

# 2021 HALF-YEAR FINANCIAL REPORT

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including

- 2021 half-year activity report
- Condensed consolidated financial statements at 30 June 2021
- Statutory Auditors' report on the half-year financial information for 2021
- Statement by the person responsible for the 2021 half-year financial report



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# 2021 HALF-YEAR ACTIVITY REPORT

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Excerpt from the press release issued on 16 September 2021

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## Good profitability in the first half of 2021

In 2021 GROUPE GORGÉ generated its best first-half operating income ever. This performance, which could have materialized in 2020 were it not for the impact of the health crisis, is the first result of an innovation strategy initiated several years ago and aimed at improving the Group's margins.

### Strong and growing financial results

- **Organic revenue growth of 30%** compared to the first half of 2020
- EBITDA up by 125% <sup>(1)</sup>, reaching a margin of 12%
- **Operating income of €4.3 million**, up €19 million vs. H1 2020

### Sustained activity in the Group's three divisions

- **Drones & Systems**: several milestones achieved in the BENL program and progress on other types of drones
- **3D Printing**: a successful operational transformation
- **Engineering & Protection Systems**: order intake up by 10%

### Solid outlook and increase in guidance for 2021

- A well renewed **order book of €600 million**
- **Increase in the guidance for 2021**: > 15% organic growth, i.e. > €265 million and continued profitability for the rest of the year

## GROUPE GORGÉ: a high-tech specialist present in three business areas

GROUPE GORGÉ implements since several years a strategy based on three main pillars:

1. **Reinforcement in high-tech activities** with high added value,
2. **Concentration on sectors with high growth potential**,
3. **A leading player in its activities** with strong development ambitions.

This strategy has been deployed in **three divisions**, which generated revenue of €135 million in the first half of 2021:

- **43%** of revenues come from the **Drones & Systems** division. Recognized as one of the world leaders in the field of autonomous robotics, this division provides its customers with the most efficient and technologically advanced solutions in the field of naval, submarine, land and air drones.
- **25%** are generated by the **3D Printing** division (through PRODWAYS GROUP, which is owned at 56%), a player focused on plastic 3D printing for industrial production, relying on its mastery of the 3D value chain: software, machines, materials, parts production.
- The **Engineering & Protection Systems** activity represents **32%** of revenues and includes the Engineering & Technology Consulting division as well as solutions for the protection of high-risk sites, with fire safety and nuclear doors.

## Financial results: outstanding growth in revenue and operating income for a first half

(in millions of euros)	H1 2021	H1 2020	Change in millions of euros	Change (%)
Revenue	135.5	108.0	+27.5	+25% (+30% organic)
EBITDA <sup>(1)</sup>	16.0	7.1	+8.9	+125%
EBITDA margin (%)	11.8%	6.6%	+5.2 pts	-
Operating result <sup>(2)</sup>	6.2	-4.3	+10.5	-
Operating income	4.3	-14.3	+18.6	-
Financial income	-0.9	-0.4	-0.4	-
Tax	-3.8	1.0	-4.9	-
Net income from discontinued activities	0.7	-1.0	+1.7	-
Net income	0.3	-14.7	+15.0	-
Profit (loss) for the period attributable to the owners of the parent	0.3	-10.0	+10.4	-

### +30% organic revenue growth

GROUPE GORGÉ generated revenue of €135 million in the first half of 2021, representing growth of 30% on a like-for-like basis. This growth was driven by good momentum in the three divisions with several growth drivers:

- **The increase in the revenue generated by the Drones & Systems division** was particularly dynamic at +36%,
- **Accelerating growth in 3D Printing** driven by the recovery (+27%),
- **Good performance of the Engineering & Protection Systems division** (+25% organic growth).

More details are available in the revenue press release published in July ([link](#)).

### Improving profitability

During this half-year GROUPE GORGÉ generated **EBITDA of €16 million**, up by 125% year-on-year and 11.8% above the level of 2019. This performance gives **an EBITDA margin of 12%**, a new record for GROUPE GORGÉ.

This increase has enabled the Group to generate **an operating result of €6.2 million**, up by €10 million compared to the first half of 2020 and **almost double the result of the first half of 2019**. This increase is the first sign of an underlying improvement in margins that should continue over several years.

This performance is the combined result of several effects:

- **Strategic refocusing** operated since 2018 in favor of high value-added activities, in particular the reinforcement in the Drones & Systems division.
- The latter also continues **its rise** and generated an EBITDA margin of 21% this half-year.
- **The successful transformation of the 3D Printing division**, which achieved its best historical result with an EBITDA margin <sup>(1)</sup> of 13%. It benefited from a significant decrease in the operating cost base and the positive impact of a subsidy granted in the United States.
- Within the Engineering & Protection Systems division, **the negative impact of old nuclear contracts** signed several years ago, whose finalization is delayed, as well as the ramp-up of **StedY, which has not yet reached financial breakeven**.

### Financial position: First financing in the amount of €145 million and change in net debt

During the first half of the year GROUPE GORGÉ successfully secured **its first corporate syndicated loan with an impact of €145 million**. It consists of a confirmed portion of €120 million with an average maturity of five years and including a renewable portion (RCF) of €35 million and an unconfirmed portion of €25 million dedicated to external growth. This financing could enable the Group to seize new opportunities to strengthen its position in its current businesses. The margin grid is defined according to the level of debt (net debt / EBITDA), on the one hand, and the achievement of certain ESG objectives, measured by indicators that are being finalized with the lenders, on the other.

The net debt<sup>(3)</sup> of GROUPE GORGÉ amounted to €56.8 million as of 30 June 2021, up by €26 million compared to 31 December 2020. This change is due to the replenishment of the working capital requirement, a natural consequence of the good pace of the recovery of our activities, from the payment of the full dividend in the first half of the year, share buybacks carried out at the beginning of 2021 and continued significant investments in R&D, including the construction of a production site in Ostend (Belgium). The deterioration in the working capital requirement is partly due to the unfavorable financing cycle in the year 2021 of the major contract for the Drones & Systems division.

Available cash remained at a high level of €70 million.

## First half of 2021: sustained activity in the Group's three divisions

### Results by division

<i>(in millions of euros)</i>		H1 2021	H1 2020	Change
<b>Drones &amp; Systems</b>	Revenue	58.8	43.1	+36%
	EBITDA <sup>(1)</sup>	12.1	5.3	+130%
	EBITDA margin (%)	20.6%	12.2%	+8.4 pts
	Operating result <sup>(2)</sup>	6.5	0.8	+€5.7 million
<b>3D Printing</b>	Revenue	34.1	26.8	+27%
	EBITDA <sup>(1)</sup>	4.5	1.4	+214%
	EBITDA margin (%)	13.2%	5.3%	+7.9 pts
	Operating result <sup>(2)</sup>	2.2	-2.9	+€5.1 million
<b>Engineering &amp; Protection Systems</b>	Revenue	43.3	38.5	+13%
	EBITDA <sup>(1)</sup>	-0.1	0.9	-116%
	EBITDA margin (%)	-0.3%	2.2%	-2.6 pts
	Operating result <sup>(2)</sup>	-1.9	-1.6	-€0.3 million

### Drones & Systems: advances on several types of drones

GROUPE GORGÉ has successfully reached several important milestones in the first half of 2021 as part of the substantial contract (€450 million) with the Belgian and Dutch navies. In addition to the successful sea trials of the UMISAS sonar developed by the Group since 2014, the Group announced **the success of the Preliminary Design Review**, which confirms that the overall design meets all customer requirements.

The preparation of the next steps, including the production phase, is also well underway. The management team in Belgium has been set up and the Group will inaugurate the new Mouscron site, dedicated to R&D, on 22 September. In addition, construction of the Ostend plant, which will house the drone assembly line, is continuing smoothly.

At the same time, the company has made significant progress in its **autonomous drone dedicated to logistics (AGV)**. Real-world tests since the end of 2020 have validated the quality of this solution: designed for the transport of pallets indoors and outdoors, the drone has been operating for several months in varied weather conditions without complications. Demonstrations to potential customers will take place in September.

### Good order intake in the Engineering & Protection Systems division, difficulties in the nuclear sector

The commercial momentum of this division continues, driven in particular by the engineering consulting and fire protection activities, and resulted in an order intake of €44 million, up by 10% compared to the levels of the first halves of 2019 and 2020. While the nuclear business has good medium-term prospects, the focus must still be on the recovery of profitability, which is taking longer than expected and is penalized by old contracts, including one on the ITER project. Nuclear energy represented 8% of the Group's revenue in the first half of the year.

## A successful transformation of the 3D Printing division

As part of the operational transformation plan launched in 2020, in the first half of 2021 the teams and technologies of five different sites in France joined forces at their new site in Annecy (France). This new 4,500 m<sup>2</sup> building houses the PRODUCTS division's printers, the parts design and design office, and the manufacture of SLS (powder sintering technologies) printers. **This new organization is already generating operational synergies**, promotes the development of new products and services and enables the 3D Printing division to meet the growing demands of its customers.

Slowed by the health crisis, **the revenue growth trajectory** recovered well in 2021. The 3D Printing division's revenue **has increased by 27% per year on average since 2015** and reached €34 million this half-year (compared with €8 million in the first half of 2015). This sustained increase over time is the result of the good rate of organic growth as well as the external growth dynamic, which has enabled the revenue profile to be transformed.

While **the share of recurring revenue** in revenue was only around 25% in 2015, **it now represents nearly 60%**. This solid revenue base consists primarily of sales of materials, which increase with the installed base of machines used in production. The software integration activity also benefited from a high recurrence rate, as did sales of 3D printed parts for the medical sector (audiology, dentistry, chiropody).

## Solid outlook and increase in guidance for 2021

### A well renewed order book of €600 million

The sales momentum made it possible to renew the order book, which remained stable compared to the same period last year (down 0.7% on a like-for-like basis). This performance is all the more positive as it ranks **in a context of economic recovery and the still partial reopening of borders**, delaying investment decisions. **With more than €600 million of secured orders** for the coming years, i.e. the equivalent of 2.6 years of revenue, GROUPE GORGÉ benefits from a solid revenue base and a good level of visibility for the future.

### Acceleration of the development of 3D printing: integration of CREABIS well under way

In early July 2021, the Group announced the acquisition of CREABIS, a German specialist in 3D printing services for plastics, marking an acceleration of the development strategy with the return of the external growth dynamic ([link to the dedicated press release](#)). With this acquisition, the 3D Printing division now has **one of the largest 3D printing services in Europe** with a fleet of 52 printers offering a wide variety of technologies and materials to its customers.

**The integration of CREABIS is well under way** and will continue in the second half of the year. The sales and operational teams have already integrated the offerings of both companies and will be able to offer new technologies and services from the end of September. In the continuation of the external growth operations of recent years, the Group once again confirms its ability to integrate new companies effectively and to realize the potential for synergies.

### Increase in guidance for 2021

The performance of the first half-year confirms GROUPE GORGÉ in its positioning and its short- and medium-term development ambitions. For each of its activities, GROUPE GORGÉ can rely on deep and structurally sound markets, a solid revenue base and growth opportunities. The change in the size of the Group, both in terms of revenue generation and profitability, is beginning to materialize in results.

GROUPE GORGÉ is therefore raising its guidance for the year 2021, setting a revenue growth target of more than 15% on a like-for-like basis (compared to "close to 15%" previously), or more than €265 million. The level of profitability should be maintained over the rest of the year.

## Definition of alternative performance indicators

- (1) **EBITDA**: Operating income before "Depreciation, amortization and provisions", "Non-recurring items in operating income" and "Group share of the earnings of affiliated companies".
- (2) **Operating result**: Operating income before "Non-recurring items in operating income" and "Group share of the earnings of affiliated companies".
- (3) **Debt / Net cash position**: Net debt / Net cash and cash equivalents including treasury shares, excluding IFRS 16 lease liabilities.

# CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2021

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### Assets

<i>(in thousands of euros)</i>	Notes	30/06/2021	30/06/2020	31/12/2020
<b>NON-CURRENT ASSETS</b>		<b>177,790</b>	<b>158,978</b>	<b>169,696</b>
Goodwill	6.1	63,245	63,245	63,245
Intangible assets	6.2	45,466	40,046	41,371
Property, plant and equipment	6.3	52,930	45,178	47,038
Investments in affiliated companies	8.5	1,221	1,102	1,139
Other financial assets	8.6	12,256	5,367	12,090
Deferred tax assets	9.2	2,672	4,040	4,813
Other non-current assets		-	-	-
<b>CURRENT ASSETS</b>		<b>257,049</b>	<b>253,767</b>	<b>259,300</b>
Net inventories	4.2	31,917	34,005	33,400
Net trade receivables	4.3	52,052	42,661	44,443
Contract assets	4.3	64,324	55,866	63,393
Other current assets	4.4	22,292	18,845	21,334
Tax receivables payable	9.1	14,001	22,194	14,061
Other current financial assets		216	3	2
Cash and cash equivalents	8.2	72,249	80,192	82,668
<b>ASSETS HELD FOR SALE</b>		<b>-</b>	<b>9,567</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>434,839</b>	<b>422,311</b>	<b>428,996</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### Equity and liabilities

<i>(in thousands of euros)</i>	Notes	30/06/2021	30/06/2020	31/12/2020
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		<b>87,798</b>	<b>90,800</b>	<b>94,887</b>
Capital <sup>(1)</sup>	10.1	17,425	13,503	17,425
Share premiums <sup>(1)</sup>		28,614	26,914	28,614
Retained earnings and consolidated net income		41,759	50,383	48,849
<b>NON-CONTROLLING INTERESTS</b>		<b>31,502</b>	<b>59,991</b>	<b>31,401</b>
<b>NON-CURRENT LIABILITIES</b>		<b>141,069</b>	<b>67,192</b>	<b>89,389</b>
Long-term provisions	5.2	7,442	7,553	7,978
Long-term liabilities – portion due in more than one year	8.1	110,106	38,302	60,304
Lease liabilities – portion due in more than one year	8.3	19,990	19,110	18,187
Other financial liabilities	8.4	2,734	1,442	2,133
Deferred tax liabilities	9.2	492	370	447
Other non-current liabilities		305	416	341
<b>CURRENT LIABILITIES</b>		<b>174,471</b>	<b>201,505</b>	<b>213,319</b>
Short-term provisions	11	6,404	6,341	8,810
Long-term liabilities – portion due in less than one year	8.1	22,053	64,017	54,357
Lease liabilities – portion due in less than one year	8.3	5,782	5,532	5,945
Operating payables	4.5	45,153	42,164	49,529
Contract liabilities	4.3	32,290	23,366	38,749
Other current liabilities	4.5	62,302	59,784	55,423
Tax liabilities payable	9.1	489	301	506
<b>LIABILITIES HELD FOR SALE</b>		<b>-</b>	<b>2,823</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>434,839</b>	<b>422,311</b>	<b>428,996</b>

<sup>(1)</sup> Of the consolidating parent company.

## CONSOLIDATED INCOME STATEMENT

<i>(in thousands of euros)</i>	Notes	30/06/2021	30/06/2020	31/12/2020
<b>REVENUE</b>	<b>3.2</b>	<b>135,497</b>	<b>107,992</b>	<b>231,114</b>
Capitalized production		8,274	4,430	9,985
Inventories and work in progress		(1,767)	1,310	2,170
Other operating income		4,272	3,006	6,542
Purchases consumed		(65,880)	(59,053)	(122,296)
Personnel expenses		(62,528)	(49,446)	(103,754)
Tax and duties		(1,519)	(1,173)	(2,860)
Depreciation, amortization and provisions (net of reversals)	4.1	(9,783)	(11,356)	(21,559)
Other operating expenses net of income		(386)	17	3,197
<b>OPERATING RESULT</b>		<b>6,181</b>	<b>(4,273)</b>	<b>2,540</b>
Group share of the earnings of affiliated companies		46	(14)	5
Non-recurring items in operating income	3.1	(1,922)	(9,969)	(11,595)
<b>OPERATING INCOME</b>		<b>4,305</b>	<b>(14,257)</b>	<b>(9,050)</b>
Interest on gross debt		(1,214)	(668)	(1,356)
Interest on cash and cash equivalents		5	-	26
<b>NET BORROWING COST (a)</b>	<b>8.7</b>	<b>(1,209)</b>	<b>(668)</b>	<b>(1,330)</b>
Other financial income (b)		452	373	540
Other financial expenses (c)		(103)	(137)	(872)
<b>FINANCIAL INCOME AND EXPENSES (d = a+b+c)</b>	<b>8.7</b>	<b>(860)</b>	<b>(431)</b>	<b>(1,662)</b>
Income tax	9.1	(3,830)	1,034	201
<b>NET INCOME FROM CONTINUING OPERATIONS AFTER TAX</b>		<b>(385)</b>	<b>(13,653)</b>	<b>(10,510)</b>
Net income from discontinued activities	12	700	(1,000)	(1,000)
<b>CONSOLIDATED NET INCOME</b>		<b>315</b>	<b>(14,653)</b>	<b>(11,510)</b>
<b>INCOME ATTRIBUTABLE TO THE PARENT'S SHAREHOLDERS</b>		<b>339</b>	<b>(10,042)</b>	<b>(5,811)</b>
<b>INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>		<b>(24)</b>	<b>(4,611)</b>	<b>(5,700)</b>

Average number of shares	10.2	17,237,390	13,508,105	13,524,747
Basic and diluted earnings per share, in euros	10.2	0.020	(0.743)	(0.430)
Net and diluted earnings per share from continuing operations, in euros		(0.021)	(0.669)	(0.359)



## STATEMENT OF NET INCOME AND GAINS AND LOSSES RECOGNIZED IN EQUITY

<i>(in thousands of euros)</i>	30/06/2021	30/06/2020	31/12/2020
<b>NET INCOME</b>	<b>315</b>	<b>(14,653)</b>	<b>(11,510)</b>
Currency translation adjustments	33	(9)	(154)
Tax relating to currency translation adjustments	(9)	-	-
Actuarial gains and losses on defined benefit plans	518	136	(179)
Tax relating to actuarial gains and losses on defined benefit plans	(129)	(34)	45
Share of gains and losses recognized directly in equity of companies accounted for under the equity method	-	-	-
<b>TOTAL GAINS AND LOSSES RECOGNIZED IN EQUITY</b>	<b>412</b>	<b>93</b>	<b>(288)</b>
- <i>of which can be reclassified subsequently to profit and loss</i>	24	(9)	(154)
- <i>of which cannot be subsequently reclassified to profit and loss</i>	389	102	(134)
<b>CONSOLIDATED COMPREHENSIVE INCOME</b>	<b>727</b>	<b>(14,560)</b>	<b>(11,798)</b>
<b>COMPREHENSIVE INCOME ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS</b>	<b>703</b>	<b>(9,990)</b>	<b>(5,954)</b>
<b>COMPREHENSIVE INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>	<b>24</b>	<b>(4,570)</b>	<b>(5,844)</b>

## STATEMENT OF CASH FLOWS

<i>(in thousands of euros)</i>	Notes	30/06/2021	30/06/2020	31/12/2020
<b>NET INCOME FROM CONTINUING OPERATIONS</b>		<b>(385)</b>	<b>(13,653)</b>	<b>(10,510)</b>
Accruals		5,768	17,324	31,471
Capital gains and losses on disposals		(172)	192	(8,274)
Group share of income of equity-accounted companies		(46)	14	(5)
<b>CASH FLOW FROM OPERATIONS (before neutralization of the net borrowing cost and taxes)</b>		<b>5,164</b>	<b>3,877</b>	<b>12,681</b>
Net borrowing cost	8.7	1,209	668	1,330
Tax expense	9.1	3,830	(1,034)	(201)
<b>CASH FLOW (AFTER neutralization of the net borrowing cost and taxes)</b>		<b>10,204</b>	<b>3,511</b>	<b>13,810</b>
Tax paid	9.1	(1,788)	(1,215)	(2,611)
Change in working capital requirements	7.1	(11,487)	5,987	26,315
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>		<b>(3,070)</b>	<b>8,283</b>	<b>37,514</b>
<b>Investing activities</b>				
Payment/acquisition of intangible assets		(8,066)	(4,678)	(9,986)
Payment/acquisition of property, plant and equipment		(6,621)	(2,520)	(8,334)
Proceeds/disposal of property, plant and equipment and intangible assets		166	214	7,300
Payment/acquisition of financial investments		(281)	(435)	(425)
Proceeds/disposal of financial investments		337	49	273
Net cash inflow/outflow on the acquisition/disposal of subsidiaries	7.2	-	-	(729)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>		<b>(14,464)</b>	<b>(7,369)</b>	<b>(11,902)</b>
<b>Financing activities</b>				
Capital increase or contributions		-	-	-
Dividends paid to parent company shareholders	10.1	(5,509)	-	(4,319)
Dividends paid to non-controlling interests		(277)	(1,348)	(1,484)
Other equity transactions	7.3	(1,687)	(5,956)	(32,633)
Proceeds from borrowings	8.1	91,676	33,681	52,288
Repayment of borrowings	8.1-8.3	(76,992)	(6,487)	(16,582)
Net borrowing cost		(1,038)	(590)	(1,235)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>		<b>6,173</b>	<b>19,300</b>	<b>(3,965)</b>
<b>CASH FLOW GENERATED BY CONTINUING OPERATIONS (D = A+B+C)</b>		<b>(11,361)</b>	<b>20,214</b>	<b>21,647</b>
Cash flow generated by discontinued operations		-	-	-
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>(11,361)</b>	<b>20,214</b>	<b>21,647</b>
<i>Effects of exchange rate changes</i>		33	(7)	(88)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>8.2</b>	<b>80,868</b>	<b>59,308</b>	<b>59,308</b>
Restatement of cash and cash equivalents and impact of discontinued activities <sup>(1)</sup>		-	(729)	-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>8.2</b>	<b>69,539</b>	<b>78,785</b>	<b>80,868</b>

<sup>(1)</sup> related to the reclassification of treasury shares and cash from activities held for sale.

## CHANGE IN CONSOLIDATED EQUITY

<i>(in thousands of euros)</i>	Group share or owners of the parent company						
	Capital	Share capital reserves	Treasury shares	Consolidated reserves and earnings excluding treasury shares	Equity attributable to owners of the parent	Equity attributable to minority interests or non-controlling interests	Total equity
<b>2019 CLOSING EQUITY</b>	<b>13,503</b>	<b>26,914</b>	<b>(786)</b>	<b>68,923</b>	<b>108,553</b>	<b>68,175</b>	<b>176,728</b>
Share capital transactions	-	-	-	-	-	-	-
Free share allocation plan and stock option plan	-	-	-	90	90	69	159
Treasury share transactions	-	-	(30)	-	(30)	(13)	(43)
Commitments to non-controlling interests	-	-	-	285	285	(25)	260
Dividends	-	-	-	(4,300)	(4,300)	(1,503)	(5,803)
<i>Net income for the period</i>	-	-	22	(10,065)	(10,042)	(4,611)	(14,653)
<i>Items of comprehensive income</i>	-	-	-	53	53	41	93
<b>CONSOLIDATED COMPREHENSIVE INCOME</b>	<b>-</b>	<b>-</b>	<b>22</b>	<b>(10,012)</b>	<b>(9,990)</b>	<b>(4,570)</b>	<b>(14,560)</b>
Changes in scope	-	-	(24)	(3,786)	(3,810)	(2,141)	(5,951)
<b>JUNE 2020 CLOSING EQUITY</b>	<b>13,503</b>	<b>26,914</b>	<b>(830)</b>	<b>51,213</b>	<b>90,800</b>	<b>59,991</b>	<b>150,791</b>

<i>(in thousands of euros)</i>	Group share or owners of the parent company						
	Capital	Share capital reserves	Treasury shares	Consolidated reserves and earnings excluding treasury shares	Equity attributable to owners of the parent	Equity attributable to minority interests or non-controlling interests	Total equity
<b>2020 CLOSING EQUITY</b>	<b>17,425</b>	<b>28,614</b>	<b>(1,291)</b>	<b>50,140</b>	<b>94,887</b>	<b>31,401</b>	<b>126,288</b>
Share capital transactions	-	-	-	-	-	-	-
Free share allocation plan and stock option plan	-	-	-	205	205	159	365
Treasury share transactions	-	-	(1,654)	-	(1,654)	5	(1,649)
Commitments to non-controlling interests	-	-	-	(601)	(601)	-	(601)
Dividends	-	-	-	(5,509)	(5,509)	(361)	(5,869)
<i>Net income for the period</i>	-	-	(25)	363	338	(24)	315
<i>Items of comprehensive income</i>	-	-	-	365	365	48	412
<b>CONSOLIDATED COMPREHENSIVE INCOME</b>	<b>-</b>	<b>-</b>	<b>(25)</b>	<b>728</b>	<b>703</b>	<b>24</b>	<b>727</b>
Changes in scope	-	-	-	(234)	(234)	272	38
<b>JUNE 2021 CLOSING EQUITY</b>	<b>17,425</b>	<b>28,614</b>	<b>(2,969)</b>	<b>44,728</b>	<b>87,798</b>	<b>31,502</b>	<b>119,299</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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GRUPE GORGÉ's condensed half-year consolidated financial statements cover a period of six months, from 1 January to 30 June 2021. They were approved by the Board of Directors on 16 September 2021.

The Group notes seasonal variations in its activities that may affect the level of revenue from one half-year to another. Thus, the interim results are not necessarily indicative of those that can be expected for the full year.

The highlights of the first half of the year are described in the activity report.

## NOTE 1 ACCOUNTING PRINCIPLES

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### 1.1 Impacts of the health crisis on the half-year financial statements

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

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

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

### 1.2 Accounting principles

The Group prepares half-yearly consolidated financial statements, in accordance with IAS 34 "*Interim financial information*". They do not include all the information required for the preparation of the annual financial statements and should be read in conjunction with the consolidated financial statements for the financial year ended 31 December 2020, as they appear in the Universal Registration Document filed with the French Financial Markets Authority (*Autorité des Marchés Financiers* - AMF) on 7 April 2021 under number D.21-0267.

The accounting principles used for the preparation of the half-year consolidated financial statements comply with IFRS standards and interpretations as adopted by the European Union as of 30 June 2021. These accounting principles are consistent with those used in the preparation of the annual consolidated financial statements for the financial year ended on 31 December 2020.

The Group has applied all mandatory standards, amendments and interpretations to the financial years beginning on or after the 1 January 2021:

- Amendments to IFRS 9, IAS 39 and IFRS 7 – *Reform of reference interest rates – Phase 2*;
  - Amendments to IFRS 4 – *Extension of the temporary exemption granted to insurers for the application of IFRS 9*;
  - Amendments to IFRS 16 – *Rent reductions linked to Covid-19 beyond 30 June 2021*.
  - IFRIC decision "*Change in the method of calculating commitments relating to certain defined benefit plans*".
- In the second half of the year, the Group will analyze the impacts and practical consequences of applying this decision.

The new standards, interpretations and amendments to existing standards and applicable to accounting periods beginning on or after 1 January 2022 were not adopted early by the Group on 1 January 2021. They concern:

- Amendment to IFRS 3 – *Conceptual framework update*;
- Amendment to IAS 37 – *Costs of performing a contract, clarification of the costs to be used in the analysis of onerous contracts*.

The annual improvements to IFRS - 2018-2020 cycle applicable in advance concern:

- IFRS 9 – *Details of fees to be included in the 10% test applicable to changes in debt*;
- IFRS 16 "*Illustrative examples*" Modification of the example concerning concessions made to tenants.

The new standards, interpretations and amendments to existing standards published but not yet applicable concern:

- Amendment to IAS 1 concerning the classification of current / non-current liabilities (application deferred by one year, i.e. as of 1 January 2024) and information on accounting policies;
- Amendment to IAS 16 – *Income from the pre-use of a tangible asset*;
- Amendment to IFRS 17 – *Insurance contracts*, including the amendments published in June 2020;
- Amendment to IAS 8 – *Definition of estimates*.

The annual improvements to IFRS - cycle 2018-2020 not yet applicable on 1 January 2021 concern:

- Amendment to IFRS 1 – *Exemption relating to translation differences*;
- Amendment to IAS 41 – *Biological assets*.

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

### 1.3 Valuation methods and rules

The financial statements are prepared on a historical cost basis, with the exception of derivative instruments and available-for-sale financial assets, which have been measured at fair value. Financial liabilities are measured at amortized cost. Hedging instruments are measured at fair value.

The preparation of the financial statements requires that Executive Management of the Group or the subsidiaries make estimates and assumptions that affect the reported amounts of assets and liabilities on the consolidated statement of financial position, the reported amounts of income and expense items on the income statement and the commitments relating to the period under review. Actual subsequent results may differ.

The above-mentioned assumptions mainly concern:

- the calculation of the recoverable amounts of assets;
- the measurement of provisions for risks and charges;
- the calculation of income upon completion of work in progress;
- the valuation of pension obligations;
- the recoverability of deferred taxes;
- the valuation of the allocation of free shares.

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

The valuation methods and rules applied to the half-year consolidated financial statements are similar to those described in the notes to the consolidated financial statements for 2020 (Universal Registration Document filed with the AMF on 7 April 2021).

## NOTE 2 SCOPE OF CONSOLIDATION

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The full list of consolidated companies is included in Note 15.

The Group did not experience any significant change in the scope of consolidation during the half-year.

## NOTE 3 SEGMENT INFORMATION

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

The three divisions defined as operating segments are as follows (main companies):

- Engineering & Protection Systems division: Fire Protection (in particular CLF-SATREM), NUCLEACTION - BAUMERT, SERES Technologies, STEDY;
- Drones & Systems division: GROUPE ECA and its subsidiaries;
- 3D Printing division: PRODWAYS GROUP and its subsidiaries.

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

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

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

The Group uses non-IFRS financial information for the purposes of information, management and planning because they offer a better assessment of its long-term performance. This additional information is not a substitute for any IFRS measures of operating and financial performance.

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 an “Operating result” (formerly “Current operating income”). It also uses an EBITDA indicator. These non-accounting indicators do not constitute financial aggregates defined by IFRS; they are alternative performance indicators. They may not be comparable to similarly named indicators by other companies, depending on the definitions used by them.

- The operating result is the operating income before “Other items of operating income”, which include the restructuring costs, recognized 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 materialize 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. The other items included on this line of the income statement concern the costs of acquisition and disposal of activities, amortization of acquired intangible assets recorded under business combinations impairment of goodwill, and all unusual items by their occurrence or amount.
- Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) is defined by the Group as operating income before “Net depreciation, amortization and provisions”, “Group share of the earnings of affiliated companies” and “Other items of operating income”.

The 2021 and 2020 segment income statements are reconciled below with the Group’s consolidated financial statements. They are prepared in accordance with the Group’s operational reporting.

The aggregates between operating income and net income are not tracked by segment in the Group's operational reporting.

FIRST HALF OF 2021

<i>(in thousands of euros)</i>	Engineering & Protection Systems	Drones & Systems	3D Printing	Structure and disposals	Segment total	Adjustments related to discontinued activities <sup>(1)</sup>	Consolidated
Backlog at start of period	77,156	539,730	6,566	(212)	623,240	-	623,240
Backlog at the end of the period	77,422	514,163	9,353	(396)	600,542	-	600,542
<b>REVENUE</b>	<b>43,335</b>	<b>58,767</b>	<b>34,118</b>	<b>(723)</b>	<b>135,497</b>	-	<b>135,497</b>
Capitalized production	1,114	6,516	645	-	8,274	-	8,274
Inventories and work in progress	-	(1,236)	(531)	-	(1,767)	-	(1,767)
Other income from operations	441	2,726	1,105	-	4,272	-	4,272
Purchases consumed	(24,128)	(26,956)	(16,326)	1,530	(65,880)	-	(65,880)
Personnel expenses	(20,536)	(26,795)	(14,196)	(1,000)	(62,528)	-	(62,528)
Tax and duties	(497)	(580)	(372)	(70)	(1,519)	-	(1,519)
Other operating income and expenses	135	(353)	60	(228)	(386)	-	(386)
<b>EBITDA</b>	<b>(135)</b>	<b>12,088</b>	<b>4,503</b>	<b>(492)</b>	<b>15,964</b>	-	<b>15,964</b>
<i>% revenue</i>	<i>-0.3%</i>	<i>20.6%</i>	<i>13.2%</i>	<i>N/A</i>	<i>11.8%</i>	-	<i>11.8%</i>
Depreciation, amortization and provisions (net of reversals)	(1,775)	(5,630)	(2,307)	(70)	(9,783)	-	(9,783)
<b>OPERATING RESULT</b>	<b>(1,911)</b>	<b>6,458</b>	<b>2,196</b>	<b>(562)</b>	<b>6,181</b>	-	<b>6,181</b>
<i>% revenue</i>	<i>-4.4%</i>	<i>11.0%</i>	<i>6.4%</i>	<i>N/A</i>	<i>4.6%</i>	-	<i>4.6%</i>
Payment in shares	-	-	(458)	-	(458)	-	(458)
Restructuring costs	(11)	-	(430)	(67)	(508)	-	(508)
Amort. of intangible assets recognized at FV during acquisitions	-	(11)	(321)	-	(333)	-	(333)
Unusual provisions on assets	-	(250)	(169)	-	(419)	-	(419)
Acquisition/disposal costs of subsidiaries	700	-	(39)	(61)	601	(700)	(99)
Other	-	(98)	(9)	-	(106)	-	(106)
<b>Total other operating income</b>	<b>689</b>	<b>(359)</b>	<b>(1,425)</b>	<b>(127)</b>	<b>(1,222)</b>	<b>(700)</b>	<b>(1,922)</b>
Group share of the earnings of affiliated companies	-	-	46	-	46	-	46
<b>OPERATING INCOME</b>	<b>(1,222)</b>	<b>6,099</b>	<b>817</b>	<b>(689)</b>	<b>5,005</b>	<b>(700)</b>	<b>4,305</b>
<i>% revenue</i>	<i>-2.8%</i>	<i>10.4%</i>	<i>2.4%</i>	<i>N/A</i>	<i>3.7%</i>	<i>N/A</i>	<i>3.2%</i>
Research and development expenses capitalized during the financial year	635	6,024	244	-	6,903	-	6,903
Other property, plant and equipment and intangible investments <sup>(2)</sup>	499	5,361	1,440	479	7,778	-	7,778

<sup>(1)</sup> The adjustment column concerns a reversal of the provision for liability guarantees relating to the disposal of CIMLEC, included in the segment information but classified in the consolidated income statement on the line of profit from discontinued activities, in accordance with IFRS 5.

<sup>(2)</sup> Does not include the costs of obtaining and performing contracts (IFRS 15, integrated in the WCR), nor the new rights of use (IFRS 16).

FIRST HALF OF 2020

<i>(in thousands of euros)</i>	Engineering & Protection Systems	Drones & Systems	3D Printing	Structure and disposals	Segment total	Adjustments related to discontinued activities <sup>(1)</sup>	Consolidated
Backlog at start of period	73,833	526,343	6,143	(166)	606,154	-	606,154
Backlog at the end of the period	80,649	530,974	5,817	(188)	617,251	-	617,251
<b>REVENUE</b>	<b>38,478</b>	<b>43,081</b>	<b>26,841</b>	<b>(409)</b>	<b>107,992</b>	-	<b>107,992</b>
Capitalized production	445	3,382	603	-	4,430	-	4,430
Inventories and work in progress	(88)	1,828	(430)	-	1,310	-	1,310
Other income from operations	390	1,926	690	-	3,006	-	3,006
Purchases consumed	(21,668)	(24,025)	(14,136)	777	(59,053)	-	(59,053)
Personnel expenses	(16,237)	(20,514)	(11,901)	(795)	(49,446)	-	(49,446)
Tax and duties	(493)	(335)	(332)	(13)	(1,173)	-	(1,173)
Other operating income and expenses	36	(80)	101	(39)	17	-	17
<b>EBITDA</b>	<b>863</b>	<b>5,263</b>	<b>1,435</b>	<b>(479)</b>	<b>7,082</b>	-	<b>7,082</b>
<i>% revenue</i>	<i>2.2%</i>	<i>12.2%</i>	<i>5.3%</i>		<i>6.6%</i>	-	<i>6.6%</i>
Depreciation, amortization and provisions (net of reversals)	(2,444)	(4,502)	(4,371)	(39)	(11,356)	-	(11,356)
<b>OPERATING RESULT</b>	<b>(1,580)</b>	<b>761</b>	<b>(2,937)</b>	<b>(518)</b>	<b>(4,273)</b>	-	<b>(4,273)</b>
<i>% revenue</i>	<i>-4.1%</i>	<i>1.8%</i>	<i>-10.9%</i>	<i>N/A</i>	<i>-4.0%</i>	-	<i>-4.0%</i>
Payment in shares	-	-	(170)	-	(170)	-	(170)
Restructuring costs	(43)	-	(241)	-	(284)	-	(284)
Amort. of intangible assets recognized at FV during acquisitions	-	(11)	(445)	-	(456)	-	(456)
Unusual provisions on assets	(820)	(1,653)	(6,032)	-	(8,504)	-	(8,504)
Acquisition/disposal costs of subsidiaries	(1,000)	-	-	(450)	(1,450)	1,000	(450)
<b>Total other operating income</b>	<b>(1,863)</b>	<b>(1,664)</b>	<b>(6,992)</b>	<b>(450)</b>	<b>(10,969)</b>	<b>1,000</b>	<b>(9,969)</b>
Group share of the earnings of affiliated companies	-	-	(14)	-	(14)	-	(14)
<b>OPERATING INCOME</b>	<b>(3,443)</b>	<b>(902)</b>	<b>(9,943)</b>	<b>(968)</b>	<b>(15,257)</b>	<b>1,000</b>	<b>(14,257)</b>
<i>% revenue</i>	<i>-8.9%</i>	<i>-2.1%</i>	<i>-37.0%</i>	<i>N/A</i>	<i>-14.1%</i>	<i>N/A</i>	<i>-13.2%</i>
Research and development expenses capitalized during the financial year	299	3,231	615	-	4,146	-	4,146
Other property, plant and equipment and intangible investments <sup>(2)</sup>	548	1,248	1,227	11	3,076	-	3,076

<sup>(1)</sup> The adjustment column concerns a provision for the guarantee of liabilities relating to the disposal of CIMLEC, included in the segment information but classified in the consolidated income statement on the income statement of discontinued operations, in accordance with IFRS 5.

<sup>(2)</sup> Does not include the costs of obtaining and performing contracts (IFRS 15, integrated in the WCR), nor the new rights of use (IFRS 16).



## 3.2 Revenue by geographical area

### FIRST HALF OF 2021

<i>(in thousands of euros)</i>	France	%	Europe	%	Other	%	Total revenue
Engineering & Protection Systems	39,825	92%	1,541	4%	1,969	5%	43,335
Drones & Systems	24,641	42%	23,490	40%	10,635	18%	58,767
3D Printing	22,712	67%	7,474	22%	3,932	12%	34,118
Structure and disposals	(723)	100%	-	-	-	-	(723)
<b>TOTAL</b>	<b>86,455</b>	<b>64%</b>	<b>32,506</b>	<b>24%</b>	<b>16,536</b>	<b>12%</b>	<b>135,497</b>
<b>%</b>	<b>64%</b>		<b>24%</b>		<b>12%</b>		<b>100%</b>

### FIRST HALF OF 2020

<i>(in thousands of euros)</i>	France	%	Europe	%	Other	%	Total revenue
Engineering & Protection Systems	31,382	82%	4,615	12%	2,481	6%	38,478
Drones & Systems	26,487	61%	9,582	22%	7,012	16%	43,081
3D Printing	17,723	66%	6,149	23%	2,969	11%	26,841
Structure and disposals	(409)	100%	-	-	-	-	(409)
<b>TOTAL</b>	<b>75,183</b>		<b>20,346</b>		<b>12,463</b>		<b>107,992</b>
<b>%</b>	<b>70%</b>		<b>19%</b>		<b>12%</b>		<b>100%</b>

## NOTE 4 OPERATIONAL DATA

### 4.1 Depreciation, amortization and provisions (net of reversals)

<i>(in thousands of euros)</i>	30/06/2021	30/06/2020	31/12/2021
DEPRECIATION, AMORTIZATION AND PROVISIONS			
intangible assets	(2,858)	(3,612)	(6,590)
property, plant and equipment	(2,141)	(2,431)	(4,682)
Rights of use	(3,270)	(3,361)	(1,303)
Costs of obtaining and performing contracts	(878)	(489)	(6,671)
<b>SUBTOTALS</b>	<b>(9,148)</b>	<b>(9,893)</b>	<b>(19,246)</b>
CHARGES TO PROVISIONS, NET OF REVERSALS			
Inventory and work in progress	(688)	(595)	(1,001)
Current assets	234	(503)	(491)
Liabilities and expenses	(180)	(365)	(821)
<b>SUBTOTALS</b>	<b>(635)</b>	<b>(1,463)</b>	<b>(2,313)</b>
<b>TOTAL NET CHARGES TO AMORTIZATION AND PROVISIONS</b>	<b>(9,783)</b>	<b>(11,356)</b>	<b>(21,559)</b>

## 4.2 Inventories and work in progress

<i>(in thousands of euros)</i>	30/06/2021			30/06/2020	31/12/2020
	Gross value	Impairment losses	Net value	Net value	Net value
Raw materials	27,053	(6,173)	20,881	21,486	20,590
Work in progress	7,230	-	7,230	7,582	8,604
Semi-finished and finished goods	3,582	(721)	2,862	2,781	3,041
Goods	3,010	(2,066)	944	2,155	1,166
<b>INVENTORY AND WORK IN PROGRESS</b>	<b>40,875</b>	<b>(8,959)</b>	<b>31,917</b>	<b>34,005</b>	<b>33,400</b>

The work in progress related solely to contracts on the completion of completion with customers is classified as "Contract assets" or "Contract liabilities" (application of IFRS 15).

## 4.3 Trade receivables, contract assets and liabilities

Trade receivables are invoiced receivables entitling the issuer to payment.

"Contract assets" and "Contract liabilities" are determined on a contract-by-contract basis. "Contract assets" correspond to contracts in force for which the value of created assets exceeds the advances received. "Contract liabilities" correspond to all contracts in a situation where the assets (receivables in progress) are less than the liabilities (advances from clients and deferred income recorded when the invoices issued exceed the revenue recognized to date). These headings result from the application of IFRS 15.

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

<i>(in thousands of euros)</i>	30/06/2021	30/06/2020	31/12/2020
Trade receivables	54,539	46,536	48,352
Impairment losses	(2,488)	(3,875)	(3,910)
<b>CUSTOMERS, NET</b>	<b>52,052</b>	<b>42,661</b>	<b>44,443</b>

<i>(in thousands of euros)</i>	30/06/2021	30/06/2019	31/12/2020
Work in progress (A)	1,775	1,702	1,653
Receivables in progress (B)	103,296	93,355	103,975
Down-payments received (C)	40,759	39,170	42,235
Deferred income (D)	12	21	-
<b>CONTRACT ASSETS (A)+(B)-(C)-(D)</b>	<b>64,324</b>	<b>55,866</b>	<b>63,393</b>

<i>(in thousands of euros)</i>	30/06/2020	30/06/2020	31/12/2020
Work in progress (A)	41	605	457
Receivables in progress (B)	218	834	827
Down-payments received (C)	4,669	6,369	6,798
Deferred income (D)	27,417	17,973	32,715
Other liabilities (E)	463	463	520
<b>CONTRACT LIABILITIES -(A)-(B)+(C)+(D)+(E)</b>	<b>32,290</b>	<b>23,366</b>	<b>38,749</b>

#### 4.4 Other current assets

<i>(in thousands of euros)</i>	30/06/2021			31/12/2020
	Gross value	Depreciation	Net value	Net value
Advances and down-payments made	7,978	-	7,978	5,442
Miscellaneous debtors and current accounts in debit	3,185	(556)	2,628	2,093
Social and tax receivables	9,393	-	9,393	9,530
Prepaid expenses	2,293	-	2,293	4,269
<b>TOTAL OTHER CURRENT RECEIVABLES</b>	<b>22,848</b>	<b>(556)</b>	<b>22,292</b>	<b>21,334</b>

#### 4.5 Other current liabilities

<i>(in thousands of euros)</i>	30/06/2021	31/12/2020
Suppliers	45,150	49,483
Fixed asset suppliers	3	46
<b>SUPPLIER TOTALS</b>	<b>45,153</b>	<b>49,529</b>
Advances and down-payments received	667	740
Social security liabilities	26,726	24,181
Tax liabilities	21,934	19,731
Miscellaneous debts and current accounts payable	3,581	2,122
Deferred income related to the Research Tax Credit	9,393	8,649
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>62,302</b>	<b>55,423</b>

The deferred income corresponds to the research tax credit that will be recognized in profit or loss as the corresponding assets are depreciated.

#### 4.6 Summary of leases

The leases restated as assets under IFRS 16 had a total asset value of €25.0 million and a very limited impact of €192 thousand on the half-year income statement (Group share). In application of IFRS 16, the nature of the expenses related to these leases has changed as the application of IFRS 16 has replaced the recognition on a straight-line basis of expenses in respect of operating leases by an amortization expense for right-of-use assets amounting to €3,271 thousand (including €127 thousand relating to finance leases that were valued in accordance with IAS 17) and by an interest expense for liabilities related to leases amounting to €156 thousand at 30 June 2021. In 2020, impairment losses relating to a machine and underused buildings were recognized in the amount of €564 thousand. Over the half-year, reversals of provisions amounting to €256 thousand were recorded following the termination of several property contracts. The movements during the half-year are detailed in the table below:

The impacts of IFRS 16 on the financial statements of the half-year are detailed in the table below:

<i>(in thousands of euros)</i>	<i>Property</i>	<i>Other property, plant and equipment</i>	<i>Prepaid payments</i>	<i>Total net assets</i>	<i>Lease liabilities on the liabilities side of the statement of financial position</i>
<b>AT 1 JANUARY 2021</b>	<b>19,833</b>	<b>3,626</b>	<b>(303)</b>	<b>23,155</b>	<b>24,132</b>
New leases	4,197	905		5,102	5,101
Changes in scope	-	-	-	-	-
Amortization of rights of use	(2,231)	(1,040)		(3,271)	
Impairment of right-of-use assets	256	-		256	
Interest expenses					155
Payments (lease expenses canceled)			1	1	(3,393)
Change in accrued interest			-	-	-
Departures	(218)	(72)		(290)	(257)
Translation differences	34	-	-	34	34
<b>AT 30 JUNE 2021</b>	<b>21,871</b>	<b>3,418</b>	<b>(302)</b>	<b>24,987</b>	<b>25,772</b>
					<i>of which lease liabilities due in less than one year</i>
					5,782
					<i>of which lease liabilities due in more than one year</i>
					19,990

The application of IFRS 16 therefore has a significant impact on EBITDA as defined by the Group (see Note 3.1), with no significant impact on operating income and even less significant on net income. The EBITDA for the half-year, which amounted to €15,964 thousand, would have amounted to €12,601 thousand without the application of IFRS 16.

## NOTE 5 EMPLOYEE EXPENSES AND BENEFITS

### 5.1 Workforce

	30/06/2021	30/06/2020	31/12/2020
Drones & Systems	735	660	708
Engineering & Protection Systems	708	660	668
3D Printing	462	488	466
Structure	7	7	7
<b>TOTAL WORKFORCE</b>	<b>1,912</b>	<b>1,815</b>	<b>1,849</b>
<b>AVERAGE WORKFORCE</b>	<b>1,897</b>	<b>1,787</b>	<b>1,773</b>

### 5.2 Provisions for pensions and similar commitments

The long-term provisions relate solely to retirement benefits for an amount of €7,442 thousand. For this half-year, the assumptions used are the same as at 31 December 2020 except for the benchmark IBOXX discount rate, which rose from 0.40% (duration 10 years) to 0.79% (duration 13 years). The impact on shareholders' equity for the period, due to this rate increase, was -€484 thousand (SORIE).

### 5.3 Share-based payments

PRODWAYS GROUP had set up free share allocation plans in 2016 and 2019. Definitive acquisitions of new PRODWAYS GROUP shares for which the vesting conditions were met took place in April 2019 (261,900 shares of the 2016 plan) and in February 2021 (186,408 shares of the 2019 plan).

On 1 February 2021, the Board of Directors of PRODWAYS GROUP issued a new free share plan. Under this plan, 550,550 PRODWAYS GROUP shares could be created depending on the presence and performance conditions for the 2021 to 2022 financial years. At 30 June 2021, 287,550 potential shares had been canceled due to the departure of beneficiaries. The potential value of the shares that may be created given the objectives

and departures amounted to €631 thousand. An expense of €102 thousand (excluding social security contributions) was recognized during the financial year.

Free share allocation plans	FSA 02-2021 PRODWAYS	FSA 01-2019 PRODWAYS
Original number of recipients	371	446
Support share	PRODWAYS GROUP	PRODWAYS GROUP
Potential number of shares	550,550	802,800
Final allocations in the year/cancellations	- / 287,550	186,408 / 258,505
Cumulative final allocations/cancellations	- / 287,550	186,408 / 469,230
Potential share balance	263,000	147,162
Date of establishment	February 2021	January 2019
Start of the vesting period	February 2021	January 2019
End of the vesting period	February and July 2023	February 2021 to February 2023
End of the lock-up period	February and July 2023	February 2021 to February 2023
Total expense recognized <i>(in thousands of euros)</i>	102	809
Potential value of the shares <i>(in thousands of euros)</i>	631	404

## NOTE 6 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

### 6.1 Goodwill

<i>(in thousands of euros)</i>	30/06/2021	31/12/2020
<b>NET VALUE</b>		
<b>START OF THE PERIOD</b>	63,245	64,078
Activities held for sale or discontinued	-	-
Acquisitions	-	-
Departures <sup>(1)</sup>	-	(834)
<b>CLOSING</b>	63,245	63,245
<i>Of which accumulated impairment</i>	<i>(498)</i>	<i>(498)</i>

<sup>(1)</sup> Departure of VAN DAM and its subsidiaries in 2020

## 6.2 Intangible assets

<i>(in thousands of euros)</i>	Development projects	Costs of obtaining and performing contracts	Other intangible assets	Non-current assets in progress	<b>TOTAL</b>
<b>GROSS VALUE</b>					
AT 1 JANUARY 2021	81,441	6,982	27,363	172	115,958
Acquisitions	6,903	73	443	712	8,132
Changes in scope	-	-	26	-	26
Departures	(1,544)	-	(63)	-	(1,607)
Other changes	(234)	(70)	329	(73)	(47)
Impact of changes in exchange rates	91	-	52	-	142
AT 30 JUNE 2021	86,657	6,986	28,149	811	122,603
<b>DEPRECIATION, AMORTIZATION AND IMPAIRMENT</b>					
AT 1 JANUARY 2021	54,828	1,511	18,248	-	74,587
Depreciation and amortization	2,277	878	1,000	-	4,155
Changes in scope	-	-	26	-	26
Impairment losses	(1,225)	-	-	-	(1,225)
Departures	(799)	-	(25)	-	(823)
Other changes	485	(70)	(36)	-	379
Impact of changes in exchange rates	24	-	14	-	38
AT 30 JUNE 2021	55,590	2,320	19,227	-	77,137
<b>NET VALUE</b>					
AT 1 JANUARY 2021	26,613	5,471	9,115	172	41,371
AT 30 JUNE 2021	31,067	4,666	8,923	811	45,466

There was no indication of impairment in the first half of 2021.

### 6.3 Property, plant and equipment

<i>(in thousands of euros)</i>	Land and buildings	Fixtures and equipment	Rights of use – property	Rights of use – other assets	Non-current assets in progress	Advances and down-payments	<b>TOTAL</b>
<b>GROSS VALUE</b>							
AT 1 JANUARY 2021	18,119	43,414	27,956	7,642	3,504	35	100,670
Acquisitions	256	1,122	4,197	905	5,155	91	11,725
Changes in scope	-	-	-	-	-	-	-
Departures	-	(375)	(748)	(484)	-	(2)	(1,610)
Other changes	27	53	(58)	(12)	(310)	(33)	(335)
Impact of changes in exchange rates	7	88	49	-	4	-	148
AT 30 JUNE 2021	18,408	44,301	31,396	8,050	8,352	91	110,599
<b>DEPRECIATION, AMORTIZATION AND IMPAIRMENT</b>							
AT 1 JANUARY 2021	6,748	34,744	8,123	4,016	-	-	53,632
Depreciation and amortization	437	1,870	2,231	1,040	-	-	5,577
Changes in scope	-	-	-	-	-	-	-
Impairment losses	-	8	(256)	-	-	-	(248)
Departures	-	(368)	(589)	(420)	-	-	(1,377)
Other changes	-	(8)	-	(4)	-	-	(12)
Impact of changes in exchange rates	6	75	16	-	-	-	97
AT 30 JUNE 2021	7,191	36,320	9,525	4,632	-	-	57,669
<b>NET VALUE</b>							
AT 1 JANUARY 2021	11,371	8,670	19,833	3,626	3,504	35	47,038
AT 30 JUNE 2021	11,217	7,981	21,871	3,418	8,352	91	52,930

## NOTE 7 DETAILS OF CASH FLOWS

### 7.1 Change in working capital requirements

<i>(in thousands of euros)</i>	Notes	Start of the period	Held for sale <sup>(1)</sup>	Changes in scope	Change over the year	Other movements <sup>(2)</sup>	Currency translation adjustments	CLOSING
Net inventories		33,400	-	-	(1,525)	-	41	31,917
Net receivables		44,443	-	-	8,490	-	14	52,947
Contract assets		63,393	-	-	36	-	-	63,429
Advances and down-payments		5,442	-	-	2536	-	-	7,978
Prepaid expenses		4,269	-	-	(1,979)	(1)	4	2,293
<b>SUBTOTALS</b>	<b>A</b>	150,946	-	-	7,558	(1)	59	158,563
Trade payables		49,483	-	-	(4,348)	-	15	45,150
Contract liabilities		38,749	-	-	(6,459)	-	-	32,290
Advances and down-payments		740	-	-	(73)	-	-	667
Deferred income		2,314	-	-	(143)	-	11	2,182
<b>SUBTOTALS</b>	<b>B</b>	91,286	-	-	(11,024)	-	26	80,289
<b>WORKING CAPITAL REQUIREMENT</b>	<b>C = A - B</b>	59,660	-	-	18,582	(1)	33	78,274
Costs of obtaining and performing contracts		5,471	-	-	(805)	-	-	4,666
Social and tax receivables		23,591	-	-	(199)	-	1	23,394
Current accounts receivable		-	-	-	3	-	-	4
Other receivables		1,566	-	-	744	-	1	2,311
<b>SUBTOTALS</b>	<b>D</b>	30,628	-	-	(256)	-	2	30,374
Tax and social debts		44,419	-	-	4,716	-	15	49,149
Accrued interest		-	-	-	-	-	-	-
Other payables and derivative instruments		4,594	-	-	1,243	601	93	6,531
Current accounts payable		1	-	-	3	-	-	4
Deferred income CIR and subsidies		6,334	-	-	877	-	-	7,211
<b>SUBTOTALS</b>	<b>E</b>	55,348	-	-	6,839	601	108	62,896
<b>OTHER ITEMS OF WORKING CAPITAL REQUIREMENT</b>	<b>F = D - E</b>	(24,720)	-	-	(7,095)	(601)	(105)	(32,522)
<b>WORKING CAPITAL REQUIREMENT</b>	<b>G = C + F</b>	34,940	-	-	11,487	(602)	(72)	45,753

<sup>(1)</sup> The column "Held for sale" concerns the reclassification of WCR items of VAN DAM and its subsidiaries on two specific lines of the balance sheet ("Assets held for sale" on the one hand and "Liabilities held for sale" on the other hand).

<sup>(2)</sup> The "Other movements" column concerns flows that did not affect the income from continuing operations or generate any cash flow.

### 7.2 Net cash from acquisitions and disposals of subsidiaries

The cash flows recorded on the line "Acquisitions/disposals of equity holdings" relate to acquisitions or disposals of shares in subsidiaries on the occasion of a change of control.

No transactions were carried out in the first half of 2020 or in the first half of 2021. In the second half of 2020 the Group sold control of the fire protection activities in the Oil & Gas activity.

<i>(in thousands of euros)</i>	30/06/2021	30/06/2020	31/12/2020
Proceeds	-	-	-
Payments	-	-	-
Cash and cash equivalents of acquired and sold companies	-	-	(729)
<b>TOTAL</b>	-	-	<b>(729)</b>



### 7.3 Other equity transactions

The cash flows recorded on the line “Other equity transactions” concern the acquisitions or disposals of shares in GROUPE GORGÉ or companies controlled by GROUPE GORGÉ (flows that do not result in a change of control), as well as the cash flows related to purchases and sales of treasury shares under the liquidity agreements of GROUPE GORGÉ, ECA (before its merger with GROUPE GORGÉ) and PRODWAYS GROUP.

<i>(in thousands of euros)</i>	30/06/2021	30/06/2020	31/12/2020
Proceeds	-	6	22
Payments	(1,687)	(5,962)	(32,656)
<b>TOTAL</b>	<b>(1,687)</b>	<b>(5,956)</b>	<b>(32,634)</b>

In 2020 GROUPE GORGÉ acquired blocks of shares in PRODWAYS GROUP (€0.17 million) and ECA (€5.8 million). As part of its buyback program, GROUPE GORGÉ also disbursed €1.15 million. Lastly, in the second half of 2020, ECA carried out a simplified public tender offer (OPAS) for 875,000 of its own shares, for an amount of €24.5 million. In December 2020 GROUPE GORGÉ absorbed its subsidiary ECA. The costs related to the merger, i.e. €1 million, were posted in full to the “Other equity transactions” line.

In 2021 GROUPE GORGÉ disbursed €1.7 million as part of its share buyback program.

## NOTE 8 FINANCING AND FINANCIAL INSTRUMENTS

### 8.1 Gross financial debt

In the first quarter of 2021, the Group restructured its debt. A syndicated loan has been signed with four banking partners and two institutional investors. The loan comprises a confirmed part of €120 million and an “unconfirmed external growth loan” part of €25 million which can be rapidly mobilized if needed. The confirmed portion of €120 million is broken down into three tranches: a tranche of €42.5 million amortizable over five years, an in fine tranche of €42.5 million comprising €24.5 million over six years and €18 million over seven years, and a Revolving Credit Facility of €35 million. At 30 June 2021, the RCF tranche had been used for an amount of €3 million.

When this loan was set up, €46 million of previously existing debt were repaid in advance (including €9 million in loans guaranteed by the French State). RCF lines totaling 50 million were also waived, amounting to €20 million at 31 December 2020.

The loan is accompanied by covenants (leverage and debt on equity), the margin grid is flexible according to the leverage. In addition, ESG indicators are being implemented, with the achievement or not of ESG objectives adding additional flexibility to the margin.

In addition,

- Drawdowns in the amount of €2.5 million were made under the credit agreement of €8 million set up to finance the construction of the Ostend plant (Drones & Systems division);
- The fire protection business (Engineering & Protection Systems division) repaid €4.2 million in advance of an original €7 million loan (€1.75 million still outstanding) and set up an amortizable credit line of €1.5 million;
- within the 3D Printing division, two new loans were taken out for a total amount of €1.2 million:
  - o in the United States, the SOLIDSCAPE subsidiary was able to benefit from a second loan from the Paycheck Protection Program (PPP) set up by the US government under the Coronavirus Aid, Relief and Economic Security Act (CARES), \$1.1 million was collected in this respect in the first half of the year;
  - o additional financing of €0.25 million was set up as part of the Chavanod real estate program.

The first tranche of the financing received by SOLIDSCAPE under the PPP program (\$1.1 million, of which \$0.25 million received in 2021) benefited from a total abandonment by the US federal government in 2021. A request to abandon the second tranche, received in 2021 for \$0.9 million, was made by the Company in September 2021.

All loans guaranteed by the French State that have not been repaid early (a total of €17.6 million) will be amortized over five years, in accordance with amendments being prepared at the date of issue of the financial statements.

## Changes in borrowings and financial debt

<i>(in thousands of euros)</i>	Bank borrowings	Other borrowings	FINANCIAL DEBT	Bank overdrafts	GROSS FINANCIAL DEBT <sup>(2)</sup>
<b>AT 1 JANUARY 2021</b>	<b>111,513</b>	<b>1,348</b>	<b>112,861</b>	<b>1,800</b>	<b>114,661</b>
New loans	91,532	143	91,676	2,709	94,385
Redemptions	(73,580)	(167)	(73,746)	(1,800)	(75,546)
Other changes <sup>(1)</sup>	(1,354)	(11)	(1,365)	-	(1,365)
First consolidation/Deconsolidation	-	-	-	-	-
Translation differences	24	-	24	-	24
<b>AT 30 JUNE 2021</b>	<b>128,135</b>	<b>1,314</b>	<b>129,450</b>	<b>2,709</b>	<b>132,159</b>

<sup>(1)</sup> Changes with no impact on cash flow, related to effective interest rates and accrued interest on loans, as well as a debt write-off of \$1.1 million from which SOLIDSCAPE benefited.

<sup>(2)</sup> Does not include the lease liability calculated in accordance with IFRS 16.

The "Other borrowings" include repayable advances received by the Group in respect of research and development in particular. These advances cannot be repaid, or only repaid partially according to the success of the operations on the basis of which they were granted.

## Schedule of borrowings and financial debt

<i>(in thousands of euros)</i>	30/06/2021	Of which breakdown of maturities at more than one year						
		< 1 year	> 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years
Bank borrowings	128,135	19,315	108,820	16,763	14,665	13,938	13,223	50,232
Other borrowings	1,314	28	1,276	9	9	9	775	475
<b>FINANCIAL DEBT EXCLUDING BANK OVERDRAFTS</b>	<b>129,450</b>	<b>19,343</b>	<b>110,096</b>	<b>16,771</b>	<b>14,674</b>	<b>13,946</b>	<b>13,998</b>	<b>50,706</b>
Bank overdrafts	2,709	2,709	-	-	-	-	-	-
<b>GROSS FINANCIAL DEBT</b>	<b>132,159</b>	<b>22,053</b>	<b>110,096</b>	<b>16,771</b>	<b>14,674</b>	<b>13,946</b>	<b>13,998</b>	<b>50,706</b>

Amounts due in less than one year include a confirmed revolving credit facility of €3.0 million.

The Group benefits from a total of €34.5 million of unused RCF lines.

## 8.2 Cash and net debt

<i>(in thousands of euros)</i>	30/06/2021	31/12/2020
<b>AVAILABLE CASH AND CASH EQUIVALENTS (A)</b>	<b>72,249</b>	<b>82,668</b>
Bank overdrafts (B)	2,709	1,800
<b>CASH (C) = (A) - (B)</b>	<b>69,539</b>	<b>80,868</b>
Financial debt (D)	129,450	112,861
<b>NET CASH (DEBT) (C) - (D)</b>	<b>(59,910)</b>	<b>(31,993)</b>
PRODWAYS GROUP treasury shares	126	116
GROUPE GORGÉ treasury shares	2,979	1,276
<b>ADJUSTED NET CASH (DEBT), BEFORE IFRS 16</b>	<b>(56,805)</b>	<b>(30,601)</b>

### 8.3 Lease liabilities valued according to IFRS 16

Lease liabilities valued according to IFRS 16 have changed as follows:

<i>(in thousands of euros)</i>	Lease liabilities
AT 1 JANUARY 2021	24,132
New leases	5,110
Redemptions	(3,246)
Other changes <sup>(1)</sup>	(258)
First consolidation/Deconsolidation	-
Impact of changes in exchange rates	34
AT 30 JUNE 2021	25,772

<sup>(1)</sup> Changes with no impact on cash, related to accrued interest and revaluation of contracts (duration, indexation)

#### Maturity of the lease liability

<i>(in thousands of euros)</i>	30/06/2021	Amounts due in more than one year						
		< 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	25,772	5,782	19,990	4,358	3,715	3,254	2,780	5,882

### 8.4 Other financial liabilities

The minority shareholders of MAURIC and SERES TECHNOLOGIES have put options that can be exercised under shareholder agreements. These options have been valued at fair value through equity.

<i>(in thousands of euros)</i>	Start of the period	In	Options exercised	Equity effect	Other	Closing
Option to purchase SERES TECHNOLOGIES	924	-	-	601	-	1,525
Option to purchase MAURIC	1,209	-	-	-	-	1,209
NON-CURRENT TOTALS	2,133	-	-	601	-	2,734

## 8.5 Investments in affiliated companies

The movements over the year are as follows:

<i>(in thousands of euros)</i>	Start of the period	Income	Translation differences	Changes in scope	Other	Closing
1 ROBOTICS	5	-	-	-	-	5
BIOTECH DENTAL SMILERS	1,134	82	-	-	-	1,216
<b>TOTAL EQUITY INVESTMENTS</b>	<b>1,139</b>	<b>82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,221</b>

## 8.6 Non-consolidated equity investments

No change in fair value was identified in the first half of 2021 for all non-consolidated securities.

<i>(in thousands of euros)</i>	Start of the period	In	Income	Equity effect	Other	Closing
CEDETI	40	-	-	-	-	40
RYDER	6,231	-	-	-	-	6,231
XD INNOVATION	209	-	-	-	-	209
WANDERCRAFT	1,496	-	-	-	-	1,496
Other	28	-	-	-	-	28
<b>TOTAL NON-CONSOLIDATED SECURITIES</b>	<b>8,004</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,004</b>

## 8.7 Financial income and expenses

<i>(in thousands of euros)</i>	30/06/2021	30/06/2020	31/12/2020
Interest expense	(1,059)	(505)	(1,039)
Interest expenses on lease liabilities	(155)	(163)	(317)
Net income from other securities	2	(18)	26
Net income on sales of transferable securities	3	19	-
<b>Net borrowing cost</b>	<b>(1,209)</b>	<b>(668)</b>	<b>(1,330)</b>
Other interest income	12	328	253
Net exchange gain or loss	60	(75)	(262)
Financial allowances net of reversals	278	(16)	(323)
<b>FINANCIAL INCOME AND EXPENSES</b>	<b>(860)</b>	<b>(431)</b>	<b>(1,662)</b>

## NOTE 9 CORPORATE INCOME TAX

### 9.1 Details of corporate income tax

Two tax consolidations are carried out within GROUPE GORGÉ, at the level of GROUPE GORGÉ SA and PRODWAYS GROUP SA, with for each of the two companies all the French companies for which the regulatory conditions are met.

#### Breakdown of tax expense

<i>(in thousands of euros)</i>	30/06/2021	30/06/2020	31/12/2020
Deferred tax liabilities	(2,043)	2,249	2,812
Taxes payable	(1,788)	(1,215)	(2,611)
<b>TAX EXPENSE</b>	<b>(3,830)</b>	<b>1,034</b>	<b>201</b>

The tax charge does not include the Research Tax Credit (CIR) or the Employment Competitiveness Tax Credit (CICE), classified as "Other income from operations". However, it includes the Corporate Value Added Contribution (CVAE).

#### Tax receivables and payable

<i>(in thousands of euros)</i>	30/06/2021	31/12/2020
Tax receivables	14,001	14,061
Tax payable	489	506
<b>NET TAX RECEIVABLE/(DUE)</b>	<b>13,512</b>	<b>13,556</b>

Tax receivables mainly consist of receivables for the Research Tax Credit and the Competitiveness and Employment Tax Credit which could not be offset against tax payable.

### 9.2 Deferred taxes

#### Breakdown of deferred taxes by type

<i>(in thousands of euros)</i>	30/06/2021	31/12/2020
DIFFERENCES OVER TIME		
Retirement and related benefits	1,634	1,747
Development costs	(6,334)	(5,169)
Subsidies	(121)	(145)
Leases - Finance leases	207	272
Derivative financial instruments	33	33
Fair value – IFRS 3	(1,458)	(1,510)
Other	1,531	1,191
<b>SUBTOTALS</b>	<b>(4,661)</b>	<b>(3,582)</b>
Temporary differences	662	744
Deficits carried forward	6,180	7,212
CVAE	(2)	(9)
<b>TOTAL</b>	<b>2,180</b>	<b>4,366</b>
<b>DEFERRED TAX LIABILITIES</b>	<b>(492)</b>	<b>(447)</b>
<b>DEFERRED TAX ASSETS</b>	<b>2,672</b>	<b>4,813</b>

Deferred tax assets are recognized in respect of tax loss carryforwards if the tax loss carryforwards can be offset against the existence of deferred tax liabilities and then based on reasonable prospects of being charged against future profits within a three-year period. 50% of deferred tax assets recognized in respect of tax loss carryforwards are due to the existence of deferred tax liabilities.

## NOTE 10 SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

### 10.1 Equity

At 30 June 2021, the share capital of GROUPE GORGÉ SA amounted to €17,424,747, comprising 17,424,747 fully paid-up shares with a par value of €1.

In June 2021, a dividend of €0.32 per share was decided by the Shareholders' Meeting, the payment was made before the end of the half-year.

#### Shareholding

	30 June 2021				31 December 2020			
	Shares	% of share of capital	Voting rights exercisable at SM <sup>(2)</sup>	% of voting rights exercisable at SM	Shares	% of share of capital	Voting rights exercisable at SM <sup>(2)</sup>	% of voting rights exercisable at SM
GORGÉ family <sup>(1)</sup>	7,626,449	43.77%	14,911,293	60.14%	7,630,100	43.79%	15,013,045	60.04%
Treasury shares	210,656	1.21%	-	0.00%	100,772	0.58%	-	0.00%
Public	9,587,642	55.02%	9,882,438	39.86%	9,693,875	55.63%	9,900,029	39.96%
<b>Total</b>	<b>17,424,747</b>	<b>100.00%</b>	<b>24,793,731</b>	<b>100.00%</b>	<b>17,424,747</b>	<b>100%</b>	<b>25,003,074</b>	<b>100.00%</b>

<sup>(1)</sup> "GORGÉ Family" refers to shares held directly by Jean-Pierre GORGÉ, founder of the Group, i.e. 115,409 shares, and those held directly by Raphaël GORGÉ, i.e. 118,315 shares, as well as the shares held by PÉLICAN VENTURE SAS, a holding company controlled by three members of the GORGÉ family.

<sup>(2)</sup> Voting rights that may be exercised at SM exclude 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.

### 10.2 Earnings per share

	30/06/2021	30/06/2020	31/12/2020
Weighted average number of shares	17,237,390	13,508,105	13,524,747
Dividend per share paid in respect of the previous financial year <sup>(1)</sup>	0.32	-	0.32
EARNINGS PER SHARE (in euros)	0.020	(0.743)	(0.430)
EARNINGS PER SHARE FROM ONGOING ACTIVITIES (in euros)	(0.021)	(0.669)	(0.359)
Dilutive potential shares <sup>(2)</sup>	-	-	-
Diluted weighted average number of shares	17,237,390	13,508,105	13,524,747
DILUTED EARNINGS PER SHARE (in euros)	0.020	(0.743)	(0.430)
DILUTED EARNINGS PER SHARE FROM ONGOING ACTIVITIES (in euros)	(0.021)	(0.669)	(0.359)

<sup>(1)</sup> The payment of the dividend in respect of 2020 (€0.32 per share) took place in June 2021.

<sup>(2)</sup> There were no longer any potential dilutive shares at the date of issue of the financial statements.

## NOTE 11 OTHER PROVISIONS AND CONTINGENT LIABILITIES

<i>Short-term provisions</i> <i>(in thousands of euros)</i>	Litigation	Customer warranties	Termination losses	Fine and penalties	Other	TOTAL
AT 1 JANUARY 2020	2,943	1,015	1,128	941	2,783	8,810
Appropriations (+)	519	619	336	106	296	1,877
Provisions used (-)	(215)	-	(56)	(221)	(1,572)	(2,064)
Reversals (-)	(980)	(367)	(552)	(153)	(215)	(2,267)
<b>IMPACT ON NET INCOME FOR THE PERIOD</b>	<b>(677)</b>	<b>253</b>	<b>(273)</b>	<b>(267)</b>	<b>(1,491)</b>	<b>(2,454)</b>
Changes in scope	-	-	-	-	-	-
Other changes	63	-	-	-	(15)	48
Impact of changes in exchange rates	-	-	-	-	-	-
AT 30 JUNE 2020	2,330	1,267	855	674	1,278	6,404

## NOTE 12 ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS

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

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

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

In July 2019, the Group sold its subsidiary CIMLEC INDUSTRIE (Engineering & Protection Systems division) to SPIE. In 2020, a provision for the guarantee of assets and liabilities granted to SPIE was recognized in the income statement of the discontinued operations. Due to the evolution of the file, a provision reversal was recorded in 2021.

At 30 June 2020:

- the assets and liabilities of VAN DAM (and its subsidiaries) were reclassified as assets and liabilities held for sale, including cash for €0.7 million, this subsidiary having been sold in July 2020. The income statement and the cash flow statement had not been reclassified as this activity did not correspond to a discontinued operation;
- the real estate complex held by the Group in Les Mureaux was also classified as an asset held for sale, for an amount of €3.2 million. This set was sold in July 2020.

The contribution of discontinued operations to the income statement and cash flow statement is as follows:

<i>(in thousands of euros)</i>	30/06/2021	30/06/2020	31/12/2020
<b>REVENUE</b>	-	-	-
<b>OPERATING RESULT</b>	-	-	-
Non-recurring items in operating income	700	(1,000)	(1,000)
<b>OPERATING INCOME</b>	<b>700</b>	<b>(1,000)</b>	<b>(1,000)</b>
<b>FINANCIAL INCOME AND EXPENSE</b>	-	-	-
Income tax	-	-	-
<b>NET INCOME FROM DISCONTINUED ACTIVITIES AFTER TAX</b>	<b>700</b>	<b>(1,000)</b>	<b>(1,000)</b>

<i>(in thousands of euros)</i>	30/06/2021	30/06/2020	31/12/2020
<b>NET INCOME FROM DISCONTINUED ACTIVITIES</b>	<b>700</b>	<b>(1,000)</b>	<b>(1,000)</b>
<b>CASH FLOW (after neutralization of the net borrowing cost and taxes)</b>	-	-	-
Tax paid	-	-	-
Change in working capital requirements	-	-	-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	-	-	-
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	-	-	-
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	-	-	-
<b>CHANGE IN CASH (D = A+B+C)</b>	-	-	-
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	-	-	-
Restatement of cash and cash equivalents <sup>(1)</sup>	-	-	-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	-	-	-

<sup>(1)</sup> Corresponds to the impact of the flows with continuing operations.

The contribution of assets and activities held for sale is as follows:

<i>(in thousands of euros)</i>	30/06/2021	30/06/2020	31/12/2020
VAN DAM Group	-	6,383	-
Les Mureaux property	-	3,184	-
<b>ASSETS HELD FOR SALE</b>	-	<b>9,567</b>	-
VAN DAM Group	-	2,823	-
<b>LIABILITIES HELD FOR SALE</b>	-	<b>2,823</b>	-

## NOTE 13 TRANSACTIONS WITH RELATED PARTIES

Related parties are persons (Directors, managers of GROUPE GORGÉ or of its principal subsidiaries) or companies owned or managed by these persons. The following transactions carried out by the Group during the half-year with related parties were identified:

<i>in thousands of euros, in the Group's financial statements</i>	PÉLICAN VENTURE	PÉLICAN VENTURE SUBSIDIARIES
<b>Income statement</b>		
Revenue	33	11
Other income	-	-
Purchases and external charges	(19)	-
<b>Statement of financial position</b>		
Trade receivables	8	-
Trade payables	-	-
Dividends	-	-
Loans	-	-
Guarantee deposits received	8	5

PÉLICAN VENTURE is a holding company, and the main shareholder of GROUPE GORGÉ.



## NOTE 14 OTHER NOTES

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### 14.1 Commitments

The Group's commitments, as they appear in the notes to the consolidated financial statements for 2020, have not changed significantly.

### 14.2 Exceptional events and disputes

The Company and its subsidiaries are involved in various litigation proceedings. After reviewing each case and seeking counsel, the provisions considered necessary have, as applicable, been recorded in the financial statements.

In 2020, the Group received claims from SPIE in respect of the guarantee of assets and liabilities granted at the time of the sale of CIMLEC Industrie. A provision was made in the 2020 financial statements. The Group has only accepted one claim; the other claims are now time-barred, as SPIE did not sue the Group within the contractual deadlines (one summons was received after the contractual deadlines). The provision was therefore revised downwards to cover only the risk related to the accepted claim.

In 2014, DODIN CAMPENON BERNARD, agent of the VFR consortium comprising, among others, VINCI Construction Grands Projets SAS, FERROVIAL AGROMAN SA and RAZEL-BEC SAS, entered into a subcontracting agreement with our subsidiary BAUMERT, relating to the design, manufacture and installation of a set of technical doors to be integrated into the ITER international experimental thermonuclear reactor. BAUMERT made a number of claims against VFR when the cost of the works exceeded the sale price, following the failure to take into account technical problems identified by BAUMERT in 2016 and to be managed by VFR and to major changes in the conditions for providing services.

To defeat these claims, VFR alleged contractual breaches by BAUMERT and refused to take BAUMERT's claims into account.

Under these conditions, in June 2021, BAUMERT brought proceedings against DODIN CAMPENON BERNARD for the nullity of the subcontracting contract for violations of the mandatory laws of 1975 on subcontracting, in order to have the contract and the bank performance guarantee related to this project declared void, and to be compensated for all costs incurred in connection with the execution of the project.

As the project is still under way, and VFR has stopped paying BAUMERT's invoices, in August 2021 DODIN CAMPENON BERNARD activated the bank performance guarantee in the amount of €1.08 million. BAUMERT objected to the abuse of this guarantee. The judgment will be rendered very soon.

No other significant change in litigation other than what is indicated in subsequent events is to be mentioned in relation to the information given in the notes to the consolidated financial statements at 31 December 2020.

### 14.3 Subsequent events

On 6 July 2021, the acquisition of the German company CREABIS GmbH, a company involved in 3D printing services for plastics, was announced. In 2020, the company generated revenue close to €3 million and is profitable. It will be consolidated in the second half of the year in the 3D Printing division.

No other significant events took place between 30 June 2021 and the date of the Board of Directors meeting that approved the consolidated financial statements.



## NOTE 15 LIST OF CONSOLIDATED COMPANIES

Company	Parent company at 30 June 2021	% control		% interest		Method	
		30 JUNE 2021	30 JUNE 2020	30 JUNE 2021	30 JUNE 2020	30 JUNE 2021	30 JUNE 2020
GRUPE GORGÉ SA	Consolidating company	Top	Top	Top	Top	FC	FC
<b>Structure</b>							
SCI DES CARRIÈRES	GRUPE GORGÉ SA	100.00	100.00	100.00	100.00	FC	FC
GORGÉ EUROPE INVESTMENT (Netherlands)	VIGIANS	100.00	100.00	100.00	100.00	FC	FC
GORGÉ NETHERLANDS (Netherlands)	GORGÉ EUROPE INVESTMENT	90.58	90.58	90.58	90.58	FC	FC
<b>Drones &amp; Systems</b>							
GRUPE ECA <sup>(1)</sup>	GRUPE GORGÉ SA	100.00	100.00	100.00	100.00	FC	FC
ECA <sup>(2)</sup>	-	-	77.80	-	64.65	-	FC
ECA AEROSPACE	GRUPE ECA	100.00	100.00	100.00	64.65	FC	FC
ECA AUTOMATION	ECA AEROSPACE	100.00	100.00	100.00	64.65	FC	FC
ECA DEV 1 <sup>(3)</sup>	GRUPE ECA	100.00	100.00	100.00	64.65	FC	FC
ECA DYNAMICS <sup>(3)</sup>	GRUPE ECA	51.00	51.00	51.00	33.97	FC	FC
ECA GROUP ASIA (Singapore)	GRUPE ECA	100.00	100.00	100.00	64.65	FC	FC
ECA ROBOTICS	GRUPE ECA	100.00	100.00	100.00	64.65	FC	FC
ECA ROBOTICS BELGIUM (Belgium)	ECA ROBOTICS	100.00	100.00	100.00	64.65	FC	FC
MAURIC	GRUPE ECA	60.06	60.06	60.06	38.83	FC	FC
MAURIC BELGIUM (Belgium)	MAURIC	100.00	100.00	60.06	38.83	FC	-
OK18 SYSTEMS <sup>(3)</sup> (United States)	GRUPE ECA	100.00	100.00	100.00	64.65	FC	FC
TRITON IMAGING <sup>(3)</sup> (United States)	GRUPE ECA	100.00	100.00	100.00	64.65	FC	FC
1ROBOTICS <sup>(3)</sup> (United States)	GRUPE GORGÉ SA	29.89	29.89	81	52.37	EM	EM
<b>Engineering &amp; Protection Systems</b>							
AMOPSI	VIGIANS PROTECTION INCENDIE	80.00	80.00	56.00	56.00	FC	FC
BAUMERT	NUCLÉACTION	100.00	100.00	100.00	100.00	FC	FC
BAUMERT HONG KONG <sup>(4)</sup>	-	-	100.00	-	100.00	-	FC
CLF-SATREM	VIGIANS PROTECTION INCENDIE	100.00	100.00	70.00	70.00	FC	FC
GORGÉ-HOEKSTRA HOLDING (Netherlands)	GORGÉ NETHERLANDS	100.00	100.00	90.58	90.58	FC	FC
NUCLÉACTION	GRUPE GORGÉ SA	100.00	100.00	100.00	100.00	FC	FC
BAUMERT SUD <sup>(5)</sup>	-	-	100.00	-	100.00	-	FC
SCI MEYSSE	BAUMERT	100.00	100.00	100.00	100.00	FC	FC
SCI DES PORTES	GRUPE GORGÉ SA	100.00	100.00	100.00	100.00	FC	FC
SERES TECHNOLOGIES	GRUPE GORGÉ SA	70.00	70.00	70.00	70.00	FC	FC
STEDY	GRUPE GORGÉ SA	65.00	65.00	65.00	65.00	FC	FC
STEDY PORTAGE	STEDY	100.00	-	65.00	-	FC	
STEDY LIBERTY	STEDY	100.00	-	65.00	-	FC	
STONI	GRUPE GORGÉ SA	100.00	100.00	100.00	100.00	FC	FC
SVF	VIGIANS PROTECTION INCENDIE	100.00	100.00	70.00	70.00	FC	FC
THE WIND FACTORY UK (Ireland)	GORGÉ HOEKSTRA	100.00	100.00	90.58	90.58	FC	FC
VAN DAM <sup>(6)</sup> (Netherlands)	-	-	100.00	-	90.58	-	FC
VAN DAM ASIA <sup>(6)</sup> (Singapore)	-	-	100.00	-	90.58	-	FC
VAN DAM MAINTENANCE AND REPAIR <sup>(6)</sup> (Netherlands)	-	-	100.00	-	90.58	-	FC

VAN DAM USA <sup>(6)</sup> (United States)	-	-	100.00	-	90.58	-	FC
VIGIANS	GROUPE GORGÉ SA	100.00	100.00	100.00	100.00	FC	FC
VIGIANS PROTECTION INCENDIE	GROUPE GORGÉ SA	70.00	70.00	70.00	70.00	FC	FC
<b>3D Printing</b>							
AVENAO SOLUTIONS 3D	PRODWAYS GROUP	100.00	100.00	56.32	56.52	FC	FC
AVENAO INDUSTRIE	AS3D	100.00	100.00	56.32	56.52	FC	FC
CRISTAL	PRODWAYS GROUP	100.00	100.00	56.32	56.52	FC	FC
DELTAMED (Germany)	PRODWAYS GROUP	100.00	100.00	56.32	56.52	FC	FC
BIOTECH DENTAL SMILERS	PRODWAYS ENTREPRENEURS	20.00	20.00	11.26	11.30	EM	EM
EXCELTEC	PRODWAYS GROUP	100.00	100.00	56.32	56.52	FC	FC
INITIAL	PRODWAYS GROUP	100.00	100.00	56.32	56.52	FC	FC
INTERSON PROTAC	PRODWAYS GROUP	100.00	100.00	56.32	56.52	FC	FC
IP GESTION <sup>(7)</sup>	-	-	100.00	-	56.52	-	FC
NEXTCUBE.IO	AS3D	64.67	64.67	36.42	36.55	FC	FC
L'EMBOUT FRANÇAIS <sup>(7)</sup>	-	-	100.00	-	56.52	-	FC
PRODWAYS AMERICAS (United States) <sup>(8)</sup>	PRODWAYS	-	100.00	-	56.52	-	FC
PRODWAYS GROUP	GROUPE GORGÉ SA	67.70	67.24	56.32	56.52	FC	FC
PRODWAYS DISTRIBUTION <sup>(9)</sup>	-	-	100.00	-	56.52	-	FC
PRODWAYS	PRODWAYS GROUP	100.00	100.00	56.32	56.52	FC	FC
PRODWAYS CONSEIL	PRODWAYS GROUP	100.00	100.00	56.32	56.52	FC	FC
PRODWAYS ENTREPRENEURS <sup>(3)</sup>	PRODWAYS GROUP	100.00	100.00	56.32	56.52	FC	FC
PODO 3D	PRODWAYS GROUP	91.03	82.07	51.27	46.38	FC	FC
PRODWAYS MATERIALS (Germany)	DELTAMED	100.00	100.00	56.32	56.52	FC	FC
PRODWAYS RAPID ADDITIVE FORGING	PRODWAYS GROUP	100.00	100.00	56.32	56.52	FC	FC
PRODWAYS 2 <sup>(3)</sup>	PRODWAYS GROUP	100.00	100.00	56.32	56.52	FC	FC
SCI CHAVANOD	PRODWAYS GROUP	100.00	100.00	56.32	56.52	FC	FC
SOLIDSCAPE (United States)	PRODWAYS GROUP	100.00	100.00	56.32	56.52	FC	FC
SURDIFUSE <sup>(7)</sup>	-	-	100.00	-	56.52	-	FC
VARIA 3D (United States)	PRODWAYS GROUP	70.00	70.00	39.42	39.56	FC	FC
3D SERVICAD	AS3D	100.00	100.00	56.32	56.52	FC	FC

(1) FINU 12, renamed GROUPE ECA, became the new head of the Drones & Systems division in December 2020, with the merger of ECA with GROUPE GORGÉ.

(2) Company merged with GROUPE GORGÉ on 30 December 2020 with retroactive effect from 1 January 2020.

(3) Companies without activity.

(4) Companies without activity, BAUMERT HONG KONG was dissolved at the end of 2020.

(5) Company merged with BAUMERT at the end of December 2020 with retroactive effect from 1 January.

(6) Disposal in July 2020.

(7) Companies merged with INTERSON in December 2020 with retroactive effect from 1 January 2020.

(8) Company closed in 2020;

(9) Company merged with PRODWAYS CONSEIL in October 2020 with retroactive effect from 1 January 2020.

# REPORT OF THE STATUTORY AUDITORS ON THE HALF-YEAR FINANCIAL INFORMATION

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(period from 1 January to 30 June 2021)

## **PricewaterhouseCoopers**

63 rue de Villiers  
92208 Neuilly-sur-Seine Cedex

## **RSM Paris**

26 rue Cambacérès  
75008 Paris

To the Shareholders.

## **GROUPE GORGÉ**

Registered office: 30 rue de Gramont - 75002 PARIS  
Public limited company with capital of €17,424,747

In accordance with the mission entrusted to us by your Shareholders' Meeting and pursuant to Article L. 451 1 2 III of the French Monetary and Financial Code, we have:

- conducted a limited review of the condensed half-year consolidated financial statements of GROUPE GORGÉ, relating to the period from 1 January 2021 to 30 June 2021, as attached to this report;
- verified the information given in the half-year activity report.

The global crisis linked to the Covid-19 pandemic creates special conditions for the preparation and limited review of the condensed half-year consolidated financial statements. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency have multiple consequences for companies, particularly on their activity and their financing, as well as increased uncertainties about their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on the internal organization of companies and the way in which audits are carried out.

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

## **I - Conclusion on the financial statements**

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

A limited review consists mainly of meeting with the members of management in charge of accounting and financial aspects and implementing analytical procedures. This work is less extensive than that required for an audit conducted in accordance with the professional standards applicable in France. Consequently, the assurance that the financial statements, taken as a whole, are free from material misstatement obtained during a limited review is a moderate assurance, lower than that obtained in the context of an audit.

Based on our limited review, we did not identify any material misstatements that would call into question the compliance of the condensed half-year consolidated financial statements with IAS 34, the IFRS standard as adopted in the European Union, on interim financial information.

## **II - Specific verification**

We have also verified the information provided in the half-year management report commenting on the condensed half-year consolidated financial statements on which our limited review was based.

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

Signed in Neuilly-sur-Seine and Paris, on 22 September 2021

The Statutory Auditors

## **PricewaterhouseCoopers Audit**

Christophe Drieu

## **RSM PARIS**

Stéphane Marie

## STATEMENT BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR REPORT

I certify, to the best of my knowledge, that the condensed consolidated financial statements for the past half-year are prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position and results of the company and of all the companies included in the consolidation, and that the above half-year activity report presents a true and fair view of the significant events that occurred during the first six months of the financial year, their impact on the financial statements, the main transactions between related parties and a description of the main risks and uncertainties for the remaining six months of the financial year.

Raphaël GORGÉ, Chairman and Chief Executive Officer