Section 3.2.

1.2.4 Highlights

In 2019, the highlights for the various divisions were as follows.

1.2.4.1 Smart Safety Systems division

2019 marked a turning point in the history of ECA. In May 2019, the Dutch and Belgian navies decided to procure 12 mine-hunters (six for each country) and drone systems dedicated to mine disposal at sea from BELGIUM NAVAL & ROBOTICS, a consortium composed of NAVAL GROUP and ECA. Under the terms of this nearly €2 billion contract, of which ECA's portion is approximately €450 million, ECA will supply hundreds of drones, including the A18-M underwater drone (AUV), the T18-M towed sonar, the INSPECTOR 125 surface drone (USV) and the SEASCAN and K-STER mine inspection and neutralisation drones (ROV MIDS), drone-to-drone deployment and recovery systems and surface equipment. The contract is for a total period of 10 years and is a major asset for the export of solutions, as the Belgian navy is a leader in underwater robotic mine disposal within NATO.

During the year, the Group continued to develop new products to supplement its offering of robot systems, in particular with the launch of its UMIS containerised solution, which can be deployed from the coast, the INSPECTOR 125 surface drone and the CAMELEON LG land robot. All of these products achieved their first commercial successes during the year. In September 2019, ECA was awarded two contracts worth more than €3 million to supply its latest-generation CAMELEON LG land robots to the Canadian and French Armed Forces.

In Aerospace, ECA successfully presented its first AGV Max developed for RIO TINTO. The division will continue the development of the product in aerospace and industry. In 2019, ECA also strengthened its position as a supplier of EGSE and Testing Means solutions through the launch of two new products (TC 50 E-TOOL and TC 200) and through its presence in the supply of compact test solutions for Final Assembly Lines (FALs) to meet the increasing production rate of aircraft. ECA maintained its leading position in ELT beacons for commercial aviation and achieved a new delivery record in 2019 with more than 2,600 beacons delivered.

1.2.4.2 Protection of High-Risk Installations division

The 2019 financial year confirmed the turnaround in all of the division's activities.

In the second quarter, the Group sold its subsidiaries NTS and HOEKSTRA. The sale to SPIE of the CIMLEC Group, a specialist in automation, robotics, electricity and metalwork, was finalised on 9 July. These activities were treated in the 2019 financial statements in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.

GROUPE GORGÉ also reorganised the share capital of the VIGIANS PROTECTION INCENDIE France activity (CLF-SATREM, AMOPSI and SVF), with the sale of 30% of the share capital to the management.

The substantial financial resources generated by these transactions may be allocated to the development of new technological activities. Alternatively, they could also be used to strengthen the control of robotics or 3D printing activities depending on market conditions.

Among business and operating plans, there were several large-scale projects during the year. In June, CLF-SATREM won a landmark contract worth more than €4.5 million for the fire protection of a new building to be used for biotechnologies. A total of more than 10,000 sprinklers will be installed.

1.2.4.3 3D Printing division

During the year, PRODWAYS GROUP continued its development strategy. In January 2019, the Group announced that it had finalised the acquisition of 100% of the share capital of SURDIFUSE-L'EMBOUT-FRANÇAIS, a major player in custom earmolds, a portion of which are produced using 3D printing. Thanks to the merger of SURDIFUSE-L'EMBOUT FRANÇAIS with INTERSON PROTAC, acquired in 2017, the Group intends to create the French leader, and one of the European leaders, in custom earmolds.

The Group also launched new machines on the market, expanding its product line:

- in January, PRODWAYS GROUP announced the launch of the Solidscape DL printer, the first high-precision 3D printer using SOLIDSCAPE liquid resins;
- in March, PRODWAYS GROUP launched its first applied 3D robotic printing workshop for the dental industry, combining the productivity of its machines targeted to the dental industry with robotics and automation techniques mastered by its parent company GROUPE GORGÉ. These unique skills have enabled PRODWAYS to collaborate with a leading player in digital dental solutions to offer a turnkey, integrated and robotic solution for the manufacture of orthodontic aligners;
- in November, PRODWAYS GROUP presented its new automated manufacturing module and the ProMaker P1000X printer developed to amplify the potential of MOVINGLight® and powder sintering technologies.

INITIAL acquired new customers and produced more than 1.2 million parts during the financial year. The Group continued to record numerous commercial successes for its various ranges of 3D printing machines:

- in January, through its subsidiary PRODWAYS RAF, which specialises in Rapid Additive Forging technology for 3D metal printing of large parts, PRODWAYS GROUP made its second machine sale to a leading research institute. At the same time, PRODWAYS GROUP recorded new sales of trial parts to defence and nuclear customers that want to test the technology;
- in May, PRODWAYS GROUP equipped the French Army with ProMaker P1000 3D printers for its external operations to verify the advantages of 3D printing in real conditions for the manufacturing of spare parts;
- in June, at the International Air and Space Exhibition, PRODWAYS GROUP and the INSTITUT DE RECHERCHE TECHNOLOGIQUE JULES VERNE announced the launch of the FAHRA project in response to the increase in aeronautic production rates. To that end, the Institute acquired a Rapid Additive Forging machine to optimise the robotic wire deposition process based on the technology for the additive manufacturing of large titanium alloy component blanks;
- as part of its development, MBDA, one of the world's leading defence companies, chose the PRODWAYS RAF technology to produce massive titanium parts. For MBDA, the benefits are many: costs and lead times reduced by 25% compared to conventional processes and a part that meets all technical requirements. These initial successes paved the way for the mass production of parts based on Rapid Additive Forging technology.

1.3 STRATEGY AND OUTLOOK, INVESTMENT AND R&D POLICY

1.3.1 Strategy

GROUPE GORGÉ is pressing ahead with its ambitious long-term development strategy focused around a number of key axes:

- becoming a top player in high-tech niche markets;
- stepping up its exposure to markets having high development potential and aligned with the long-term, durable, global, macro-economic trends that are shaping the future;
- balancing the Group's activities between high added-value products, complex projects and related recurring activities in the fields of safety of people and property and 3D printing.

The Group draws on a strong entrepreneurial culture and a decentralised model that encourages both autonomy and the sharing of experience. Each division thus benefits from agile decision-making, a close relationship with its customers and a solid financial, operational and cultural base permitting long-term growth.

1.3.1.1 Smart Safety Systems division

Ongoing efforts to consolidate 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.

The Robotics division is solidifying its position as a major player in robotics and continuing to develop and market various complementary robot systems to achieve a single mission. The mine warfare contract awarded by the Belgian and Dutch navies to the BELGIUM NAVAL & ROBOTICS consortium of ECA ROBOTICS and NAVAL GROUP in March 2019 is the culmination for ECA of a strategy carried out over many years and focused on the development of drone systems. This contract is a major asset for export, as it was 40 years ago with the tripartite mine-hunter programme that had generated sales of PAP robots in 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. Moreover, 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 defence and security sectors.

The Aerospace division maintains its leading position in the RF onboard equipment market with its emergency locator transmitters (ELTs) and connectivity products (AWAPs). The division continued to grow in the EGSE and Testing Means market through its "T-Cell Technology" solutions, while deploying new solutions in autonomous indoor-outdoor AGVs for Plant 4.0, once again demonstrating its positioning as a high-tech player.

The Group benefits from a number of favourable factors, in particular, the growth of advanced robotic markets, the reinforcement of simulation in training and practice sessions and requirements linked to the ramp-up of aeronautics.

The Group will continue to build a benchmark player in technological innovation for the protection of people and property by ensuring compliance with its non-financial commitments: acting as an effective, responsible, and ethical group, recruiting and training the best talent and ensuring the health, safety and well-being of its 640 employees.

1.3.1.2 Protection of High-Risk Installations division

The Protection of High-Risk Installations division continued its transformation. In 2018, the Group initiated the withdrawal from activities that had become non-strategic with the sale of the CIMLEC Group and NTS and reorganised the share capital of VIGIANS PROTECTION INCENDIE by selling 30% to its management to boost the performance of the activity.

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 three 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.

In **nuclear protection**, the division is continuing to develop with a dual focus:

- to consolidate its position as the leading global supplier of special doors for nuclear plants;
- to expand and standardise its offering in the protection and safety of nuclear power plants.

The division is focusing on structuring and expanding its offer in the protection and safety of nuclear power plants in France and abroad.

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) and new sectors of activity (compliance and life sciences).

1.3.1.3 3D Printing division

The 3D Printing division is pressing ahead with its ambitious development strategy focused around a number of key goals:

- leveraging its positioning as the sole company integrated throughout the entire 3D printing value chain and developing synergies between its various activities;
- become a major player in the 3D printing market by offering printers which are among the best performing for professional and industrial uses;
- continue to develop priority markets, such as healthcare, jewellery, and aeronautics, for which the Group's products and expertise are well-suited, and seize growth opportunities in all other sectors.

PRODWAYS GROUP is the only consolidated player offering its clients, both industrial and professional, not only 3D design, simulation, and optimisation software, but also a wide range of 3D printers and associated materials. This is a mutually supportive offering, guaranteeing clients the solution best suited to their needs and guaranteeing PRODWAYS GROUP recurring revenue thanks to the building up of dedicated machine fleets, sales of associated materials, and service and maintenance contracts.

The key priority sectors on which PRODWAYS GROUP is more specifically developing this strategy are healthcare, jewellery, and aeronautics.

Thanks to the in-house development of solutions and completion of acquisitions, PRODWAYS GROUP now has a portfolio of parts and solutions covering all sectors in which 3D printing has developed, and can benefit from an acceleration of its mass production.

Rapid prototyping and mass production services are provided by the INITIAL entity, which has expertise in each sector. INITIAL brings its knowledge to the development of PRODWAYS machines and offers market intelligence services, helping to detect new trends in the sector and acting as a showcase for potential customers who may then go on to purchase machines, materials, or software.

The Group has also developed a portfolio of healthcare applications in the dental, chiropody and audiology sectors. These applications help optimise value by capturing a greater margin in markets being transformed by 3D printing.

1.3.2 Outlook

GROUPE GORGÉ started 2020 with a backlog of €6062 million as at 31 December 2019, representing more than two years of revenue and a solid financial position thanks to the increase in profitability in all divisions and the disposals carried out.

1.3.2.1 Smart Safety Systems division

At 31 December 2019, the division's backlog stood at €526.3 million, 4.4 times higher than at 31 December 2018.

In 2020, the division expects the following qualitative changes in its markets:

In Robotics, performance should continue to be excellent, driven by the robotics contracts for the Belgian and Dutch navies whose annual contribution should reach approximately €15 million. Significant new opportunities for mine hunting contracts have already been identified in several countries and could materialisze over the coming 36 months. In the longer-term, the Group intends to capitalise on the success of its drone systems in underwater de-mining by adapting them to other sectors where it already operates: infrastructure protection, hydrography and, ground-to-air defence.

In Aerospace, more moderate growth in operations is expected following an excellent 2019 financial year.

1.3.2.2 Protection of High-Risk Installations division

The division's backlog amounted to €73.8 million as at 31 December 2019.

The commercial outlook is expected to be good in the majority of its markets (fire protection, nuclear). Oil & Gas with the subsidiary VAN DAM, which represents less than 4% of consolidated revenue, could see its recovery thwarted by the recent decreases in oil prices despite the Group being primarily positioned on gas projects.

1.3.2.3 3D Printing division

In 2019, the Group continued to consolidate its activities as a company positioned throughout the entire digital manufacturing value chain.

Given that the wait-and-see strategy adopted in some industrial and mass production sectors has yet to bear fruit, the Group remains on the lookout for market opportunities. PRODWAYS GROUP is well positioned to seize opportunities and to play a role in the digital transformation of the industry.

PRODWAYS GROUP has been working for several years on 3D Printing industrialisation projects in various business sectors. These projects would involve a large number of machines dedicated to production applications consuming several tonnes of material. The Group expects a first order of this type in the coming months.

The division is also expecting a ramp-up in the Materials business given the increase in volumes consumed that validates the significant investments made in the Machines business over the past several years.

1.3.2.4 Recent information

The Covid-19 health crisis burst upon the scene during the first quarter of 2020. Quarantine measures were instituted in March. The Group has limited activities on its sites to the maximum extent possible to preserve the health of its employees and to put in place conditions for the highest level of safety on the job. ECA activities necessary for the proper operation of our armed forces are notably being maintained according to their demands. At the same time, the Group has put in place a remote working structure for a set of projects.

As of the date this Universal Registration Document was being finalised, it is impossible to estimate the duration of the crisis or its impacts on the Group's revenue and costs. All steps are being taken to best adapt to the government's directives and to restart certain production activities as soon as the conditions for our employees' safety are in place.

1.3.3 Investment policy and R&D

1.3.3.1 R&D policy

The Group invests significantly in research and development to maintain and further develop its competitive edge. The Group files patent applications when necessary in protecting a technical, technological or commercial breakthrough. 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 Principal investments in 2019

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.

The Group's investments amounted to €17.5 million. Nearly half consisted of intangible investments (R&D, software). The 3D Printing division accounted for 40% of investments (€7.1 million), while the Smart Safety Systems division accounted for over a third (€6.3 million). Industrial investments are mainly funded out of own resources, and occasionally through leasing. Investments in real estate, which are infrequent, are funded through classic debt or debt in the form of an ease.

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

(in millions of euros)	2019	2018	2017
Research and development(1)	7.2	6.5	8.3
Other property, plant and equipment(2)	2.0	1.3	1.1
Land and buildings	0.9	0.3	1.1
Technical installations, equipment	4.0	7.1	4.5
Other property, plant and equipment(3)	3.4	0.2	0.9
TOTAL	**17.5**	**15.4**	**15.9**

(1) Only capitalised R&D.

(2) Excluding costs of obtaining and performing contracts.

(3) Advance payments and ongoing fixed assets only.

In 2019, two acquisitions were made:

- the takeover (acquisition of all shares) on 3 January 2019 of L'EMBOUT FRANÇAIS and SURDIFUSE (3D Printing division);
- the takeover (capital increase) on 30 January 2019 of STEDY (formerly YWORK, Protection of High-Risk Installations division).

In the second half of the year, the 3D Printing division (PRODWAYS GROUP) acquired a site in Chavanod near Grenoble to relocate its INITIAL subsidiary, which is currently located in two separate buildings a few kilometres apart. The total investment (acquisition of the site and works) will be €4.5 million to €5 million.

In late 2019, the Group acquired land in Montpellier to construct a building for the ECA ROBOTICS Montpellier entity, for which the current premises have become unsuitable. The total investment, acquisitions and construction, will be €3.6 million.

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 Substantial property, plant and equipment/real estate 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 specialised 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 certain sites used for its activities in La Garde (near Toulon in the French department 83, ECA's principal site), in Lannion (French department 22, ECA FAROS' site) and in Schaeffersheim (French department 67, principal site of the Protection in Nuclear Environments division). Sites are under lease in Les Mureaux (PRODWAYS and CLF-SATREM site), and the lease expired in June 2019. In addition to these operating sites, the Group also owns a vacant building in Les Mureaux. 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. All of ECA's activities in Toulouse (currently two sites) relocated in the first half of 2019 to regroup in shared premises. An investment project in Montpellier is underway and will allow ECA ROBOTICS to relocate to premises that are better suited to its activity.

1.3.4 Events after the reporting period

Major events that occurred between the closing of the financial year and the date on which the financial statements were approved (23 March 2020) are described in Note 13.3 to the consolidated financial statements.

1.4 ANALYSIS OF CONSOLIDATED PERFORMANCE AND BUSINESS SECTORS

1.4.1 Analysis of Group results

The Board of Directors approved the 2019 consolidated financial statements on 23 March 2020, which showed:

- revenue of €274,641 thousand;
- net income of €23,119 thousand;
- profit for the period attributable to the owners of the parent of €20,894 thousand.

The consolidated financial statements were drawn up in accordance with International Financial Reporting Standards (IFRS) rules and interpretations on measuring and presenting financial information as adopted by the European Union and published in its Official Journal on 13 October 2003. The figures presented below are from the financial statements for 2019 and 2018. The 2018 financial statements and figures as at 1 January 2019 were adjusted for the four reasons set out in Note 1.3 to the consolidated financial statements: the adjustment of financial statements at 31 December 2018 relating to the finalisation in 2019 of fair value measurements of acquisitions in 2018; the reclassification of assets and liabilities as part of the application of IFRS 15; the first-time implementation of IFRS 16 on 1 January 2019; and the application of IFRS 5. The figures commented on are restated figures. 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.

Not including operating activities, the most significant events during the year with an impact on the financial statements were as follows:

- takeover (acquisition of all securities) on 3 January 2019 of L'EMBOUT FRANÇAIS and SURDIFUSE (3D Printing division); both companies are fully consolidated as from the start of the year;
- takeover (capital increase) on 30 January 2019 of STEDY (formerly YWORK, Protection of High-Risk Installations division); the company is fully consolidated as from the start of the year; additional non-controlling interests were acquired in June 2019;
- disposal of two small companies in the Protection of High-Risk Installations division: NTS (subsidiary of CIMLEC INDUSTRIE) in early April 2019; the company is consolidated under discontinued activities until end-March; HOEKSTRA SUWALD TECHNIEK B.V. on 12 April 2019;
- disposal of CIMLEC INDUSTRIE (and its subsidiaries) on 9 July 2019, the CIMLEC Group is consolidated until 30 June 2019, with application of IFRS 5 (see Note 1.3.3 and Note 12).

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

- Group share: €20.9 million;
- non-controlling interests: €2.2 million.

The Group also uses non-GAAP adjusted measures. They offer a better assessment of its long-term performance, especially in light of the sale in 2019 of CIMLEC INDUSTRIE and its subsidiaries and the 2017 decision to offload two subsidiaries in 2018. Note 3.1 to the consolidated financial statements reconciles the adjusted measures and the financial statements for the period. For 2018, the figures presented were restated in accordance with IFRS 5 to make them comparable with the 2019 financial year.

1.4.1.1 Main aggregates from the consolidated income statement

(in thousands of euros)	**2019**	**2018**	**2017[1]**
Revenue	274,641	253,170	278,225
EBITDA[2]	31,681	16,153	11,833
Operating income	4,910	(575)	(13,634)
Financial income and expense	(1,140)	(1,003)	(2,108)
Tax	(2,225)	(2,173)	(4,901)
NET INCOME FROM CONTINUING OPERATIONS	**1,546**	**(3,752)**	**(20,582)**
NET INCOME FROM DISCONTINUED ACTIVITIES	**21,574**	**1,717**	**-**
NET INCOME	**23,119**	**(2,035)**	**(20,582)**
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF THE PARENT	**20,894**	**(1,917)**	**(16,037)**

(1) Column 2017 not restated for IFRS 5 impacts related to the disposal of the CIMLEC Group.

(2) Non-GAAP indicator, see Note 3.1 to the consolidated financial statements.

Performance is analysed by division in the following tables.

2019 FINANCIAL YEAR – SEGMENT INFORMATION

(in thousands of euros)	Protection of High-Risk installations(1)	Smart Safety Systems	3D Printing	Structure and disposals	Segment total	Impact IFRS 5	Adjust-ments	Consoli-dated
Backlog at start of period	103,043	120,267	7,493	(354)	230,449	(16,498)	-	213,951
Backlog at end of period	73,833	526,343	6,143	(166)	606,154	-	-	606,154
REVENUE	**114,004**	**112,486**	**71,284**	**(1,349)**	**296,425**	**(21,784)**	**-**	**274,641**
Capitalised production	2,160	3,580	3,094	5	8,840	(83)	-	8,757
Inventories and work in progress	247	2,877	(16)	-	3,109	(265)	-	2,844
Other income from operations	538	4,496	986	-	6,019	(13)	-	6,006
Purchases consumed	(65,511)	(62,154)	(39,034)	1,991	(164,708)	11,057	-	(153,651)
Personnel expenses	(42,930)	(41,044)	(29,849)	(1,705)	(115,527)	8,729	-	(106,799)
Tax and duties	(1,314)	(1,101)	(680)	(33)	(3,128)	326	-	(2,803)
Other operating income and expenses	(467)	1,614	(473)	1,484	2,158	528	-	2,686
EBITDA	**6,727**	**20,754**	**5,312**	**393**	**33,187**	**(1,505)**	**-**	**31,681**
% revenue	*5.9%*	*18.5%*	*7.5%*	*n/s*	*11.2%*	*6.9%*		*11.5%*
Depr., amort. and prov. (net of reversals)	(4,977)	(10,823)	(6,843)	(217)	(22,860)	642	-	(22,218)
OPERATING RESULTS	**1,750**	**9,932**	**(1,531)**	**176**	**10,327**	**(864)**	**-**	**9,463**
% revenue	*1.5%*	*8.8%*	*-2.1%*	*n/s*	*3.5%*	*4.0%*		*3.4%*
Payment in shares	-	-	(420)	-	(420)	-	-	(420)
Restructuring costs	(385)	(398)	(578)	-	(1,360)	-	-	(1,360)
Amort. of intangible assets recognised at FV during acquisitions	-	(223)	(888)	-	(1,111)	-	-	(1,111)
Acquisition costs	(90)	-	(35)	(86)	(211)	-	-	(211)
Impact of HOEKSTRA disposal	(703)	-	-	-	(703)	-	-	(703)
Impact of the disposal of the CIMLEC Group(2)	22,475	-	-	-	22,475	(22,475)	-	-
Impact of liquidation of ECA SINDEL	-	-	-	-	-	-	288	288
Exceptional provisions for impairment of asset values	(495)	-	(408)	(157)	(1,059)	-	-	(1,059)
Other total	-	-	(50)	-	(50)	-	-	(50)
TOTAL OF OTHER OPERATING ITEMS	**20,803**	**(620)**	**(2,378)**	**(243)**	**17,561**	**(22,475)**	**288**	**(4,626)**
Group share of the earnings of affiliated companies	-	-	73	-	73	-	-	73
OPERATING INCOME	**22,552**	**9,311**	**(3,836)**	**(66)**	**27,961**	**(23,339)**	**288**	**4,910**
% revenue	*19.8%*	*8.3%*	*-5.4%*	*n/s*	*9.4%*	*107.1%*	*n/s*	*1.8%*
R&D expenses capitalised over the period	1,388	3,448	2,383	-	7,219	(71)	-	7,148
Other property, plant and equipment and intangible investments	5,126	11,074	9,153	(2,064)	23,289	(333)	-	22,956

(1) The contribution of CIMLEC and its subsidiaries in the first half of 2019 is included in the column labelled "Protection of High-Risk Installations" to the extent that these companies were consolidated into the operational reporting until their disposal in the early days of July 2019.

(2) Adjustments concerning the contribution of CIMLEC and its subsidiaries, consolidated in the segment information but classified in the consolidated income statement on a single line in accordance with IFRS 5, see Note 1.3.

2018 FINANCIAL YEAR* – SEGMENT INFORMATION

(in thousands of euros)	Protection of High-Risk Installations	Smart Safety Systems(1)	3D Printing	Structure and disposals	Segment total	Impact IFRS 5	Adjust-ments(2)	Consoli-dated
Backlog at start of period	103,668	96,505	4,838	(337)	204,674	(13,275)	(2,219)	189,181
Backlog at end of period	103,043	120,267	7,493	(354)	230,449	(16,498)	-	213,951
REVENUE	**134,318**	**101,765**	**60,895**	**(1,272)**	**295,705**	**(42,834)**	**298**	**253,170**
Capitalised production	712	4,955	2,139	-	7,806	(265)	-	7,541
Inventories and work in progress	(700)	1,378	134	-	812	162	7	981
Other income from operations	1,607	4,243	1,166	3	7,019	(449)	-	6,571
Purchases consumed	(79,783)	(53,614)	(35,863)	3,298	(165,962)	21,898	(318)	(144,382)
Personnel expenses	(52,462)	(42,422)	(26,042)	(1,196)	(122,122)	17,150	(171)	(105,144)
Tax and duties	(1,536)	(1,327)	(739)	(64)	(3,666)	459	(7)	(3,213)
Other operating income and expenses	677	(219)	(496)	(210)	(247)	934	(57)	630
EBITDA	**2,834**	**14,758**	**1,194**	**560**	**19,345**	**(2,944)**	**(249)**	**16,153**
% revenue	*2.1%*	*14.5%*	*2.0%*	*n/s*	*6.5%*	*6.9%*	*-83.2%*	*6.4%*
Depr., amort. and prov. (net of reversals)	(1,947)	(7,440)	(5,181)	(247)	(14,815)	801	(8)	(14,023)
OPERATING RESULTS	**887**	**7,318**	**(3,987)**	**313**	**4,530**	**(2,143)**	**(256)**	**2,130**
% revenue	*0.6%*	*7.2%*	*-6.5%*	*n/s*	*1.5%*	*5.0%*	*-45.1%*	*0.8%*
Payment in shares	(19)	-	40	-	21	-	-	21
Restructuring costs	(1,571)	(879)	(133)	-	(2,583)	-	-	(2,583)
Amort. of intangible assets recognised at FV during acquisitions	-	(389)	(706)	-	(1,095)	-	-	(1,095)
Acquisition costs	-	-	(249)	-	(249)	-	-	(249)
Impact of liquidation of ECA SINDEL(3)	-	-	-	-	-	-	(99)	(99)
Impact of disposal of SSI business goodwill(4)	-	-	-	-	-	-	221	221
Impact of the disposal of EN MOTEURS, AI GROUP, and FIS	(115)	1,235	-	-	1,120	-	-	1,120
Exceptional provisions for impairment of asset values	-	-	(109)	-	(109)	-	-	(109)
TOTAL OF OTHER OPERATING ITEMS	**(1,705)**	**(34)**	**(1,156)**	**-**	**(2,895)**	**-**	**122**	**(2,773)**
Group share of the earnings of affiliated companies	-	-	67	-	67	-	-	67
OPERATING INCOME	**(818)**	**7,284**	**(5,076)**	**313**	**1,702**	**(2,143)**	**(134)**	**(575)**

(in thousands of euros)	**Protection of High-Risk Installations**	**Smart Safety Systems[1]**	**3D Printing**	**Structure and disposals**	**Segment total**	**Impact IFRS 5**	**Adjust-ments[2]**	**Consoli-dated**
% revenue	*-0.6%*	*7.2%*	*-8.3%*	*n/s*	*0.6%*	*5.0%*	*-45.1%*	*-0.2%*
R&D expenses capitalised over the period	711	4,153	1,586	-	6,450	-	-	6,450
Other property, plant and equipment and intangible investments	2,245	3,286	4,486	58	10,074	-	-	10,074

* *Restated to reflect the items described in Note 1.3.*

(1) *Expenses for ECA SINDEL (deconsolidated at 1 January 2018) and consisting essentially of charges to provisions, as well as the contribution of SSI, whose business goodwill the Group sold in August 2018, are included in the adjustments.*

(2) *The adjustments involve: the contribution of SSI, the cancellation of the impact of the reversal of a provision relating to SSI (€1.1 million) and the cancellation of the impact of ECA SINDEL (reversal of the provision recorded in 2017, deconsolidation result, provisions for risks and on assets involving ECA SINDEL).*

(3) *On 31 December 2017, the Group created a provision of €1.5 million to offset the consequences of a major dispute with a client related to the continued operation of ECA SINDEL. The assets associated with this customer were also provisioned in the financial statements of the subsidiary. At 31 December 2018, the Company was under court receivership; it was deconsolidated, and the net negative impact over the period (reversal of the provision recorded in 2017, deconsolidation result and provisions on assets involving ECA SINDEL) was €99 thousand.*

(4) *In 2017, the Group had created a provision for risks and charges of €1.1 million with respect to the disposal or closure of SSI. The provision aimed to cover liabilities generated from the business discontinuation and the foreseeable impairment of assets (stocks). In 2018, the provision for risks and charges was reversed and reallocated to the corresponding assets and liabilities based on their recoverable or callable value and resulting from the disposal agreement entered into on 31 August 2018. The net impact over the period was €221 thousand.*

1.4.1.2 Smart Safety Systems division

Revenue in the Smart Safety Systems division was €112.5 million compared with €102.1 million in 2018 (€101.8 million without SSI's contribution). Revenue was therefore up by 10.2% over the financial year. Backlog has more than quadrupled at €526 million, compared to €120 million at end-2018, thanks to the order of the Belgian and Dutch navies in the first half of the year.

Profitability growth is higher than revenue growth. The EBITDA margin totalled 18.5% in 2019, compared with 14.2% in 2018 and even reached 19.6% in the second half of the year (17.8% in the second half of 2018). This reflects the effect of the measures implemented since end-2017 to improve operating efficiency, the good performance of the Aerospace business and the application of IFRS 16 (impact of €1.9 million on the financial year's EBITDA). EBITDA thus grew by 43.0% to €20,8 million compared with €14.5 million in 2018.

The division's operating income was €9.6 million, compared with €7.1 million in 2018. In 2019, non-recurring items consisted of restructuring costs (-€0.4 million), the impact of the reversal of a provision pertaining to ECA SINDEL that no longer served a purpose (+ €0.3 million) and the amortisation of intangible assets recognised at fair value upon acquisition (-€0.2 million).

At the end of the year, the backlog was up at €526 million.

1.4.1.3 Protection of High-Risk Installations division

Excluding the contribution from the CIMLEC Group, the division's revenue was €91.8 million in 2019, a 1.0% increase. This reflects the continued improvement of all the division's activities.

The division's EBITDA (excluding CIMLEC Group) showed marked improvement during the financial year at €5.2 million, up by €5.4 million thanks to the clear recovery of the Nuclear business. The application of IFRS 16 contributed €1.7 million. The EBITDA margin thus came to 5.7% for the year.

In 2019, excluding CIMLEC's contribution, operating results totalled €0.9 million, up by €2.1 million over the financial year. Operating income stood at -€1.7 million.

The division's backlog totalled €73.8 million at 31 December 2019, down 14.7% from 31 December 2018. This decline is due to a high baseline effect in 2018 and does not reflect the positive commercial outlook expected for this division in 2020.

1.4.1.4 3D Printing

The 3D Printing division achieved revenue of €71.3 million in 2019, a sharp increase of 17.1% compared to 2018, with both businesses contributing to this growth.

EBITDA came to €5.3 million for the financial year, up by €4.1 million compared to 2018. This takes into account the favourable impact of €2.1 million occasioned by the application of IFRS 16 – Leases. The division's EBITDA margin grew considerably at 7.5% in 2019, compared to 2.0% in 2018.

Operating results totalled -€1.5 million in 2019, up by €2.5 million compared to 2018.

After taking into account other items of operating income for €2.4 million, mainly associated with the amortisation of intangible assets recognised at fair value upon acquisition, restructuring costs and an expense linked to the allocation of free shares, operating income improved by €1.2 million to -€3.8 million in 2019, driven by the good performance in the second half of the year.

The backlog was down year on year at €6.1 million. Unlike our other businesses, however, it should be noted that the order book for this division is unlikely to account for a large share of revenue given that lead times between the placing and delivery of orders is considerably shorter.

1.4.2 Group's financial position (cash and cash equivalents, financing and capital)

Consolidated equity stood at €176.7 million, compared with €161.5 million as at 31 December 2019.

At 31 December 2019, consolidated net debt (financial debt of €70.1 million and bank overdrafts of €5.0 million minus €64.3 million in cash) was €10.8 million. At 1 January 2019, net debt was €28.6 million. The treasury shares held by ECA, PRODWAYS GROUP, and GROUPE GORGÉ are not included in these figures. Net debt adjusted for treasury shares was €8.2 million (compared with net debt of €27.7 million at 1 January 2019).

Operating cash flow (cash flow from operations and change in working capital requirements) increased very significantly from -€3.3 million in 2018 to €30.4 million in 2019. In particular, there was a favourable €6.4 million change in working capital requirements, whereas this had been unfavourable to the tune of €10.5 million in 2018.

Investments remained stable at a high level, €14.0 million excluding the impact of scope changes, compared with €13.9 million in 2018. Disbursements related to changes in the scope of consolidation (acquisition of SURDIFUSE-L'EMBOUT FRANÇAIS, AVENAO earn-out paid in 2019, acquisition of non-controlling interests in the share capital of IP GESTION) were more than offset by the proceeds from the disposal of CIMLEC, the balance representing a cash inflow of €16.2 million.

The Group has five confirmed lines of credit. These lines are granted to GROUPE GORGÉ SA (€10.0 million), ECA (two lines, €10 million and €15 million), ECA ROBOTICS (€15 million) and PRODWAYS GROUP SA (€7.5 million). At end-December 2019, only ECA had partially drawn down its credit, in the amount of €11.5 million.

Detailed information about the Group's financial liabilities and any related covenants is provided in the notes to the consolidated financial statements (Note 8 "Borrowings and financial liabilities").

1.5 ACTIVITIES AND RESULTS OF GROUPE GORGÉ SA

1.5.1 GROUPE GORGÉ's role in the Group

The organisation 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, and 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, PÉLICAN VENTURE assists and supports GROUPE GORGÉ with the development of the Group's general policy and strategy, particularly in terms of organisation, external growth, recruitment, financial reporting and finance. Accordingly, PÉLICAN VENTURE invoiced €265 thousand to GROUPE GORGÉ in 2019. The agreement is valid indefinitely, but may be terminated by either party and would automatically lapse in the event of a change of control of GROUPE GORGÉ.

GROUPE GORGÉ also provides administrative, financial and legal services to PELICAN VENTURE. Finally, although not of material impact, GROUPE GORGÉ sub-lets offices to PELICAN VENTURE. In total, GROUPE GORGÉ invoiced €192 thousand to PELICAN VENTURE in 2019.

Jean-Pierre GORGÉ (Director and former Chairman of GROUPE GORGÉ) is paid exclusively by PÉLICAN VENTURE. Raphaël GORGÉ (Chairman and CEO) was previously paid by PÉLICAN VENTURE (but is now 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 recommendation of the Remuneration Committee.

PÉLICAN VENTURE is an SAS (simplified joint-stock company) with a capital of €3,309,778.08. Its consolidated shareholders' equity (2018) was €204 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;
- real estate and financial assets.

1.5.2 Activities and results

At its meeting of 23 March 2020, the Board of Directors approved the company financial statements of GROUPE GORGÉ SA, which showed:

- revenue of €3,914 thousand;
- net income of €2,320 thousand.

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

Revenue came to €3.91 million versus €3.47 million in 2018. The operating loss for the financial year was €1.1 million versus an operating profit of €0.33 million in 2018.

Income from continuing operations before tax was €2.64 million versus €0.23 million in 2018. Financial income of GROUPE GORGÉ in 2019 was €3.75 million (-€0.1 million in 2018), including €2.46 million in dividends.

After taking into account non-recurring income of -€0.1 million (similar in 2018) and tax expense of €0.2 million arising from the tax consolidation grouping of which GROUPE GORGÉ SA is the lead company (income of €0.2 million the previous year), the financial year ended 31 December 2019 generated a profit of €2.3 million, compared with €0.3 million in 2018.

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 €19,443, as well as the corresponding theoretical tax amount of €5,444.

1.5.3 Proposed appropriation of income

The Company's income for the financial year ended 31 December 2019 showed a profit of €2,320,491.57. At its meeting on 23 March 2020, the Board of Directors decided to propose to the shareholders' meeting the payment of a dividend of €0.35 per share, *i.e.* a total dividend of €4,725,995.05 taken from the year's income and the balance from the retained earnings account. This proposal is possible due to the Group's excellent performance in 2019 and reflects the confidence of the Board in the solidity of the financial situation and GROUPE GORGÉ's outlook. This proposal was made on 23 March 2020, when the Covid-19-related crisis was still in its early stages.

We would like to remind you 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)*
2016	None	13,502,843	None
2017	0.32	13,502,843	4,320,909.76
2018	0.32	13,502,843	4,320,909.76

(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.

1.5.4 Standard payment terms

In compliance with article D.441-4 of the French Commercial Code, we would like to specify that at 31 December 2019, the balance of GROUPE GORGÉ SA's trade accounts payable was €676 thousand (€538 thousand at 31 December 2018). These trade payables are not yet due and in general are payable at 30 days (in 2019 as in 2018).

1.5.5 Other financial and accounting information

SECURITIES PORTFOLIO AT 31 DECEMBER 2019

Company	Net asset values *(in euros)*
I – EQUITY SECURITIES	
1. French companies	
a/ Listed equity securities	
ECA	36,192,069
PRODWAYS GROUP	28,204,618
b/ Unlisted equity securities	
FINU 12	5,000
MARINE INTÉRIM	-
NUCLÉACTION	37,463
SCI DES CARRIÈRES	1,247,539
SCI DES PORTES	999
SERES TECHNOLOGIES	990,000
STEDY	1,009,600
STON	5,690,000
VIGIANS	275,000
VIGIANS PROTECTION INCENDIE	2,100,000
2. Foreign companies	
None	
TOTAL I	**75,752,288**
II – OTHER LONG-TERM INVESTMENTS	
1. French companies	
a/ Listed securities	
None	
b/ Unlisted securities	
VIGIANS PROTECTION INCENDIE convertible bonds	6,500,000
2. Foreign companies	
a/ Listed securities	
None	
b/ Unlisted securities	
None	
TOTAL II	**6,500,000**
III – MARKETABLE SECURITIES	
a/ Money market funds (SICAVs) and term deposits	5,797,521
b/ Listed French shares	
None	
c/ Listed foreign shares	
d/ Treasury shares	80,950
TOTAL III	**5,878,471**
GRAND TOTAL (I + II + III)	**88,130,759**

FINANCIAL TABLE – ARTICLE R.225-102 OF THE FRENCH COMMERCIAL CODE

Nature of information	2019	2018	2017	2016	2015
Share capital	€13,502,843	€13,502,843	€13,502,843	€13,495,843	€13,366,843
Number of shares	13,502,843	13,502,843	13,502,843	13,495,843	13,366,843
Par value per share	€1	€1	€1	€1	€1
Revenue excluding taxes	3,913,722	3,467,444	3,289,653	3,458,396	3,731,165
Earnings before taxes, depreciation, amortisation & provisions	(2,066,349)	70,421	18,528,323	3,242,814	5,274,298
Income tax	210,720	(219,428)	(611,022)	(1,517,036)	(1,558,748)
Earnings after taxes but before depreciation, amortisation & provisions	(2,277,069)	289,849	19,139,345	4,759,850	6,833,046
Earnings after taxes, depreciation, amortisation & provisions	2,320,492	338,116	20,080,409	5,181,090	9,388,143
Distributed earnings(1)	4,319,578	4,319,831	-	-	4,217,227
Earnings per share after taxes but before depreciation, amortisation & provisions	(0.17)	0.02	1.42	0.35	0.51
Earnings per share after taxes, depreciation, amortisation & provisions	0.17	0.03	1.49	0.38	0.70
Net dividend per share(1)	0.32	0.32	-	-	0.32
Average number of employees	7	7	8	7	7
Total payroll	1,163,331	812,314	922,357	823,824	868,187
Social security contributions and employee benefits	541,713	377,759	421,382	389,131	393,804

(1) Dividend paid during the year, in respect of the previous financial year.

RISK FACTORS 2

Risk management is an integral part of the Group's overall strategy as it continues to build and continuously improve its risk management system.

Its purpose is to anticipate the threats to which the Group is exposed and identify future opportunities in order to:

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

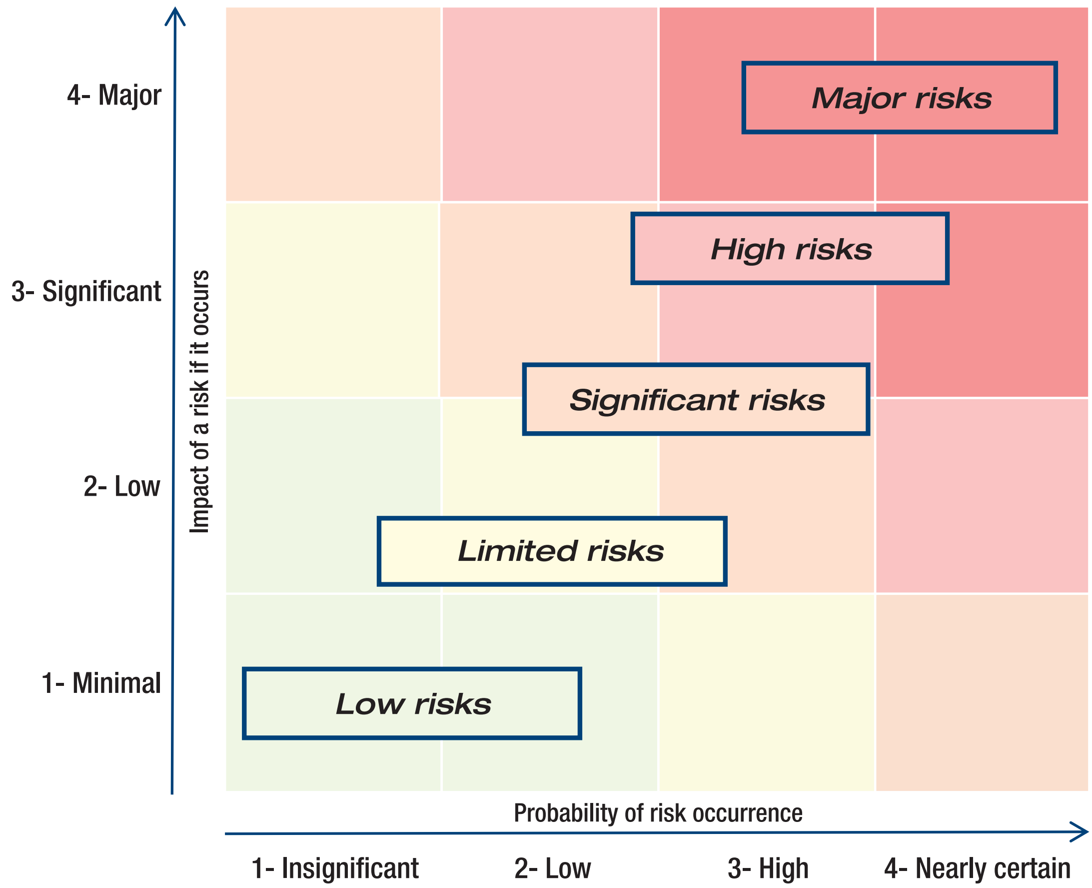
In 2019 and 2020, the Group once again carried out in-depth risk mapping of each of its three core divisions and global mapping for all of GROUPE GORGÉ.

2.1 METHODOLOGY

The GROUPE GORGÉ 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;
- assessment of risks: the risks to which the Group is exposed have been assessed according to their probability of occurrence and their potential impact if the risk were to materialise, on three multi-level scales:
  - probability of occurrence over a three-year horizon: insignificant, low, high, almost certain,
  - impact (personal, financial, reputational and legal): minimal, low, significant and major,
  - level of risk control: high, partial, low;
- ranking of risks: by cross-referencing the probability and impact of the risk, a positioning 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	
Risk related to the deterioration of the Group's brand image and positive momentum	Strong
Risk associated with faulty strategic positioning	Significant
Risks associated with technological developments and R&D investments	Significant
CROSS-FUNCTIONAL RISKS	
Organisation and governance	
Risk related to failures of management in a subsidiary	Major
Risk associated with difficulties integrating acquired companies	Strong
Risk of unreliability of financial data used within the Group	Significant
Risk associated with a misalignment of interests between the Group and its subsidiaries	Significant
Legal	
Risk associated with failures to comply with applicable regulations	Major
Risk associated with inadequate protection of intellectual property or infringement of third-party patents	Significant
IT	
IT risks	Strong
Fraud or external attacks	Strong
OPERATING RISKS	
Risks associated with divergences from contracts	Strong
Risks associated with difficulties in attracting or retaining employees at the expected level of skill	Strong
Risks associated with employee safety and security	Strong
Risks associated with the inadequacy of employee skills with regard to the Group's transformation	Strong
Inappropriate business practices	Significant
Insufficient quality and performance of the partners or subcontractors used	Significant
Customer default	Significant
Risk associated with cash generation levels	Significant

The following paragraphs describe the main risks identified at the end of 2019, divided into three categories: strategic risks, operational risks and cross-functional risks. In each category, the risk factors are presented in decreasing order of importance as determined by the Group as of the date of this Universal Registration Document.

A comprehensive understanding of the risks faced by the Group requires a full reading of the consolidated financial statements (in particular the sections relating to financial risks and litigation) and the Universal Registration Document as a whole, in addition to this chapter.

Covid-19 crisis

Subsequent to the creation of the risk-mapping, the Covid-19 health crisis grew and became a worldwide issue. As of the date of issue of the financial statements, the Group has limited activities on its sites to the maximum extent possible to preserve the health of its employees and to put in place conditions for the highest level of safety on the job or for working remotely whenever possible.

At this stage of the pandemic, it is impossible to estimate the duration of the crisis or its impacts on the Group's revenue and costs. All steps are being taken to best adapt to the government's directives and to restart certain activities as soon as the necessary resources and conditions for our employees' safety are in place.

2.2 STRATEGIC RISKS

2.2.1 Risk related to the 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 favourable momentum, thanks in particular to successful developments in 3D printing and 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, making contacts and presenting the Group favourably to investors or financial or commercial partners.

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

To limit these risks, the Group tries first and foremost to expose itself as little as possible to criticism by ensuring that it does not raise expectations that exceed its projections and that it complies 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;
- the development of regular communication with targeted media and on social networks to facilitate understanding of the Group and engage in quality dialogue;
- informing and training of the Group's managers, communicators and spokespersons. Specific media training sessions may be organised with Group managers;
- the distribution of press procedures intended for GROUPE GORGÉ subsidiaries that enable them to follow up on and monitor media coverage;
- specific press and web oversight (social media, websites, 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 behaviour 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 Risk associated with faulty strategic positioning

The markets in which the Group operates (3D printing, robotics, Defence) 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 may 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 3D printing, for example, the Group is in competition with foreign players that have been established for a long time in the additive manufacturing market (such as STRATASYS or 3D SYSTEMS), for a shorter time (international groups such as HP and GENERAL ELECTRIC that also have significant resources) or more recent companies that have raised significant amounts of money, such as CARBON 3D. The Group therefore faces many competitors, some of which have very extensive resources and/or high profiles (see Section 1.2.2 "Activities, markets and competition"). The multiplication of players on the 3D printing market, some of which have significant resources, may result in faster awareness of 3D printing technologies among industry players and professionals. However, for the Group, this also means increasing competitive pressure, which could lead to a decrease in demand for the Group's products and force the Group to reduce its selling prices or make additional investments.

In the field of robotics and Defence, 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.

Against this backdrop of changes in its competitive and technological environment, misinterpretations and a failure to foresee market developments may cause the Group to take unwise strategic positions or, on the contrary, fall behind in occupying new growth 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 monitors these trends on an active, forward-looking basis and, as part of its budget process, conducts threat/opportunity analyses by activity that provide a cross-functional perspective and are a decision-making aid for Executive Management. In addition, once a year, discussions are organised 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 like 3D printing.

2.2.3 Risks associated with technological developments and R&D investments

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 currently account for 4.7% of its revenue in 2019 (see Note 6.1 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 works on several topics simultaneously and does not devote all of its development strategies to a single technology. In order to secure its R&D investments, the Group has built its system around several axes. Continuous scientific, technological and competitive oversight and numerous partnerships with academic players, research institutes and professional organisations alike enable it to identify emerging trends and the disruptions with which the Group and its environment must contend in the future. R&D and partnerships entered into by the Group are presented in Section 6.5 "Building a top player in terms of technology innovation" of this Universal Registration Document and Sections 6.4 and 6.5.

Secondly, 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 clients, accessible financing, market trends and the expected profitability of programmes in progress.

Finally, 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 Risk related to failures of management in 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 decentralised 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 deployed 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 and financial aspects of the life of the subsidiaries are discussed, with a focus on major contracts or the most significant R&D projects. Finally, 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 subsidiaries' expected trajectories and lead to the implementation of in-depth identification of the causes and corrective actions.

2.3.2 Risk associated with failures to comply with 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. This involves subjects as broad as taxation, labour law, security standards, anti-corruption measures, 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. Group companies rely on the Group's 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 Risk associated with difficulties integrating acquired companies

The Group's development strategy is based on a combination of organic and external growth. The Group has regularly acquired businesses or third party companies in the course of its development and intends to continue with this strategy as opportunities are identified. As a result, in 2019, the following companies were acquired in the 3D division: EMBOUT FRANÇAIS and SURDIFUSE.

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 of those 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. Finally, the Group also 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 associated with 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 can cause malfunctions at each of the various stages of project management (organisation, design defect, user defect, technical defect).

Recognising the importance of IS-related risks, the Group's three divisions strive to implement specific governance based on a cross-functional organisational 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 authorisations and access, and performing audits and intrusion tests.

This work to improve cybersecurity will continue, and the purchasing of a cyber insurance policy will be studied.

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 were conducted in 2019 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. In 2019, the Group's holding company thus amended the terms and conditions of access to the network to strengthen its security.

2.3.5 Fraud or external attacks

In both frequency and severity, the risk of fraud and cybercrime has been increasing in France in recent years. As is the case with more than seven out of 10 companies in France, the Group is subject to fraud attempts, in particular attempts to embezzle funds or steal strategic data (CEO fraud, cyber attacks, etc.). These attempts, if successful, could harm the Group's competitive advantage, damage its image or impact its cash flow. The Group's decentralised structure may make it more susceptible to such attacks.

The Group ensures that its subsidiaries apply effective internal control systems. A Group internal control framework was crafted for this purpose. Information and training initiatives for employees who are particularly exposed to fraud are conducted on a regular basis.

2.3.6 Risk associated with 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 allows the Group to operate in markets with high barriers to entry but exposes the Group to risks of loss of market share in the event of the infringement of its innovations. Conversely, even in the absence of deliberate action to that effect, the Group cannot totally exclude the possibility that it may find itself in a situation where it infringes the patents of third parties, thus incurring 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. Patent applications are reviewed by the competent local or international bodies. It takes a number of years before a patent is granted. The review process may also result in a patent being granted with narrower claims than initially sought or in a patent being refused in certain jurisdictions. Furthermore, intellectual property rights registered in certain jurisdictions do not afford complete protection.

Finally, in the context of its partnerships, the Group must frequently provide its co-contractors with certain elements of its know-how that are not protected by patents or sensitive commercial information. Even if this information is covered by confidentiality undertakings, the Group cannot rule out the possibility that its know-how or commercial data may be 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 information initiatives have been put in place so that patents can be filed to protect the Group's technological and commercial advances. The Group manages and maintains its technological advance on its competitors, with patents being filed, maintained and extended using established internal procedures, and according to the outlook for the application of these innovations (see Sections 6.4 and 6.5, and Note 6.1 in Section 4.1.6 of this Universal Registration Document). The subsidiaries, with their internal teams, monitor their competitors' activities (with regard to patent filings especially) and assess (through freedom to operate studies) the risk of infringement of third-party patents during the course of their research or development programmes. External advice may be sought for occasional evaluations 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.

Finally, each division has set up internal structures and procedures to assess the risks of infringement of third-party patents when conducting R&D programmes within the Group. These structures are coordinated by the Legal Department and examine the various projects, verify that the solutions selected respect the rights of third parties and ensure, if necessary, the patentability of those solutions. There is, however, a risk that a third party may bring an action against the Group with regard to industrial property.

2.3.7 Risk 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, reporting systems and accounting and financial organisation may have diverged in the past. In addition, the complexity and frequent changes in accounting standards create an unfavourable environment for easy comprehension of the financial statements and comparisons between years. Unavailability, inaccuracy or inconsistency of financial data could lead the Group to take inappropriate decisions or even result in financial losses.

In this context, the Group is working to harmonise the methods and tools of its subsidiaries and is supported by a centralised Finance Department, which set up a single reporting system in 2018 that each subsidiary completes monthly, manages the consolidation and monitoring of the updating of standards in subsidiaries and prepares the Group's published financial statements.

2.3.8 Risk associated with 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. Because of their different positions and their sometimes separate histories, the Group's companies enjoy a great deal of 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 result in failure in the development strategy or loss of opportunities for the Group.

The Group is aware of these characteristics and attentive to dialogue with its subsidiaries. At the end of 2019, it hired a Deputy CEO to, among other things, facilitate the implementation of its strategy and promote cross-fertilization and the development of a sense of belonging, without disrupting the dynamics specific to each activity.

2.4 OPERATING RISKS

2.4.1 Risks associated with divergences from significant contracts

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

Due to the size of some of these contracts and the technological innovation to be implemented, a divergence in the management or operational performance of these contracts can have significant financial impacts, even at the Group level: lower margins, payment of late payment penalties, contract termination or even loss of customers, activation of parent company guarantees.

The causes of such a divergence 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 industrialisation 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.

Finally, 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.

Lastly, the Group is not by nature dependent on a single key contract, being present in a number of activities.

2.4.2 Risks associated with difficulties in attracting or retaining employees at the expected level of skill

Against a backdrop of strong growth in some of the Group's activities, 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 with the required level of skills could therefore result in a lack of performance or slow the Group's growth. 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.

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 that includes (see Section 6.6 "The Group's commitments to its employees" of this Universal Registration Document):

- reinforcement of Human Resources teams;
- the introduction of profit-sharing and shareholding plans 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;
- improvements to the onboarding process for new employees;
- an attractive remuneration policy adapted to market conditions;
- offices that offer a pleasant working environment – relocations have recently occurred or are in progress when sites no longer meet employee expectations;
- a permanent, certification-based training policy;
- gradual implementation of teleworking;
- a recognition policy for individual and collective performance;
- an internal mobility policy;
- the implementation of partnerships with schools, universities and other training institutions;
- access in certain companies to crèche places 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 decentralised 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 endeavours 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 associated with employee safety and security

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 places the safety and working conditions of its employees at the forefront of its priorities. To achieve this, the subsidiaries are taking steps to develop and harmonise their safety culture, strengthen their approach to safety and professionalise their practices (see Section 6.6.3 "Health and safety: a commitment to all employees" of this Universal Registration Document).

The Group has also set up a monitoring and alert procedure for high-risk countries to limit the exposure of employees travelling abroad. This monitoring is supplemented by procedures for employees working away from their usual workplace. Finally, reactive repatriation solutions are in operation.

2.4.4 Risks associated with the inadequacy of employee skills with regard to 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 activities, a lack of training or anticipation of the necessary skills, or poorly organised knowledge transfer may hinder the Group's growth and the success of its ongoing development.

The quality and skills of the Group's employees are at the heart 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 complies with the requirements of the Sapin II law on the fight against corruption. 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. An whistleblowing system open to Group employees and stakeholders, systematic training for new employees, due diligence procedures for the most sensitive contractual partners, and additional accounting controls in this area reinforce measures to identify and combat corruption (see Section 6.7.2 "Building an effective, 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. Key contracts (including the contract signed in 2019 by ECA GROUP for the supply of mine-hunting drones for the Belgian and Dutch Navies) thus rely in part on major subcontractors that are carefully selected and subject to customer approval, but may cause dependence on those 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 customer 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 such faults, but these may not be sufficient to detect hidden defects. The Group ultimately strives to ensure that its contracts allow it, in the event of a customer's claim caused by the default of one of its partners, to implement proportionate claims against that partner.

2.4.7 Customer default

Changes to the economic situation around the world 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 an increasing number of new references. It is therefore not exposed to any particular customer risk, but it may be heavily impacted if the international economic situation were to significantly weaken its customers or suppliers in general.

The Group as a whole is not highly dependent on any one customer, as shown by the respective shares of the top five customers as a percentage of consolidated revenue (see Note 4.5 to the consolidated financial statements in Section 4.1.6).

Internationally, the Group is present 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 Risk associated with cash generation levels

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 unfavourable 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 audit of the Group on this subject could have an unfavourable impact on the Group's results and cash flow.

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 favourable to the Group but can also be unfavourable 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.

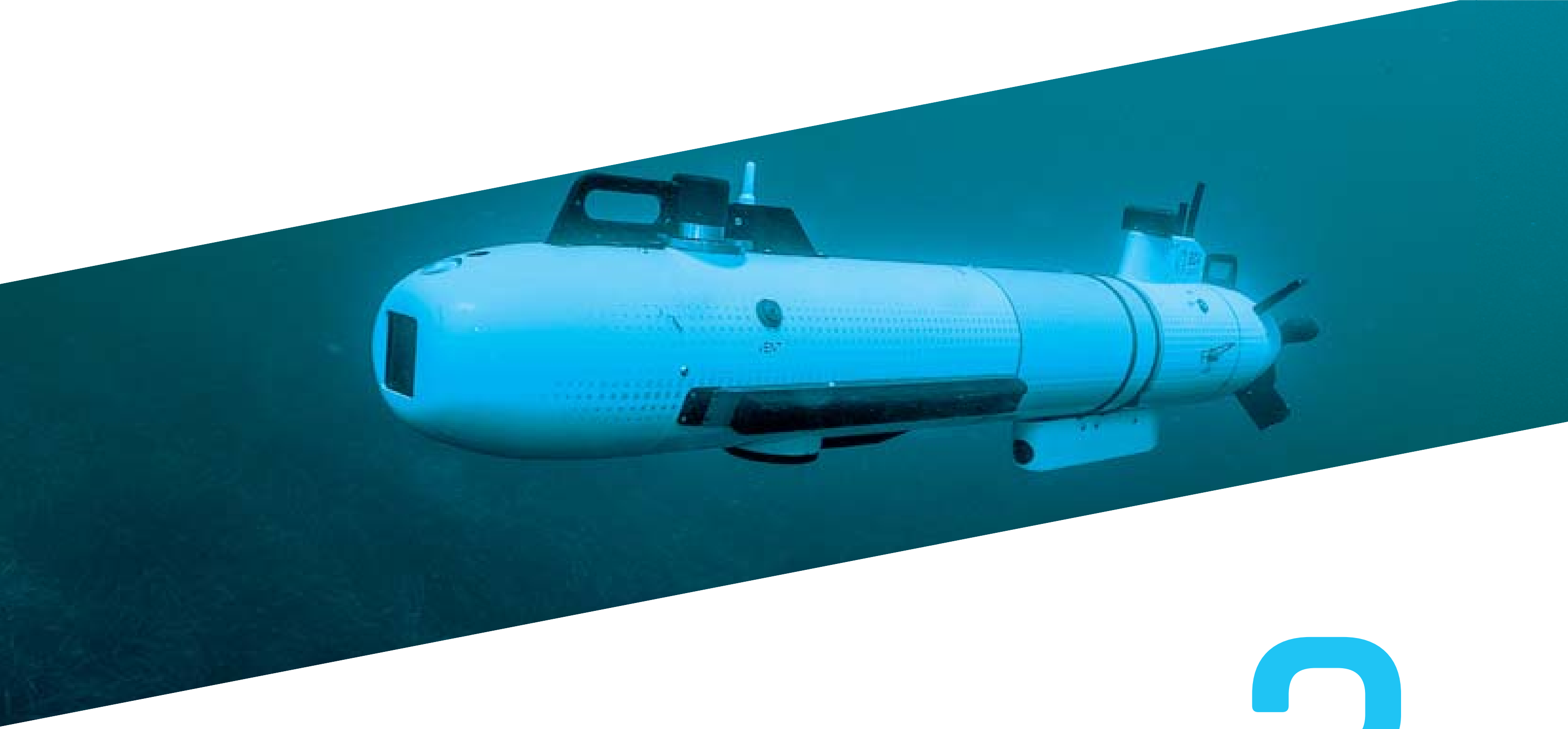
To limit this risk, the Group pays particular attention to the invoicing and payment terms of customers and suppliers negotiated for contracts. Since the pace of order intake cannot be controlled by the Group or the Group's ability to negotiate payment terms is limited, it is necessary for the Group 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 immobilised 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.

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, medical certifications) or confidential-defence authorisations, 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.



CORPORATE GOVERNANCE 3

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 23 March 2020.

3.1 GOVERNANCE INFORMATION

3.1.1 Composition of the Board of Directors and special-purpose 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 endeavours to find Directors with complementary skills that add value to the Board's work, and achieve gender balance.

Thus, at 31 December 2019, the Board of Directors of GROUPE GORGÉ consisted of three Directors representing the majority shareholder of GROUPE GORGÉ, three Independent Directors, and one Director chosen by the employees.

Raphaël GORGÉ (Chairman and CEO), Jean-Pierre GORGÉ and Catherine GORGÉ represent the majority shareholder of GROUPE GORGÉ, which is PÉLICAN VENTURE. Jean-Pierre GORGÉ is the father of Raphaël GORGÉ and Catherine GORGÉ is the wife of Raphaël GORGÉ.

Sylvie LUCOT, Martine GRIFFON-FOUCO, and Hugues SOUPARIS are Independent Directors within the meaning of the Middlenext Code of Governance (*i.e.* Directors who do not have any links to the Company, its Group or its Management, such as might compromise the exercise of their freedom of judgement). Each year, the Board reviews the independence of each of the Independent Directors with regard to the independence criteria included in the Middlenext Governance Code.

In 2018, the Company appointed a salaried Director (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.

Ms GRIFFON-FOUCO resigned as a Director on 23 March 2020 and her company SAS GALI was co-opted in her place for the remaining duration of her term of office.

The term of office of Mr SOUPARIS is expiring. Mr SOUPARIS does not wish to renew his term of office.

Two Board committees (the Audit Committee and the Remuneration Committee) were established. The roles and composition of these committees are presented below (see 3.1.8 and 3.1.9).

At 1 January 2020, the composition of the Board of Directors and the special-purpose 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	Shareholders' meeting approving the financial statements for the financial year ending 31/12/2021	Strategy, Executive management, finance, financial reporting, industry, and technology
Jean-Pierre GORGÉ Director	No	Member	/	BDM of 11 March 1991	Shareholders' meeting approving the financial statements for the financial year ending 31/12/2020	Strategy, Executive management, industry, defence
Catherine GORGÉ Director	No	/	/	SM of 8 June 2012	Shareholders' meeting approving the financial statements for the financial year ending 31/12/2023	Project management, 3D printing, luxury
Martine GRIFFON-FOUCO Director	Yes	/	Chairwoman	SM of 8 June 2012	Shareholders' meeting approving the financial statements for the financial year ending 31/12/2023	Nuclear industry, Corporate management, remuneration
Sylvie LUCOT Director	Yes	Chairwoman	Member	SM of 18 June 2006	Shareholders' meeting approving the financial statements for the financial year ending 31/12/2022	Defence, financial reporting, finance
Hugues SOUPARIS Director	Yes	/	/	Shareholders' meeting of 18 June 2014	Shareholders' meeting approving the financial statements for the financial year ended 31/12/2019 Renewal of term will be proposed at the Shareholders' meeting of 8 June 2020.	Technology, General management of a listed group, operations
Céline LEROY Employee Director	No	/	/	Elected in December 2018	Shareholders' meeting 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 2020:

Raphaël GORGÉ Chairman of the Board of Directors and CEO	**Main position:** Chairman & CEO 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 appointed:** SM of 17 June 2004 **Term expires:** shareholders' meeting approving the financial statements for the financial year ending 31 December 2021 **Other offices and positions held within the Group:** Chairman of the Board of Directors of PRODWAYS GROUP SA* Chairman of the Board of Directors of ECA SA* Legal Representative of GROUPE GORGÉ SA as Chairman of VIGIANS (formerly BALISCO) SAS Manager of SCI DES CARRIÈRES Chairman of STONI SAS General Manager of GORGÉ EUROPE INVESTMENT BV Legal representative of GROUPE GORGÉ SA as Chairman of VIGIANS PROTECTION INCENDIE SAS (since 18 July 2019) **Other offices and positions held outside the Group:** Deputy CEO of PÉLICAN VENTURE SAS Chairman of the Supervisory Board of SOPROMEC PARTICIPATIONS SA Manager of SOCIÉTÉ CIVILE COMPAGNIE INDUSTRIELLE DU VERDELET Manager of SCI AUSSONNE **Offices held during the past five years in which Raphaël GORGÉ is no longer serving:** Chairman of PORTAFEU NUCLÉAIRE SAS (until 13 May 2016) Member of the Executive Committee of LA VÉLIÈRE CAPITAL SAS (until 18 October 2016) Chairman of NUCLÉACTION SAS (until 31 January 2017) Chairman of FINU 10 SAS (until 10 April 2018) Chief Executive Officer of PRODWAYS GROUP SA* (separation of Chief Executive Officer and Chairman of the Board of Directors in October 2018) Legal Representative of PRODWAYS GROUP SA* as Chairman 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) Manager of SCI THOUVENOT (until 27 December 2019)

* *Listed company.*

Jean-Pierre GORGÉ Director and Founder of GROUPE GORGÉ Member of the Audit Committee	**Main position:** Chairman 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 appointed:** SM of 11 March 1991 **Term expires:** shareholders' meeting approving the financial statements for the financial year ending 31 December 2020 **Other offices and positions held within the Group:** Director of ECA SA* **Other offices and positions held outside the Group:** Chairman of PÉLICAN VENTURE SAS Vice-Chairman 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 Chairman of VIBRANIUM SAS **Offices held during the past five years in which Jean-Pierre GORGÉ is no longer serving:** Permanent Representative of PÉLICAN VENTURE as Chairman of FRANCEOLE HOLDING SAS (until July 2017) Permanent Representative of PÉLICAN VENTURE as Chairman of FRANCEOLE SAS (until July 2017)
Catherine GORGÉ Director	**Main position:** Chairwoman of CBG CONSEIL SAS Catherine GORGÉ 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 at 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, specialising in business consulting. Since 2014, she has carried out a consulting assignment at the "3D Printing" division of GROUPE GORGÉ. Catherine GORGÉ is also a Director of both ECA and PRODWAYS GROUP. Catherine GORGÉ has an engineering degree from the École Centrale de Marseille and holds an advanced degree in project management. **First appointed:** SM of 8 June 2012 **Term expires:** shareholders' meeting approving the financial statements for the financial year ending 31 December 2023 **Other offices and positions held within the Group:** Director of ECA SA* Director of PRODWAYS GROUP SA* **Other offices and positions held outside the Group:** None **Offices held during the past five years in which Catherine GORGÉ is no longer serving:** Manager of Immobilière BENON SCI (removed in February 2014)

* *Listed company.*

Sylvie LUCOT Independent Director Chairwoman 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 the Director of Investor Relations at the THOMSON Group and THOMSON-CSF, and then from 1998 to 2008, at the THOMSON-CSF Group, which became the THALES Group 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 early 2019, Sylvie LUCOT was an employee shareholders' representative on the Board of the AMF. **First appointed:** SM of 18 December 2006 **Term expires:** shareholders' meeting 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:** Member of the Office of the FAS **Offices held during the past five years in which Sylvie LUCOT is no longer serving:** Member of the Board of the AMF (until January 2019) Member of the AMF Retail Investors Consultative Commission
Martine GRIFFON-FOUCO Then SASU GALI (represented by Martine GRIFFON-FOUCO) Independent Director Chairwoman of the Remuneration Committee	**Main position:** Chairwoman of GALI SASU Martine GRIFFON-FOUCO has been a Director of SETEC NUCLÉAIRE within the SETEC ENGINEERING Group since 2016. Previously she was a member of the Executive Board, Executive Vice President and Head of Corporate & Business Development at ASSYSTEM SA from 2007 to 2014. Before that she held various positions at CEGELEC, EDF and the French CEA (Atomic Energy Commission). At EDF, Martine GRIFFON-FOUCO was a member of the Executive Committee as the Director of Communications and the Director of the Blayais Nuclear Power Plant from June 1994 to November 1998. During the 1980s, she created the first "human factor" teams in the nuclear industry while at EDF and the CEA. Martine GRIFFON-FOUCO has a degree in engineering (ENSMA in Poitiers) along with, among others, a degree in psychology. **First appointed:** SM of 8 December 2012 **Term expires:** Martine GRIFFON-FOUCO resigned from her position as Director. Her company, SASU GALI, was coopted to replace her on 23 March 2020. The term expires at the shareholders' meeting 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:** Director of ISAE-ENSMA Manager of SCI LAUFRED Manager of SCI GALA Director of KEDGE Director of RESOLIS (since March 2019) **Offices held during the past five years in which Martine GRIFFON-FOUCO is no longer serving:** ASSYSTEM SA (until March 2014) ALPHATEST SA (until March 2014) GIAT INDUSTRIES (until December 2015)

Hugues SOUPARIS	**Main function:** Chairman of ENOWE
Independent Director	Hugues SOUPARIS is the founder and Chairman of SURYS (until its sale at the end of 2019). SURYS (formerly known as HOLOGRAM INDUSTRIES) is a French company that was listed on the Paris Euronext stock exchange between 1998 and 2013. It is a world leader in visual and digital authentication, document traceability and optical science-based products such as holograms, nanostructures and digital solutions. SURYS is also a pioneer in optical and digital authentication. SURYS is the designer and supplier of holograms of high-denomination euro banknotes and optical films for authenticating French biometric passports. Hugues SOUPARIS is a graduate of the École Centrale de Marseille, and specialises in the design and creation of industrial products. **First appointed:** SM of 18 June 2014 **Term expires:** shareholders' meeting approving the financial statements for the financial year ending 31 December 2019. The renewal of his term is proposed for the shareholders' meeting of 8 June 2020. **Other offices and positions held within the Group:** None **Other offices and positions held outside the Group:** Manager of ENOWOOD Chairman of HOLOGRAM FOUNDATION Director of USINE IO **Offices held during the past five years in which Hugues SOUPARIS is no longer serving:** Chairman of ENOGRAM until 17 March 2017 Chairman of SURYS until 9 December 2019
Céline LEROY	**Main position:** General Counsel of GROUPE GORGÉ
Employee Director	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 practised 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 appointed:** elected on 18 December 2018 **Term expires:** shareholders' meeting approving the financial statements for the financial year ending 31 December 2023 **Other offices and positions held within the Group:** Director of ECA SA* Director of PRODWAYS GROUP* (since June 2019) **Other offices and positions held outside the Group:** None **Offices held during the past five years in which Céline LEROY is no longer serving:** None

* *Listed company.*

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

3.1.3 Gender balance on the Board of Directors and special-purpose committees

The Board of Directors follows the principle of gender balance with four women and three 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 special-purpose committees is guided more by the skills of its members than by the goal of perfect gender balance on the committees. The Remuneration Committee is currently composed of two women, and the Audit Committee is composed of one man and one woman.

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 knowledge of the Company, the corporate officers and Group managers and persons referred to in article L.621-18-2 of the French Monetary and Financial Code subject to voluntary reporting of their securities transactions completed the following in 2019:

(in number of shares)	**Acquisitions**	**Disposals**
Raphaël GORGÉ	13,531	50,000
PÉLICAN VENTURE SAS	50,000	-

The shares disposed of by Raphaël GORGÉ were acquired by PÉLICAN VENTURE, the GORGÉ family holding company.

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 Executive Management structure

At its 14 September 2011 meeting, the Board of Directors resolved that the positions of Chairman of the Board of Directors and of CEO would be held by a single person.

3.1.6.2 Scope of the CEO's powers

No restrictions were placed on the powers of the CEO 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 general shareholders' meeting and to the Board of Directors

3.1.6.3 Terms of office

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.

The Company has undertaken not to dismiss Ms de Cointet from her term of office within its first year.

3.1.7 Conditions for the preparation and organisation 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 Board meetings and attendance record

Over the past year, the Board of Directors met seven times. Directors have a very strong attendance record (92%).

3.1.7.2 Calling of Board meetings

In accordance with article 15 of the Articles of Association, Board meetings may be called by any means, including verbally.

In 2019, Board meetings were called by email.

Pursuant to article L.225-238 of the French Commercial Code, the statutory auditors were invited to attend the Board meetings held to review and approve the interim and annual financial statements.

3.1.7.3 Provision of information to Directors

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 registered 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

In the course of the past year, the Board of Directors took routine decisions that were in the Company's best interests.

3.1.7.6 Minutes of Board meetings

Minutes of 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 work of the Board

In order to comply with Recommendation No. 11 of the Middlenext 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.

3.1.8 Audit Committee

The Audit Committee was set up in 2012. Currently, it consists of Sylvie LUCOT (Chairwoman) and Jean-Pierre GORGÉ.

Pursuant to 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;
- make a recommendation on the proposed appointment of the statutory auditors by the shareholders' meeting to the Board in accordance with regulations, and make a recommendation on the proposed reappointment of the statutory Auditor(s) to the Board in accordance with regulations;
- monitor the statutory auditors' audit of the financial statements and take the comments and findings of the H3C (French auditing oversight body) into account following the audits conducted in accordance with regulations;
- ensure the statutory auditors' compliance with independence criteria under the terms and in accordance with the procedures set out by applicable regulations;
- approve the provision of services by the statutory auditors other than the certification of the financial statements pursuant to 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 finalise 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 Martine GRIFFON-FOUCO (Chairwoman) 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.

Since 2019, this committee also makes recommendations regarding the remuneration of corporate officers of ECA SA.

3.2 CORPORATE OFFICER REMUNERATION POLICY

(6th to 8th resolutions of the shareholders' meeting of 8 June 2020)

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. Furthermore, the corporate officer in question does not take part in the deliberations or the vote on these matters.

The Remuneration Committee meets each year to discuss a number of issues, including the remuneration of corporate officers for the current year, the calculation of their bonuses for the past year based on 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 also recognises any remuneration received by corporate officers in companies controlled by GROUPE GORGÉ (specifically its listed subsidiaries ECA SA and PRODWAYS GROUP SA) or the company controlling GROUPE GORGÉ.

In addition, pursuant to the recommendations of R13 of the Middlenext Corporate Governance Code, the Remuneration Committee takes the following principles into account:

- **Comprehensiveness:** the remuneration determined for executive corporate officers must include the fixed portion, variable portion (bonus), stock options, free shares, attendance fees, conditions for retirement and special benefits in its overall value;
- **Balance**: each compensation component must be justified and be in the best interests of the Company;
- **Benchmark:** to the extent possible remuneration must be valued in relation to a benchmark business and market and be proportional to the Company's position, taking into account the inflationary effect;
- **Consistence:** 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 bringing the confidentiality of certain components into question;
- **Moderation:** 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:** annual information for "shareholders" on all remuneration.

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 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 remuneration components of any nature whatsoever may be determined, allocated or paid by the Company, nor any commitment made by the Company if it is not in accordance with the approved remuneration policy or, in its absence, with the remuneration or practices existing within the Company. However, in the event of exceptional circumstances, the Board of Directors, on the recommendation of the Remuneration Committee, may depart from the application of the remuneration policy if such departure is temporary, in accordance with the company's interests and necessary to ensure the company's continued existence or viability in accordance with the second paragraph of Section III of article L.225-37-2 of the French Commercial Code. These justifications shall be 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.

In the event of a change in governance, the remuneration policy shall be applied to the Company's new corporate officers, with, if needed, the necessary adaptations to take into account the 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 Remuneration policy for the Chairman and Chief Executive Officer of GROUPE GORGÉ

Currently, the offices of Chairman 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 shall set the compensation of the Chairman of the Board of Directors and the Chief Executive Officer, adapting the Group's compensation principles if necessary.

In particular, the Board shall 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 Chairman 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 Chairman 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 Chairman and Chief Executive Officer receives annual fixed remuneration from GROUPE GORGÉ by virtue of his office.

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

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

For the 2019 financial year, the Board of Directors decided to increase the overall fixed remuneration of Raphaël GORGÉ, to close the gap between his remuneration and that of senior executives of comparable-sized companies.

3.2.1.2 Variable remuneration

The Chairman and Chief Executive Officer receives annual variable remuneration from GROUPE GORGÉ on account of his office.

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

Starting in 2019, the Board of Directors decided to reduce the share of the overall variable remuneration of Raphaël GORGÉ to a maximum of one-third of the overall fixed remuneration (compared with one-half earlier), and retain only one quantitative Group performance criterion related to the Group's profitability (ratio of operating income to revenue) (whereas the performance criteria set earlier included quantitative and qualitative objectives for each of the Group's divisions, depending on priorities defined by the Group and applying a weighting factor to each of the criteria). The Board may in future revert to multiple performance criteria.

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

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.

To determine the extent to which the performance criteria for variable remuneration have been met, the Board, 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 Chairman and Chief Executive Officer. The reasons for this decision would be explained. This exceptional remuneration would be capped at the amount of the senior executive's total fixed remuneration.

In this regard, the Board of Directors decided to allocate exceptional remuneration to the Chairman and Chief Executive Officer for financial year 2019 linked to the 2019 awarding of the ECA ROBOTICS-NAVAL GROUP consortium of a major mine-hunting robotics contract by the Belgian and Dutch navies. This order should lead to a major transformation for ECA in the years to come, both in terms of the size of the order and the fact that the solution proposed by ECA to the Belgian and Dutch navies could become the benchmark solution for mine hunting by major navies in the rest of the world. This exceptional success is the result of the strategy implemented by the Group and the orientation of R&D investments over the last few years, which have made it possible to develop multiple and varied drones that cooperate as autonomously as possible within the same mission.

In the event of the appointment of new executive corporate officers, the Board of Directors may decide to grant exceptional remuneration related to the assumption, termination or change of functions based on market practices and the executive'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 authorisations as voted by the shareholders' meeting.

Any possible allocation will be subject to the achievement of performance criteria set by the Board of Directors and the establishment of a percentage of shares to be retained by the executive.

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

3.2.1.5 Other commitments and benefits of all kinds

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

The Chairman 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 Independent Directors who are not otherwise remunerated by a significant shareholder shall receive compensation 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 CEO of GROUPE GORGÉ

During the financial year, the Board of Directors appointed Ms de COINTET as Deputy CEO. This function has not been filled in recent years.

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

3.2.2.1 Fixed remuneration

The Deputy CEO receives annual fixed remuneration from GROUPE GORGÉ by virtue of her office.

The fixed remuneration of the Deputy CEO is assessed in light of the level of difficulty of 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 Chairman and Chief Executive Officer of GROUPE GORGÉ and the main executives of GROUPE GORGÉ's subsidiaries.

3.2.2.2 Variable remuneration

The Deputy CEO receives annual variable remuneration from GROUPE GORGÉ by virtue of her office.

The variable remuneration of the Deputy CEO is determined taking into account the remuneration received, where applicable, both by GROUPE GORGÉ and by the controlling and controlled companies, the level of difficulty of her responsibilities, 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.

Due to the late assumption of her duties in 2019, no variable remuneration was granted for the 2019 financial year.

For the coming years, the criteria for determining the annual variable remuneration are as follows:

- Quantitative financial criteria related to the Group's performance;
- Non-financial criteria related to the achievement of specific actions or the success of certain projects.

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 managers 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 CEO. The reasons for this decision would be explained. This exceptional remuneration would be capped at the amount of the executive's total fixed remuneration.

In the event of the appointment of new executive corporate officers, the Board of Directors may decide to grant exceptional remuneration related to the assumption, termination or change of functions based on market practices and the executive'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 CEO, under the conditions provided by law. To do this, it is granted the necessary authorisations as voted by the shareholders' meeting.

Any possible allocation will be subject to the achievement of performance criteria set by the Board of Directors and the establishment of a percentage of shares to be retained by the executive.

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

3.2.2.5 Other commitments and benefits of all kinds

The current Deputy CEO 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	The Board meeting that decided the appointment of the new Deputy CEO in 2019 made a commitment not to remove her from her functions within the first year of her term. In return, the Deputy Chief Executive Officer promised to carry out her duties diligently, even in the event of a disagreement with Executive Management or the Board of Directors.	N/A	Failure to comply with the non-removal undertaking could expose the Company to legal action.
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 his 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 granting of unemployment benefits in the event of dismissal of the executive after a minimum of 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 Director remuneration policy, 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 variable and exceptional remuneration for executive corporate officers

It should be noted that the payment of variable and, as the case may be, exceptional remuneration for the past financial year is subject to the approval by the ordinary shareholders' meeting of the elements comprising the remuneration and benefits of any kind for each executive corporate officer paid during the past financial year or allocated for said financial year (ex post vote).

3.2.4 Remuneration policy for members of the Board

(8th resolution of the shareholders' meeting of 8 June 2020)

The shareholders' meeting of 8 June 2012 set the remuneration of the members of the Board at the annual sum of €60,000, which is valid for the current financial year unless otherwise decided by the shareholders' meeting.

Since 2018, only Independent Directors from outside the Group receive remuneration.

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

3.3 INFORMATION REFERRED TO IN SECTION I OF ARTICLE L.225-37-3 OF THE FRENCH COMMERCIAL CODE FOR EACH CORPORATE OFFICER OF THE COMPANY

(9th resolution of the shareholders' meeting of 8 June 2020)

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.

Raphaël GORGÉ (Chairman and Chief Executive Officer) is remunerated as set out in Sections 3.2 and 3.4.

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

Catherine GORGÉ (Director) acted as a business contributor (through her consulting company CBG CONSEIL) to the subsidiary INITIAL under the terms of a commercial collaboration contract and invoiced commission accordingly (see Table 3 below and Section 3.7.1 below). This collaboration ended on 31 December 2019.

Furthermore, the total remuneration of each corporate officer complies with the remuneration policy approved by the previous shareholders' meeting.

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TABLE 1 – SUMMARY TABLE OF THE REMUNERATION PAID AND THE OPTIONS AND SHARES GRANTED TO EACH EXECUTIVE CORPORATE OFFICER

Raphaël GORGÉ, Chairman and Chief Executive Officer	2019	2018
Remuneration granted for the financial year (details in Table 2)	€304,548	€98,030
Remuneration due by a controlling company for the financial year (details in Table 2)	€6,092	€89,564
Remuneration due by a controlled company for the financial year (details in Table 2)	€92,750	€120,000
Value of multiannual variable compensation 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 RAPHAËL GORGÉ	**€403,390**	**€307,594**

Hélène de COINTET, Deputy CEO(1)	2019	2018
Remuneration granted for the financial year (details in Table 2)	€33,333	/
Value of multiannual variable compensation granted during the financial year	None	/
Value of the options granted during the financial year	None	/
Value of free shares granted	None	/
HÉLÈNE DE COINTET TOTAL	**€33,333**	**/**

(1) Ms de COINTET's term of office began on 4 November 2019.

These remuneration components have contributed to the long-term performance of the company by creating a connexion 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 2019		Amounts for 2018	
Raphaël GORGÉ, Chairman and Chief Executive Officer	**Granted**[4]	**Paid**[5]	**Granted**[4]	**Paid**[5]
• fixed remuneration	€188,550	€188,550	€59,400	€59,400
• fixed remuneration from a controlling entity[1]	€3,600	€3,600	€49,600	€49,600
• fixed remuneration from a controlled entity[2]	€81,250	€81,250	€75,000	€75,000
• annual variable remuneration[3]	€0	€28,630	€28,630	€27,600
• annual variable remuneration from a controlling entity[1]	None	None	€30,000	€30,000
• annual variable remuneration from a controlled entity[2]	€11,500	€45,000	€45,000	None
• multiannual variable remuneration	None	None	None.	None.
• exceptional remuneration	€109,000	None.	None	None.
• remuneration granted as a member of the Board	None	€10,000	€10,000	€10,000
• benefits in kind[6]	€9,490	€9,490	€9,964	€9,964
TOTAL	**€403,390**	**€366,520**	**€307,594**	**€261,564**

(1) This remuneration was paid by PÉLICAN VENTURE, the company that controls GROUPE GORGÉ.

(2) This remuneration was paid by PRODWAYS GROUP, the company controlled by GROUPE GORGÉ. The Board of Directors of PRODWAYS GROUP decided to allocate variable compensation to Raphaël GORGÉ of up to €25 thousand gross for 2019 (€50 thousand for 2018), depending on the achievement of quantitative and qualitative criteria linked to the performance and projects of the Group. The criteria were precisely defined at the beginning of the year by the Board of Directors of PRODWAYS GROUP. These criteria remain confidential.

(3) The Board of Directors decided to allocate variable compensation of up to €75 thousand gross to Raphaël GORGÉ for 2019 (€42 thousand for 2018), depending on the achievement of quantitative and qualitative criteria linked to the Group's performance and projects. The criteria were precisely defined the beginning of the year by the Board of Directors on a proposal by the Remuneration Committee. These criteria remain confidential.

(4) Remuneration due to the corporate officer during the financial year, the amount of which cannot be changed regardless of the payment date.

(5) Remuneration due to the corporate officer during the financial year.

(6) Benefit in kind paid in 2018 in full by PÉLICAN VENTURE, the company that controls GROUPE GORGÉ. During 2019, the benefit in kind was transferred to GROUPE GORGÉ (for €6,998 in 2019).

For 2019, the relative proportion of the total variable and exceptional remuneration amounts to 44% of fixed remuneration.

	Amounts for 2019		Amounts for 2018	
Hélène DE COINTET, Deputy CEO[1]	**Granted**	**Paid**	**Granted**	**Paid**
• fixed remuneration	33,333	33,333	/	/
• annual variable remuneration[2]	None	None	/	/
• multiannual variable remuneration	None	None	/	/
• exceptional remuneration	None	None	/	/
• benefits in kind	None	None	/	/
TOTAL	**33,333**	**33,333**	**/**	**/**

(1) Ms de COINTET's term of office began on 4 November 2019.

(2) Due to the starting date of the term of office, no variable compensation was awarded for 2019.

TABLE 3 – TABLE OF REMUNERATION RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS

Members of the Board of Directors	Paid in 2019	Paid in 2018
Jean-Pierre GORGÉ		
Remuneration for Board membership(1)	-	€10,000
Other remuneration(2)	€68,841	€131,172
Sylvie LUCOT		
Remuneration for Board membership(1)	€15,000	€10,000
Other remuneration	-	-
Martine GRIFFON-FOUCO		
Remuneration for Board membership(1)	€15,000	€10,000
Other remuneration	-	-
Catherine GORGÉ		
Remuneration for Board membership(1)	-	€10,000
Other remuneration(3)	€12,720	€30,926
Hugues SOUPARIS		
Remuneration for Board membership(1)	€10,000	€10,000
Other remuneration	-	-
Céline LEROY		
Remuneration for Board membership	-	-
Other remuneration(4)	€154,589	€116,471

(1) Remuneration granted for the financial year preceding the year of payment.
(2) The remuneration paid to Jean-Pierre GORGÉ was paid by PÉLICAN VENTURE, the company that controls GROUPE GORGÉ SA.
(3) "Other remuneration" paid to Catherine GORGÉ corresponds to fees, exclusive of tax, billed by INITIAL (a PRODWAYS GROUP subsidiary) to her firm CBG Conseil.
(4) Céline LEROY is an employee of GROUPE GORGÉ.

TABLE 4 – STOCK OPTIONS ALLOCATED DURING THE PERIOD TO EACH EXECUTIVE CORPORATE OFFICER BY THE ISSUER AND BY ANY GROUP ENTITY

None

TABLE 5 – STOCK OPTIONS EXERCISED DURING THE PERIOD 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 STOCK OPTION ALLOCATIONS

None

TABLE 9 – STOCK OPTIONS GRANTED TO THE FIRST TEN EMPLOYEES WHO ARE NOT CORPORATE OFFICERS AND EXERCISED BY THEM

None

TABLE 10 – HISTORY OF BONUS SHARE AWARDS

Date of shareholders' general 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 distributed[(1)]	62,000	49,000	30,000
including 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
including 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.

TABLE 11 – INFORMATION RELATING TO EMPLOYMENT CONTRACTS, SUPPLEMENTARY PENSION SCHEME AND INDEMNITIES FOR EACH EXECUTIVE CORPORATE OFFICER

Executive corporate officers	Raphaël GORGÉ, Chairman and Chief Executive Officer
Employment contract	No
Supplementary pension scheme	Yes[(1)]
Compensation or benefits due or likely to be due on account of the end or change of office	No
Compensation 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)]
Compensation or benefits due or likely to be due on account of the end or change of office	Yes[(2)]
Compensation 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.
(2) The Company has undertaken not to dismiss her from her office within the first year of her term.

TABLE 12 – EQUITY RATIOS(6)

Financial year 2019	Chairman and Chief Executive Officer	Deputy CEO
Average remuneration of employees(1) excluding corporate officers(2)	100,886	100,886
Median remuneration of employees(1) excluding corporate officers(2)	70,608	70,608
Remuneration of 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
Financial year 2018		
Average remuneration of employees(1) excluding corporate officers(2)	105,597	NA
Median remuneration of employees(1) excluding corporate officers(2)	64,011	NA
Remuneration of executive corporate officer(3)	88,030	NA
Ratio with average employee remuneration(4)	0.83	NA
Ratio with median employee remuneration(5)	1.38	NA
Financial year 2017		
Average remuneration of employees(1) excluding corporate officers(2)	94,246	NA
Median remuneration of employees(1) excluding corporate officers(2)	57,894	NA
Remuneration of executive corporate officer(3)	27,600	NA
Ratio with average employee remuneration(4)	0.29	NA
Ratio with median employee remuneration(5)	0.48	NA
Financial year 2016		
Average remuneration of employees(1) excluding corporate officers(2)	88,060	NA
Median remuneration of employees(1) excluding corporate officers(2)	50,659	NA
Remuneration of executive corporate officer(3)	56,750	NA
Ratio with average employee remuneration(4)	0.64	NA
Ratio with median employee remuneration(5)	1.12	NA
Financial year 2015		
Average remuneration of employees(1) excluding corporate officers(2)	93,787	NA
Median remuneration of employees(1) excluding corporate officers(2)	50,200	NA
Remuneration of executive corporate officer(3)	59,350	NA
Ratio with average employee remuneration(4)	0.63	NA
Ratio with median employee remuneration(5)	1.18	NA

(1) *Average remuneration on a full-time equivalent basis for the Company's employees.*
(2) *Average remuneration excluding the Chairman and Chief Executive Officer, the Deputy CEO and the Directors.*
(3) *Includes all remuneration and benefits paid (fixed remuneration and benefits in kind) or granted (variable remuneration and exceptional remuneration) by the Company.*
(4) *Ratio between the amount of executive remuneration and the average remuneration of the Company's employees.*
(5) *Ratio between the amount of executive remuneration and the median remuneration of the Company's employees.*
(6) *The evolution of the Company's performance over these last five financial years can be assessed in light of GROUPE GORGÉ SA's company financial statements (see Chapter 4.2 of this Universal Registration Document) or of the Group's consolidated financial statements (see Chapter 4.1 of this annual report for the last two financial years and Chapter 3.1 of the Registration Documents for the prior financial years).*

3.4 REMUNERATION OF CORPORATE OFFICERS FOR FISCAL YEAR 2019

3.4.1 Fixed, variable and exceptional components of the total remuneration and benefits in kind paid for the financial year ended or granted for the previous financial year to Raphaël GORGÉ, Chairman and Chief Executive Officer

(10th resolution of the shareholders' meeting of 8 June 2020)

The remuneration package and benefits in kind paid or allocated to Raphaël GORGÉ as Chairman and Chief Executive Officer of the Company for the 2019 financial year are summarised in the table below.

The shareholders' meeting of 8 June 2020 (10th resolution) will be asked to approve the fixed, variable or exceptional components of the total remuneration and benefits in kind paid or allocated to Raphaël GORGÉ for the 2019 financial year in his capacity as Chairman 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 compensation from GROUPE GORGÉ	€188,550	Fixed remuneration paid by GROUPE GORGÉ in 2019.
Fixed remuneration from a controlling entity	€3,600	Fixed compensation paid by PÉLICAN VENTURE in 2019.
Fixed remuneration from a controlled entity	€81,250	Fixed remuneration paid by PRODWAYS GROUP in 2019.
TOTAL FIXED REMUNERATION FOR 2019	**€273,400**	
Annual variable remuneration from GROUPE GORGÉ	€0 (amount to be paid after approval of the shareholders' meeting)	In 2019, Raphaël GORGÉ received variable remuneration of €28,630 for 2018. On 2 April 2019, the Board of Directors of GROUPE GORGÉ decided to allocate variable remuneration of up to €75,000 gross for 2019, depending on the achievement of quantitative and qualitative criteria linked to the Group's performance and projects. The criteria were precisely defined by the Board of Directors on a proposal by the Remuneration Committee. These criteria remain confidential.
Variable compensation from controlling entities	None	None
Variable compensation from controlled entities	€11,500 (amount to be paid after approval of the PRODWAYS GROUP shareholders' meeting)	In 2019, Raphaël GORGÉ received variable remuneration of €45,000 for 2018. The Board of Directors of PRODWAYS GROUP decided to allocate variable compensation to Raphaël GORGÉ in his capacity as Chairman of the Board of Directors of up to €25 thousand gross for 2019, depending on the achievement of quantitative and qualitative criteria linked to the performance and projects of the Group. The performance criteria defined by the Board of Directors of PRODWAYS GROUP are confidential.
TOTAL VARIABLE REMUNERATION FOR THE 2019 FINANCIAL YEAR	**€11,500**	

Remuneration components paid or allocated for the financial year ended	**Amounts or book value submitted for approval**	**Presentation**
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 entities.
Stock options allocated	None	The Board did not grant any stock options in 2019.
Free shares allocated	None	The Board did not grant any free shares in 2019.
Exceptional compensation	**€109,000** (amount to be paid after approval of the shareholders' meeting)	No exceptional remuneration was paid in 2019 for 2018.
Remuneration for a Director's term of office	None	GROUPE GORGÉ does not pay any remuneration to non-independent Directors.
Compensation, allowances or benefits for taking office	None	Not applicable.
Compensation components paid on account of the cessation or change of duties, retirement commitments and non-compete commitments	None	No compensation is due on account of the cessation or change of duties, retirement commitments and non-compete commitments.
Remuneration components and benefits in kind under agreements entered into with the Company by virtue of office, or any entity controlled by the Company, or any entity 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 compensation 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	**€9,490** (book value)	Raphaël GORGÉ received a benefit in kind for his term of office with PÉLICAN VENTURE until 1 April 2019, then for his term of office with GROUPE GORGÉ.

3.4.2 Fixed, variable and exceptional components of the total remuneration and benefits in kind paid for the financial year ended or granted for the previous financial year to Hélène de COINTET, Deputy CEO

(11th resolution of the shareholders' meeting of 8 June 2020)

The remuneration components and benefits in kind paid or allocated to Hélène de COINTET as Deputy CEO of the Company for the 2019 financial year are summarised in the table below.

The shareholders' meeting of 8 June 2020 (11th resolution) will be asked to approve the fixed, variable or exceptional components of the total remuneration and benefits in kind paid or allocated to Hélène de COINTET for the 2019 financial year in her capacity as Deputy CEO of GROUPE GORGÉ SA:

Remuneration components paid or allocated for the financial year ended	Amounts or book value submitted for approval	Presentation
Fixed compensation from GROUPE GORGÉ	€33,333	Fixed remuneration paid by GROUPE GORGÉ in 2019, it being specified that Ms de COINTET's term of office began on 4 November 2019.
Fixed remuneration from a controlling entity	None	/
Fixed remuneration from a controlled entity	None	/
TOTAL FIXED REMUNERATION FOR 2019	**€33,333**	
Annual variable remuneration from GROUPE GORGÉ	None	No variable remuneration was granted for the 2019 financial year due to the start date of Ms de COINTET's term of office.
Variable compensation from controlling entities	None	/
Variable compensation from controlled entities	None	/
TOTAL VARIABLE REMUNERATION FOR THE 2019 FINANCIAL YEAR	**NONE**	

Remuneration components paid or allocated for the financial year ended	Amounts or book value submitted for approval	Presentation
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 2019.
Free shares allocated	None	The Board did not grant any free shares in 2019.
Exceptional compensation	None	No exceptional remuneration is due in respect of 2019.
Remuneration for a Director's term of office	None	GROUPE GORGÉ does not pay any remuneration to non-independent Directors. Ms de COINTET is not a Director.
Compensation, allowances or benefits for taking office	None	Not applicable.
Compensation components paid on account of the cessation or change of duties, retirement commitments and non-compete commitments	None	No compensation is due on account of the cessation or change of duties, retirement commitments and non-compete commitments. GROUPE GORGÉ has undertaken not to dismiss Ms de COINTET from her office within the first year of her term.
Remuneration components and benefits in kind under agreements entered into with the Company by virtue of office, or any entity controlled by the Company, or any entity that controls it, or any entity controlled by the entity that controls it	None	No such agreements exist.
Other components of compensation 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	None	-

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

At the Board of Directors' meeting on 7 April 2010, the Company decided to adhere to the Corporate Governance Code for Middlenext VaMPa. Middlenext updated its Code in 2016. This Code can be consulted on the Middlenext website (www.middlenext.com).

The Board of Directors took note of the items in the "Items requiring careful attention" section. Most of the recommendations are respected:

Code recommendation	Compliant	Non-compliant
Recommendation 1 (Code of Ethics for Board members)	×	
Recommendation 2 (Conflicts of interest)	×	
Recommendation 3 (Board members – attendance of independent members)	×	
Recommendation 4 (Information for Board members)	×	
Recommendation 5 (Organisation of Board and committee meetings)	×	
Recommendation 6 (Establishment of committees)	×	
Recommendation 7 (Implementation of Internal Regulations for the Board)	×	
Recommendation 8 (Selection of Directors)	×	
Recommendation 9 (Term of office of Board members)	×	
Recommendation 10 (Remuneration of Board members)	×(1)	
Recommendation 11 (Assessment of the work of the Board)	×	
Recommendation 12 (Relationships with shareholders)	×	
Recommendation 13 (Setting and transparency of the remuneration of executive corporate officers)	×	
Recommendation 14 (Preparation of succession of senior managers)		×(2)
Recommendation 15 (Accumulation of employment contracts and corporate offices)	×	
Recommendation 16 (Severance pay)	×	
Recommendation 17 (Supplementary pension scheme)	×	
Recommendation 18 (Stock options and allocation of free shares)	×	
Recommendation 19 (Review of vigilance points)	×	

(1) Recommendation 10 (remuneration of Board members): since the Directors have an excellent attendance record at Board meetings and the total amount of remuneration for service as Board members remains relatively modest, the distribution of remuneration in accordance with the attendance record was not adopted. The Directors' remuneration policy excludes payment to Directors who are not independent or who represent significant shareholders.

(2) Recommendation 14 (preparation of succession of senior managers): there is no formal succession plan. The Remuneration Committee or the Board of Directors will have to reflect on this issue.

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 COVERED IN ARTICLES L.225-38 AND L.225-37-4 2° OF THE FRENCH COMMERCIAL CODE

3.7.1 Presentation of agreements

Regulated agreements

No new agreements of the nature referred to in article L.225-38 of the French Commercial Code were entered into during financial year 2019.

An agreement entered into in 2018 continued in 2019 and expired in early 2020. During the 2018 financial year, the Company's Board of Directors authorised entry in to a merger by absorption agreement between PRODWAYS GROUP, GROUPE GORGÉ and Olivier STREBELLE, under the terms of which it was noted that Olivier STREBELLE's employment contract with GROUPE GORGÉ was suspended until January 2020 following his appointment as Chief Executive Officer of PRODWAYS GROUP. This agreement stipulated that at the end of the suspension period, Olivier STREBELLE's employment contract would automatically be terminated. With regard to Olivier STREBELLE's change in status from an employee of GROUPE GORGÉ to corporate officer of a subsidiary of the Group, the need to provide him with unemployment insurance, and the Group's interest in seeing Olivier STREBELLE assume leadership of PRODWAYS GROUP, the Board of Directors of GROUPE GORGÉ had authorised entry into this regulated agreement.

In addition, at its meeting to approve the 2019 financial statements, the Board of Directors noted that there were no more regulated agreements in force that had been entered into in previous financial years.

Related-party agreements

Pursuant to article L.225-37-4 2° of the French Commercial Code mention is made that Catherine GORGÉ (through her firm CBG CONSEIL) launched the "Luxury, Art, Design & Architecture" division (also known as "Les Créations") of PRODWAYS GROUP (a subsidiary of GROUPE GORGÉ) in 2016 and 2017. Beginning in 2018, CBG CONSEIL continued to contribute to the development of this activity in the role of a sales agent. Under the cooperative sales agreement between CBG CONSEIL and INITIAL (a PRODWAYS GROUP subsidiary), the fees invoiced by CBG CONSEIL to INITIAL in 2019 amounted to €12,720 (excl. tax). This agreement expired on 31 December 2019 and was not renewed.

Standard 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.

Regarding new agreements signed in 2019, the following can be noted:

- In 2019, PRODWAYS GROUP and GROUPE GORGÉ signed a new agreement on the conditions for exiting the tax consolidation group: PRODWAYS GROUP and its subsidiaries exited the tax consolidation group created by GROUPE GORGÉ following the end of the 2016 financial year, at the time of PRODWAYS GROUP's IPO. The agreements signed at the time stipulated that the deficits passed on to GROUPE GORGÉ by subsidiaries would be compensated either on the day on which a subsidiary could deduct tax losses it had already passed on to GROUPE GORGÉ from its own results or if the tax consolidation was still in effect, or on the day GROUPE GORGÉ made use of the losses passed on by the subsidiary. The situation has evolved since then and after reviewing the prospects for the Group's use of deficits carried forward, the companies concluded that this continuous compensation system consumes time and resources for items that in fact have no real significance. PRODWAYS GROUP and GROUPE GORGÉ therefore agreed that GROUPE GORGÉ would immediately pay a lump-sum to compensate certain subsidiaries for losses previously passed on and would retain the losses from PRODWAYS GROUP and PRODWAYS SAS that were likely to remain loss-making in the medium-term.
- The lessor for certain subsidiaries on the Mureaux site is STONI, a GROUPE GORGÉ subsidiary. STONI signed new commercial leases with its tenants in mid-2019. A study of the rental market was completed in the spring of 2019. STONI applies a 20% discount to rents for tenants who commit to a six-year fixed-term lease.

The Company has put a procedure in place to regularly assess whether agreements relating to current operations entered into under arm's length conditions meet those conditions. This assessment procedure provides for a review of the terms and conditions of current agreements entered into no later than the Board of Directors meeting called to approve the separate financial statements. Persons with a direct or indirect interest in one of those agreements do not participate in the assessment thereof. This procedure was implemented for the first time at the Board meeting held to approve the financial statements for the past financial year. The Board considers that the standard agreements operating in 2019 were concluded under arm's length conditions.

3.7.2 Statutory auditors' special report on regulated agreements

(Shareholders' meeting for the approval of the financial statements for the year ended 31 December 2019)

To the Shareholders' meeting

In our capacity as your Company's statutory auditors, we hereby report to you on regulated agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements. It is the responsibility of the shareholders, in accordance with article R.225-31 of the French Commercial Code, to determine whether the agreements are appropriate and should be approved.

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 financial year, of agreements already approved by the shareholders' meeting.

We 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 engagement. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements submitted to the approval of the shareholder's meeting

We hereby inform the shareholders that we have not been advised of any agreement authorised and entered into during the past financial year to be submitted to the approval of the shareholders' meeting in application of the provisions of article L.225-38 of the French Commercial Code.

Agreements already approved by the shareholder's meeting

Agreements approved during prior financial years

In application of article R.225-30 of the French Commercial Code, we have been informed that the following agreements, already approved by the shareholders' meeting during prior financial years, remained in effect during the past financial year.

Purpose:

Authorisation to enter into an employment contract absorption agreement between PRODWAYS GROUP, GROUPE GORGÉ and Olivier Strebelle, the new Chief Executive Officer of PRODWAYS GROUP, under which the employment contract of Olivier Strebelle at GROUPE GORGÉ shall be suspended until January 2020.

Contracting partners: PRODWAYS GROUP, GROUPE GORGÉ and Olivier Strebelle

Person concerned: Olivier Strebelle (Chief Executive Officer of PRODWAYS GROUP)

Interested parties: Olivier Strebelle (Chief Executive Officer of PRODWAYS GROUP), Catherine Gorgé (Director of PRODWAYS GROUP SA and GROUPE GORGÉ SA) and Raphaël Gorgé (Chairman and Chief Executive Officer of GROUPE GORGÉ SA and Chairman of the Board of Directors of PRODWAYS GROUP SA).

This agreement provides for the suspension of the employment agreement of Olivier Strebelle at GROUPE GORGÉ until January 2020, following his appointment as Chief Executive Officer of PRODWAYS GROUP, and that after this suspension period, Olivier Strebelle's employment contract shall automatically end.

After reviewing his terms and conditions and in view of the change of status of Olivier Strebelle from an employee of GROUPE GORGÉ to corporate officer of PRODWAYS GROUP, and due the need to provide him with unemployment coverage and the interest of the Group in seeing Olivier Strebelle assume management of PRODWAYS GROUP, the Board of Directors of PRODWAYS GROUP has authorised the signing of this regulated agreement in 2018.

Neuilly-sur-Seine and Paris, 3 April 2020

The statutory auditors

PricewaterhouseCoopers Audit	**RSM Paris**
David CLAIROTTE	Stéphane MARIE

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 organisation and methodologies:

3.8.1 General organisation of internal control

The Chairman & CEO, 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 of sales, profit (loss) and cash flow;
- a procedure for organising the closing of accounts and the preparation of consolidated financial statements every half-year;
- special reporting procedure for the quarterly preparation of consolidated revenue figures.

3.8.2 Group organisation

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

- define and implement the Group's strategy;
- supervise the management of its subsidiaries;
- liaise with financial stakeholders such as banks and investors;
- develop and maintain common procedures in areas such as reporting, management control and accounting.

The Group is organised into three business divisions: Smart Safety Systems, Protection of High-Risk Installations and 3D Printing. Each entity is autonomous and has a complete operational structure (Executive Management, Finance Department, Management Control, etc.).

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

3.8.3 Implementing internal control

3.8.3.1 Activity report

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 Management in the operating entities, are sent on the 5th of each month together with any notes or commentaries required to analyse and understand them.

3.8.3.2 Performance report

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 and significant events.

This information, together with any commentary required for understanding 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.

These monthly reports are accompanied by an end-of-year income statement, which is updated several times during the year.

3.8.3.3 Close of accounting period

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

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

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

The data required for preparing the consolidated financial statements entered in a decentralised 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 applicable principles and are audited by the statutory auditors.

Following these accounting closes, all legal disclosure requirements 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 business 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 then to stabilise a robust and sustainable internal control system, taking into account the specificities of the Group, and to provide a reasonable level of assurance for control of the main risks. The work conducted by the Group in 2016 (mapping and internal control framework) had been reviewed by one of our statutory auditors, PwC. In 2019, the Group prepared the new mapping using 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, categorised 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. Risk mapping is intended to be updated periodically for each division and at Group level.

Strengthening and dissemination of internal control actions remains one of the first actions 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 managers (division M or CEOs of subsidiaries) who rely for this on the Administrative and Financial Managers or Directors.

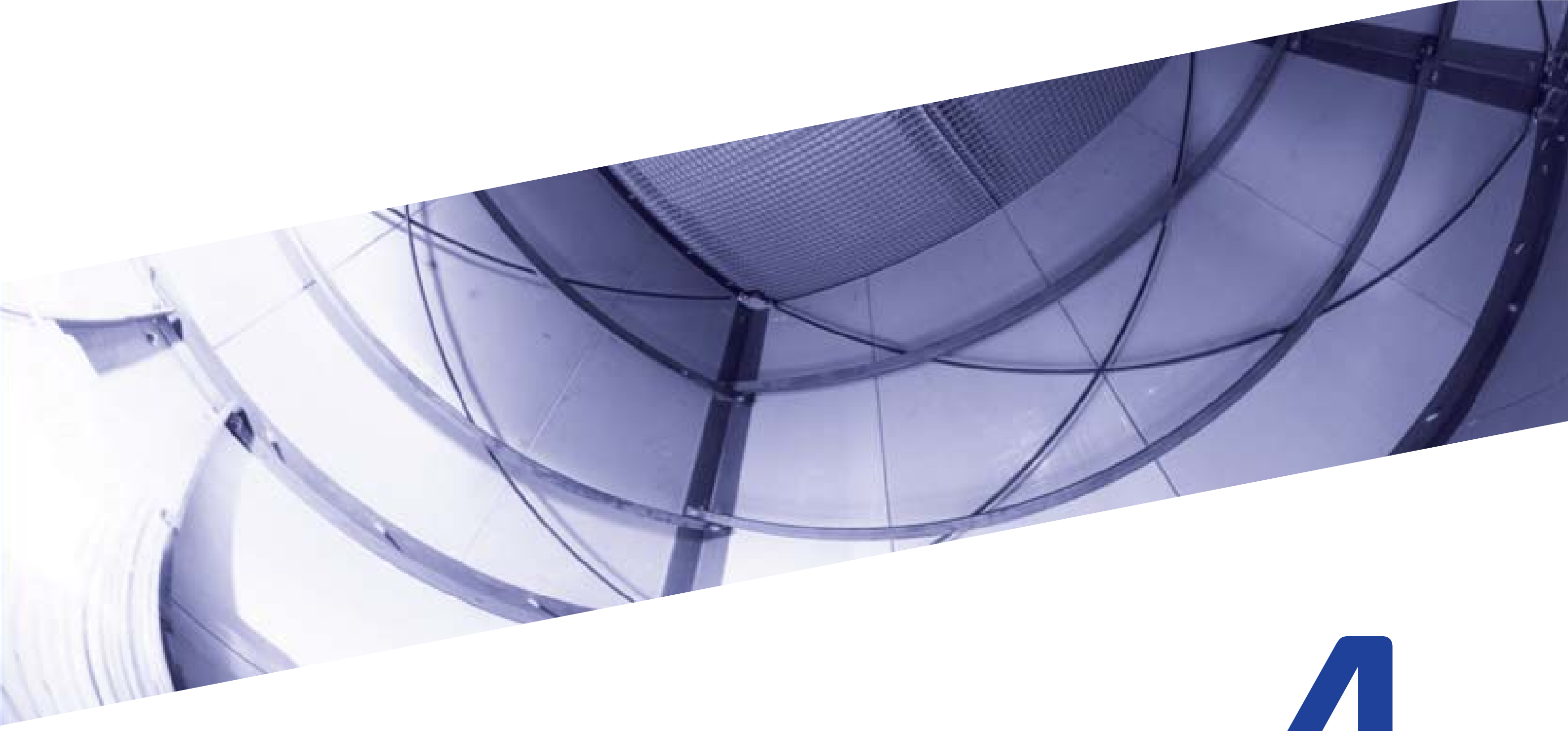
3.8.4 Preparation and control of accounting and financial information for shareholders

The Chairman and CEO, assisted by the Chief Financial Officer, establish 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 applicable regulations, Group companies have recourse to the Group's legal resources and to external advisers (lawyers, labour law experts and intellectual property experts).



FINANCIAL AND ACCOUNTING INFORMATION 4

4.1 2019 CONSOLIDATED FINANCIAL STATEMENTS

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 3.1.6.

4.1.1 Consolidated income statement

(in thousands of euros)	Notes	2019	2018[1]
REVENUE	4.1	**274,641**	**253,170**
Capitalised production		8,757	7,541
Inventories and work in progress		2,844	981
Other income from operations	4.2	6,006	6,571
Purchases and external charges		(153,651)	(144,382)
Personnel expenses	5.2	(106,799)	(105,144)
Tax and duties		(2,803)	(3,213)
Depreciation, amortisation and provisions (net of reversals)	4.3	(22,218)	(14,023)
Other operating income and expenses		2,686	630
OPERATING RESULTS		**9,463**	**2,131**
Group share of the earnings of affiliated companies		73	67
Other operating income items		(4,626)	(2,773)
OPERATING INCOME		**4,910**	**(575)**
Interest on gross debt		(1,341)	(1,684)
Interest on cash and cash equivalents		91	92
COST OF NET DEBT (A)	8.2	**(1,250)**	**(1,591)**
Other financial income (B)		514	908
Other financial expense (C)		(404)	(320)
FINANCIAL INCOME AND EXPENSES (D = A + B + C)	8.2	**(1,140)**	**(1,003)**
Income tax	9.1	(2,225)	(2,173)
NET INCOME FROM CONTINUING OPERATIONS		**1,546**	**(3,752)**
Net income from discontinued activities	12	21,574	1,717
CONSOLIDATED NET INCOME		**23,119**	**(2,035)**
INCOME ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS		**20,894**	**(1,917)**
INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS[2]		**2,226**	**(117)**
Average No. of shares	10.2	13,507,608	13,508,279
Earnings per share, in euros	10.2	1.547	(0.142)
Diluted earnings per share, in euros	10.2	1.547	(0.142)
Net earnings per share from continuing operations, in euros	10.2	0.021	(0.263)
Diluted net earnings per share from continuing operations, in euros	10.2	0.021	(0.263)

(1) 2018 column restated to reflect the items described in Note 1.3.

(2) Concerns the non-controlling interests of ECA group and PRODWAYS GROUP.

4.1.2 Comprehensive income statement

(in thousands of euros)	2019	2018[1]
NET INCOME	**23,119**	**(2,035)**
Currency translation adjustment	191	69
Tax relating to currency translation adjustments	-	-
Actuarial gains and losses on defined benefit plans	(1,104)	583
Tax relating to actuarial gains and losses on defined benefit plans	276	(146)
Group share of gains and losses recognised directly in equity of equity-accounted companies	-	-
TOTAL OTHER COMPREHENSIVE INCOME	**(637)**	**506**
of which can be reclassified subsequently to profit and loss	(637)	506
of which cannot be subsequently reclassified to profit and loss	-	-
COMPREHENSIVE INCOME	**22,484**	**(1,529)**
COMPREHENSIVE INCOME ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	**20,382**	**(1,512)**
COMPREHENSIVE INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	**2,102**	**(16)**

(1) 2018 column restated to reflect the items described in Note 1.3.

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4.1.3 Consolidated statement of financial position

ASSETS

(in thousands of euros)	Notes	31/12/2019	31/12/2018[1]
NON-CURRENT ASSETS		**167,996**	**143,531**
Goodwill	6.1	64,078	62,887
Other intangible asset	6.2	43,579	43,848
Property, plant and equipment	6.3	51,304	27,180
Investment property	6.3	-	298
Investments in affiliated companies	8.1.5	1,128	998
Other financial assets	8.1.4	5,080	4,419
Deferred tax assets	9.2	2,826	3,902
Other non-current assets		-	-
CURRENT ASSETS		**252,557**	**240,608**
Net inventories	4.4	32,255	30,066
Net trade receivables	4.5	63,975	73,982
Contract assets	4.5	49,513	50,318
Other current assets	4.6	17,698	17,938
Tax receivables payable	9.1.1	24,848	26,296
Other current financial assets		16	6
Cash and cash equivalents	8.1.2	64,252	42,002
Assets held for sale		-	-
TOTAL ASSETS		**420,554**	**384,138**

(1) 2018 column restated to reflect the items described in Note 1.3.

TOTAL EQUITY AND LIABILITIES

(in thousands of euros)	Notes	31/12/2019	31/12/2018[1]
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**108,553**	**95,938**
Capital[2]	10.1	13,503	13,503
Share premiums[2]		26,914	26,914
Retained earnings and consolidated net income[3]		68,136	55,522
STAKES ATTRIBUTABLE TO NON-CONTROLLING INTERESTS[4]		**68,175**	**65,573**
NON-CURRENT LIABILITIES		**79,679**	**59,535**
Long-term provisions	5.3	7,612	8,945
Long-term liabilities – portion due in more than one year	8.1.1	48,101	45,309
Lease liabilities – portion due in more than 1 year	8.1.3	20,467	-
Other financial liabilities	8.1.4	1,702	2,660
Deferred tax liabilities	9.2	1,366	2,010
Other non-current liabilities	4.7	430	611
CURRENT LIABILITIES		**164,147**	**163,092**
Short-term provisions	11	6,114	5,805
Long-term liabilities – portion due in less than one year	8.1.1	27,009	25,532
Lease liabilities – portion due in less than 1 year	8.1.3	5,862	-
Other current financial liabilities		-	16
Operating payables	4.7	49,968	48,544
Contract liabilities	4.5	22,934	28,666
Other current liabilities	4.7	51,403	54,274
Tax liabilities payable	9.1.1	858	255
Liabilities held for sale		-	-
TOTAL LIABILITIES		**420,554**	**384,138**

(1) 2018 column restated to reflect the items described in Note 1.3.
(2) Of the consolidating parent company.
(3) Including net profit (loss) for the period.
(4) Concerns the non-controlling interests of ECA group and PRODWAYS GROUP.

4.1.4 Consolidated statement of cash flows

(in thousands of euros)	Notes	2019	2018[1]
NET INCOME FROM CONTINUING OPERATIONS		**1,546**	**(3,752)**
Accruals		21,426	10,388
Capital gains and losses on disposals		400	(776)
Group share of income of equity-accounted companies		(73)	(67)
CASH FLOW FROM OPERATING ACTIVITIES (BEFORE ELIMINATION OF NET BORROWING COSTS AND TAXES)	7.1	**23,299**	**5,793**
Expense for net debt	8.2	1,250	1,591
Tax Expense	9.1	3,568	2,173
CASH FLOW FROM OPERATING ACTIVITIES (AFTER ELIMINATION OF NET BORROWING COSTS AND TAXES)		**28,117**	**9,557**
Tax paid		(4,188)	(2,390)
Change in working capital requirements	7.2	6,423	(10,470)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**30,352**	**(3,302)**
Investing activities			
Payments/acquisition of intangible assets		(9,275)	(6,868)
Payments/acquisition of property, plant and equipment		(8,366)	(6,450)
Proceeds/disposal of property, plant and equipment and intangible assets		3,577	175
Payments/acquisition of non-current financial assets		(534)	(931)
Proceeds/disposal of non-current financial assets		643	131
Net cash inflow/outflow on the acquisition/disposal of subsidiaries		16,246	(7,152)
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		**2,291**	**(21,095)**
Financing activities			
Capital increase or contributions		1,100	-
Dividends paid to parent company shareholders		(4,320)	(4,320)
Dividends paid to non-controlling interests		(1,583)	(158)
Proceeds from borrowings	8.1.1	15,823	17,908
Repayment of borrowings	8.1.1-8.1.3	(16,808)	(28,576)
Cost of net debt		(965)	(1,491)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)		**(6,753)**	**(16,637)**
CASH FLOW GENERATED BY (USED IN) ALL ACTIVITIES (D = A + B + C)		**25,890**	**(41,038)**
CASH GENERATED BY DISCONTINUED OPERATIONS	12	**(3,050)**	**(433)**
CHANGE IN CASH AND CASH EQUIVALENTS		**22,840**	**(41,471)**
Effects of exchange rate changes		142	69
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	8.1.2	**35,626**	**78,983**
Restatement of cash and cash equivalents[2]		(2,347)	(2,391)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**8.1.2**	**59,308**	**35,626**

(1) 2018 column restated to reflect the items described in Note 1.3.
(2) Flows due to treasury shares.

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4.1.5 Statement of changes in consolidated equity

	Group share or owners of the parent company						
(in thousands of euros)	Capital	Share capital reserves	Treasury shares	Retained earnings and consolidated net income	Shareholders equity – attributable to parent company shareholders	Shareholders equity – attributable to non-controlling interests	Total equity
EQUITY (2017)	**13,503**	**26,914**	**(813)**	**62,122**	**101,726**	**65,391**	**167,117**
Impact IFRS 15	-	-	-	(75)	(75)	(46)	(121)
Impact IFRS 3R	-	-	-	(22)	(22)	98	76
2017 EQUITY, RESTATED	**13,503**	**26,915**	**(813)**	**62,025**	**101,631**	**65,442**	**167,073**
Share capital transactions	-	-	-	-	-	-	-
Free share allocation plan and stock option plan	-	-	-	41	41	21	62
Treasury share transactions	-	-	(39)	-	(39)	(20)	59
Equity instruments	-	-	-	6	6	16	22
Dividends	-	-	-	(4,320)	(4,320)	(161)	(4,480)
Net income for the period[(1)]	-	-	*178*	*(2,096)*	*(1,918)*	*(116)*	*(2,035)*
Gains and losses recognised directly in equity	-	-	-	*406*	*406*	*100*	*506*
COMPREHENSIVE INCOME	**-**	**-**	**178**	**(1,690)**	**(1,512)**	**(16)**	**(1,529)**
Changes in scope	-	-	7	126	133	287	419
2018 CLOSING EQUITY	**13,503**	**26,914**	**(667)**	**56,189**	**95,939**	**65,573**	**161,511**
Share capital transactions	-	-	-	-	-	-	-
Free share allocation plan and stock option plan	-	-	-	210	210	163	373
Treasury share transactions	-	-	22	-	22	21	43
Equity instruments	-	-	-	615	615	342	957
Dividends	-	-	-	(4,323)	(4,323)	(1,583)	(5,906)
Net income for the period	-	-	*(134)*	*21,029*	*20,895*	2,226	*23,120*
Gains and losses recognised directly in equity	-	-	-	*(512)*	*(512)*	*(124)*	*(636)*
COMPREHENSIVE INCOME	**-**	**-**	**(134)**	**20,517**	**20,382**	**2,101**	**22,484**
Changes in scope	-	-	(7)	(4,285)	(4,292)	1,558	(2,735)
2019 CLOSING EQUITY	**13,503**	**26,914**	**(786)**	**68,923**	**108,553**	**68,175**	**176,728**

(1) 2018 net income restated to reflect the items described in Note 1.3.

4.1.6 Notes to the consolidated financial statements

Note 1 Accounting principles

The consolidated financial statements of GROUPE GORGÉ for the year ended 31 December 2019 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 2019 financial year were approved by the Board of Directors on 23 March 2020. They will be subject to approval by the next ordinary shareholder's meeting.

1.1 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 2019. These accounting standards are consistent with those used to prepare the annual consolidated financial statements for the year ended 31 December 2018, with the exception of the new standards, revised standards and interpretations applicable from 1 January 2019.

The Group has applied all standards, amendments and interpretations with mandatory application from 1 January 2019:

- IFRS 16 – *Leases*;
- IFRIC 23 – *Uncertainty over income tax treatments*;
- amendments to IFRS 9 – *Prepayment Features with Negative Compensation*;
- amendments to IAS 19 – *Plan Amendment, Curtailment Settlement*;
- improvements to 2015-2017 cycles regarding:
  - IFRS 3 and 11 – *Previously held interests in a Joint Operation*,
  - IAS 12 – *Income tax consequences of payments on financial instruments classified as equity*,
  - IAS 23 – *Borrowing costs that can be included in the cost of the asset*;
- amendment to IAS 28 – *Investments in associates and joint ventures*.

With the exception of IFRS 16 (application detailed in Note 1.3.2), these new texts have no material impact on the Group's financial statements.

The Group has not applied the following standards and interpretations, which had not been adopted by the European Union at 31 December 2019 or for which application is not mandatory as of 1 January 2019:

- IFRS 17 – *Insurance contracts*;
- amendments to IFRS 3 – *Definition of a business*;
- amendments to IAS 1 and IAS 8 – *Definition of 'material' in financial statements*;
- amendments to References to the conceptual framework under IFRS;
- amendments to IFRS 9, IAS 39 and IFRS 7 *Interest rate benchmark reform* (09/19).

These interpretations and amendments should have no material impact on the Group's financial statements.

1.2 Basis of preparation

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

The financial statements have been prepared under the historical cost convention, except in the case of derivatives and available-for-sale financial assets, which are measured at fair value. Financial liabilities measured at amortised 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 Group Management or the subsidiaries' Management make estimates and assumptions that affect the reported amounts of assets and liabilities on the consolidated balance sheet, the reported amounts of income and expense items on the income statement and the commitments relating to the period under review. The actual results may differ.

The above-mentioned assumptions mainly concern:

- the calculation of the recoverable amounts of assets;
- the calculation of research and development expenses;
- the calculation of provisions for risks and charges;
- 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).

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.

1.3 Restatement of the financial information for prior years and at 1 January 2019

The financial statements as at 1 January 2019 were adjusted for four main reasons: the adjustment of financial statements at 31 December 2018 relating to the finalisation in 2019 of fair value measurements of acquisitions in 2018; the reclassification of assets and liabilities as part of the application of IFRS 15; the first-time implementation of IFRS 16 on 1 January 2019; and the application of IFRS 5. In addition, presentation reclassifications were made in the income statement. Throughout the notes, 2019 information is compared with 2018 information, adjusted as explained above.

1.3.1 Final fair value measurement of assets and liabilities acquired (IFRS 3R)

IFRS 3 (Revised) states that the fair value of acquired assets and liabilities must be remeasured retrospectively as though the changes had been made at the date of initial consolidation. The financial statements at 31 December 2018 were adjusted to reflect the final fair value measurements of the assets, liabilities and contingent liabilities acquired from SOLIDSCAPE.

The adjustments concerned the valuation of intangible assets excluding deferred tax assets among the assets and liabilities of SOLIDSCAPE, and their resulting amortisation:

- €1,559 thousand for the brand and client relations;
- €639 thousand for technology.

1.3.2 Application of IFRS 16 – Leases

The Group implemented IFRS 16 – *Leases* (applicable on 1 January 2019) for the first time. Since the Group opted for the simplified retrospective approach, the 2019 financial statements do not include the comparative 2018 financial statements restated to reflect the application of this new standard, but the opening balance sheet at 1 January 2019 has been restated.

The new standard on leases, IFRS 16 places more focus on controlling the leased asset. IFRS 16 replaces existing standards on leases. Under IFRS 16, the Group must recognise 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 amortised 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 recognised directly as expenses. Moreover, the following simplification measures have been applied to the transition:

- leases with a remaining term of less than 12 months as at 1 January 2019 do not give rise to the recognition of an asset and a liability;
- leases that qualified as finance leases under IAS 17 (the formerly applicable standard) have been taken to be unchanged from 2018, but are now presented under lease liabilities and rights of use;
- the discount rates applied at the transition date are based on the incremental borrowing rates by type of Group asset at the transition date. The average incremental rate applied at this date and over the 2019 financial year was 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 Group chose the "simplified retrospective" method provided for by the standard, which consists of recognising the cumulative effect of the initial application as an adjustment to opening equity, considering that the right-of-use asset is equal to the amount of lease obligations, adjusted to reflect the amount of prepaid lease payments.

The Group's operating lease payment commitments as lessee amounted to €19.2 million at 31 December 2018. The simplified retrospective application of IFRS 16 led to the recognition at 1 January 2019 of lease liabilities of €23.2 million (including lease liabilities from discontinued operations). The €4.0 million difference can be broken down as follows:

- finance lease liabilities for €2.2 million, recognised as financial debt at 31 December 2018;
- the effect of discounting for -€1.2 million;
- differences in the scope of leases, leading to adjustments of €0.2 million;
- differences between the commitment period and the reasonably certain term finally chosen for certain leases for €2.8 million, mainly concerning property leases.

The leases restated under IFRS 16 have a total balance sheet value of €26.0 million and a very limited impact on the net income statement, attributable to the owners of the parent (-€183 thousand). However, the nature of the expenses related to these leases has changed, since the application of IFRS 16 has replaced the straight-line recognition of operating lease expenses with an amortisation expense for "right-of-use" assets amounting to €6,621 thousand (including €841 thousand related to finance leases that were valued under IAS 17) and with an interest expense for lease liabilities amounting to €310 thousand at 31 December 2019. The impact of the standard's application on the interim financial statements is broken down in the below table:

(in thousands of euros)	**Property**	**Other property, plant and equipment**	**Prepaid payments**	**Total net assets**	**Lease liabilities on the liabilities side of the balance sheet**
Reclassified finance leases	1,412	1,899	(5)	3,306	2,227
Operating leases	17,708	3,606	(342)	20,972	20,972
Restatement of discontinued activities	(1,004)	(1,020)	85	(1,940)	(1,991)
1 JANUARY 2019	**18,116**	**4,485**	**(262)**	**22,339**	**21,208**
New leases	9,203	2,124		11,328	11,327
Changes in scope	521	72	-	593	587
Amortisation of rights of use	(4,188)	(2,433)	-	(6,621)	-
Interest expenses	-	-	-	-	301
Payments (lease expenses cancelled)	-	-	(27)	(27)	(7,163)
Change in accrued interest	-	-	-	-	74
Departures	(1,433)	(141)	-	(1,574)	-
Currency translation adjustment	(4)	-	-	(4)	(4)
31 DECEMBER 2019	**22,216**	**4,107**	**(289)**	**26,034**	**26,329**
of which lease liabilities due in less than one year					5,862
of which lease liabilities due in more than one year					20,467

1.3.3 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 balance sheet, 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 June 2019, the Group announced the plan to sell the CIMLEC INDUSTRIE subsidiary (Protection of High-Risk Installations division) to SPIE. The actual disposal was carried out in July 2019. The income statement and statement of cash flows at 31 December 2018 were adjusted so that the contribution of CIMLEC INDUSTRIE appears on a separate line (see Note 12).

1.3.4 Impact of restatements on the financial statements

The impacts of the adjustments made to the 2018 financial statements and the impact of IFRS 16 at 1 January 2019 are described in the following tables:

(in thousands of euros)	31/12/2018 published	Adjustments IFRS 3R	Other reclassi-fications	31/12/2018 restated	Impact IFRS 16	01/01/2019 restated
NON-CURRENT ASSETS	**143,174**	**357**	**-**	**143,531**	**21,315**	**164,845**
Goodwill	64,639	(1,752)	-	62,887	-	62,887
Other intangible asset	40,303	2,109	1,436	43,848	-	43,848
Property, plant and equipment	27,180	-		27,180	21,315	48,494
Investment property	298	-	-	298	-	298
Costs of obtaining and performing contract	1,436	-	(1,436)	1,436	-	1,436
Investments in affiliated companies	998	-	-	998	-	998
Other financial assets	4,419	-	-	4,419	-	4,419
Deferred tax assets	3,902	-	-	3,902	-	3,902
Other non-current assets	-	-	-	-	-	-
CURRENT ASSETS	**240,558**	**-**	**50**	**240,608**	**(346)**	**240,262**
Net inventories	28,256	-	1,811	30,066	-	30,066
Net trade receivables	72,665	-	1,316	73,982	-	73,982
Contract assets	53,394	-	(3,077)	50,318	-	50,318
Other current assets	17,938	-	-	17,938	(346)	17,592
Tax receivables payable	26,296	-	-	26,296	-	26,296
Other current financial assets	6	-	-	6	-	6
Cash and cash equivalents	42,002	-	-	42,002	-	42,002
ASSETS HELD FOR SALE	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL ASSETS	**383,732**	**357**	**50**	**384,138**	**20,968**	**405,106**

(in thousands of euros)	31/12/2018 published	Adjustments IFRS 3R	Other reclassi-fications	31/12/2018 restated	Impact IFRS 16	01/01/2019 restated
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	**95,974**	**(35)**	**-**	**95,938**	**-**	**95,938**
NON-CONTROLLING INTERESTS	**65,600**	**(27)**	**-**	**65,573**	**-**	**65,573**
NON-CURRENT LIABILITIES	**58,965**	**569**	**-**	**59,535**	**16,837**	**76,371**
Long-term provisions	8,945	-	-	8,945	-	8,945
Long-term liabilities – portion due in more than 1 year	45,309	-	-	45,309	(1,131)	44,179
Lease liabilities – portion due in more than 1 year	-	-	-	-	17,968	17,968
Other financial liabilities	2,660	-	-	2,660	-	2,660
Deferred tax liabilities	1,441	569	-	2,010	-	2,010
Other non-current liabilities	611	-	-	611	-	611
CURRENT LIABILITIES	**163,192**	**-**	**50**	**163,092**	**4,134**	**167,223**
Short-term provisions	5,805	-	-	5,805	-	5,805
Long-term liabilities – portion due in less than 1 year	25,532	-	-	25,532	(1,096)	24,436
Lease liabilities – portion due in less than 1 year	-	-	-		5,230	5,230
Other current financial liabilities	16	-	-	16	-	16
Operating payables	48,544	-	-	48,544	(2)	48,542
Contract liabilities	30,150	-	(1,485)	28,666	-	28,666
Other current liabilities	52,890	(151)	1,534	54,274	-	54,274
Tax liabilities payable	255	-	-	255	-	255
LIABILITIES HELD FOR SALE	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL LIABILITIES	**383,732**	**357**	**50**	**384,138**	**20,968**	**405,106**

(in thousands of euros)	31/12/2018 published	Presentation reclassifications	Impact IFRS 3R	Impact IFRS 5	31/12/2018 restated
REVENUE	**296,004**	**-**	**-**	**(42,834)**	**253,170**
Capitalised production	7,806	-	-	(265)	7,541
Inventories and work in progress	819	-	-	162	981
Other income from operations	7,019	-	-	(449)	6,571
Purchases consumed	(166,280)	-	-	21,898	(144,382)
Personnel expenses	(122,273)	(21)	-	17,150	(105,144)
Tax and duties	(3,672)	-	-	459	(3,213)
Depreciation, amortisation and provisions (net of reversals)	(14,823)	-	-	801	(14,023)
Other operating income and expenses	(305)	-	-	934	630
OPERATING RESULTS	**4,295**	**(21)**	**-**	**(2,143)**	**2,131**
Non-recurring items in operating income	(2,667)	21	(127)	-	(2,773)
Group share of the earnings of affiliated companies	-	67	-	-	67
OPERATING INCOME	**1,628**	**67**	**(127)**	**(2,143)**	**(575)**
FINANCIAL INCOME AND EXPENSE	**(1,110)**	**-**	**-**	**107**	**(1,003)**
Income tax	(2,526)	-	34	313	(2,173)
Group share of the earnings of affiliated companies	67	(67)	-	-	-
NET INCOME FROM CONTINUING ACTIVITIES AFTER TAX	**(1,942)**	**-**	**(93)**	**(1,717)**	**(3,752)**
Net income from discontinued activities	-	-	-	1,717	1,717
NET INCOME	**(1,942)**	**-**	**(93)**	**-**	**(2,035)**
Net income attributable to non-controlling interests	77	-	40	-	117
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF THE PARENT	**(1,865)**	**-**	**(52)**	**-**	**(1,917)**

Note 2 Scope of consolidation

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 recognised 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 13. Certain subsidiaries, which are not significant in terms of the Group, may not be consolidated.

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 recognised under the item "Cumulative translation reserves" in consolidated equity.

2.1.3 Transactions in foreign currencies

Transactions in foreign currencies are recognised using the exchange rate applicable on the date the transactions are recognised 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 recognised in financial income.

2.1.4 Business combinations

The Group is applying, on an advance basis, the revised IFRS 3 standard – *Business combinations*

Business combinations are recognised in accordance with the acquisition method:

- the cost of an acquisition is valued at the fair value of the consideration transferred, including any price adjustment, on the date of taking control. Any subsequent variation in the fair value of a price adjustment is recognised in the income statement or in other items of the overall net income, in accordance with the standards applicable;
- the difference between the consideration transferred and the fair value of the identifiable assets acquired and liabilities taken over as at the date of taking control represents the goodwill, recognised in the assets in the report on the financial position.

Adjustments to the fair value of identifiable assets acquired and liabilities taken over recognised on a provisional basis (as a result of expert assessment work in progress or additional analyses) are recognised 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 recognised 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 recognised for the proportion relating to equity stakes which do not give control (full 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 recognised (partial goodwill method).

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

2.2 Changes in the consolidation scope

2.2.1 Transactions conducted in 2019

Changes in scope over the year are as follows:

- takeover (acquisition of all securities) on 3 January 2019 of L'EMBOUT FRANÇAIS and SURDIFUSE (3D Printing division); both companies are fully consolidated as from the start of the year;
- takeover (capital increase) on 30 January 2019 of STEDY (formerly YWORK, Protection of High-Risk Installations division); the company is fully consolidated as from the start of the year; additional non-controlling interests were acquired in June 2019;
- disposal of two small companies in the Protection of High-Risk installations division: NTS (subsidiary of CIMLEC INDUSTRIE) in early April 2019; the company is consolidated under discontinued activities until end-March; HOEKSTRA SUWALD TECHNIEK B.V. on 12 April 2019;
- disposal of CIMLEC INDUSTRIE (and its subsidiaries) on 9 July 2019, the CIMLEC Group is consolidated until 30 June 2019, with application of IFRS 5 (see Note 1.3.3 and Note 12).

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In addition, three companies from the Smart Safety Systems division were merged in January 2019 without any impact on the Group's financial statements. The non-controlling interests of IP GESTION (3D Printing division) were acquired during the second half of the year, without any change in control. In July 2019, GROUPE GORGÉ acquired the 5% of capital in VIGIANS owned by a non-controlling shareholder. The capital of fire protection activities in France (Protection of High-Risk Installations division) was reorganised at the same time. Management now owns 30% of the capital of a holding named VIGIANS PROTECTION INCENDIE which includes the activities of CLF-SATREM, AMOPSI and SVF. This transaction has no impact on Group consolidated income.

The assets and liabilities of the companies acquired during the period are still being measured; they may be subject to adjustments during the 12 months following the acquisition date.

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

2.2.2 Contribution of business combinations

First consolidation of L'EMBOUT FRANÇAIS-SURDIFUSE

The assets and liabilities of the two acquired companies break down as follows:

(in thousands of euros)	**Carrying amount**	**Revaluation at fair value**	**First consolidation**
Intangible assets (including goodwill)	389	646	1,035
Property, plant and equipment and financial assets	231	-	231
Rights of use	593	-	593
Inventories	85	-	85
Trade and other receivables	598	-	598
Social and tax receivables	95	-	95
Prepaid expenses	28	-	28
Cash and cash equivalents	193	-	193
Retirement provisions	-	(107)	(107)
Financial debt	(39)	-	(39)
Trade and other payables	(287)	-	(274)
Lease liabilities	(593)	-	(593)
Tax and social debts	(241)	(58)	(299)
Deferred tax assets/liabilities	-	(118)	(118)
TOTAL	**1,053**	**363**	**1,417**

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

In the first quarter of 2015, PRODWAYS acquired the assets of NORGE SYSTEMS. The transaction was carried out with the payment of a fixed part of the price and three price additions conditional on the achievement of milestones in the further development of the 3D printer created by NORGE. A price addition of €200 thousand was paid in February 2017. The Group's debt position included a potential earn-out of €200 thousand in 2017, but the milestones that to trigger its payment before 31 January 2019 were ultimately not achieved, so the debt was cancelled and a profit recorded in 2018.

When it acquired 60% of the share capital of MAURIC in November 2016, ECA SA obtained an asset and liability guarantee of up to €500 thousand. In support of this guarantee, ECA benefited from a first-demand bank guarantee in the amount of €250 thousand. This commitment ended on 31 December 2019.

As part of the acquisition of ELTA by ECA AEROSPACE in November 2016, ECA AEROSPACE agreed to pay an earn-out for each of the two years 2017 and 2018, on condition that ELTA's space activities exceeded a certain level of revenue, which was not achieved. ECA AEROSPACE has also made a commitment not to transfer control of ELTA within 24 months of the acquisition, as well as social commitments. ECA AEROSPACE obtained a guarantee of assets and liabilities of up to €500 thousand that is valid until the time limit plus one month for tax and social claims and for a period of 8 months for other claims (*i.e.* until 31 May 2018).

In 2017, PRODWAYS GROUP acquired 75% of the shares comprising the share capital of IP GESTION SAS, which was itself the sole shareholder of INTERSON PROTAC. The vendors granted an assets and liabilities guarantee with a term of 18 months or 3 years. This guarantee is capped at €733 thousand in the first eighteen months, after which it will be reduced to €367 thousand for the following eighteen months.

In 2017, PRODWAYS GROUP acquired all of the shares comprising the share capital of AS3D, 3D SERVICAD, and AVENAO INDUSTRIE. The vendors granted an assets and liabilities guarantee with a term of two to three years depending on the nature of any claim. This guarantee is capped at €2 million.

In July 2018, PRODWAYS GROUP acquired all the shares making up the share capital of SOLIDSCAPE. The vendors granted an assets and liabilities guarantee with a term of 18 months to eight years depending on the nature of any claim. This guarantee is capped at US $1 million or the acquisition price, depending on the nature of any claim.

For the disposal of FIS (August 2018), the Group granted an asset and liability guarantee of an amount capped at €350 thousand. This commitment expired at the end of February 2020 except with regard to tax and social matters, and at the end of May 2020 for tax considerations

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 Labour Tribunal proceedings, which resulted in a favourable decision for AI GROUP. GROUPE GORGÉ had also granted a €0.4 million loan to AI GROUP, guaranteed by the pledging of a business goodwill. In 2019, AI GROUP and GROUP GORGÉ agreed on an early repayment of €0.25 million for this loan in return for the waiver of the remaining balance and the release of the pledge for the business goodwill. 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 equal to half the disposal price. This commitment will expire 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 statute of social and tax limitations. 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 degression.

In 2019, PRODWAYS GROUP acquired all the shares making up the share capital of L'EMBOUT FRANÇAIS and SURDIFUSE. The sellers granted an asset and liability guarantee for a two to three year period (or even longer for some tax and social items that may have longer statutes of limitation) depending on the types of claims. This guarantee is capped at €300,000, and gradually decreases over time.

HOEKSTRA SUWALD TECHNIEK B.V. was sold on 12 April 2019, with a one-year guarantee granted to the buyer capped at €51 thousand.

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

In PODO 3D, SERES TECHNOLOGIES, STEDY, MAURIC, GORGÉ NETHERLANDS and VIGIANS PROTECTION INCENDIE, the Group partners with minority shareholders who are managers of these companies. Shareholders' agreements provide for the possible liquidity of their holdings.

Note 3 Segment information

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

The three divisions defined as operating segments are as follows:

- Protection of High-Risk Installations division: VIGIANS PROTECTION INCENDIE and its subsidiaries (CLF-SATREM, AMOPSI and SVF), VAN DAM, NUCLÉACTION and its subsidiaries (in particular BAUMERT), SERES TECHNOLOGIES and STEDY, STONI;
- Smart Safety Systems division: 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 recognised in respect of orders recorded;
- revenue includes revenue made with other divisions;
- EBITDA;
- operating results (formerly current operating income);
- operating income;
- the Research and Development expenses recognised in the assets during the financial year;
- other tangible and intangible investments.

3.1 Reconciliation of non-IFRS indicators and segment indicators with 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 present "operating results" (formerly "current operating income"). It also uses an EBITDA indicator. These indicators are not strictly accounting indicators and do not constitute IFRS financial aggregates as defined under IFRS and may not be comparable to indicators of a similar name used by other companies.

- Other items of operating income include costs associated with the allocation of free shares, restructuring costs, recognised or fully provisioned if they are liabilities arising from a Group obligation to third parties, which stem from a decision taken by a competent body, and which materialise before the reporting date through the announcement of said decision to third parties and provided the Group no longer expects consideration for these costs. These costs consist primarily of compensation for termination of employment contracts, severance pay, as well as miscellaneous expenses. Other items included on this line of the income statement concern the costs of acquisition and disposal of activities, amortisation of acquired intangible assets recorded under business combinations impairment of goodwill, and all unusual items by their occurrence or amount.
- EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) is defined by the Group as operating income before "net depreciation, amortisation and provisions", "Group share of the earnings of affiliated companies" and "other items of operating income".

The 2019 and 2018 segment income statements are reconciled below with the Group's consolidated financial statements. They are prepared in accordance with the Group's operating reporting. The differences between the segment information (internal reporting) and the consolidated financial statements concern in particular the scope of continuing operations. In 2018, the Group's reporting no longer integrated two foreign ECA subsidiaries, which had become non-strategic and were being sold or closed in a definitive manner. Provisions were created in 2017 for the planned discontinuation of these operations, and no material impact of these operations on the Group's income statement was expected in 2018. However, these planned closings or disposals did not comply with the conditions for applying IFRS 5 – *Non-current assets held for sale and discontinued operations*. During the entire first half of 2019, conversely, the Group's reporting integrated CIMLEC and its subsidiaries, despite the planned disposal, which was ultimately concluded in July 2019. CIMLEC and its subsidiaries comply with the conditions for applying IFRS 5 – *Non-current assets held for sale and discontinued operations* (see Note 1.3). The reclassification of the contribution of CIMLEC and its subsidiaries on a specific line of the income statement thus creates a discrepancy between the operating reporting and the consolidated financial statements.

2019 FINANCIAL YEAR – SEGMENT INFORMATION

(in thousands of euros)	Protection of High-Risk installations[(1)]	Smart Safety Systems	3D Printing	Structure and disposals	Segment total	Impact IFRS 5	Adjust-ments	Consoli-dated
Backlog at end of period	103,043	120,267	7,493	(354)	230,449	(16,498)	-	213,951
Backlog at end of period	73,833	526,343	6,143	(166)	606,154	-		606,154
REVENUE	**114,004**	**112,486**	**71,284**	**(1,349)**	**296,425**	**(21,784)**	**-**	**274,641**
Capitalised production	2,160	3,580	3,094	5	8,840	(83)	-	8,757
Inventories and work in progress	247	2,877	(16)	-	3,109	(265)	-	2,844
Other income from operations	538	4,496	986	-	6,019	(13)	-	6,006
Purchases consumed	(65,511)	(62,154)	(39,034)	1,991	(164,708)	11,057	-	(153,651)
Personnel expenses	(42,930)	(41,044)	(29,849)	(1,705)	(115,527)	8,729	-	(106,799)
Tax and duties	(1,314)	(1,101)	(680)	(33)	(3,128)	326	-	(2,803)
Other operating income and expenses	(467)	1,614	(473)	1,484	2,158	528	-	2,686
EBITDA	**6,727**	**20,754**	**5,312**	**393**	**33,187**	**(1,505)**	**-**	**31,681**
% revenue	*5.9%*	*18.5%*	*7.5%*	*n/s*	*11.2%*	*6.9%*		*11.5%*
Depr., amort. and prov. (net of reversals)	(4,977)	(10,823)	(6,843)	(217)	(22,860)	642	-	(22,218)
OPERATING RESULTS	**1,750**	**9,932**	**(1,531)**	**176**	**10,327**	**(864)**	**-**	**9,463**
% revenue	*1.5%*	*8.8%*	*-2.1%*	*n/s*	*3.5%*	*4.0%*		*3.4%*
Payment in shares	-	-	(420)	-	(420)	-	-	(420)
Restructuring costs	(385)	(398)	(578)	-	(1,360)	-		(1,360)
Amort. of intangible assets recognised at FV during acquisitions	-	(223)	(888)	-	(1,111)	-	-	(1,111)
Acquisition costs	(90)	-	(35)	(86)	(211)	-	-	(211)
Impact of the disposal of HOEKSTRA	(703)	-	-	-	(703)	-	-	(703)
Impact of the disposal of the CIMLEC Group[(2)]	22,475	-	-	-	22,475	(22,475)	-	-
Impact of liquidation of ECA SINDEL	-	-	-	-	-	-	288	288
Exceptional provisions for impairment of asset values	(495)	-	(408)	(157) -	(1,059)	-	-	(1,059)
Other	-	-	(50)	-	(50)	-	-	(50)
TOTAL OTHER OPERATING ITEMS	**20,803**	**(620)**	**(2,378)**	**(243)**	**17,561**	**(22,475)**	**288**	**(4,626)**
Group share of the earnings of affiliated companies	-	-	73	-	73	-	-	73
OPERATING INCOME	**22,552**	**9,311**	**(3,836)**	**(66)**	**27,961**	**(23,339)**	**288**	**4,910**
% revenue	*19.8%*	*8.3%*	*-5.4%*	*n/s*	*9.4%*	*107.1%*	*n/s*	*1.8%*
R&D expenses capitalised over the period	1,388	3,448	2,383	-	7,219	(71)	-	7,148
Other property, plant and equipment and intangible investments	5,126	11,074	9,153	(2,064)	23,289	(333)	-	22,956

(1) The contribution of CIMLEC and its subsidiaries in the first half of 2019 is included in the column labelled Protection of High-Risk Installations to the extent that these companies were consolidated into the operational reporting until their disposal in the early days of July 2019.

(2) Adjustments concerning the contribution of CIMLEC and its subsidiaries, consolidated in the segment information but classified in the consolidated income statement on a single line in accordance with IFRS 5, see Note 1.3.

FINANCIAL YEAR 2018* – SEGMENT INFORMATION

(in thousands of euros)	Protection of High-Risk Installations	Smart Safety Systems[1]	3D Printing	Structure and disposals	Segment total	Impact IFRS 5	Adjust-ments[2]	Consoli-dated
Backlog at start of period	103,668	96,505	4,838	(337)	204,674	(13,275)	(2,219)	189,181
Backlog at end of period	103,043	120,267	7,493	(354)	230,449	(16,498)	-	213,951
REVENUE	**134,318**	**101,765**	**60,895**	**(1,272)**	**295,705**	**(42,834)**	**298**	**253,170**
Capitalised production	712	4,955	2,139	-	7,806	(265)	-	7,541
Inventories and work in progress	(700)	1,378	134	-	812	162	7	981
Other income from operations	1,607	4,243	1,166	3	7,019	(449)	-	6,571
Purchases consumed	(79,783)	(53,614)	(35,863)	3,298	(165,962)	21,898	(318)	(144,382)
Personnel expenses	(52,462)	(42,422)	(26,042)	(1,196)	(122,122)	17,150	(171)	(105,144)
Tax and duties	(1,536)	(1,327)	(739)	(64)	(3,666)	459	(7)	(3,213)
Other operating income and expenses	677	(219)	(496)	(210)	(247)	934	(57)	630
EBITDA	**2,834**	**14,758**	**1,194**	**560**	**19,345**	**(2,944)**	**(249)**	**16,153**
% revenue	*2.11%*	*14.5%*	*1.96%*	*n/s*	*6.54%*	*6.87%*	*-*	*6.38%*
Depr., amort. and prov. (net of reversals)	(1,947)	(7,440)	(5,181)	(247)	(14,815)	801	(8)	(14,023)
OPERATING RESULTS	**887**	**7,318**	**(3,987)**	**313**	**4,530**	**(2,143)**	**(256)**	**2,131**
% revenue	*0.7%*	*7.2%*	*-6.5%*	*n/s*	*1.5%*	*5.0%*	*-83.2%*	*0.8%*
Payment in shares	(19)	-	40	-	21	-	-	21
Restructuring costs	(1,571)	(879)	(133)	-	(2,583)	-	-	(2,583)
Amort. of intangible assets recognised at FV during acquisitions	-	(389)	(706)	-	(1,095)	-	-	(1,095)
Acquisition costs	-	-	(249)	-	(249)	-	-	(249)
Impact of liquidation of ECA SINDEL[3]	-	-	-	-	-	-	(99)	(99)
Impact of disposal of SSI business goodwill[4]	-	-	-	-	-	-	221	221
Impact of the disposal of EN MOTEURS, AI GROUP and FIS	(115)	1,235	-	-	1,120	-	-	1,120
Exceptional provisions for impairment of asset values	-	-	(109)	-	(109)	-	-	(109)
TOTAL OF OTHER OPERATING ITEMS	**(1,705)**	**(34)**	**(1,156)**	**-**	**(2,895)**	**-**	**122**	**(2,773)**
Group share of the earnings of affiliated companies	-	-	67	-	67	-	-	67
OPERATING INCOME	**(818)**	**7,284**	**(5,076)**	**313**	**1,702**	**(2,143)**	**(134)**	**(575)**

(in thousands of euros)	Protection of High-Risk Installations	Smart Safety Systems[1]	3D Printing	Structure and disposals	Segment total	Impact IFRS 5	Adjust-ments[2]	Consoli-dated
% revenue	*-0.6%*	*7.2%*	*-8.3%*	*n/s*	*0.6%*	*5.0%*	*-45.1%*	*-0.2%*
R&D expenses capitalised over the period	711	4,153	1,586	-	6,450	-	-	6,450
Other property, plant and equipment and intangible investments	2,244	3,186	4,486	58	10,074	-	-	10,074

* *Restated to reflect the items described in Note 1.3.*

(1) *Expenses for ECA SINDEL (deconsolidated at 1 January 2018) and consisting essentially of charges to provisions, as well as the contribution of SSI, whose business goodwill the Group sold in August 2018, are included in the adjustments.*

(2) *The adjustments involve: the contribution of SSI, the cancellation of the impact of the reversal of a provision relating to SSI (€1.1 million) and the cancellation of the impact of ECA SINDEL (reversal of the provision recorded in 2017, deconsolidation result, provisions for risks and on assets involving ECA SINDEL).*

(3) *On 31 December 2017, the Group created a provision of €1.5 million to offset the consequences of a major dispute with a client related to the continued operation of ECA SINDEL. The assets associated with this customer were also provisioned in the financial statements of the subsidiary. At 31 December 2018, the Company was under court receivership; it was deconsolidated, and the net negative impact over the period (reversal of the provision recorded in 2017, deconsolidation result and provisions on assets involving ECA SINDEL) was €99 thousand.*

(4) *In 2017, the Group had created a provision for risks and charges of €1.1 million with respect to the disposal or closure of SSI. The provision aimed to cover liabilities generated from the business discontinuation and the foreseeable impairment of assets (stocks). In 2018, the provision for risks and charges was reversed and reallocated to the corresponding assets and liabilities based on their recoverable or callable value and resulting from the disposal agreement entered into on 31 August 2018. The net impact over the period was €221 thousand.*

3.2 Reconciliation of the segment assets and liabilities

Segment assets are current assets used within the operational businesses (inventories, receivables, advances from suppliers, other operating debtors such as social and tax receivables), property, plant and equipment, and intangible assets (including goodwill); segment liabilities are trade and other payables, accrued liabilities, expenses payable, customer advances, provisions for guarantee and expenses 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:

2019 FINANCIAL YEAR

(in thousands of euros)	Protection of High-Risk Installations	Smart Safety Systems	3D Printing	Structure	Disposals	Consolidated
Segment assets	78,923	148,391	97,348	11,057	(11,751)	323,968
Other current financial assets	-	12	-	4	-	16
Deferred tax assets	(217)	2,636	3	403	-	2,826
Tax receivables payable	376	15,672	1,758	7,042	-	24,848
Other current and non-current asset	9,155	2,317	1,638	19,209	(27,677)	4,642
Cash and cash equivalents	7,460	15,667	15,890	25,235	-	64,252
TOTAL CONSOLIDATED ASSETS	**95,698**	**184,695**	**116,638**	**62,950**	**(39,428)**	**420,553**
Segment liabilities	42,524	57,183	18,783	1,913	(2,110)	118,292
Long-term provisions	1,131	5,298	1,061	122	-	7,612
Long-term Debt	20,769	22,310	6,427	33,150	(7,545)	75,110
Lease liabilities	7,600	9,652	10,762	417	(2,101)	26,329
Financial instruments and derivatives	-	516	-	1,186	-	1,702
Other current and non-current liabilities	23,145	5,331	3,094	8,665	(27,679)	12,556
Deferred tax liabilities	184	-	1,182	-	-	1,366
Tax liabilities payable	255	121	255	228	-	858
TOTAL CONSOLIDATED LIABILITIES[1]	**95,606**	**100,410**	**41,563**	**45,680**	**(39,435)**	**243,826**

FINANCIAL YEAR 2018[1]

(in thousands of euros)	Protection of High-Risk Installations	Smart Safety Systems	3D Printing	Structure	Disposals	Segment	Adjust-ments	Consoli-dated
Segment assets	69,886	133,343	83,618	36,855	(35,217)	288,484	17,220	305,704
Other current financial assets	-	-	-	6	-	6	-	6
Deferred tax assets	(195)	1,908	60	1,074	-	2,847	1,054	3,902
Tax receivables payable	682	15,405	1,762	8,447	-	26,296	-	26,296
Other current and non-current asset	27,221	(17,785)	1,747	20,618	(25,572)	6,229	-	6,229
Cash and cash equivalents	2,876	6,218	25,927	4,930	-	39,950	2,052	42,002
TOTAL CONSOLIDATED ASSETS	**100,469**	**139,089**	**113,113**	**71,929**	**(60,789)**	**363,812**	**20,327**	**384,138**
Segment liabilities	44,264	49,128	17,374	1,863	(5,176)	107,454	16,115	123,569
Long-term provisions	1,026	4,833	863	89	-	6,811	2,134	8,945
Long-term Debt	36,804	19,900	6,734	37,571	(30,212)	70,797	44	70,841
Financial instruments and derivatives	-	363	930	1,383	-	2,676	-	2,676
Other current and non-current liabilities	41,326	(13,255)	6,285	5,375	(25,401)	14,330	-	14,330
Deferred tax liabilities	3	-	2,007	-	-	2,010	-	2,010
Tax liabilities payable	86	94	73	-	-	253	2	255
TOTAL CONSOLIDATED LIABILITIES[2]	**123,509**	**61,063**	**34,268**	**46,281**	**(60,789)**	**204,331**	**18,295**	**222,626**

(1) Restated to reflect the items described in Note 1.3.

(2) Total liabilities less shareholders' equity and non-controlling interests.

3.3 Revenue by geographical area

2019 FINANCIAL YEAR

(in thousands of euros)	France	%	Europe	%	Other total	%	Total
Protection of High-Risk Installations	89,662	79%	15,839	14%	8,503	7%	114,004
Smart Safety Systems	57,516	51%	18,766	17%	36,205	32%	112,486
3D Printing	48,447	68%	13,880	19%	8,958	13%	71,284
Structure and disposals	(1,339)	99%	(10)	1%	-	-	(1,349)
IFRS 5 adjustments and impact	(18,277)	84%	(2,493)	11%	(1,014)	5%	(21,784)
TOTAL	**176,008**	**64%**	**45,981**	**17%**	**52,651**	**19%**	**274,641**

FINANCIAL YEAR 2018[1]

(in thousands of euros)	France	%	Europe	%	Other total	%	Total
Protection of High-Risk Installations	105,546	79%	18,522	14%	10,250	8%	134,318
Smart Safety Systems	55,727	55%	10,754	11%	35,285	35%	101,765
3D Printing	41,869	69%	11,551	19%	7,475	12%	60,895
Structure and disposals	(1,532)	120%	260	-20%	-	-	(1,272)
IFRS 5 adjustments and impact	(35,477)	83%	(6,570)	15%	(490)	1%	(42,536)
TOTAL	**166,133**	**66%**	**34,517**	**14%**	**52,520**	**21%**	**253,170**

(1) Restated to reflect the items described in Note 1.3.

Note 4 Operational data

4.1 Recognition of income

The Group applies IFRS 15 on 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 recognised 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.

Estimates of v u 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 recognised independently of the project's completion. The provisions for termination losses are presented in liabilities. The calculation method for completion is based on cost (the rate of completion is equal to the ratio between the cost recognised 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 recognised. The Group expects a significant portion of the backlog existing at end-2019 to be used within three years. A portion of the backlog of the Smart Safety Systems division will be completed over a longer period that may stretch up to around eight years.

In 2019, the Group's revenue grew by 8.5%.

4.2 Other income from the business

The other income from the business mainly comprises public subsidies, research tax credits (RTC) and tax credits for competitiveness and employment (TCCE).

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

In 2019, the research tax credit for the period stood at €4.1 million, of which €1.5 million was recognised directly as deferred income and €2.5 million in income statement. The research tax credit recorded as deferred income in previous years was also recognised in the income statement in 2019 for €1.6 million. The income thereby deferred which appears in liabilities includes €5.2 million in research tax credits and €1.6 million in grants funding non-current assets not yet amortised.

(in thousands of euros)	2019	2018
Subsidies	1,837	1,230
Research tax credit	4,169	3,369
Employment and competitiveness tax credit	-	2,421
TOTAL OF OTHER INCOME FROM THE BUSINESS	**6,006**	**7,019**

The tax credits recognised in the income statement not deductible from tax payable appear under assets in the consolidated balance sheet under the heading "Tax receivables payable". They amount to €22.9 million, including €17.6 million of research tax credit and €5.3 million of tax credit for competitiveness and employment.

4.3 Depreciation, amortisation and provisions

(in thousands of euros)	2019	2018[(1)]
DEPRECIATION, AMORTISATION AND PROVISIONS		
Intangible assets	(6,668)	(6,527)
Property, plant and equipment	(6,267)	(4,605)
Non-current assets in the form of finance leases	-	(876)
Costs of obtaining and performing contract	(1,261)	(1,918)
Rights of use	(6,621)	(1,918)
SUBTOTAL	**(20,817)**	**(13,927)**
CHARGES TO PROVISIONS, NET OF REVERSALS		
Inventory and work in progress	(1)	209
Current assets	344	(289)
Liabilities and expenses	(1,745)	(16)
SUBTOTAL	**(1,401)**	**(96)**
TOTAL NET CHARGES TO AMORTISATION AND PROVISIONS	**(22,218)**	**(14,023)**

(1) 2018 column restated to reflect the items described in Note 1.3.

Depreciation and amortisation increased sharply in 2019, mainly due to new depreciation associated with rights of use (IFRS 16).

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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 realisable 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:

	2019			2018[1]		
(in thousands of euros)	Gross value	Impairment losses	Net value	Gross value	Impairment losses	Net value
Raw materials	22,393	(4,539)	17,855	22,006	(4,983)	17,023
Work in progress	6,927	-	6,927	5,245	(210)	5,035
Semi-finished and finished goods	4,688	(812)	3,875	6,350	(275)	5,076
Goods	3,989	(390)	3,599	3,124	(192)	2,932
TOTAL INVENTORY AND WORK IN PROGRESS	**37,996**	**(5,741)**	**32,255**	**36,726**	**(6,660)**	**30,066**

(1) 2018 column restated to reflect the items described in Note 1.3.

Over the period, impairment net of reversals recognised in the income statement was -€1 thousand.

4.5 Trade receivables, contract assets and liabilities

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

Trade receivables are invoiced receivables entitling the issuer to payment.

(in thousands of euros)	2019	2018[1]
trade receivables	67,383	78,444
Impairment losses	(3,408)	(4,462)
TRADE RECEIVABLES, NET VALUES	**63,975**	**73,982**

(1) 2018 column restated to reflect the items described in Note 1.3.

Trade receivables are impaired in accordance with the simplified FRS 9 model. As soon as impairment arises, the trade receivables are impaired for the expected losses over the remaining term.

Measurement of the credit risk of trade receivables is undertaken at customer level. Provisions for expected losses are therefore measured by using historic default rates among comparable customers, the ageing of receivables and the Group's risk assessment receivable by receivable. When it becomes certain that a receivable will not be collected, the receivable and its impairment are recorded as a loss on 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 2019 (and for the sake of comparison, in 2018):

	2019	2018
• Customer A:	5.0%	4.7%
• Customer B:	3.2%	-
• Customer C:	3.1%	2.5%
• Customer D:	3.1%	3.0%
• Customer E:	3.1%	2.6%

In 2019, the top five customers accounted for 17.6% of the Group's revenue (compared with 17% in 2018). The top 15 Group customers represented 32.9% of 2019 revenue (compared with 24.7% for the top 15 in 2018).

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.

Overdue trade receivables for which there is no provision were €19.4 million, including €6.2 million for the "Robotics and Integrated Systems" division, and break down as follows:

Overdue *(in thousands of euros)*	2019	(In%)
Trade receivables not yet due	44,591	70%
< 1 month overdue	7,691	12%
1-2 months overdue	3,115	5%
2-3 months overdue	1,679	3%
>3 months overdue	6,899	11%
NET TRADE RECEIVABLES	**63,975**	**100%**

Of total receivables, almost €10.2 million was paid at 10 March 2020. 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 recognised to date).

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

(in thousands of euros)	2019	2018(1)
Work in progress (A)	1,380	510
Receivables in progress (B)	74,488	79,999
Down-payments received (C)	26,355	30,167
Deferred income (D)	-	24
CONTRACT ASSETS (A) + (B) - (C) - (D)	**49,513**	**50,318**

(1) 2018 column restated to reflect the items described in Note 1.3.

(in thousands of euros)	2019	2018(1)
Work in progress (A)	479	265
Receivables in progress (B)	6,014	896
Down-payments received (C)	15,631	13,646
Deferred income (D)	12,770	14,801
Other liabilities (E)	1,026	1,381
CONTRACT LIABILITIES - (A) - (B) + (C) + (D) + (E)	**22,934**	**28,666**

(1) 2018 column restated to reflect the items described in Note 1.3.

4.6 Other current assets

	2019			2018(1)
(in thousands of euros)	Values Gross	Depreciation	Net value	Net value
Advances and down-payments made	3,308	-	3,308	1,515
Other receivables(2)	2,821	(74)	2,747	4,138
Social and tax receivables	9,747	-	9,747	10,194
Current accounts receivable	3	-	3	3
Prepaid expenses	1,892	-	1,892	2,089
TOTAL OTHER CURRENT RECEIVABLES	**17,772**	**(74)**	**17,698**	**17,938**

(1) 2018 column restated to reflect the items described in Note 1.3.
(2) Including outstanding subsidies for €825 thousand and royalties of €375 thousand.

4.7 Other current and non-current liabilities

(in thousands of euros)	2019	2018(1)
Suppliers	50,011	48,023
Fixed asset suppliers	12	521
TOTAL TRADE PAYABLES	**50,023**	**48,544**
Advances and down-payments received	32	3
Social Security liabilities	20,562	22,737
Tax liabilities	18,693	18,335
Miscellaneous debts(2)	3,519	4,878
Deferred income	8,595	8,319
TOTAL OTHER CURRENT LIABILITIES	**51,403**	**54,274**
Conditional advances	430	611
TOTAL OTHER NON-CURRENT LIABILITIES	**430**	**611**

(1) 2018 column restated to reflect the items described in Note 1.3.
(2) Including €2,500 thousand in recognised earn-outs for acquisitions in 2018, paid in 2019.

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 recognised as income concurrent with the amortisation of the corresponding assets (€7.2 million, see Note 4.2).

4.8 Off-statement of financial position commitments related to operations

(in millions of euros)	2019	2018
Endorsements, security deposits and guarantees given	54.9	46.5
Other commitments given	-	-
TOTAL	**54.9**	**46.5**

Furthermore, GROUPE GORGÉ SA and ECA SA have given certain clients 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

5.1 Workforce

	31/12/2019	31/12/2018
Total workforce of continuing operations	1,777	1,689
Average workforce	1,732	1,538

In 2018, the workforce varied with changes in scope (deconsolidation of ECA SINDEL at 1 January, acquisition of SOLIDSCAPE in July, disposal of AI GROUP in November, disposal of EN MOTEURS in December) and workforce reductions on several sites The 3D Printing division made two acquisitions in January 2019.

The workforce of CIMLEC and its subsidiaries, companies classified under *Non-current assets held for sale and discontinued operations*, is not included in the 2018 workforce or in the average workforce calculation for 2019.

At 31 December 2019, a little less than 8% of the total workforce was based abroad.

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 recognised 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 expenses include the following items:

(in thousands of euros)	2019	2018[(1)]
Salaries and benefits	(75,531)	(72,522)
Social security contributions	(27,989)	(29,106)
Shareholding plans and profit-sharing	(862)	(740)
Other[(2)]	(2,416)	(2,776)
TOTAL	**(106,799)**	**(105,144)**

(1) 2018 column restated to reflect the items described in Note 1.3.

(2) Mainly includes contributions to Works Council, occupational health, luncheon vouchers, etc.

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 as a result of changes in actuarial assumptions. The actuarial variances generated are recognised in the overall income statement, net of deferred taxes.

The expense recognised 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 compensation under the collective agreement in force in each of the companies (metallurgy, SYNTEC, other);
- assumed retirement age 67;
- IBOXX discount rate in the euro zone 0.77% (1.58% in 2018);
- loading rate 50%;
- turnover: differs from one entity to another depending on the type of work, seniority and the average age of employees;
- rate of revaluation of salary calculation bases: differs from one entity to another depending on various factors;
- INSEE mortality table 2013-2015.

Change in the obligation *(in thousands of euros)*	2019	2018
OPENING PROVISION	**8,771**	**9,754**
Impact IFRS 5	(1,989)	(2,193)
PROVISION RESTATED AT OPENING	**6,782**	**9,754**
Cost of services provided for the period	493	644
Interest on discounting	85	123
Cost of services provided	-	-
First consolidation/(deconsolidation)	63	(683)
Profit/(Loss) relating to liquidation or curtailment	(173)	(349)
Actuarial losses/(gains) generated on the obligation	627	(584)
Benefits paid	(289)	(134)
CLOSING PROVISION	**7,587**	**8,771**

With respect to retirement and other post-employment benefits, a 0.5 point increase in the discount rate would reduce the amount of the obligation by approximately €508 thousand. An equivalent reduction would increase the obligation by €560 thousand.

Provisions for long-term service awards amounted to €21 thousand for the financial year (versus €28 thousand in 2018, restated for discontinued activities).

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 free share allocation plans, and share subscription or purchase options are recognised under other 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 recognises the consequences of the revision of its estimates in the income statement.

There are no longer any share subscription or purchase option plans in effect for ECA or GROUPE GORGÉ.

PRODWAYS GROUP had set up free share allocation schemes in 2016. Vesting of 261,900 new PRODWAYS GROUP shares for which the vesting conditions were met became final in April 2019.

On 31 January 2019, the Board of Directors of PRODWAYS GROUP issued a new free share plan. With this plan, 802,800 PRODWAYS GROUP shares could be created depending on the presence and performance conditions for the 2019-2021. The potential value of the shares that may be created given the objectives and departures is €663 thousand. An expense of €301 thousand (excluding social security contributions) was recognised during the financial year.

The fair value of free shares is calculated using valuation models. Changes in values subsequent to the grant dates have no impact on the initial valuation of the shares, and the number of potential shares taken into account to value the plans is adjusted at each closing date to take account of the probability of achieving the objectives of beneficiaries' performance and attendance. The valued benefit equates to a remuneration of the beneficiaries which is therefore recognised in payroll expenses, on a straight line basis over the vesting period in exchange for a corresponding adjustment in equity.

Free share allocation plans	**FSA 01-2019 PRODWAYS**	**FSA 02-2016 PRODWAYS**	**FSA 12-2016 PRODWAYS**
Original number of recipients	446	200	239
Support share	PRODWAYS GROUP	PRODWAYS GROUP	PRODWAYS GROUP
Potential number of shares	802,800	632,200	488,500
Final allocations in the year/cancellations	-/161,700	-/-	261,900/480
Cumulative final allocations/cancellations	-/161,700	-/632,200	261,900/226,600
Potential share balance	641,100	-	-
Date of establishment	January 2019	February 2016	December 2016
Start of the vesting period	January 2019	February 2016	December 2016
End of the vesting period	February 2021 to February 2023	15 April 2019	15 April 2019
End of lock-up period	February 2021 to February 2023	15 April 2019	15 April 2019
Total expense recognised *(in thousands of euros)*	301	-	703
Potential value of the shares *(in thousands of euros)*	663	-	-

The CRISTAL subsidiary had set up a stock option plan for the benefit of an executive. Following the executive's departure, the plan is now null and void.

5.5 Remuneration of management and related parties

5.5.1 Management remuneration

The members of the Board of Directors of GROUPE GORGÉ received directors' fees totalling €40,000 in 2019.

The Chairman and Chief Executive Officer was paid by GROUPE GORGÉ and by the controlled company PRODWAYS GROUP (and marginally by PÉLICAN VENTURE, a company controlling GROUPE GORGÉ, for the first three months of 2019). PÉLICAN VENTURE paid him total gross remuneration of €3,600 and €2,492 in benefits in kind. GROUPE GORGÉ paid him total gross remuneration of €217,180 (€188,550 in fixed remuneration, €28,630 in variable remuneration for 2018). PRODWAYS GROUP paid him total gross remuneration of €126,250 (€81,250 in fixed remuneration and €45,000 in variable remuneration for 2018). The variable remunerations of the Chairman for 2019 had not yet been determined by the Board of Directors of GROUPE GORGÉ and PRODWAYS GROUP as of the date of issue of the financial statements of PRODWAYS GROUP.

GROUPE GORGÉ paid the Deputy CEO gross remuneration of €33,333 (period from 1 November to 31 December 2019).

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	CBG CONSEIL
INCOME STATEMENT 2019			
Financial income	192	20	-
Other income	-	-	-
Purchases and external charges	(265)	-	(13)
Financial result	-	-	-
2019 STATEMENT OF FINANCIAL POSITION			
Trade accounts receivable	-	-	-
Debtors	-	-	-
Suppliers	-	-	-
Creditors	-	-	-
Deposits and guarantees received	5	8	-

PÉLICAN VENTURE is a holding company, and the main shareholder of GROUPE GORGÉ. It is chaired by Jean-Pierre GORGÉ, a Director of GROUPE GORGÉ. SOPROMEC is a subsidiary of PÉLICAN VENTURE. CBG CONSEIL is owned and chaired by Catherine GORGÉ, a Director of GROUPE GORGÉ.

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Note 6 Property, plant and equipment and intangible assets

6.1 Goodwill

Goodwill is initially recognised 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 recognised under "Goodwill" on the assets side of the balance sheet, while negative differences are recognised 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. Income from the disposal of a CGU includes the exit of goodwill allocated to the business disposed of, based on the relative values of that business and the share of 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 amortised but are the subject of an impairment test on the appearance of indications of loss of value, and at least once a year. The processes for the impairment tests carried out in 2018 and 2019 are described in Note 6.4.

Net value *(in thousands of euros)*	2019	2018(1)
At 1 January	62,887	56,638
Impact of discontinued activities	(649)	-
AT 1 JANUARY, ADJUSTED	**62,238**	**56,638**
First consolidations(2)	1,963	6,834
Deconsolidated(3)	(122)	(585)
AT 31 DECEMBER	**64,078**	**62,887**
Of which impairment at 31 December 2019	(498)	(498)

(1) 2018 column restated to reflect the items described in Note 1.3.

(2) The main entries to the consolidation scope are itemized as follows: in 2018, VARIA 3D (€690 thousand) and SOLIDSCAPE (€5,681 thousand); in 2019, L'EMBOUT FRANÇAIS and SURDIFUSE (€1,963 thousand).

(3) In 2019, mainly disposal of the subsidiaries EN MOTEURS and AI GROUP.

Goodwill is distributed as follows:	
• Smart Safety Systems	30%
• Protection of High-Risk Installations	14%
• 3D Printing	56%

6.2 Other intangible assets

Intangible assets acquired separately are recognised in the balance sheet at their acquisition cost. They are subsequently measured at amortised cost, as recommended by IAS 38 – *Intangible assets*. Intangible assets acquired in a business combination are recognised in the balance sheet at their fair value, determined on the basis of external 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.

With the exception of brands, intangible assets are amortised on a straight-line basis over their useful life, taking into account the period of legal protection, if applicable.

The value of amortised intangible assets is tested when there is any indication that their recoverable amount may be less than their carrying amount. Any impairment identified as a result of these tests is recognised under other operating income and expense.

Intangible assets acquired in a business combination are not amortised when their useful life cannot be determined. The criteria for ascertaining whether or not the useful life of an intangible asset be determined, and the length of useful life, if applicable, are as follows:

- the reputation of the asset;
- the period over which the asset is expected to be used in the Group's operations.

The value of intangible assets with an indefinite useful life is tested for impairment at least once a year and whenever there is an indication of impairment. If applicable, an impairment loss is recognised.

Fixed assets generated internally, concerning mainly expenses for development of new projects. They are capitalised where the following criteria are strictly fulfilled:

- the technical feasibility necessary for the completion of the intangible assets with a view to its commissioning or its sale;
- the intention to complete the intangible assets and commission or sell it;
- the capacity to use or sell the intangible assets;
- the way in which the intangible assets 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 commission or sell the intangible assets;
- the capacity to reliably estimate the expenses attributable to the intangible assets 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.

Capitalised development projects are amortised over the life of the underlying technology, generally between three and 15 years from their completion date.

Development costs are subject to impairment tests whenever there is an indication of impairment.

Under IFRS 15, the costs of obtaining and executing a contract must be recognised as an asset and amortised 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 recognised through amortisation over the term of the contract.

(in thousands of euros)	**Development projects**	**Costs of obtaining and performing contracts**	**Other intangible asset**	**Non-current assets in progress**	**Total**
Gross value					
At 1 January 2019[1]	**71,391**	**8,792**	**24,843**	**638**	**105,664**
Acquisitions	7,148	1,319	1,017	1,001	10,485
Changes in scope	-	(1)	635	-	634
Departures	(1,998)	-	(849)	(120)	(2,966)
Other changes	(377)	(1,401)	76	(595)	(2,297)
Impact of changes in exchange rates	14	-	32	-	46
At 31 December 2019	**76,178**	**8,709**	**25,754**	**925**	**111,566**
Depreciation and amortisation, and impairment					
At 1 January 2019[1]	**41,778**	**7,356**	**13,193**	**-**	**62,326**
Depreciation and amortisation	6,801	1,261	1,474	-	9,536
Changes in scope	-	-	(6)	-	(6)
Impairment losses	(1,106)	-	-	-	(1,106)
Departures	(565)	-	(429)	-	(995)
Other changes	(372)	(1,401)	(7)	-	(1,780)
Impact of changes in exchange rates	11	-	-	-	11
At 31 December 2019	**46,547**	**7,216**	**14,224**	**-**	**67,987**
Net value					
At 1 January 2019[1]	**29,613**	**1,436**	**11,650**	**638**	**43,337**
AT 31 DECEMBER 2019	**29,631**	**1,493**	**11,530**	**925**	**43,579**

(1) Restated to reflect the items described in Note 1.3.

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Development projects and other intangible asset line items are as follows:

Net values *(in thousands of euros)*	**Structure**	**Protection of High-Risk Installations**	**Smart Safety Systems**	**3D Printing**	**Total**
Special doors for EPR	-	1,836	-	-	1,836
Wrapping	-	1,396	-	-	1,396
Underwater robotics	-	-	10,837	-	10,837
Land and air robotics	-	-	1,156	-	1,156
Avionics	-	-	3,194	-	717
Ground support equipment (GSE)	-	-	717	-	3,194
Flight simulation	-	-	1,096	-	1,096
3D printers(1)	-	-	-	5,716	5,716
Other total	-	2,332	1,124	229	3,686
DEVELOPMENT PROJECTS SUBTOTAL	**-**	**5,564**	**18,122**	**5,946**	**29,633**
Customer relations and DELTAMED(2), INTERSON(3), SURDIFUSE(4) and SOLIDSCAPE(5) brands	-	-	-	3,328	3,328
Costs of obtaining and performing contracts	-	-	1,493	-	1,493
AVENAO distribution and branding contract(6)	-	-	-	5,538	5,538
INFOTRON patents(7)	-	-	322	-	322
Other(8)	271	1,002	1,122	753	3,265
TOTAL INTANGIBLE ASSETS	**271**	**6,565**	**21,179**	**15,564**	**43,579**

(1) Including revaluation of assets at fair value through acquisitions, €1,540 thousand.
(2) Including revaluation of assets at fair value through acquisitions, €779 thousand.
(3) Including revaluation of assets at fair value through acquisitions, €528 thousand.
(4) Including revaluation of assets at fair value through acquisitions, €621 thousand.
(5) Including revaluation of assets at fair value through acquisitions, €1,400 thousand.
(6) Including revaluation of assets at fair value through acquisitions, €5,538 thousand.
(7) Including revaluation of assets at fair value through acquisitions, €322 thousand.
(8) Including costs and purchases of licences for ECA's new ERP for €513 thousand (direct costs).

R&D policy

The Group invests significantly in research and development to maintain and further develop its competitive edge. The Group files patent applications when necessary in protecting a technical, technological or commercial breakthrough.

In 2019, research and development (R&D) efforts related to the three divisions. The Group's research and development was mainly focused on the following areas:

Smart Safety Systems division

- Continuation of avionics and beacon product programs;
- Continued development of the GSE (Ground Support Equipment) range of products;
- Development of new products or new technological building blocks to expand the range of naval and underwater drones;
- Continued development of software for robot use, by improving cybersecurity and performance.

Protection of High-Risk Installations division

- Development of a new range of modular doors initiated, allowing delayed differentiation in the production process while allowing a large range of risks to be covered.

3D Printing division

R&D work in progress pertains primarily to the following areas:

- the development of new materials;
- continued development involving the Rapid Additive Forging (RAF) technology;
- the next ranges and generations of 3D printers;
- the continued development of our solutions for the healthcare sector (orthopaedic soles and products for hearing aids or hearing protectors).

R&D expenditure amounted to some €13.0 million in 2019. The changes were as follows:

(in millions of euros)	**2019**	**2018**
Capitalised research and development	7.2	6.5
Research and development recognised as an expense	5.9	5.2
TOTAL RESEARCH AND DEVELOPMENT EXPENDITURE	**13.0**	**11.6**
Total research and development as% of revenue	4.7%	3.9%
Tax credits for the year	4.1	3.0
Research and development net of tax credits	9.0	8.6

The Smart Safety Systems (ECA and subsidiaries) and 3D Printing divisions accounted for most of the expenditure (€6.5 million and €4.4 million respectively, out of a total of €13.0 million; €3.4 million and €2.4 million in capitalised expenditure out of a total of €7.1 million)

The Group consistently seeks external financing to cover these investments (French Defence Procurement, BPIFRANCE, FUI (French Single Inter-Ministry Fund), Europe, Regional, etc.) and uses its French tax credit for research. The Group's subsidiaries obtained research tax credits amounting to a total of €4.1 million in 2019, including €2.5 million recognised as income in the income statement for the year and €1.6 million recognised as deferred income, which will contribute to future results. Out of €4.1 million in tax credits for research, €3.0 million was utilised by the Smart Safety Systems business.

R&D expenditures are for the most part internal costs and it is very rare that R&D work is sub-contracted.

6.3 Property, plant and equipment

Property, plant and equipment primarily comprises land, buildings and production equipment, and is recognised 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: 10 to 35 years;
- technical facilities, equipment and tools: 3 to 10 years;
- other: 3 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.

Items of property, plant and equipment are tested for impairment when there is an indication that they may be impaired. If applicable, a provision will be made on the income statement in current operating income under "Depreciation, amortisation and provisions net of reversals".

(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	Investment property	Total
Gross value								
At 31 December 2018[1]	**15,961**	**46,801**	**-**	**-**	**473**	**29**	**298**	**63,562**
Application of IFRS 16 to finance leases (net values)	-	-	1,412	1,899	-	-	-	3,311
First-time application of IFRS 16	-	-	17,709	3,606	-	-	-	21,315
Impact IFRS 5	(1,389)	(3,912)	(1,004)	(1,020)	(10)	-	-	(7,335)
At 1 January 2019	**14,571**	**42,889**	**18,116**	**4,485**	**463**	**29**	**298**	**80,852**
Acquisitions	901	4,013	9,203	2,124	695	2,683	-	19,619
Changes in scope	(21)	678	521	72	4	-	-	1,253
Departures	(389)	(3,805)	(534)	(365)	(10)	(14)	(298)	(5,416)
Other changes	1,412	630	(1,412)	10	(121)	-	-	519
Impact of changes in exchange rates	4	72	(8)	-	2	-	-	70
At 31 December 2019	**16,478**	**44,478**	**25,887**	**6,326**	**1,033**	**2,698**	**-**	**96,898**
Depreciation and amortisation, and impairment								
At 31 December 2018	**7,351**	**32,044**	**-**	**-**	**-**	**-**	**-**	**39,395**
Restatement of discontinued activities	(1,253)	(3,110)	-	-	-	-	-	(4,363)
At 1 January 2019	**6,098**	**28,934**	**-**	**-**	**-**	**-**	**-**	**35,032**
Depreciation and amortisation	752	4,722	4,235	2,433	-	-	-	12,142
Changes in scope	(21)	553	1	-	-	-	-	532
Impairment losses	-	440	-	-	-	-	-	440
Departures	(174)	(1,736)	(466)	(225)	-	-	-	(2,601)
Other changes	47	-	(47)	10	-	-	-	10
Impact of changes in exchange rates	2	40	(4)	-	-	-	-	39
At 31 December 2019	**6,751**	**32,954**	**3,671**	**2,219**	**-**	**-**	**-**	**45,594**
Net value								*0*
At 1 January 2019	**8,473**	**13,956**	**18,116**	**4,485**	**463**	**29**	**298**	**45,820**
At 31 December 2019	**9,727**	**11,524**	**22,216**	**4,107**	**1,033**	**2,698**	**-**	**51,304**

(1) Does not include finance lease contracts recognised prior to the application of IFRS 16.

6.4 Impairment of fixed assets

Open-ended non-current assets are not amortised and are tested for impairment at each reporting date. These assets consist of goodwill. Goodwill impairment losses are irreversible.

Amortised 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 loss factors specific to certain assets other than goodwill, especially R&D assets, may be grounds for testing and justify an impairment of these assets regardless of an impairment test on the CGU to which they were previously attached. These impairment factors may be related to internal factors (e.g. changes in the assessment of Management's ability to bring an R&D project to a conclusion or of the costs of doing so) or external events (e.g. changing commercial outlook). 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 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. In the absence of market value, the recoverable amount of a CGU is its value after tax.

The CGUs selected in the Group's current configuration and organisation are now, within the Smart Safety Systems, Aerospace, and Robotics division; within the Protection of High-Risk Installations division, NUCLÉACTION, SERES and Fire Protection France: within the 3D Printing, Systems and Products division.

Process for the impairment tests

At 31 December 2019, impairment tests did not result in the recognition of any impairment losses.

In 2018, impairment tests conducted on all property, plant and equipment and intangible assets led to the recording of impairment on 3D printers capitalised for €65 thousand.

The recoverable value of a CGU is determined using the discounted future cash flow method. The discount rate used is the weighted average cost of capital (WACC), calculated using the ten-year OAT (risk-free rate -0.06%) rate, a market risk premium and Beta calculated based on the share price of the Company and the performance of the CAC 40 index. Flows after taxes are projected conservatively over the forecast period of the relevant activity (five years) and may include a terminal value with a growth assumption of 1.5% for the Smart Safety Systems and Protection of High-Risk Installations divisions and 3% for the 3D Printing division.

The discount rates used in 2019 were 6.80% for the Smart Safety Systems division, 9.41% for the 3D Printing division, and 7.96% for GROUPE GORGÉ excluding risk premiums.

The rate was also increased by a specific risk premium set at 2 to 2.5% for the "Robotics" division (2.5% for the Robotics CGU and 2% for the Aerospace CGU). Within the Protection of High-Risk Installations division, the specific risk premiums were 3% for the NUCLÉACTION CGU, 2.0% for the Fire Protection CGU, and 2.5% for the SERES CGU. In the "3D Printing" division, specific risk premiums were 3% for both Systems and Products CGUs.

The tests made include a measurement of the sensitivity of key assumptions (including operating assumptions) used to calculate the recoverable value (discount rate of +/-0.5 point (-0.5/+1 point for the Smart Safety Systems division) and growth rate to infinity of +/-0.5%).

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	444	8.80%
Robotics	16,635	9.30%
Smart Safety Systems	**17,079**	
Systems	26,351	12.4%
Products	11,744	12.4%
3D Printing	**38,094**	
NUCLÉACTION and subsidiaries	3,766	11.0%
Fire Protection	4,798	10.0%
SERES	806	10.5%
Protection of High-Risk Installations	**9,370**	
TOTAL GROUPE GORGÉ	**64,078**	

Note 7 Details of cash flows

7.1 Calculation of cash flow

(in thousands of euros)	**2019**	**2018[1]**
Net income from continuing operations	**1,546**	**(3,752)**
Allowances for/reversals of depreciation, amortisation and provisions	18,334	10,490
Cancellation of capital gains and losses on treasury shares	61	(165)
Calculated expense linked to share-based and similar payments	373	62
Earnings of equity-accounted companies	(73)	(67)
Capital gains and losses on disposals	4,055	(776)
Revaluation of financial assets at fair value	(996)	-
CASH FLOW FROM OPERATING ACTIVITIES (BEFORE ELIMINATION OF NET BORROWING COSTS AND TAXES)	**23,299**	**5,793**

(1) 2018 column restated to reflect the items described in Note 1.3.

EBITDA is reconciled with the operating cash flow as follows:

(in thousands of euros)	**2019**	**2018[1]**
EBITDA	**31,681**	**16,153**
Cancellation of capital gains and losses on treasury shares	61	(165)
Capital gains and losses on disposals	400	(776)
Revaluation of non-consolidated securities at fair value	(996)	-
Calculated expense linked to share-based and similar payments	56	84
Appropriations and reversals concerning current assets	(255)	(1,148)
Appropriations and reversals concerning contract costs	(1,261)	(1,918)
Offsetting of reversals of provisions with an expense	(698)	(610)
Non-recurring items excluding charges and reversals	(2,563)	(2,507)
Financial income excluding financial charges and reversals	(902)	(1,139)
Corporation tax	(2,225)	(2,173)
Other calculated expenses	2	(8)
CASH FLOW FROM OPERATING ACTIVITIES (BEFORE ELIMINATION OF NET BORROWING COSTS AND TAXES)	**23,299**	**5,793**

(1) 2018 column restated to reflect the items described in Note 1.3.

7.2 Change in working capital requirements

(in thousands of euros)	Notes	Start of the period[1]	Changes in scope	Change over the year	Other changes[2]	Currency translation adjustment	Closing
Net inventories		29,397	(591)	3,422	-	27	32,255
Net receivables		66,807	679	(3,539)	-	28	63,975
Contract assets		44,174	-	5,338	-	-	49,513
Advances and down-payments		1,423	4	1,881	-	-	3,308
Prepaid expenses		1,438	23	426	-	7	1,892
SUBTOTAL	**A**	**143,239**	**115**	**7,528**	**-**	**62**	**150,944**
Trade payables		42,051	229	7,389	336	7	50,011
Contract liabilities		25,480	(1)	(2,565)	1	18	22,934
Advances and down-payments		4	-	29	-	-	32
Deferred income from transactions		1,678	(93)	660	-	(5)	2,240
SUBTOTAL	**B**	**69,213**	**135**	**5,513**	**337**	**20**	**75,218**
WORKING CAPITAL REQUIREMENT	**C = A - B**	**74,026**	**(21)**	**2,015**	**(337)**	**42**	**75,726**
Costs of obtaining and performing contracts		1,436	(1)	58	-	-	1,493
Social and tax receivables		35,701	18	(1,124)	-	-	34,595
Current accounts receivable		2	-	1	-	-	3
Other receivables		2,511	(64)	(227)	(2)	1	2,218
SUBTOTAL	**D**	**39,650**	**(47)**	**(1,293)**	**(2)**	**1**	**38,309**
Tax and social debts		34,680	277	5,172	(2)	(4)	40,123
Accrued interest		-	-	1	-	-	1
Other payables and derivative instruments		8,177	(1,507)	2,224	(3,383)	70	5,581
Current accounts payable		-	-	5	-	-	5
Deferred income from subsidies and research tax credit		6,612	-	(257)	-	-	6,355
SUBTOTAL	**E**	**49,468**	**(1,230)**	**7,145**	**(3,385)**	**66**	**52,064**
OTHER ITEMS OF WORKING CAPITAL REQUIREMENT	**F = D - E**	**(9,818)**	**1,183**	**(8,438)**	**3,383**	**(65)**	**(13,756)**
WORKING CAPITAL REQUIREMENT	**G = C + F**	**64,208**	**1,162**	**(6,423)**	**3,046**	**(22)**	**61,971**

(1) Opening restated to reflect the items described in Note 1.3.

(2) The "Other changes" column concerns financial flows that do not generate cash flows or any inter-account reclassifications. The item "Other payables" included in particular €2.5 million paid in 2019 relating to the AVENAO acquisition and not to working capital requirements, as well as €0.9 million relating to a derivative financial instrument (see Note 8.1.4).

7.3 Acquisitions/Disposals of equity holdings

Cash flows from acquisitions are summarised in the table below.

(in thousands of euros)	2019	2018
Proceeds	25,421	2,567
Payments	(9,443)	(12,399)
Cash and cash equivalents of companies acquired and disposed of[1]	268	2,667
TOTAL	**16,246**	**(7,165)**

(1) Does not include the opening cash position of the CIMLEC Group.

In 2018, the main flows corresponded to the acquisition of SOLIDSCAPE and the disposal of EN MOTEURS.

In 2019, the Group acquired L'EMBOUT FRANÇAIS and SURDIFUSE, payed an earn-out for AVENAO, and acquired non-controlling interests in IP GESTION and VIGIANS. Proceeds include the income from the disposal of the CIMLEC Group by GROUPE GORGÉ.

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 8.1.3);
- lease liabilities measured under IFRS 16 (see Note 8.1.4);
- derivative instruments (see Note 8.1.4);
- other financial assets and liabilities (see Note 8.1.5).

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

financial liabilities consist primarily of current and non-current financial debt contracted with credit institutions, as well as bonds. These liabilities are initially recognised at fair value, from which are deducted, if need be, any directly attributable transaction costs. They are then valued at amortised cost based on their actual interest rate.

Several new loans were taken out during the year:

- in July 2018, ECA ROBOTICS had contracted an investment credit facility of €3 million. At the end of 2018, the credit was drawn for €2 million. The remaining million was drawn during first-half 2019;
- INITIAL took out a new loan for €163 thousand, repayable over a period of five years, in March 2019 to finance its investments;
- a new €7 million loan was contracted in July 2019 as part of the reorganisation of the share capital of VIGIANS PROTECTION INCENDIE;
- two real estate loans were taken out, for €5 million and €3.6 million, in the 3D Printing and Smart Safety Systems divisions. These loans had been drawn down by €2.42 million and €0.66 million at 31 December 2019;
- a loan of €1.3 million enabled BAUMERT to complete the early redemption of a bond;
- finally, two loans of €0.2 million were signed with BPIFRANCE in December 2019, the payment of the capital having been completed in January 2020.

The revolving credit facilities changed in 2019, and stood as follows at year-end:

- GROUPE GORGÉ SA has a credit line of €10 million. Initially confirmed until July 2020, this line was renewed early, in July 2019; it now matures in July 2024. This credit facility had not been used at 31 December 2019.
- PRODWAYS GROUP has a renewable credit line of €7.5 million, intended to finance general requirements or acquisitions. The credit line is confirmed for €7.5 million until June 2020, then for a decreasing amount of €2.5 million per year until December 2022. No amount has been drawn.
- ECA has two credit facilities of €10 and €15 million respectively. The first was initially confirmed until July 2020 and was renewed early in September 2019; it now matures in September 2022. The second initially stood at €10 million and was confirmed until September 2021. It was renewed early in July 2019 and its amount now stands at €15 million; it now matures in July 2024. At 31 December 2019, €11.5 million of these lines had been used.
- ECA ROBOTICS, a subsidiary of ECA SA, has access to a €15 million credit facility established in October 2019. This credit facility is confirmed until October 2024 and had been drawn down by €3 million at 31 December 2019.

Changes in borrowings and financial debt

(in thousands of euros)	Finance lease liabilities	Bonds	Bank borrowings	Other borrowings	Financial debt	Bank overdrafts	Gross financial debt
At 31 December 2018	2,229	1,343	60,741	2,171	66,484	4,357	70,841
Restatement of discontinued activities	-	-	-	(20)	(20)	(24)	(44)
Reclassification of finance leases	(2,229)	-	-	-	(2,229)	-	(2,229)
At 1 January 2019	**-**	**1,343**	**60,741**	**2,151**	**64,235**	**4,333**	**68,568**
New bond subscription	-	-	15,645	180	15,825	4,960	20,785
Redemptions	-	(1,500)	(7,551)	(895)	(9,946)	(4,333)	(14,279)
Other changes[1]	-	157	(91)	(195)	(129)	-	(129)
First consolidation/(Deconsolidation)	-	-	39	106	145	-	145
Impact of changes in exchange rates	-	-	13	6	19	-	19
At 31 December 2019	**-**	**-**	**68,796**	**1,353**	**70,150**	**4,960**	**75,110**

(1) 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)	**31/12/2019**	**< 1 year**	**> 1 year**	***1 to 2 years***	***2 to 3 years***	***3 to 4 years***	***4 to 5 years***	***> 5 years***
Bank borrowings	68,796	21,954	46,842	*18,633*	*5,098*	*16,118*	*2,526*	*4,467*
Other borrowings	1,353	94	1,274	*92*	*128*	*128*	*54*	*871*
LONG-TERM DEBT	**70,150**	**22,048**	**48,116**	***18,726***	***5,226***	***16,247***	***2,580***	***5,337***
Bank overdrafts	4,960	4,960	-	-	-	-	-	-
GROSS FINANCIAL DEBT	**75,110**	**27,009**	**48,116**	***18,726***	***5,226***	***16,247***	***2,580***	***5,337***

Borrowings at less than one year include €14.5 million in renewable drawdowns on the confirmed credit facilities. "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.

8.1.2 Restated net cash and cash equivalents

Cash and cash equivalents presented in the balance sheet consist of cash in hand, bank accounts, term deposits of no more than three months and marketable securities meeting the criteria in IAS 7.

Accrued interest earned on term accounts is recorded under investment income. A provision for impairment is recognised when the net asset value is less than the acquisition cost.

(in thousands of euros)	**31 December 2019**	**1 January 2019[1]**
Available cash and cash equivalents (a)	64,252	39,959
Equivalent financial instruments (a’)	16	-
Bank overdrafts (b)	4,960	4,333
Available cash and cash equivalents appearing on the statement of cash flows (c) = (a) + (a’) - (b)	**59,308**	**35,626**
Financial debt excluding bank overdrafts (d)	70,150	64,235
NET CASH (NET DEBT) (E) = (C) - (D)	**(10,841)**	**(28,609)**
ECA & PRODWAYS GROUP treasury shares	2,596	901
GROUPE GORGÉ treasury shares	84	44
ADJUSTED NET CASH (DEBT), BEFORE IFRS 16	**(8,161)**	**(27,664)**

(1) the 1 January 2019 column is restated to reflect the items described in Note 1.3 and includes the reclassification of the finance lease debt as lease liabilities, in application of IFRS 16. Cash and cash equivalents for discontinued activities (IFRS 5) is also deducted.

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**
At 31 December 2018	-
Reclassification of finance leases	2,227
First-time application of IFRS 16	20,972
Restatement of discontinued activities	(1,991)
At 1 January 2019	21,208
New leases	11,355
Redemptions	(6,863)
Other changes[1]	46
First consolidation/(Deconsolidation)	587
Impact of changes in exchange rates	(4)
At 31 December 2019	26,329

(1) Changes with no impact on cash and cash equivalents, due to accrued and capitalised interest.

Schedule of lease liabilities

				of which breakdown of maturities at more than one year				
(in thousands of euros)	**31/12/2019**	**< 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	**26,329**	**5,862**	**20,466**	***4,288***	***3,442***	***3,050***	***2,546***	***7,140***

8.1.4 Derivative financial instruments

Composite financial instruments such as convertible or redeemable bonds are recognised in accordance with IAS 32, *i.e.* separate posting of the bond component recorded as debt at amortised cost and of the share component recognised as equity (similar to selling a stock purchase option), expenses related to the issue being recognised 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 risks associated with operations. These risks mainly arise from sales in USD. The corresponding future cash flows are partially hedged by firm or optional forward exchange transactions. On initial posting, derivatives are recorded in the balance sheet 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-hedging, with changes in the fair value of the hedging instrument being recognised as income.

ECA has established a policy of monitoring foreign exchange risk by anticipating all the currency flows of the Group constituted by 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 of ECA advised by its banks. In 2019, ECA set up several forward sales in US dollars. Two transactions, involving $0.5 million in all, were in progress at the reporting date, with terms in early 2020.

The Group uses swaps or cap contracts to operationally manage and hedge fluctuations in interest rates.

The derivative instruments used are backed economically by the maturities, rates and currencies of the hedged loans. These contracts involve fixed and floating exchange rates. The interest differential is recognised as financial income or expense in return for interest receivable or payable as appropriate. For these rate instruments, the Group uses cash flow hedging in accordance with IFRS 9: the instruments are recognised at their cost of acquisition and then revalued at their fair value at the closing date.

The Group's financial instruments are allocated to hedging future transactions (cash flow hedge). Thus, measurement of the change in fair value is as follows:

- the effective portion of changes in fair value is recognised in the hedging reserve until the proposed transaction is closed. When the proposed transaction is completed, the amount recognised in equity is reclassified in earnings, with the income or expense being adjusted by the actual portion of the gain or loss on the fair value of the hedging instrument;
- the ineffective portion of the change in fair value is recognised as financial income.

The fair value of swap agreements is calculated using valuation techniques based on observable market data, pursuant to 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 value in the statement of financial position assets was €4 thousand at 31 December 2019.

SERES TECHNOLOGIES' minority shareholder 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.

MAURIC's non-controlling shareholders hold put options that are exercisable under a shareholders' pact entered into in November 2016 for a period of 10 years. ECA 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 December 2017, options were exercised by the shareholder managers, and the shares concerned were acquired by ECA to be sold to other managers of the company at the same price, in early 2018.

The non-controlling shareholders of IP GESTION (INTERSON-PROTAC) held put options that were exercisable from 2023, and PRODWAYS GROUP held a call option that was exercisable from 2021. These options were valued at fair value through equity. Since the parties have agreed to dispose of the shares under option in the first-half of 2019, the value of the options is now nil.

(in thousands of euros)	Start of the period	In	Options exercised	Equity effect	Other total	Closing
SERES TECHNOLOGIES purchase option	1,383	-	-	(196)	-	1,187
MAURIC call option	347	-	-	169	-	516
INTERSON-PROTAC call option	930	-	-	(930)	-	-
NON-CURRENT TOTAL	**2,660**	**-**	**-**	**(958)**	**-**	**1,702**

8.1.5 Other non-current financial assets

The new IFRS 9 presents three major classes of financial assets, those measured at amortised cost, those measured at fair value through other comprehensive income and those measured at fair value through profit or loss. The classification of financial assets is based on the business model under which the asset is held and the characteristics of its contractual cash flows

The application of IFRS 9 has not had any impact on the Group's accounting methods for measuring financial assets at amortised cost (loans and receivables) or on the valuation of securities previously recognised at historical value.

Net values *(in thousands of euros)*	**2019**	**2018**
Loans	1,278	934
Deposits and guarantees	1,689	2,333
Non-consolidated holdings	1,617	654
Available-for-sale assets	-	-
Other long-term investments	496	498
TOTAL OTHER FINANCIAL ASSETS	**5,080**	**4,419**

Non-consolidated equity securities

The Group holds a 3.91% interest in WANDERCRAFT. The company carried out capital increases in June and October 2019 (which explains the dilution of the Group's interest, after holding a 4.69% interest at 31 December 2018). In accordance with IFRS 9, WANDERCRAFT securities have been measured at fair value through profit or loss. The impact on profit (loss) for the period was €1 million on the "Other operating income and expenses" line of the income statement.

(in thousands of euros)	**Start of the period**	**In**	**2019 income**	**Equity effect**	**Other total**	**Closing**
WANDERCRAFT	500	-	996	-	-	1,496

Non-consolidated securities are as follows:

(in thousands of euros)	**% control**	**Capital Equity**	**Gross value of securities Net value of securities**	**Financial income Net income**	**Comments**
		56	60	1,782	No significant influence
CEDETI[1]	10.07%	161	60	13	
		100	34	-	No significant influence
MARINE INTÉRIM[2]	34%	164	-	-	
		58	1,496	286	No significant influence
WANDERCRAFT[2]	3.91%	13,521	1,496	(3,852)	
		n/a	266	n/a	No influence
Other	n/a	n/a	61	n/a	notable

(1) Information at 30 September 2019.
(2) 2018 information.

Investments in affiliated companies

The movements over the year are as follows:

(in thousands of euros)	**Start of the period**	**In**	**income**	**Currency translation adjustments**	**Departure**	**Closing**
1ROBOTICS	3	-	-	-	-	3
BIOTECH DENTAL SMILERS	995	-	129	-	-	1,125
TOTAL	**998**	**-**	**129**	**-**	**-**	**1,128**

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 recognised in respect of the financial debts and the interest income to the amount of the interest received from cash investments

(in thousands of euros)	**2019**	**2018[(1)]**
Interest expense	(1,040)	(1,684)
Interest expenses on lease liabilities	(301)	-
Income from other securities	4	(9)
Net income on sales of marketable securities	86	101
COST OF NET DEBT	**(1,250)**	**(1,591)**
Other interest income	419	490
Net exchange gain or loss	(71)	133
Financial allowances net of reversals	(238)	(34)
Total financial income and expenses	(1,140)	(1,003)

(1) The 2018 column is restated for the items set out in Note 1.3.

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8.3 Policy for the management of risks

8.3.1 Liquidity risk

At 31 December, the Group's net cash amounted to €59.3 million (€64.3 million in cash, minus €5.0 million in bank overdrafts). The Group also has revolving credit facilities with a total available amount of €32 million at the reporting date.

The Group has the funding it needs and there are no loans essential to its activity being negotiated. The Group has no bank financing that depends on the Group's rating and no significant concentration of credit risk.

The arrangements for repaying the principal loans outstanding at year-end are as follows:

Loan *(in € thousands)*	**Rate**	**Amount**	**Capital remaining due**	**Maturity**
BNP PARIBAS	E3M +1.0%	10,000	10,000	Bullet repayment June 2021
CIC	E +0.4%	15,000	7,000	RCF maturity July 2024
BNP PARIBAS	E3M +1.25%	7,000	7,000	20 quarterly instalments from November 2020
LCL	E3M +1.25%	4,900	4,900	Bullet repayment October 2023
BNP PARIBAS	E +0.60%	10,000	4,500	RCF maturity September 2022
BNP PARIBAS	E3M +1.25%	4,200	4,200	Bullet repayment November 2023
CIC	1.30%	4,000	4,000	Bullet repayment July 2023
BNP PARIBAS	E3M +0.8%	9,500	3,800	20 quarterly instalments from January 2017
LCL	0.95%	3,000	3,000	20 quarterly instalments from April 2020
LCL	E +0.45%	15,000	3,000	RCF maturity October 2024
BPIFRANCE	1.78%	5,000	2,750	20 quarterly instalments from October 2017
CE	1.29%	5,000	2,420	Ongoing property financing, over 15 years
BPIFRANCE	1.78%	3,000	1,650	20 quarterly instalments from November 2017
LCL	1.55%	1,300	1,300	20 quarterly instalments from January 2020
BPIFRANCE	1.93%	2,900	1,160	20 quarterly instalments from March 2017
BNP PARIBAS	0.57%	1,350	958	60 monthly payments starting in July 2018
CIC	0.6%	1,300	872	24 quarterly instalments from February 2018
BPIFRANCE	1.78%	1,500	825	20 quarterly instalments from October 2017

Loan *(in € thousands)*	**Rate**	**Amount**	**Capital remaining due**	**Maturity**
BANQUE PALATINE	0.37%	1,668	755	20 quarterly instalments from April 2017
BANQUE PALATINE	0.37%	1,668	754	20 quarterly instalments from April 2017
LCL	1.25%	3,600	660	Ongoing property financing, over 15 years
BPIFRANCE	0%	1,400	630	20 quarterly instalments starting in June 2017
CRÉDIT AGRICOLE	0.55%	700	457	60 monthly payments starting in April 2018
CRÉDIT AGRICOLE	0.60%	700	299	60 monthly payments starting in February 2017
LCL	E +0.9%	10,000	-	RCF maturity July 2024
LCL	E +0.8%	7,500	-	RCF maturity December 2022, declining basis from June 2020

Leverage covenants (net financial debt/EBITDA) are associated with certain credits. They have all been honoured. 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. 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)	31,360	16,250	1,750
Financial assets(2)	-	1,278	-
Net position before hedging	31,360	14,972	1,750
Off-balance sheet	-	-	-
Net position after hedging	31,360	14,972	1,750

(1) Excluding funds that do not bear interest but including bank overdrafts amounting to €4,960 thousand.

(2) Excluding marketable securities and investments for €2,719 thousand.

Overdrafts and short-term loans (financing of trading receivables) are concluded at variable rates and therefore expose the Group to fluctuations in interest rates.

Net debt exposed to interest rate fluctuations is approximately €45.4 million at 31 December 2019. A rise or fall of 100 basis points (1%) of all rates would have an impact of about +/-€454 thousand in the Group's annual pre-tax financial expense, assuming strict stability of the debt.

8.3.3 Foreign exchange risk

Foreign currency transactions are concentrated at ECA (mainly US dollar) and are developing in the 3D Printing division, specifically since the acquisition in 2018 of SOLIDSCAPE. The Group's share of v u earned in foreign currencies remains limited, with companies in the Protection of High-Risk Installations division reporting the bulk of their euro-denominated exports.

ECA has established a policy of monitoring foreign exchange risk by anticipating all the currency flows of the Group constituted by 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 of ECA advised by its banks. In 2019, ECA set up several forward sales in US dollars. Two transactions, involving $0.5 million in all, were in progress at the reporting date, with terms in early 2020.

Financial debt in foreign currencies is marginal, only a few foreign subsidiaries having temporary bank overdrafts.

(in thousands of euros)	**USD**	**GBP**	**Other**
Assets	6,575	175	49
Liabilities	5,461	229	1,608
Net position before hedging	1,114	(54)	(1,560)
Off-balance sheet position	-	-	-
Net position after hedging	1,114	(54)	(1,560)

A uniform exchange rate with a rise or fall of 1 cent (euro) against the major currencies could have an impact of +/-€91 thousand on the net position, assuming a strict stability of assets and liabilities.

8.3.4 Market risk

Treasury shares are held by ECA (75,897 shares), GROUPE GORGÉ (4,904 shares) and PRODWAYS GROUP (45,316 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.

The market value of the treasury shares at 31 December 2019 was €2.67 million (respectively €0.084 million for the treasury shares of GROUPE GORGÉ, €2.47 million for those of ECA and €0.12 million for those of PRODWAYS GROUP).

A uniform change of 10% in the price of shares could have an impact of €267 thousand on equity compared with the situation at 31 December 2019 (ECA, GROUPE GORGÉ and PRODWAYS GROUP shares).

The rest of the cash invested by the Group is in money market funds or deposits.

8.4 Off-statement of financial position commitments related to financing

8.4.1 Pledges of the issuer's assets

There was no other collateral, guarantee or security at the end of the 2019 financial year other than the pledge of assets to guarantee the loans used to finance them.

8.4.2 Commitments received

GROUPE GORGÉ SA has a revolving credit facility of €10 million, confirmed until July 2024. This credit facility has not been used. It is accompanied by a change of control clause and a financial covenant.

ECA SA has a revolving credit facility of €10 million, confirmed until September 2022. This credit facility, €4.5 million of which had been used as at 31 December 2019, is subject to a change of control clause and a financial covenant.

ECA SA also has a revolving credit facility of €15 million, confirmed until July 2024. This credit facility, €7.0 million of which was used at 31 December 2019, is subject to a change of control clause.

ECA ROBOTICS has a revolving credit facility of €15 million, confirmed until October 2024. This credit facility, €3.0 million of which was used at 31 December 2019, is subject to a change of control clause.

PRODWAYS GROUP SA has a revolving credit facility of €7.5 million, confirmed until December 2022. It will decline by €2.5 million per year starting in June 2020. It has not been used. It is accompanied by a change of control clause and a financial covenant.

8.4.3 Other commitments

There was no other collateral, guarantee or security at the end of the 2019 financial year.

Note 9 Corporate income tax

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 recognised directly in other items of total net income are recognised 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)	2019	2018[1]
Deferred tax assets or liabilities	1,583	217
Taxes payable	(3,808)	(2,390)
TAX EXPENSE	**(2,225)**	**(2,173)**

(1) 2018 column restated to reflect the items described in Note 1.3.

Tax expense does not include research tax credits, classified as other income (see Notes 4.2 and 9.1.2). It does, however, include CVAE in the amount of €1,730 thousand in 2019 and €1,867 thousand in 2018.

Tax receivables and payable

(in thousands of euros)	2019	2018[1]
Tax receivables	24,848	26,296
Tax payable	858	253
NET TAX RECEIVABLE/(DUE)	**23,991**	**26,043**

Tax receivables are mainly made up of research tax credit receivables for €17.6 million and CICE receivables for €5.3 million, which it was not possible to deduct from the tax charge payable.

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.

Research tax credits for subsidiaries are recognised in current operating income rather than as a decrease in tax expense if they are not generated by research and development expenses included in the consolidated balance sheet. If they are generated by research and development expenses recognised in the consolidated balance sheet, research tax credits are recognised as deferred income in liabilities and recognised in income at the rate of future amortisation.

Contributions on Corporate Added Value (CVAE) are recognised 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 defined in IAS 12 and on an IFRIC position from 2006 that states that the term "taxable profit (loss)" implies a notion of a net rather than a gross amount, although not necessarily identical to the accounting income.

(in thousands of euros)	2019	2018[1]
NET INCOME FROM CONTINUING OPERATIONS	**1,548**	**(3,752)**
Tax Income/(Expense)	(2,225)	(2,173)
Earnings of equity-accounted companies	73	67
Earnings before tax	3,700	(1,645)
Tax rate	28%	28%
THEORETICAL TAX CHARGE	**(1,036)**	**451**
Reconciliation items		
Uncapitalised tax losses incurred for the period	(3,486)	(3,605)
Use of uncapitalised tax losses	-	76
Reassessment of deferred tax assets	1,681	51
Differential rates France/Foreign countries and reduced rates	215	(217)
CVAE	(1,730)	(1,584)
Tax impact associated with the accounting classification of the value added contribution (CVAE) and tax credits/or tax savings on the CVAE and the theoretical restatement/cancellation on tax credit	1,670	1,339
Other permanent differences	461	1,314
ACTUAL NET TAX INCOME (EXPENSE)	**(2,225)**	**(2,173)**

(1) 2018 column restated to reflect the items described in Note 1.3.

The tax rate matches the parent company's current rate.

9.2 Deferred tax liabilities

Deferred taxes corresponding to time differences between the tax and accounting bases of consolidated assets and liabilities are recognised using the liability method. Deferred tax assets are recognised when their future realisation 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 recognised 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 capitalised 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)	**2019**	**2018[1]**
Differences over time		
Retirement and related benefits	1,690	1,961
Development costs	(4,468)	(4,677)
Grants	(23)	10
Leases and finance leases	(261)	(269)
Derivative financial instruments	22	(30)
Fair value – IFRS 3	(2,239)	(2,389)
IFRS 15	-	80
Other	21	399
SUBTOTALS	**(5,258)**	**(5,755)**
Temporary differences and other restatements	193	438
Deficits carried forward	6,543	6,398
CVAE	(18)	(30)
TOTALS	**1,461**	**1,891**
DEFERRED TAX LIABILITIES	**(1,366)**	**(2,010)**
DEFERRED TAX ASSETS	**2,826**	**3,902**

(1) 2018 column restated to reflect the items described in Note 1.3.

Deficits carried forward are capitalised due to opportunities for rapid posting of these deficits. Some deferred tax assets resulting from these capitalisations can be charged to tax liabilities because of the net deferred tax liability position of the companies concerned.

Underlying tax position

Unactivated tax deficits carried forward *(bases in millions of euros)*	**2019**	**2018**
Ordinary deficits	57.3	48.0
TOTAL	**57.3**	**48.0**

Note 10 Shareholders' equity and earnings per share

10.1 Equity

10.1.1 Capital and issue premiums

At 31 December 2019, the share capital of GROUPE GORGÉ SA amounted to €13,502,843, made up of 13,502,843 shares each with a par value of €1, fully paid up and of which 7,457,825 shares have double voting rights.

Changes in capital

	Cumulative number of shares	Amount of share capital *(in euros)*
Share capital at 31/12/2017	13,502,843	13,502,843
Share capital at 31/12/2018	13,502,843	13,502,843
Share capital at 31/12/2019	13,502,843	13,502,843

The share capital increased by 7,000 shares in 2017 with the use of the equity line established in 2016, thus bringing the share capital to 13,502,843 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 €26,011 thousand.

10.1.2 Dividend per share

The distributable reserves of the parent company (shareholders' equity excluding share capital and legal reserve) amount to €73,968 thousand, before appropriation of the 2019 net income. They amounted to €77,949 thousand at 31 December 2018.

No dividend was paid in 2017. The dividend distributed in 2018 and in 2019 was €0.32 per share, or a total amount of €4,320 thousand each year.

10.1.3 Treasury shares and share repurchase plan

Share purchases made in 2019 were made under the authorisation granted by the shareholders' meeting of 13 June 2018 or 7 June 2019.

On 31 December 2019, GROUPE GORGÉ SA held 4,904 treasury shares under a liquidity contract. On 31 December 2018, it held 5,234 treasury shares. The purpose of these shares can be:

- 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;
- stabilise the share's stock market price.

10.2 Earnings per share

Earnings per share are calculated by dividing the Group's net profit 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 dilutive instruments. It is calculated from the weighted average on a pro rata basis for the number of shares equivalent to shares outstanding during the year. The dilutive effect of share subscription or purchase options is calculated using the treasury stock method, taking into account the average price over the period concerned.

	2019	2018(1)
Weighted average number of shares	13,507,608	13,508,279
Dividend per share paid during the year *(in euros)*	ND	0.32
EARNINGS PER SHARE *(IN EUROS)*	**1.547**	**(0.142)**
EARNINGS PER SHARE FROM ONGOING ACTIVITIES *(IN EUROS)*	**0.021**	**(0.263)**
Dilutive potential ordinary shares(2)	-	-
Diluted weighted average number of shares	13,507,608	13,508,279
DILUTED EARNINGS PER SHARE *(IN EUROS)*	**1.547**	**(0.142)**
DILUTED EARNINGS PER SHARE FROM ONGOING ACTIVITIES *(IN EUROS)*	**0.021**	**(0.263)**

(1) 2018 column restated to reflect the items described in Note 1.3.

(2) There were no longer any potential dilutive shares at the date of approval of the financial statements.

10.3 Pledges of the issuer's assets

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 recognises 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: 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 projects 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;
- or 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 recognised as provisions in accordance with the criteria defined in the IFRS 3R standard.

Provisions for losses on completion of pending projects:

Provisions *(in thousands of euros)*	**Litigation**	**Customer warranties**	**Termination losses**	**Fine and Penalties**	**Other**	**Total**
At 1 January 2019[1]	1,189	777	1,371	45	2,121	5,504
Appropriations	827	292	466	696	983	3,264
Provisions used	(114)	(52)	(18)	(11)	(267)	(462)
Reversals	(104)	(238)	(372)	-	(1,440)	(2,154)
Impact on income for the period	**608**	**2**	**76**	**685**	**(724)**	**648**
Changes in scope	-	-	-	-	(43)	(43)
Other changes	88	-	-	-	(84)	5
Impact of changes in exchange rates	-	-	-	-	2	2
AT 31 DECEMBER 2019	**1,886**	**779**	**1,447**	**730**	**1,273**	**6,114**

(1) Opening restated to reflect the items described in Note 1.3.

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Note 12 Non-current assets held for sale and discontinued operations

As indicated in Note 1.3.3, 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.

In June 2019, the Group announced the plan to sell the CIMLEC INDUSTRIE subsidiary (Protection of High-Risk Installations division) to SPIE. The actual disposal was carried out in July 2019. The 2019 and 2018 income statements and statements of cash flows were adjusted so that the contribution of CIMLEC INDUSTRIE appears on a separate line.

The contribution of discontinued activities is as follows:

	2019	2018
Revenue	21,784	42,834
OPERATING RESULTS	**864**	**2,143**
Other operating income items	22,475	-
OPERATING INCOME	**23,339**	**2,143**
Financial income and expense	(33)	(107)
Income tax	(1,732)	(319)
NET INCOME FROM DISCONTINUED ACTIVITIES AFTER TAX	**21,574**	**1,717**

"Other operating income items" comprise for the most part capital gains on disposal net of associated expenses.

(in thousands of euros)	2019	2018
NET INCOME FROM DISCONTINUED ACTIVITIES	**21,574**	**1,717**
CASH FLOW FROM OPERATING ACTIVITIES (AFTER ELIMINATION OF NET BORROWING COSTS AND TAXES)	**(983)**	**2,699**
Tax paid	(252)	(385)
Change in working capital requirements	(1,098)	(1,789)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**(2,333)**	**525**
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	**(256)**	**(928)**
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	**(461)**	**(34)**
CHANGE IN CASH AND CASH EQUIVALENTS (D = A + B + C)	**(3,050)**	**(436)**
Effects of exchange rate changes	-	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**2,019**	**2,788**
Restatement of cash and cash equivalents(1)	2,347	(332)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**1,318**	**2,019**

(1) Corresponds to the impact of the flows with continuing operations.

Note 13 Other notes

13.1 Statutory auditors' fees

Fees billed to all Group companies by the GROUPE GORGÉ SA statutory auditors' Board are the following:

2019 *(in thousands of euros)*	PricewaterhouseCooper Audit		RSM		Total	
Statutory audits, review of financial statements	380	96.2%	306	100.0%	686	97.9%
• Parent company	89	-	74	-	163	-
• Fully consolidated companies	291	-	226	-	523	-
Services other than certification of the financial statements	15	3.8%	-	-	15	2.1%
TOTAL	**395**	**100.0%**	**306**	**100.0%**	**701**	**100.0%**

2018 *(in thousands of euros)*	PricewaterhouseCooper Audit		RSM		Total	
Statutory audits, review of financial statements	364	100.0%	280	100.0%	644	100.0%
• Parent company	66	-	64	-	130	-
• Fully consolidated companies	298	-	216	-	514	-
Services other than certification of the financial statements		-	-	-	-	-
TOTAL	**364**	**100.0%**	**280**	**100.0%**	**644**	**100.0%**

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13.2 Exceptional events and disputes

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 of which CLF-SATREM and their respective insurers. The appraiser, who in particular had to determine the causes of the damage and the causes of any malfunctions in the fire protection systems and determine their impact on the claim, concluded the following in March 2018: the problem was caused by a breach in a high-pressure hydraulic fluid pipeline attached to a chipboard press; the fluid vaporised upon contact with the heated press elements and then ignited spontaneously. The damage suffered by DEPALOR was estimated at €34 million (reconstruction as new 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 neutralise the impact of the "disc" being manufactured". In August, 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 April 2008, CIMLEC INDUSTRIE signed a contract with ETS COMMUNICATION for an unlimited telephone service as well as the renting of the equipment required for the supply of this service from a leasing company. The entire telephone service and the lease financing came to a total amount of €500 thousand. On the strength of an acceptance minutes of the meeeting signed by CIMLEC INDUSTRIE, the leasing company FRANFINANCE began to deduct the rent payments although the telephone equipment had not been delivered and the unlimited telephone service had not begun. CIMLEC INDUSTRIE stopped the payments and ended up rescinding the contract. ETS COMMUNICATION was placed under court-ordered liquidation. FRANFINANCE took CIMLEC INDUSTRIE to the Commercial Court to claim approximately €470 thousand from CIMLEC INDUSTRIE for the implementation of the lease financing contract until its term. CIMLEC INDUSTRIE then filed a complaint against it for fraud and forgery. The investigation resulted in the case being abandoned, recording that no objective evidence was available to confirm the reality of the delivery or the subsequent use of the equipment. In any event, CIMLEC INDUSTRIE considers that FRANFINANCE cannot expect to obtain the full compensation for a contract when none of the services covered by the contract were provided. In April 2016, the Commercial Court ordered CIMLEC INDUSTRIE to pay FRANFINANCE €473 thousand. The order was recorded in the financial statements at 30 June 2016 and the amount has been fully paid. CIMLEC INDUSTRIE appealed the ruling and lost its appeal in 2017. CIMLEC INDUSTRIE appealed again in early 2018.

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 cancellation of the PSE on the grounds that it had not been approved by the competent Regional directorate of businesses, competition, consumption, labour 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 cancellation of the PSE, the employees also initiated Labour Tribunal proceedings for dismissal without real and serious cause. BAUMERT was thus ordered by the Labour 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 State and its lawyer, who advised the Company on the PSE, due to the 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 totalled €720 thousand for BAUMERT. The methanation units malfunctioned, which affected the performance expected by agricultural operators. Court-ordered assessments are underway at several sites or will be initiated in order to determine the causes of the malfunctions that resulted in an apparent problem with the doors' weather seal. BAUMERT currently considers that these doors were designed in compliance with the requirements of the specifications of NASKEO ENVIRONNEMENT.

In May 2016, VAN DAM received a complaint from VINCI CONSTRUCTION UK Limited regarding sub-contracted work performed in 2008-2009 (then in 2011 for repairs) on a public building in England. The original contract for VAN DAM amounted to £2.9 million. VAN DAM had many discussions with the contractor and the owner on the origin of the problems documented and the proportionate and adapted technical solutions that could possibly be implemented to remedy the problem. VAN DAM has not however been able to access the building to carry out certain technical analyses. Since the bankruptcy of the owner (Carillon) discussions have been suspended.

In 2014, 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.

ECA EN transferred its business in 2015. A property inspection report on departure was carried out in the presence of both parties with SCI FERCA, the lessor, at the end of December 2015. SCI FERCA sued ECA EN at the end of 2017 to restore the premises which ECA EN is allegedly responsible for and claimed €518 thousand from ECA EN in compensation. It is recalled that the Company was in the end obliged to move as a result of the non-completion by SCI FERCA, its former lessor, of all of the restoration work on the roof (asbestos removal) in the former premises.

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 asbestos removal, accusing it, in its capacity as former tenant, of having hampered the asbestos removal process, which ECA EN vigorously contests.

As a reminder, a simplified merger was completed in 2018 between ECA EN and ECA ROBOTICS

In May 2018, GROUPE GORGÉ filed a claim for the reimbursement of a 2014 research tax credit receivable and in May 2019 filed a claim for the reimbursement of a 2015 research tax credit. In December 2019, following numerous communications and long periods of silence from the Tax Authority, GROUPE GORGÉ was notified of the very partial acceptance of its claims for reimbursement. The Tax Authority objects to €1.1 million of these receivables. An analysis of the grounds for the objection led the Group to accept the objection up to €0.1 million and to file an initial motion before the Paris Administrative Court for the purpose of obtaining the validation of the contested receivables for an amount of €1 million. It should be noted that the Tax Authority's objection concerns €0.8 million out of a total of €1 million pertaining to the basis for reimbursement to GROUPE GORGÉ of a receivable that was passed to the tax consolidation group by a company (PRODWAYS) that has since exited the tax consolidation group, and not the basis of the calculation of said receivable.

13.3 Subsequent events

The Covid-19 health crisis began during the first quarter of 2020. Quarantine measures were instituted in March. The Group has limited activities on its sites to the maximum extent possible to preserve the health of its employees and to put in place conditions for the highest level of safety on the job or for working remotely whenever possible. As of the date of issue of the financial statements, it is impossible to estimate the duration of the crisis or its impacts on the Group's revenue and costs. All steps are being taken to best adapt to the government's directives and to restart certain production activities as soon as the necessary resources and conditions for our employees' safety are in place.

No other significant events took place between 31 December 2019 and the date of the meeting of the Board of Directors that approved the consolidated financial statements.

Note 14 List of consolidated companies

Company	Parent company at 31 December 2019	% control 2019	% control 2018	% interest 2019	% interest 2018	Method 2019	Method 2018
Consolidating company							
GROUPE GORGÉ SA		Top	Top	Top	Top	FC	FC
Structure							
FINU12[(1)]	GROUPE GORGÉ SA	100	100	100	100	FC	FC
SCI DES CARRIÈRES	GROUPE GORGÉ SA	100	100	100	100	FC	FC
GORGÉ EUROPE INVESTMENT (Netherlands)	VIGIANS	95	95	95	95	FC	FC
GORGÉ NETHERLANDS	GORGÉ EUROPE INVESTMENT	90.58	91.58	90.58	87	FC	FC
Smart Safety Systems							
ECA SA[(2)]	GROUPE GORGÉ SA	76.44	75.68	62.22	61.12	FC	FC
ECA DÉVELOPPEMENT[(1)]	ECA SA	100	100	62.22	61.12	FC	FC
ECA AEROSPACE	ECA SA	100	100	62.22	61.12	FC	FC
ECA AUTOMATION (formerly ECA CNAI)	ECA AEROSPACE	100	100	62.22	61.12	FC	FC
ECA SINTERS[(3)]	-	-	100	-	61.12	-	FC
ELTA[(3)]	-	-	100	-	61.12	-	FC
ECA DYNAMICS[(1)]	ECA SA	51	51	31.73	31.17	FC	FC
ECA FAROS	ECA SA	100	100	62.22	61.12	FC	FC
ECA ROBOTICS	ECA SA	100	100	62.22	61.12	FC	FC
ECA ROBOTICS BELGIUM[(4)]	ECA ROBOTICS	100	100	62.22	61.12	FC	FC
EN MOTEURS[(5)]	-	-	100	-	61.12	-	FC
ECA GROUP ASIA (Singapore)	ECA SA	100	100	62.22	61.12	FC	FC
MAURIC	ECA SA	60.06	60.06	37.37	36.71	FC	FC
OK18 SYSTEMS[(1)] (formerly SSI) (United States)	ECA SA	100	100	62.22	61.12	FC	FC
TRITON IMAGING (United States)[(1)]	ECA SA	100	100	62.22	61.12	FC	FC
1ROBOTICS (United States)[(1)]	ECA SA	29.89	29.89	50.40	49.51	EM	EM
Protection of High-Risk Installations							
AI GROUP[(6)]	-	-	100	-	95	-	FC
AMOPSI	VIGIANS PROTECTION INCENDIE	80	80	56	76	FC	FC
VIGIANS	GROUPE GORGÉ SA	100	95	100	95	FC	FC
BAUMERT	NUCLÉACTION	100	100	100	99.49	FC	FC
BAUMERT HONG KONG[(1)]	BAUMERT	100	100	100	99.49	FC	FC
CIMLEC INDUSTRIAL[(7)] (Romania)	-	-	100	-	95	-	FC
CIMLEC INDUSTRIE[(7)]	-	-	100	-	95	-	FC
CLF-SATREM	VIGIANS PROTECTION INCENDIE	100	100	70	95	FC	FC
COMMERCY ROBOTIQUE[(7)]	-	-	100	-	95	-	FC
COMMERCY ROBOTICA[(7)] (Spain)	-	-	100	-	95	-	FC

Company	Parent company at 31 December 2019	% control		% interest		Method	
		2019	2018	2019	2018	2019	2018
GORGÉ-HOEKSTRA HOLDING BV	GORGÉ NETHERLANDS	100	100	90.58	87	FC	FC
HOEKSTRA-SUWALD TECHNIEK BV[8]	-	100	100	87	87	-	FC
HOEKSTRA-SUWALD INSTALLATIE EN SOLAR BV[9]	-	100	100	87	87	-	FC
NTS FRANCE [10]	-	-	100	-	95	-	FC
NUCLÉACTION	GROUPE GORGÉ SA	100	99.49	100	99.49	FC	FC
BAUMERT SUD (formerly PORTAFEU NUCLÉAIRE)	NUCLÉACTION	100	100	100	99.49	FC	FC
SAS STONI	GROUPE GORGÉ SA	100	100	100	100	FC	FC
SCI MEYSSE	BAUMERT SUD	100	100	100	99.49	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
STEDY[11]	GROUPE GORGÉ SA	65	-	65	-	FC	-
SVF	CLF-SATREM	100	100	70	95	FC	FC
TENWHIL[7]	-	-	100	-	95	-	FC
THE WIND FACTORY UK LTD	GORGÉ-HOEKSTRA	100	100	90.58	87	FC	FC
VAN DAM	GORGÉ NETHERLANDS	100	100	90.58	87	FC	FC
VAN DAM ASIA	VAN DAM	100	100	90.58	87	FC	FC
VAN DAM MAINTENANCE AND REPAIR	GORGÉ NETHERLANDS	100	100	90.58	87	FC	FC
VAN DAM USA	VAN DAM	100	100	90.58	87	FC	FC
VIGIANS PROTECTION INCENDIE [12]	GROUPE GORGÉ SA	70	-	70	-	-	FC
3D Printing							
3D SERVICAD	AS 3D	100	100	56.32	56.61	FC	FC
AVENAO SOLUTIONS 3D	PRODWAYS GROUP	100	100	56.32	56.61	FC	FC
AVENAO INDUSTRIE	AS 3D	100	100	56.32	56.61	FC	FC
CRISTAL	PRODWAYS GROUP	100	95	56.32	53.78	FC	FC
DELTAMED	PRODWAYS GROUP	100	100	56.32	56.61	FC	FC
BIOTECH DENTAL SMILERS	PRODWAYS ENTREPRENEURS	20	20	11.26	11.32	EM	EM
EXCELTEC	PRODWAYS GROUP	100	100	56.32	56.61	FC	FC
INITIAL	PRODWAYS GROUP	100	100	56.32	56.61	FC	FC
INTERSON PROTAC	IP GESTION	100	100	56.32	42.46	FC	FC
IP GESTION	PRODWAYS GROUP	100	75	56.32	42.46	FC	FC
L'EMBOUT FRANÇAIS[13]	PRODWAYS GROUP	100	-	56.32	-	FC	-
NEXTCUBE.IO[14]	AS3D	66.67	-	37.55	-	FC	-
PRODWAYS AMERICAS	PRODWAYS	100	100	56.32	56.61	FC	FC
PRODWAYS GROUP	GROUPE GORGÉ SA	56.32	56.61	56.32	56.61	FC	FC
PRODWAYS DISTRIBUTION[1]	PRODWAYS GROUP	100	100	56.32	56.61	FC	FC
PRODWAYS	PRODWAYS GROUP	100	100	56.32	56.61	FC	FC
PRODWAYS CONSEIL	PRODWAYS GROUP	90	90	50.69	50.95	FC	FC
PRODWAYS ENTREPRENEURS[1]	PRODWAYS GROUP	100	100	56.61	56.61	FC	FC

Company	Parent company at 31 December 2019	% control		% interest		Method	
		2019	2018	2019	2018	2019	2018
PODO 3D	PRODWAYS GROUP	82.07	82.07	46.22	46.46	FC	FC
PRODWAYS MATERIALS	DELTAMED	100	100	56.32	56.61	FC	FC
PRODWAYS RAPID ADDITIVE FORGING	PRODWAYS GROUP	100	100	56.32	56.61	FC	FC
PRODWAYS 2[1]	PRODWAYS GROUP	100	100	56.32	56.61	FC	FC
SCI CHAVANOD	PRODWAYS GROUP	100	100	56.32	56.61	FC	FC
SOLIDSCAPE (United States)[11]	PRODWAYS GROUP	100	100	56.32	56.61	FC	FC
SURDIFUSE[13]	PRODWAYS GROUP	100	-	56.32	-	FC	-
VARIA 3D	PRODWAYS GROUP	70	70	39.42	39.63	FC	EM/FC

(1) Companies with no operating activities since August 2018 with regard to SSI.
(2) Control percentages for ECA reflect double voting rights.
(3) ELTA and ECA SINTERS merged with ECA AEROSPACE on 3 January 2019.
(4) Created in the second half of 2018.
(5) Deconsolidated; consolidated until 10 December 2018.
(6) Deconsolidated; consolidated until 31 October 2018.
(7) Deconsolidated, consolidated until 30 June 2019, within continuing operations.
(8) Deconsolidated; consolidated until 31 March 2019.
(9) Company closed in 2019.
(10) Deconsolidated, consolidated until 31 March 2019, within continuing operations
(11) Consolidated as from January 2019.
(12) Consolidated as from July 2019.
(13) Consolidated as from January 2019.
(14) Company created in late December 2019.

4.1.7 Statutory auditors' report on the consolidated financial statements

(Year ended 31 December 2019)

To the shareholders' meeting of GROUPE GORGÉ,

Opinion

In application of the assignment entrusted to us by your shareholders' meeting, we have conducted an audit of the GROUPE GORGÉ consolidated financial statements for the year ended 31 December 2019, appended to this report. These financial statements were approved by the Board of Directors on 23 March 2020 based on the items available on this date in the context of an evolving Covid-19 health crisis.

In our opinion, the consolidated financial statements give a true and fair view of the results of operations, financial position and assets and liabilities at year-end, of all of the persons and entities within the scope of consolidation, in accordance with International Financial Reporting Standards as adopted by the European Union.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis for the opinion

Audit framework

We conducted our review in accordance with 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 "Responsibilities of the statutory auditors in relation to the audit of the consolidated financial statements" in this report.

Independence

We conducted our audit in accordance with the rules of independence governing our assignments, for the period from 1 January 2019 to the date on which our report was issued; in particular, we did not render any services prohibited by article 5, paragraph 1 of EU Regulation No. 537/2014 or by the Code of Ethics governing statutory auditors.

Furthermore, the services other than financial statement certification provided by us during the financial year to your company and to those entities under its control not mentioned in the management report or the Notes to the consolidated financial statements are as follows:

- work relating to the issue of legal reports to the extraordinary shareholders' meeting;
- a certificate relating to revenue information for a project in connection with a grant to be received.

Comments

Without calling into question the opinion expressed above, we draw your attention to Note 1.3 "Restatement of the financial information for prior years and as at 1 January 2019" in the notes to the consolidated financial statements, which presents the impact of the adoption of the new IFRS 16 – Leases from 1 January 2019.

Justification of our assessment – Key audit points

Pursuant to the provisions of articles L.823-9 and R.823-7 of the French Commercial Code on the justification of our assessments, we hereby inform you of the key audit points relating to risks of material misstatements which, in our professional judgement, were most significant for the audit of the consolidated financial statements for the year, as well as our responses to address such risks.

These assessments were made as part of the audit of the consolidated financial statements, taken as a whole, prepared under the conditions above, 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 consists of a significant portion of income related to development and equipment projects or the provision of services to industrial customers.

For these projects, therefore, the revenue and margin are recognised according to percentage of completion of the project, taking into account the following items:

1. 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;
2. 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 recognised 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.

Our response

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 recognised 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 recognised profit at termination with contract documents (contracts, amendments or purchase orders);
- examined project management documents to assess the consistency of the estimate of expenses at completion: for a selection of projects whose current estimates are significantly different from previous estimates, we looked for the origin of the change to the forecasts at completion in order to evaluate, based on our experience gained in previous years, the reliability of the process for monitoring costs incurred and estimating the costs necessary to finalise the project.

In addition, we also compared completions against previous estimates to assess the reliability of the estimates.

When applicable, we analysed the entities' interactions with their customers or any other project stakeholders and corroborated that information with the estimates used by GROUPE GORGÉ's Management.

Evaluation of the recoverable amount of goodwill

Risk identified

As part of its development, the Group has carried out targeted acquisitions and recognised a certain amount of goodwill.

At 31 December 2019, goodwill recorded on the balance sheet amounted to a net carrying amount of €64.1 million, representing 15.2% of 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 materialising.

Our response

We carried out a critical review of the methods used by Management to analyse impairment indicators and perform impairment testing. Our work consisted in:

- taking due note of the GROUPE GORGÉ's process for preparing estimates and assumptions used as part of the impairment tests;
- 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.

Finally, we assessed the appropriateness of information provided in Note 6.4 to the consolidated financial statements.

Specific verification

As required by law and in accordance with professional standards applicable in France, we also carried out the specific verifications provided for in the legal and regulatory texts of the information relating to the Group presented in the Board of Directors' management report approved on 23 March 2020. In terms of events having occurred and items having become known after the date of issue of the financial statements pertaining to the effects of the Covid-19 crisis, Management has informed us that these events and items will be the subject of communication to the shareholders called upon to approve the financial statements.

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

We certify that the consolidated statement of non-financial performance specified by article L.225-102-1 of the French Commercial Code is provided in the information on the Group provided in the management report, further specifying that, in compliance with the provisions of article L.823-10 of this Code, we have not verified the information contained in this statement for fairness or consistency with the consolidated financial statements and that this must be reported on by an independent third-party.

Information resulting from other legal and regulatory obligations

Appointment of statutory auditors

RSM Paris was appointed the 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 2019, RSM Paris was in the second year of its mission and PricewaterhouseCoopers Audit was in its fifth consecutive year.

Responsibilities of the Management team and those in charge of corporate governance in relation to the consolidated financial statements

It is the management team's responsibility to prepare fair and accurate consolidated financial statements in accordance with IFRS as adopted in the European Union, and to implement the internal control procedures that it deems necessary for the preparation of consolidated financial statements free of any material misstatements, whether resulting from fraud or errors.

In preparing the consolidated financial statements, it is up to the Management team to assess the company's ability to continue as a going concern, to present, where relevant, the necessary information relating to the going concern, and to apply the going concern principle of accounting, unless there are plans to liquidate or cease the company's activity.

It is the responsibility of the Audit Committee to monitor the preparation of financial information and to verify the effectiveness of internal control and risk management systems and, where applicable, of internal audit, with regard to procedures for preparing and processing accounting and financial information.

These consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the statutory auditors in relation to the audit of the consolidated financial statements

Audit objective and approach

We are tasked with preparing a report on the consolidated financial statements. Our aim is to obtain reasonable assurance that the consolidated financial statements, taken as a whole, do not include any 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 exercise their professional judgment throughout the entire audit.

Moreover:

- it identifies and assesses the risk of material misstatement in the consolidated 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, wilful omissions, false statements or the circumvention of internal control;
- it takes note of 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;
- it assesses the appropriateness of the accounting methods adopted and the soundness of accounting estimates made by Management, as well information concerning them provided in the consolidated financial statements;
- it assesses the appropriateness of Management's application of the going concern principle and, based on the information obtained, whether there is significant uncertainty with regard to events or circumstances that could jeopardise the Company's ability to continue as a going This assessment is founded on information obtained up until the date of the report, it being specified, however, that subsequent circumstances or events may jeopardise business continuity. If the auditor identifies 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, issues certification with reserves or a refusal to certify;
- it 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;
- regarding financial information of persons or entities included in the consolidation scope, gathers adequate and appropriate information on which to form an opinion. The auditor is responsible for the Management, supervision and completion of the audit of the consolidated financial statements, as well as the opinion issued on these financial statements.

Report to the Audit Committee

We have submitted a report to the Audit Committee, in which we present the scope of the audit assignment carried out, the work plan followed, and our conclusions. We also highlight the significant internal control discrepancies identified, with regard to procedures for the preparation and processing of financial and accounting 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 consolidated financial statements for the financial year, and which constitute key audit points, which we are required to include in this report.

We have also provided the Audit Committee with the statement referred to in article 6 of EU Regulation No. 537-2014 confirming our independence, pursuant to regulations applicable in France, as set out in articles L.822-10 to L.822-14 of the French Commercial Code and the Code of Ethics governing statutory auditors in particular. Where necessary, we discuss the potential risks to our independence and the safeguard measures applied with the Audit Committee.

Neuilly-sur-Seine and Paris, 3 April 2020

The statutory auditors

PricewaterhouseCoopers Audit	RSM Paris
David CLAIROTTE	Stéphane MARIE

4.2 2019 SEPARATE FINANCIAL STATEMENTS

4.2.1 Income statement

(in thousands of euros)	2019	2018
FINANCIAL INCOME	**3,914**	**3,468**
Reversals of provisions, expense transfers and other income	-	-
TOTAL OPERATING INCOME	**3,914**	**3,468**
Other purchases and external charges	3,106	1,705
Taxes and similar payments	64	89
Payroll expense	1,705	1,190
DEPRECIATION, AMORTISATION AND PROVISIONS		
on-current asset	107	91
current asset	-	-
Other expenses	40	60
TOTAL OPERATING EXPENSES	**5,022**	**3,135**
OPERATING RESULTS (A)	**(1,108)**	**333**
FINANCIAL INCOME (B)	**3,747**	**(100)**
PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAX (C) = (A) + (B)	**2,639**	**233**
NON-RECURRING INCOME (D)	**(108)**	**(114)**
Income tax (E)	(211)	219
NET INCOME (F) = (C) + (D) + (E)	**2,320**	**338**

4.2.2 Statement of financial position

ASSETS

	2019			2018
(in thousands of euros)	Gross	Depreciation, amortisation & provisions	Net	
Intangible assets	472	201	271	280
Property, plant and equipment	532	309	223	161
Equity securities	77,383	1,631	75,752	68,807
Receivables related to shareholdings	678	-	678	30,205
Other long-term investments	7,330	-	7,330	606
NON-CURRENT ASSETS	**86,395**	**2,141**	**84,252**	**100,059**
Net trade receivables and related accounts	1,815	-	1,815	5,201
Other trade receivables	29,289	3,589	25,700	28,729
Treasury shares	81	-	81	42
Cash and cash equivalents	22,997	-	22,997	4,403
CURRENT ASSETS	**54,182**	**3,589**	**50,593**	**38,375**
Prepaid expenses	119	-	119	120
TOTAL ASSETS	**140,696**	**5,730**	**134,966**	**138,554**

LIABILITIES

(in thousands of euros)	2019	2018
Share capital	13,503	13,503
Share premiums	26,011	26,011
Legal reserve	1,350	1,350
Other reserves	290	290
Retained earnings	47,667	51,648
Income (loss) for the period	2,320	338
EQUITY	**91,141**	**93,141**
PROVISIONS FOR RISKS AND CHARGES	**219**	**361**
Bank borrowings	33,144	37,590
Other borrowings	53	60
Suppliers	676	538
Tax and social debts	4,516	6,452
Other liabilities	5,217	412
TOTAL DEBT	**43,606**	**45,052**
TOTAL LIABILITIES	**134,966**	**138,554**

4.2.3 Change in cash and cash equivalents

(in thousands of euros)	2019	2018
Net income	2,320	338
Accruals	(4,598)	(48)
Capital gains and losses on disposals	3,655	8
Other	-	-
CASH FLOW FROM OPERATIONS	**1,377**	**298**
Change in working capital requirements	9,184	(7,572)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**10,561**	**(7,274)**
Investing activities		
Payments/acquisition of intangible assets	(38)	(44)
Payments/acquisition of property, plant and equipment	(121)	(14)
Proceeds/disposal of property, plant and equipment and intangible assets	-	-
Payments/acquisition of non-current financial assets	(12,537)	(10)
Proceeds/disposal of non-current financial assets	29,535	340
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	**16,839**	**272**
Financing activities		
Capital increase or contributions	-	-
Dividends paid	(4,319)	(4,320)
Proceeds from borrowings	-	13,100
Repayment of borrowings	(4,448)	(18,779)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	**(8,767)**	**(9,999)**
CHANGE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	**18,633**	**(17,001)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**4,445**	**21,446**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**23,078**	**4,445**

4.2.4 Notes to the parent company financial statements

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 2019.

The financial statements (statement of financial position, income statement) presented are as follows:

- the net statement of financial position total for the year ended 31 December 2019 is €134,965,707;
- the income statement presented in list form shows a profit of €2,320,491.57.

The Board of Directors approved the separate financial statements of GROUPE GORGÉ on 23 March 2020. They are to be submitted for approval to the shareholders' meeting of 8 June 2020.

Note 1 Accounting principles

The separate financial statements were prepared in accordance with the French Commercial Code, the accounting decree of 29 November 1983 and Regulation 2014-03 issued by the ANC (French accounting standards board) on revised French GAAP, as amended by ANC Regulations ANC 2015-06, 2016-07, 2017-01, 2018-07, 2019-01 and 2019-02. The basic assumptions are as follows:

- going concern;
- consistency of accounting methods;
- conservative approach;
- separateness of accounting periods.

The recommendations of the Autorité des Normes Comptables (French accounting standards authority), the Ordre des experts comptables (French association of chartered accountants) and the Compagnie Nationale des Commissaires aux Comptes (French national institution of statutory auditors) have been applied.

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 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

2.1 Revenue

Revenue comprises the invoicing of services provided to Group subsidiaries for €2,986 thousand and the invoicing of ancillary services or sub-letting of offices to affiliated (parent, sister) companies for €927 thousand.

2.2 Statutory auditors' fees

The fees for GROUPE GORGÉ's two statutory auditors to certify the 2019 financial statements amounted to €178 thousand.

2.3 Total payroll

The average workforce for the year breaks down as follows:

	2019	2018
Average workforce used	7	7
of which higher managerial and professional positions	6	6
of which technicians and supervisors	1	1

As regards the corporate officers:

- the remuneration of members of the Board of Directors of GROUPE totalled €40,000;
- the officers and directors received gross remuneration of €257 thousand (fixed and variable remuneration of Raphaël GORGÉ and remuneration of the Deputy CEO from November) in 2019. Two directors (Raphaël and Jean-Pierre GORGÉ) are paid by PÉLICAN VENTURE which is linked to GROUPE GORGÉ by a services provision agreement. PÉLICAN VENTURE paid them total gross remuneration of €69,600 and €5,333 in benefits in kind.

2.4 Financial income

(in thousands of euros)	2019	2018
Investment income[1]	2,952	790
Net income from financial investments	348	213
Interest expense	(461)	(1,024)
FINANCIAL INCOME BEFORE PROVISIONS	**2,839**	**(21)**
Reversals of provisions for impairment of equity securities	908	-
Reversals of provisions for impairment of securities held short-term	-	-
Provisions for impairment of equity securities	-	(79)
Provisions for impairment of marketable securities	-	-
FINANCIAL RESULT	**3,747**	**(100)**

(1) In 2019, investment income mainly consisted of dividends received from ECA and SERES TECHNOLOGIES, interest on the vendor credit granted to VIGIANS and interest on bonds subscribed in VIGIANS PROTECTION INCENDIE.

2.5 Non-recurring income

(in thousands of euros)	**2019**	**2018**
Capital gains and losses on asset disposals(1)	(3,655)	(8)
Non-recurring income from management operations(2)	(249)	(324)
NON-RECURRING INCOME BEFORE PROVISIONS	**(3,904)**	**(332)**
Reversals of provisions(1)(3)	4,015	346
Provisions	(219)	(128)
NON-RECURRING INCOME	**(108)**	**(114)**

(1) A capital loss of €3,655 thousand (removal of CNAI) is offset by a reversal of a provision for securities of the same amount.

(2) In 2019, mainly includes of loss of €146 thousand on a loan granted to a former subsidiary and payments of €82 thousand to subsidiaries of PRODWAYS GROUP counterbalanced by deficits passed on when they were members of the tax consolidation group.

(3) Includes (in addition to the reversal of the provision for CNAI securities), a reversal of the €361 thousand provision linked to the indemnity paid on the exit from the tax consolidation group formed by PRODWAYS GROUP and its subsidiaries.

2.6 Corporation tax

GROUPE GORGÉ is solely liable for corporation tax as the parent company of the tax consolidation group comprising itself and the following subsidiaries:

Company	**Date of inclusion**
STONI	1 January 2005
BAUMERT	1 January 2010
NUCLÉACTION	1 January 2010
VIGIANS	1 January 2014
BAUMERT SUD	1 January 2015
SCI MEYSSE	1 January 2018
FINU 12	1 January 2019

At 31 December 2019, the taxable income of the consolidated group was a profit for the period of €2,565 thousand before any tax loss carryforwards.

After carryforward of previous tax losses, the remaining tax loss carryforward for the tax consolidation group came to €37,833 thousand.

At the same time, income of €17 thousand was recognised as a result of tax consolidation.

Note 3 Notes to the statement of financial position

3.1 Non-current assets

Property, plant and equipment and intangible assets are recorded at their acquisition cost.

Depreciation and amortisation are calculated on a straight-line basis using the following main useful lives:

- software: 3-10 years;
- office and computer equipment: 3-5 years;
- transport equipment: 5 years;
- fixtures and fittings: 5-10 years.

Equity securities are recognised on the balance sheet at their acquisition cost less any necessary estimated impairment.

Impairment may be recognised 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 capitalisation of the last months is also considered.

Loans and other long-term investments are recognised at their original value less any necessary estimated impairment.

Gross values *(in thousands of euros)*	**Start of the period**	**Increase**	**Decrease**	**End of period**
INTANGIBLE ASSETS				
Other intangible asset	434	38	-	472
TOTAL	**434**	**38**	**-**	**472**
PROPERTY, PLANT AND EQUIPMENT				
Other property, plant and equipment	411	121	-	532
TOTAL	**411**	**121**	**-**	**532**
NON-CURRENT FINANCIAL ASSETS				
Equity securities	75,000	6,038	3,655	77,383
Receivables related to shareholdings	30,205	-	29,527	678
Loans	20	-	8	12
Other long-term investments	586	6,732	-	7,318
TOTAL	**105,811**	**12,770**	**33,190**	**85,391**

Depreciation and amortisation for the year amounted to €107 thousand. Total depreciation and amortisation at 31 December 2019 was €511 thousand.

The decrease in receivables related to shareholdings is primarily due to the repayment of the vendor credit granted to VIGIANS.

3.2 Schedule of receivables

(in thousands of euros)	Gross amount	Due in less than 1 year	Due in more than 1 year
Loans	12	12	-
Receivables related to shareholdings	678	423	255
Other long-term investments	7,318	-	7,318
Other trade receivables	1,815	1,815	-
Social Security and other organisations	1	1	-
State and other government authorities:			
• income tax[1]	7,017	3,820	3,197
• value-added tax	207	207	-
• other	15	15	-
Group and associated companies	22,040	18,451	3,589
Other receivables	9	9	-
Prepaid expenses	119	119	-
TOTAL	**39,231**	**24,872**	**14,359**

(1) This item includes tax credits of €7,017 thousand belonging to the tax consolidation group. The portion at <1 year corresponds to tax credits repayable in 2020.

Receivables due in more than one year mainly concern obligations undertaken for subsidiary VIGIANS PROTECTION INCENDIE, a loan granted to STONI, impaired receivables in former subsidiaries, and tax credits receivable by the tax consolidation group.

Accrued income by balance sheet item:

(in thousands of euros)	**Amount**
Other trade receivables	68
State and other government authorities	15
Other receivables	8
Cash and cash equivalents	7
TOTAL	**98**

3.3 Equity

(in thousands of euros)	Start of period	Share capital increase or decrease	Allocation of income	Distribution of dividends	End of period
Capital	13,503	-	-	-	13,503
Share premiums	26,011	-	-	-	26,011
Legal reserve	1,350	-	-	-	1,350
Other reserves	290	-	-	-	290
Retained earnings	51,648	-	338	(4,319)	47,667
N-1 income	338	-	(338)	-	-
TOTAL	**93,141**	**-**	**-**	**(4,319)**	**88,821**
Income (loss) for the period					2,320
TOTAL EQUITY AT END OF PERIOD					**91,141**

The share capital is made up of 13,502,843 shares with a par value of €1 each.

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3.4 Provisions

(in thousands of euros)	Start of the period	Increase	Decrease	End of period
Provisions for risks and charges	361	219	361	219
TOTAL (1)	**361**	**219**	**361**	**219**
Impairment of:				
• equity securities	6,193	-	4,562	1,631
• non-current financial assets	-	-	-	-
• other receivables	3,589	-	-	3,589
• treasury shares	-	-	-	-
TOTAL (2)	**9,782**	**-**	**4,562**	**5,220**
GRAND TOTAL (1) + (2)	**10,143**	**219**	**4,923**	**5,439**

A reversal of €3,655 thousand was recorded due to the removal of the company CNAi, for which the securities were provisioned in full.

The impairment of equity securities and other non-current financial assets relates to:

• Shares in SCI DES CARRIÈRES	€1,596 thousand
• Shares in MARINE INTÉRIM	€34 thousand

3.5 Net financial debt

3.5.1 Available cash and cash equivalents

Marketable securities are recognised on the balance sheet at their acquisition cost. Accrued interest earned on term accounts is recorded under investment income. A provision for impairment is recognised when the net asset value is less than the acquisition cost.

The "Liquidities" *i.e.* in assets at 31 December 2019 reflecting an amount of €22,997 thousand comprises cash for €22,939 thousand, investment securities for €47 thousand, accrued interest acquired on time account for €7 thousand, and an interest rate cap premium for €4 thousand.

In 2016 the Company entered into a variable interest rate hedge for a new loan. The hedge chosen was an interest rate cap of 1% for a nominal initial amount of €9.5 million. The premium amount (originally €10 thousand) was recorded under financial instruments and is recognised as a financial expense for the duration of the hedge.

GROUPE GORGÉ owns 4,904 treasury shares under a liquidity contract managed by GILBERT DUPONT. At 31 December 2019 the value of treasury shares was €84 thousand

3.5.2 Financial debt

	Gross amount	< 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years
Bank borrowings:							
• originally due within 1 year	-	-	-	-	-	-	-
• originally due in more than 1 year	33,144	4,449	14,451	1,143	13,101	-	-
Other borrowings and financial debt	53	41	-	-	-	-	12
TOTAL	**33,197**	**4,490**	**14,451**	**1,143**	**13,101**	**-**	**12**

3.6 Operating payables and other liabilities

Schedule of debts

(in thousands of euros)	Gross amount	Due in less than 1 year	Due in more than 1 year
Trade payables	676	676	-
Employees	337	337	-
Social Security and other social organisations	366	366	-
State and other government authorities:			
• income tax(1)	3,500	1,730	1,770
• value-added tax	291	291	-
• other taxes and similar payments	21	21	-
Group and associated companies	5,143	5,143	-
Other liabilities	74	74	-
TOTAL	**10,408**	**8,638**	**1,770**

(1) This item includes payables to Group subsidiaries arising from tax consolidation. The share due in more than 1 year corresponds to outstanding tax credits for loss-making subsidiaries that are not repayable in 2020.

4

Accrued liabilities by balance sheet item

(in thousands of euros)	Amount
Other borrowings	41
Suppliers	349
Tax and social security liabilities	532
Other liabilities	60
TOTAL	**982**

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 2019 are as follows:

(in thousands of euros)	**Directors**	**Subsidiaries**	**PÉLICAN VENTURE**
Receivables related to shareholdings	-	678	-
Trade accounts receivable	-	1,815	-
Current accounts receivable	-	18,448	-
Receivables related to tax consolidation	-	3	-
Other receivables	-	-	-
Deposits and guarantees received	-	5	7
Trade payables	-	15	-
Current accounts payable	-	5,143	-
Liabilities related to tax consolidation	-	3,272	-
Other liabilities	-	-	-
Financial income	-	3,692	192
Purchases and external charges	-	87	265
Gross remuneration	224	-	-
Attendance fees	40	-	-
Investment income	-	2,724	-
Other financial income	-	517	-
Financial expense	-	29	-
Non-recurring expenses	-	82	-

Related-party transactions are concluded under arm's length conditions.

Note 5 Off-statement of financial position commitments

5.1 Off-statement of financial position commitments related to ordinary activities

- €11,129 thousand in guarantees given to banking institutions for loans granted to BAUMERT.
- €770 thousand in guarantees given to a banking institution to secure an interest-free loan for PRODWAYS.
- €200 thousand in guarantees given to a banking institution for loans granted to SVF.
- €7 million in guarantees given to a banking institution for a loan granted the subsidiary VIGIANS PROTECTION INCENDIE.

In addition, the Company may have to deliver comfort letters or parent company guarantees to subsidiary customers or partners, under particular circumstances.

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 minority shareholders. These commitments are exercisable starting in 2021.

5.3 Financial covenants

Two bank loans taken out in 2017 whose outstanding principal is €1.5 million may become due if the ratio of net consolidated debt to consolidated EBITDA becomes greater than 4.

Two bank loans taken out in 2018 whose outstanding principal is €9.1 million may become due if the ratio of net consolidated debt to consolidated EBITDA becomes greater than 3.5.

5.4 Commitments received

GROUPE GORGÉ has a confirmed credit facility for €10 million to finance general requirements or acquisitions. This credit facility was renegotiated in July 2019 and is available until July 2020, as long as the ratio of consolidated net debt to consolidated EBITDA remains below 3.5. This credit facility has not been used.

5.5 Pledges, guarantees and sureties

None.

5.6 Retirement pay

Retirement pay was estimated at €122 thousand at the reporting date.

5.7 Financial instruments

In October 2017, GROUPE GORGÉ took out an interest rate hedge in the form of an interest rate cap of 1%. The original nominal amount was €9,500 thousand.

Note 6 Subsidiaries and equity interests

(in thousands of euros)	**Capital** *Equity*	**Share** *Dividends*	**Gross value of shares** *Net value of securities*	**Loans, advances** *Warranties*	**Financial income** *Income*
ECA	4,429	62.22%	36,192	-	2,953
	51,567	*2,166*	*36,192*	-	*3,335*
MARINE INTÉRIM	100	34%	34	-	-
	162	-	-	-	*(3)*
NUCLÉACTION	273	99.29%	37	16,785	288
	2,649	-	*37*	-	*(161)*
STONI	38	100%	5,690	1,225	1,109
	630	-	*5,690*	-	*194*
SCI CARRIÈRES	1	100%	2,844	864	-
	1,248	-	*1,248*	-	*1,683*
SCI DES PORTES	1	99%	1	243	89
	27	-	*1*	-	*15*
SERES TECHNOLOGIES	80	70%	990	-	9,496
	1,084	*294*	*990*	-	*576*
VIGIANS	5	100%	275	-	1,731
	16,702	-	*275*	-	*18,849*
PRODWAYS GROUP	25,539	56.61%	28,205	-	1,756
	116,118	-	*28,205*	-	*2,997*
FINU 12	5	100%	5	-	-
	3	-	*5*	-	*(1)*
STEDY	200	65%	1,010	-	-
	593	-	*1,010*	-	*(487)*
VIGIANS PROTECTION INCENDIE	3,000	70%	2,100	-	-
	2,680	-	*2,100*	*7,000*	*(320)*

Note 7 Other information

7.1 Exceptional events and disputes

The Group is involved in various legal proceedings. After reviewing each case and having consulted its advisers, the provisions considered necessary have, as applicable, been recorded in the financial statements

7.2 Subsequent events

The Covid-19 health crisis began during the first quarter of 2020. Quarantine measures were instituted in March. The Group has limited activities on its sites to the maximum extent possible to preserve the health of its employees and to put in place conditions for the highest level of safety on the job or for working remotely whenever possible. As of the date of issue of the financial statements, it is impossible to estimate the duration of the crisis or its impacts on the Group's revenue and costs. All steps are being taken to best adapt to the government's directives and to restart certain production activities as soon as the necessary resources and conditions for our employees' safety are in place.

No other major events took place between 31 December 2019 and the date of the meeting of the Board of Directors which approved the company financial statements.

4.2.5 Report of the statutory auditors on the separate financial statements

Year ended 31 December 2019

To the shareholders' meeting of GROUPE GORGÉ

Opinion

In application of the assignment entrusted to us by your shareholders' meeting, we have conducted an audit of the GROUPE GORGÉ separate financial statements for the year ended 31 December 2019, appended to this report. These financial statements were approved by the Board of Directors on 23 March 2020 based on the items available on this date in the context of an evolving Covid-19 health crisis.

We hereby certify that the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at 31 December 2016 and of the results of its operations for the year then ended 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 conducted our review in accordance with 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 separate financial statements" in this report.

Independence

We conducted our audit in accordance with the rules of independence governing our assignments, for the period from 1 January 2019 to the date on which our report was issued; in particular, we did not render any services prohibited by article 5, paragraph 1 of EU Regulation No. 537/2014 or by the Code of Ethics governing statutory auditors.

Justification of our assessment – Key audit points

Pursuant to the provisions of articles L.823-9 and R.823-7 of the French Commercial Code on the justification of our assessments, we hereby inform you of the key audit points relating to risks of material misstatements which, in our professional judgment, were most significant for the audit of the financial statements for the year, as well as our responses to address such risks.

These assessments were made as part of the audit of the 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 financial statements.

Assessment of equity securities

As at 31 December 2019, equity securities were recorded on the balance sheet with a total net carrying value of €75.8 million, representing 56% of total assets. They are recognised 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. Value in use is determined, where applicable, based on:

- the value of the share of equity of the investment;
- an analysis of their short and medium-term results and profitability outlook of the investment, in particular through the use of cash flow projections; when equity securities are listed on the stock exchange, the market capitalisation 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 investments on the balance sheet and inherent uncertainty linked to the likelihood of forecasts used to determine the value in use actually materialising.

Audit procedures implemented to address identified risks

Our work consisted in:

- assessing the appropriateness of the valuation method applied by management, and figures used;
- comparing the data used to conduct impairment testing of equity securities with accounting data or market capitalisation of last months where applicable;
- where relevant, assessing the consistency of management's cash flow projections with subsidiaries' past performances.

We also verified the appropriateness of the information presented in Section 3.1 "Non-current assets" in the notes to the separate financial statements

Specific verification

We also performed, in accordance with professional standards applicable in France, the specific verifications required by French legal and regulatory texts.

Information provided in the management report and in the other documents sent to shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and consistency with the financial statements of the information given in the management report from the Board of Directors, approved on 23 March 2020, and in the other documents addressed to the shareholders with respect to the financial position and the financial statements, other than the following point.

In terms of events having occurred and items having become known after the date of issue of the financial statements pertaining to the effects of the Covid-19 crisis, Management has informed us that these events and items will be the subject of communication to the shareholders called upon to approve the financial statements.

In accordance with the law, we hereby inform you that the information on payment times for trade receivables set forth in article D.441-4 of the French Commercial Code, are not mentioned in full in the management report. As a result, we are unable to attest to their true and fair nature and their consistency with the annual financial statements.

Corporate governance report

We hereby certify the inclusion, in the Board of Directors' report on corporate governance, of information required by articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

Concerning the information given pursuant to the requirements of article L.225-37-3 of the French Commercial Code relating to remunerations and benefits received by the Directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements, and, where applicable, with the information obtained by your company from companies controlling or controlled by your company. 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.225-37-5 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 required information concerning the acquisition and takeover of control and the identity of shareholders and holders of the voting rights has been properly disclosed in the management report.

Information resulting from other legal and regulatory obligations

Appointment of statutory auditors

RSM Paris was appointed the statutory auditors of GROUPE GORGÉ by the shareholders' meeting of 13 June 2018 and PricewaterhouseCoopers Audit by the shareholders' meeting of 17 June 2015.

At 31 December 2019, RSM Paris was in the second consecutive year of its mission and PricewaterhouseCoopers Audit was in its fifth consecutive year.

Responsibilities of the Management and those in charge of corporate governance in relation to the financial statements

It is the Management's responsibility to prepare fair and accurate financial statements in compliance with French accounting principles, and to implement the internal control procedures that it deems necessary for the preparation of financial statements free of any material misstatements, whether resulting from fraud or errors.

In preparing the financial statements, it is up to the Management to assess the company's ability to continue as a going concern, to present, where relevant, the necessary information relating to the going concern and to apply the going concern principle of accounting, unless there are plans to liquidate or cease the company's activity.

It is the responsibility of the Audit Committee to monitor the preparation of financial information and to verify the effectiveness of internal control and risk management systems and, where applicable, of internal audit, with regard to procedures for preparing and processing accounting and financial information.

These financial statements have been approved by the Board of Directors.

Statutory auditors' responsibilities regarding the audit of the separate financial statements

Audit objective and approach

We are tasked with preparing a report on the financial statements. Our objective is to obtain reasonable assurance that the 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 auditors exercise their professional judgment throughout the entire audit. In addition:

- it identifies and assesses the risk of material misstatement in the 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, wilful omissions, false statements or the circumvention of internal control;
- it takes note of 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;
- it assesses the appropriateness of the accounting methods adopted and the soundness of accounting estimates made by Management, as well information concerning them provided in the financial statements;
- it assesses the appropriateness of management's application of the going concern principle and, based on the information obtained, whether there is significant uncertainty with regard to events or circumstances that could jeopardise the company's ability to continue as a going This assessment is founded on information obtained up until the date of the report, it being specified, however, that subsequent circumstances or events may jeopardise business continuity. If the auditor identifies significant uncertainty, they highlight such uncertainty in their report by drawing readers' attention to the corresponding information presented in the financial statements, or, if this information has not been provided or is not relevant, issues certification with reserves or a refusal to certify;
- it assesses the overall presentation of the financial statements and determines whether they provide a true and fair reflection of the underlying transactions and events.

Report to the Audit Committee

We have submitted a report to the Audit Committee in which we present the scope of the audit assignment carried out, the work plan followed, and our conclusions. We also highlight the significant internal control discrepancies identified, with regard to procedures for the preparation and processing of financial and accounting 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 separate financial statements for the financial year, and which constitute key audit points, which we are required to include in this report.

We have also provided the Audit Committee with the statement referred to in article 6 of EU Regulation No. 537-2014 confirming our independence, pursuant to regulations applicable in France, as set out in articles L.822-10 to L.822-14 of the French Commercial Code and the Code of Ethics governing statutory auditors in particular. Where necessary, we discuss the potential risks to our independence and the safeguard measures applied with the Audit Committee.

Paris and Neuilly-sur-Seine, 3 April 2020

The statutory auditors

PricewaterhouseCoopers Audit	**RSM Paris**
David CLAIROTTE	Stéphane MARIE
	Partner

INFORMATION ABOUT THE COMPANY, ITS SHARE CAPITAL AND SHAREHOLDERS 5

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

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.

Registered office, legal form and applicable law

Registered office address:

19, rue du Quatre-Septembre – 75002 Paris.

Telephone: +33 (0) 1 44 77 94 77

The Company is a French public limited company (*société anonyme*) under French law with a Board of Directors.

Legal entity identifier (LEI):

549300EWC06TYV07XE53

5.1.2 Articles of incorporation 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 3 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.

Rights, privileges and restrictions attaching to each class of the 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

"The shareholders' meetings are convened and hold deliberations as provided for 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.

Remote 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 1 316-4, 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 Chairman of the Board of Directors or, in his or her absence, by a Deputy Chairman or another Director specially appointed for this purpose by the Board. Failing such measures, the shareholders' meeting appoints the Chairman 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 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, acting according to the corresponding conditions of quorum and majority required by legal provisions, shall exercise the powers conferred on them by law."

(Extract from article 22 of the bylaws)

Crossing of ownership thresholds

The Company's bylaws include an obligation to report threshold crossings of 2%, 3%, and 4%.

"In addition to 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 share capital or voting rights, is required to notify the Company within a period of 10 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 regularisation, 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

As at 31 December 2019, the Company's share capital comprised 13,502,843 fully-paid up shares with a nominal value of €1 each.

There are no potential shares relating to stock option, stock warrant or bonus share allocation plans, or other securities that may be convertible, exchangeable or associated with stock warrants, or acquisition rights and/or obligations attached to subscribe but not paid-up capital.

5.2.2 Treasury shares

Share buybacks

The share buyback in 2019 took place under the authorisations granted by the shareholders' meetings of 13 June 2018 and 7 June 2019

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 2019, 167,116 GROUPE GORGÉ shares were repurchased by the Company under the authorisation granted by the shareholders' meetings of 13 June 2018 and 7 June 2019. These shares were repurchased at an average price of €13.91 per share, for a total cost of €2,324,826.03. In addition, 167,446 GROUPE GORGÉ shares were sold in 2019 at an average price of €13.90 per share (total of €2,328,016.32).

b) Trading charges

In 2019, trading charges consisted solely of fees under the liquidity contract which amounted to €30,000.

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 2019, GROUPE GORGÉ held 4,904 treasury shares (representing 0.036% of its share capital), recorded at €80,950 in the statement of financial position (€83,564 at the stock market price of €17.04 at the same date).

All of the shares are owned to stabilise the stock market price.

The above number of shares and figures are given on the basis of a nominal value of €1 per share and 13,502,843 shares making up the share capital at 31 December 2019.

The treasury shares are recorded in the statement of financial position of GROUPE GORGÉ SA under "Cash and cash equivalents".

d) Cancellation of Company shares during the 2019 financial year

In 2019, the Company did not use the authorisations granted by the combined shareholders' meetings of 13 June 2018 and 7 June 2019 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

The purpose of the repurchase shares may be:

- 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;
- stabilise the share's stock market price.

f) Potential reallocation for other purposes decided during the 2019 financial year

None.

Renewal of the share repurchase programme – Description of the share repurchase programme

Shareholders will be asked at the shareholders' meeting of 7 June 2019 to authorise the Board of Directors, with power to subdelegate, to renew the Company's share repurchase programme (eleventh resolution).

The purpose of this authorisation is to enable the Company to trade in its own 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 practices permitted by 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 allocate them in exchange or payment during external growth transactions, if any;
- provide coverage for stock option plans and/or bonus 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 securities giving the right to the allocation of Company shares under current regulations;
- potentially cancel acquired shares, in accordance with the authorisation granted or to be granted by the extraordinary shareholders' meeting;
- and more generally, carry out operations in accordance with any objective authorised by law or any market practice approved by market authorities.

This authorisation 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, with the understanding 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 share capital is increased through capitalisation 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 should be performed in compliance with the rules laid down by articles 241-1 to 241-7 of the General Regulations of the French Financial Markets Authority (AMF) on 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	Transactions	Number of shares before	Number of shares after	Nominal 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	10 F	29,822,332 F	10,500,000 F
25 February 2000	Share capital increase by incorporating an amount deducted from the issuance premium line item.	1,050,000	1,050,000	32.79 F	(23,937,742.50) F	34,429,500 F
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 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 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 grant 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

Date	Transactions	Number of shares before	Number of shares after	Nominal value *(in euros)*	Additional paid-in capital *(in euros)*	Share capital after *(in euros)*
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
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 grant 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

Date	Transactions	Number of shares before	Number of shares after	Nominal value *(in euros)*	Additional paid-in capital *(in euros)*	Share capital after *(in euros)*
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

TABLE AT 23 MARCH 2020 OF CURRENT DELEGATIONS ON SHARE CAPITAL INCREASES GRANTED TO THE BOARD OF DIRECTORS BY THE SHAREHOLDERS' MEETING

Date	Delegation	Validity	Maximum nominal amount	Use
Combined shareholders' meeting of 07/06/2019 (9th resolution)	Delegation of authority to increase the share capital by incorporation of reserves, profits and/or premiums	26 months	5,000,000 €	None
Combined shareholders' meeting of 07/06/2019 (10th 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 maintenance of shareholders' pre-emptive subscription rights.	26 months	€5,000,000[1] €50,000,000[2] (marketable securities representing receivables giving access to share capital)	None
Combined shareholders' meeting of 07/06/2019 (11th 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 securities giving access to ordinary shares to be issued (by the Company or by a Group company), waiving shareholders' pre-emptive subscription rights, by public offer.	26 months	€5,000,000[3] €50,000,000[3] (marketable securities representing receivables giving access to share capital)	None
Combined shareholders' meeting of 07/06/2019 (12th 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 securities giving access to ordinary shares to be issued (by the Company or a Group company), waiving shareholders' pre-emptive subscription rights, by a (private placement) offer referred-to in article L.411-2 II of the French Monetary and Financial Code.	26 months	€3,000,000 (legal ceiling)[3] €30,000,000[3] (marketable securities representing receivables giving access to share capital)	None
Combined shareholders' meeting of 07/06/2019 (13th 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 share capital per year, for an issue of ordinary shares or securities pursuant to the 11th and 12th resolutions	None
Combined shareholders' meeting of 07/06/2019 (14th resolution)	Delegation of authority to increase the number of shares to be issued in the event of excess demand in a share capital increase, pursuant to the 10th, 11th or 12th resolutions.	26 months	15% of the original issue amount (per articles L.225-135-1 and R.225-118 of the French Commercial Code)	None
Combined shareholders' meeting of 07/06/2019 (15th resolution)	Delegation to increase the share capital by issuance of ordinary shares and/or transferable securities giving access to the share capital, within a maximum 10% of the share capital, as consideration for non-cash transfers of securities giving access to share capital.	26 months	10% of the Company's share capital[3]	None

5

Date	Delegation	Validity	Maximum nominal amount	Use
Combined shareholders' meeting of 07/06/2019 (16th 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 securities giving access to equity securities to be issued, without pre-emptive subscription rights in favour 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 €30,000,000(3) (marketable securities representing receivables giving access to share capital)	None
Combined shareholders' meeting of 13/06/2018 (13th resolution)	Authorisation to grant stock options to employees and/or certain company officers	38 months	5% of the Company's share capital	None
Extraordinary shareholders' meeting of 13/06/2018 (14th resolution)	Authorisation to allocate existing or future free shares to employees and/or certain company officers	38 months	5% of the Company's share capital	None

(1) To be charged against the maximum nominal value of the share capital increases that may be carried out pursuant to the 11th, 12th and 15th resolutions.

(2) To be charged against the overall ceiling provided in the 11th and 12th resolutions.

(3) To be charged against the overall ceiling provided in the 10th resolution.

5.3 SHAREHOLDING

5.3.1 Breakdown of share capital and voting rights

The breakdown of the share capital and voting rights is the following:

	31 December 2019				31 December 2018			
	Shares	% of share of capital	Voting rights exercisable at share-holders' meetings(2)	% of voting rights exercisable at share-holders' meeting	Shares	% of share of capital	Voting rights exercisable at share-holders' meetings(2)	% of voting rights exercisable at share-holders' meeting
GORGÉ family(1)	7,596,656	56.26%	14,953,157	71.36%	7,583,125	56.16%	14,862,967	71.19%
Treasury shares	4,904	0.04%	-	-	5,234	0.04%	-	-
Public	5,901,283	43.70%	6,002,607	28.64%	5,914,484	43.80%	6,015,249	28.81%
TOTAL	**13,502,843**	**100%**	**20,955,764**	**100%**	**13,502,843**	**100%**	**20,878,216**	**100%**

(1) "GORGÉ Family" refers to shares held directly by Jean-Pierre GORGÉ, founder of the Group, i.e. 115,219 shares, and those held directly by Raphaël GORGÉ, i.e. 193,865 shares, as well as shares held by PÉLICAN VENTURE SAS, a holding company controlled by three members of the GORGÉ family.

(2) 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.

AXA INVESTMENT MANAGERS (for the entirety of the portfolios managed by its subsidiaries) declared on 4 February 2020 that it had exceeded the threshold of 2% of the share capital and 3% of the voting rights. The Egepargne Croissance investment fund managed by AXA INVESTMENT MANAGERS had previously declared in February 2019 that it had exceeded the statutory 2% threshold in GROUPE GORGÉ's share capital.

In April 2019, Raphaël GORGÉ declared that he had acquired a total of 13,531 shares. In November 2019, he sold 50,000 shares to PÉLICAN VENTURE, the GORGÉ family holding company.

In May 2019, PÉLICAN VENTURE, the holding company of the GORGÉ family, benefited from the transition to double voting rights for 126,659 shares. In January 2020, 20,000 additional shares held by PÉLICAN VENTURE received double voting rights. No other changes in PÉLICAN VENTURE's double voting rights are expected in 2020.

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.

There are three Independent Directors on the GROUPE GORGÉ Board of Directors, one of whom has been there since 2006. 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 Chairman 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 must be noted that at 31 December 2019:

- no employees shares were held under collective management;
- 27,334 GROUPE GORGÉ registered shares were held by Group employees following the acquisition of shares under free share allocation plans.

5.4 FINANCIAL COMMUNICATION (FINANCIAL AGENDA, SHARE PERFORMANCE, DIVIDEND POLICY)

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	Share capital *(in euros)*
January 2019	11.04	8.26	131,088	1,285,623
February 2019	11.48	10.08	145,949	1,588,651
March 2019	15.06	10.58	374,414	4,546,575
April 2019	15.84	13.22	332,476	4,891,165
May 2019	15.10	13.08	178,969	2,476,744
June 2019	17.46	13.78	314,885	5,082,778
July 2019	17.20	14.30	250,555	4,002,792
August 2019	14.70	12.22	139,566	1,890,058
September 2019	15.06	13.18	320,784	4,573,612
October 2019	15.04	13.78	206,162	2,964,582
November 2019	16.80	15.02	268,694	4,257,628
December 2019	17.64	14.40	233,953	3,805,060
January 2020	19.00	16.20	302,455	5,352,638
February 2020	17.78	12.40	195,590	3,061,615

Source: Euronext.

5.4.1.1 Information on GROUPE GORGÉ shares

GROUPE GORGÉ shares are listed in compartment B of Euronext Paris. Compartment B comprises listed companies with a market capitalisation 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 for 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 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.

Dividends approved by the shareholders' meeting in previous financial years totalled:

- 2014: dividend per share of €0.32 (13,181,843 shares), or a total dividend of €4,218,189.76;
- 2015: none;
- 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.

The Board of Directors will propose payment of a dividend of €0.35 per share, *i.e.* a total dividend of €4,725,995.05 to the shareholders' meeting of 8 June 2020.

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:

- 2020 Q1 revenue: 28 April 2020;
- shareholders' meeting: 8 June 2020;
- 2020 Q2 revenue: 28 July 2020;
- 2020 HY financial results: 16 September 2020;
- 2020 Q3 revenue: 28 October 2020;
- 2020 Q4 revenue: end-February 2021.

The Group holds meetings with analysts and investors, and a telephone conference with an analysts' Q&A immediately after publishing its results. The 2019 financial results were announced on 23 March 2020, and the 2020 half-year financial results will be announced on 16 September 2020.

Throughout 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 included or mentioned in this Universal Registration Document;

Annual reports are available at the Company's head office at 19, rue du Quatre-Septembre – 75002 Paris, as well as on the Company's website, www.groupe-gorge.com. The Company's press releases are issued *via* professional wire agencies (ACTUSNEWSWIRE) and can be consulted on leading publicly accessible stock market websites such as BOURSORAMA, BOURSIER.COM and EURONEXT.

The Company's website contains all of GROUPE GORGÉ's up-to-date financial information. All GROUPE GORGÉ press releases 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 Company can present its activities and results to analysts, investors and shareholders. The Group also organises 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.

OUR VALUES, OUR EMPLOYEES AND OUR CSR COMMITMENTS

6

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 (DPEF) for the Group scope. This statement is subject to mandatory audit by an independent third-party organisation.

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 subsidiaries at 31 December 2019, *i.e.* 15 subsidiaries in 2019, up from 16 subsidiaries in 2018. At end-2019, the latter represented 87% of the Group's workforce and 82% of the Group's revenue, compared with 83% of workforce and 83% of revenue in 2018. For practical and organisational reasons within the Group, it was relevant to retain this materiality threshold. Subsidiaries that fall below this materiality threshold do not present any significant risk.

Method for reporting CSR indicators

The production of CSR (Corporate Social Responsibility) indicators requires setting up a system for reporting information to the GROUPE GORGÉ Financial Department. A protocol was established that describes CSR indicators uniformly and in detail.

6.1.2 GROUPE GORGÉ's CSR commitments

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.

There were several phases to this study:

- creating segment benchmarks;
- identifying the main challenges using internal resources, specifically financial risk-mapping;
- organising internal workshops with operational employees from all divisions to validate the issues' relevance;
- CSR data collection by the Executive Management of GROUPE GORGÉ.

Through this work, the environmental, social, and societal issues of each division and the Group were identified and prioritised according to:

- stakeholder expectations;
- and their impact on the Group's business.

In ranking these risks, potential risk levels were defined: moderate, major and 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 programme is composed of 17 Sustainable Development Goals (SDG).

The SDG are establishing themselves as the new global framework of priorities, and their translation for businesses by the Global Compact, the WBCSD, and the GRI creates a comprehensive, sustainable new CSR set of guidelines that the Group is keen to adopt.

6.2 OUR BUSINESS MODEL

GROUPE GORGÉ is an independent family-owned group conducting business in the high-tech industries. The Group's business is in personal and property safety and protection in extreme environments, through the Smart Safety Systems division (ECA), the Protection of High-Risk installations division (VIGIANS PROTECTION INCENDIE FRANCE, SERES TECHNOLOGIES, BAUMERT and VAN DAM), and the "3D Printing" sector (PRODWAYS GROUP).

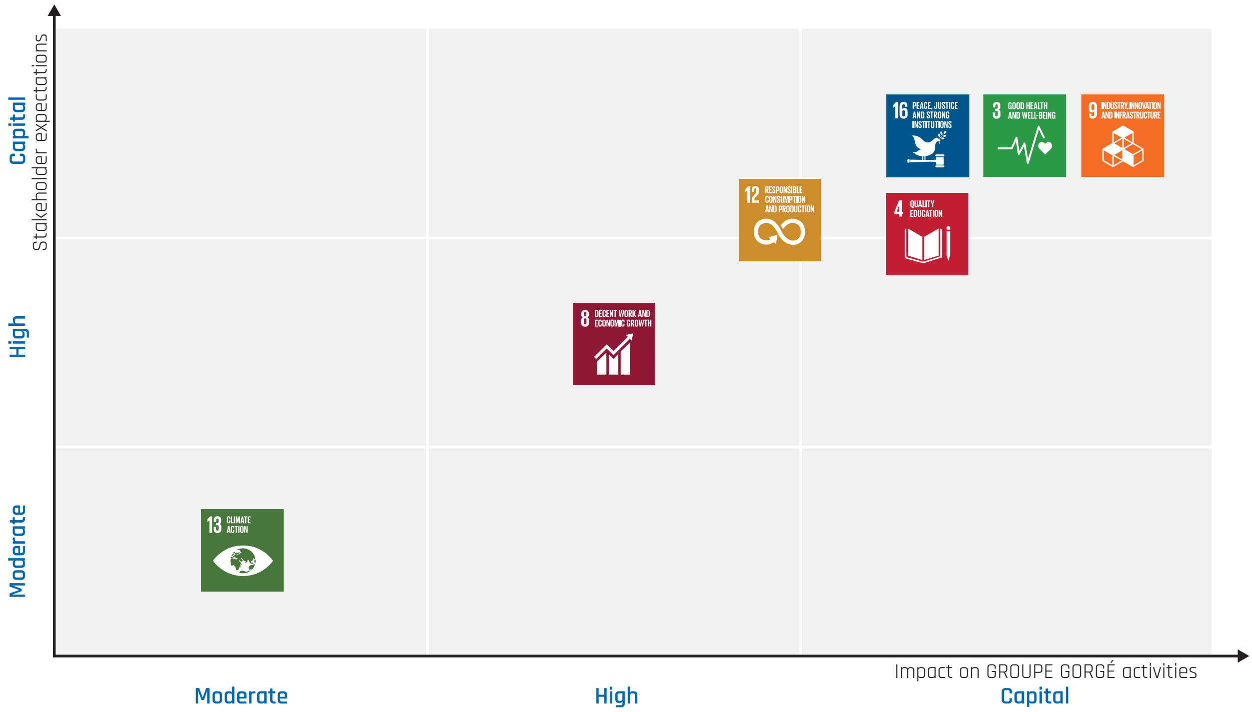
The Group's detailed business model is presented in Section 1.2, "Overview of the Group and its businesses" as well as in the introductory pages of this Universal Registration Document.

6.3 GROUPE GORGÉ CSR RISKS AND CHALLENGES

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 **10 priority challenges**, matching **seven Sustainable Development Goals**. These 10 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 personal and property protection • Workplace health & safety, a commitment to all employees	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	• Acting as an effective, responsible, and ethical group
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	• Building a top layer in terms of technology innovation • Making infrastructure safer	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• 3D Printing: A mode of production that responds to the challenges of sustainable development
4 QUALITY EDUCATION	• Attracting and training talent	13 CLIMATE ACTION	• Activities with limited impact on climate change
8 DECENT WORK AND ECONOMIC GROWTH	• Investing in a lasting and responsible relationship with employees • Ensuring decent working conditions at our suppliers		

6.4 INNOVATION FOR PERSONAL AND INFRASTRUCTURE HEALTH AND SAFETY

Through each of its business divisions, the Group's aim is to protect people and property or provide solutions for health.

6.4.1 Smart Safety Systems: innovating for personal and property protection

ECA offers its customers solutions to ensure the safety of their operations.

With the development of asymmetric conflicts, the threats are changing, and the borders between armies and domestic security are shifting. In addition, troop safety and budget considerations are leading to reductions in their exposure. For the Armed Forces and Civil Security, ECA plays a leading role in cutting-edge robotics solutions for defence and security missions. The main objective of ECA's developments is to avoid personnel exposure to dangers such Explosive Ordnance Disposal (EOD) and Improvised Explosive Devices (IED), conflicts, and terrorist threats.

For more than 80 years, ECA has been developing complete solutions for naval, ground, and air defence, security, and special forces. ECA provides complete, fully-integrated solutions that are battle-tested, integrated into the French forces for surveillance, detection, inspection, intervention, and neutralisation missions. The Group's robotic solutions rely on a complete line of remote-operated or autonomous air, ground, and sea drones. Interoperable, equipped with the most effective sensors, ready to process information in real time, these drones are the basis for solutions for identifying and neutralizing risks.

With its expertise in robotics, industrial processes, and automation, ECA designs solutions that are specially designed for hostile or restrictive environments. The Group's inspection, servicing, and maintenance solutions are specially designed for demanding environments. Starting with its line of airborne, land-based, and naval robots equipped with the most effective sensors and customized for each use, the Group has developed solutions for surveillance and inspection of infrastructures and industrial sites, or decommissioning of nuclear power stations.

In Aerospace, ECA is developing, producing, and installing innovative solutions with high technical value throughout the aircraft's life cycle. The Group is the world leader in distress beacons, mandatory equipment on board aircraft, designed to help search and rescue authorities locate any airplane in distress. In 2017, ECA announced the launch of its "ELiTe" beacon, 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.

6.4.2 Protection of High-Risk Installations: Protecting the most demanding infrastructures

The Protection of High-Risk Installations division develops innovative custom solutions for protecting infrastructure. Its high-performance protection systems will secure the most demanding infrastructures (nuclear plants, industries, etc.) and have a direct impact on the safety of users and nearby residents.

The products and services developed meet the safety requirements for people and property (installation of high-tech doors for nuclear plants, fire safety for the service sector, and protection against industrial risks).

BAUMERT has developed a line of products for protection against natural hazards, particularly as revealed by the Fukushima disaster, for the nuclear, petrochemical, and construction industries.

The challenges of natural hazards (flooding, earthquake, landslide, tsunami, tornado, etc.) involve protecting people first and foremost, but also limiting direct damage (building repair and restoration) and indirect damage (business shutdowns, evacuee rehousing).

The nuclear industry is all the more impacted because it must consider the nuclear safety aspect in order to protect important equipment and guarantee security faced with the risk of radioactive contamination

6.4.3 Medical: A strategic development area for 3D Printing

3D printers for medical applications are used for printing smaller objects (such as teeth) or printing with thinner walls. Whether for hospitals, universities, or research laboratories, many medical institutions are taking an interest in 3D printing technology.

In the medical segment, 3D printing is used for:

- planning surgeries with accurate anatomical models created by scanners or MRIs;
- developing custom orthopaedic prostheses and implants;
- using 3D-printed models in medical training;
- and bio-printing living tissue for testing drugs and implant placements.

Making it possible to print unique, customised parts at a reduced price, 3D printing has very quickly gained ground in this industry.

PRODWAYS GROUP's Products business includes a medical division that produces medical prostheses *via* 3D printing:

- for more than 40 years, INTERSON-PROTAC has been a key player in the audiology world. The Company creates Personal Protective Equipment (PPE) type hearing protection and customised hearing aids;
- CRISTAL is a dental prosthesis laboratory;
- PODO 3D makes orthopaedic and comfort insoles.

At the same time, PRODWAYS GROUP has developed a line of 3D printers and materials specially designed for the dental segment. Its expertise in additive manufacturing for dentistry fits into its partnership with the biggest names in the industry, such as DREVE and BIOTECH DENTAL. It is also associated with prominent dentists and leading international suppliers.

The machines are specially designed for their application and are adapted to the biocompatible materials used in the various segments. For example, the Group has developed PLASTCure, a biocompatible material that is perfectly adapted to surgical modelling.

Requirement of the medical segment

The medical segment is highly regulated. To meet the segment's very stringent requirements, the Group has set up a quality-assurance system based on standards and certifications.

In addition, the Group must comply with European Personal Protective Equipment (PPE) standards on noise-cancelling protective earplugs (EU 2016/425). The new European regulations require stricter compliance procedures, ongoing monitoring of the production process, and a quality guarantee.

As a supplier of medical devices, the Group is also subject to EN 900 and REACH regulations. In compliance with regulations, the Group limits the risks of medical devices and informs its users of them.

Sponsorship

INTERSON PROTAC is a sponsor of AuditionSolidarité.Org, an organisation that works to improve auditory wellness for as many people as possible.

As part of its sponsorship, INTERSON PROTAC pays the Audition Solidarité association €1 for each pair of customised Pianissimo® sold and €0.50 for each standard Pianissimo® sold. INTERSON PROTAC also supports the association in its humanitarian missions abroad. Around the world, a team of hearing professionals works in schools for deaf and hearing-impaired children to outfit all the children with these appliances and train the teachers on the spot in their daily care. As part of its missions, INTERSON PROTAC provides Audition Solidarité with its expertise as a manufacturer of hearing-aid tips and also donates equipment and accessories.

6.5 BUILDING A TOP PLAYER IN TERMS OF TECHNOLOGY INNOVATION

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 – to more effectively meet their clients' needs in 3D printing, 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 paragraph 1.3. "Strategy and Outlook, Investment and R&D Policies".

In 2019, R&D amounted to 4.7% 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 2019, the Smart Safety Systems division allocated €6.5 million to R&D, representing 5.8% of its revenue, compared to €7.2 million and 7.0% of revenue in 2018. The division is developing a research programme on "robotic systems" of the future so they can develop tomorrow's robots today.

The division announced the launch of innovative new products during the financial year: the USV INSPECTOR 125, a new surface drone for its USV range in collaboration with MAURIC and the ground robot CAMELEON LG which can be used to carry out identification and mine disposal missions.

PRODWAYS GROUP has eight technology centres dedicated to specific focus areas and a team of engineers dedicated to developing the applications of the future.

The 3D Printing division's research is in three key areas:

- machines;
- materials;
- medical prostheses (dental, audiology, chiropody).

The Group focuses its efforts on series production applications, particularly for the medical, aeronautic, and jewellery segments, where the benefits of 3D printing are substantial.

Thanks to this capacity for innovation, in 2019 the Group developed several leading innovations, such as the new 3D printing machine using powder sintering technology – ProMaker P2000 ST – or an integrated robotic workshop to make orthodontic splints.

In 2019, the 3D Printing division allocated €4.4 million to R&D, which is 6.2% of its revenue, compared to €3.3 million and 5.4% of revenue in 2018.

Lastly, in the Protection of High-Risk Installations division, R&D is focused on client-specific projects, in particular special walls and doors and a special standardised door

In 2019, the division allocated €2.1 million was allocated to R&D, which is 2.3% of its revenue, compared to €1.2 million and 0.9% of revenue in 2018.

Patents filed

The Group invests significantly 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.

Thus, PRODWAYS GROUP holds a portfolio of 13 patent families to protect the formula for materials as well as the proprietary DLP MOVINGLight® technology developed in its own 3D printers, while ECA holds a portfolio of 29 patent families. To encourage and guide innovation and enhance intellectual property, an innovation charter has been written and deployed at ECA.

6.5.2 Technology sharing and heritage

The Group's view of innovation is based on openness and partnership, in many aspects:

Joint innovation projects

Development of an ecosystem of additive manufacturing partners is a major challenge to industrialise technology. PRODWAYS GROUP regularly teams up with various stakeholders in the ecosystem – leading chemists or suppliers of scan solutions – to develop the applications of the future. In 2019, the Group announced sales to leading chemists (DSM, ARKEMA and BASF) promoting the development of materials.

ECA regularly participates in Europe-wide research projects. ECA has taken part in the European Defence Fund's OCEAN 2020 project since 2018. The OCEAN 2020 project brings together 42 partners from 5 European countries and works on surveillance and prohibitions at sea, and equips the relevant fleets with drones and remote-controlled submersibles. The information obtained will feed conventional systems to give military commands a complete picture of the situation at sea.

Industrial partnerships

The Group regularly forms partnerships with clients or SME or large corporations in its ecosystem to propose innovative solutions.

In 2016, NAVAL GROUP and ECA formed a technological and commercial partnership in robotic mine disposal. 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 to a large audience

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.

Thus, in 2019, the Group took part in many events: in the "Tech&Co" broadcast on BFM Business, as well as in numerous 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.

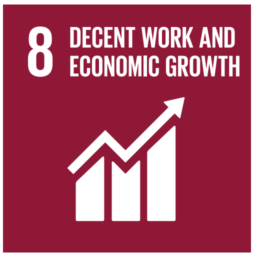
As an expert in additive manufacturing in France, PRODWAYS GROUP attends technical conferences on additive manufacturing, such as the *Journée de la Fabrication Additive* [additive manufacturing day]. PRODWAYS GROUP also holds meetings, conferences and round tables for associations, entrepreneurial clubs, students, and any other group who may take an interest in the Group's activities.

ECA is very active in the Naval and Defence industries in France. Through conferences and round tables, the Group attempts to share knowledge about its business lines with any audience that may take an interest in the Group's activities. Throughout the year, the Group organised many themed conferences with its experts at trade shows that it attended

In 2019, ECA once again took part in the Summer Defence Conference, an annual event organised under the high patronage of the French President for all French Defence policymakers – government, military, and industrial alike – to plan the Defence of the future

6.6 THE GROUP'S COMMITMENTS TO ITS EMPLOYEES

6.6.1 Investing in a lasting and responsible relationship with employees



Promoting long-term, appealing employment and providing all its employees with access to quality healthcare services.

6.6.1.1 Employment policy

In the high-tech industries, today's innovations – and therefore today's talent – make for tomorrow's successes. 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.

The following indicators, except for the table below on the Group's total workforce, relate to the workforce of the selected companies, totalling 1,532 employees. In 2018, the indicators covered 1,661 employees, *i.e.* 83% of the total, and 83% at constant scope.

Total Group workforce and geographic breakdown

Human resources data corresponds to a calendar year. The population considered in the following table comprises all the Group's employees, excluding trainees. Total workforce means the number of people present within the Group at 31 December 2019 who are bound by a permanent contract, a fixed-term contract, or a trainee contract. Part-time workers are counted as one person.

	Smart Safety Systems		3D Printing		Protection of High-Risk Installations		Corporate		Group	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Executives and engineers	396	389	158	159	283	377	6	6	843	931
Technicians and supervisors	136	81	175	144	119	123	1	1	431	349
Employees	55	90	145	110	80	170	-	-	280	370
Workers	53	54	27	47	143	251	-	-	223	352
TOTAL	**640**	**614**	**505**	**460**	**625**	**921**	**7**	**7**	**1,777**	**2,002**

In France, the Group is established in a number of regions. It also has operations in the United States, Germany, the Netherlands, Belgium and Singapore. In its three business divisions, GROUPE GORGÉ provides long-term local employment.

The workforce of the Protection of High-Risk Installations division fell sharply in 2019 following the disposal of CIMLEC and its subsidiaries in early July (330 employees).

Distribution by socio-professional categories

	Hommes		Femmes		Total	
(en %)	2019	2018	2019	2018	2019	2018
Higher managerial and professional positions	38	38	10	8	48	46
Technicians and supervisors	20	14	5	3	24	17
Employees	4	9	9	9	13	18
Workers	11	16	1	2	12	18
Apprentices	2	2	0	0	3	2
TOTAL	**75**	**78**	**25**	**22**	**100**	**100**

Distribution by age

(en %)	2019	2018	2017
Less than 30 years old	21	18	15
30 to 39 years old	27	27	28
40 to 49 years old	26	26	28
50 to 59 years old	21	24	25
60 years old and over	6	5	4

6.6.1.2 Hiring policy

The Group wants to recruit candidates with high skill levels (engineers, graduates of prestigious universities) in a mobile labour 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 2019, permanent contracts represented 95% of the total workforce and 77% of new hires.

	2019	2018
Recruitments*:	410	429
• of which permanent employment contracts	317	327
• of which fixed-term employment contract	62	84
• of which trainee contracts	31	18

* *Excluding transfer between Group entities.*
As regards personnel movements, 23 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:

	2019	2018
Departures:	349	343
• for economic reasons	9	5
• for other reasons	21	20
• end of contract, retirement, resignation, termination by mutual agreement	319	318

The lay-offs listed below include those, for all reasons combined, in the Group's companies for 2019 in France.

As regards employee mobility, 32 transfers took place between Group companies this year, reflecting the increase in internal mobility.

In 2019, the Group had a turnover rate of 23.8%, down from 26.8% in 2018. This improvement can be observed in each division.

Recent graduate integration and the Group's employer 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 Smart Safety Systems division, some fifteen schools have been identified near the Toulon, Toulouse, and Brest sites, where the programme of studies for students is well suited to the needs of ECA. Designated points of contact for these schools within the Company attend student forums and talk with students, to promote the Group's business lines. Publications about the business lines have also been created to familiarise people with the kinds of jobs available at ECA. In 2019, the division took part in trade shows of targeted engineering schools and institutions, and set up a partnership with the ISEN engineering school concerning its marine robotic business lines.

ECA also became a partner of Campus de l'Industrie Navale de Marseille in partnership with GICAN in order to exchange with students and promote the Group's naval business lines and the naval industry.

In the Protection of High-Risk Installations division, VIGIANS PROTECTION INCENDIE implemented an attractiveness policy proposed to all its subsidiaries. The policy consists of three areas: access to sports, occupational health, 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 labour 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 2019, the Group welcomed 131 interns and apprentices, or 11.7% of its workforce.

	2019	2018
Work/study employees	40	40
Interns	91	110

Diversity of experience on the teams

GROUPE GORGÉ believes that diversity of backgrounds is an asset for the Company. The Group strives to be a responsible employer and is vigilant that its conduct and practices be exemplary; as such, it is committed to preventing all forms of hiring discrimination.

In 2019, 2.2% of GROUPE GORGÉ employees had a disability, stable compared to 2018.

	2019	2018
Number of disabled employees	35	33

6.6.1.3 Gender parity

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 2019, 10% of executives were women, compared to 8% in 2018.

In 2020, GROUPE GORGÉ companies received equal pay scores of between 81 and 87/100. The Group is determined to improve this score.

The composition of the Company's Board of Directors follows the gender parity rules set out in the Copé-Zimmermann Act.

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, ECA has established a wage guideline policy that gives IRPs access to the wage scale during the hiring process.

Women in leadership roles

For International Women's Day, Hélène de COINTET, Deputy CEO of GROUPE GORGÉ, discussed her career and the Group's commitment to gender equality with LES ÉCHOS START and women who took part in a workshop on wage negotiation from the association GLORIA, sponsored by the Group.

Some ECA companies have joined in campaigns to promote women in business. A publication highlighting the jobs held by women at ECA was made for International Women's Day, and awareness campaigns were led in schools

SERES TECHNOLOGIES took part in the Talent'Elles trade show organised by APEC and PÔLE EMPLOI in Marseille to present opportunities and discuss with the women attending the event.

Work/life balance

Measures promoting work/life balance benefit gender parity by allowing both parents to share family responsibilities.

To this end, an agreement on flexible working hours is under negotiation, and childcare is available to employees in some subsidiaries in Toulon.

At CLF-SATREM, a partnership has been set up with some private childcare centres 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 organisation of working time and work/life balance have been signed or are under negotiation.

	2019	2018
Women in the workforce *(%)*	25	22
Women in management positions *(%)*	10	8
Women in non-management positions *(%)*	15	14
Women in permanent contracts *(%)*	26	21
Women in temporary contracts *(%)*	1	3

6.6.1.4 Remuneration and financial benefits policy

Each subsidiary has its own remuneration policy, and some have set up incentive agreements. The Group also contributes to the meal voucher programme and has set up agreements in some subsidiaries with intercompany restaurants.

Remuneration report

	2019	2018
Gross remuneration	60,279	59,804
Social security contributions	23,869	24,942
Pension liabilities: compensation paid and IAS 19 provision	474	540
Shareholding plans, profit-sharing	149	281
TOTAL	**84,770**	**85,567**

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 2019, 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

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.

Transfer of knowledge and best practices from one subsidiary to another is a priority for ECA. The decision was therefore made to develop ECA Group training programmes 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, ECA Group's aim was to create a common culture and a shared skills base.

Skills in 3D printing cannot necessarily be found externally. To meet its needs, PRODWAYS GROUP is setting up internal training programmes. For example, INTERSON PROTAC is training all employees internally as hearing-aid technicians. It takes three to six months for trainees to become operational.

Some Group companies also intend to develop internal training courses in their business lines or to forge partnerships with targeted training schools.

Training

During the 2019 financial year, nearly 16,165 hours of training were provided. Trainees made up 56% of the workforce used for the figures.

	2019	22018018
Number of hours of training provided	16,65	17,937
Number of employees trained	664	926
Rate of access to training	43	56
Average number of training hours per employee	24	19
Budget *(in thousands of euros)*	485	746

6.6.3 Health & safety: A commitment to all employees

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 Protection of High-Risk Installations division, is classified as an ICPE (a facility classified for environmental protection).

Smart Safety Systems

A majority of ECA employees work in engineering firms, but some of the work they do, specifically on location, requires certain procedures to be followed

In light of regulations and thresholds set on work hardship and exposure to major risks in France, ECA is not exposed to this kind of work and therefore is not bound to formalise 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.

3D Printing

Some of the division's activities require the handling and storing of hazardous substances. The concerned companies implement the safety procedures recommended for the handling and storage of such products. For example, INITIAL handles potentially hazardous powders (risk of explosion) that are harmful to health if inhaled. Strict handling and storage procedures have been established. Likewise, the use of DLP® or lasers requires certain handling precautions to protect the health of employees involved. Collecting and recycling potential contaminants is entrusted to specialised service providers.

In addition to paying close attention to the health and well-being of its own employees, PRODWAYS GROUP also directly impacts well-being at work by producing and selling personal protective equipment (PPE) that is useful to employees.

Accordingly, in audiology, INTERSON-PROTAC and SURDIFUSE-L'EMBOUT FRANÇAIS, sell hearing protection for industry to protect employees from the noise in open spaces or in factories and have equipped several Group subsidiaries. Similarly, in the INITIAL subsidiary, operators have been outfitted with 3D-printed orthopaedic insoles branded "Scientifeet" by PODO 3D to improve comfort and reduce employees' foot pain. A company study has been launched in partnership with the occupational health department, a chiropodist, and an applied biomechanics laboratory.

Protection of High-Risk Installations

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; and
- chemical hazards.

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.

	2019	2018
Number of accidents at work with absence	27	27
Number of days lost	1,095	1,447
Frequency rate	10.9	9.9
Severity rate	0.44	0.53
Absenteeism rate	3.86	3.06

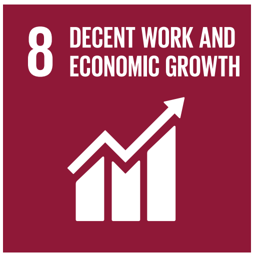
Occupational accidents concern accidents that occur at the workplace and during travelling for work, but do not include commuting accidents. The frequency rate is equal to the number of accidents expressed in millions of hours worked, the severity rate, the number of days not worked (calendar days) expressed in by thousands of hours worked.

GROUPE GORGÉ recorded 27 accidents at work, all of which included lost time. The 10.9 frequency rate increased slightly compared to 2018, contrary to the severity rate, which decreased.

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 organise 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



The Group is not located in so-called "at-risk" geographic areas but does work with suppliers and subcontractors who may be.

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.

This issue has been identified in the Smart Safety Systems division, which has included due diligence in its purchasing terms and conditions. The terms and conditions of purchase of ECA incorporate OECD 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.

Promotion of and compliance with the ILO (International Labour Organisation) Core Conventions

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 labour, freedom of association, abolition of forced labour, etc.).

6.7.2 Building an effective, responsible, and ethical group

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 law in those of its subsidiaries that are at greatest risk, based on their activity or organisation, before moving on to deployment in other less-vulnerable subsidiaries.

Typically, the challenge of fighting corruption affects the core activities of 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, ECA has developed a Code of Conduct and internal prevention and training procedures and policies (*e.g.* all new employees receive mandatory training on compliance and best practices in business ethics during their on boarding). 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 law.

In 2019, 119 employees received anti-corruption training within the Group.

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 fit fully into its corporate responsibility strategy. The Group therefore adopts corporate behaviour that consists not only of following the laws, but also paying its fair share in taxes to the countries in which it does business.

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 optimising natural resources, in compliance with applicable regulations.

In the Smart Safety Systems division, suppliers have selected their products based on safety and compliance with the expected technical specifications. 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, ECA integrates human safety requirements and technological requirements in its products (including maintenance of its products in operating condition, or lifespan).

Generally, 3D printing is considered an environmentally-friendly technology for various reasons. It generates little waste compared to traditional manufacturing (which is done by subtracting material generating more waste).

6.8.1 3D Printing: A mode of production that responds to the challenges of sustainable development

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

3D printing, also known as additive manufacturing, consists of creating physical objects by superposing different layers of material. Most of the time, this production process is computer-assisted via digital *file* (Computer-Aided Design or CAD). Once the object has been finalized by the operator, this file is sent to a specific software that slices it up and sends it to the printer, which deposits or solidifies the material (depending on the materials and techniques used) layer by layer until the final piece is obtained.

3D printing is different from traditional manufacturing techniques (tooling, sculpture, milling, drilling, etc.). These traditional manufacturing techniques rely on blocks of material (steel, aluminium, titanium) and processes to eliminate all parts deemed extraneous in order to achieve the part's final shape (this is what is meant by subtractive manufacturing). With the 3D printing technique, objects are formed by adding material, which frees the user from the constraints and environmental impacts related to the manufacture or use of a mould, metal sheet, or metal block.

For example, PRODWAYS GROUP's Rapid Additive Forging technology can manufacture blank parts in titanium that are close to the geometry of the final part, which will then be sent for final machining. These blanks are then finish-machined, thus avoiding considerable losses of material as shavings which can represent up to 95% of the metal block with traditional machining processes.

By offering the option of printing custom-made parts on demand, manufacturers and consumers can repair objects that would otherwise be thrown out because a part is no longer available.

3D printing also means that production sites can be relocated nearer customers, thus reducing transport emissions. In 2018, PRODWAYS GROUP was given the Made In France Award by Reporters d'Espoir (Reporters of Hope) on the topic of employment, environment and relocation: the promises of 3D printing.

Thanks to the new options it provides, this manufacturing process is highly sought after by all manufacturing businesses, and in particular the aeronautics industry, for rapid prototyping of geometrically complex parts, and by the medical industry for the manufacture of several different parts on the same production line.

In the majority of its activities, the Group is positioned as a designer and assembler, and has set up a material recycling process for used liquid resins and powders. Accordingly, its activities do not cause any major environmental hazards.

6.8.2 Best practices that converge with sustainable development challenges

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.).

In the interest of quality, regulatory constraints, and logistics, the subsidiary ECA ROBOTICS sources the majority of its supplies locally in the South of France, which reduces transport-related CO_2 emissions and fosters the development of the local economic fabric.

Managing resource consumption

In its production activities, the Group only assembles components purchased from suppliers, and consumes few resources.

The main impacts of GROUPE GORGÉ in terms of raw material consumption come from PRODWAYS GROUP. Raw materials are defined as raw materials for transformation (components or semi-finished products are excluded).

The resins and powders are recycled *via* a special waste management channel. Moreover, parts manufacturing uses recycled polymer powders and plastic resins. The subsidiary INITIAL recycles powders to produce PODO 3D's new 3D-printed "Scientifeet" insoles.

Raw materials *(in tonnes)*	**2019**	**2018**
Powder and resins	54	50
Plaster	15.9	7.3

Managing end-of-life for products and waste

In its production activities, the Group only assembles components purchased from suppliers, and produces a limited volume of waste. The Group implements a number of recycling and waste prevention measures.

In the Smart Safety Systems division, the reuse of materials and "zero-waste" work sites are customary procedures that the Aerospace division applies on a daily basis. 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 organisations.

The main types of waste produced by the Smart Safety Systems division are:

Volume of waste produced (list of main types of waste) *(in tonnes)*	**2019**	**2018**
Paper, cardboard	29	60
Wood	8	7

In 3D Printing, parts production activities use polymer powders and recycled plastic resins. For example, Scientifeet reuses used powders and resins to produce new 3D-printed insoles. The powders and resins are recycled *via* a specialised waste management circuit.

Initiatives and partnerships to manage waste end-of-life have been set up in the majority of subsidiaries. Thus, INTERSON-PROTAC has established an Environment Charter with the aim of being a responsible company, protecting the environment, and ramping up the inclusion of economic and environmental priorities in all aspects of its activities

All hazardous waste produced by the subsidiaries is handled and processed in compliance with the regulations in force. The main types of waste produced by the 3D Printing division are:

Volume of waste produced (list of main types of waste) *(in tonnes)*	**2019**	**2018**
Powder and resins *(in tonnes)*	36	22
Plaster	16.4	6.5

Volumes of metal shavings and contaminated containers (oils and solvents) are negligible.

In the Protection of High-Risk Installations division, CLF-SATREM, specialising in sprinkler-system fire protection, has laid down an eco-responsible work site policy, and has committed to:

- reducing noise pollution for local residents;
- limiting consumption;
- reducing waste;
- limiting nearby pollution;
- limiting the health risks of workers.

Volume of waste produced (list of main types of waste) *(in tonnes)*	**2019**	**2018**
Ordinary industrial waste	77	88
Cutting sand	9	25
Wood	29	22

6.8.3 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 data relating to energy and water consumption and greenhouse gas emissions represents 90% of total surfaces occupied by panel companies. Direct greenhouse gas emissions are linked to natural gas consumption and vehicle fleets, and indirect greenhouse gas emissions are linked to electricity consumption.

In addition, the data on gas, electricity, and water consumption cover a 12-month period for all subsidiaries; however, the periods covered do not necessarily correspond to a calendar year (two rolling months maximum).

6.8.3.1 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.

Some subsidiaries have launched green-mobility actions for employees:

ECA ROBOTICS, a subsidiary of ECA, has installed an electric charging station and is paying cyclists an annual bonus;

ECA AEROSPACE, a subsidiary of ECA, keeps bicycles available, and has organised a "bicycle" day. An inter-company connection project was launched at the Toulouse site to offer employees better mobility solutions;

some PRODWAYS GROUP subsidiaries have invested in the installation of charging stations to encourage employees to use electric vehicles. Employee car-pooling has also been promoted in the Company.

In 2019, emissions from the subsidiaries' vehicle fleets totalled 2,158 teq. CO_2.

	2019	2018
GHG emissions from vehicle fleets *(teq. CO)*	2,158	2,517

6.8.3.2 Energy consumption

Since 2015, several companies in the three business divisions have relocated to brand new or recently-built sites. These new buildings, which are compliant with the latest environmental standards in force, are significantly reducing energy consumption.

Heating and power to the sites are the main items of gas and electricity consumption.

	2019	2018
Gas consumption *(MWh GCV)*	900	1,332
Electricity consumption *(MWh)*	5,494	5,898

On a like-for-like basis, excluding CIMLEC which was removed from the scope in the course of the year, consumption remained stable compared to 2018.

GROUPE GORGÉ carbon footprint

CO_2 equivalent emissions amounted to 3,220 tonnes in 2019. At constant scope and excluding emissions from the vehicle fleets, CO_2 emissions were stable in 2019.

	2019	2018
GHG emissions from vehicle fleets *(teq. CO_2)*	2,158	2,564
GHG emissions from vehicle fleets *(teq. CO_2)*	185	314
GHG emissions from electricity *(teq. CO_2)*	451	342
Total CO_2 emissions	2,793	3,220

	2019	2018
Direct GHG emissions *(teq. CO_2)*	2,343	2,878
Indirect GHG emissions *(teq. CO_2)*	451	342
Total CO_2 emissions	2,793	3,220

6.9 REPORT OF THE INDEPENDENT THIRD-PARTY ON THE CONSOLIDATED NON-FINANCIAL PERFORMANCE STATEMENT PROVIDED IN THE MANAGEMENT REPORT

Financial year ended 31 December 2019

To the Shareholders

As independent third-party to the company GROUPE GORGÉ, accredited by the COFRAC under No. 3-1080 we hereby present[1] our report on the Consolidated Non-Financial Performance Statement for the financial year ended 31 December 2019 (hereinafter the "Statement"), presented in the management report in application of the legal and regulatory provisions contained in 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 in compliance with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with respect to these risks well as the results of these policies, including key performance indicators.

The Statement was prepared by applying the procedures of the Company (hereinafter the "Reporting Standards"), the main elements of which are presented in the Statement.

Independence and quality control

Our independence is defined by the provisions specified in article L.822-11-3 of the French Commercial Code and the professional Code of Ethics. In addition, we put in place 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

Our responsibility, based on our work, is to formulate a reasoned opinion expressing a moderate assurance conclusion on:

- the compliance of the Statement with the provisions specified in article R.225-105 of the French Commercial Code;
- the fairness of the information provided in application of point 3 of parts I and II of article R.225-105 of the French Commercial Code, *i.e.* the results of the policies, including key performance indicators and the actions, relating to the main risks, hereinafter "Information".

It is not our responsibility to comment on:

- the Company's compliance with other applicable legal and regulatory provisions, in particular, with respect to the vigilance plan and the fight against corruption and tax evasion;
- the compliance of the products and services with applicable regulations.

Nature and scope of work

Our work described below was conducted in compliance with the provisions of articles A.225-1 *et seq.* of the French Commercial Code determining the conditions in which the independent third-party body conducts its assignment and in accordance with international standard ISAE 3000 – *Assurance engagements other than audits or reviews of historical financial information*.

We conducted work allowing us to assess the compliance of the Statement with the regulatory provisions and the fairness 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 have 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 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;
- 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 its business relationships, its products or services as well as the policies, the actions and the 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 outcomes) that we considered the most important[2];

(1) *For which the scope of accreditation is available at www.cofrac.fr.*
(2) *Qualitative information concerning the following parties: "Integration of new graduates and group employer policy"; "Building a top player in terms of technology innovation".*

- 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 familiarised 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 the fairness of the Information;
- for the key performance indicators and other quantitative results that we considered the most important, we conducted the following[1]:
  - 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[2] and covers between 22% and 56% 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 judgement 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 relied on the skills of four persons and took place between November 2019 and April 2020.

We also relied upon, to assist us in carrying out our work, our specialists in sustainable development and societal responsibility. We conducted interviews with the persons responsible for the preparation of 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, 3 April 2020

Independent third-party entity

GRANT THORNTON

French member of Grant Thornton International

Vincent PAPAZIAN	Tristan MOURRE
Partner	Director

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(1) Quantitative social data: total workforce and breakdown by gender, age and geographical area; recruits; departures (including lay-offs); number of accidents with lost time; number of days lost for accidents with lost time; number of theoretical hours worked; frequency rate; severity rate; number of training hours; number of people trained. Quantitative environmental information: water consumption; electricity consumption; gas consumption; fuel consumption; direct emissions of greenhouse gases; indirect emission of greenhouse gases; quantities of waste generated; raw materials consumed.

(2) CLF; CRISTAL; ECA ROBOTICS; INTERSON; SERES.

7 INFORMATION ON THE COMBINED SHAREHOLDERS' MEETING OF 8 JUNE 2020

7.1 REPORT OF THE BOARD OF DIRECTORS PRESENTING THE RESOLUTIONS SUBMITTED TO THE COMBINED SHAREHOLDERS' MEETING OF 8 JUNE 2020

1. Approval of the consolidated and separate financial statements for the financial year ended 31 December 2019 – Approval of non-tax-deductible expenses and charges (first and second resolutions)

We ask you to approve the separate company financial statements for the financial year ended 31 December 2019 showing a profit of €2,320,491.57 as well as the consolidated financial statements for the financial year ended 31 December 2019 as presented showing a profit (Group share) of €20,894 thousand.

We ask you to approve the total amount of expenses and charges referred to in article 39-4 of the French General Tax Code, *i.e.* the amount of €19,443 and the corresponding theoretical tax of €5,444.

2. Appropriation of income for the financial year and determination of dividend (third resolution)

The appropriation of the Company's income that we are proposing complies with the law and our bylaws.

Given the Group's strong performance in 2019 and the relative control of the Group's exposure to the crisis related to Covid-19, we propose to appropriate the income for the financial year in the amount of €2,320,491.57 as follows:

- Source
  - Profit for the financial year: €2,320,491.57
  - Retained earnings: €47,666,915.16
- Appropriation
  - Dividend €4,725,995.05, taken from the profit for the financial year in full and for the balance, from the retained earnings account.

The gross dividend per share would thus be €0.35.

If dividends are paid to individuals domiciled in France for tax purposes, the dividend is subject to either a single 12.8% flat-rate levy on the gross dividend (article 200A of the French General Tax Code) or, at the express, irrevocable and overall option of the taxpayer, to income tax according to the progressive scale after a 40% rebate (articles 200A-13 and 158-3-1 of the French General Tax Code). The dividend is also subject to social security contributions at a rate of 17.2%.

This dividend would be payable on 3 July 2020 and the coupon would be detached on 1 July 2020.

In the event of a change in the number of dividend-paying shares compared to the 13,502,843 shares comprising the share capital at 23 March 2020, the total amount of the dividends will be adjusted accordingly and the amount allocated to retained earnings will be determined on the basis of the dividends actually paid.

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**
2016	None	-	-
2017	€4,320,909.76* or €0.32 per share	-	-
2018	€4,320,909.76* or €0.32 per share	-	-

* *Including the unpaid amount of the dividend corresponding to treasury shares, which is allocated to the retained earnings account.*

3. Approval of regulated agreements (fourth resolution)

We ask you to acknowledge the absence of new agreements of the type referred to in article L.225-38 of the French Commercial Code.

It is specified that agreements entered into and authorised in prior financial years and that continued during the last financial year are presented in Section 3.7.1 of the Universal Registration Document. The statutory auditors' report on these agreements is presented in Section 3.7.2 of the Universal Registration Document.

The Board reviewed these agreements, their financial conditions and their interest for the Company, and noted that these agreements still meet the criteria that led to their initial authorisation.

4. Update on the term of office of Directors (fifth resolution)

The term of office of Hugues SOUPARIS as member of the Board of Directors will expire at the end of the next shareholders' meeting. Mr SOUPARIS does not wish to seek renewal of his term of office.

Ms GRIFFON-FOUCO has resigned and the Board has co-opted her company, SASU GALI, as replacement, for her remaining term of office.

We ask you to approve the co-optation of SASU GALI for the remaining term of office of Ms GRIFFON-FOUCO.

Independence

It is to be noted that the Board of Directors considers that SASU GALI, represented by Ms Martine GRIFFON-FOUCO, qualifies as an independent member based on the independence criteria set out in the Middlenext Code, adopted by the company as the reference code on corporate governance. In this regard, it is in particular specified that SASU GALI does not have any business relationships with the Group.

Expertise, experience, skills

Information on the candidate's expertise and experience is detailed in the 2019 Universal Registration Document in Section 3.1.1.

5. Remuneration policy for the Chairman and Chief Executive Officer, Deputy CEO and Directors (sixth to eighth resolutions)

Pursuant to article L.225-37-2 of the French Commercial Code, we ask you to approve the remuneration policy for the Chairman and Chief Executive Officer and/or any other executive corporate officer, the Deputy CEO, and Directors, presented in the report on corporate governance included in the Universal Registration Document in Section 3.2.

6. Approval of disclosures referred to in article L.225-37-3 I of the French Commercial Code (ninth resolution)

Pursuant to article L.225-100 II of the French Commercial Code, we ask you to approve the disclosures referred to in article L.225-37-3 I of the French Commercial Code mentioned in the report on corporate governance included in the Universal Registration Document in Section 3.3.

7. Approval of the fixed, variable and exceptional components of the total remuneration and benefits of all kinds during or allocated in respect of the financial year ended to Raphaël GORGÉ, Chairman and Chief Executive Officer (tenth resolution)

Pursuant to article L.225-100-III of the French Commercial Code, we ask you to approve the fixed, variable and exceptional components of the total remuneration and benefits in kind paid or allocated for the financial year ended to Raphaël GORGÉ in his capacity as Chairman and Chief Executive Officer, presented in the report on corporate governance included in the Universal Registration Document in Section 3.4.1.

8. 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 Hélène de COINTET, Deputy CEO since 4 November 2019 (eleventh resolution)

Pursuant to article L.225-100-III of the French Commercial Code, we ask you to approve the fixed, variable and exceptional components of the total remuneration and benefits in kind paid or allocated for the financial year ended to Hélène de COINTET in her capacity as Deputy CEO since 4 November 2019, presented in the report on corporate governance included in the Universal Registration Document in Section 3.4.2.

9. Proposal to renew the authorisation for implementing the share buyback programme (twelfth resolution) and for the share capital reduction through cancellation of treasury shares (thirteenth resolution)

We propose, under the terms of the twelfth resolution, to grant the necessary powers to the Board of Directors, for a period of 18 months, 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 share capital increase or reduction that may occur during the term of the programme.

This authorisation would cancel that granted to the Board of Directors by the shareholders' meeting of 7 June 2019 in its seventh 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 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 allocate them in exchange or payment during external growth transactions, if any;
- provide coverage for stock option plans and/or bonus 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 marketable securities giving the right to the allocation of Company shares under current regulations;
- cancel, as necessary, acquired shares, in accordance with the authorisation granted or to be granted by the extraordinary shareholders' meeting;
- and more generally, carry out operations in accordance with any objective authorised 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 deems appropriate.

The Company reserves the right to use option mechanisms or derivatives in line with 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 operation at €67,514,215 (equivalent to 10% of the share capital at 23 March 2020 at the maximum price of €50 per share).

In view of the cancellation target, we ask you, under the terms of the thirteenth resolution, to authorise 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 cancellation 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 share buy-back programme, 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 do whatever may be necessary in such matters.

10. Delegations of authority to issue ordinary shares and/or marketable securities with waiver of pre-emptive subscription rights

The Board of Directors would like you to delegate the necessary powers to carry out, if it deems necessary, any issues that could be necessary for the growth of the Company's activities.

This is the reason why you are asked to renew the delegation regarding the increase in the share capital with waiver of pre-emptive subscription rights in favour of a category of persons underwriting the Company's equity securities resulting therefrom, as part of an equity line of financing (17th resolution), which will expire this year and has not been used.

We also ask you to proceed to the early renewal of the delegations regarding public offerings (excluding the offerings referred to in article L.411-2(1) of the French Monetary and Financial Code) (14th resolution) and private placements (offer referred to in article L.411-2(1) of the French Monetary and Financial Code) (15th resolution) considering the amendment to textual references, the scope of the public offering and the new pricing rules brought about by the entry into force of European Regulation 2017/1129 (Prospectus 3) and by the Order of 21 October 2019 (and its decree).

As regards the status of current delegations, you will find the table of current delegations and authorisations granted to the Board of Directors by the shareholders' meeting and the status of their use in the Universal Registration Document in Section 5.2.3.

10.1 Delegation of authority to issue ordinary shares giving, as applicable, access to ordinary shares or entitlement to the allocation of debt securities and/or securities giving access to ordinary shares with waiver of pre-emptive subscription rights, by public offering (excluding the offerings referred to in article L.411-2 I of the French Monetary and Financial Code) and private placement (fourteenth and fifteenth resolutions)

The objective of these delegations is to give the Board of Directors the powers, at the times it so chooses, for a period of 26 months, to issue the following:

- ordinary shares;
- and/or ordinary shares giving the right to the allocation of other ordinary shares or debt securities;
- and/or marketable securities giving access to ordinary shares issued by the Company.

In compliance with article L.228-93 of the French Commercial Code, the marketable securities to be issued will be able to give assess to ordinary shares to be issued by any company that directly or indirectly owns more than half of its share capital or of which it owns directly or indirectly more than half of the share capital;

10.1.1 Delegation of authority to issue ordinary shares giving, as applicable, access to ordinary shares or entitlement to the allocation of debt securities and/or securities giving access to ordinary shares with waiver of pre-emptive subscription rights, by public offering (excluding the offerings referred to in article L.411-2 I of the French Monetary and Financial Code) and/or as consideration for securities in a public exchange offer (fourteenth resolution)

Under this delegation, issues would be carried out by a public offering (excluding the offerings referred to in article L.411-2-1 of the French Monetary and Financial Code) and/or as consideration for shares in a public exchange offer.

The pre-emptive rights of shareholders to ordinary shares and/or marketable securities giving access to the share capital would be cancelled, allowing the Board of Directors the option to give the shareholders a subscription priority, as allowed by law.

The overall nominal amount of the ordinary shares that could be issued by virtue of this delegation cannot be greater than €5,000,000.

To this amount would be added, where applicable, the nominal amount of share capital increase necessary to preserve, in accordance with the law and any applicable contractual provisions setting out other methods of preservation, the rights of holders of shares or marketable securities giving access to the Company's share capital.

This amount would be charged against the maximum nominal amount of ordinary shares that can be issued pursuant to the tenth extraordinary resolution of the shareholders' meeting of 7 June 2019 or any resolution that may succeed it.

The nominal amount of debt securities that the Company can issue under this delegation cannot exceed €50,000,000.

This amount will be charged against the maximum nominal amount of debt securities set out in the tenth extraordinary resolution of the shareholders' meeting of 7 June 2019 or any resolution that may succeed it.

The amount payable or due to the Company for each of the ordinary shares issued under this delegation of authority, after taking into account, in the case of an issue of share subscription warrants, the subscription price of the said warrants, would be determined in accordance with the legal and regulatory provisions applicable at the time when the Board of Directors implements the delegation of authority. In this regard, article R.225-119 of the French Commercial Code, as amended, provides that, for the issues referred to in article L.225-136-1 of the French Commercial Code, that the price is at least equal to the weighted average price of the last three trading sessions preceding the start of the offering, less a maximum discount of 10%, if applicable.

In the case of the issue of securities for compensation of securities contributed as part of a public exchange offer, the Board of Directors would have, within the limits set above, the necessary powers to decide upon the list of securities contributed for exchange, to set the conditions of the issue and the exchange parity, as well as any cash balances to be paid, and to determine the methods of the issue.

In case the subscriptions do not absorb the entire issue, the Board of Directors may do the following:

- limit the amount of the issue to the amount of the subscriptions, as necessary, within the limits specified by regulation;
- freely distribute all or part of the unsubscribed shares.

This delegation would cancel and replace any unused portion of any prior delegation having the same purpose.

10.1.2 Delegation of authority to issue ordinary shares giving, where applicable, access to ordinary shares or the right to the allocation of debt securities and/or securities giving access to ordinary shares with waiver of pre-emptive subscription rights, by an offering referred to in section I of article L.411-2 of the French Monetary and Financial Code (private placement) (fifteenth resolution)

Under this delegation, the issues would be carried out by an offering referred to in section I of article L.411-2 of the French Monetary and Financial Code.

The shareholders' pre-emptive subscription rights to ordinary shares and or marketable securities giving access to the share capital would be removed.

The overall nominal amount of the ordinary shares that may be issued under this delegation cannot exceed €3,000,000, it being specified that it would also be limited to 20% of the share capital per year.

To this ceiling will be added, where applicable, the nominal amount of the share capital increase necessary to preserve, in accordance with the law and any applicable contractual provisions setting out other methods of preservation, the rights of holders of rights or marketable securities giving access to the Company's share capital.

This amount would be deducted from the maximum nominal amount of ordinary shares that may be issued pursuant to the tenth extraordinary resolution of the shareholders' meeting of 7 June 2019 or any resolution that may succeed it.

The nominal amount of debt securities that the Company can issue under this delegation cannot exceed €30,000,000.

This amount would be charged against the ceiling of the nominal amount of debt securities set out in the tenth extraordinary resolution of the shareholders' meeting of 7 June 2019 or any resolution that may succeed it.

The amount payable or due to the Company for each of the ordinary shares issued under this delegation of authority, after taking into account, in the case of an issue of share subscription warrants, the subscription price of the said warrants, would be determined in accordance with the legal and regulatory provisions applicable at the time the Board of Directors implements the delegation of authority. In this regard, article R.225-119 of the French Commercial Code, as amended, provides that, for the issues referred to in section I of article L.225-136 of the French Commercial Code, that the price is at least equal to the weighted average price of the last three trading sessions preceding the start of the offering, less a maximum discount of 10%, if applicable.

If the subscriptions do not absorb the entire issue, the Board of Directors may do the following:

- limit the amount of the issue to the amount of the subscriptions, the case may be, within the limits specified by regulations;
- freely distribute all or part of the unsubscribed shares.

This delegation would cancel and replace any unused portion of any prior delegation having the same purpose.

10.1.3 Authorisation, in case of an issue of shares with waiver of pre-emptive subscription rights, to set, within the limit of 10% of the share capital per year, the issue price in accordance with the conditions determined by the shareholders' meeting (sixteenth resolution)

We propose, pursuant to the provisions of article L.225-136-1-2 of the French Commercial Code, to authorise the Board of Directors, deciding on the issue of ordinary shares or securities giving access to the share capital with waiver of pre-emptive subscription rights, by public offering (excluding the offerings referred to in article L.411-2-1 of the French Monetary and Financial Code) and/or an offering referred to in article L.411-2-1 of the French Monetary and Financial Code (private placement) (fourteenth and fifteenth resolutions), subject to the provisions of article L.225-136-1-1 of the French Commercial Code, to derogate, within the limit of 10% of the share capital per year, from the price setting conditions specified in accordance with the above-mentioned methods and to set the issue price of equity-equivalent securities to be issued as follows:

The issue price of the equity-equivalent securities to be issued immediately or in the future cannot be less than, at the choice of the Board of Directors, the lower of the two following averages:

- the average of five consecutive listed prices of the share chosen from among the last 30 stock market trading sessions preceding the start of the offering, less a maximum discount of 10%, if applicable;
- the average price of the share in the six months preceding the start of the offering, less a maximum discount of 10%, if applicable.

This derogatory price rule would allow the Company to have some flexibility in determining the average of reference prices.

10.2 Delegation of powers 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 securities giving access to equity securities issued, without pre-emptive rights in favour 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 (seventeenth resolution)

This delegation would enable the Board to increase the share capital through the issue of ordinary shares or equity securities giving access to other equity securities or the right to the allocation of debt securities, and/or marketable securities giving access to equity securities to be issued, with waiver of pre-emptive rights in favour of a category of persons underwriting the Company's equity securities resulting therefrom, as part of 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.

As part of this delegation, we ask you to cancel the pre-emptive rights of ordinary shareholders to equity securities giving access to other equity securities or giving rights to the allocation of debt securities and/or any transferable securities issued in favour of the following category of persons: any credit institution, investment service provider, or member of an investment bank syndicate or investment fund or company undertaking to guarantee the completion of the share capital increase or of any issue liable to result in a future share capital increase that may be carried out pursuant to this delegation, as part of the creation of an equity line of financing.

This delegation would entail, in favour of the holders of securities that may thereby be issued, the automatic waiver by shareholders of their pre-emptive rights to any shares to which these securities give access.

The total number of share capital increases that may be carried out immediately and/or in future under this delegation cannot exceed €3,000,000 or its exchange value in foreign currency to which ceiling will be added, as the case may be, the additional amount of shares 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 would be charged against the maximum amount of the share capital increase set out in the tenth extraordinary resolution of the shareholders' meeting of 7 June 2019 or any resolution that may succeed it.

The maximum nominal amount of debt securities that may be issued under this delegation would be set at €30,000,000 (or exchange value if the issue is in another currency).

This amount will be charged against the maximum nominal amount of debt securities set out in the tenth extraordinary resolution of the shareholders' meeting of 7 June 2019 or any resolution that may succeed it.

The issue price of the shares issued under this delegation would be determined by the Board of Directors and would be at least equal to the weighted average share price of the last three stock market trading sessions preceding its setting, and possibly less a maximum discount of 30%, taking into account where appropriate their date of entitlement to dividends; with the understanding that (i) in the event that the issue of marketable securities giving access to the share capital, the issue price of the shares that could result from their exercise, conversion or exchange could be set, as the case may be, at the discretion of the Board of Directors, using a calculation formula defined by this latter and applicable following the issue of the said marketable securities (for example at the time they are exercised, converted or exchanged) in which case the above-mentioned maximum discount could be assessed, if the Board of Directors deems necessary, on the date of application of the said formula (and not on the date of issue of the marketable security), and (ii) the issue price of the marketable securities giving access to the share capital, as the case may be, issued by virtue of this resolution, would be such that any amount immediately received by the Company, plus the amount that could be received by it in the exercise or conversion of the said marketable securities, for each share issued as the result of the issue of these marketable securities, would be at least equal to the above-mentioned 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 the institutions with which the Company would be likely to set up this equity line of financing.

This delegation is granted for a period of 18 months.

10.3 Authorisation to increase the amount of issues (eighteenth resolution)

We propose, as part of the above-mentioned delegations with waiver of pre-emptive subscription rights (fourteenth, fifteenth and seventeenth resolutions), to grant the Board of Directors the authorisation to increase, in accordance with the conditions set out in articles L 225-135-1 and R 225-118 of the French Commercial Code, and within the limit of the maximum amounts determined by the shareholders' meeting, the number of shares provided for in the initial issue.

Thus, the number of shares could increase within 30 days of the closing of the subscription within the limit of 15% of the initial issue and at the same price as that of the initial issue, within the limit of the maximum amounts determined by the shareholders' meeting.

10.4 Delegation of authority to be granted the Board of Directors to increase the share capital by issuing ordinary shares and/or securities giving access to share capital without pre-emptive rights in favour of members of company savings plan pursuant to articles L.3332-18 et seq. of the French Labour Code (nineteenth resolution)

We submit this resolution for your approval, in order to comply with the provisions of article L.225-129-6 of the French Commercial Code, pursuant to which the extraordinary shareholders' meeting called to vote on delegations likely to result in share capital increases in cash, immediately or in the future, must also vote on a delegation in favour of the members of a company savings plan.

As part of this delegation, we propose that you delegate to the Board of Directors, for a period of 26 months, your authority to increase the share capital, on one or more occasions, by the issuance of ordinary shares or marketable securities giving access to Company's share capital to be issued in favour 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 article L.225-180 of the French Commercial Code and article L.3344-1 of the French Labour Code.

In accordance with the law, the shareholders' meeting would remove shareholders' pre-emptive subscription rights.

The maximum nominal amount of share capital increases that may be made by using this delegation will be limited to 3% of the amount of share capital reached when the Board decides to carry out this increase. This amount is independent of any other limit set as regards delegations for share capital increases. To this amount will be added, where applicable, the nominal amount of share capital increase necessary to preserve, in accordance with the law and any applicable contractual provisions setting out other methods of preservation, the rights of holders of shares or marketable 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 Labour Code, the price of the shares to be issued under this delegation cannot 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 the French Labour Code is greater than or equal to 10 years, less than 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 this average.

Pursuant to the provisions of article L.3332-21 of the French Labour Code, the Board of Directors could decide to allocate to beneficiaries, free shares to be issued or already issued or other securities giving access to the Company's share capital already issued or to be issued, in respect of (i) the employer contribution that may be paid pursuant to the rules of company or group savings plans, and/or (ii), as applicable, the discount and could decide, in the event of issuance of new shares in respect of the discount and/or the employer contribution, to incorporate in the share capital the reserves, profit or issue premiums necessary for the payment of the said shares.

11. Amendment of article 15 of the bylaws to allow certain decisions to be taken by the Board of Directors by way of written consultation (twentieth resolution)

Under the 20th resolution, you are proposed to amend article 15 of the bylaws to allow certain decisions to be taken by the Board of Directors by way of written consultation in the cases and in accordance with the procedures laid down by legislation.

For information purposes, decisions falling specifically under the responsibility of the Board of Directors that can be taken by way of a written consultation of members, referred to in article L.225-37 of the French Commercial Code, as amended, are currently the following:

- co-optation of members (L.225-24 French Commercial Code);
- authorisations of endorsements, security deposits and guarantees (L.225-35 French Commercial Code);
- upon delegation of the extraordinary shareholders' meeting, bringing the bylaws into compliance with legal and regulatory provisions (L.225-36 French Commercial Code);
- calling the shareholders' meeting (L.225-103 I French Commercial Code);
- transfer of the registered office within the same department (L.225-37 French Commercial Code).

12. Bringing the bylaws into compliance with the applicable regulations (twenty-first resolution)

You are proposed, under the 21st resolution, to bring the bylaws into compliance with the applicable regulations, namely:

- as regards the transfer of the registered office: to bring the penultimate section of article 4 of the bylaws into compliance with the provisions of article L.225-36 of the French Commercial Code as amended by Act No. 2016-1691 of 9 December 2016, which provides that the registered office can be transferred in France by a simple decision of the Board of Directors, subject to approval of this decision by the very next ordinary shareholders' meeting;
- as regards the procedure for identification of share owners: to bring section 4 of article 10 of the bylaws into compliance with the provisions of articles L.228-2 *et seq.* of the French Commercial Code on the identification of share owners, as amended by Act No. 2019-486 of 22 May 2019;
- as regards the reference to Say on Pay in the determination of the remuneration of the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officers, and the removal of the concept of "Directors' fees": to bring into compliance:
  - article 14 of the bylaws with the provisions of article L.225-47 of the French Commercial Code, as amended by Act No. 2016-1691 of 9 December 2016, which provides for the determination of the remuneration of the Chairman of the Board of Directors in accordance with the conditions set out in article L.225-37-2 of the French Commercial Code,
  - section 1 of article 18 of the bylaws with the provisions of article L.225-45 of the French Commercial Code as amended by Act No. 2019-486 of 22 May 2019 and by Order No. 2019-1234 of 27 November 2019, which removed the concept of "Directors' fees" and provide for a distribution of the remuneration of Directors in accordance with the conditions set out in article L.225-37-2 of the French Commercial Code, and to amend the title of Article 18 of the bylaws in order to refer specifically to Directors,
  - section 2 of article 18 of the bylaws with the provisions of articles L.225-47 and L.225-53 of the French Commercial Code as amended by Act No. 2019-1691 of 9 December 2016, which provide for the determination of the remuneration of the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officers in accordance with the conditions set out in article L.225-37-2 of the French Commercial Code;
- as regards consideration to be given by the Board to the social and environmental issues relating to the Company's activity: to bring article 16 of the bylaws into compliance with the provisions of articles L.225-35 of the French Commercial Code, as amended by Act No. 2019-486 of 22 May 2019, which provides that the Board determines the directions of the Company's business and ensures their implementation, in line with the Company's interest, taking into consideration the social and environmental issues relating to its activity;
- as regards the electronic signature of proxy and postal voting forms: to bring article 22 of the bylaws into compliance with the provisions of Order No. 2016-131 of 10 February 2016 on the reform of contract law, the general scheme and the proof of obligations, which amended the textual references of the provisions on electronic signature.

13. Amendment of article 13 bis of the bylaws on the threshold for triggering the appointment of a second Director representing employees (twenty-second resolution)

It is proposed, under the 22nd resolution:

- to amend article 13 bis A of the bylaws in order to lower the threshold for triggering the mandatory appointment of a second Director representing employees, pursuant to article L.225-27 of the French Commercial Code, from twelve to eight;
- to bring article 13 bis B of the bylaws, on the procedures to appoint a Director representing employees, into compliance with the provisions of articles L.225-27-1 of the French Commercial Code, as amended by Act No. 2019-486 of 22 May 2019, lowering the threshold for triggering the mandatory appointment of a second Director representing employees from twelve to eight.

14. Textual references applicable in the event of a change of codification (twenty-third resolution)

The Pacte Law has authorised the government to recodify provisions specific to listed companies, which may be undertaken soon. This 23rd resolution is proposed so as to record that, in the event of an amendment to textual references, the textual references relating to this new codification would replace them.

The Board of Directors invites you to approve through your vote the draft resolutions submitted to you.

The Board of Directors

7.2 DRAFT RESOLUTIONS FOR THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF 8 JUNE 2020

Agenda

Ordinary resolutions

1. Approval of the separate financial statements for the financial year ended 31 December 2019 – Approval of non-tax-deductible expenses and charges.
2. Approval of the consolidated financial statements for the financial year ended 31 December 2019.
3. Appropriation of income for the financial year and determination of dividend.
4. Statutory auditors' special report on regulated agreements and commitments – Acknowledgement of the absence of new agreement.
5. Approval of the co-optation of SASU GALI.
6. Approval of the remuneration policy for the Chairman and Chief Executive Officer.
7. Approval of the remuneration policy for the Deputy CEO.
8. Approval of the remuneration policy for Directors.
9. Approval of disclosures referred to in article L.225-37-3 I of the French Commercial Code.
10. 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 Raphaël GORGÉ, Chairman and Chief Executive Officer.
11. 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 Hélène de COINTET, Deputy CEO since 4 November 2019.
12. Authorisation to be granted to the Board of Directors for the Company to buy back its treasury shares in accordance with article L.225-209 of the French Commercial Code, authorisation period, purposes, terms, ceiling.

Extraordinary resolutions

13. Authorisation to be given to the Board of Directors to cancel shares repurchased by the Company in accordance with article L.225-209 of the French Commercial Code, authorisation period, ceiling.
14. Delegation of authority to be given to the Board of Directors to issue ordinary shares giving, as applicable, access to ordinary shares or entitlement to the allocation of debt securities (of the Company or a company of the Group) and/or securities giving access to ordinary shares (of the Company or a company of the Group) with waiver of pre-emptive subscription rights, by public offering (excluding the offerings referred to in article L.411-2-1 of the French Monetary and Financial Code) and/or as consideration for shares in a public exchange offer, delegation period, maximum nominal amount of share capital increase, issue price, option to limit the issue to the amount of subscriptions or to distribute the non-subscribed shares.
15. Delegation of authority to be given to the Board of Directors to issue ordinary shares giving, as applicable, access to ordinary shares or entitlement to the allocation of debt securities (of the Company or a company of the Group) and/or securities giving access to ordinary shares (of the Company or a company of the Group), with waiver of pre-emptive subscription rights, by an offering referred to in article L.411-2-1 of the French Monetary and Financial Code, delegation period, maximum nominal amount of share capital increase, issue price, option to limit the issue to the amount of subscriptions or to distribute the non-subscribed shares.
16. Authorisation, in case of an issue of shares with waiver of pre-emptive subscription rights, to set, within the limit of 10% of the share capital per year, the issue price in accordance with the conditions determined by the shareholders' meeting.

17. Delegation of powers 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 securities giving access to equity securities issued, without pre-emptive rights in favour 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. Authorisation to increase the amount of issues.
19. Delegation of authority to be granted the Board of Directors to increase the share capital by issuing ordinary shares and/or securities giving access to share capital without pre-emptive rights in favour of members of company savings plan pursuant to articles L.3332-18 *et seq.* of the French Labour Code, delegation period, maximum nominal amount of share capital increase, issue price, possibility of allocating free shares pursuant to article L.3332-21 of the French Labour Code.
20. Amendment of article 15 of the bylaws to allow certain decisions to be taken by the Board of Directors by way of written consultation.
21. Bringing the bylaws into compliance with the applicable regulations.
22. Amendment of article 13 bis of the bylaws on the threshold for triggering the appointment of a second Director representing employees.
23. Textual references applicable in the event of a change of codification;
24. Powers for formalities.

Draft resolutions

Ordinary resolutions:

First resolution – Approval of the separate financial statements for the financial year ended 31 December 2019 – Approval of non-tax-deductible expenses and charges

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 for the financial year ended 31 December 2019 approves, as they were presented, the separate financial statements as of this date, returning a profit of €2,320,491.57.

The shareholders' meeting specifically approves the overall total, amounting to €19,443, of the expenses and charges mentioned in article 39-4 of the French General Tax Code, and the corresponding theoretical tax.

Second resolution – Approval of the consolidated financial statements for the financial year ended 31 December 2019

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 2019, approves those financial statements as they were presented, returning a profit (Group share) of €20,894 thousand.

Third resolution – Appropriation of income for the financial year and determination of dividend

The shareholders' meeting, ruling under the conditions of quorum and majority required for ordinary shareholders' meetings, on the proposal of the Board of Directors, decides to allocate the income for the financial year ended 31 December 2019 as follows:

- Source
  - Profit for the financial year: €2,320,491.57
  - Retained earnings: €47,666,915.16
- Appropriation
  - Dividend: €4,725,995.05, taken from the profit for the financial year in full and for the balance, from the retained earnings account

The shareholders' meeting acknowledges that the total gross dividend per share is set at €0.35.

If dividends are paid to individuals domiciled in France for tax purposes, the dividend is subject to either a single 12.8% flat-rate levy on the gross dividend (article 200A of the French General Tax Code) or, at the express, irrevocable and overall option of the taxpayer, to income tax according to the progressive scale after a 40% rebate (articles 200A-13 and 158-3-1 of the French General Tax Code). The dividend is also subject to social security contributions at a rate of 17.2%.

The coupon will be detached on 1 July 2020.

Dividends will be distributed on 3 July 2020.

In the event of a change in the number of dividend-paying shares compared to the 13,502,843 shares comprising the share capital at 23 March 2020, the total amount of the dividends will be adjusted accordingly and the amount allocated to retained earnings will be determined on the basis of the dividends actually paid.

In accordance with the provisions of article 243 bis of the French General Tax Code, you are reminded that the dividends paid in the last three financial years were as follows:

For financial year	income eligible for reduction		Income not eligible for reduction
	Dividends	Other distributed income	
2016	None	-	-
2017	€4,320,909.76* or €0.32 per share	-	-
2018	€4,320,909.76* or €0.32 per share	-	-

* *Including the unpaid amount of the dividend corresponding to treasury shares, which is allocated to the retained earnings account.*

Fourth resolution – Statutory auditors' special report on regulated agreements and commitments – Acknowledgement of the absence of new agreement

The shareholders' meeting, ruling under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the special report of the statutory auditors, mentioning the absence of new agreement of the type referred to in articles L.225-38 *et seq.* of the French Commercial Code, simply takes note thereof.

Fifth resolution – Approval of the co-optation of SASU GALI as Director

The shareholders' meeting, ruling under the conditions of quorum and majority required for ordinary shareholders' meetings, decides to approve the co-optation of SASU GALI for the remaining term of office of Ms GRIFFON-FOUCO.

Sixth resolution – Approval of the remuneration policy for the Chairman 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.225-37-2 of the French Commercial Code, approves the remuneration policy for the Chairman and Chief Executive Officer and/or any other executive corporate officer, presented in the report on corporate governance included in the Universal Registration Document in Section 3.2.1.

Seventh resolution – Approval of the remuneration policy for the Deputy CEO

The shareholders' meeting, ruling under the conditions of quorum and majority required for ordinary shareholders' meetings, and pursuant to article L.225-37-2 of the French Commercial Code, approves the remuneration policy for the Deputy CEO, presented in the report on corporate governance included in the Universal Registration Document in Section 3.2.2.

Eighth resolution – Approval of the remuneration policy for Directors

The shareholders' meeting, ruling under the conditions of quorum and majority required for ordinary shareholders' meetings, and pursuant to article L.225-37-2 of the French Commercial Code, approves the remuneration policy for Directors, presented in the report on corporate governance included in the Universal Registration Document in Section 3.2.4.

Ninth resolution – Approval of disclosures referred to in article L.225-37-3 I 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.225-100-II of the French Commercial Code, approves the disclosures referred to in article L.225-37-3 of the French Commercial Code mentioned in the report on corporate governance included in the Universal Registration Document in Section 3.3.

Tenth resolution – 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 Raphaël GORGÉ, Chairman 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.225-100 III of the French Commercial Code, approves the fixed, variable and exceptional components of the total remuneration and benefits in kind paid or allocated for the financial year ended to Raphaël GORGÉ in his capacity as Chairman and Chief Executive Officer, presented in the report on corporate governance included in the Universal Registration Document in Section 3.4.1.

Eleventh resolution – Approval of the fixed, variable and exceptional components of the total remuneration and benefits in kind paid during or allocated in respect of the financial year ended to Hélène de COINTET, Deputy CEO since 4 November 2019

The shareholders' meeting, ruling under the conditions of quorum and majority required for ordinary shareholders' meetings, and pursuant to article L.225-100 III of the French Commercial Code, approves the fixed, variable and exceptional components of the total remuneration and benefits in kind paid or allocated for the financial year ended to Hélène de COINTET in her capacity as Deputy CEO since 4 November 2019, presented in the report on corporate governance included in the Universal Registration Document in Section 3.4.2.

Twelfth resolution – Authorisation to be granted to the Board of Directors for the Company to buy back its treasury shares in accordance with article L.225-209 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, authorises the latter, for a period of 18 months, in accordance with articles L.225-209 *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 share capital increase or reduction that may occur during the term of the programme.

This authorisation cancels that granted to the Board of Directors by the shareholders' meeting of 7 June 2019 in its seventh 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 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 allocate them in exchange or payment during external growth transactions, if any;
- provide coverage for stock option plans and/or bonus 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 marketable securities giving the right to the allocation of Company shares under current regulations;
- cancel, as necessary, acquired shares, in accordance with the authorisation granted or to be granted by the extraordinary shareholders' meeting.

And more generally, carry out operations in accordance with any objective authorised 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 deems appropriate.

The Company reserves the right to use option mechanisms or derivatives in line with applicable regulations.

The maximum purchase price is set at €50 per share. In case of operations on the share 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 share capital before the operation and the number of shares after the operation).

The maximum amount of the transaction is set at €67,514,215 (corresponding to 10% of the share capital on 23 March 2020 at a 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 al formalities.

Extraordinary resolutions

Thirteenth resolution – Authorisation to be given to the Board of Directors to cancel shares repurchased by the Company in accordance with article L.225-209 of the French Commercial Code

The shareholders' meeting, ruling under the conditions of quorum and majority required for extraordinary shareholders' meetings, having reviewed the report of the Board of Directors and the report of the statutory auditors:

1) Authorises the Board of Directors 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 cancellation 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 article L.225-209 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 authorisation at 24 months starting from the date of this meeting;
3) Gives the Board of Directors all powers to carry out the operations required for such cancellations and the related reductions in share capital, amend the Company bylaws as a result, and complete all required formalities.

Fourteenth resolution – Delegation of authority to be given to the Board of Directors to issue ordinary shares giving, as applicable, access to ordinary shares or entitlement to the allocation of debt securities (of the Company or a company of the Group) and/or securities giving access to ordinary shares (of the Company or a company of the Group) with waiver of pre-emptive subscription rights, by public offering (excluding the offerings referred to in article L.411-2-1 of the French Monetary and Financial Code) and/or as consideration for shares in a public exchange offer

The shareholders' meeting, ruling under the quorum and majority conditions for extraordinary shareholders' meetings, having reviewed the report of the Board of Directors and the special report of the statutory auditors, and in accordance with the French Commercial Code, specifically articles L.225-129-2, L.225-136, L.225-148 and L.228-92:

1) delegates to the Board of Directors the authority to issue, at one or more times, in the proportions and at the times it deems appropriate, in France and/or abroad, in a public offering, excluding the offerings referred to in article L.411-2-1 of the French Monetary and Financial Code, in euros, foreign currencies or in any other unit of account established in reference to a basket of currencies:
   - ordinary shares,

- and/or ordinary shares giving the right to the allocation of other ordinary shares or debt securities,
- and/or marketable securities giving access to ordinary shares to be issued by the Company;

These securities may be issued as compensation for the securities that would be contributed to the Company in a public exchange offer on shares meeting the conditions set by article L.225-148 of the French Commercial Code.

In compliance with article L.228-93 of the French Commercial Code, the marketable securities to be issued will be able to give assess to ordinary shares to be issued by any company that directly or indirectly owns more than half of its share capital or of which it owns directly or indirectly more than half of the share capital;

2) sets the period of validity of this delegation at 26 months starting from the date of this meeting;
3) the overall nominal amount of the ordinary shares that can be issued by virtue of this delegation cannot be greater than €5,000,000.

   To this amount will be added, where applicable, the nominal amount of share capital increase necessary to preserve, in accordance with the law and any applicable contractual provisions setting out other methods of preservation, the rights of holders of shares or marketable securities giving access to the Company's share capital.

   This amount will be charged against the maximum nominal amount of ordinary shares that can be issued pursuant to the tenth extraordinary resolution of the shareholders' meeting of 7 June 2019 or any resolution that may succeed it.

   The nominal amount of debt securities that the Company can issue under this delegation cannot exceed €50,000,000.

   This amount will be charged against the maximum nominal amount of debt securities set out in the tenth extraordinary resolution of the shareholders' meeting of 7 June 2019 or any resolution that may succeed it;
4) resolves to remove the shareholders' pre-emptive subscription right to ordinary shares and marketable securities giving access to the share capital and/or debt securities subject to this resolution, allowing the Board of Directors the option to give the shareholders a priority right, as allowed by law;
5) resolves that the amount payable or due to the Company for each of the ordinary shares issued under this delegation of authority, after taking into account, in the case of an issue of share subscription warrants, the subscription price of the said warrants, will be determined in accordance with the legal and regulatory provisions applicable at the time when the Board of Directors implements the delegation of authority;
6) resolves that, in the case of the issue of securities to remunerate securities contributed in the case of a public exchange offer, the Board of Directors will have, in the conditions set in article L.225-148 of the French Commercial Code and within the limits set above, the necessary powers to approve the list of securities contributed in the exchange, set the conditions of issue and the exchange parity as well as the amount of any cash balance to pay, and to determine the methods of the issue;
7) resolves that if the subscriptions do not absorb the entire issue mentioned in 1), the Board of Directors may take the following steps:
   - limit the amount of the issue to the amount of the subscriptions, as necessary, within the limits specified by regulation,
   - freely distribute all or part of the unsubscribed shares;
8) resolves that the Board of Directors will have, within the limits defined above, the necessary powers to set the conditions for the issue or issues, record completion of the resulting share capital increases, make the corresponding changes to the bylaws, charge, at its sole initiative, the costs of the share capital increases against the amount of related premiums and withhold from this amount the sums necessary to bring the legal reserve to one-tenth of the new share capital after each increase, and more generally, do all that is necessary in such matters;
9) notes that this delegation cancels and replaces, any unused portion of any prior delegation having the same purpose.

Fifteenth resolution – Delegation of authority to be given to the Board of Directors to issue ordinary shares granting, where applicable, access to ordinary shares or the allocation of debt securities (of the Company or a company of the Group), and/or marketable securities giving access to ordinary shares (of the Company or a company of the Group), with waiver of pre-emptive subscription rights by an offering referred to in article L.411-2-1 of the French Monetary and Financial Code

The shareholders' meeting, ruling under the quorum and majority conditions for extraordinary shareholders' meetings, having reviewed the report of the Board of Directors and the special report of the statutory auditors, and in accordance with the French Commercial Code, specifically articles L.225-129-2, L 225-136 and L.228-92:

1) delegates to the Board of Directors the authority to issue, at one or more times, in the proportions and at the times it deems appropriate, in France or abroad, in an offer such as the one mentioned in part I of article L.411-2 of the French Monetary and Financial Code, in euros, foreign currencies or in any other unit of account established in reference to a basket of currencies:
   - ordinary shares,
   - and/or ordinary shares giving the right to the allocation of other ordinary shares or debt securities,
   - and/or marketable securities giving access to ordinary shares to be issued by the Company.

   In compliance with article L.228-93 of the French Commercial Code, the marketable securities to be issued will be able to give assess to ordinary shares to be issued by any company that directly or indirectly owns more than half of its share capital or of which it owns directly or indirectly more than half of the share capital;
2) sets the period of validity of this delegation at 26 months starting from the date of this meeting;

3) the overall nominal amount of the ordinary shares that can be issued under this delegation cannot be greater than €3,000,000, it being further specified that it will be limited to 20% of the share capital per year.

   To this amount will be added, where applicable, the nominal amount of share capital increase necessary to preserve, in accordance with the law and any applicable contractual provisions setting out other methods of preservation, the rights of holders of shares or marketable securities giving access to the Company's share capital.

   This amount will be charged against the maximum nominal amount of ordinary shares that can be issued pursuant to the tenth extraordinary resolution of the shareholders' meeting of 7 June 2019 or any resolution that may succeed it.

   The nominal amount of debt securities that the Company can issue under this delegation cannot exceed €30,000,000.

   This amount will be charged against the maximum nominal amount of debt securities set out in the tenth extraordinary resolution of the shareholders' meeting of 7 June 2019 or any resolution that may succeed it;
4) resolves to remove the shareholders' pre-emptive subscription right to ordinary shares and marketable securities giving access to the share capital and/or debt securities subject to this resolution;
5) resolves that the amount payable or due to the Company for each of the ordinary shares issued under this delegation of authority, after taking into account, in the case of an issue of share subscription warrants, the subscription price of the said warrants, will be determined in accordance with the legal and regulatory provisions applicable at the time when the Board of Directors implements the delegation of authority;
6) resolves that if the subscriptions do not absorb the entire issue mentioned in 1), the Board of Directors may take the following steps:
   - limit the amount of the issue to the amount of the subscriptions, as necessary, within the limits specified by regulation,
   - freely distribute all or part of the unsubscribed shares;
7) resolves that the Board of Directors will have, within the limits defined above, the necessary powers to set the conditions for the issue or issues, as appropriate, record completion of the resulting share capital increases, make the corresponding changes to the bylaws, charge, at its sole initiative, the costs of the share capital increases against the amount of related premiums and withhold from this amount the sums necessary to bring the legal reserve to one-tenth of the new share capital after each increase, and more generally, do all that is necessary in such matters;
8) notes that this delegation cancels and replaces, any unused portion of any prior delegation having the same purpose.

Sixteenth resolution – Authorisation, in case of an issue of shares with waiver of pre-emptive subscription rights, to set, within the limit of 10% of the share capital per year, the issue price in accordance with the conditions determined by the shareholders' meeting

The shareholders' meeting, ruling under the conditions of quorum and majority required for extraordinary shareholders' meetings, having reviewed the report of the Board of Directors and the special report of the statutory auditors and in compliance with the provisions of article L.225-136-1-2, of the French Commercial Code, authorises the Board of Directors, which decides to issue ordinary shares or marketable securities giving access to the share capital in application of the fourteenth and fifteenth resolutions, subject to article L.225-136 1-1 of the French Commercial Code, to override, within the limit of 10% of the share capital per year, the price setting conditions specified in accordance with the above-mentioned resolutions and set the issue price of the equity-equivalent securities to be issued as follows:

The issue price of the equity-equivalent securities to be issued immediately or in the future cannot be less than, at the choice of the Board of Directors, the lower of the two following averages:

- the average of five consecutive listed prices of the share chosen from among the last 30 stock market trading sessions preceding the start of the offering, less a maximum discount of 10%, if applicable;
- the average price of the share in the six months preceding the start of the offering, less a maximum discount of 10%, if applicable.

Seventeenth resolution – Delegation of powers 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 securities giving access to equity securities issued, without pre-emptive rights in favour 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

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 articles L.225-129 *et seq.* of the French Commercial Code, specifically articles L.225-129-2, L.225-129-4, L.225-135, L.225-138 and L.228-91 *et seq.* thereof:

1) delegates to the Board of Directors its powers to approve the issue in one or more instalments, in the proportions and at the times it deems appropriate, in France or abroad, in euros, foreign currency or any other unit of account established in reference to 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 marketable securities (including all debt securities) giving access to equity securities issued;
2) resolves that the marketable 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 pre-emptive rights of ordinary shareholders to equity securities giving access to other equity securities or giving rights to the allocation of debt securities and/or any transferable securities issued in favour of the following category of persons: any credit institution, investment service provider, or member of an investment bank syndicate or investment fund or company undertaking to guarantee the completion of the share capital increase or of any issue liable to result in a future share capital increase that may be carried out pursuant to this delegation, as part of the creation of an equity line of financing;

4) duly notes that where necessary this delegation entails, in favour of the holders of securities that may thereby be issued, the automatic waiver by shareholders of their pre-emptive rights to any shares to which these securities give access;
5) decides that the total number of share capital increases that may be carried out immediately and/or in future under this delegation cannot exceed €3,000,000 or its exchange value in foreign currency to which ceiling will be added, as the case may be, the additional amount of shares 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 will be charged against the maximum amount of the share capital increase set out in the tenth extraordinary resolution of the shareholders' meeting of 7 June 2019 or any resolution that may succeed it;
6) decides to set at €30,000,000 (or exchange value if the issue is in another currency) the maximum nominal amount of debt securities that can be issued under this delegation, given that said amount will be increased, as the case may be, by any redemption premium above par. This ceiling does not apply to 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 authorised 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 will be charged against the maximum nominal amount of debt securities set out in the tenth extraordinary resolution of the shareholders' meeting of 7 June 2019 or any resolution that may succeed it;
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 prices of the last three stock market trading sessions preceding its determination, and possibly less a maximum discount of 30%, taking into account where appropriate their date of entitlement to dividends; with the understanding that (i) in the event of the issue of marketable securities giving access to the share capital, the issue price of the shares that could result from their exercise, their conversion or their exchange is set, at the discretion of the Board of Directors, using a calculation formula defined by this latter and applicable following the issue of the said marketable securities (for example at the time they are exercised, converted or exchanged) in which case the above-mentioned maximum discount could be assessed, if the Board of Directors deems necessary on the date of application of the said formula (and not on the date of issue of the marketable security), and (ii) the issue price of the marketable securities giving access to the share capital, as the case may be, issued by virtue of this resolution, will be such that any amount received immediately by the Company, plus the amount that could be received in the exercise or conversion of the said marketable securities, for each share issued as the result of the issue of these marketable securities, is at least equal to the above-mentioned minimum amount;
8) specifies that the delegation thus conferred on the Board is valid for a period of eighteen months from this shareholders' meeting;
9) decides 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,
   - set the dates, conditions and procedures of any issue as well as the form and features of the shares or marketable securities giving access to the share capital issued,
   - set the vesting date, which may be retroactive, of the shares or marketable securities giving access to the share capital issued and their method of payment,
   - 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 share 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 in view of the admission of the shares and securities thus issued on any market;
10) notes that this delegation cancels and replaces, any unused portion of any prior delegation having the same purpose.

Eighteenth resolution – Authorisation to increase the amount of issues

The shareholders' meeting, having reviewed the report of the Board of Directors, resolves that, for each of the issues of ordinary shares or marketable securities giving access to the share capital decided in application of the fourteenth, fifteenth and seventeenth resolutions, the number of shares to issue can be increased in accordance with the conditions specified in articles L.225-135-1 and R.225-118 of the French Commercial Code and subject to the limits set by the shareholders' meeting.

Nineteenth resolution – Delegation of authority be granted the Board of Directors to increase the share capital by issuing ordinary shares and/or securities giving share capital without pre-emptive rights in favour of members of company savings plan pursuant articles L.3332-18 et seq. of the French Labour Code

The shareholders' meeting, having reviewed the report of the Board of Directors and the special report of the statutory auditors, ruling in application of 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 Labour Code:

1) dits 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 share 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 Labour Code;
2) removes the shareholders' pre-emptive subscription rights for the shares which could be issued pursuant to this delegation;
3) sets the period of validity of this authorisation at 26 months starting from the date of this meeting;
4) limits the maximum nominal amount of share capital increases that may be made by using this delegation to 3% of the amount of share capital reached upon the Board's decision to effectuate this increase. This amount is independent of any other limit set on delegating a share capital increase. To this amount will be added, where applicable, the nominal amount of share capital increase necessary to preserve, in accordance with the law and any applicable contractual provisions setting out other methods of preservation, the rights of holders of shares or marketable securities giving access to the Company's share capital;
5) resolves that the price of the shares to be issued under this delegation cannot 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 the French Labour Code is greater than or equal to 10 years, less than 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 this average;
6) resolves, pursuant to the provisions of article L.3332-21 of the French Labour Code, that the Board of Directors can decide to allocate to beneficiaries, defined in Section 1 above, free shares to be issued or already issued or other securities giving access to the Company's share capital already issued or to be issued, in respect of (i) the employer contribution that may be paid pursuant to the rules of company or group savings plans, and/or (ii), as applicable, the discount and will be able to decide, in the event of issuance of free shares in respect of the discount and/or the employer contribution, to incorporate in the share capital the reserves, profit or issue premiums necessary for the payment of the said shares.

The Board of Directors may or may not implement this delegation, take all measures and carry out all necessary formalities.

Twentieth resolution – Amendment of article 15 of the bylaws to allow certain decisions to be taken by the Board of Directors by way of written consultation

The shareholders' meeting, ruling under the quorum and majority conditions for extraordinary shareholders' meetings, having reviewed the report of the Board of Directors, resolves, pursuant to the right provided for in article L.225-37 of the French Commercial Code, as amended by Act No. 2019-744 of 19 July 2019, to provide for the right for members of the Board of Directors to take the decisions exhaustively listed by regulation by way of written consultation, and consequently amends article 15 of the bylaws as follows:

- the following paragraph is added after paragraph 5 of the bylaws, with the rest of the article remaining unchanged:

  "*The Board of Directors may also take decisions by written consultation of Directors in accordance with the conditions provided for by law.*"

Twenty-first resolution – Bringing the bylaws into compliance with the applicable regulations

The shareholders' meeting, ruling under the conditions of quorum and majority required for extraordinary shareholders' meetings, having reviewed the report of the Board of Directors resolves:

- **as regards the transfer of the registered office:**
  - to bring article 4 of the bylaws into compliance with the provisions of article L.225-36 of the French Commercial Code, as amended by Act No. 2016-1691 of 9 December 2016,
  - to accordingly amend as follows the paragraph before last of article 4 of the bylaws, with the rest of the article remaining unchanged:

    "*It may be transferred to any other place in France by a simple decision of the Board of Directors, subject to approval of this decision by the very next ordinary shareholders' meeting.*"
- **as regards the procedure for identification of share owners:**
  - to bring article 10-4 of the bylaws into compliance with the provisions of article L.228-2 *et seq.* of the French Commercial Code on the identification of share owners, as amended by Act No. 2019-486 of 22 May 2019,
  - to accordingly amend as follows paragraph 4 of article 10 of the bylaws, with the rest of the article remaining unchanged:

    "*4. In view of the identification owners of bearer shares, the Company has the right to ask, at any time, in accordance with the conditions provided for in the applicable legal and regulatory provisions, information concerning the owners of shares and securities that grant immediate or future voting rights at its own shareholders' meetings.*"
- **as regards the reference to Say on Pay in the determination of the remuneration of the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officers, and the removal of the concept of "Directors' fees":**
  - to bring article 14 of the bylaws into compliance with the provisions of article L.225-47 of the French Commercial Code, as amended by Act No. 2016-1691 of 9 December 2016,
  - to accordingly amend as follows paragraph 1 of article 14 of the bylaws, with the rest of the article remaining unchanged:

"The Board of Directors shall elect among its members a Chairperson who shall be a natural person, failing which the appointment shall be null and void. It shall determine the latter's remuneration, in accordance with the conditions laid down in regulations."

- to bring paragraph 1 of Article 18 of the bylaws into compliance with the provisions of article L.225-45 of the French Commercial Code, as amended by Act No. 2019-486 of 22 May 2019 and by Order No. 2019-1234 of 27 November 2019,
- to amend the title of article 18 of the bylaws in order to refer expressly to Directors,
- to accordingly amend as follows the title of article 18 of the bylaws:

  "Article 18 – REMUNERATION OF DIRECTORS AND EXECUTIVES"
- to accordingly amend as follows paragraph 1 of article 18 of the bylaws:

  "1 – The shareholders' meeting may allocate to Directors an annual fixed amount, the amount of which shall be charged against operating expenses and shall remain so until otherwise decided. The distribution of this amount among Directors shall be determined by the Board of Directors, in accordance with the conditions laid down in regulations."
- to bring paragraph 2 of Article 18 of the bylaws into compliance with the provisions of articles L.225-47 and L.225-53 of the French Commercial Code, as amended by Act No. 2016-1691 of 9 December 2016,
- to accordingly amend as follows paragraph 2 of article 18 of the bylaws, with the rest of the article remaining unchanged:

  "2 – The Board of Directors shall determine the remuneration of the Chairman of the Board of Directors, the Chief Executive Officer and Deputy Chief Executive Officers, in accordance with the conditions laid down in regulations."

- **as regards consideration to be given by the Board to the social and environmental issues relating to the Company's activity:**
  - to bring article 16 of the bylaws into compliance with the provisions of article L.225-35 of the French Commercial Code, as amended by Act No. 2019-486 of 22 May 2019,
  - to accordingly amend as follows the first sentence of the first paragraph of Article 16 of the bylaws, with the rest of the article remaining unchanged:

    "The Board of Directors shall determine the directions of the Company's business and ensure their implementation, in line with the Company's interest, taking into consideration the social and environmental issues relating to its activity."
- **as regards the electronic signature of proxy and postal voting forms:**
  - to bring article 22 of the bylaws into compliance with the provisions of Order No. 2016-131 of 10 February 2016 on the reform of contract law, the general scheme and the proof of obligations, which amended the textual references of the provisions on electronic signature,
  - to accordingly amend as follows paragraph 9 of article 22 of the bylaws, with the rest of the article remaining unchanged:

    "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 legal requirements, namely a reliable identification process guaranteeing its connection with the instrument to which it relates."

Twenty-second resolution – Amendment of article 13 bis of the bylaws on the threshold for triggering the appointment of a second Director representing employees

The shareholders' meeting, ruling under the conditions of quorum and majority required for extraordinary shareholders' meetings, having reviewed the report of the Board of Directors resolves:

- to amend article 13 bis A of the bylaws in order to lower the threshold for triggering the mandatory appointment of a second Director representing employees, pursuant to article L.225-27 of the French Commercial Code, from twelve to eight;
- to accordingly amend as follows paragraphs 2 and 3 of paragraph A. of article 13 bis of the bylaws:

  "This number increases to two where the number of Directors appointed by the shareholders' meeting exceeds eight. Salaried shareholders appointed as Directors by virtue of article L.225-23 of the French Commercial Code are not included for this purpose. The second Director is appointed within six months of the appointment by the shareholders' meeting of the new Director.

  The decrease to eight or less than eight of the number of Directors appointed by the annual shareholders' meeting does not affect the duration of the term of office of all employee representatives on the Board, which shall end at the normal expiry of the term of office."
- to bring article 13 bis B of the bylaws, on the procedures to appoint a Director representing employees, into compliance with the provisions of articles L.225-27-1 of the French Commercial Code, as amended by Act No. 2019-486 of 22 May 2019, lowering the threshold for triggering the mandatory appointment of a second Director representing employees from twelve to eight;
- to accordingly amend as follows lines 4 and 5 of paragraph B. of article 13 bis of the bylaws:

  "In the event that the number of Directors appointed by the shareholders' meeting exceeds eight, a second Director representing employees shall be appointed in accordance with the provisions hereinafter, within a period of six months following the appointment of the new Director.

  The decrease to eight or less than eight of the number of Directors appointed by the annual shareholders' meeting does not affect the duration of the term of office of all employee representatives on the Board, which shall end at the normal expiry of the term of office."

Twenty-third resolution – Textual references applicable in the event of a change of codification

The shareholders' meeting takes note that the textual references mentioned in all resolutions of this meeting refer to legal and regulatory provisions applicable on the day they are drawn up and that in the event of an amendment to their codification, the textual references relating to this new codification would replace them.

Twenty-fourth resolution – Powers for formalities

The shareholders' meeting grants all powers to the bearer of an original, a copy or an extract of these minutes in order to accomplish all filing and publication formalities required by law.

7.3 REPORTS OF THE STATUTORY AUDITORS PRESENTED TO THE SHAREHOLDERS' MEETING

Statutory auditors' special report on regulated agreements and commitments

See Section 2.5.2 of the Universal Registration Document.

Statutory auditors' report on share capital reduction

(Extraordinary shareholders' meeting of 8 June 2020 – 13th resolution)

To the Shareholders,

As statutory auditors of your Company and pursuant to the assignment set forth in article L.225-209 of the French Commercial Code in the case of a capital reduction through the cancellation of shares purchased, we have prepared this report intended to inform you of our assessment of the causes and conditions of the proposed 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 its share capital, per 24-month period, the shares purchased pursuant to the implementation of a share buyback programme by the Company within the framework of the provisions of the aforementioned article.

We 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 engagement. These procedures require us to examine whether the causes and conditions of the proposed 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 capital reduction.

Neuilly-sur-Seine and Paris, 3 April 2020

The statutory auditors

PricewaterhouseCoopers Audit	**RSM Paris**
David CLAIROTTE	Stéphane MARIE

Report of the statutory auditors on the issue of shares and various marketable securities with waiver of pre-emptive subscription rights

(Extraordinary shareholders' meeting of 8 June 2020 – resolutions nos. 14, 15, 16 and 18)

To the Shareholders,

As statutory auditors of your Company, and in execution of the mission specified by articles L.228-92 and L.225-135 *et seq.* of the French Commercial Code, we hereby present our report on the proposed delegations of authority to the Board of Directors to carry out various issues of shares and/or marketable securities, transactions that you are asked to approve.

Your Board of Directors proposes, based on its report:

- that you delegate to it, for a duration of 26 months, the authority to decide on the following transactions and set the final conditions of these issues and proposes to waive your pre-emptive subscription rights:
  - The issue, on the French and/or international markets, on one or more occasions, by means of a public offering (excluding the offerings referred to in section 1 of article L.411.2 of the French Monetary and Financial Code) and/or in consideration of securities within the context of a public exchange offer (14th resolution), ordinary shares and/or ordinary shares giving rights to the allocation of other ordinary shares or debt securities, and/or of marketable securities giving access to future ordinary shares to be issued by the Company, it being specified that, in compliance with article L.228-93, paragraph 1, of the French Commercial Code, the marketable securities to be issued could give access to ordinary shares to be issued by any company that owns directly or indirectly more than half of the share capital or in which it owns directly or indirectly more than half of the share capital,
  - The issue, on the French and/or international markets, on one or more occasions, with waiver of pre-emptive subscription rights, in an offering such as that mentioned in part 1 of article L.411-2 of the French Monetary and Financial Code, by private placement and limited to 20% of the share capital per year (15th resolution), of ordinary shares and/or ordinary shares giving rights to the allocation of other ordinary shares or debt securities, and/or of marketable securities giving access to future ordinary shares to be issued by the Company, it being specified that, in compliance with article L.228-93, paragraph 1, of the French Commercial Code, the marketable securities to be issued could give access to ordinary shares to be issued by any company that owns directly or indirectly more than half of the share capital or in which it owns directly or indirectly more than half of the share capital;
- to authorise it, in the 16th resolution and as part of the implementation of the delegation outlined in the 14th and 15th resolutions, to set the issue price within the legal annual limit of 10% of the share capital.

The overall nominal amount of the share capital increases that can be carried out, immediately or in the future, may not exceed €5,000,000 with respect to the 14th resolution and €3,000,000 with respect to the 15th resolution.

In addition, these ceilings will be deducted from the maximum nominal amount of ordinary shares that may be issued under the 10th extraordinary resolution of the shareholders' meeting of 7 June 2019 or any resolution that may succeed it, which sets the overall maximum nominal amount of share capital increases that may be carried out at €5,000,000.

These ceilings take into account the additional number of securities to be created during the implementation of the delegations noted in the 14th, 15th and 17th resolutions ("capital increase by the issue, on one or more occasions, of ordinary shares, equity securities giving access to other equity securities or giving rights to the allocation of debt securities and/or securities (including in particular any debt securities) giving access to equity securities to be issued with waiver of pre-emptive subscription rights"), under the conditions specified in article L.225-135-1 of the French Commercial Code, if you adopt the 18th resolution.

The overall nominal amount of the debt securities that may be issued may not exceed €50,000,000 for the 14th resolution and €30,000,000 for the 15th resolution.

In addition, these ceilings will be deducted from the nominal amount of the debt securities specified in the 10th extraordinary resolution of the shareholders' meeting of 7 June 2019 or any resolution that may succeed it, which sets the overall maximum nominal amount of debt securities that the Company may issue at €50,000,000.

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 report to you on the fairness of the financial information extracted from the financial statements, on the proposal to waive the preferential subscription rights and on certain other information concerning these transactions, set out in this report.

We 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 engagement. These procedures consisted in verifying the contents of the report of the Board of Directors on these transactions and the process for setting the issue price of the future equity securities.

Subject to the review of the conditions of the issues that will be decided upon, we have no comment to make on the procedures for determining the issue price of the future equity securities given in the report of the Board of Directors in respect of the 14th and 15th resolutions

As the final conditions in which the issues will be carried out have not been set, we do not express an opinion on them, and consequently, on the proposal to waive the pre-emptive subscription rights that is made in the 14th and 15th resolutions.

Pursuant to article R.225-116 of the French Commercial Code, we will prepare an additional report, as required, when the Board of Directors uses these authorisations.

Neuilly-sur-Seine and Paris, 3 April 2020

The statutory auditors

PricewaterhouseCoopers Audit	**RSM Paris**
David CLAIROTTE	Stéphane MARIE

Report of the statutory auditors on the issue of ordinary shares and/or various marketable securities with waiver of pre-emptive subscription rights in favour of designated persons

(Extraordinary shareholders' meeting of 8 June 2020 – 17th resolution)

To the Shareholders,

In our capacity as the statutory auditors of your Company and pursuant to the assignment set out in articles L.228-92 and L.225-135 e seq. of the French Commercial Code, we present to you our report on the proposed delegation of authority to the Board of Directors to decide on an issue with cancellation of preferential subscription rights reserved for any credit institution, investment service provider, or member of an investment bank syndicate or investment fund undertaking to guarantee the completion of the capital increase or of any issue liable to result in a future capital increase that may be carried out pursuant to this delegation, as part of the implementation of an equity line of financing, a transaction on which you have been requested to vote.

Your Board of Directors proposes, on the basis of its report, that, for a period of 18 months, you delegate to it the authority to decide on an issue of ordinary shares of the Company or equity securities giving access to other equity securities or giving rights to the allocation of debt securities and/or marketable securities (including all debt securities) giving access to future equity securities and to waive your pre-emptive subscription rights to the future marketable securities. When appropriate, it will set the final terms and conditions of this transaction.

The maximum overall nominal amount of the share capital increases likely to be carried out, immediately or in the future, may not exceed €3,000,000.

In addition, this ceiling will be deducted from the overall limitation on capital increases specified in the 10th extraordinary resolution of the shareholders' meeting of 7 June 2019 or any resolution that may succeed it, which sets the overall maximum amount of capital increases that may be carried out at €5,000,000.

The overall nominal amount of debt securities that may be issued may not exceed €30,000,000.

In addition, this ceiling will be deducted from the overall limitation specified in the 10th extraordinary resolution of the shareholders' meeting of 7 June 2019 or any resolution that may succeed it, which sets the overall maximum amount of debt securities that the Company may issue at €50,000,000.

It is the responsibility of the Board of Directors to prepare a report in compliance with articles L.225-113 *et seq.* of the French Commercial Code. Our role is to report to you on the fairness of the financial information extracted from the financial statements, on the proposal to waive the preferential subscription rights and on certain other information concerning this transaction, set out in this report.

We 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 engagement. 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 future securities.

Subject to reviewing at a future date the terms and conditions of any share capital increase that may be decided upon, we have no comments to make on the process for setting the issue price of the future securities, set out in the report of the Board of Directors.

As indicated in the report of the Board of Directors, the waiver of pre-emptive subscription rights would be made in favour of any credit institution, investment service provider, or member of an investment bank syndicate or investment fund or company undertaking to guarantee the completion of the share capital increase or any issue liable to result in a future capital increase that may be carried out under this delegation a part of the implementation of an equity line of financing. This description does not seem, to us, to meet the provisions of article L.225-138 of the French Commercial Code specifying the possibility of reserving the capital increase for categories of persons meeting determined characteristics, to the extent that the shareholders' meeting does not define with adequate precision the criteria for identifying the category of the beneficiaries of the issue envisioned.

Consequently, we cannot give you our opinion on the proposal made to you to eliminate the pre-emptive subscription rights.

Pursuant to article R.225-116 of the French Commercial Code, we will prepare an additional report, as required, when the Board of Directors uses this authorisation.

Neuilly-sur-Seine and Paris, 3 April 2020
The statutory auditors

PricewaterhouseCoopers Audit
David CLAIROTTE

RSM Paris
Stéphane MARIE

Report of the statutory auditors on the issue of ordinary shares and/or marketable securities giving access to the share capital reserved for subscribers to a company savings plan

(Extraordinary shareholders' meeting of 8 June 2020 – 19th resolution)

To the Shareholders,

As statutory auditors of your Company and pursuant to the assignment set forth in articles L.228-92 and L.225-135 seq. of the French Commercial Code (*Code de commerce*), we hereby present our report on the proposed delegation of authority to your Board of Directors to decide an increase in the share capital, through issues of shares or securities granting access to the share capital, with cancellation of preferential subscription rights, reserved for subscribers to one or more company savings plans implemented within the Group, comprising the Company and the French and foreign companies falling within the consolidation scope of the Company's financial statements pursuant to article L.225-180 of the French Commercial Code and article L.3344-1 of the French Labour Code (*Code du travail*), a transaction that you are being asked to approve.

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 Labour Code.

Based on its report, your Board of Directors is asking that you grant it full powers, for a period of twenty-six months commencing from the date of this shareholders' meeting, to decide an issue with cancellation of your preferential 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 fair presentation of the quantified financial information drawn from the accounts, on the proposal to cancel preferential subscription rights and on certain other information concerning this issue, contained in this report.

We 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 engagement. 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 future securities.

Subject to reviewing at a future date the terms and conditions of any issues of shares or securities granting access to the share capital that may be decided upon, we have no comments to make on the process for setting the issue price of the future securities, set out in the report of the Board of Directors

As the definitive terms and conditions of the share capital increase have not been set, we do not express an opinion thereon and, as such, on the proposed cancellation 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 authorisation.

Neuilly-sur-Seine and Paris, 3 April 2020
The statutory auditors

PricewaterhouseCoopers Audit
David CLAIROTTE

RSM Paris
Stéphane MARIE

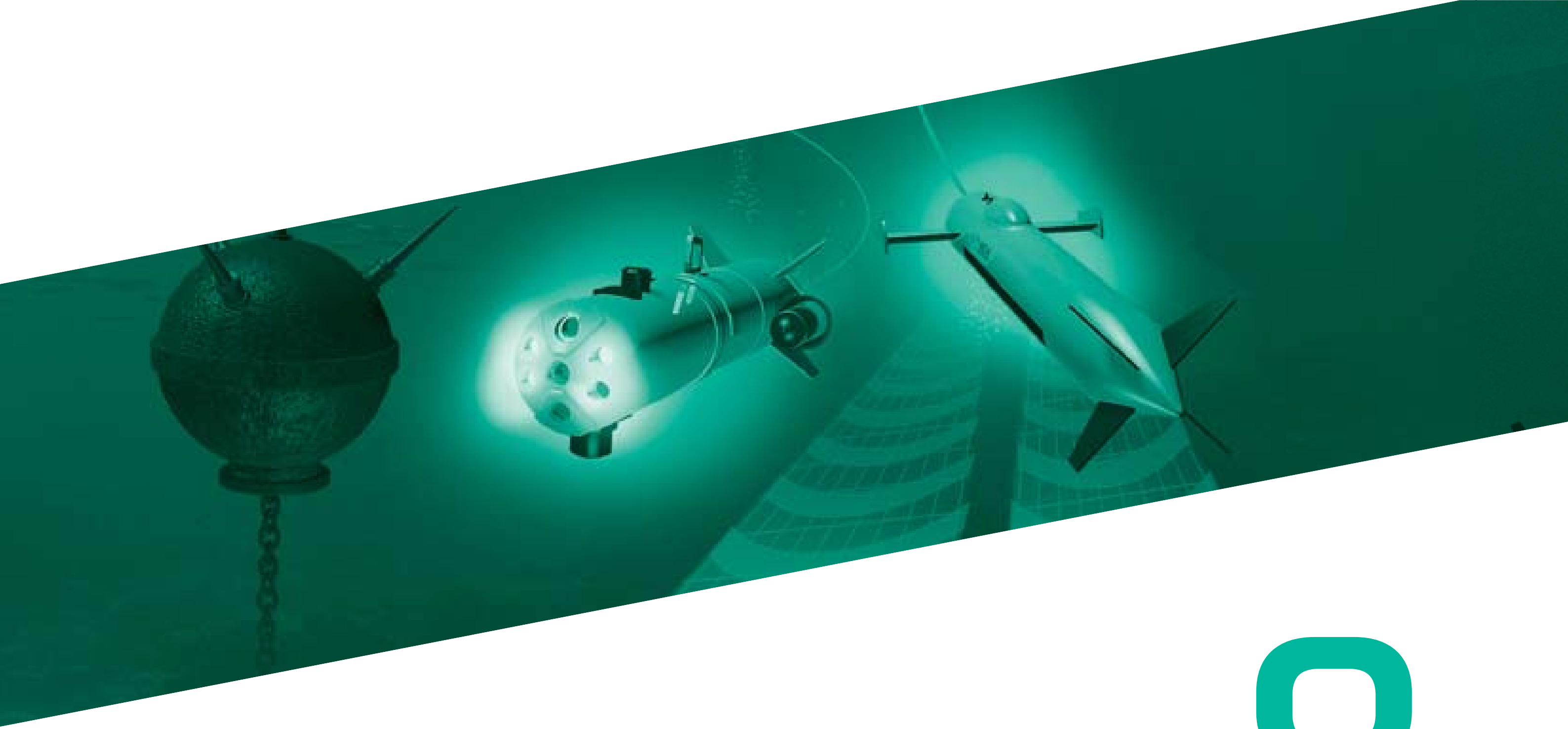
7.4 REPORTS OF THE BOARD OF DIRECTORS PRESENTED TO THE SHAREHOLDERS' MEETING OF 8 JUNE 2020

Management report

See concordance 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 concordance table in Section 8.3.4 of the Universal Registration Document.



8 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 David CLAIROTTE

63, rue de Villiers – 92200 Neuilly-Sur-Seine

Statutory Auditor of the Company appointed by the combined shareholders' meeting of 17 June 2015 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 2020 (first appointment).

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

Jean-Christophe GEORGHIOU

63, rue de Villiers – 92200 Neuilly-Sur-Seine Cedex

Alternate Statutory Auditor of the Company appointed by the combined shareholders' meeting of 17 June 2015 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 2020 (first appointment).

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

"After taking all reasonable measures for this purpose, I hereby certify that all the information contained in this Universal Registration Document is, to my knowledge, in accordance with the facts and that no information liable to affect its significance has been omitted.

I certify that, to my knowledge, the financial statements have been prepared in accordance with 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 (incorporated by reference in the Registration Document, according to the cross-reference table on pages 213 and 214) 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."

Paris, 14 April 2020

Chairman and Chief Executive Officer

8.3 CONCORDANCE TABLES

8.3.1 Concordance table of Universal Registration Document (Annexes 1 and 2 of Commission Delegated Regulation (EU) 2019/980)

To facilitate the reading of this Universal Registration Document, the concordance table presented below identifies the main information required by annexes 1 and 2 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019:

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Section 1	**Persons responsible, third parties, experts' reports and competent authority approval**		
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Point 1.2	Declaration by those responsible for the document	8.2.2	208
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Point 1.4	Confirmation that information sourced from third parties is accurate	N/A	
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Point 5.1.2	*New products and/or services*	*1.2*	*9 et seq.*
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Point 5.3	Important events	1.2.4, 1.3.4, Notes 13.2 and 13.3 of consolidated financial statements	23, 27, 125-127
Point 5.4	Strategy and financial and non-financial objectives	1.3, 1.4, Chapter 6	25-32, 165 *et seq.*
Point 5.5	Extent of dependence	2.2, Notes 3.3 and 4.5 of consolidated financial statements	40-41, 96, 98
Point 5.6	Competitive position	1.2.2	10 *et seq.*
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New URD references	Titles	Former Registration Document references	Page
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New URD references	Titles	Former Registration Document references	Page
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Section 20	**Material contracts**		
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Point 21.1	Statement on accessible documents	5.4.3.	163

8.3.2 Concordance table – Annual financial report

This Universal Registration Document includes all sections of the annual financial report listed under article L.451-1-2 of the French Monetary and Financial Code, as well as articles 222-3 and 222-9 of the French Financial Markets Authority (Autorité des Marchés Financiers – AMF) General Regulation. 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.	Separate financial statements	4.2	135 *et seq.*
2.	Consolidated financial statements	4.1	78 *et seq.*
3.	Management report	See concordance table in 8.3.3 above	-
4.	Statement by the person responsible for the annual financial report	8.2.2	208
5.	Statutory auditors' report on the separate financial statements	4.2.5	147 *et seq.*
6.	Statutory auditors' report on the consolidated financial statements	4.1.7	131 *et seq.*
7.	Statutory auditors' special report on regulated agreements and commitments	3.7.2	74
8.	Report of the Board of Directors on corporate governance (article L.225-37 of the French Commercial Code)	See concordance table in 8.3.4 above	-

8.3.3 Concordance table – Consolidated management report pursuant to articles L.225-100 et seq. of the French Commercial Code

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 report on corporate governance in application of articles L.225-37 *et seq.* of the French Commercial Code.

	Consolidated management report	Chapters/sections	Page
I	Business market and risks		
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2.	Results of the activity of the Company, its subsidiaries and companies under its control	1.1, 1.4, 4,1	8, 28 *et seq.*, 77 *et seq.*
3.	Key financial performance indicators	1.1	8
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5.	Analysis of changes to the business, its results and financial position	1.4.1,	28
6.	Significant events occurring between the closing of the financial year and the date the consolidated management report is established	1.3.2.4, 1.3.4, Note 13.3 to the consolidated financial statements, Note 7 to the annual financial statements	26, 27, 127, 146
7.	Development and outlook	Chairman's message, 1.3.2	1, 26
8.	Research and development activities	1.2.2, 1.3, Note 6. to the consolidated financial statements	10 *et seq.*, 25, 103 *et seq.*
9.	Significant new shareholdings or controlling interests acquired during the financial year in 1.2.3, 1.2.4, 1.3.1, Note 2.2 to the consolidated financial statements	1.2.3, 1.2.4, Note 2.2 to the consolidated financial statements	23, 24, 89
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	Consolidated management report	Chapters/sections	Page
II	Risk factors – Internal control and risk management procedures		
11.	Main risks and uncertainties	2	37 *et seq.*
12.	Main features of the Company's internal control and risk management procedures for preparing and processing financial and accounting information	3.8	75 *et seq.*
13.	Information on financial risks relating to the effects of climate change and presentation of the steps taken to mitigate such risks through a low-carbon strategy	2,.6.8	37 *et seq.*, 179
14.	Information on the use of financial instruments (policy and hedging)	Notes 8.1.4 and 8.3 to the consolidated financial statements, Note 5.7 to the separate financial statements	115, 117 *et seq.*, 145
III	Statement of non-financial performance	6	165 *et seq.*
IV	Shareholders and share capital		
15.	Shareholder structure and changes occurring during the financial year	5.2, 5.3	154 *et seq.*, 161
16.	Employee share ownership statement	5.3.5	161
17.	Repurchase and resale by the Company of its treasury shares	5.2.2	154
18.	Names of controlled entities and interests held	Note 14 to the consolidated financial statements	128 *et seq.*
19.	Transfers of shares to regularise cross-shareholdings	N/A	-
20.	Trading in Company shares by senior managers and persons with close ties to them	3.1.4	56
21.	Information on stock option plans granted to corporate officers and employees	23.3 (tables 4 to 10), 5.2.1	63 *et seq.*
22.	Information on free shares allocated to corporate officers and employees	3.3 (tables 4 to 10), 5.2.1, Notes 5.4 and 5.5 to the consolidated financial statements	63 *et seq.*
V	Report on corporate governance (article L.225-37 *et seq.* of the French Commercial Code)	See concordance table 8.3.4 below	-
VI	Other information		
23.	Non-tax-deductible expenses and expenses added back following a tax adjustment	1.5.2	33
24.	Table of financial results for the last five financial years	1.5.5	36
25.	Total dividends and other income paid out over the previous three financial years	1.5.3, 5.4.2,	33-34, 163
26.	Injunctions or financial penalties for anti-competitive practices	N/A	-
27.	Amount of intercompany loans granted under article L.511-6-3b of the French Monetary and Financial Code	N/A	-
28.	Works Council opinion on changes to the Company's financial and legal structure	N/A	-
29.	Payment times for trade receivables and payables	1.5.4, Note 3.6 of the company financial statements	34, 143

8.3.4 Concordance table – Corporate governance report pursuant to article L.225-37 of the French Commercial Code

Corporate governance report – Headings	Chapters/Sections	Page
Information regarding the composition, operation and powers of the Board of Directors		
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Presentation of the members of the Board of Directors, list of their offices and positions	3.1	50
Conditions for the preparation and organisation of the Board of Directors' work	3.1.7	57
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Summary table of the currently valid delegations granted by the shareholders' meeting for capital increases	5.2.3	159-160
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Corporate officer remuneration policy	3.2	58
Information mentioned in section I of article L.225-37-3 of the French Commercial Code	3.3	63
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Information on factors liable to have an impact in the event of an IPO		

Corporate governance report – Headings	Chapters/Sections	Page
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Control mechanisms for any potential employee shareholding scheme, when the rights of control are not exercised by employees	5.3.5	161
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Rules applicable to the appointment and replacement of members of the Board of Directors as well as the modification of the Company's bylaws	3.1.1, 5.1.2	50, 152
Agreements that would be terminated in the event of a change in control	N/A	-
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