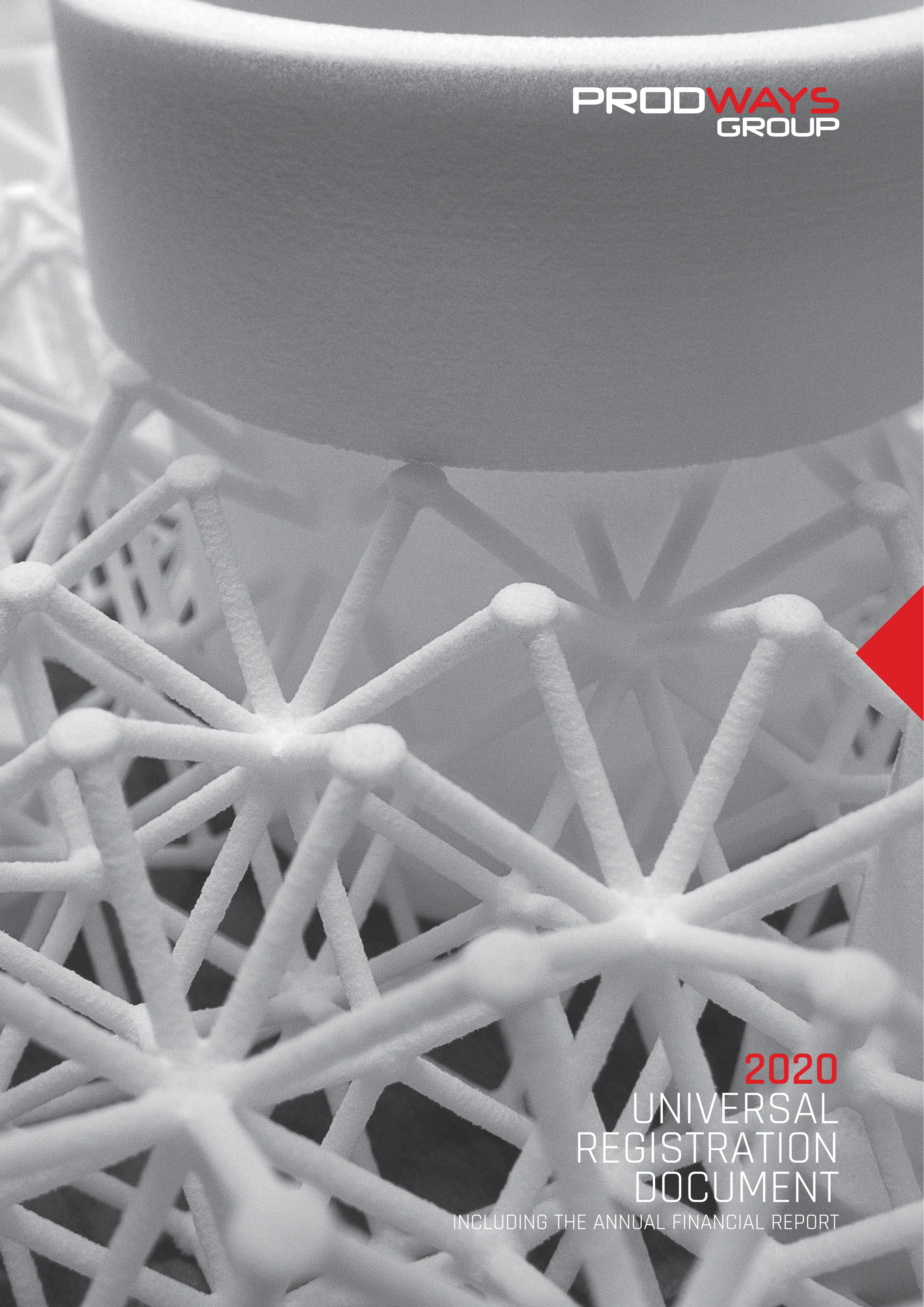

PRODWAYS GROUP

2020 UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT

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INCLUDING THE ANNUAL FINANCIAL REPORT

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

The universal registration document was approved on 30 April 2021 by the French Financial Markets Authority (Autorité des Marchés Financiers - AMF), in its capacity as competent authority under Regulation (EU) No. 2017/1129. The AMF approves this document after verifying that the information it contains is complete, consistent and understandable. The universal registration document bears the following approval number: R. 21-015. This approval should not be considered as a favorable opinion on the issuer covered by the universal registration document. The universal registration document may be used for the purposes of a public offering of financial securities or for the admission of financial securities to trading on a regulated market if it is supplemented by a securities note and, if applicable, a summary and amendments thereto. In this case, the securities note, the summary and all amendments made to the universal registration document since its approval are approved separately in accordance with Article 10 (3), second indent, of Regulation (EU) No. 2017/1129. The universal registration document is valid until 30 April 2022 and, during this period and at the latest at the same time as the prospectus and under the conditions of Articles 10 and 23 of Regulation (EU) No. 2017/1129, must be supplemented by an amendment to the universal registration document in the event of material new facts or material errors or inaccuracies.

INCORPORATION BY REFERENCE

Pursuant to Article 19 of European Regulation No. 2017/1129 (known as the "Prospectus Regulation"), the following items are included by reference in this universal registration document:

- for the financial year ended 31 December 2019: management report, consolidated and separate financial statements and the related statutory auditors' reports, as they appear in the annual financial report for 2019 filed with the AMF and available on the PRODWAYS GROUP website (Link to the annual financial report 2019 pdf file). The annual financial report for 2019 does not incorporate XBRL tags;
- for the financial year ended 31 December 2018: management report, consolidated and separate financial statements and the related statutory auditors' reports, as they appear in the annual financial report for 2018 filed with the AMF and available on the PRODWAYS GROUP website (Link to the annual financial report 2018 pdf file). The annual financial report for 2018 does not incorporate XBRL tags.
- The press release of the first quarter 2021 (link to the press release).

Copies of this universal registration document are available free of charge at the Company's registered office at 19 rue du Quatre-Septembre, 75002 Paris (until 8 July 2021) then at 30 rue de Gramont, 75002 Paris, from 8 July 2021, upon request to the Company, on the website www.prodways-group.com and on the AMF website at www.amf-france.org.

The information on the websites mentioned by the hypertext link www.prodways-group.com in section 5.4.3 of this universal registration document, except for those incorporated by reference, do not form part of this universal registration document. As such, this information has not been reviewed or approved by the AMF.

MESSAGE

Dear Shareholders,

In the context of the health crisis in 2020, PRODWAYS GROUP demonstrated its ability to adapt to its environment and generate sustainable performance. Despite a significant decrease in revenue over the financial year, the responsiveness and efforts made by all the teams made it possible to limit the impact of this crisis on the results and to maintain a healthy financial position.

HIGHLIGHTS FOR THE TIMELINE IN 2020

57 M€

REVENUES
(**-20%** compared to 2019)

466

PEOPLE IN
3 COUNTRIES

3.3 M€

EBITDA

2020
January

Launch of the integration activity of **3DEXPERIENCE®** / acquisition of a minority stake in **XD Innovation**

2020
March

PRODWAYS GROUP mobilizes to take part in the effort to fight Covid-19 to manufacture **protective visor supports** for the face

THE EXECUTIVE CHAIRMAN

Mastery of the entire 3D printing value chain, which is the cornerstone of the strategy of PRODWAYS GROUP, is a key strength that has enabled continued commercial momentum in 2020, with numerous successes in software and machine sales, and with the signing of structuring partnerships for the sale of materials in the medical field.

The temporary slowdown in activity has enabled us to accelerate the integration efforts of the acquired companies. The synergies implemented within the Group are beginning to produce their effects. These elements will be critical to improving future performance.

PRODWAYS GROUP has proven its ability to capture the strong growth potential of the 3D printing market by offering innovative solutions for industrial production, as evidenced by its position as a leading player in the dental and jewelery sectors. The growth prospects are very good and I reiterate my confidence in the skills of our teams to create value for the Group's shareholders and all its stakeholders.

Raphaël GORGÉ
Executive Chairman

2020 April

Signature of long-term contracts for the sale of **liquid resins** to two new European dental specialist clients

2020 October

Launch of new innovative features within its range of **MOVINGLight® ProMaker LD Series printers: Super-Resolution 3D and post-processing by centrifuge**

2020 November

Inauguration of the new head office of INITIAL and production site for 3D parts in Annecy

2020 December

Audiology activities merged under the name **Interson-Protac by Prodways**

Business model

OUR MISSION ▶ Providing high value added technological solutions to meet

OUR RESOURCES

HUMAN CAPITAL
- **466** employees in **three** countries (France, Germany, United States)
- **33%** engineers and executives
- **32%** women

INDUSTRIAL/SOCIETAL CAPITAL
- **8** technology centres in France and abroad
- A network of industrial and university partners

INTELLECTUAL CAPITAL
- **5.1%** in R&D expenditure

ENVIRONMENTAL CAPITAL
- **1,456 m^3** water consumed
- **232 MWh** of gas consumed
- **1,941 MWh** of electricity consumed

FINANCIAL CAPITAL
- A solid financial structure

FLEXIBILITY AND CLOSE CONTACT WITH CUSTOMERS

R&D KNOW-HOW AND PRODUCT DEVELOPMENT

IN-DEPTH MARKET KNOWLEDGE

OUR STRENGTHS

SOFTWARE

3D PRINTING AND MATERIALS

PRODWAYS GROUP

3D PRINTING SPECIALIST

MEDICAL APPLICATIONS (audiology, chiropody, dentistry)

PARTS

OUR KNOW-HOW

Distribution and integration of DASSAULT SYSTEMES' SOLIDWORKS computer-aided design software

Technologies dedicated to industrial uses
- MOVINGLight DLP: plastic and ceramic
- Sintering of plastic powder
- Lost wax
- Large-scale metal

33 multi-material machines

A team of over 20 specialists in product development

the digital challenges of industry

OUR MARKETS

- Health
- Aerospace and defence
- Jewellery
- Industry
- Automotive
- Consumer goods

Sales of 3D printed products directly to healthcare professionals

OUR RESULTS AND ACHIEVEMENTS/OUR VALUE CREATION

HUMAN CAPITAL

Developing our employees and attracting new talent

- **40** hires on permanent employment contracts
- **1,167** hours of training

FINANCIAL CAPITAL

Creating long-term value

- Creation of synergies within the Group
- Improvement in the profitability and cash flow generated by the business

INDUSTRIAL/SOCIETAL CAPITAL

Supporting our customers in their digital transformation

- Signing of structuring partnerships, particularly in the medical sector

Innovation for healthcare

- Development of custom-made prostheses for audiology, podiatry and dentistry

INTELLECTUAL CAPITAL

Building a major player in technological innovation

- **21** patent families filed
- New launches of innovative products: ProMaker P1000X 3D printer, Solidscape DL, robotised dental workshop

ENVIRONMENTAL CAPITAL

Reducing our environmental impact and limiting our consumption of resources

- Technologies enabling resources used in production to be saved
- A moderate environmental footprint

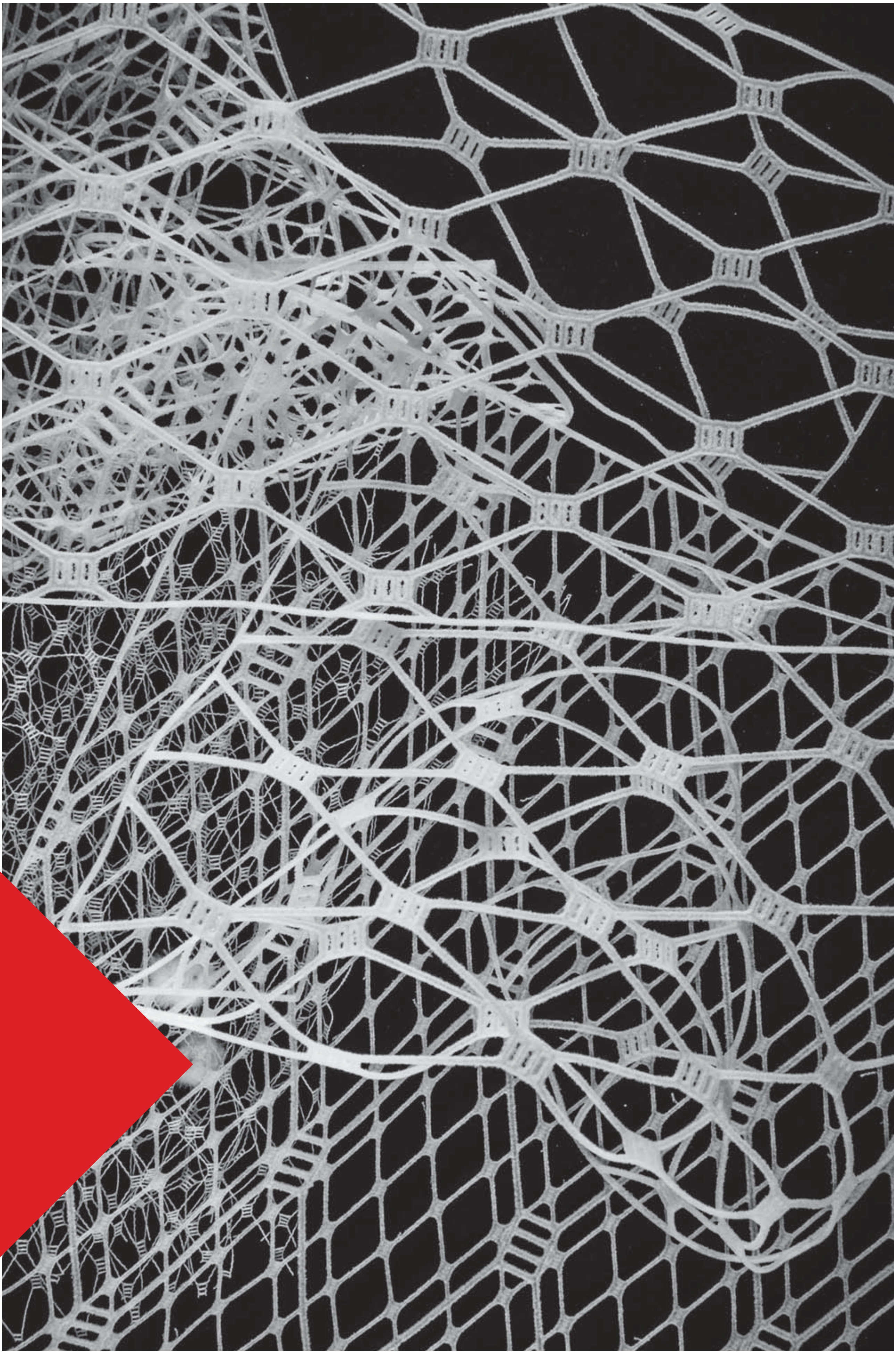
OUR CONTRIBUTION TO THE SDGs

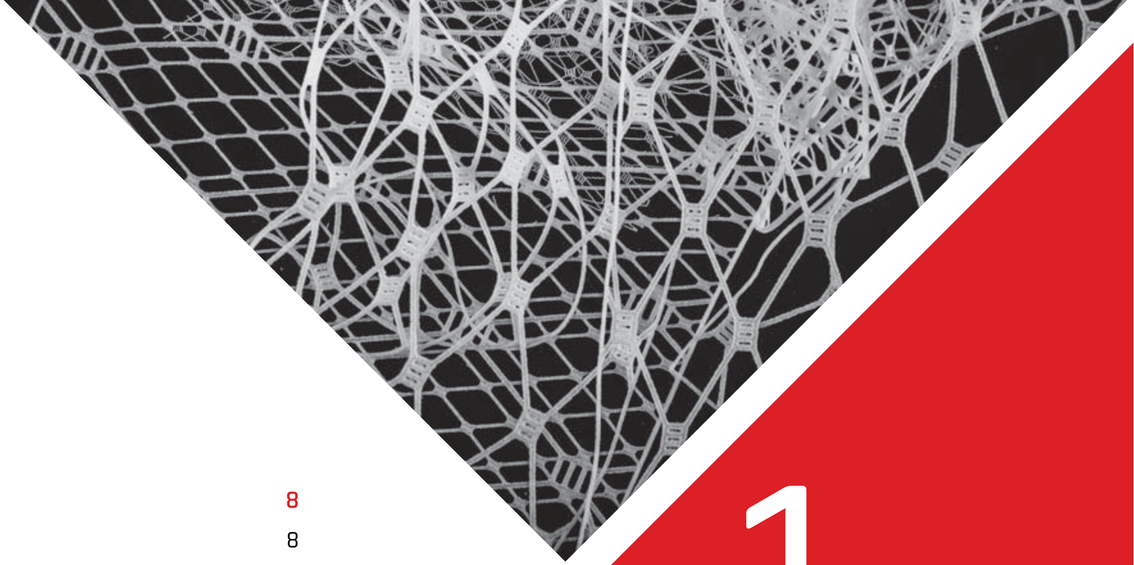
Human capital: 4 Quality Education; 8 Decent Work and Economic Growth; 5 Gender Equality

Industrial/societal capital: 3 Good Health and Well-Being; 9 Industry, Innovation and Infrastructure

Intellectual capital: 9 Industry, Innovation and Infrastructure

Environmental capital: 13 Climate Action; 12 Responsible Consumption and Production





1

OVERVIEW OF THE GROUP AND ITS BUSINESSES

1.1 KEY FIGURES

The key figures have been extracted from the consolidated financial statements. The 2018 figures were restated as detailed in Note 1.3 to the consolidated financial statements for 2019 ("Restatement of financial information from previous financial years").

1.1.1 Change in revenue

(in millions of euros)	**2020**	**2019**	**2018**
Systems	35.98	44.85	38.40
Products	21.13	26.96	22.86
Structure and disposals	(0.10)	(0.53)	(0.37)
CONSOLIDATED REVENUE	**57.21**	**71.28**	**60.89**

1.1.2 Change in EBITDA

(in millions of euros)	**2020**	**2019**	**2018**
Systems	2.89	3.32	1.11
Products	1.78	3.15	0.53
Structure and disposals	(1.33)	(1.15)	(0.44)
CONSOLIDATED EBITDA (1)	**3.34**	**5.31**	**1.19**

(1) EBITDA: operating income before net allowances for depreciation, amortization and provisions, other operating items and the Group share of the earnings of affiliated companies. This non-IFRS measure is described in Note 3 to the consolidated financial statements.

1.1.3 Change in operating income

(in millions of euros)	**2020**	**2019**	**2018**
Systems	(1.26)	(0.40)	(2.10)
Products	(1.17)	0.09	(1.44)
Structure and disposals	(1.41)	(1.21)	(0.45)
OPERATING INCOME/(EXPENSE) (1)	**(3.83)**	**(1.53)**	**(3.99)**

(1) Operating income: operating income before other items of operating income and share of income from associates. This non-IFRS measure is described in Note 3 to the consolidated financial statements.

1.1.4 Change in net income

(in millions of euros)	**2020**	**2019**	**2018**
CONSOLIDATED NET INCOME/(EXPENSE)	**(14.04)**	**(4.32)**	**(5.75)**
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF THE PARENT	**(13.95)**	**(4.20)**	**(5.55)**

1.1.5 Key financial data

(in millions of euros)	2020	2019	2018
EQUITY [1]	**63.39**	**77.48**	**80.85**
Available cash and cash equivalents (a)	22.48	15.00	25.55
Financial debt [2] (b)	16.75	5.54	4.78
Net cash [3] (a) - (b)	5.73	9.46	20.77
ADJUSTED NET CASH [4]	**5.84**	**9.58**	**20.90**

(1) Equity attributable to owners of the parent plus non-controlling interests.
(2) A schedule of financial debt is presented in Note 8.1.1 to the consolidated financial statements.
(3) Available cash less financial debt (a negative figure indicates net debt).
(4) Net cash plus market value of treasury shares.

1.1.6 Investments

(in millions of euros)	2020	2019	2018
Total R&D expenditure [1]	2.92	4.42	3.31
R&D expenditure as a percentage of revenue	5.1%	6.2%	5.4%
Other capitalized investments [2]	3.92	4.72	4.49

(1) R&D charged against income plus R&D capitalized during the financial year.
(2) Excluding rights of use.

1.1.7 Change in workforce

	2020	2019	2018
Systems	211	254	241
Products	247	246	215
Structure	8	5	4
TOTAL WORKFORCE	**466**	**505**	**460**

1.2 OVERVIEW OF THE GROUP AND ITS BUSINESSES

PRODWAYS GROUP is a specialist in industrial and professional 3D printing with a unique positioning as an integrated player. The Group has developed right across the 3D printing value chain (software, machines, materials, parts & services) with a high value added technological industrial solution.

Through its Systems division, PRODWAYS GROUP provides its customers with the means to produce parts in 3D. The Group is one of the leading manufacturers of industrial 3D printers, with a wide range of multi-technology 3D printing systems (lost wax, DLP® resin, laser sintering), and a major player in the development and sale of related materials. The Group also integrates DASSAULT SYSTÈMES' SOLIDWORKS 3D design, simulation and optimization software. The 3D printers developed by PRODWAYS GROUP target a large number of sectors, including medical, jewellery and industry, to provide the necessary levers for innovative companies wishing to direct their production towards 3D printing.

Through its Products division, PRODWAYS GROUP produces 3D parts directly. The Group is one of the largest European players in the production of plastic and metal parts, with a large fleet of 3D printers for all 3D printing technologies. In parallel, PRODWAYS GROUP develops and markets medical applications using 3D printing for chiropody, dentistry and audiology, which are sold directly to healthcare professionals.

By making software and machine, materials and parts design an integral part of its core expertise, PRODWAYS GROUP is positioned throughout the entire value chain and provides its customers a complete offer from the design stage of their projects through the manufacturing of their parts.

At 31 December 2020, the Group employed 466 people, had offices in three countries and directly exported around 34% of its goods and services.

PRODWAYS GROUP is a GROUPE GORGÉ subsidiary.

1.2.1 History and development of PRODWAYS GROUP

- **The origins of PRODWAYS**

In the early 1990s, André-Luc ALLANIC, one of the world's leading specialists in 3D printing, working on many innovative technologies (including stereolithography, sintering of metal powder and polymers), developed some of the first 3D printing systems in Europe for the French National Center for Scientific Research and the company LASER 3D, which he joined in 1993. The stereolithography machines he designed were already the fastest on the market at that time.

In 2007, the arrival of the new generation of DLP® microelectronic chips helped André-Luc ALLANIC make his vision a reality. He combined a DLP® chip with a high-power light-emitting diode (LED) to design the most precise and fastest 3D printers on the market. The MOVINGLight® technology was born. André-Luc founded PHIDIAS TECHNOLOGIES so that he could market the new machines built with that technology.

In 2013, André-Luc ALLANIC met Raphaël GORGÉ. André-Luc ALLANIC became interested in partnering with a French industrial group with a strong technological culture. Raphaël GORGÉ very quickly saw the technological advances made possible by the MOVINGLight® technology and the resources that GROUPE GORGÉ had at its disposal for its international deployment.

In May 2013, GROUPE GORGÉ acquired PHIDIAS TECHNOLOGIES. The Company was renamed PRODWAYS.

- **In 2014**

In April 2014, GROUPE GORGÉ created PRODWAYS GROUP, which acquired DELTAMED, a leading player in materials for 3D printing. This acquisition has since enabled the Group to control and capture the entire value creation of the machine-material pair for the applications developed by the Group.

In July, PRODWAYS GROUP acquired a 20% equity stake in DENTOSMILE, a French manufacturer of 3D transparent mouthpieces for orthodontics.

- **In 2015**

In February, PRODWAYS opened a subsidiary in the United States (PRODWAYS AMERICAS), allowing it to provide local support for its American customers, in particular in the areas of pre-sales consulting and technical support services.

In March, two acquisitions marked the acceleration of the Group's strategy, which aims to offer its customers multi-technology products and a full range of services: acquisition by PRODWAYS GROUP of INITIAL, the leading independent French manufacturer of 3D printed parts, and the assets of NORGE SYSTEMS, an English start-up specializing in the design of 3D printers using laser sintering of plastic powders.

In November, PRODWAYS GROUP completed the acquisition of EXCELTEC, a company specializing in the development and sale of premium polymer materials specifically designed and optimized for selective laser sintering, for industrial applications in particular. This acquisition consolidated the Group's position in powder sintering technology with a complete range of printers and premium materials, confirming the Group's desire to become the new alternative to the leaders in this technology.

- **In 2016**

In January, PRODWAYS GROUP took control of PODO 3D, a start-up founded by a chiropodist whose ambition was to develop a modelling and 3D printing solution for foot orthotics.

In May, PRODWAYS introduced the first industrial laser sintering printer for under €100,000. This printer is the result of the combination of NORGE SYSTEMS' products and the expertise of PRODWAYS' R&D team in selective laser sintering technology.

In June, PRODWAYS GROUP set up CRISTAL to take over the assets of a French dental laboratory (LABORATOIRE SOCA) for the purpose of accelerating the development of 3D printing applications in dentistry.

- **In 2017**

In April, SAFRAN and PRODWAYS GROUP announced technological partnership to jointly develop materials and processes for additive manufacturing. As part of this collaboration SAFRAN CORPORATE VENTURES acquired a stake in PRODWAYS GROUP.

In May, PRODWAYS GROUP was listed on Euronext Paris. The €66 million in funds raised helped to continue the ambitious expansion of the Group's activities.

In June, PRODWAYS GROUP announced the development of its Rapid Additive Forging (RAF) technology, offering 3D meta printing for large-scale parts.

During the third quarter, PRODWAYS GROUP strengthened its medical business through the acquisition of INTERSON PROTAC, one of the leading French manufacturers of earmolds aiming to step up development of 3D printing applications in the field of audiology.

In November, PRODWAYS GROUP expanded its offering to industry 4.0 with the acquisition of AVENAO INDUSTRIE, the distributor and integrator of DASSAULT SYSTÈMES' 3D design, simulation and optimization software for over 15 years.

- **In 2018**

In March, PRODWAYS GROUP took a controlling 70% equity stake in VARIA 3D, an office service company in the U.S., in which it had bought a minority interest in 2015. This acquisition strengthened PRODWAYS GROUP's foothold in the U.S. market and its international production capacities for parts in demand.

In July, PRODWAYS GROUP acquired the US company SOLIDSCAPE, a subsidiary of STRATASYS specializing in 3D printing machines for precision casting applications, particularly for the jewellery market. This acquisition strengthened machine sales activity and the Group's presence in North America and internationally through expanded distributor network.

In October, Olivier STREBELLE, previously Deputy Chief Executive Officer responsible for Strategy and Business Development at GROUPE GORGÉ, appointed Chief Executive Officer of PRODWAYS GROUP.

- **In 2019**

In January, PRODWAYS GROUP announced the strengthening of its medical activities, with the acquisition of the audiologist SURDIFUSE-L'EMBOUT FRANÇAIS and became the French leader in customized hearing aid eartips.

In March, PRODWAYS GROUP launched its first robotized 3D printing workshop applied to the dental industry for the production of orthodontic mouthpieces.

In May, PRODWAYS GROUP equipped the French army with ProMaker P1000 3D printers for its external operations.

During the year, the Group announced several sales of machines for 3D metal printing of large parts, including one to IRT Jules Verne, with which PRODWAYS GROUP has partnered to revolutionize the production of large-dimension titanium parts for the aerospace industry.

- **In 2020**

In January, PRODWAYS GROUP launched an activity in Europe for the integration of the new Cloud solutions of the DASSAULT SYSTÈMES 3DEXPERIENCE® platform, and acquired a minority stake in XD INNOVATION, a major partner of DASSAULT SYSTÈMES in North America.

From March, PRODWAYS GROUP mobilized to participate in the effort in the fight against Covid-19 and to meet the needs of new equipment related to this health crisis, in particular by providing its fleet of professional 3D printers, by associating its network of customers, to manufacture protective visor supports.

In April, PRODWAYS GROUP signed a contract for the sale of liquid resins to two new European dental specialist customers, who must together consume several dozen tons of materials once their production has stabilized.

In October, PRODWAYS GROUP integrated new innovative features into its range of compact 3D MOVINGLight® ProMaker LD Series printers (Super-Resolution 3D and post-processing by centrifuge) and also confirmed its strong position in the dental market with the sale of two new MOVINGLight® ProMaker LD-20 machines to the Polish company BRIGHTALIGN.

In November, PRODWAYS GROUP inaugurated the new head office of INITIAL and the production site for 3D parts in Annecy, a site that brings together a hundred people.

In December, PRODWAYS GROUP merged all of its audiology activities, INTERSON PROTAC, SURDIFUSE and EMBOUT FRANÇAIS under the name Interson-Protac by Prodways, in order to offer a service of the highest standards to its customers and to optimize its operations.

During the year, the Group sold several 3D printing machines in its ProMaker line of printers based on powder sintering technology to chemists or to industrial export customers in the fields of steel and food packaging in particular.

1.2.2 Activities, markets and competition

PRODWAYS GROUP is one of the market leaders in Europe for 3D printing, an additive manufacturing process consisting of creating physical objects by superimposing different layers of material.

3D printing has gone through three major phases since the 1960s. During its early development phase (1960s-2010), 3D printing was mainly used to create prototypes. More recently, the market has seen a massive improvement in the printing processes and the development of new materials. These new technological trends have led to a substitution phase. 3D printing today allows complex products and parts to be manufactured. This technology complements and in some cases offers a credible alternative to conventional manufacturing techniques. Parts that were formerly subject to traditional industrial constraints can now be custom-designed using 3D printing.

Basing its strategy on this new industrial cycle, PRODWAYS GROUP intends to develop in the rapid manufacturing segment and 3D printing applied to industrial series. This segment has experienced significant growth in recent years and generated revenue of nearly €10 billion in 2019, up by 20% per year on average over the last five years[1] The materials used in the 3D printing process are mainly plastic and metal.

The Group operates through two business segments: Systems and Products.

1.2.2.1 Systems division

PRODWAYS GROUP develops, assembles and markets different ranges of 3D printers and related materials for its customers and distributes and integrates DASSAULT SYSTÈMES' SOLIDWORKS 3D design software. 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, which sells the materials customers need to use the machines they have purchased. PRODWAYS GROUP has identified three key areas: medical, jewellery and aerospace.

- **3D printers**

PRODWAYS GROUP is one of the leading manufacturers of 3D printers. The Group develops several ranges of 3D printing machines based on different technologies:

- Stereolithography with proprietary DLP® MOVINGLight® technology for 3D printing of resins and ceramics:
  - plastic DLP® MOVINGLight®: an L range has been designed for the production of parts or prototypes requiring precise details. This range is particularly suitable for industrial applications such as dental models or surgical guides, injection molding, injection and blow molding, thermoforming models, insole models, or more recently jewellery design,
  - ceramic DLP® MOVINGLight®: a V range using proprietary DLP® MOVINGLight® technology for the industrial production of ceramic parts. The ProMaker V series is designed to produce ceramic parts for biomedical applications such as bone substitutes and R&D;
- plastic laser sintering: a selective laser sintering P range, the result of the acquisition of NORGE SYSTEMS and the in-house R&D of PRODWAYS, is designed for industrial rapid prototyping and mass production. The technology is designed for a wide range of sectors, including aerospace, automotive, healthcare, design and architecture, consumer products, education and research;
- precision casting: the ranges developed by SOLIDSCAPE are dedicated to the direct manufacture of high-precision wax parts. This technology applies to precision casting and mold making for sectors such as jewellery, in which SOLIDSCAPE is the market leader, as well as the medical and aerospace sectors;
- 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. This considerably reduces the proportion of material lost as shavings; losses which can represent up to 95% of the metal block with traditional machining processes. The aerospace sector offers high potential for this technology.

The machines designed by PRODWAYS for these technologies are mainly used in a production environment, most often replacing conventional production methods. PRODWAYS markets its printers at between €15 thousand and €400 thousand for a lifetime of up to ten years.

- **Associated materials**

PRODWAYS GROUP produces top quality resins for 3D printing based on DLP® technology and polymer powders used with laser sintering technology, through its subsidiaries DELTAMED and PRODWAYS MATERIALS.

PRODWAYS GROUP offers a range of hybrid and composite materials in the form of liquid resins and polymer powders with a high ceramic, metal, fiber 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 (color 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.

Certified in compliance with the most recent medical standards or regulations (MDSAP standard, new European regulation on medical devices [2017/745] or approval by the U.S. Food and Drug Administration), prerequisites for the marketing of medical devices, the 3D printing materials produced by the Group are mainly used for cosmetic and restorative dentistry and hearing aid devices. They also address the jewellery, prototyping and aviation sector.

PRODWAYS GROUP manufactures and sells proprietary materials and to a lesser extent materials developed by third parties.

- **3D design software (CAD)**

Through its subsidiary AVENAO, PRODWAYS GROUP integrates and distributes the SOLIDWORKS 3D design and development applications and the new Cloud solutions of DASSAULT SYSTÈMES' 3DEXPERIENCE® platform. 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 organizations a complete solution from project design to parts manufacturing, AVENAO strengthens the Group's integration strategy and collaboration between DASSAULT SYSTÈMES and PRODWAYS GROUP in future industry.

(1) *Source: Wohlers report 2019.*

1.2.2.2 Products division

With its Products division, PRODWAYS GROUP is today one of the largest European players in the production of plastic and metal parts, with a large fleet of 3D printers for all 3D printing technologies. At the same time, PRODWAYS GROUP develops and markets medical applications for chiropody (orthopedic insoles), dental (dental impressions, mouthpieces) and audiology (hearing aid tips and custom hearing protection) sold directly to healthcare professionals.

The division's objectives are to:

- use market intelligence to identify new industry trends;
- optimize value by capturing more margin;
- 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.

INITIAL offers a wide range of solutions for the design and production of industrial parts using 3D printing. The prototype or mass-produced parts are intended for the industrial, aerospace, medical, dental, automotive or luxury sectors.

Based in Annecy, INITIAL is the PRODWAYS GROUP entity specializing in product innovation, accelerating development and producing small and medium series. INITIAL operates more than 40 high-tech machines thanks to a unique multi-brand fleet. It has 24 plastic additive manufacturing machines, 8 metal additive manufacturing machines, 8 machining centers, 6 injection molding machines and a vacuum duplication workshop, covering the most mature technologies in 3D printing (MOVINGLight®, SLS®, SLA®, FDM®, DMLS®). With an unrivaled range of offerings, from mechanical engineering design, to 3D scanning and digital simulation, and its expertise in the manufacture of plastic and metal technical parts, INITIAL is designed to support its customers in mass production, which already represents 30% of the activity, on 3D printing technologies or more traditional technologies. INITIAL produced nearly 1,200,000 parts across all technologies in 2020. With 30 years of experience, ISO 9001 and EN9100 certification, and the energy of 100 employees, INITIAL serves more than 4,000 corporate clients, both large and small companies, in the fields of medical, diversified industry and aeronautics/defense, which it supports from the drafting of specifications to the production of pre-series and series, including prototyping.

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

- **Medical applications (dental, audiology and chiropody) to capture business transformed by 3D printing**

INITIAL identifies key sectors and applications where 3D printing could revolutionize conventional industrial processes. Once these key markets have been identified, PRODWAYS GROUP's development and marketing is handled by dedicated and specialized entities such as CRISTAL, PODO 3D (which sells the Scientifeet® product range), INTERSON PROTAC and SURDIFUSE-L'EMBOUT FRANÇAIS. For all of these medical applications, additive manufacturing has replaced long and costly manual customization processes while offering greater prostheses quality and precision.

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

In June 2016, PRODWAYS GROUP set up CRISTAL to take over the assets of a French dental laboratory (SOCALAB), the aim being to expedite the development of 3D printing applications in dentistry. The CRISTAL dental laboratory has built up a portfolio of more than 150 dentists. The dental laboratory also works closely with mutual health insurance companies. CRISTAL offers dental surgeons a complete range of dental devices including models, surgical guides, mouthpieces, individual impression trays, etc.

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

- **Scientifeet® (PODO 3D entity), an offering that aims to revolutionize the orthopedic insoles market**

The Scientifeet® offer by PRODWAYS GROUP is revolutionizing the orthopedic insoles sector. 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, virtualization of the impression, 3D modelling, printing and delivery of the pair of finished insoles.

The insoles are 3D printed by INITIAL in Annecy using SLS® technology before being delivered by carrier to the chiropodists, who then give them to patients. To date, PODO 3D has sold over 150,000 Scientifeet® soles.

- **INTERSON PROTAC, the French leader in custom hearing aid tips**

Since the acquisitions of INTERSON PROTAC in 2017 and then of SURDIFUSE-L'EMBOUT FRANÇAIS, which merged in 2020, PRODWAYS GROUP is a French leader in audiology and offers hearing aid professionals and manufacturers eartips for hearing aids and ear protectors that are customized to the ear canal impressions of each user.

INTERSON PROTAC produces 50% of their production of hearing aids using 3D printing.

1.2.2.3 Markets and competition

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). 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 personalization.

The industrial 3D printing market was worth €10 billion[1]. This market comprises two branches: printing of finished parts (direct approach), and printing of molds, which are then used to design the finished parts (indirect approach).

Conventional mold design is a lengthy process (going back and forth on the technical specifications, making several attempts before arriving at the perfect mold). Indirect printing represents a considerable time saving when producing molds to be used for industrial applications. With 3D printing, the mold 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 first developing a plastic mold that will then be used to produce the metal part (e.g. aircraft engine parts developed by PRODWAYS GROUP). There are three major types of 3D printing:[1]

- rapid prototyping (39% of the B2B market).

  Rapid prototyping refers to the production of models and prototypes from 3D Computer-Aided Design (CAD) data;
- functional parts (28% of the B2B market)

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

  Instruments and tools are produced directly by the 3D printer, whereas molds involve the indirect approach. This consists in using a standard template to produce the mold, which will then be used to make the part;
- other (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 specializes in the industrial market.

The 3D printing market is a particularly dynamic market with high barriers to entry (technology, patents). The number of major players is currently limited and the groups remain relatively small. No player competes with PRODWAYS GROUP for its entire offering; competition is generally vertical.

- In 3D printers and related materials, PRODWAYS GROUP's main competitors are: 3D Systems (US), CARBON 3D (US), STRATASYS (US/Israel, particularly since its acquisition of Origin in 2020), ENVISIONTEC (acquired by DESKTOP METAL in early 2021), EOS (Germany), RAPIDSHAPE (Germany) and to a lesser extent HP for certain applications.
- In the parts production market, INITIAL is the French leader. Other parts manufacturing players are MATERIALISE NV (Belgium), which offers software solutions, industrial 3D printing services, and medical applications, and PROTOLABS (US), which specializes in rapid prototyping, custom production, CNC machining and injection. The market is also structured by many local players, such as ERPRO (France).
- In the distribution of Computer Aided Design software, AVENAO's main competitor in France is the listed company VISIATIV (France).
- In the medical parts markets (audiology, chiropody, dental), competition is fragmented and local. On the French market, the Group is the leader in the field of hearing protectors.

(1) *Source: Wohlers report 2019.*

Our products and solutions are the most recognized in the marketplace

The Group now offers a line of 24 machines, 140 materials and a Service Bureau activity. Its flagship products include:

- ProMaker LD-20

The MOVINGLight® ProMaker LD-20 3D printer combines very high resolution and precision with increased productivity thanks to two moving DLP® heads achieving an optimized cost-per-part.

- 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 series S300

The world leader in the jewellery market, SOLIDSCAPE's 3D printers produce high-precision wax models. The S300 series of 3D printers offers jewelers ultra-precise wax models with complex geometries and unparalleled surface finishes.

- Mass production

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

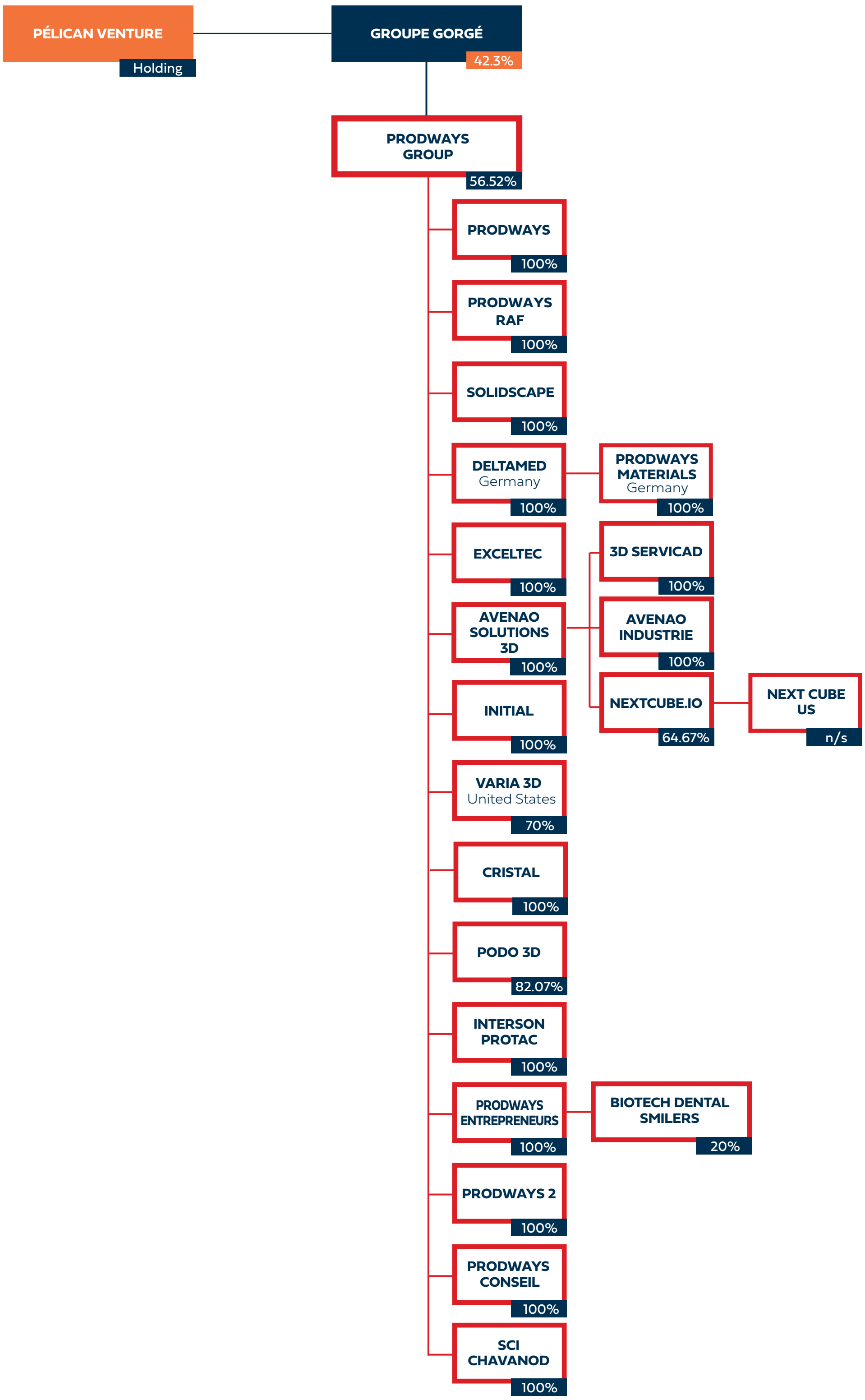
- **TPU-70A**

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 customized hearing protectors are anti-noise Personal Protective Equipment (PPE) with a particularly innovative design. Passtop® uses a selective noise mitigation chamber that differs from conventional hole filtering.

1.2.3 Principal subsidiaries and organizational chart at 16 March 2021



With the exception of PÉLICAN VENTURE's stake in GROUPE GORGÉ and that of GROUPE GORGÉ in PRODWAYS GROUP, the percentages listed refer to both share capital and voting rights. PÉLICAN VENTURE holds 42.30% of GROUPE GORGÉ's share capital and 58.76% of its voting rights. GROUPE GORGÉ holds 56.52% of the share capital and 67.24% of the voting rights of PRODWAYS GROUP. The subsidiaries listed are those included in PRODWAYS GROUP's consolidation scope.

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

	Newly consolidated	Deconsolidated
2020	-	-
2019	L'EMBOUT FRANÇAIS – SURDIFUSE [(1)]	-
2018	VARIA 3D[(2)] SOLIDSCAPE	-

(1) Acquisition completed on 3 January 2019.

(2) Controlling interest acquired after a non-controlling interest in 2015.

The full list of the Group's consolidated companies in 2020, grouped by division, can be found in Note 13 to the consolidated financial statements. The table showing PRODWAYS GROUP SA subsidiaries and shareholdings at 31 December 2020 can be found in Note 8 to the Company's separate financial statements. The consolidated financial statements are included in Section 4.1 of this Universal Registration Document, the individual financial statements of PRODWAYS GROUP SA are included in Section 4.2.

1.2.4 Significant events

In 2020, the highlights were as follows

Like many industrial players, PRODWAYS GROUP was affected by the Covid-19 global pandemic. During the first lockdown, the medical customers of the Products division were largely closed, significantly impacting the activity of this division. In addition, the activities of the two divisions, Products and Systems, were impacted by the postponement of investment by industrial customers, particularly in the aerospace and automotive sectors.

In this very specific context, PRODWAYS took part in the collective effort, pursued its developments, and continued to build a solid and capable group able to benefit from the unabated long-term growth of its market.

From March, PRODWAYS GROUP mobilized to take part in the effort in the fight against Covid-19 and meet the needs of new equipment related to this health crisis, in particular by providing its fleet of professional 3D printers, by associating its network of customers, to manufacture protective visor supports.

The Group also pursued its development strategy with, in January, the launch in Europe of an activity for the integration of the new Cloud solutions of DASSAULT SYSTÈMES' 3DEXPERIENCE® platform and a minority stake in the capital of XD INNOVATION, a major partner of DASSAULT SYSTÈMES in North America. It also continued to expand its range of machines and added new features. Thus, in October, it announced the development and integration of new innovative features within its range of compact 3D MOVINGLight® ProMaker LD Series printers: Super-Resolution 3D (new generation of 3D algorithms allowing a significantly improved aesthetic rendering, beyond the native resolution) and post-processing by centrifuge (new centrifuge to clean the molds of orthodontic mouthpieces and obtain a perfect finished product, while improving the rate of recycling of uncured resin).

The Group also continued to assert its strong positioning in the dental field, both for its machines and its materials, as well as in the field of 3D printing for industrial applications; it recorded the following orders:

- In April, the Group announced the sale of liquid resins to two new European dental specialist customers, who will have to consume several dozen tons of materials once their production has stabilized. The first client, a fast-growing company in the orthodontic sector, has acquired a fleet of Prodways ProMaker LD-10 and LD-20 machines to increase its production to nearly one million orthodontic mouthpieces per year. At the same time, the company is accelerating its consumption of PLASTCure Model liquid resin, specifically developed for the 3D printing of dental models used for the production of orthodontic mouthpieces, which require a high level of precision. The second client is a global player in the dental industry, which is renewing and increasing its consumption of Prodways materials.
- In October, with the launch of new features, PRODWAYS GROUP finalized new sales and consolidated the strong position of the MOVINGLight® technology in the dental market and more specifically in the fast-growing segment of orthodontic mouthpieces: the Polish company BRIGHTALIGN, specialized in orthodontics, increased its production capacities with the simultaneous purchase of two MOVINGLight® ProMaker LD-20 machines after having already purchased two PRODWAYS machines from previous generations.
- During the year, the Group sold several 3D printing machines in its ProMaker line of printers based on powder sintering technology to industrial export customers in the fields of steel and food packaging in particular.

Lastly, the Group continued to strengthen its ties with three leading chemical companies with the sale of several machines to DSM and BASF, notably for R&D and production applications.

The Products division has also scaled up this year to meet anticipated demand. In November, PRODWAYS GROUP inaugurated the new head office of INITIAL and the production site for 3D parts in Annecy, a site that brings together around a hundred people. In December, PRODWAYS GROUP merged all of its audiology activities, INTERSON PROTAC, SURDIFUSE and EMBOUT FRANÇAIS under the name Interson-Protac by Prodways, in order to offer a service of the highest standards to its customers and optimize its operations.

1.3 STRATEGY AND OUTLOOK, INVESTMENT AND R&D POLICY

1.3.1 Strategy

PRODWAYS GROUP is pressing ahead with its ambitious development strategy focused around a number of key goals:

- benefit from its unique position as an integrated player throughout the 3D printing value chain and develop synergies between its different activities;
- become a major player in the 3D printing market by offering printers and materials which are among the best performing for professional and industrial uses;
- continue to develop priority markets, such as healthcare, jewellery and, to a lesser extent, aeronautics, for which the Group's products and expertise are well-suited, and seize growth opportunities in all other sectors.

1.3.1.1 Systems division

PRODWAYS GROUP is the only integrated player to offer its industrial and professional customers 3D design, simulation and optimization software, but also a wide range of 3D printers and related materials. The complementarity of this offering guarantees customers the solution which best matches their requirements and guarantees PRODWAYS GROUP recurring revenues through the establishment of a pool of machines, sales of related materials and service and maintenance contracts.

Basing its strategy on a new industrial cycle, PRODWAYS GROUP has decided to concentrate its activities on the industrial 3D printing market and more specifically on rapid manufacturing and 3D printing applied to industrial series. The priority and promising sectors in which PRODWAYS GROUP is more specifically developing this strategy are health (and more specifically dental, the world's leading application of 3D printing for production), jewellery and aeronautics.

The global positioning of PRODWAYS GROUP, and its strengthened presence in the United States since the acquisition of SOLIDSCAPE, enables it to effectively address these global and growing markets.

1.3.1.2 Products division

PRODWAYS GROUP now has a manufacturing capacity for parts and solutions that covers all sectors where 3D printing has been developed and will benefit from the acceleration of mass production.

Rapid prototyping and mass production services are provided by the INITIAL entity, which has expertise in each sector. INITIAL contributes its expertise to the development of PRODWAYS machines and offers market intelligence services, helping to detect new trends in the sector. It is also 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 optimize value by capturing a greater margin in markets being transformed by 3D printing.

1.3.2 Outlook

In 2020, despite the global pandemic that impacted the Group, it continued to consolidate its activities as an integrated player positioned across the entire value chain of digital manufacturing.

The 3D printing market is structurally well oriented, with strong growth. The crisis that affected all economic activities in 2020 does not call into question its structural fundamentals. The market will grow with the adoption of 3D solutions for the production of functional components, and applications can affect all production processes.

Projections (source Wohlers report 2020) anticipate a global size of the 3D printing market of $100 billion by 2029, compared to around $10 billion in 2020.

PRODWAYS GROUP is very well positioned in this context thanks to its strategy based on three main areas:

control of the entire 3D printing value chain: machines, materials, software, parts production;

technology excellence offered for industrial production, offering unique performance in terms of precision and speed;

development of new partnerships, aiming to address new large-scale applications in the coming years. A second machine was installed at ESSILOR as part of a partnership aimed at adapting PRODWAYS technology for the printing of eyeglass lenses.

In 2021, PRODWAYS GROUP is aiming for double-digit revenue growth and a strong improvement in profitability (of course in the absence of new unfavorable developments in the health crisis). In the medium term, the Group is aiming for a strong development of all its activities.

1.3.3 Investment policy and R&D

1.3.3.1 R&D policy

The Group's Research and Development policy is described in Note 6.2 to the consolidated financial statements.

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.

1.3.3.2 Main investments made in 2020

In addition to research and development, the Group's current investments consist mainly of acquisitions of 3D printers. Other current investments consist of IT equipment, software, tooling for the workshops, fixtures and fittings for premises.

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

(in millions of euros)	2020	2019	2018
Research and development[1]	1.12	2.38	1.59
Other intangible assets	0.16	0.35	0.18
Technical installations, equipment	0.89	1.44	3.49
Other property, plant and equipment[2]	2.89	2.93	0.15
TOTAL	**4.10**	**7.10**	**5.41**

(1) Only capitalized R&D.
(2) Buildings, down payments and fixed assets in progress.

The Group has made regular acquisitions in recent years. In 2019, two external growth transactions were carried out within the Products division, with the acquisition of L'EMBOUT FRANÇAIS and SURDIFUSE. No transactions were carried out in 2020.

The Group has no future acquisitions in its sights and has not set a budget for such transactions.

In 2019, the Group acquired a real estate site in Chavanod (38) to relocate its INITIAL and PODO 3D subsidiaries, which were housed in three separate buildings a few kilometers away. The work started in 2019 was completed in 2020. The total investment, acquisition and works, was around €5 million. The company moved to the new premises at the end of 2020.

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

1.3.3.3 Major property, plant and equipment/Property leases

The Group's property, plant and equipment consist of 3D printers, fixtures, installations and computer equipment. The vehicle fleet is very limited and for the most part leased from specialized agencies.

The Group's "Products" division carries out the mass (and sometimes short run) production of parts. The production equipment dedicated to this activity is mainly 3D printers, for which printer usage rates are not currently measured. For the Group's other division ("Systems"), it is not necessary to have production equipment with a significant value, mainly tools and small equipment

The Group mainly leases its sites under standard leasing agreements. Only the Chavanod site (38) occupied by the INITIAL and PODO 3D subsidiaries is fully owned. 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.

1.3.4 Subsequent events

Major events that have occurred between the closing of the financial year and the date on which the financial statements were approved (16 March 2021) are described in Note 12.3 to the consolidated financial statements.

Moreover, on April 28th 2021, the company has published the group turnover for the first semester 2021. It has also announced that Raphaël GORGÉ, current Chairman, would take back the company's executive management in July 2021, after CEO Olivier STREBELLE's departure. Raphal GORGÉ occupied this role from 2013 to 2018.

1.4 ANALYSES OF CONSOLIDATED PERFORMANCE AND SECTORS

1.4.1 Analysis of Group results

The Board of Directors approved the 2020 consolidated financial statements on 16 March 2021, showing:

- revenue of €57,206 thousand;
- net expense of €14,044 thousand;
- loss for the period attributable to the owners of the parent of €13,946 thousand.

The consolidated financial statements were drawn up in compliance with the financial information presentation and evaluation rules of the International Financial Reporting Standards (IFRS) and interpretations adopted by the European Union and published in the Official Journal dated 13 October 2003. The figures presented below are from the financial statements for 2020 and 2019.

The consolidated revenue for the financial year stood at €57.21 million versus €71.28 million in 2019. The decline in revenue in 2020 is the direct consequence of the health crisis which slowed down our clients' investment decisions and which significantly slowed down (or even stopped at times) our medical activities (dental, chiropody, audiology) due to the closure or decline of medical practices.

EBITDA of €3.34 million was down compared to 2019 (€5.31 million), due to the decrease in revenues.

The operating loss stood at €3.83 million, against a loss of €1.53 million in 2019. Other items in operating loss amounted to €10.93 million, compared with €2.38 million in 2019. These mainly include amortization of intangible assets recognized at fair value from acquisitions, share-based payments, provisions for impairment and restructuring costs. Earnings of equity-accounted companies were €0.09 million versus €0.13 million in 2019. Operating loss stood at €14.76 million versus €3.78 million in 2019.

Financial expenses (net of financial income) amounted to €0.33 million compared with €0.29 million in 2019.

Tax came to €1.04 million versus -€0.26 million in 2019. The financial year ended 31 December 2020 generated a consolidated net loss of €14.04 million, compared with €4.32 million in 2019.

Net loss attributable to the owners of the parent was €13.9 million (a loss of €4.20 million in 2019) while non-controlling interests incurred a loss of €0.10 million.

MAIN AGGREGATES FROM THE CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	**2020**	**2019**
Revenues	57,206	71,284
EBIT	(3,832)	(1,531)
Operating loss	(14,758)	(3,780)
Financial income and expenses	(327)	(285)
Tax	1,041	(257)
NET INCOME	**(14,044)**	**(4,321)**
NET PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT	**(13,946)**	**(4,198)**

2020 FINANCIAL YEAR

(in thousands of euros)	**Systems**	**Products**	**Structure and disposals**	**Consolidated**
Backlog at start of period	5,963	181	-	6,143
Backlog at end of period	5,630	949	(13)	6,566
REVENUE	**35,977**	**21,130**	**99**	**57,206**
Capitalized production	1,130	19	-	1,150
Inventories and work in progress	466	(380)	-	85
Other income from operations	872	26	-	897
Purchases consumed	(21,365)	(8,891)	78	(30,177)
Personnel expenses	(14,097)	(10,120)	(1,063)	(25,280)
Tax and duties	(348)	(393)	(17)	(758)
Other operating income and expenses	259	387	(428)	219
EBITDA	**2,895**	**1,778**	**(1,331)**	**3,342**
% of revenue	*8.0%*	*8.4%*	*n/s*	*5.8%*
Depreciation, amortization and provisions (net of reversals)	(4,154)	(2,944)	(75)	(7,174)
EBIT	**(1,259)**	**(1,166)**	**(1,406)**	**(3,832)**
% of revenue	*-3.5%*	*-5.5%*	*n/s*	*-6.7%*
Payments in shares	-	-	(269)	(269)
Restructuring costs	(2,311)	(844)	(91)	(3,246)
Amort. of intangible assets recognized at FV during acquisitions	(666)	(99)	-	(765)
Exceptional provisions for impairment of asset values	(6,116)	(281)	-	(6,397)
Other	(151)	(3)	(104)	(258)
SUB-TOTAL OTHER OPERATING ELEMENTS	***(9,245)***	***(1,227)***	***(464)***	***(10,935)***
Group share of the earnings of affiliated companies	-	9	-	9
OPERATING INCOME	**(10,504)**	**(2,383)**	**(1,871)**	**(14,758)**
% of revenue	*-29.2%*	*-11.3%*	*n/s*	*-25.8%*
R&D expenses capitalized over the period	1,101	15	-	1,116
Other property, plant and equipment and intangible investments	369	824	2,749	3,942

2019 FINANCIAL YEAR

(in thousands of euros)	**Systems**	**Products**	**Structure and disposals**	**Consolidated**
Backlog at start of period	7,068	591	(166)	7,493
Backlog at end of period	5,963	181	-	6,143
REVENUE	**44,850**	**26,959**	**(525)**	**71,284**
Capitalized production	2,660	434	-	3,094
Inventories and work in progress	(94)	78	-	(16)
Other income from operations	973	13	-	986
Purchases consumed	(27,141)	(12,549)	656	(39,034)
Personnel expenses	(17,173)	(11,443)	(1,233)	(29,849)
Tax and duties	(236)	(437)	(8)	(680)
Other operating income and expenses	(525)	93	(41)	(473)
EBITDA	**3,316**	**3,148**	**(1,151)**	**5,312**
% of revenue	*7.4%*	*11.7%*	*n/s*	*7.5%*
Depreciation, amortization and provisions (net of reversals)	(3,719)	(3,062)	(63)	(6,843)
EBIT	**(403)**	**86**	**(1,214)**	**(1,531)**
% of revenue	*-0.9%*	*0.3%*	*n/s*	*-2.1%*
Payments in shares	-	13	(433)	(420)
Restructuring costs	(225)	(291)	(62)	(578)
Amort. of intangible assets recognized at FV during acquisitions	(789)	(99)	-	(888)
Acquisition costs	-	-	(35)	(35)
Exceptional provisions for impairment of asset values	(328)	(80)	-	(408)
Other	-	-	(50)	(50)
SUB-TOTAL OTHER OPERATING ELEMENTS	***(1,342)***	***(458)***	***(580)***	***(2,379)***
Group share of the earnings of affiliated companies	-	129	-	129
OPERATING INCOME	**(1,745)**	**(243)**	**(1,793)**	**(3,780)**
% of revenue	*-3.9%*	*-0.9%*	*n/s*	*-5.3%*
R&D expenses capitalized over the period	2,373	10		2,383
Other property, plant and equipment and intangible investments	1,204	802	2,712	4,718

1.4.1.1 Systems Division

The Systems division – including 3D software, 3D printers and related materials and services – generated revenue of €36.0 million, down 19.8% year on year.

Revenues are still affected by deferred investments by customers, both for machines and software, despite very good performance in materials sales at the end of 2020. Sales of materials are a recurring activity when a 3D printer is in production at a customer's premises, and this activity has also gained market share.

Despite the significant drop in revenue, the division's EBITDA was only slightly down by €0.4 million. It benefited from the division's restructuring, cost reduction efforts, and the implementation of partial work government initiatives in France, Germany and the United States.

The division's operating income was down by €0.9 million, with operating income down sharply to -€10.5 million due to significant provisions for the reorganization of the machinery business launched at year-end and provisions for impairment losses recorded in the first half of the year (mainly intangible assets).

1.4.1.2 Products Division

The Products division – including the design and manufacture of on-demand parts and medical applications – recorded revenue of €21.1 million for the 2020 financial year, down 21.6%.

Medical activities (audiology, chiropody and dentistry), which were virtually shut down for three months in the first half of the year, recovered well in the second half of the year, but remained strongly penalized throughout the year. The production of on-demand parts was also penalized by the slowdown in customer activity or the postponement of some of their projects.

The division's EBITDA was down by €1.4 million compared to 2019, standing at €1.8 million. This decrease is the direct consequence of the decrease in revenues. The EBITDA margin increased in the second half of the year, despite the seasonality that usually affects the business.

Operating income turned negative in 2020 at -€1.2 million and operating income amounted to -€2.4 million due in particular to restructuring provisions of €0.8 million.

1.4.2 Financial position of the Group (cash and cash equivalents, financing and share capital)

Consolidated shareholders' equity stood at €63.39 million at 31 December 2020, compared with €77.5 million at 31 December 2019.

At 31 December 2020, consolidated net cash (cash and cash equivalents of €22.5 million less the sum of loans and financial debt of €16.75 million) amounted to €5.7 million (cash was greater than debt). At 1 January 2020, it amounted to €9.5 million. Treasury shares held by PRODWAYS GROUP are not included in these figures. Net cash plus treasury shares amounted to €5.8 million at the end of 2020.

The change from a net cash position of €9.6 million to a net cash position of €5.8 million is explained by the maintenance of a high level of investments (€5.2 million). The operational activities made a positive contribution (+€5.0 million before payment of the lease liability) with a favorable change in working capital requirements (+€5.5 million).

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

1.5 ACTIVITIES AND RESULTS OF PRODWAYS GROUP SA

1.5.1 PRODWAYS GROUP SA's role in the Group

The organization of the Group is as follows:

PRODWAYS GROUP is a holding company whose assets are made up of the stakes held in its subsidiaries. The Company has no industrial activity. Its function is to:

- implement the Group's strategy;
- supervise the management of its subsidiaries (human resources, communication, operations, 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 secured by the dividends it receives and the service contract entered into between the Company and its subsidiaries.

The Company is controlled by its main shareholder GROUPE GORGÉ.

GROUPE GORGÉ is a French public limited company (*société anonyme*) whose shares are admitted to trading on the regulated market of Euronext in Paris. GROUPE GORGÉ has published a 2020 Universal Registration Document available on the GROUPE GORGÉ website at www.groupe-gorge.com in addition to its registration documents for previous years. As set out in its Universal Registration Document and on its website, GROUPE GORGÉ has two other business segments in addition to the 3D Printing division consisting of PRODWAYS GROUP and its subsidiaries.

GROUPE GORGÉ is controlled by PÉLICAN VENTURE.

PÉLICAN VENTURE, the family holding company of the GORGÉ family, is a French simplified joint-stock company (*société par actions simplifiée*). Its consolidated shareholders' equity at 31 December 2019 was €218 million, with its main asset being its stake in GROUPE GORGÉ. Its other assets are:

- SOPROMEC, a private equity firm managing around €20 million in assets;
- a group of three companies operating in the fields of BIM and EDM software and generating around €10 million in revenue;
- real estate and financial assets.

1.5.2 Activities and results

At its meeting of 16 March 2021, the Board of Directors approved the separate financial statements of PRODWAYS GROUP SA which showed:

- revenue of €1,472.7 thousand;
- net loss of €9,771.2 thousand.

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

Revenue came to €1.47 million versus €1.76 million in 2019. The operating loss for the financial year was €1.15 million versus a loss of €1.31 million in 2019.

In 2020, PRODWAYS GROUP's financial expense amounted to €8.93 million (€34.6 million in 2019), including €3.77 million in dividends (€2.95 million in 2019) and provisions on securities and current account receivables from the subsidiaries of €13.08 million. As a result, loss from continuing operations before tax was €10,082.4 million, compared with €35.9 million in 2019.

After taking into account non-recurring expense of -€0.38 million (nil in 2019) and tax consolidation income of €0.7 million, the financial year ended 31 December 2020 resulted in loss of €9.8 million, against a loss of €34.86 million in 2019.

Shareholders will note the absence of non-tax-deductible charges and expenses incurred during the financial year.

1.5.3 Proposed appropriation of income

The Company's income for the financial year ended 31 December 2020 showed a loss of €9,771,196.28. At its meeting of 16 March 2021, the Board of Directors decided to appropriate the whole amount to retained earnings.

As a reminder no dividend payout was made for the last three financial years.

1.5.4 Usual payment terms

In accordance with article D.441-6 of the French Commercial Code we point out that at 31 December 2020, the balance of PRODWAYS GROUP SA's trade payables was €313.1 thousand (€395.6 thousand at 31 December 2019). These trade payables are not yet due and in general are payable at 30 days (in 2020 as in 2019).

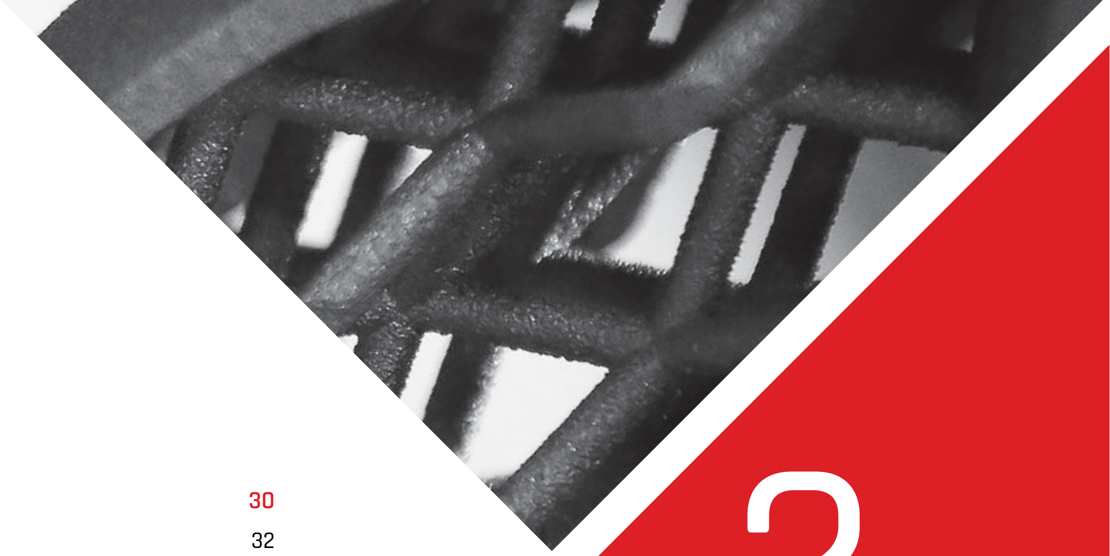
1.5.5 Other financial and accounting information

Inventory of the transferable securities held in the portfolio at 31 December 2020

Company	Net asset values *(in euros)*
I – EQUITY SECURITIES	
1. French companies	
a/ Listed equity securities	
None	-
b/ Unlisted equity securities	
AVENAO SOLUTIONS 3D	15,779,696
CRISTAL	2,150,330
INTERSON PROTAC	6,619,236
EXCELTEC	250,000
INITIAL	12,000,000
PODO 3D	679,963
PRODWAYS	6,481,738
PRODWAYS RAPID ADDITIVE FORGING	762,031
PRODWAYS 2	5,000
PRODWAYS CONSEIL	75,000
PRODWAYS ENTREPRENEURS	701,000
SCI CHAVANOD	1,999
2. Foreign companies	
DELTAMED	5,935,374
VARIA 3D	163,937
SOLIDSCAPE	8,922,797
TOTAL I	**60,528,101**
II – OTHER LONG-TERM INVESTMENTS	
1. French companies	
a/ Listed securities	
None	-
b/ Unlisted securities	
None	-
2. Foreign companies	
a/ Listed securities	
None	-
b/ Unlisted securities	
None	-
TOTAL II	**-**
III – MARKETABLE INVESTMENT SECURITIES	
a/ Money market funds (SICAV) and term deposits	2,009,950
b/ Listed French shares	
None	-
c/ Listed foreign shares	
None	-
d/ Treasury shares	102,870
TOTAL III	**2,112,820**
GRAND TOTAL (I + II + III)	**62,640,921**

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

Nature of Information	2020	2019	2018	2017	2016
Share capital	25,538,772	25,538,772	25,407,821	25,407,821	16,896,535
Number of shares	51,077,543	51,077,543	50,815,643	50,815,643	16,896,535
Par value per share	0.50	0.50	0.50	0.50	1.00
Revenue excluding taxes	1,472,652	1,755,804	1,702,100	901,135	653,009
Earnings before taxes depreciation, amortization & provisions	2,642,508	1,955,515	1,951,182	846,707	731,210
Income tax	695,393	1,042,537	810,751	-	-
Earnings after taxes but before depreciation, amortization & provisions	3,337,901	2,998,052	2,761,933	846,707	731,210
Earnings after taxes, depreciation, amortization & provisions	(9,771,196)	(34,862,015)	2,749,344	833,392	729,639
Distributed earnings	-	-	-	-	-
Earnings per share after taxes but before depreciation, amortization & provisions	0.065	0.0587	0.0543	0.0167	0.0432
Earnings per share after taxes, depreciation, amortization & provisions	(0.191)	(0.6825)	0.0541	0.0164	0.0432
Net dividend per share	-	-	-	-	-
Average number of employees	7	4.26	3.82	2.38	4.15
Total payroll	767,697	785,499	423,387	357,887	442,663
Social security contributions and employee benefits	280,310	333,972	174,522	124,466	191,012



2 RISK FACTORS

Risk management forms an integral part of the Group's overall strategy, which is aiming to constantly construct and improve its systems for this purpose. It aims to anticipate the threats to which the Group is exposed and to identify future opportunities in order to:

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

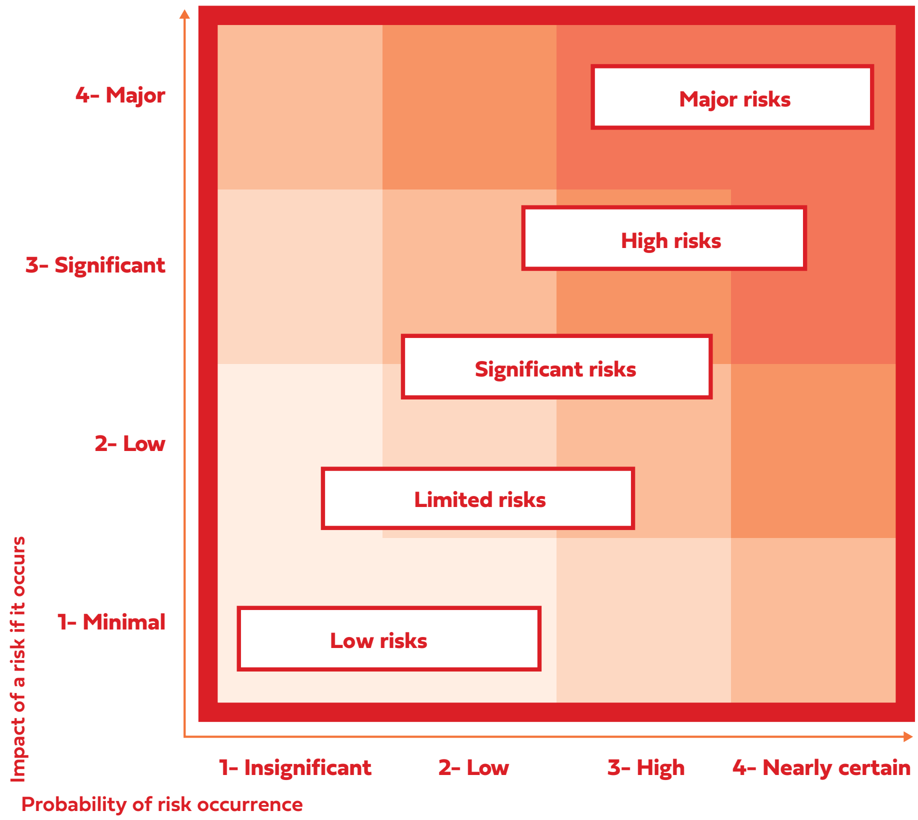
By end 2019 and early 2020, the Group again produced an in-depth map of its risks.

2.1 METHODOLOGY

The Group's mapping process involves representatives of the main subsidiaries and functions of the Group according to the following method:

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

Net criticality matrix



The matrix thus prepared was debated and reviewed by the Group's Executive Management and the Board of Directors. Only significant or higher risks are presented below. The matrix emerges as follows:

	Evaluation of residual risk
STRATEGIC RISKS	
Faulty strategic positioning and competition	Major
Technological risk and R&D investment	Major
Deterioration of the brand image and the Group's positive momentum	High
OPERATING RISKS	
Human resources	
Difficulties in attracting or retaining employees with the required skill levels	Major
Skills inadequate to the Group's transformation	High
Suppliers, customers and partners	
Customer payment default	High
Insufficient quality and performance of partners or subcontractors used	Significant
Management of transactions	
Risk of shortfalls in the management or execution of contracts	Significant
Quality/Safety	
Physical integrity of employees	Significant
Risks related to the handling, storage or holding of materials	Significant
CROSS-FUNCTIONAL RISKS	
Legal	
Non-compliance with regulations	Major
Insufficient protection of intellectual property or infringement of third party patents	Significant
Legal aspect insufficiently considered or controlled in the commitments	Significant
Financial	
Fraud or external attacks	High
Cash generation insufficient to support growth	High
Lack of reliability of financial data used within the Group	Significant
Organization and governance	
Risk related to difficulties in integrating acquired companies	High
Non-alignment of the Group's interests or strategy with those of its subsidiaries	Significant
IT	
Failure in information security	Significant

The following paragraphs describe the main risks identified in early 2020 and during the year following the health crisis. They are 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 determined by the Group at the date of this Universal Registration Document.

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

Covid-19 crisis

The year 2020 was marked by the "Covid-19" health crisis, which had a strong impact on the Group's business and remains a risk in 2021 and even beyond.

The impacts observed in 2020 reveal the following risks:

- an inevitable dependence on the macroeconomic context, and in particular on the health of the industrial sectors, with industry accounting for nearly 60% of the Group's revenue. Thus, a decline or loss of confidence of players in these sectors has a direct impact on their investment strategy in new tools (which penalizes the Systems business, both for machines and software) or the development of new products (which deteriorates the Products business);
- a decrease in activity during the implementation of lockdown measures; in particular, medical activities (audiology, chiropody and dentistry), activities with very short order books, are directly and very largely penalized by the total or partial closure of their customers, the practices of practitioners. By way of illustration, the Products activity recorded a decrease of 41.0% in its revenue in the second quarter of 2020, marked by a total lockdown, compared to the second quarter of 2019. However, the partial lockdowns, such as the one experienced in France in the autumn of 2020, had a very limited impact, as customers remained open.

These risks have a significant impact on certain activities when they materialize, and can thus affect the Group's revenue, results and financial position.

PRODWAYS GROUP has real strengths to absorb these risks, to a certain extent. On the one hand, the Group is very active in the production and sale of materials for 3D printing, a highly recurring activity that benefits, even in times of moderate investment by customers, from the good use of the installed base of machines. In addition, PRODWAYS GROUP is able to implement initiatives to reduce costs and adjust its industrial facilities, such as the reorganization of the Machines business, the adaptation of the Software business's workforce or increased outsourcing in certain medical activities in 2020. These actions mitigate the slowdown to some extent, while continuing to invest in technologies to support future growth. Finally, it should be noted that such crises are also drivers of an acceleration of trends that are supporting the development of 3D printing. Manufacturers are rethinking their production models and the Covid-19 crisis has highlighted the benefits of relocating and using agile production tools that can quickly adapt to demand.

2.2 STRATEGIC RISKS

2.2.1 Risk related to inefficient strategic positioning and competition

The 3D printing market is experiencing rapid and profound changes, which require the Group to regularly question the relevance of its strategic choices and the direction of its Systems and Products activities and its commercial policy so that it can detect and penetrate the most promising new markets that create value for the Group. Its strategic choices can also be impacted by changes in its relationships with strategic partners, distributors or suppliers. The current global pandemic and its consequences only reinforce this need to adapt to rapid and sometimes sudden changes.

At the same time, the competitive landscape is itself changing. Alongside traditional additive manufacturing players (STRATASYS or 3D Systems) and large groups that have developed their 3D printing business and have significant resources (HP, GENERAL ELECTRIC), competition is structured around companies that have raised substantial funds such as CARBON 3D or DESKTOP METAL/ENVISIONTEC. The Group therefore faces many competitors, some of whom have very deep resources and/or a high profile (see Section 1.2.2 "Activities, markets and competition" of this Universal Registration Document).

The proliferation of players in the 3D printing market, some of which have significant resources, may enable manufacturers and professionals to become more aware of 3D printing technologies. However, this also means increasing competitive pressure for the Group, which could lead to a decline in demand for the Group's products and force the Group to reduce its selling prices or make additional investments.

In this context of a change to its technological and competitive environment, errors of interpretation or a failure to anticipate market developments could lead the Group to take misguided strategic positions or, on the contrary, be late in moving into new and profitable segments. The PRODWAYS GROUP results could therefore be affected by disruption to market or competitive conditions.

To anticipate these possible disruptions, the Group can rely on its presence along the value chain, from machines to materials, finished parts and software, and businesses dependent on different technologies (resin, polymers and metal). The Group also actively monitors forecast developments and, in its budgetary process, performs analyses of threats/opportunities per activity, which provide cross-functional insights and help decision-making by Executive Management. Also, every year, a Board of Directors' meeting dedicated to strategy is organized to present an overview of the future and explore new topics to support the Group's growth, in terms of activities and products. Thanks to these analyses and its positioning, the PRODWAYS GROUP has demonstrated its agility and ability to adapt its strategy, but it cannot guarantee that its choices will always be the most relevant in a constantly changing market such as 3D printing.

2.2.2 Risks associated with technological developments and R&D investment

Technological innovations in recent years have been significant in the additive manufacturing sector and the pace of technological developments remains strong. This market could undergo significant new technological developments, and new technologies or equipment that are more efficient and/or cheaper than those offered by the Group could come into existence. Competing technologies, whether they exist or are under development or as yet unknown, could capture significant market shares in the near future and restrict the Group's ability to market its products successfully.

Since its creation, the Group has devoted a significant portion of its resources to research and development to develop and improve its lines of 3D printers and equipment and find new applications for additive manufacturing. These innovation policy efforts must be maintained so that the Group retains its position as a benchmark player in technological innovation, remains in a position to adapt to future technological innovations in the sector, as appropriate, and continues to win market shares.

Competitors with significant financial resources or new entrants to the market could also develop new technologies that are more efficient and/or less costly than those developed by the Group, which could lead to a reduction in demand for the Group's existing products. If the Group were to fail to keep pace with technological developments or to continue its innovation policy efforts, compared in particular to those made by competitors with greater resources, or if alternative technologies were to appear and revolutionize the market, the Group's ability to continue to remain relevant an competitive in additive manufacturing would be affected, and this could have an adverse impact on the Group's business, revenue, results, financial position, development and outlook.

The Group is consolidating its positions in its markets by devoting sustained and continuous investment to R&D, which enables it to work on several subjects simultaneously and not devote all of its development efforts to a single technology. The R&D efforts decreased significantly during the year 2020, given the very specific context. In 2020 these investments represented 5.1% of revenue compared to 6.2% in 2019 (see Note 6.2 "Other intangible assets" to the consolidated financial statements, in Section 4.1.6 of this Universal Registration Document). Nevertheless, the Group continues to invest and uses external financing. To secure its investments in R&D, the Group has a selective approach in each of its activities, and develops only some projects within portfolios of projects, taking into account the expectations expressed by its customers, the funding available, market trends and the expected profitability of the ongoing programs. Lastly, the Group operates in various businesses, which enables it to naturally diversify its risk of exposure to any particular technology or R&D project.

2.2.3 Risk related to the deterioration of the brand image and the Group's positive momentum

The reputation of the Group has greatly increased over the last five years, driven by very strong growth. This positive image is an advantage for attracting talent, promoting employee retention, establishing contacts and for favorably presenting the Group to investors and financial or commercial partners.

This favorable context could be marred by unfavorable events such as non-fulfillment of expectations generated by the Group, destabilization actions carried out by competitors, overly drastic internal reorganization measures, etc. Such events could lead to loss of opportunities or customers, negative media coverage or a loss in the confidence of partners.

In order to limit these risks, the Group first of all aims to expose itself as little as possible to criticism by ensuring it does not excessively raise expectations and by complying with rules and practices. The Group has implemented several actions aimed at maintaining a positive dynamic:

- strengthening of relationships with the community of customers and partners to present the Group, its businesses, its objectives and its potential risks. This preventive action increases understanding and proximity in times of a crisis in confidence;
- development of regular communication with targeted media and on social networks to facilitate understanding of the Group and engage in a high-quality dialogue;
- informing and training managers, communicators and spokespersons of the Group. Specific media training sessions may be organized with the managers of the Group;
- the distribution of a press procedure, organized by GROUPE GORGÉ, can monitor and supervise media contacts and at professional conferences;
- specific press and web monitoring (social media, Internet sites, blogs, press, etc.).

Furthermore, to support PRODWAYS GROUP employees, who are the primary conveyors of the Group's image, and guide them in their actions and behavior with concern for integrity and ethics, tools and training courses are made available, the first of which is the anti-corruption Code of Conduct.

2.3 OPERATING RISKS

2.3.1 Risks related to difficulties in attracting or retaining employees with the required skill levels

In a context of the strong growth in some of the Group's businesses (except for 2020), a tight employment market for some sought-after skills, sometimes in competition with well-known, large players, the ability to attract and retain employees with the required and constantly-evolving technical skills is essential to achieve our strategic objectives.

Any difficulty in recruiting or retaining a sufficient number of employees at the required skill level could therefore cause failure to perform or hinder the growth of the Group. Expertise in additive manufacturing is relatively rare in France and the Group must invest in the training of its new employees in those technologies. In a market where qualified people are relatively rare, and in a context of possible destabilization of teams following the implementation of economic dismissals, the Group's visibility makes it a target exposed to the poaching of its employees by customers or competitors. The Group will also need to recruit new managers, sales representatives and qualified staff to continue to grow. Despite its attractive development outlook and the interest in additive manufacturing technologies, the Group may not be able to attract or retain key personnel on economically acceptable terms.

To mitigate these risks as much as possible, the Group relies on many factors.

Firstly, the Group's employees are naturally motivated by a commercial and/or technical interest in the additive manufacturing sector and the projects in which they are involved. The introduction of profit-sharing and shareholding plans may also serve as additional motivation. To this end, free share allocation plans were implemented in the Group in 2016 and in 2019. Moreover, a new free share allocation plan was approved by the Board of Directors in February 2021.

In addition, the Group ensures that it adopts high-quality internal communication with employee representatives and all employees, which is particularly necessary during reorganizations such as the merger of the audiology activities in 2020.

Moreover, when this is accepted, the contracts of key employees and managers include non-competition clauses. They also include confidentiality clauses, as well as, where relevant, clauses for compensation and transfer to the employer of employee inventions.

These advantages combined with the Company's culture and its known success should enable the necessary hiring to implement the development plan and help limit turnover rates.

Finally, an inadequate succession plan or failure to pass on know-how could harm the Group's performance. The Group's management teams nevertheless ensure that the success of a subsidiary or division does not rely on a too small number of persons and that the managers of subsidiaries consider setting up succession plans for key persons. Good anticipation of this issue enabled the effective assumption of a new CEO position in a Group company in 2020, at the same time as his predecessor.

2.3.2 Risks related to the skills of employees not matching the Group's transformation

The Group is positioned in business lines and with technologies that are rapidly developing, notably in the fields of software and control, chemistry, mechanics and the finishing of parts, etc. Also, the gradual maturity of the market and its development towards increasing industrialization (transition from R&D machines to machines used for production, for example) also leads to requirements and qualifications that are different from those required in previous years, at the production level but also at the commercial and after sales service level. In this context, internal skills that are poorly adapted to changes in the Group's business lines or businesses, a lack of training or anticipation of the necessary skills or poorly-organized transfer of know-how could hinder the Group's growth and the success of its long-term development.

The quality and skills of the Group's employees are at the core of its key success factors. The Human Resources departments are responsible for, in support of the Executive Management, anticipating the departure of employees with key skills and knowledge, notably when the founders or historical managers leave. They are also in charge of monitoring the internal training of employees and the succession plans, with the aim of promoting the transmission of skills and knowledge by experts, the recruitment of highly specific skills, and the development of the careers of employees (see Section 6.5 "Commitments of the Group to its employees" of this Universal Registration Document).

2.3.3 Customer payment default

The economic situation around the world and changes to it may affect the Group's partners, customers and suppliers due to economic slowdowns and financial, geopolitical or social difficulties, or any other factors. The Group has a very wide variety of customers and has the capacity to obtain a growing number of new referrals, so it has little exposure to a particular customer risk, but it could be seriously impacted nonetheless if the international economic situation were to significantly weaken its customers or suppliers in general.

There is no strong dependency across the Group on one customer, as shown by the respective shares of the five largest customers in terms of percentage of consolidated revenue (see Note 4.5 to the consolidated financial statements in Section 4.1 of this Universal Registration Document).

Outside France, the Group operates directly or through distributors in a large number of countries. There is no strong revenue concentration internationally on a specific country; the Group will nevertheless have to develop in the United States, which is a large market with greater maturity in terms of 3D printing. A qualitative change to its country risk would significantly affect the Group.

2.3.4 Risks related to the holding, storage or handling of materials

Group companies do not have facilities that are subject to the regulations for facilities classified for environmental protection (ICPE). Nevertheless, like many industrial activities, the Group's activities require the preservation and handling of hazardous products. In particular, the Group develops and markets materials that incorporate chemicals. In accordance with the European REACH Regulation (EC no. 1907/2006) relating to chemical risks, the Group must identify and manage any risks associated with the materials manufactured and communicate the risk management measures implemented to the users of its materials.

The concerned companies implement the safety procedures recommended for the handling and storage of such products. For example, INITIAL handles potentially hazardous powders (explosion risks), which may pose a health hazard when inhaled. Similarly, the use of DLP® or lasers requires certain handling precautions to protect the health of the concerned employees. The collection and recycling of potentially polluting materials is entrusted to specialized service providers. Strict handling and storage procedures have been put in place in the companies concerned.

Compliance with these regulations is costly and any tightening of these regulations would entail additional costs for the Group. Regulations are also complex and any violation thereof by the Group could result in fines or penalties or could incur its liability. These circumstances would have an adverse effect on the Group's financial position and development. Regulations are regularly monitored in the companies and the Group informs them when it learns of new requirements, in particular as part of its CSR monitoring.

2.3.5 Risks related to shortfalls in the execution of contracts

The Group is working in markets which are gradually moving from the R&D phase to an industrialization phase, meaning greater sales and more recurring revenue are possible. Nevertheless, the industrialization phase of an innovative product may require numerous adjustments and iterations that lead to delays in the marketing of the product or more frequent warranty services with customers for repairs or adjustments, resulting in additional costs for the Group and possible harm to its image. These new types of contracts also require the Group to accelerate its maturity in contracting and in finishing its innovative products, and a solid commercial and after-sales service organization.

A shortfall in the execution of contracts, faults in design or manufacture or problems with the quality of a product or a service could cause unanticipated expenses and customer complaints. Repeated problems could therefore have a negative impact on the results of the Group, its ability to develop and its reputation.

Aware of these issues, PRODWAYS GROUP is organizing itself consequently at various levels. First of all, PRODWAYS tests its main innovations in terms of 3D printers and materials at its INITIAL services office, which allows it to benefit from feedback and thus improve and stabilize its prototypes before validating the final products; the installation, in 2020, of the SLS machine development activity at INITIAL will further deepen these relationships and this expertise. Subsequently, the Group now has its main innovations tested with its key customers (Services Bureau or end users qualified as early adopters), who give feedback on product functionalities before the standard product is marketed. At the same time, procedures for the technical acceptance of products are put in place by the Group to detect any faults (in particular, the installation and receipt of a 3D printer involves various operating tests), as well as systematic prior training for users. In addition, the Group offers its customers multi-year preventive maintenance programs. Despite mandatory training and the offers of maintenance, an error in use by a customer or a maintenance defect is still possible. Lastly, concerning its organization, PRODWAYS is strengthening its after-sales and support teams, to best support its customers and partners, with whom it endeavors to maintain constructive and transparent business relationships.

2.3.6 Risks related to the quality and performance of the partners or subcontractors used

For the performance of its activities, the Group performs the most strategic and confidential parts internally. However, it relies on an extensive network of partners, suppliers and subcontractors, notably for some aspects related to R&D, marketing (agents) or for distributing products manufactured by third parties.

The Group has thus undertaken much research and development (R&D) work with universities and research bodies. Some research and development efforts carried out through partnerships (such as for the development of new materials adapted for additive manufacturing) sometimes begin before a partnership agreement is signed. The risk that the parties will not be able to finalize their agreements at an advanced stage of a project could have a negative impact for the Group on the expected profit from a partnership. There is also a risk of divergence between the parties during the conduct of the partnership, which may lead to a breakdown in the partnership or a calling into question of its balance. The unsatisfactory performance of R&D partnerships could have an adverse impact on the Group's business, results, financial position and outlook.

Also, some of the Group's products are based on third-party components and the Group has not currently set up systematic double sourcing, which would be financially costly. Thus, the MOVINGLight® technology developed by PRODWAYS incorporates commercial parts manufactured exclusively by Texas Instruments, as well as certain parts developed specifically for the Company by specialized companies. In order to secure its production process, the Group has focused on maintaining sufficient inventories and is working to identify alternative suppliers for these critical components. For the manufacturing of materials, the Group receives supplies of components and products from major chemical groups or certified suppliers. Any change in a component or supplier would involve new research and development to adapt the material formulations and the final product evaluation process. Any difficulty in supplying certain special parts or chemical components may therefore have a negative impact on the ability of a subsidiary or the Group to manufacture and deliver its products. Finally, defects in parts or materials from third-party suppliers could also affect the quality of the Group's finished products. However, the Group's ability to claim compensation from the supplier at fault may be limited by the sales conditions imposed by that supplier. Any product quality problem involves warranty claims for the Group, which generate unanticipated costs and may be the cause of customer complaints. Repeated problems could have an adverse impact on the Group's results and reputation. The Group's companies have established procedures for the quality management and traceability of their products. As part of its ongoing efforts to improve quality, the Group strives to ensure that all of its subsidiaries are working to implement quality control policies that are as demanding as possible.

At the commercial level, the Group also works partly with service providers, its sales either being made directly or through the intermediary of its network of distributors and sales agents throughout the world. The Group selects its distributors and agents on the basis of technical expertise and reputation. However, the Group cannot guarantee that the distributors and agents selected will devote the necessary efforts to the commercial success of its products and comply with applicable regulations. The ramping-up of the indirect international sales network could thus take longer than expected and require additional commercial efforts. The Group's reputation and results could be adversely affected by distributors or agents who are insufficiently involved or do not comply with the applicable regulations.

Lastly, the Group's sales growth depends on the quality and reliability of its products and the products distributed by the Group (such as third-party materials).

The Group implements risk-evaluation procedures at the time of contracting with the partner in question, and control procedures when contracts are approved with third parties. It increasingly strives to have access to multiple sources for a single service or key component. Control and verification procedures are also put in place by the Group to detect any faults, but may not enable hidden faults to be detected. Ultimately, the Group tries to make sure that its contracts enable, in the case of a complaint from a customer caused by the fault of one of its partners, proportionate claims to be made against this partner.

2.3.7 Risks concerning the safety and security of employees

The Group works in industry in general and particularly in certain fields of activity that may present specific risks for the physical integrity of employees (handling dangerous products, for example). An accident related to the working environment, exposure to harmful materials, a road accident or an employee being kidnapped during business travel to an at-risk country may lead to bodily or psychological damage for employees, the payment of significant damages or the payment of a ransom. While the occurrence of these risks remains very low (particularly in the current context, which severely limits travel), a proven risk could have significant consequences for employees, as well as the Group's treasury or management.

The Group considers the safety and working conditions of its employees to be among its leading priorities. To achieve this, actions are carried out by the subsidiaries to develop and harmonize a safety culture, to strengthen the approach to safety and to professionalize practices (see Section 6.5.3 "Health, safety: a commitment for all employees" in this Universal Registration Document).

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

2.4 CROSS-FUNCTIONAL RISKS

2.4.1 Risks related to failure to comply with the applicable regulations

Under circumstances of constant evolution and increasing complexity of regulatory constraints and compliance procedures, the activities of the Group could be affected by legal risks related to compliance with legal and regulatory provisions applicable in France and in all jurisdictions in which the Group has interests. For example, this concerns subjects as vast as taxation, employment law, safety standards, anti-corruption arrangements, protection of personal data, business confidentiality or stock-market regulations.

In particular, the Group develops bio-compatible materials or medical devices that are subject to strict standards in Europe and the rest of the world. In this respect, European medical device regulations are set to evolve in the coming years. The same is true for countries outside the European Union. These changes in standards may require new R&D to adapt the products developed by the Group and maintain its authorizations and certifications applicable to its products.

In particular, DELTAMED formulates, manufactures and markets special resins, including for the biomedical field. The formulation, manufacture and marketing of medical devices by DELTAMED requires the maintenance of a certified quality management system for medical systems complying with DIN EN ISO 13485 (EU) and the MDSAP audit standards for Canada, Japan, Brazil, Australia and the United States. DELTAMED also meets the requirements of European Directive no. 93/42/EEC. It is one of the first companies to be audited in compliance with the new EU Regulation no. 2017/745 on medical devices which will come into force in May 2021. These controls and certifications are carried out by approved control bodies. In 2020, DELTAMED obtained U.S. Food and Drug Administration approval for the first new printable composite material for the US market for printing dental crowns and bridges. The maintenance of these certifications and authorizations is a differentiating asset that differentiates the Company, and it is necessary to enable DELTAMED to continue to market its products in Europe, Canada, the United States and several other countries. These certifications and authorizations give DELTAMED a competitive advantage. Their loss would have a significant adverse impact on DELTAMED's business and therefore on the Group's results, financial position and outlook.

In order to limit these risks, the PRODWAYS GROUP endeavors to put in place appropriate organizations, specific procedures and personnel training. The Group also seeks the internal or external expertise (lawyers, solicitors, consultants, experts) appropriate to its businesses. The internal control framework provides for the implementation of controls and the necessary compliance with all applicable regulations; it is at the heart of the concerns of the Executive Management and the awards of certifications and positive audits in 2020 show that these issues are currently well under control.

2.4.2 Fraud or external attacks

By frequency and severity, the risk of fraud and cyber criminality has been growing for several years in France. Like more than 7 companies out of 10 in France, the Group is subject to attempts at fraud, particularly attempts to misappropriate funds or steal strategic data (fraud targeting the Chairman, cyber-attacks, etc.). These attempts, if they should succeed, could harm the Group's competitive advantage, harm its image or affect its cash position.

The Group takes care to apply effective internal control systems. An internal control standard has been constructed with GROUPE GORGÉ with this objective and is applied at the PRODWAYS GROUP. In matters of fraud, actions to inform and train particularly-exposed employees are regularly carried out.

2.4.3 Risk related to the level of cash generation

The Group's activities require the funding of research and development investments, which are essentially carried out using own funds and the French research tax credit. A scaling back of this mechanism in the future would jeopardize the level of R&D expenditure that the Group could reasonably finance and would therefore have an adverse impact on the Group's business, financial position and outlook. Moreover, even if the Group ensures the compliance and quality of its supporting documents, it is still possible that the tax authorities may question the calculation methods used by the Company for research and development expenses. A tax adjustment to the Group in this area could have an adverse impact on the Group's results and cash position.

At the same time, the Group's revenues and results are not linear and may fluctuate during the year, due to many factors, most of which are not controlled by the Group, as the Group experienced in 2020. Moreover, the sales cycle of 3D printers may be particularly long, with equipment testing and qualification procedures for prospects. Consequently, it is very difficult to predict and reliably plan the sales of 3D printers and the production. These fluctuations may have an impact on the financial position of the PRODWAYS GROUP and its ability to finance its businesses and its development.

To limit this risk, the Group's research and development projects are decided by the Executive Committee, based on opportunities identified by the Group, customer demands and the Group's strategy. Ongoing projects are reassessed every six months. In 2020, around ten projects were put on hold, abandoned or resized following a change in the short-term risk profile in the context of the health crisis and more specifically affected sectors.

In order to manage its cash as carefully as possible, the Group also endeavors to enforce its general conditions of sale. Nevertheless, certain customers from large groups have a policy of imposing their own terms of purchase, which are generally unfavorable to suppliers and therefore to the Group, in particular regarding payment conditions, machine performance and liability clauses. Unfavorable conditions of sale are likely to have an adverse impact on the Group's financial position and results.

The liquidity risk is described in Section 4.1.6, Note 8.3.1 "Liquidity risk" to the consolidated financial statements. The Group's low net debt, financial position and shareholder support gave it substantial access to credit until its IPO in May 2017, in particular to finance acquisitions. Since the IPO in May 2017, the Group has a positive net cash position. At the beginning of 2021, it had a confirmed credit line of €5.0 million.

2.4.4 Risks associated with intellectual property

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

The Group carries out an active policy of commercially developing its innovative ideas. To do this, it relies on specialist teams and advice on intellectual property. Applications for patents are the subject of examination procedures by the competent local or international bodies. It takes a number of years before a patent is granted. The examination process may also result in a patent being granted with narrower claims than initially sought, or it may be refused in certain jurisdictions. Furthermore, the intellectual property rights registered do not provide protection in all jurisdictions.

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

The occurrence of any of these events (non-validity of a patent, counterfeiting by a third party, use of a patented technology by a third party, outflow of know-how, dispute) could have an adverse effect on the competitive advantage of the Group's product offering and therefore on its business outlook, reputation, development and future results.

To address these risks, training and awareness-raising actions have been put in place so that patents are filed to protect the Group's technological and commercial advances. The Group manages and maintains its technological progress in relation to its competitors, with its patents being used, maintained and extended according to established internal procedures and according to the prospects for the application of these innovations (see Section 1.3.3 "Investment policy and R&D"). The subsidiaries, with their internal teams, monitor the activity of their competitors (particularly as regards the filing of patents) and evaluate (through freedom to operate studies) the risk of infringement of third-party patents during the course of their research or development programs. External advice may be sought for occasional assessments of activities of entities external to the Group. Furthermore, if the Group thus holds 21 patents for different types of products, most of the Group's revenue nevertheless does not depend on any particular patent or license.

Lastly, the Group has set up an organization and internal procedures to evaluate risks of infringing the patents of third parties during its internal R&D programs. This organization, coordinated by the legal service, will examine the various projects, check that the solutions adopted comply with the rights of third parties and, where applicable, check whether these solutions can be patented. There is a risk nevertheless that a third party might bring legal action against the Group in matters of industrial property.

2.4.5 Risks related to the application and control of contractual commitments

The services and products created by the Group, in particular because they are often linked to the medical markets or to a lesser extent the aeronautics market, must reach demanding levels in terms of quality and performance. Furthermore, the 3D printing sector as well as the Group's products and services are relatively new, and the products have not reached maturity. In this environment, negotiating the related contracts (sale, purchase, partnership) requires great professionalism and vigilance by employees. It is critical for the Group to properly evaluate and control all of its contractual commitments, in terms of achievement of performance and costs, deadlines, possible penalties and guarantees granted.

The Group can never rule out the risk of having difficulties in meeting an obligation to achieve a given result or another commitment that it may have contractually accepted in relation to a customer or partner, with a negative impact on the margin of the contract in question, in particular due to excess costs in implementation, late penalties, damages or litigation.

The Group nevertheless has long experience in managing this risk. It implements strict control procedures when contracts are approved, involving the varied skills of the company (commercial, legal, financial, technical and Executive Management).

2.4.6 Risk related to difficulties in integrating acquired companies

The Group has regularly acquired activities or third-party companies as part of its development and is likely to pursue this strategy according to the opportunities identified. An external growth operation may have the effect of diluting the shareholders of the Company in the event that such growth is financed through the issuance of transferable securities.

In addition, any acquisition involves risks associated with the integration of the acquired company or business into the Group, the realization of assumptions underlying the valuation and the expected benefits of the transaction, the existence of unforeseen costs or hidden liabilities and the departure of key personnel from those companies.

As a result, the integration of a new entity or activity within the Group may take longer than anticipated and require increased mobilization of the Group's teams, and the assimilation by the new entity of the Group's procedures, management tools and guidelines, or its acceptance of a change to its strategy, may in fact be more or less smooth and efficient. Finally, the benefits of future or completed acquisitions may not materialize within the expected timeframes and standards. Difficulties in the process of acquisition and integration (analysis, organization, integration, preservation of skills and know-how, adoption of the Group's standards and procedures, and implementation of the business plan and expected synergies within divisions or between different divisions) may affect the benefit of an external growth transaction and cause losses of economic and accounting value for the Group.

In order to face these challenges and limit these risks, the PRODWAYS GROUP relies on the long experience with acquisitions of its parent company, GROUPE GORGÉ, which has prepared a mergers and acquisitions process, from identification of targets to their integration, to which numerous functions contribute. Each stage of the acquisition process is monitored and validated by the management bodies of the PRODWAYS GROUP and GROUPE GORGÉ. Before the acquisition, the Group systematically performs financial, legal and technical audits and negotiates asset and liability guarantees where possible. The integration of targets is the subject of operational collaboration between the PRODWAYS GROUP and the services of GROUPE GORGÉ that worked on the acquisition. Particular effort is paid, at the beginning of the integration processes, to the early identification of key success factors and the potential risks on which to focus. Lastly, the Group endeavors to retain key persons and have them support its corporate project, thus ensuring the viability of these companies.

2.4.7 Risk due to misalignment between the Group and its subsidiaries

The Group has seen very strong growth since its creation, thanks to organic growth and successive acquisitions. Moreover, PRODWAYS GROUP's strategy is based on its positioning in different segments of the 3D printing value chain (Machines, Materials, Products, Services). With their different positioning and sometimes separate histories, the Group's companies have considerable autonomy. These characteristics make PRODWAYS GROUP strong, but also generate a certain level of complexity that can lead to strategic alignment issues between the parent company and its subsidiaries and between subsidiaries. Occurrence of this risk could lead to a failure in the development strategy or the loss of opportunities for the Group.

Aware of these characteristics, since 2018, PRODWAYS GROUP has deliberately conducted a more integrated strategy that aims to benefit from cross fertilization and a feeling of belonging, whilst not breaking the momentum of each activity. Specifically, the organization was clarified into two divisions, Systems & Products. In 2019, strong actions were set up at the Human Resources level, including the organization of a management seminar, the identification and monitoring of high potentials, and the implementation of transversal actions by teams from different subsidiaries (notably, in sales).

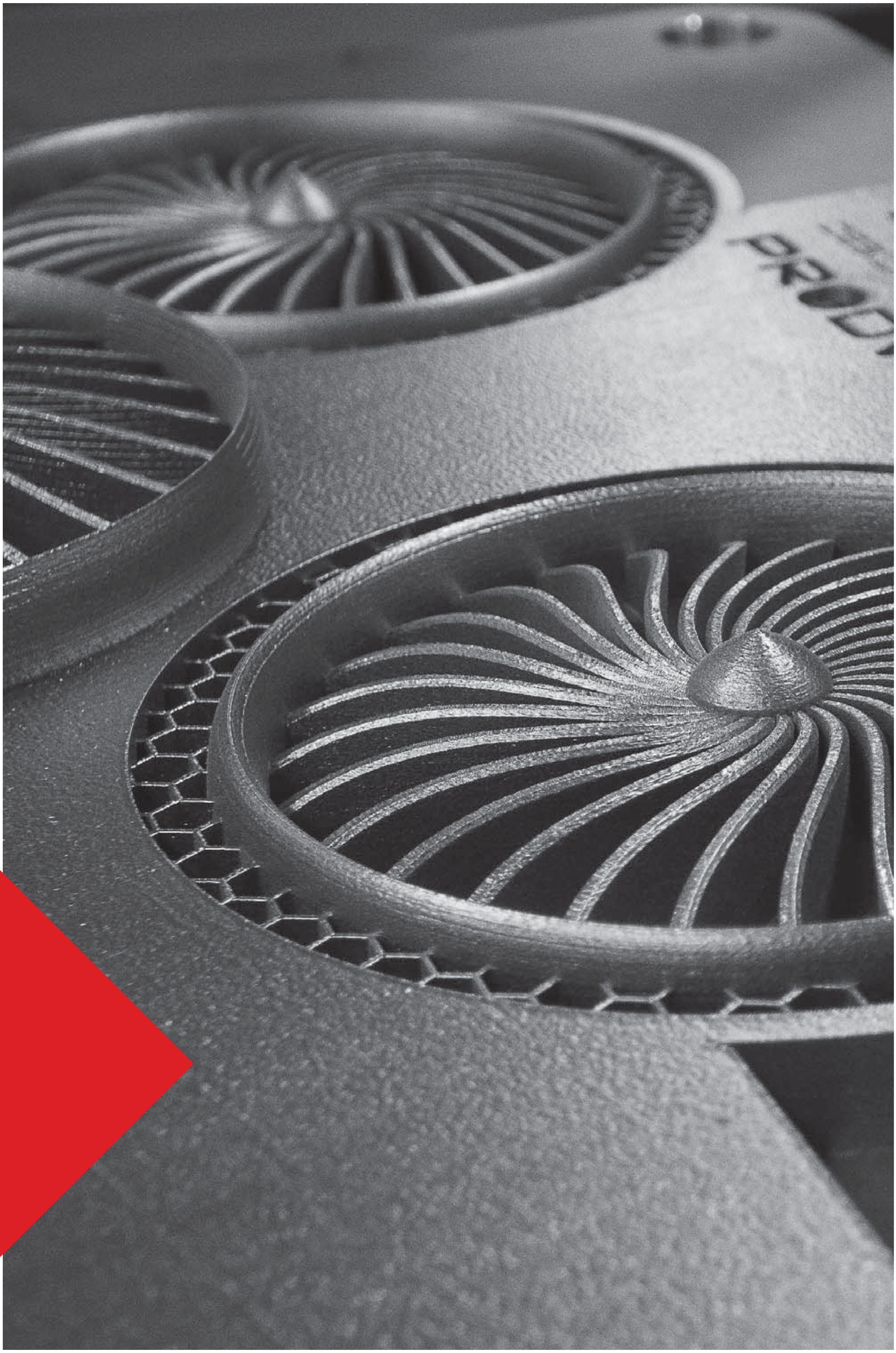
2.4.8 Lack of reliability of financial data

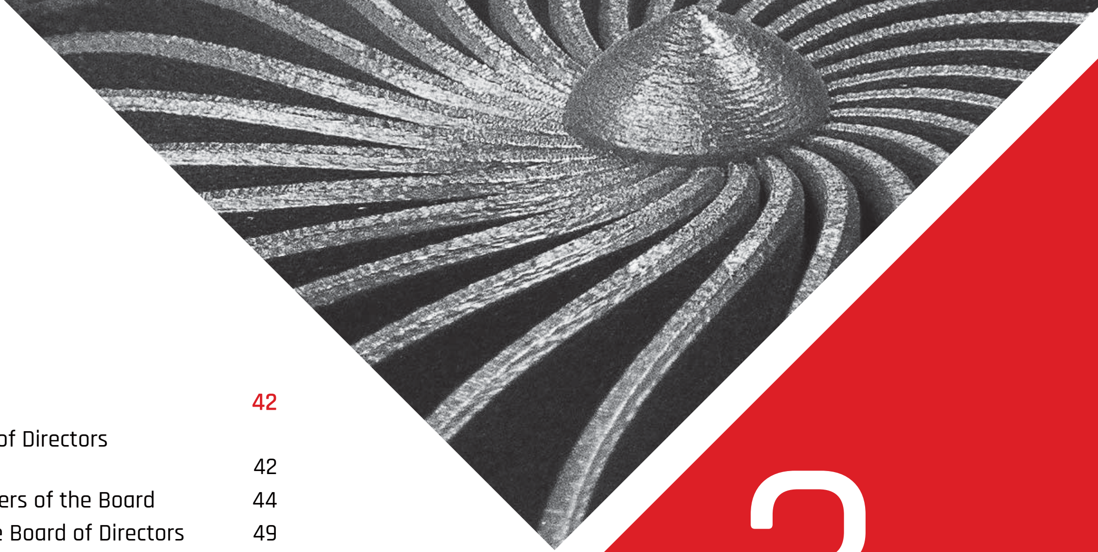
As presented in Section 2.4.7 above, the Group is the result of its history, and notably diverse backgrounds. As a result, the financial and accounting reporting and organizations may have diverged in the past. The complexity and frequent changes in accounting standards have also created a context that is unfavorable to good readability of the financial statements and comparisons between years. Unavailability, inexactness or a lack of consistency between financial data may lead the Group to make unsuitable decisions or to financial losses.

In this context, the Group aims to harmonize its subsidiaries' tools and methods, supported by a centralized financial department that, in 2020, is tasked with continuing and accelerating the structuring of the Finance function at all levels of the Group. Moreover, PRODWAYS GROUP is supported by its parent company's Financial Department for consolidation, updates to standards and their impacts, and to prepare its published financial statements.

2.5 OTHER RISKS

Other risks have been identified, notably related to the loss of professional certifications, the occurrence of a significant disaster beyond the limits of the Group's insurance policies, failure of IT security, etc. Nevertheless, the analysis of these risks, over a timescale of three years, taking into account their level of control, and in the context of the Group which has a high degree of risk dispersion related to the numerous businesses and environments in which it operates, did not lead to a conclusion that these risks were major, high or significant at the Group level. Obviously, these conclusions, which were established at a given date and context, may change.





3 CORPORATE GOVERNANCE

This "Corporate governance" section includes the new corporate governance report pursuant to article L.225-37 of the French Commercial Code, which was approved by the Board of Directors on 16 March 2021 and modified on 28 April 2021.

3.1 GOVERNANCE

3.1.1 Composition of the Board of Directors and Board Committees

Despite GROUPE GORGÉ's control over the Company, PRODWAYS GROUP's Board of Directors promotes a democratic and collective representation of all shareholders. The presence of independent directors ensures that the Company's interests are taken into account.

At 31 December 2020, the Board of Directors of PRODWAYS GROUP was composed of eight directors, namely Raphaël GORGÉ (Chairman of the Board of Directors), Catherine BENON-GORGÉ, BPIFRANCE PARTICIPATIONS (represented by Paul-François FOURNIER), SAFRAN CORPORATE VENTURES (represented by Florent ILLAT), Olivier STREBELLE (Chief Executive Officer), Michèle LESIEUR, Céline LEROY (employee of GROUPE GORGÉ) and Hélène de COINTET (Deputy Chief Executive Officer of GROUPE GORGÉ).

On 20 March 2020, Hélène de COINTET was co-opted to replace Loïc LE BERRE who resigned. Ms. de COINTET is the Deputy Chief Executive Officer of GROUPE GORGÉ. Mr. LE BERRE was appointed as Observer by the Board.

His participation to Board meetings facilitates the coordination of financial matters within GROUPE GORGÉ, parent company of PRODWAYS GROUP

In 2020, Raphaël GORGÉ, Catherine BENON-GORGÉ, Hélène de COINTET, Céline LEROY and Loïc LE BERRE were members of the Board representing the majority shareholder GROUPE GORGÉ.

Raphaël GORGÉ is Chairman and Chief Executive Officer of GROUPE GORGÉ. Catherine GORGÉ is married to Raphaël GORGÉ and a Director of GROUPE GORGÉ. Hélène de COINTET is Deputy Chief Executive Officer of GROUPE GORGÉ. Céline LEROY and Loïc LE BERRE are employees of GROUPE GORGÉ.

Olivier STREBELLE, Chief Executive Officer, will cease his functions in July 2021. Raphaël GORGÉ will then take over the duties of Chief Executive Officer that he held from 2013 to 2018.

Michèle LESIEUR, SAFRAN CORPORATE VENTURES (represented by Florent ILLAT) and BPIFRANCE PARTICIPATIONS (represented by Paul-François FOURNIER) are Independent Directors.

Although SAFRAN CORPORATE VENTURES (represented by Florent ILLAT) and BPIFRANCE PARTICIPATIONS (represented by Paul-François FOURNIER) are Company shareholders, the percentage of the share capital held is relative compared with the majority shareholding held by GROUPE GORGÉ. These Directors have no links to the Company, its Group or its management that would jeopardize the exercise of their freedom of judgement. In this regard, PRODWAYS GROUP entered into a technological cooperation framework agreement with SAFRAN in 2017 concerning developments in 3D printing. This contract represents insignificant amounts. A qualitative and quantitative analysis of the existing business relationship between PRODWAYS GROUP and SAFRAN concluded that it was not liable to compromise the latter's status as an independent director or that of its permanent representative. In all cases, Florent ILLAT and Paul-François FOURNIER consistently demonstrate an independent state of mind and great freedom of speech.

As set out in the Articles of Association, Directors are appointed for a term of 3 years.

The Chairman of the Board of Directors and the Chief Executive Officer have been appointed for an unlimited term. The Board of Directors may therefore terminate their term of office at any time.

In early 2021, the Board of Directors decided to create an Audit and Risk Committee (see Section 3.1.8 below).

The Board also dedicates at least one meeting per year to strategic topics (in addition to regular reviews of specific external growth or development projects) (see Section 3.1.8 below).

The censor is appointed by the Board for a period of three years; he or she attends Board meetings without voting rights. Like the directors, he signs the Board's internal rules, which include the regulations on market abuse and the management of conflicts of interest.

At 16 March 2021, the composition of the Board of Directors was as follows:

Name	Independent[1]	Board Committees	Date of first appointment	Expiry of term of office	Experience and areas of expertise
SAFRAN CORPORATE VENTURES – represented by **Florent ILLAT**	Yes	/	21 April 2017	Shareholders' meeting called to approve the financial statements for the financial year ending 31 December 2022	Mergers and acquisitions, financial analysis, aerospace industry, space and defense
BPIFRANCE PARTICIPATIONS – represented by **Paul-François FOURNIER**	Yes	/	5 May 2017	Shareholders' meeting called to approve the financial statements for the financial year ending 31 December 2022	Innovative industries, telecom strategy
Raphaël GORGÉ Chairman of the Board of Directors	No	/	12 June 2015	Shareholders' meeting called to approve the financial statements for the financial year ended 31 December 2020. Reappointment will be proposed to the next shareholders' meeting.	Executive Management, finance, industry and technology, strategy
Catherine BENON-GORGÉ	No	/	5 May 2017	Shareholders' meeting called to approve the financial statements for the financial year ending 31 December 2022	Project management, 3D printing, luxury goods
Olivier STREBELLE Chief Executive Officer	No	/	12 June 2015	Shareholders' meeting called to approve the financial statements for the financial year ended 31 December 2020. Reappointment will be proposed to the next shareholders' meeting.	3D Printing
Michèle LESIEUR	Yes	/	7 June 2019	Shareholders' meeting called to approve the financial statements for the financial year ending 31 December 2021	Executive Management, finance, industry and technology, strategy
Céline LEROY	No	/	7 June 2019	Shareholders' meeting called to approve the financial statements for the financial year ending 31 December 2021	Legal
Hélène de COINTET	No	/	7 June 2019 (co-option on 20 March 2020)	Shareholders' meeting called to approve the financial statements for the financial year ending 31 December 2021	Mergers and acquisitions, financial analysis, aerospace industry, space and defense, 3D printing
Loïc LE BERRE Observer	No	/	20 March 2020	Board of Directors' meeting called to approve the financial statements for the financial year ending 31 December 2021	Finance

At the shareholders' meeting of 14 June 2021, the shareholders will be asked to renew the terms of office of Olivier STREBELLE and Raphaël GORGÉ, which are about to expire.

(1) Le caractère indépendant des administrateurs est apprécié au regard des recommandations du code Middlenext.

3.1.2 Presentation of the members of the Board

Management expertise and experience of Directors, Observers and candidates for the Board of Directors

Florent ILLAT Permanent representative of SAFRAN CORPORATE VENTURES Independent Director	**Main position:** Co-Head of SAFRAN CORPORATE VENTURES Following merchant banking experience with SOCIÉTÉ GÉNÉRALE, he joined MCKINSEY'S Paris office in 2006 where he was involved in strategy consulting assignments for major groups and investment funds. In 2013, he became senior VP of QUADRILLE CAPITAL, a fund specializing in innovation and technology investments, where he was involved in around twenty investments in start-ups and funds, in Europe and the United States. Florent ILLAT is an engineer and graduate of École Centrale de Paris. **First appointment:** shareholders' meeting of 21 April 2017 (Florent ILLAT has been the permanent representative of SAFRAN CORPORATE VENTURES since 1 November 2019) **Expiry of term of office:** shareholders' meeting called to approve the financial statements for the financial year ended 31 December 2022 **Other offices and positions held within the Group:** None **Other offices and positions held outside the Group:** Member of the Investment Committee of SAFRAN CORPORATE VENTURES Member representing SAFRAN CORPORATE VENTURES on the Board of Directors of KALRAY SA Member representing SAFRAN CORPORATE VENTURES on the Strategic Committee of DIOTA SAS Member representing SAFRAN CORPORATE VENTURES on the Strategic Committee of SAFETYLINE SAS Member representing SAFRAN CORPORATE VENTURES on the Strategic Committee of CAILABS SAS Member representing SAFRAN CORPORATE VENTURES on the Strategic Committee of KRONOSAFE SAS Member representing SAFRAN CORPORATE VENTURES as an Observer on the Board of Directors of OUTSIGHT SA **Offices held during the last five years by Florent ILLAT whose terms have expired:** Member representing QUADRILLE CAPITAL on the Board of Directors of CORAVIN US Inc. Member representing QUADRILLE CAPITAL on the Board of Directors of JOB AND TALENT Inc. Member representing QUADRILLE CAPITAL on the Board of Directors of EVANEOS SA
Paul-François FOURNIER Permanent representative of BPIFRANCE PARTICIPATIONS Independent Director	**Main position:** Innovation Director and Member of the Executive Committee at BPIFRANCE An alumnus of École Polytechnique and a graduate of Telecom ParisTech, Paul-François FOURNIER joined FRANCE TELECOM ORANGE in 1994 as a business engineer where he spent seven years developing the Company's B2B services. In 2000, Paul-François FOURNIER was appointed Director of Broadband Business at WANADOO where he was responsible for the take-off of ADSL offers in France. He also participated in the international activities as a member of the WANADOO Group Executive Committee. He worked on strategic projects such as the launch of Livebox and Voice over IP in partnership with French start-ups INVENTEL and NETCENTREX. In 2011, he became Executive Director of the ORANGE Technocenter where he was in charge of product innovation. He favored more regional and decentralized organizational methods, as reflected in the creation of Technocenters in Amman and Abidjan. Since April 2013 he has been Executive Director of the Innovation division at BPIFRANCE. **Date of first appointment:** shareholders' meeting of 5 May 2017 Expiry of term of office: shareholders' meeting called to approve the financial statements for the financial year ended 31 December 2022 **Other offices and positions held within the Group:** None **Other offices and positions held outside the Group:** Chairman of the Supervisory Board of CORNOVUM SAS Member representing BPIFRANCE on the Board of Directors of PARROT SA* Member representing BPIFRANCE on the Board of Directors of SIGFOX SA Member of the Board of Directors of EUTELSAT COMMUNICATIONS SA* Member of the Board of Directors of EUTELSAT SA **Offices held during the last five years by Paul-François FOURNIER whose terms have expired:** Member representing BPIFRANCE on the Supervisory Board of YOUNITED SA

* *Listed company.*

Raphaël GORGÉ	**Main position:** Chairman and Chief Executive Officer of GROUPE GORGÉ*
Chairman of the Board of Directors and Chief Executive Officer as of July 10, 2021	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, including 3D printing. Raphaël GORGÉ has been the Chief Executive Officer of GROUPE GORGÉ since 2008. Raphaël GORGÉ has an engineering degree from the École Centrale de Marseille and holds an advanced degree in molecular modelling. **Date of first appointment:** shareholders' meeting of 12 June 2015 Expiry of term of office: shareholders' meeting called to approve the financial statements for the financial year ended 31 December 2020. Her reappointment will be proposed to the next shareholders' meeting. **Other offices and positions held within the PRODWAYS GROUP:** None **Other offices and positions held outside the Group:** Deputy Chief Executive Officer of PÉLICAN VENTURE SAS Chairman of the Board of Directors of ECA SA* until 30 December 2020 Director of GROUPE ECA since 31 December 2020 Legal representative of GROUPE GORGÉ SA as Chairman of VIGIANS (formerly BALISCO) SAS Legal representative of GROUPE GORGÉ SA as Chairman of VIGIANS PROTECTION INCENDIE SAS Chairman of the Supervisory Board of SOPROMEC PARTICIPATIONS SA Manager of SOCIÉTÉ CIVILE COMPAGNIE INDUSTRIELLE DU VERDELET Manager of SCI AUSSONNE Manager of SCI DES CARRIÈRES Chairman of STONI SAS General Manager of GORGÉ EUROPE INVESTMENT BV Legal representative of PÉLICAN VENTURE SAS as Chairman of VIBRANIUM SAS Legal representative of PÉLICAN VENTURE SAS as Chairman of INTRASEC HOLDING SAS (since 7 February 2020) Legal representative of INTRASEC HOLDING SAS as Chairman of INTRASEC SAS (since 26 February 2020) Legal representative of VIBRANIUM SAS as Chairman of WAKANDA SAS (since 1 July 2020) Legal representative of WAKANDA SAS as Chairman of RESOLVING GROUP SAS (since 1 July 2020) Legal representative of RESOLVING GROUP SAS as Chairman of RESOLVING SAS (since 1 July 2020) Legal representative of PÉLICAN VENTURE SAS as Chairman of PELICAN 1 SAS (since 21 June 2020) **Offices held during the last five years by Raphaël GORGÉ whose terms have expired:** Chief Executive Officer of PRODWAYS GROUP SA* (split of the roles of CEO and Chairman of the Board of Directors in October 2018) Legal representative of PRODWAYS GROUP 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) Director and Chairman of the Board of Directors of ECA SA* Chairman of NUCLÉACTION SAS (until 31 January 2017) Chairman of FINU 10 SAS (until 10 April 2018) Member of the Executive Committee of LA VÉLIÈRE CAPITAL SAS (until 18 October 2016) Chairman of PORTAFEU NUCLÉAIRE SAS (until 13 May 2016) Manager of SCI MEYSSE (up to 28 June 2019) Manager of SCI THOUVENOT (up to 27 December 2019)

* *Listed company.*

Catherine BENON-GORGÉ Director	**Main position:** Chairperson 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 of GROUPE GORGÉ, she joined the luxury sector. There, she held the position of Director of Development and Operations at the PUIG GROUP, first for the PACO RABANNE brand, then for the MAJE brand. She currently runs the company CBG CONSEIL, specializing in business consulting. Between 2014 and 2019, she carried out consulting assignments within PRODWAYS GROUP. Catherine GORGÉ is also a Director of GROUPE GORGÉ* and GROUPE ECA (a subsidiary of GROUPE GORGÉ). Mrs. Catherine GORGÉ has an engineering degree from École Centrale de Marseille and holds an advanced degree in project management. **Date of first appointment:** shareholders' meeting of 5 May 2017 Expiry of term of office: shareholders' meeting called to approve the financial statements for the financial year ended 31 December 2022 **Other offices and positions held within the PRODWAYS GROUP:** None **Other offices and positions held outside the Group:** Chairwoman of CBG CONSEIL Director of GROUPE GORGÉ SA* Director of ECA SA* until 30 December 2020 Director of GROUPE ECA SA since 31 December 2020 Offices held during the last five years by Catherine GORGÉ whose terms have expired: Director of ECA SA* until 30 December 2020
Olivier STREBELLE Director Chief Executive Officer until July 9, 2021	**Main position:** Chief Executive Officer of PRODWAYS GROUP Olivier STREBELLE was awarded a degree in engineering (École Centrale Paris), then spent ten years with MCKINSEY in Paris and London as a management consultant, notably in the automotive industry. Olivier STREBELLE joined GROUPE GORGÉ in 2014 and was Deputy Chief Executive Officer responsible for strategy and business development until his appointment as Chief Executive Officer of PRODWAYS GROUP in October 2018. **Date of first appointment:** 12 June 2015 Expiry of term of office: shareholders' meeting called to approve the financial statements for the financial year ended 31 December 2020. **Other offices and positions held within the PRODWAYS GROUP:** CEO of SOLIDSCAPE Legal representative of PRODWAYS GROUP SA as Chairman in various subsidiaries of PRODWAYS GROUP (CRISTAL SAS, PRODWAYS SAS, PRODWAYS RAPID ADDITIVE FORGING SAS, PRODWAYS 2 SAS, PODO 3D SAS, PRODWAYS ENTREPRENEURS SAS, PRODWAYS CONSEIL SAS, AVENAO INDUSTRIE SAS, 3D SERVICAD SAS, AVENAO SOLUTIONS 3D SAS, INTERSON PROTAC SAS) Legal representative of PRODWAYS GROUP SA as Chairman of AVENAO SOLUTIONS 3D, itself Chairman of NEXTCUBE.IO Manager of EXCELTEC Legal representative of PRODWAYS GROUP SA as Manager of SCI CHAVANOD since 27 March 2020 **Other offices and positions held outside the Group:** Deputy Chief Executive Officer responsible for GROUPE GORGÉ's strategy and business development (employment contract suspended until January 2020 before expiry) **Offices held during the last five years by Olivier STREBELLE whose terms have expired:** Member of the Board of PRODWAYS AMERICAS until 31 December 2020 (company being liquidated) Legal representative of PRODWAYS GROUP SA as Chairman of PRODWAYS DISTRIBUTION SAS until 16 December 2020 (company absorbed by PRODWAYS CONSEIL SAS) Legal representative of PRODWAYS GROUP SA as Chairman of IP GESTION SAS until 31 October 2020 (company absorbed by INTERSON PROTAC SAS) Legal representative of PRODWAYS GROUP SA as Chairman of SURDIFUSE SAS and EMBOUT FRANÇAIS SAS until 31 December 2020 (company absorbed by INTERSON PROTAC SAS)

* *Listed company.*

Loïc LE BERRE	**Main position:** Chief Financial Officer of GROUPE GORGÉ
Director between 7 June 2019 and 20 March 2020 Observer since 20 March 2020	Loïc LE BERRE is a graduate of Sciences Po (1992) and holds an EMBA from HEC Paris as well as the equivalent of a Master in Accounting DESCF. Having begun his career at ARTHUR ANDERSEN, he joined the manufacturing sector at EURALTECH as Group Financial Controller, later becoming Subsidiary Administrative and Financial Director and finally Group CFO. After a time spent at INEO (SUEZ) as Deputy Administrative Director then Project Coordinator, he joined GROUPE GORGÉ in 2006 as Group Administrative and Financial Director. He has been Chief Financial Officer of GROUPE GORGÉ since 2008. **Date of first appointment:** 7 June 2019 – Resignation in March 2020. Observer since March 2020. **Expiry of term of office:** Board meeting called to approve the financial statements for the financial year ending 31 December 2022. **Other offices and positions held within the PRODWAYS GROUP:** None **Other offices and positions held outside the Group:** Member of the Supervisory Board of SOPROMEC PARTICIPATIONS Non-voting Board member of GROUPE ECA SA since 31 December 2020 Manager of SCI DES PORTES Chairman of FINU13 SAS since 17 December 2020 **Offices held during the last five years by Loïc LE BERRE whose terms have expired:** Director of PRODWAYS GROUP* (from June 2019 to March 2020) Director of ECA SA* (until 21 March 2017) Non-voting member of the Board of Directors of ECA SA* until 30 December 2020 Manager of SARL FINU 12 (renamed GROUPE ECA) until 31 December 2020 Co-manager of VLB E&C (until January 2017) Manager of SCI BÉTHUNE 34 (until 9 September 2018)
Michèle LESIEUR	**Main function**: Independent consultant
Independent Director	Michèle LESIEUR has been Chief Executive Officer and Chair of the Executive Board of SUPERSONIC IMAGINE* since 2016. Before serving as head of SUPERSONIC IMAGINE*, Michèle LESIEUR built a more than 20-year career in the PHILIPS Group. She held various management positions within the PHILIPS Group at the national and international level. In the early 2010s, she served as Chairwoman of PHILIPS FRANCE and Chief Executive Officer of PHILIPS HEALTHCARE in France. Previously, Michèle led sales and marketing for the Group's medical imaging systems for five years, after six years of leading the PHILIPS Medical Systems division in France. Michèle LESIEUR has extensive experience in the consumer electronics and telecommunications sectors, having successively held the positions of Marketing Director of PHILIPS BUSINESS ELECTRONICS France and General Manager of a PHILIPS BUSINESS ELECTRONICS department in charge of commercial policy and international development strategy. Michèle LESIEUR holds a Master's degree in physics from Université Paris XI and a DEA in optical transmission and signal processing from the Institut Supérieur d'Optique. **Date of first appointment: 7 June 2019** Expiry of term of office: shareholders' meeting called to approve the financial statements for the financial year ended 31 December 2021 **Other offices and positions held within the PRODWAYS GROUP:** None **Other offices and positions held outside the Group:** Independent Director on the Board of Directors of EOS IMAGING Chairwoman of the Board of Directors of INTRASENSE **Offices held during the last five years by Michèle LESIEUR whose terms have expired:** Chairwoman of PHILIPS FRANCE Chief Executive Officer of PHILIPS HEALTHCARE Chairwoman of the Management Board of SUPERSONIC IMAGINE* Chief Executive Officer of SUPERSONIC IMAGINE*

* *Listed company.*

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Hélène de COINTET Director	**Main position**: Deputy Chief Executive Officer of GROUPE GORGÉ SA Hélène de COINTET joined GROUPE GORGÉ in November 2019 as Deputy Chief Executive Officer. From 2015 to October 2019, she was Deputy Chief Executive Officer of SAFRAN CORPORATE VENTURES that she helped to create. In this respect, she invested and took part in the governance of growth companies, particularly in industry 4.0, vehicle autonomy and services. Graduating with a Master in Management Sciences from Paris IX-Dauphine and the Centre de Formation des Analystes Financiers (Financial Analyst Training Center), Hélène de COINTET began her career at CM-CIC Securities, as a Financial Analyst specializing in the aeronautics and electronics industries. She then joined KPMG Corporate Finance, where she carried out valuation and merger-acquisition transactions in the areas of industry and IT before joining SAFRAN in 2010 within the Mergers-Acquisitions Department. There she steered around twenty strategic analyses and medium-sized transactions for SAFRAN group. As Deputy Chief Executive Officer of GROUPE GORGÉ, Ms. de COINTET is not considered to be independent. **First appointment**: co-option to the Board of Directors on 20 March 2020 ratified by the shareholders' meeting of 8 June 2020 Expiry of term of office: shareholders' meeting called to approve the financial statements for the financial year ended 31 December 2021 **Other offices and positions held within the PRODWAYS GROUP:** None **Other offices and positions held outside the Group:** Director of ECA SA* until 30 December 2020 Director of GROUPE ECA SA from 31 December 2020 Offices held during the last five years by Hélène de COINTET whose terms have expired: Director of ECA SA* until 30 December 2020 Deputy Chief Executive Officer of SAFRAN CORPORATE VENTURES SAS Member representing SAFRAN CORPORATE VENTURES on the Board of Directors of PRODWAYS GROUP SA Member representing SAFRAN CORPORATE VENTURES on the Board of Directors of OUTSIGHT SA (observer) Member representing SAFRAN CORPORATE VENTURES on the Strategic Committee of DIOTASOFT SAS Member representing SAFRAN CORPORATE VENTURES on the Strategic Committee of SAFETYLINE SAS Member of the Investment Committee of SAFRAN CORPORATE VENTURES SAS
Céline LEROY Director	**Main position**: General Counsel of GROUPE GORGÉ SA Céline LEROY has been General Counsel of GROUPE GORGÉ since 2007. With a CAPA (Certificate of Aptitude for the Profession of Lawyer) and a DESS degree in business and tax law from the University of Paris I, Céline LEROY previously practiced as an attorney at the law firm FRESHFIELDS BRUCKHAUS DERINGER in the Finance and Mergers-Acquisitions Departments, before spending one year seconded to the Legal Department of DANONE. **Date of first appointment:** 7 June 2019 Expiry of term of office: shareholders' meeting called to approve the financial statements for the financial year ended 31 December 2021 **Other offices and positions held within the PRODWAYS GROUP:** None **Other offices and positions held outside the Group:** Employee Director of GROUPE GORGÉ SA* Non-voting Board member of GROUPE ECA SA since 31 December 2020 Offices held during the last five years by Céline LEROY whose terms have expired: Director of ECA SA* until June 2020

* *Listed company.*

Professional addresses of the Directors

The business addresses of the members of the Board of Directors are the registered office of the Company.

3.1.3 Gender balance among the Board of Directors

The Board of Directors complies with the gender equality principle pursuant to article L.225-18-1 of the French Commercial Code.

The choice of Directors (other than salaried Directors) is guided mainly by the search for skills complementary to those already represented on the Board, the knowledge of the markets in which the Group operates and the issues with which the Group may be confronted.

3.1.4 Information on securities transactions by corporate officers

In April 2020 GROUPE GORGÉ declared that it had acquired 100,000 PRODWAYS GROUP shares.

To the Company's knowledge, the corporate officers, 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, have not conducted any securities transactions during the 2020 financial year.

3.1.5 Non-conviction and conflicts of interest

To the Company's knowledge, and as at the date this document was prepared, no member of the Board of Directors or executive corporate officer has, over the past five years, been convicted of fraud, been involved in his/her capacity as a member of the Board of Directors or manager or supervisor in a bankruptcy, receivership or liquidation or been placed in official receivership, been charged and/or officially sanctioned by a legal or regulatory authority (including designated professional organizations), or been barred by Court order from serving on an administrative, Management or Supervisory Board of an issuer or from being involved in the management or running of an issuer.

To PRODWAYS GROUP's knowledge and at the date this document was prepared, no potential conflicts of interest have 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 in respect of the issuer (with the exception of the non-independent corporate officers, as indicated in Section 3.1.1 above).

To PRODWAYS GROUP's knowledge and at the date this document was prepared, there are no arrangements or agreements signed between the main shareholders or with customers, suppliers or others, pursuant to which a corporate officer would have been selected (it being specified, however, that some corporate officers are not independent and represent the main shareholder, as indicated in Section 3.1.1 above).

To PRODWAYS GROUP's knowledge and at the date this document was prepared, the members of an administrative, Management or Supervisory Board have not accepted any restrictions with regard to the disposal, within a certain time period, of the issuers' securities that they hold.

3.1.6 Executive Management

Executive Management structure

At its 12 June 2015 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 (Raphaël GORGÉ).

On 4 October 2018, the Board of Directors chose to separate the positions of Chairman of the Board of Directors and Chief Executive Officer.

Following the separation and the appointment of a new Chief Executive Officer, it was decided that the Chairman of the Board of Directors would retain an executive or active role in the following areas:

- financial communication;
- external growth and partnerships;
- support for the Executive management;
- the Board of Directors concluded on April 28, 2021 that the Chairman of the Board will take over as Chief Executive Officer as of July 10, 2021, with Olivier Strébelle stepping down as Chief Executive Officer on July 9, 2021.

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 shareholders' meeting and to the Board of Directors.

3.1.7 Conditions for the preparation and organization of the work of the Board of Directors (and its committees) during the past financial year

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

3.1.7.1 Frequency of meetings – Attendance rate of Directors

Over the past financial year, the Board of Directors met six times. Directors had a strong attendance record of 83%.

3.1.7.2 Convening Board meetings

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

In 2020, Board meetings were convened 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 or occasionally at a subsidiary head office. The Internal Regulations approved by the Company's Board of Directors, allow the use of video-conferencing or other telecommunications technologies subject to the regulatory requirements for holding the meetings of the Board of Directors.

3.1.7.5 Decisions taken

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

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 Board's work

In order to ensure compliance with Recommendation 11 of the Middlenext Code, Directors are encouraged to express their opinion on the workings of the Board and the preparation of its work during Board meetings held to approve the annual financial statements.

3.1.8 Board Committees

3.1.8.1 Audit and Risk Committee

Although the Company benefits from an exemption from the obligation to set up an Audit Committee, since the controlling company (GROUPE GORGÉ SA) itself has an Audit Committee (article L.823-20-5 of the French Commercial Code), the Company decided in early 2021 to create its own Audit and Risk Committee.

This Audit and Risk Committee is currently composed of Ms. Michèle LESIEUR (Chairwoman), Ms. Catherine BENON-GORGÉ, and Mr. Florent ILLAT.

Pursuant to article L.823-19 of the French Commercial Code, the Audit Committee of PRODWAYS GROUP is required by its Board of Directors to:

- 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 to the Board on the proposed appointment of the statutory auditors by the shareholders' meeting 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 completion by the statutory auditors of their legal audit mission and take into account the findings and conclusions of the Haut Conseil du Commissariat aux Comptes (H3C) following checks performed pursuant to 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.

The committee is also called upon to regularly review the Group's risk mapping.

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

The Audit Committee is required to vote on the provision of services by the statutory auditors to PRODWAYS GROUP other than the certification of the financial statements. It took part in discussions with the statutory auditors during the preparation of the statutory auditors' new report to the Audit Committee.

3.1.8.2 Strategy Committee

At mid-year, the Board of Directors meets, generally at a subsidiary site, in the form of a strategy committee. During this meeting of the Board dedicated to strategy, the Company's Executive Management presents the Group's strategy, reviewed in the light of the evolution of the 3D printing market and the competition. The directors discuss changes in the Group's strategy with Executive Management.

3.2 CORPORATE OFFICER REMUNERATION POLICY

(6th to 8th resolutions of the shareholders' meeting of 14 June 2021)

3.2.1 Principles and rules established by the Board of Directors to determine the remuneration and benefits of all kinds granted to the corporate officers

The Company's Board of Directors sets, modifies and implements the remuneration policy for each of the corporate officers. It is stipulated that the corporate officer concerned does not take part in the discussions or vote on these questions.

During its work, the Board of Directors assesses the individual performance of the Group's executive corporate officers, which it compares to the performance of the Company. It also takes into account the alignment of objectives with medium-term strategy, the interests of shareholders and changes to the Middlenext Corporate Governance Code. It also refers to external studies that indicate market practices for comparable companies. It takes into account any remuneration received by the corporate officers in companies controlled by PRODWAYS GROUP or the Company controlling PRODWAYS GROUP (GROUPE GORGÉ).

It should be noted that PRODWAYS GROUP is controlled by the GORGÉ Family through the intermediary of GROUPE GORGÉ, which is in turn controlled by PÉLICAN VENTURE.

Pursuant to the recommendations of R13 of the Middlenext Corporate Governance Code, the Board of Directors 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, directors' fees, conditions for retirement and special benefits in its overall assessment of remuneration;
- **Balance** between each remuneration component must be justified and be in the best interests of the Company;
- **Benchmark:** to the extent possible remuneration must be assessed in relation to a benchmark business and market and be proportional to the Company's position, taking into account the inflationary effect;
- **Consistency:** executive corporate officer remuneration must be consistent with that of other executives and employees at the Company;
- **Clarity:** the rules must be simple and transparent, meaning the performance criteria used to determine the variable portion of remuneration or any stock options or free shares allocated must be in line with the Company's performance, correspond to its objectives, be demanding and easily explained, and be as sustainable as possible. They must be described without compromising the confidentiality of certain components;
- **Moderation:** 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 updates to "shareholders" about the total remuneration and benefits paid to executives are provided in accordance with applicable regulations.

The Board of Directors takes into account the total remuneration of the executive corporate officers, including any remuneration received from controlled or controlling companies and remuneration received, where applicable, by personal holding companies under service contracts or offices held within the Group.

After taking into account all of the above components, the Board of Directors debates and selects the criteria for the variable remuneration of the executive corporate officers in line with the Group's strategy, as described in Section 1.3 of the Universal Registration Document, taking into account the interests of all stakeholders, in line with the Company's corporate interest and sustainability.

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

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

To date, PRODWAYS GROUP has two executive corporate officers, *i.e.* Raphaël GORGÉ, Chairman of the Board of Directors (and CEO as of July 10, 2021) and Olivier STREBELLE, Chief Executive Officer until July 9, 2021. The duration and expiry of the current terms of office are specified in Section 3.1 of this document.

3.2.2 Remuneration policy for the Chairman of the Board of Directors of PRODWAYS GROUP

3.2.2.1 Principles for setting the fixed remuneration of the Chairman of the Board of Directors

Raphaël GORGÉ, the Chairman of the Board of Directors exercises the traditional functions of chairing Board meetings and the specific tasks assigned by the Board of Directors.

Raphaël GORGÉ receives fixed and variable remuneration from the direct and indirect owners of PRODWAYS GROUP.

To take into account the time devoted by Raphaël GORGÉ to the development of the Company and his active role in certain areas, it was decided that Raphaël GORGÉ would receive fixed remuneration from PRODWAYS GROUP. In view of the remuneration paid to Raphaël GORGÉ from the companies controlling PRODWAYS GROUP, his fixed remuneration as Chairman of the Board of Directors of PRODWAYS GROUP should not exceed €75,000 for the 2020 financial year. This remuneration is reviewed each year by the Board.

In the event that the Company appoints a new Chairman of the Board of Directors, it must determine the fixed and variable remuneration for this new executive corporate officer by taking his/her independence, the level of difficulty of their responsibilities, their experience, reputation, any seniority in the Group and the practices of similar and comparable firms into account.

3.2.2.2 Principles for setting the variable remuneration of the Chairman of the Board of Directors

Raphaël GORGÉ, Chairman of the Board of Directors, receives variable remuneration from PRODWAYS GROUP.

This variable remuneration will not exceed half of his fixed remuneration. It will be paid subject to quantitative or qualitative performance criteria being met and to the shareholders' meeting called to approve the 2020 financial statements approving the variable and exceptional components of the remuneration of the Chairman of the Board of Directors for his position for the 2020 financial year.

The Board of Directors determines the quantitative and qualitative criteria to be applied according to the priorities defined by the Group and the weighting given to each of these criteria. The criteria are determined at the beginning of each financial year by the Board of Directors.

For 2021, Raphaël GORGÉ's criteria include revenue targets (30% of the bonus), operating income (40%), cash generation (15%) and CSR targets (15%). As part of the acceleration of the Group's CSR approach, the 2021 CSR objective relate to the setting of quantified CSR targets for the coming years.

3.2.2.3 Principles for setting the exceptional remuneration of the Chairman of the Board of Directors

Under exceptional circumstances or with exceptional successes, the Board of Directors may decide to allocate exceptional remuneration to the Chairman of the Board of Directors. The reasons for this decision would be explained. This exceptional remuneration would be capped at €200,000 or one times the total fixed remuneration received within the Group.

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

3.2.2.4 Stock options and free shares

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

Any allocation shall be subject to achievement of performance criteria set by the Board of Directors and the setting of a portion of securities to be retained by the Executive Corporate Officer.

The Chairman of the Board of Directors has not benefited from any allocations of stock options or free shares to date.

3.2.2.5 Other commitments and benefits in kind

The Chairman of the Board of Directors does not benefit from any commitments with regard to:

- severance pay;
- non-compete indemnity;
- defined-benefit pension commitments;
- defined-contribution pension commitments;
- commitments corresponding to components of remuneration, indemnities or benefits due or likely to be due on account of their cessation or change of duties, or after the performance thereof.

The Chairman of the Board of Directors may benefit from the collective and mandatory pension scheme, the healthcare and life insurance schemes according to the Company's policy in this area (for executives).

The current Chairman does not benefit from these as he already benefits from the collective and mandatory pension scheme, the healthcare and life insurance schemes of GROUPE GORGÉ.

The Chairman of the Board of Directors may benefit from traditional benefits in kind (company car, social security regime for company managers, etc.).

In respect of his duties as a Director, the Chairman of the Board of Directors may receive remuneration if he/she is an independent director not remunerated by a significant shareholder or Group company. Exceptionally, even if he/she is not independent, if he/she exercises executive duties or special missions, he/she may receive remuneration to take account of these special duties.

Without this being likened to remuneration in respect of a corporate office, it is recalled that there exists a service provider agreement between GROUPE GORGÉ (controlled and managed by Raphaël GORGÉ) and PRODWAYS GROUP (see Section 3.7.1 of the

Universal Registration Document). This agreement would automatically end if GROUPE GORGÉ lost control over PRODWAYS GROUP.

In the event that new executive corporate officers are appointed, the Board of Directors may also decide to grant benefits in kind, complementary pension schemes or bonuses, (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 and the executive's experience, personal situation and reputation.

3.2.3 Remuneration policy for the Chief Executive Officer of PRODWAYS GROUP

3.2.3.1 Principles for setting the fixed remuneration of the Chief Executive Officer

Olivier STREBELLE, the Chief Executive Officer of PRODWAYS GROUP receives fixed remuneration from PRODWAYS GROUP for his position.

The total fixed remuneration takes into account the level of difficulty of the Chief Executive Officer's responsibilities, his skills, experience in the position, seniority in the Group and the practices of other similar and comparable companies. His remuneration for his position also takes into account the other remuneration that the Chief Executive Officer may receive elsewhere in the Group (it being specified that, to date, the positions held in the subsidiaries are performed without remuneration).

3.2.3.2 Principles for setting the variable remuneration of the Chief Executive Officer

The Chief Executive Officer of PRODWAYS GROUP receives annual variable remuneration from PRODWAYS GROUP as part of their mandate.

This variable remuneration will not exceed half of his fixed remuneration. It will be paid subject to qualitative or quantitative performance criteria being met and to the shareholders' meeting called to approve the 2021 financial statements approving the variable and exceptional components of the Chief Executive Officer's remuneration in respect of his position for the 2021 financial year.

The Board of Directors determines the quantitative and qualitative criteria to be applied according to the priorities defined by the Group and the weighting given to each of these criteria. The criteria are determined at the beginning of each financial year by the Board of Directors. For 2021, Olivier STREBELLE's criteria include revenue targets (30% of the bonus), operating income (40%), cash generation (15%) and CSR targets (15%). As part of the acceleration of the Group's CSR approach, the 2021 CSR objective relates to the setting of quantified CSR targets for the coming years.

In the event of the appointment of a new Chief Executive Officer to succeed Olivier STREBELLE on his departure or Raphaël GORGÉ who will take over as Chief Executive Officer after Olivier STREBELLE's departure, the criteria for variable compensation may be reviewed and adapted to the new executive. As the current Chief Executive Officer will be leaving the Group in July 2021, he will not receive a bonus for the 2021 fiscal year.

Multiannual variable remuneration may also be determined.

These variable remuneration criteria contribute to the remuneration policy's goals as they align the Chief Executive Officer's interests with the expected performance over the coming years.

3.2.3.3 Exceptional remuneration

Under specific circumstances or with exceptional successes, the Board of Directors may decide to allocate exceptional remuneration to the Chief Executive Officer. The reasons for this decision would be explained. This exceptional remuneration is not capped in theory.

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

3.2.3.4 Stock options and free shares

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

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

The Chief Executive Officer was awarded free performance shares in January 2019 and in February 2021.

The Board sets retention commitments under these plans.

3.2.3.5 Other commitments and benefits in kind

The current Chief Executive Officer does not benefit from any commitments with regard to:

- severance pay (the corporate office may be revoked at any time in accordance with law and jurisprudence);
- defined-benefit pension commitments;
- commitments corresponding to components of remuneration, indemnities or benefits due or likely to be due on account of their cessation or change of duties, or after the performance thereof.

The Chief Executive Officer may benefit from the collective and mandatory pension scheme (defined contribution), the healthcare and life insurance scheme, if they exist, according to the Company's policy in this area (for executives).

The Chief Executive Officer may benefit from traditional benefits in kind (company car, etc.) He/she may benefit from executive corporate officer unemployment insurance (company manager 70% for a duration of 2 years).

Accordingly, if the Chief Executive Officer is also a Director, he or she does not receive directors' fees for his or her duties as Director, since he or she is already remunerated by the Company for his or her position as Chief Executive Officer and thus cannot be considered as independent.

The Chief Executive Officer may be subject to a non-compete commitment. Mr. Olivier STREBELLE is subject to such a commitment. The Company is required to pay an indemnity to the Chief Executive Officer, if this non-compete clause is exercised.

3.2.4 Remuneration of other executive corporate officers

In the event that the Company appoints other executive corporate officers, in addition to Raphaël GORGÉ and Olivier STREBELLE, it may determine their overall remuneration (fixed, variable, exceptional, employee shareholder, indemnities or benefits due or likely to be due on account of their assumption, cessation or change of duties or after the performance thereof) of the new executive corporate officers by taking all direct and indirect remuneration paid to them by companies controlling or controlled by PRODWAYS GROUP, Group practices, the level of difficulty of their responsibilities, their skills and experience, their reputation, the executive corporate officer's personal situation and their seniority in the Group as well as the practices of similar and comparable firms into account.

In the event that the Board of Directors decides to appoint one or several Deputy Chief Executive Officers, the Company would allocate to them a fixed remuneration and, if applicable, a variable and/or exceptional remuneration, free shares or stock options or indemnities or benefits due or likely to be due on account of their assumption, cessation or change of duties or after the performance thereof, taking the level of difficulty of their responsibilities, their experience in the position, their seniority in the Group as well as the practices of similar and comparable firms into account. The principles and criteria for variable remuneration applicable to the Chief Executive Officer also apply to any Deputy Chief Executive Officers, including any necessary modifications.

3.2.5 Say on pay on the variable and exceptional components of the remuneration for executive corporate officers

It is recalled that the payment of variable and any exceptional remuneration in respect of the 2020 financial year is subject to the ordinary shareholders' meeting approving the remuneration package of executive corporate officers paid or allocated during the year (*ex post* vote).

3.2.6 Remuneration policy for Board members

The policy on the remuneration of Directors adopted by the Board of Directors itself states that only Directors and Auditors who are independent and not remunerated by a shareholder that they represent will receive directors' fees.

At the beginning of 2021, the Board amended this policy to take into account the creation of an Audit and Risk Committee. As of the 2021 financial year, the Directors participating in the Audit and Risk Committee will receive remuneration, whether or not they are independent or paid by a shareholder they represent.

The Board also decided from 2021 to index the remuneration of the directors on their attendance at Board or committee meetings.

The shareholders' meeting of 7 June 2019 set the remuneration for members of the Board at an annual amount of €60,000, per financial year until a new shareholders' meeting decision. The distribution of all or part of this amount among the directors is discussed by the Board of Directors and is allocated among the directors according to the policy described above.

The duration and expiry of the current terms of office of Directors are specified in Section 3.1 of the Universal Registration Document.

The corporate office may be revoked at any time in accordance with law and jurisprudence.

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

(9th resolution of the shareholders' meeting of 14 June 2021)

The tables below present the remuneration and benefits paid to each corporate officer by the Company, or by affiliated companies in the past financial year.

Mr. Raphaël GORGÉ (Chairman of the Board of Directors) is remunerated as indicated in Sections 3.2 and 3.4.1.

Mr. Olivier STREBELLE (Director and Chief Executive Officer) is remunerated as indicated in Sections 3.2 and 3.4.2.

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

Lastly, as indicated in Section 3.2, the criteria for the variable remuneration of the Chief Executive Officer are set in relation to the Group's strategic direction choices and the performance targets set by the Group.

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

Raphaël GORGÉ, Chairman	**2020**	**2019**
Remuneration due for the financial year	€85,562	€92,750
Remuneration due by controlling entities for the financial year (details in Table 2)	€280,660	€310,640
Value of the multiannual variable remuneration granted during the financial year	None	None
Value of the options granted during the financial year	None	None
Value of free shares granted	None	None
TOTAL RAPHAËL GORGÉ	**€366,222**	**€403,390**

Olivier STREBELLE, Chief Executive Officer	**2020**	**2019**
Remuneration due for the financial year	€279,105	€252,920
Remuneration due by a controlling entity for the financial year (details in Table 2)	None	None
Value of the multiannual variable remuneration granted during the financial year	None	None
Value of the options granted during the financial year	None	None
Value of free shares granted	None	€427,950
TOTAL OLIVIER STREBELLE	**€279,105**	**€680,870**

TABLE 2 – SUMMARY TABLE OF THE REMUNERATION OF EACH EXECUTIVE CORPORATE OFFICER

Raphaël GORGÉ, Chairman	Amounts for 2020		Amounts for 2019	
	Due (5)	Paid (6)	Due (5)	Paid (6)
• fixed remuneration (1)	€68,750	€68,750	€81,250	€81,250
• fixed remuneration paid by controlling companies (2)	€207,750	€207,750	€192,150	€192,150
• annual variable remuneration (3)	€16,812	€11,500	€11,500	€45,000
• variable remuneration paid by controlling companies (4)	€63,000	None	None	€28,630
• multiannual variable remuneration	None	None	None	None
• exceptional remuneration paid by a controlling company (2)	None	€109,000	€109,000	None
• directors' fees by a controlling entity (3)	None	None	None	€10,000
• benefits in kind (2)	€9,910	€9,910	€9,490	€9,490
TOTAL	**€366,222**	**€406,910**	**€403,390**	**€366,520**

(1) The Board of Directors of PRODWAYS GROUP had decided on a remuneration of €75,000 for the period, Raphaël GORGÉ voluntarily waived €6,250 in the second quarter, in solidarity with the employees on short-time work due to the health crisis.

(2) This remuneration was paid or payable by PÉLICAN VENTURE (fixed remuneration of €3,600 in 2019), the entity that controls GROUPE GORGÉ, and by GROUPE GORGÉ, the entity that controls PRODWAYS GROUP. The Board of Directors of GROUPE GORGÉ had decided on a remuneration of €225,000 for the period, Raphaël GORGÉ voluntarily waived €17,250 in the second quarter, in solidarity with the employees on short-time work due to the health crisis.

(3) The Board of Directors has decided to allocate variable remuneration of up to €25 thousand gross to Mr. Raphaël GORGÉ for 2020 (as in 2019), depending on the achievement of detailed targets set in 2020 by the Board of Directors. These were quantitative criteria concerning revenue and current operating income as well as qualitative criteria concerning the implementation of actions aimed at improving the financial performance of the Machinery business and actions concerning the structuring and renewal of the management teams of the subsidiaries.

(4) The Board of Directors of GROUPE GORGÉ has decided to allocate variable remuneration of up to €75 thousand gross to Mr. Raphaël GORGÉ for 2020 (as in 2019), depending on the achievement of detailed targets set in 2020 by GROUPE GORGÉ's Board of Directors, on the recommendation of its Remuneration Committee. These were quantitative criteria concerning operating income and current cash generation as well as qualitative criteria concerning the implementation of actions to manage the effects of the health crisis on the Group.

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

(6) Remuneration paid to the corporate officer during the financial year.

For 2020, the relative proportion of the total variable and exceptional remuneration was 29% of the fixed remuneration.

Olivier STREBELLE, Chief Executive Officer	Amounts for 2020		Amounts for 2019	
	Due (3)	Paid (4)	Due (3)	Paid (4)
• fixed remuneration (1)	€198,625	€198,625	€200,000	€200,000
• fixed remuneration by a controlling company	None	None	None	None
• annual variable remuneration (2)	€74,100	€46,000	€46,000	None
• variable remuneration by a controlling company	None	None	None	None
• multiannual variable remuneration	None	None	None	None
• exceptional remuneration	None	None	None	None
• director's fees	None	None	None	None
• benefits in kind (1)	€6,380	€6,380	€6,920	€6,920
TOTAL	**€279,105**	**€251,005**	**€252,920**	**€206,920**

(1) The Board of Directors of PRODWAYS GROUP had decided on a remuneration of €203,750 for the period, Olivier STREBELLE voluntarily waived €5,125 in the second quarter, in solidarity with the employees on short-time work due to the health crisis.

(2) The Board of Directors has decided to allocate variable remuneration of up to €110,000 gross for 2020 to Mr. Olivier STREBELLE (€100,000 for 2019), depending on the achievement of detailed targets set in 2020 by the Board of Directors. These were quantitative criteria concerning revenue and current operating income as well as qualitative criteria concerning the implementation of actions aimed at improving the financial performance of the Machinery business and actions concerning the structuring and renewal of the management teams of the subsidiaries.

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

(4) Remuneration paid to the corporate officer during the financial year.

For 2020, the relative proportion of the total variable remuneration was 37% of the fixed remuneration.

TABLE 3 – TABLE OF DIRECTORS' FEES AND OTHER REMUNERATION RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS

Members of the Board of Directors	Paid in 2020	Paid in 2019
Hélène de COINTET		
Remuneration as a member of the Board of Directors	None	None
Other remuneration (1)	€197,452	€33,333
Paul-François FOURNIER		
Remuneration as a member of the Board of Directors	None	None
Other remuneration	None	None
Catherine GORGÉ		
Remuneration as a member of the Board of Directors	None	None
Other remuneration (2)	None	€12,720
Céline LEROY		
Remuneration as a member of the Board of Directors	None	None
Other remuneration (1)	€114,530	€154,589
Michèle LESIEUR		
Remuneration as a member of the Board of Directors	€25,000	None
Other remuneration	None	None
Loïc LE BERRE		
Remuneration as a member of the Board of Directors (3)	None	None
Other remuneration (1)	€257,329	€261,896

(1) Remuneration paid by GROUPE GORGÉ SA, the entity that controls PRODWAYS GROUP.

(2) The "Other remuneration" of Catherine GORGÉ corresponds to fees excluding taxes invoiced to INITIAL, a subsidiary of PRODWAYS GROUP, by her company CBG CONSEIL under a commercial collaboration agreement. This contract has now ended.

(3) Director until March 2020 then non-voting member.

The shareholders' meeting allocated a directors' fees budget for members of the Board of Directors of €60,000 for each financial year from 2019. In accordance with its policy on the remuneration of the Directors explained in Section 3.2.6, the Board of Directors allocated €25,000 to Mrs. LESIEUR for the 2020 financial year (payable in 2021).

TABLE 4 – SHARE SUBSCRIPTION OR PURCHASE OPTIONS GRANTED DURING THE FINANCIAL YEAR TO EACH EXECUTIVE CORPORATE OFFICER BY THE ISSUER AND BY ANY GROUP COMPANY

None.

TABLE 5 – SHARE SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING THE FINANCIAL YEAR BY EACH EXECUTIVE CORPORATE OFFICER

None.

TABLE 6 – FREE SHARES GRANTED TO EACH CORPORATE OFFICER

No free shares were awarded in 2020.

A new free share allocation plan was decided in February 2021 (see Section 5.2.1 of this document).

TABLE 7 – FREE SHARES MADE AVAILABLE TO EACH CORPORATE OFFICER

No free shares awarded to a corporate officer became available in 2020. Free shares allocated to Olivier STREBELLE became available in February 2021 (see Note 5.2.1 of this document).

TABLE 8 – HISTORY OF SHARE SUBSCRIPTION OR PURCHASE OPTIONS

None.

TABLE 9 – SHARE SUBSCRIPTION OR PURCHASE OPTIONS GRANTED TO THE TOP TEN EMPLOYEES WHO ARE NOT CORPORATE OFFICERS AND OPTIONS EXERCISED BY THEM

None.

TABLE 10 – HISTORY OF FREE SHARE AWARDS

Date of Board of Directors' meeting	31 January 2019	17 February 2016	9 December 2016
Date of shareholders' meeting granting authority to the Board	13 June 2018	28 September 2015	28 September 2015
Total number of free shares (1)	802,800	632,200	488,500
including corporate officers	135,000	240,000	200
Olivier STREBELLE	*135,000*	-	-
Philippe LAUDE (2)	-	*240,000*	*200*
Acquisition date of the shares	1/3 in February 2021, 1/3 in February 2022 and 1/3 in February 2023	31 March 2021 at the latest	31 March 2021 at the latest
Date of end of the lock-up period	same	same	same
Number of shares acquired	186,408	-	261,900
including corporate officers	38,248	-	-
Number of shares canceled or expired (3)	413,559	632,200	226,600
including corporate officers	45,004	240,000	200
Olivier STREBELLE	*45,004*	-	-
Philippe LAUDE (2)	-	*240,000*	*200*
Free shares with ongoing acquisition period	202,834	-	-

(1) Allocation subject to continued employment and performance conditions associated with the Group's profits.

(2) Philippe LAUDE was a Director of the Company until May 2016. He left the Group in February 2017.

(3) Shares are canceled when the required performance conditions are not achieved and when the beneficiary leaves the Group, meaning the condition of continued employment has not been met.

A new free share allocation plan was decided in February 2021 (see Note 5.2.1 of this document).

TABLE 11 – INFORMATION RELATING TO THE EMPLOYMENT CONTRACT, SUPPLEMENTARY PENSION PLANS AND INDEMNITIES FOR EACH EXECUTIVE CORPORATE OFFICER

Executive corporate officers	Raphaël GORGÉ Chairman	Olivier STREBELLE Chief Executive Officer
Employment contract	no	no
Supplementary pension scheme	yes (1)	no (1)
Remuneration or benefits due or likely to be due on account of the end or change of office	no	no
Remuneration relating to a non-compete clause	no	yes (2)

(1) Supplementary pension plan with defined contributions of 2.5% of the gross salary, paid by GROUPE GORGÉ, the entity controlling PRODWAYS GROUP. Olivier STREBELLE was a beneficiary while he was employed by GROUPE GORGÉ.

(2) In return for this non-compete commitment accepted by the Chief Executive Officer, throughout its duration, the Company undertakes to pay Olivier STREBELLE a gross non-compete remuneration of €70,000 per year, payable in 12 monthly instalments. The Company may waive this remuneration by releasing Olivier STREBELLE from his non-compete commitment. On April 28, 2021, the Board decided to release Olivier STREBELLE from this non-competition ban.

TABLE 12 – EQUITY RATIOS [(6)]

	Chairman of the Board of Directors	Chief Executive Officer
2020 financial year		
Average employee remuneration [(1)] excluding corporate officers [(2)]	59,883	59,883
Median employee remuneration [(1)] excluding corporate officers [(2)]	61,841	61,841
Remuneration of the executive corporate officer [(3)]	85,562	279,105
Ratio with average employee remuneration [(4)]	1.43	4.66
Ratio with median employee remuneration [(5)]	1.38	4.51
2019 financial year		
Average employee remuneration [(1)] excluding corporate officers [(2)]	143,789	143,789
Median employee remuneration [(1)] excluding corporate officers [(2)]	78,798	78,798
Remuneration of the executive corporate officer [(3)]	92,750	680,870
Ratio with average employee remuneration [(4)]	0.65	4.74
Ratio with median employee remuneration [(5)]	1.18	8.64
2018 financial year		
Average employee remuneration [(1)] excluding corporate officers [(2)]	113,733	113,733
Median employee remuneration [(1)] excluding corporate officers [(2)]	101,064	101,064
Remuneration of the executive corporate officer [(3)]	160,000	200,004
Ratio with average employee remuneration [(4)]	1.41	1.76
Ratio with median employee remuneration [(5)]	1.58	1.98
2017 financial year		
Average employee remuneration [(1)] excluding corporate officers [(2)]	118,891	118,891
Median employee remuneration [(1)] excluding corporate officers [(2)]	132,916	132,916
Remuneration of the executive corporate office [(3)]	None	None
Ratio with average employee remuneration [(4)]	-	-
Ratio with median employee remuneration [(5)]	-	-
2016 financial year		
Average employee remuneration [(1)] excluding corporate officers [(2)]	624,803	624,803
Median employee remuneration [(1)] excluding corporate officers [(2)]	233,376	233,376
Remuneration of the executive corporate officer [(3)]	None	None
Ratio with average employee remuneration [(4)]	-	-
Ratio with median employee remuneration [(5)]	-	-

(1) Average remuneration on a full-time equivalent basis of Company employees. The remuneration of employees includes the valuation of the shares granted under the 2016 and 2019 free share plans, although these shares were not vested in those years and the vesting cannot be certain because it depends on future performance conditions.

(2) The average remuneration excludes that of the Chairman, Chief Executive Officer and Directors.

(3) Includes all remuneration and benefits paid (fixed remuneration, benefits in kind) or allocated (variable or exceptional remuneration) by the Company.
The remuneration of the Chief Executive Officer in 2019 includes the valuation of shares granted under a free share allocation plan, although these shares were not vested in 2019 and the vesting cannot be certain because it depends on future performance conditions.

(4) Ratio between the amount of remuneration for the executive corporate officer and the average remuneration of Company employees.

(5) Ratio between the amount of remuneration for the executive corporate officer and the median remuneration of Company employees.

(6) The change in the Company's performance over the last five financial years can be assessed on the basis of the separate financial statements of PRODWAYS GROUP SA (see Section 4.2 of this Universal Registration Document) or the Group's consolidated financial statements (see Section 4.1 of this Universal Registration Document for the last two financial years and Section 4.1 or 3.1, as the case may be, of the annual reports for previous years).

3.4 REMUNERATION OF CORPORATE OFFICERS FOR THE 2020 FINANCIAL YEAR

3.4.1 Fixed, variable and exceptional components comprising the total remuneration and benefits of all kinds paid during the financial year just ended or allocated in respect of said year to Raphaël GORGÉ, Chairman of the Board of Directors

(10th resolution of the shareholders' meeting of 14 June 2021)

The remuneration package and benefits in kind paid or allocated for the 2020 financial year to Mr. Raphaël GORGÉ as Chairman of the Board of Directors of the Company are summarized in the table below.

For increased clarity and transparency, we have also indicated the remuneration package and benefits in kind paid or allocated in respect of the 2020 financial year to Mr. Raphaël GORGÉ by controlled or controlling companies when they exist.

The shareholders' meeting of 14 June 2021 (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 2020 financial year as Chairman and Chief Executive Officer, then as Chairman of the Board of Directors.

Remuneration components paid or allocated for the period	Amounts or book value submitted for approval	Presentation
Fixed remuneration paid by PRODWAYS GROUP	€68,750	Fixed remuneration paid by PRODWAYS GROUP
Fixed remuneration paid by companies controlling PRODWAYS GROUP	€207,750	Fixed remuneration paid by GROUPE GORGÉ in respect of the corporate office held within this company
Fixed remuneration by controlled companies	None	
TOTAL FIXED REMUNERATION IN RESPECT OF 2020:	**€276,500**	
Annual variable remuneration payable by PRODWAYS GROUP	€16,812 (amount to be paid after approval from the shareholders' meeting)	The Board of Directors of PRODWAYS GROUP has decided to allocate to Raphaël GORGÉ a variable remuneration of up to €25,000 gross for 2020, depending on the achievement of criteria that it has established for the financial year (see Table 2 of Section 3.3).
Variable remuneration paid by a controlling entity	€63,000	Variable remuneration to be paid by GROUPE GORGÉ after approval from the shareholders' meeting of GROUPE GORGÉ.
Variable remuneration paid by a controlling entity	None	Any offices held by Raphaël GORGÉ in PRODWAYS GROUP subsidiaries were performed without remuneration.
TOTAL VARIABLE REMUNERATION IN RESPECT OF 2020:	**€79,812**	**(AMOUNT TO BE PAID)**

Remuneration components paid or allocated for the period	Amounts or book value submitted for approval	Presentation
Multiannual variable remuneration in cash	None	Raphaël GORGÉ receives no multiannual variable remuneration in cash from PRODWAYS GROUP nor from controlled or controlling companies.
Stock options allocated	None	The Board did not grant any stock options in 2020.
Free shares allocated	None	The Board did not grant any free shares to Raphaël GORGÉ.
Exceptional remuneration	None	No exceptional remuneration is due in respect of 2020.
Exceptional remuneration paid by a controlling company	None	No exceptional remuneration is due in respect of 2020.
Remuneration in respect of the office of Director	None	Neither GROUPE GORGÉ nor its affiliated companies pay any remuneration to non-independent directors.
Remuneration, allowances or benefits for taking office	None	Not applicable.
Components of remuneration paid on account of the cessation or change of duties, retirement commitments and non-compete commitments	None	No remuneration is due on account of the cessation or change of duties, retirement commitments and non-compete commitments.
Remuneration components and benefits 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 provision agreement between GROUPE GORGÉ and PÉLICAN VENTURE is not related to Raphaël GORGÉ's position.
Other components of remuneration granted in respect of the term of office	None	
Benefits of all kinds	€9,910 (book value)	Raphaël GORGÉ received a benefit in kind in respect of his mandate at GROUPE GORGÉ.

3.4.2 Fixed, variable and exceptional components comprising the total remuneration and benefits of all kinds paid during the financial year just ended or allocated in respect of said year to Olivier STREBELLE, Chief Executive Officer

(11th resolution of the shareholders' meeting of 14 June 2021)

The remuneration package and benefits in kind paid or allocated for the 2020 financial year to Mr. Olivier STREBELLE as Chief Executive Officer of the Company are summarized in the table below.

The shareholders' meeting of 14 June 2021 (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 Olivier STREBELLE for the 2020 financial year as Chief Executive Officer.

Remuneration components paid or allocated for the period	Amounts or book value submitted for approval	Presentation
Fixed remuneration paid by PRODWAYS GROUP	€198,625	Fixed remuneration paid by PRODWAYS GROUP
Fixed remuneration paid by a controlling or affiliated company	None	Olivier STREBELLE did not receive any remuneration in respect of terms of office that he may hold within affiliated companies.
TOTAL FIXED REMUNERATION IN RESPECT OF 2020:	**€198,625**	

Remuneration components paid or allocated for the period	Amounts or book value submitted for approval	Presentation
Annual variable remuneration by PRODWAYS GROUP	€74,116 (amount to be paid after approval from the shareholders' meeting)	The Board of Directors of PRODWAYS GROUP has decided to allocate to Olivier STREBELLE variable remuneration of up to €110,000 gross for 2020, depending on the achievement of the criteria it has established for the financial year (see Table 2 of Section 3.3).
Variable remuneration paid by a controlling or affiliated company	None	-
Variable remuneration paid by controlled companies	None	Olivier STREBELLE's positions in the subsidiaries of PRODWAYS GROUP were performed without remuneration.
TOTAL VARIABLE REMUNERATION IN RESPECT OF 2020:	**€74,116**	**(AMOUNT TO BE PAID)**
Multiannual variable remuneration in cash	None	Olivier STREBELLE receives no multiannual variable remuneration in cash from PRODWAYS GROUP nor from controlled or controlling companies.
Stock options allocated	None	The Board did not grant any stock options in 2020.
Free shares allocated	None	The Board did not grant any stock options in 2020.
Exceptional remuneration	None	No exceptional remuneration is due in respect of 2020.
Directors' fees	None	The Company does not pay directors' fees to its Chief Executive Officer.
Remuneration, allowances or benefits for taking office	None	No remuneration was paid to Olivier STREBELLE for the assumption of his position.
Components of remuneration paid on account of the cessation or change of duties, retirement commitments and non-compete commitments	None	No remuneration is provided for on account of the cessation or change of duties. There are no specific pension commitments. The Chief Executive Officer has accepted a non-compete undertaking that could be applied on the termination of his duties.
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 remuneration granted in respect of the term of office	€6,380 (book value)	Olivier STREBELLE benefits from a GSC insurance covered by PRODWAYS GROUP.
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 22 February 2017, the Company decided to adhere to the Middlenext Corporate Governance Code. This code can be consulted on the Middlenext website (www.middlenext.com).

The Board of Directors acknowledged the "Items requiring careful attention" section of the Middlenext Code.

The table below shows the Company's position with respect to the recommendations made in the Middlenext Code at the time of the Board of Directors meeting held on 16 March 2021 and 28 April 2021

Middlenext Code recommendations	Compliant	Non-compliant
I. SUPERVISORY POWER		
R1: Code of ethics for Board members	X	
R2: Conflicts of interest	X	
R3: Board members – Presence of independent members on the Board	X	
R4: Information for Board members	X	
R5: Organization of Board and committee meetings	X	
R6: Setting up of committees	X (1)	
R7: Implementation of internal regulations for the Board	X	
R8: Choice of Directors	X	
R9: Terms of office of Board members	X	
R10: Director remuneration	X (2)	
R11: Assessment of the work done by the Board	X	
R12: Shareholder relations	X	
II. EXECUTIVE POWER		
R13: Setting and transparency of executive corporate officer remuneration	X	
R14: Preparation for the succession of officers		X (3)
R15: Multiple employment contracts and corporate offices	X	
R16: Severance pay	X	
R17: Supplementary pension schemes	X	
R18: Stock options and allocation of free shares	X (4)	
R19: Review of vigilance points	X	

(1) *Although the Company benefits from an exemption from the obligation to set up an Audit Committee because the Company controlling it (GROUPE GORGÉ SA) itself has an Audit Committee (article L.823-20 1 of the French Commercial Code), the Company decided in early 2021 to set up its own Audit and Risk Committee. In addition, the Board holds an annual meeting dedicated to the Group's strategy.*

(2) *See Section 3.2.6 of the Universal Registration Document.*

(3) *The Company's Board of Directors did not discuss the matter of executive succession. The Board of Directors will have to reflect on this issue.*

(4) *The Company's Board of Directors uses free performance share plans to motivate and retain the Group's executives and key employees, with the result that the latter benefit from significant grants (albeit subject to ambitious performance conditions) compared to the beneficiaries of collective plans not subjected to performance conditions. The February 2021 selective plan allocated 247,500 performance shares to the company's Chief Executive Officer out of a total of 550,550 shares (collective and selective plans combined). See sections 5.2.1 and 7.4 of this document.*

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

The Company's bylaws stipulate that all shareholders may take part in shareholders' meetings, regardless of the number of shares that they own. The arrangements for shareholder participation in shareholders' meetings are no more restrictive than those provided for by applicable regulations.

3.7 REGULATED AGREEMENTS, RELATED-PARTY AGREEMENTS AND CURRENT AGREEMENTS

3.7.1 Presentation of agreements

Commitments and regulated agreements covered in articles L.225-38 and L.225-40-1 of the French Commercial Code

No new agreements of the type referred to in article L.225-38 of the French Commercial Code were signed during the 2020 financial year.

One old regulated agreement continued during the 2019 financial year: this is the absorption agreement entered into between PRODWAYS GROUP, GROUPE GORGÉ and the new Chief Executive Officer Olivier STREBELLE, pursuant to which (i) the suspension until January 2020 of Olivier STREBELLE's employment contract with GROUPE GORGÉ following his appointment as Chief Executive Officer of PRODWAYS GROUP is duly noted and (ii) at the end of that suspension period, Olivier STREBELLE's employment contract will automatically be terminated. In view of the change of Olivier STREBELLE's status from GROUPE GORGÉ employee to PRODWAYS GROUP corporate officer, the need to provide him with unemployment coverage and the Group's interest in seeing Olivier STREBELLE manage PRODWAYS GROUP, the Board of Directors of PRODWAYS GROUP had authorized the signature of this regulated agreement in 2018.

This agreement expired at the beginning of 2020.

There are no longer any related-party agreements entered into during previous financial years.

Related-party agreements (agreements referred to in article L.225-37-4-2 of the French Commercial Code)

In accordance with article L.225-37-4-2 of the French Commercial Code, the following agreements are mentioned:

- see the paragraph on current agreements below for information on intra-group leases;
- the PRODWAYS GROUP has ongoing business relationships with GROUPE GORGÉ subsidiaries (notably the production of on-demand parts in 3D printing by INITIAL, in particular for the ECA group).

Current agreements

The Group deals with intra-group services agreements, intra-group cash management and cash advances agreements and leasing or sub-leasing agreements between Group companies, Director employment contracts (excluding cases of significant promotion or exceptional salary increases) and tax consolidation agreements as ordinary agreements entered into on normal terms, having regard in particular to the terms and remuneration applied.

For information purposes, PRODWAYS GROUP presents the following agreements considered current and entered into under normal conditions within a Group:

- GROUPE GORGÉ and PRODWAYS GROUP are bound by a service agreement whereby GROUPE GORGÉ undertakes to provide PRODWAYS GROUP with extensive assistance in operational management, administrative management and legal, accounting, financial and marketing matters. For this purpose, GROUPE GORGÉ is compensated by invoicing its subsidiary a percentage of its consolidated revenue (0.80% for 2020, *i.e.* €458 thousand). This percentage is revalued each year in order to ensure fair distribution, in line with the reality of the pooled management fees of the main subsidiaries of GROUPE GORGÉ. It will remain unchanged for 2021. This agreement, which has been in force since 2016, is entered into for an indefinite period and may be terminated by either party subject to three months' notice. It will automatically be terminated in the event of loss of control of the Company by GROUPE GORGÉ.
- The lessor of PRODWAYS SAS at the Les Mureaux site was STONI SAS, a subsidiary of GROUPE GORGÉ, managed by Raphaël GORGÉ. A market study on rents was carried out in Spring 2019. STONI SAS applies a discount of around 20% on rent for tenants that accept a firm 6-year commitment. As PRODWAYS SAS did not wish to commit to a firm period beyond the first three-year cancelation period, it does not benefit from this discount. Under the terms of the commercial lease signed mid-2019, PRODWAYS SAS rents a surface area of workshops and offices of 3,977 m^2, for an annual rent of €257 thousand excluding tax and expenses. The Les Mureaux building was sold by STONI SAS in mid-2020 and the landlord of PRODWAYS is now a third party.
- Since then, PRODWAYS GROUP and its subsidiaries that so desire benefit from an *ex gratia* domiciliation agreement with GROUPE GORGÉ.

The agreements signed between PRODWAYS GROUP and its wholly-owned subsidiaries were not examined.

The Company has set up a procedure to regularly assess whether the agreements on current transactions signed under normal market terms and conditions meet these conditions. This assessment procedure provides for a review of the conditions for ongoing current agreements no later than during the Board of Directors' meeting that approves the annual financial statements. The persons directly or indirectly involved in one of these agreements do not take part in this assessment. This procedure was implemented during the Board meeting called to approve the financial statements for the past financial year and has not resulted in a revision of the agreements.

3.7.2 Statutory auditors' special report on regulated agreements

(Shareholders' meeting called to approve the financial statements for the financial year ended 31 December 2020)

To the Shareholders' Meeting,

In our your company's Statutory Auditors, we hereby report to you on regulated agreements.

It is our responsibility to inform you, on the basis of the information that has been given to us, of the characteristics, the essential methods and the reasons justifying the interest for the company of the agreements of which we have been informed or that we have discovered in the course of our mission, without having to comment on their usefulness and merits or to seek the existence of other agreements. It is your responsibility, according to the terms of article of the French Commercial Code, to assess the value of entering into these agreements with a view to their approval.

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

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

Agreements subjected to the approval of the shareholders' meeting

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

Agreements already approved by the Shareholders' Meeting

Agreements already approved by the Shareholders' Meeting

In application of article of the French Commercial Code, we were informed that the following agreements, already approved by the Shareholders' Meeting during previous financial years, continued during the past financial year.

Purpose: Authorization for the signature of a takeover agreement for the employment contract concluded between PRODWAYS GROUP, GROUPE GORGÉ and the new Chief Executive Officer, Mr. Olivier STREBELLE, under which it is noted the suspension until January 2020 of the employment contract of Mr. Olivier STREBELLE with GROUPE GORGÉ.

Contracting parties: PRODWAYS GROUP, GROUPE GORGÉ and Mr. Olivier STREBELLE

Person concerned: Mr. Olivier STREBELLE (Chief Executive Officer of PRODWAYS GROUP SA).

Interested persons: Mr. Olivier STREBELLE (Chief Executive Officer of PRODWAYS GROUP), Mrs. Catherine GORGÉ (Director of PRODWAYS GROUP SA and GROUPE GORGÉ SA), Mr. Raphaël GORGÉ (Chairman and Chief Executive Officer of GROUPE GORGÉ SA and Chairman of the Board of Directors of PRODWAYS GROUP SA).

Pursuant to this agreement, it is duly noted that the employment contract of Mr. Olivier STREBELLE at GROUPE GORGÉ was suspended until January 2020, following his appointment as Chief Executive Officer of PRODWAYS GROUP, and that at the end of this suspension period Mr. Olivier STREBELLE's employment contract was automatically terminated in early 2020.

Having reviewed the terms and conditions and in view of the change of status of Mr. Olivier STREBELLE from employee of GROUPE GORGÉ to corporate officer of PRODWAYS GROUP, the requirement to provide him with unemployment cover and the Group's interest to see him become Chief Executive Officer of PRODWAYS GROUP, the Board of Directors of PRODWAYS GROUP authorized the signature of this regulated agreement in 2018.

Done in Neuilly-sur-Seine and Paris, 6 April 2021

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 discussed in the management report and the Universal Registration Document published by the Company ("Risk factors").

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

3.8.1 General organization of internal control

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

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

This internal control system primarily encompasses:

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

3.8.2 Group organization

PRODWAYS GROUP 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 (human resources, communication, purchases, etc.);
- 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 operates through two business segments: Products and Systems. Each segment is independent with its own operational and management structures (Executive Management, Financial Department, management control, etc.).

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

3.8.3 Implementing internal control

3.8.3.1 Activity report

All direct and indirect subsidiaries of PRODWAYS GROUP complete the Group's reporting scorecards which include the following business indicators:

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

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

3.8.3.2 Performance report

All direct and indirect subsidiaries of PRODWAYS GROUP 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. This report also includes information on Working Capital Requirements (WCR) and capital expenditures.

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

Monthly meetings are held between Group management and subsidiaries to discuss the information sent and to consider any corrective measures taken or to be taken and to update forecasts.

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

3.8.3.3 Closing of the financial statements

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

The interim 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 are entered in a decentralized input system. The software used is SAP BFC, made available by GROUPE GORGÉ 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 by GROUPE GORGÉ's Financial Department, in accordance with applicable principles; the consolidated financial statements are subject to an audit or limited review (half-year financial statements) by the statutory auditors.

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

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

3.8.3.4 Quarterly 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 benefited from the complete risk mapping review conducted at GROUPE GORGÉ's initiative. The previous risk mapping dated from 2016, the year in which the Group's internal control accounting basis was built with GROUPE GORGÉ. The objective was to stabilize a robust and sustainable internal control system, taking into account the specificities of the Group, and to provide a reasonable level of assurance as to the management of the main risks. The work carried out by the Group in 2016 (mapping and internal control accounting basis) was reviewed by one of our statutory auditors, PwC. In 2019, the Group prepared the new mapping based on the resources of GROUPE GORGÉ's Financial Department, then sent it to the two statutory auditors.

With regard to risk, the project began with risk identification, which took place through a set of maintenance actions. The identified risks were sorted, categorized and evaluated in terms of impact and likelihood of occurrence. The risks were regrouped on a map. The mapping will be periodically updated.

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

A 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 (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 of the Board of Directors, assisted by the Chief Financial Officer, establishes the financial communications policy.

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

3.8.5 Legal and regulatory compliance

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

4

FINANCIAL AND ACCOUNTING INFORMATION

4.1 2020 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 Note 4.1.6 to the consolidated financial statements.

4.1.1 Consolidated income statement

(in thousands of euros)	Notes	2020	2019
REVENUE	**4.1**	**57,206**	**71,284**
Capitalized production		1,150	3,094
Inventories and work in progress		85	(16)
Other income from operations	4.2	897	986
Purchases and external charges		(30,177)	(39,034)
Personnel expenses	5.2	(25,280)	(29,849)
Tax and duties		(758)	(680)
Depreciation, amortization and provisions (net of reversals)	4.3	(7,174)	(6,843)
Other operating income and expenses		219	(473)
EBIT		**(3,832)**	**(1,531)**
Other elements of operating expenses	3.1	(10,935)	(2,378)
Group share of the earnings of affiliated companies		9	129
OPERATING INCOME		**(14,758)**	**(3,780)**
Interest on gross debt		(282)	(208)
Interest on cash and cash equivalents		2	2
COST OF NET DEBT (A)	**8.2**	**(280)**	**(206)**
Other financial income (B)		110	36
Other financial expense (C)		(158)	(115)
FINANCIAL INCOME AND EXPENSES (D = A + B + C)	**8.2**	**(327)**	**(285)**
Income tax	9.1	1,041	(257)
NET INCOME FROM CONTINUING OPERATIONS		**(14,044)**	**(4,321)**
Net income from discontinued activities		-	-
CONSOLIDATED NET INCOME		**(14,044)**	**(4,321)**
INCOME ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS		**(13,946)**	**(4,198)**
INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		**(98)**	**(123)**
Average number of shares	10.2	51,026,823	51,032,227
Earnings per share (in euros)	10.2	(0.273)	(0.082)
Diluted earnings per share (in euros)	10.2	(0.273)	(0.082)

4.1.2 Statement of comprehensive income

(in thousands of euros)	2020	2019
NET INCOME	**(14,044)**	**(4,321)**
Currency translation adjustment	(287)	157
Tax relating to currency translation adjustments	-	-
Actuarial gains and losses on defined benefit plans	(26)	(76)
Tax relating to actuarial gains and losses on defined benefit plans	6	19
Group share of gains and losses recognized directly in equity of affiliated companies	-	-
TOTAL OTHER COMPREHENSIVE INCOME	**(306)**	**101**
of which can be reclassified subsequently to profit and loss	(287)	157
of which cannot be subsequently reclassified to profit and loss	(20)	57
COMPREHENSIVE INCOME	**(14,349)**	**(4,219)**
Comprehensive income attributable to parent company shareholders	(14,246)	(4,099)
Comprehensive income attributable to non-controlling interests	(103)	(120)

4.1.3 Statement of consolidated financial position

Assets

(in thousands of euros)	Notes	31/12/2020	31/12/2019
NON-CURRENT ASSETS		**68,334**	**75,650**
Goodwill	6.1	38,094	38,094
Other intangible assets	6.2	9,889	15,564
Property, plant and equipment	6.3	17,086	20,261
Stakes in affiliated companies	8.1.5	1,134	1,125
Other financial assets	8.1.5	857	606
Deferred tax assets	9.2	1,274	1
Other non-current assets		-	-
CURRENT ASSETS		**43,075**	**43,702**
Net inventories	4.4	6,280	8,375
Net trade receivables	4.5	9,954	14,677
Contract assets		-	-
Other current assets	4.6	2,250	3,001
Tax receivables payable	9.1.1	2,091	1,758
Other current financial assets		-	-
Cash and cash equivalents	8.1.2	22,500	15,890
ASSETS HELD FOR SALE		**-**	**-**
TOTAL ASSETS		**111,409**	**119,353**

4

Equity and liabilities

(in thousands of euros)	Notes	31/12/2020	31/12/2019
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**63,665**	**77,668**
Capital [(1)]	10.1	25,539	25,539
Share premiums [(1)]		85,040	84,793
Retained earnings and other reserves [(2)]		(46,913)	(32,663)
INTEREST ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		**(277)**	**(186)**
NON-CURRENT LIABILITIES		**21,864**	**14,882**
Long-term provisions	5.3	1,120	1,061
Long-term liabilities – portion due in more than one year	8.1.1	14,690	4,328
Lease liabilities – portion due in more than one year	8.1.3	5,608	8,313
Other financial liabilities		-	-
Deferred tax liabilities	9.2	447	1,180
Other non-current liabilities		-	-
CURRENT LIABILITIES		**26,156**	**26,988**
Short-term provisions	11	1,865	183
Long-term liabilities – portion due in less than one year	8.1.1	2,083	2,098
Lease liabilities – portion due in less than one year	8.1.3	1,964	2,449
Operating payables	4.7	8,741	10,111
Contract liabilities	4.5	447	1,481
Other current liabilities	4.7	10,686	10,411
Tax liabilities payable	9.1.1	371	255
LIABILITIES HELD FOR SALE		**-**	**-**
TOTAL LIABILITIES		**111,409**	**119,353**

(1) Of the consolidating parent company.
(2) Including income (loss) for the financial year.

4.1.4 Consolidated cash flow statement

(in thousands of euros)	Notes	2020	2019
NET INCOME FROM CONTINUING OPERATIONS		**(14,044)**	**(4,321)**
Accruals		14,481	8,675
Capital gains and losses on disposals		140	(78)
Group share of income of equity-accounted companies		(9)	(129)
CASH FLOW FROM OPERATING ACTIVITIES (BEFORE NEUTRALIZATION OF THE COST OF NET FINANCIAL DEBT AND TAXES)	**7.1**	**568**	**4,146**
Expense for net debt	8.2	280	206
Tax expense	9.1	(1,041)	257
CASH FLOW FROM OPERATIONS (AFTER NEUTRALIZATION OF THE COST OF NET FINANCIAL DEBT AND TAXES)		**(193)**	**4,608**
Tax paid		(914)	(1,131)
Change in working capital requirements	7.2	5,492	853
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**4,385**	**4,330**
Investing activities			
Payments/acquisition of intangible assets		(1,278)	(2,991)
Payments/acquisition of property, plant and equipment		(3,780)	(4,474)
Proceeds/disposal of property, plant and equipment and intangible assets		127	602
Payments/acquisition of long-term investments		(294)	(351)
Proceeds/disposal of long-term investments		12	243
Net cash inflow/outflow on the acquisition/disposal of subsidiaries(1)	7.3	-	(2,807)
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		**(5,214)**	**(9,778)**
Financing activities			
Capital increase or contributions		-	100
Dividends paid to parent company shareholders		-	-
Dividends paid to non-controlling interests		-	(45)
Other equity transactions(1)	7.4	22	(3,376)
Proceeds from borrowings	8.1.1	11,830	2,678
Repayment of borrowings	8.1.1-8.1.3	(3,203)	(4,338)
Cost of net debt		(273)	(179)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)		**8,375**	**(5,161)**
CASH FLOW GENERATED BY ACTIVITIES PERFORMED (D = A + B + C)		**7,546**	**(10,609)**
CASH FLOW GENERATED BY DISCONTINUED OPERATIONS		**-**	**-**
CHANGE IN CASH AND CASH EQUIVALENTS		**7,546**	**(10,609)**
Effects of exchange rate changes		(70)	59
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**8.1.2**	**15,002**	**25,552**
Reclassification of cash		-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**8.1.2**	**22,478**	**15,002**

(1) *The presentation of the table was slightly modified in 2020, in 2019 the "Net cash flows on acquisitions and disposals of subsidiaries" were cumulated with "Other equity transactions", see Notes 7.3 and 7.4.*

4

4.1.5 Change in consolidated equity

(in thousands of euros)	Group share or owners of the parent company: Capital	Share capital reserves	Treasury shares	Retained earnings and other reserves	Equity – attributable to parent company shareholders	Equity – attributable to non-controlling interests	Total equity
2018 CLOSING EQUITY	**25,408**	**84,408**	**(134)**	**(28,826)**	**80,855**	**398**	**81,254**
Share capital transactions	131	-	-	(131)	-	-	-
Free share allocation plan and stock option plan	-	385	-	(13)	373	-	373
Treasury share transactions	-	-	25	-	25	-	25
Commitments to non-controlling interests	-	-	-	930	930	-	930
Dividends	-	-	-	-	-	(45)	(45)
Net income (loss) for the period	-	-	*(9)*	*(4,187)*	*(4,197)*	*(123)*	*(4,320)*
Gains and losses recognized directly in equity	-	-	-	*98*	*98*	*2*	*101*
COMPREHENSIVE INCOME	**-**	**-**	**(9)**	**(4,089)**	**(4,099)**	**(120)**	**(4,219)**
Changes in scope	-	-	-	(415)	(415)	(419)	(834)
2019 CLOSING EQUITY	**25,539**	**84,793**	**(119)**	**(32,545)**	**77,668**	**(186)**	**77,482**
Share capital transactions	-	-	-	-	-	-	-
Free share allocation plan and stock option plan	-	247	-	-	247	-	247
Treasury share transactions	-	-	-	-	-	-	-
Commitments to non-controlling interests	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Net income (loss) for the period	-	-	*15*	*(13,962)*	*(13,946)*	*(98)*	*(14,044)*
Gains and losses recognized directly in equity	-	-	-	*(300)*	*(300)*	*(6)*	*(306)*
COMPREHENSIVE INCOME	**-**	**-**	**15**	**(14,262)**	**(14,247)**	**(103)**	**(14,350)**
Changes in scope	-	-	-	(3)	(3)	13	10
2020 CLOSING EQUITY	**25,539**	**85,040**	**(103)**	**(46,810)**	**63,665**	**(276)**	**63,389**

4.1.6 Notes to the consolidated financial statements

Note 1 Accounting principles

The consolidated financial statements of PRODWAYS GROUP for the year ended 31 December 2020 include:

- the financial statements of the company PRODWAYS GROUP;
- 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 PRODWAYS GROUP for the 2020 financial year were approved by the Board of Directors on 16 March 2021. They will be subject to approval by the next ordinary shareholder's meeting.

1.1 Impacts of the health crisis on the annual financial statements

The year 2020 and in particular the first half of the year were 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 made to support our activities. These various measures have been implemented with the priority of protecting the health and safety of all our employees and stakeholders, adapting our activities to continue to provide services to our customers while preserving the Group's cash flow and liquidity.

1.1.1 Impacts on activity

As in the vast majority of companies, the pandemic affected our business, especially in the first half of the year.

The closure of many of our clients' sites or the unavailability of the required contacts at clients' sites, as well as productivity losses (reorganization, delays) have caused delays on several of our projects. Deliveries have sometimes had to be postponed to subsequent periods, and customer decisions have been delayed.

The subsidiaries operating in the medical sector were significantly impacted by the lockdown measures which led to the total closures of dental practices, chiropody practices and audiology centers during the period. With these offices closed, the flow of orders stopped immediately, only to resume very gradually after the end of the first lockdown.

1.1.2 Adaptation of the production tool

With the aim of ensuring business continuity and service to our customers, several measures have been taken to adapt our working methods and maintain employment within the Group.

Teleworking by our employees has been encouraged and adopted wherever possible. When this was not feasible (work at customer sites or production activities), the activity was carried out with absolute respect for the health and safety of employees, in particular:

- the implementation of strict barrier measures in our working methods (direction of movement, reorganization of common areas, etc.);
- the purchase of health protection equipment (surgical masks, hydroalcoholic gels, etc.).

In addition, in order to adapt the cost structure as much as possible to the adjustments in production caused by the crisis, the Group was able to use the various existing support mechanisms put in place by the French government. The subsidiaries were able to take advantage of short-time working arrangements in order to deal with the decline in activity or the inability to work of some of our employees, particularly from mid-March to the end of May. The short-time working support subsidies are recorded as a reduction in personnel costs.

1.1.3 Impacts on other current items of activity

The impact of the health crisis has been taken into consideration in our day-to-day operations by preparing cost reduction plans. However, some expenses were reduced because of the health crisis, sometimes significantly. These savings, which are directly included in operating income, mainly concern (i) travel expenses, which were significantly reduced, particularly in international markets, and (ii) trade fair costs that were postponed or canceled, as well as communication costs and related marketing.

PRODWAYS GROUP has contributed to the crisis efforts by providing its fleet of professional 3D printers, by associating its network of customers, to manufacture protective visor supports. A dozen customers from several countries in Europe and North America took part in this initiative, using their PRODWAYS machines to manufacture more than 5,000 visors intended for medical personnel, some of which operated the machines at night to be able to provide assistance in addition to their usual production. In addition to sharing best practices and contributing teams, PRODWAYS has made the necessary 3D files available to its customers (STL), nesting, *i.e.* the optimized placement of parts to optimize production and assembly procedures.

Significant restructuring costs were recorded in the second half of the year. The restructuring undertaken was accelerated because of the crisis but was not caused by it, but rather was part of reorganizations aimed at improving the efficiency of the activities.

1.1.4 Asset value monitoring

The impact of the health crisis was taken into account in the valuation tests of our assets in accordance with the procedures described in Note 6.4 to the consolidated financial statements. The results of the analyses are detailed in the note mentioned above.

Careful monitoring was also carried out on the possible impacts of the pandemic on the valuation of trade receivables, inventories and deferred tax assets. A provision for inventories has been recognized as indicated in Note 4.2. No other significant new risk has been identified in this respect.

1.1.5 Strengthening the Group's liquidity

As soon as the first lockdown measures were taken, the Group took the necessary steps to strengthen its liquidity:

- a drawdown was made as a precaution on the available confirmed credit line (€7.5 million until the end of June 2020, then €5 million until the fourth quarter, repaid at year-end);
- several requests for State guaranteed loans were made for a total of €8.4 million;
- in the United States, the SOLIDSCAPE subsidiary was able to benefit from the Paycheck Protection Program (PPP) set up by the US government under the Coronavirus Aid, Relief and Economic Security Act (CARES), $800,000 was collected in this respect in the second half of the year;
- many tax and social security deferrals were also immediately implemented with the public authorities and began to be regularized from July.

1.2 Standards applied

The accounting standards used to prepare the consolidated financial statements comply with the regulations and interpretations of the International Financial Reporting Standards (IFRS) as adopted by the European Union as of 31 December 2020. These accounting standards are consistent with those used to prepare the annual consolidated financial statements for the financial year ended 31 December 2019, with the exception of the new standards, revised standards and interpretations whose application became mandatory as of 1 January 2020.

The Group applied all standards, amendments and interpretations whose application was mandatory from 1 January 2020, with no significant impact:

- amendments to IAS 1 and IAS 8 – *Definition of "significant"*;
- amendments to IFRS 9, IAS 39 and IFRS 7 – *Reform of benchmark interest rates – Phase 1*;
- amendments to IFRS 3 – *Business combinations – Definition of a business*;
- temporary amendment to IFRS 16 relating to offsetting rents in the context of the Covid-19 pandemic (applied early during the financial year).

The Group has not applied the following standards and interpretations, which had not been adopted by the European Union at 31 December 2020, and whose application was not mandatory as of 1 January 2020:

- 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;
- amendment to IAS 1 concerning the classification of current/non-current liabilities;
- amendments to IFRS 9, IAS 39 and IFRS 7 – *Reform of benchmark interest rates – Phase 2*;
- amendment to IAS 16 – *Income from the pre-use of a tangible asset*;
- amendments to the annual improvements to IFRS 2018-2020.

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

1.3 Basis for preparation

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

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

The preparation of the financial statements requires that 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 results could be different if the reality differs from the assumptions and estimates used.

The above-mentioned assumptions mainly concern:

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

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.

Note 2 Scope of consolidation

2.1 Accounting principles related to the consolidation scope

2.1.1 Consolidation method

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

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

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

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

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

Average prices for the financial year are calculated based on average monthly prices.

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

2.1.3 Transactions in foreign currencies

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

2.1.4 Business combinations

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

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

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

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

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

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

2.2 Changes to the consolidation scope

The Group did not experience any significant change in the scope of consolidation during the year 2020.

Two subsidiaries of PRODWAYS GROUP which were no longer active, PRODWAYS CONSEIL and PRODWAYS DISTRIBUTION, merged. IP GESTION, INTERSON PROTAC, EMBOUT FRANÇAIS and SURDIFUSE also merged to bring together all of the Group's audiology activities. These mergers had no impact on the consolidated financial statements.

PRODWAYS AMERICAS, an American subsidiary, was liquidated at the end of December.

The full list of consolidated companies is included in Note 13.

2.3 Off-balance sheet commitments related to the consolidation scope

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 three years. This guarantee, which was capped at €733 thousand for the first 18 months, then reduced to €367 thousand for the following 18 months, was terminated in the first half of 2020.

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, capped at €2 million, expired in 2020.

In 2018, PRODWAYS GROUP acquired all shares making up the share capital of SOLIDSCAPE. The vendors granted a guarantee of the assets and liabilities with a term of 18 months to 8 years depending on the nature of any claim. This guarantee is limited to $1 million or the acquisition price according to the nature of the claims.

In 2019, PRODWAYS GROUP acquired all of the shares comprising the share capital of SURDIFUSE and L'EMBOUT FRANÇAIS. The vendors granted an assets and liabilities guarantee for a term of 2 to 3 years (longer for some tax and social items) depending on the nature of the claims. This guarantee is capped at €300,000, and declines over time.

In PODO 3D and VARIA 3D, the Group is associated with minority shareholders. Shareholders' agreements provide for the possible liquidity of their holdings.

Note 3 Segment information

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

The two divisions defined as operating segments are the following (main companies):

- Products division: INITIAL, CRISTAL, PODO 3D, INTERSON PROTAC;
- Systems division: PRODWAYS, DELTAMED, SOLIDSCAPE, AVENAO group.

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

- the backlog, which corresponds to the revenue remaining to recognize for orders that have been taken;
- the revenue includes revenue made with other divisions;
- EBITDA;
- operating income;
- operating income before other income and expenditure;
- the Research and Development expenses recognized in assets during the financial year;
- other tangible and intangible investments.

3.1 Reconciliation of non-IFRS 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;
- income tax.

To make it easier to compare financial years and monitor its operating performance, the Group has decided to isolate certain non-recurring items of operating income and present "profit (loss) from continuing operations". It also uses an EBITDA indicator. These non-accounting indicators do not constitute financial aggregates as defined by IFRS and may not be comparable to similarly named indicators by other companies.

- Other non-recurring items of operating income include the cost related to the allocation of free shares, 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. Other non-recurring items grouped together under operating income 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.
- EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is defined by the Group as operating profit (loss) before depreciation, amortization, impairment, before Group share of the earnings of affiliated companies and before other operating income items.

The 2020 and 2019 segment income statements are reconciled below with the Group's consolidated financial statements. They are prepared in accordance with the Group's operational reporting.

2020 financial year – Segment information

(in thousands of euros)	**Systems**	**Products**	**Structure and disposals**	**Consolidated**
Backlog at start of period	5,963	181	-	6,143
Backlog at end of period	5,630	949	(13)	6,566
REVENUES	**35,977**	**21,130**	**99**	**57,206**
Capitalized production	1,130	19	-	1,150
Inventories and work in progress	466	(380)	-	85
Other income from operations	872	26	-	897
Purchases consumed	(21,365)	(8,891)	78	(30,177)
Personnel expenses	(14,097)	(10,120)	(1,063)	(25,280)
Tax and duties	(348)	(393)	(17)	(758)
Other operating income and expenses	259	387	(428)	219
EBITDA	**2,895**	**1,778**	**(1,331)**	**3,342**
% of revenue	*8.0%*	*8.4%*	*n/s*	*5.8%*
Depreciation, amortization and provisions (net of reversals)	(4,154)	(2,944)	(75)	(7,174)
EBIT	**(1,259)**	**(1,166)**	**(1,406)**	**(3,832)**
% of revenue	*-3.5%*	*-5.5%*	*n/s*	*-6.7%*
Payments in shares	-	-	(269)	(269)
Restructuring costs	(2,311)	(844)	(91)	(3,246)
Amort. of intangible assets recognized at FV during acquisitions	(666)	(99)	-	(765)
Exceptional provisions for impairment of asset values	(6,116)	(281)	-	(6,397)
Other	(151)	(3)	(104)	(258)
SUB-TOTAL OTHER OPERATING ELEMENTS	**(9,245)**	**(1,227)**	**(464)**	**(10,935)**
Group share of the earnings of affiliated companies	-	9	-	9
OPERATING INCOME	**(10,504)**	**(2,383)**	**(1,871)**	**(14,758)**
% of revenue	*-29.2%*	*-11.3%*	*n/s*	*-25.8%*
R&D expenses capitalized over the period	1,101	15	-	1,116
Other property, plant and equipment and intangible investments	369	824	2,749	3,942

As indicated in note 1.1.3, the Group implemented restructuring measures in 2020. Restructuring costs of the PRODUCT division for the period mainly relate to the transfer of two subsidiaries to a new site in CHAVANOD instead of three separate buildings (around €0.5 million euros). In the SYSTEMS division, a reorganization of the design and manufacture of printers was launched, involving the departure of personnel, transfers of personnel between the Group's sites and the scheduled closure of the Les Mureaux site (in the order of €2 million, part of which in the form of a provision for expenses, see Note 11).

In the context of the health crisis and as indicated in note 1.1.4, the Group has also carried out demanding impairment tests during the summer of 2020. As part of these impairment tests, the Group recorded that provisions for asset impairment losses mainly relate to intangible assets for an amount of €4.7 million (€2.4 million for R&D and 2.3 million for an intangible asset recognized at fair value as part of an acquisition, see notes 6.2 and 6.4), and a provision for inventory of older generation machines of €1.2 million and right-of use assets for an amount of €0.6 million (in respect of an under-used machine and building, see note 4.8).

2019 financial year – Segment information

(in thousands of euros)	**Systems**	**Products**	**Structure and disposals**	**Consolidated**
Backlog at start of period	7,068	591	(166)	7,493
Backlog at end of period	5,963	181	-	6,143
REVENUES	**44,850**	**26,959**	**(525)**	**71,284**
Capitalized production	2,660	434	-	3,094
Inventories and work in progress	(94)	78	-	(16)
Other income from operations	973	13	-	986
Purchases consumed	(27,141)	(12,549)	656	(39,034)
Personnel expenses	(17,173)	(11,443)	(1,233)	(29,849)
Tax and duties	(236)	(437)	(8)	(680)
Other operating income and expenses	(525)	93	(41)	(473)
EBITDA	**3,316**	**3,148**	**(1,151)**	**5,312**
% of revenue	*7.4%*	*11.4%*	*n/s*	*7.3%*
Depreciation, amortization and provisions (net of reversals)	(3,719)	(3,062)	(63)	(6,843)
EBIT	**(403)**	**86**	**(1,214)**	**(1,531)**
% of revenue	*-0.9%*	*0.3%*	*n/s*	*-2.1%*
Payments in shares	-	13	(433)	(420)
Restructuring costs	(225)	(291)	(62)	(578)
Amort. of intangible assets recognized at FV during acquisitions	(789)	(99)	-	(888)
Acquisition costs	-	-	(35)	(35)
Exceptional provisions for impairment of asset values	(328)	(80)	-	(408)
Other	-	-	(50)	(50)
SUB-TOTAL OTHER OPERATING ELEMENTS	**(1,342)**	**(458)**	**(580)**	**(2,379)**
Group share of the earnings of affiliated companies	-	129	-	129
OPERATING INCOME	**(1,745)**	**(243)**	**(1,793)**	**(3,780)**
% of revenue	*-3.9%*	*-0.9%*	*n/s*	*-5.3%*
R&D expenses capitalized over the period	2,373	10	-	2,383
Other property, plant and equipment and intangible investments	1,204	802	2,712	4,718

3.2 Reconciliation of the segment assets and liabilities

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

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

2020 financial year

(in thousands of euros)	Systems	Products	Structure	Disposals	Consolidated
Segment assets	53,191	25,901	7,906	(2,273)	84,725
Deferred tax assets	(401)	240	1,435	-	1,274
Tax receivables payable	728	-	1,363	-	2,091
Other current and non-current assets	1,686	422	8,978	(10,268)	818
Cash and cash equivalents	8,801	3,997	9,703	-	22,500
TOTAL CONSOLIDATED ASSETS	**64,005**	**30,560**	**29,385**	**(12,541)**	**111,409**
Assets segment liabilities	13,582	6,298	1,787	(2,244)	19,423
Long-term provisions	174	937	9	-	1,120
Long-term debt	1,366	3,200	12,206	-	16,773
Lease liabilities	3,931	3,603	39	-	7,572
Other current and non-current liabilities	9,044	2,271	1,299	(10,298)	2,316
Deferred tax liabilities	447	-	-	-	447
Tax liabilities payable	371	-	-	-	371
TOTAL CONSOLIDATED LIABILITIES(1)	**28,913**	**16,309**	**15,340**	**(12,541)**	**48,021**

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

2019 financial year

(in thousands of euros)	Systems	Products	Structure	Disposals	Consolidated
Segment assets	66,577	30,688	6,218	(3,417)	100,065
Deferred tax assets	-	1	-	-	1
Tax receivables payable	728	-	1,030	-	1,758
Other current and non-current assets	2,046	556	23,800	(24,764)	1,638
Cash and cash equivalents	8,139	2,513	5,237	-	15,890
TOTAL CONSOLIDATED ASSETS	**77,491**	**33,758**	**36,284**	**(28,181)**	**119,352**
Assets segment liabilities	14,419	6,614	1466	(3,407)	19,092
Long-term provisions	204	844	13	-	1,061
Long-term debt	1,593	2,413	2,421	-	6,427
Lease liabilities	5,227	5,472	63	-	10,762
Other current and non-current liabilities	23,604	3,299	965	(24,773)	3,094
Deferred tax liabilities	2,383	(2)	(1,201)	-	1,180
Tax liabilities payable	201	54	-	-	255
TOTAL CONSOLIDATED LIABILITIES(1)	**47,629**	**18,694**	**3,728**	**(28,181)**	**41,870**

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

3.3 Revenue by geographical area

2020 financial year

(in thousands of euros)	France	%	Europe	%	North America	%	Other	%	Total	%
Systems	19,700	52%	10,057	78%	4,371	96%	1,849	90%	35,977	63%
Products	18.062	48%	2,868	22%	200	4%	-	-	21,130	37%
Structure and disposals	(110)	0%	-	-	-	-	209	10%	99	0%
TOTAL	**37,653**	**100%**	**12,925**	**100%**	**4,571**	**100%**	**2,058**	**100%**	**57,206**	**100%**
%	**66%**		**23%**		**8%**		**4%**		**100%**	

2019 financial year

(in thousands of euros)	France	%	Europe	%	North America	%	Other	%	Total	%
Systems	25,110	52%	10,783	78%	6,650	95%	2,307	119%	44,850	63%
Products	23,624	49%	2,961	21%	367	5%	6	0%	26,959	38%
Structure and disposals	(288)	-1%	135	1%	-	-	(373)	-19%	(525)	-1%
TOTAL	**48,447**	**100%**	**13,880**	**100%**	**7,018**	**100%**	**1,940**	**100%**	**71,284**	**100%**
%	**68%**		**19%**		**10%**		**3%**		**100%**	

4

Note 4 Operational data

4.1 Income recognition

The Systems division produces and markets various ranges of 3D printers and related materials for its customers, and distributes and integrates 3D design software. For its part, the Products division produces 3D printed parts for its customers on demand. It develops and markets healthcare applications (chiropody, dental, audiology) sold directly to healthcare professionals.

The Group now applies IFRS 15 regarding the recognition of revenue from contracts with customers. Its revenues consist of sales of goods, provision of services and project completion revenues. Revenue relating to service contracts is recognized according to the percentage of completion method, with the client benefiting from such services as they are performed. The Group applies the percentage of completion by cost (the percentage of completion is equal to the ratio between the costs recognized to date and the estimated total costs).

The backlog, as defined by IFRS 15, corresponds to the amount of customer contracts for which revenue has not yet been recognized. The Group expects the December 2020 backlog to be consumed within 12 months.

The Group's revenue grew strongly in seven years, going from €5.0 million in 2014 (*pro forma* integrating PRODWAYS) to €57.2 million in 2020. After uninterrupted growth from 2014 to 2019, partly linked to external growth operations, the Group experienced a decline in 2020, in the context of the health crisis (see Note 1.1).

4.2 Other income from the business

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

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

Over the 2020 financial year, the research tax credit for the period stood at €0.3 million, including €0.1 million recognized directly in deferred income and €0.2 million recognized in the income statement. The research tax credit from previous years recorded in deferred income was also recognized for €0.6 million in the income statement in 2020.

The income thus deferred shown in liabilities included €0.2 million in research tax credits (see Note 4.7).

(in thousands of euros)	2020	2019
Subsidies	42	13
Research tax credit	855	973
TOTAL OF OTHER INCOME FROM THE BUSINESS	**897**	**986**

The tax credits recognized on the income statement and which were not able to be offset against tax to be paid are shown on the asset side of the balance sheet, in the item "Tax receivables payable". They amounted to €2.1 million, of which €1.7 million in research tax credit and €0.4 million in tax credit for competitiveness and employment (see Note 9.1.1).

4.3 Net depreciation, amortization and provisions

(in thousands of euros)	2020	2019
DEPRECIATION, AMORTIZATION AND PROVISIONS		
Intangible assets	(1,332)	(2,046)
Property, plant and equipment	(2,024)	(2,795)
Rights of use	(2,566)	(2,706)
SUBTOTAL	**(6,448)**	**(7,547)**
CHARGES TO PROVISIONS, NET OF REVERSALS		
Inventory and work in progress	(667)	384
Current assets	(276)	304
Liabilities and expenses	(309)	15
SUBTOTAL	**(1,251)**	**704**
TOTAL DEPRECIATION, AMORTIZATION AND PROVISIONS	**(7,174)**	**(6,843)**

Depreciation and amortization have increased sharply since 2019 mainly due to new depreciation related to rights of use (IFRS 16).

Significant asset impairments were recorded in 2020 (see Notes 1.1.4 and 6.4). These impairments were recognized in the income statement as part of "Other items of operating income" (see Note 3.1).

4.4 Inventories and work in progress

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

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

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

Movements in inventories in the consolidated balance sheet are as follows:

	2020			2019		
(in thousands of euros)	Gross values	Impairment losses	Net values	Gross values	Impairment losses	Net values
Raw materials	2,710	(481)	2,229	2,783	(18)	2,765
Work in progress	1,027	-	1,027	762	-	762
Semi-finished and finished products	1,708	(158)	1,550	1,735	(110)	1,625
Goods	3,550	(2,076)	1,474	3,614	(390)	3,224
TOTAL INVENTORIES AND WORK IN PROGRESS	**8,994**	**(2,714)**	**6,280**	**8,894**	**(518)**	**8,375**

Over the period, impairments net of reversals recorded in the income statement stood at €667 thousand.

4.5 Customers, contract assets and liabilities

Trade receivables are receivables invoiced that give certain entitlement to payment.

(in thousands of euros)	**2020**	**2019**
Trade receivables	11,007	15,490
Impairment losses	(1,053)	(812)
TRADE RECEIVABLES, NET VALUES	**9,954**	**14,677**

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

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

The Group as a whole is not over-reliant on any one customer, as can be seen from the percentage of consolidated revenue generated from each of the top five customers (for each of the top five customers in 2020, the percentage of 2019 revenue generated from such client is also indicated):

	2020	**2019**
• Customer A:	2.1%	0.2%
• Customer B:	1.4%	-
• Customer C:	1.2%	0.1%
• Customer D:	1.0%	1.5%
• Customer E:	0.9%	1.3%

4

In 2020, the top 5 customers accounted for 7% of the Group's revenue (compared with 7% in 2019). The Group's top 25 customers accounted for 19% of revenue in 2020 (20% in 2019).

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 €2.9 million, and are broken down as follows:

Overdue *(in thousands of euros)*	**2020**	**(in %)**
Trade receivables not yet due	7,064	71%
<1 month overdue	1,888	19%
1-2 months overdue	270	3%
2-3 months overdue	264	3%
>3 months overdue	467	5%
NET TRADE RECEIVABLES	**9,954**	

Of the total receivables, almost €1.5 million has been paid as at 1 March 2021. The Group is not aware of additional difficulties which might justify a provision.

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

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

(in thousands of euros)	**2020**	**2019**
Down-payments received (A)	447	1,481
Deferred income (B)	-	-
CONTRACT LIABILITIES (A) + (B)	**447**	**1,481**

4.6 Other current assets

	2020			2019
(in thousands of euros)	Gross values	Write-downs	Net values	Net values
Advances and down-payments made	86	-	86	154
Other receivables	5	-	5	1,033
Social and tax receivables	1,346	-	1,346	1,209
Prepaid expenses	813	-	813	606
TOTAL OTHER CURRENT RECEIVABLES	**2,250**	**-**	**2,250**	**3,001**

4.7 Other current liabilities

(in thousands of euros)	2020	2019
Suppliers	8,741	10,111
Fixed asset suppliers	-	-
TOTAL TRADE PAYABLES	**8,741**	**10,111**
Advances and down-payments received	738	32
Social Security liabilities	5,498	5,211
Tax liabilities	2,135	2,074
Miscellaneous debts	72	398
Deferred income	2,244	2,696
TOTAL OTHER CURRENT LIABILITIES	**10,686**	**10,411**

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

Deferred income includes subsidies and research tax credits that will be recognized in profit/loss as the corresponding assets are depreciated (€0.2 million, see Note 4.2).

4.8 Summary of leases

The Group has implemented IFRS 16 – *Leases applicable from 1 January 2019*. As the Group opted for the simplified retrospective method, the opening balance sheet at 1 January 2019 was adjusted.

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 recognize assets (corresponding to the rights of use of underlying assets) and lease liabilities with respect to its obligations to pay the rent due on all its leases. The value of the lease asset (right of use) and liability is measured initially at the discounted value of future lease payments, as well as estimated payments at the end of the lease. The lease term is defined on a lease-by-lease basis and corresponds to the firm commitment period, taking into account option periods that are reasonably certain to be carried out. The right-of-use asset is amortized over the remaining lease period. The Group applies the exemptions provided by the standard for leases with a term of 12 months or less, and for leases where the underlying asset has a low value when it is new. These lease payments are recognized directly as expenses.

The discount rates applied are based on the Group's marginal borrowing rates by type of asset. The average marginal rate used for the 2020 financial year is 1.01%.

Leases entered into by the Group and falling within the scope of this standard concern primarily:

- property leases;
- vehicle and other equipment leases.

The leases restated under IFRS 16 had a total balance sheet value of €7.0 million and an impact on the net income statement, Group share, of €59 thousand. Since 1 January 2019, 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 with an amortization expense for "Right-of-use assets" amounting to €2,566 thousand, without distinction between operating leases and finance leases, and by an interest charge for liabilities related to leases amounting to €107 thousand for 2020. Impairment losses relating to a machine and underused buildings were recognized in the amount of €564 thousand.

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

(in thousands of euros)	Property	Other property, plant and equipment	Prepaid payments	Total net assets	Lease liabilities on the liabilities side of the balance sheet
AT 1 JANUARY 2020	**9,245**	**1,537**	**(39)**	**10,743**	**10,762**
New leases	1,901	757	-	2,658	2,668
Changes in scope	-	-	-	-	-
Amortization of rights of use	(1,571)	(995)	-	(2,566)	-
Impairment of rights of use	(453)	(112)	-	(564)	-
Interest expenses	-	-	-	-	105
Payments (lease expenses canceled)	-	-	2	2	(2,644)
Change in accrued interest	-	-	-	-	-
Disposals/revaluations	(3,160)	(65)	-	(3,225)	(3,233)
Currency translation adjustment	(86)	-	-	(86)	(86)
AT 31 DECEMBER 2020	**5,878**	**1,122**	**(37)**	**6,962**	**7,572**
of which lease liabilities due in less than one year					*1,964*
of which lease liabilities due in more than one year					5,608

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 on net income. The EBITDA for 2020, which amounted to €3,342 thousand, would have amounted to €696 thousand without the application of IFRS 16.

4.9 Off-balance sheet commitments related to operational activities

There are no significant commitments related to operational activities that are not shown in the financial statements.

Note 5 Employee expenses and benefits

5.1 Workforce

	31/12/2020	31/12/2019
Total workforce	466	505
Average workforce	483	496

At 31 December 2020, approximately 18% 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 recognized in current liabilities and recorded in the expenses in the year in which the service is provided by the employee.

The long-term benefits cover two categories of employee benefit:

- the post-employment benefits, 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)	2020	2019
Salaries and benefits	(19,012)	(22,234)
Social security contributions	(6,137)	(7,323)
Profit sharing and incentive schemes	-	-
Other [(1)]	(132)	(292)
TOTAL	**(25,280)**	**(29,849)**

(1) Mainly includes contributions to the Works Council, the occupational physician and meal vouchers.

5.3 Provisions for pensions and similar commitments

The Group makes provisions for post-employment benefits (retirement pay) and long-term employee benefit plans (awards). The cost of retirement and related benefits (awards) is provisioned for the remaining obligations. It is estimated for the entire workforce on the basis of accrued rights and a projection of current salaries, taking into account the risk of mortality, staff turnover and a discounting assumption.

The discount rates are determined by reference to the yields on bonds issued by first class corporations over terms equivalent to those of the commitments on the date of valuation.

Actuarial variances are generated where differences are recorded between the actual data and the forecasts made previously, or due to changes in actuarial assumptions. The actuarial variances generated are recognized in the overall income statement, net of deferred taxes.

The expense recognized in the income statement includes:

- the costs of services provided during the financial year, the cost of past services, as well as any effects of any reduction or liquidation of the scheme;
- the net interest expense on bonds and hedging assets.

The provision for claims is updated annually on the basis of the prevailing fee schedules, changes to the assessment base, staff turnover and mortality assumptions and discount rates.

The main parameters used for the year are as follows:

- departure at the employee's initiative (voluntary departure);
- calculation of compensation under the collective agreement in force in each of the companies (metallurgy, SYNTEC, etc.);
- assumed retirement age 67;
- IBOXX discount rate in the euro zone 0.40% (0.77% in 2019);
- loading rate 50%;
- turnover deferred from one entity to another according to the type of activity, seniority and the average age of personnel;
- rate of revaluation of the salary calculation bases: differs from one entity to another according to various factors;
- INSEE mortality table 2016-2018.

Change in the obligation *(in thousands of euros)*	**2020**	**2019**
OPENING PROVISION	**1,060**	**863**
Cost of services provided for the period	179	116
Interest on discounting	8	13
Cost of services provided	-	-
First consolidation/(Deconsolidation)	-	107
Profit/(Loss) relating to liquidation or curtailment [(1)]	(139)	(72)
Actuarial losses/(gains) generated on the obligation	30	75
Benefits paid	(19)	(42)
PROVISION RECOGNIZED AT CLOSING	**1,120**	**1,060**

(1) Mainly concerns reversals of provisions related to the restructuring plan in 2020.

With respect to retirement and other post-employment benefits, a 0.5 point rise in the discount rate would decrease the amount of the obligation by approximately €98 thousand. An equivalent decline would increase the obligation by €87 thousand.

5.4 Share-based payments (stock options, stock purchase warrants, free share allocation)

Certain employees of the Group receive a remuneration in equity instruments, for which the payment is based on shares. The costs of the free share award schemes, share subscription warrants or options are recognized in 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 recognizes the consequences of the revision of its estimates in the income statement.

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 approved a new free share allocation plan. Under this plan, 802,800 PRODWAYS GROUP shares could have been created subject to continued employment and/or performance conditions concerning the financial years 2019 to 2021. The potential value of the shares likely to be created, taking into account the objectives and departures, is €589 thousand; an expense of €246 thousand (excluding social security contributions) was recorded during the financial year (total expense of €547 thousand).

The fair value of free shares is calculated using valuation models. Changes to values subsequent to grant dates are without impact on the initial valuation of the shares; the number of potential shares considered to value the plans is adjusted at each closing date to take into account probabilities of achievement of the continued employment and performance objectives by the beneficiaries.

Free share allocation plans	**Free share allocation 01-2019 PRODWAYS**	**Free share allocation 02-2016 PRODWAYS**	**Free share allocation 12-2016 PRODWAYS**
Original number of beneficiaries	446	200	239
Support share	PRODWAYS GROUP	PRODWAYS GROUP	PRODWAYS GROUP
Potential number of shares	802,800	632,200	488,500
Vesting over the financial year/cancelations	-/49,025	-/-	-/-
Cumulative vesting/cancelations	-/210,725	-/632,200	261,900/226,600
Potential share balance	592,075	-	-
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 recognized (in thousands of euros)	547	-	703
Potential value of the shares (in thousands of euros)	589	-	-

With regard to the 2019 plan, out of 592,075 potential shares at the closing date, 186,408 potential shares were definitively vested on 1 February 2021 and 202,834 shares were canceled on the same date for failure to meet the performance conditions for the 2020 financial year. See Note 12.3 (subsequent events).

5.5 Remuneration of management and related parties

5.5.1 Management remuneration

In 2020, the members of the Board of Directors of PRODWAYS GROUP received directors' fees for a total amount of €25,000.

The Chairman is paid in part by PRODWAYS GROUP and in part by GROUPE GORGÉ, the controlling company. GROUPE GORGÉ paid him total gross remuneration of €326,660 in 2020 (fixed remuneration of €207,750, taking into account a voluntary reduction of €17,250 in the second quarter, €109,000 in exceptional remuneration for 2019 and €9,910 in benefits in kind). PRODWAYS GROUP paid him total gross remuneration of €80,250 in 2020 (fixed remuneration of €68,750, taking into account a voluntary reduction of €6,250 in the second quarter, and €11,500 in variable remuneration for 2019). The variable remuneration of the Chairman for 2020 was set on 16 March 2021 at €63,000 (Board of Directors of GROUPE GORGÉ) and at €16,812 (Board of Directors of PRODWAYS GROUP).

PRODWAYS GROUP paid the Chief Executive Officer total gross remuneration of €251,005 in 2020 (fixed remuneration of €198,625, taking into account a voluntary reduction of €5,125 in the second quarter, €46,000 in variable remuneration for 2019 and €6,380 in benefits in kind). The variable remuneration of the Chief Executive Officer for 2020 was set on 16 March 2021 at €74,100 by the Board of Directors of PRODWAYS GROUP.

5.5.2 Related parties

Related parties are persons (Directors, managers of PRODWAYS GROUP or of its principal subsidiaries) or companies owned or managed by such persons (except for subsidiaries of PRODWAYS GROUP). The following transactions with related parties conducted during the year have been identified in the PRODWAYS GROUP financial statements:

(in thousands of euros)	GROUPE GORGÉ	GROUPE GORGÉ's subsidiaries
INCOME STATEMENT		
Revenues	-	359
Other income	-	-
Purchases and external charges	(460)	(234)
Exceptional income	-	-
BALANCE SHEET		
Trade accounts receivable	-	70
Deposits and guarantees	-	-
Suppliers	15	2
Prepaid expenses	-	-

GROUPE GORGÉ is the main shareholder of PRODWAYS GROUP. The company is chaired by Mr. Raphaël GORGÉ, director and Chairman of PRODWAYS GROUP.

Note 6 Property, plant and equipment and intangible assets

6.1 Goodwill

Goodwill is initially recognized at the time of a combination of businesses as described in Note 2.1.

Goodwill corresponds to the difference between the cost of an acquisition and the fair value of the Group's share in the identifiable net assets acquired. Positive differences are recognized under "Goodwill" on the assets side of the balance sheet, while negative differences are recognized directly in the income statement. The goodwill is assigned to one of the Cash Generating Units (CGU). The essential elements of the business are treated in the same way as goodwill. The profit/loss on disposal of the activity of a CGU takes into account the goodwill related to the transferred activity based on the relative values of the activity transferred and the share of the CGU retained.

Goodwill may be adjusted in the 12 months following the acquisition date to reflect the final calculation of the fair value of the assets and liabilities acquired.

Subsequent to their initial recognition, they are not amortized but are the subject of an impairment test on the appearance of indications of loss of value, and at least once a year. The impairment test procedures carried out in 2019 and 2020 are described in Note 6.4.

Net value *(in thousands of euros)*	**2020**	**2019**
At 1 January	**38,094**	**36,131**
Entries into scope [(1)]	-	1,963
Deconsolidated	-	-
Other changes	-	-
Impact of changes in exchange rates	-	-
At 31 December	**38,094**	**38,094**
Of which depreciation at 31 December 2020	-	-

(1) The entries into the consolidation scope in 2019 concerned the acquisition of SURDIFUSE-EMBOUT FRANÇAIS.

Goodwill breaks down as follows:

• Products	31%
• Systems	69%

6.2 Other intangible assets

Intangible assets acquired separately are recognized in the balance sheet at their acquisition cost. They are subsequently measured at amortized cost, as recommended by IAS 38 – *Intangible Assets*. Intangible assets acquired in a business combination are recognized 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.

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

The value of amortized intangible assets is tested when there is any indication that their recoverable amount may be less than their carrying amount. The impairment losses resulting from the valuation tests are recognized as "Other items of operating income".

Intangible assets acquired due to business combinations are not amortized when their lifetimes are indeterminate. The criteria for deciding whether or not the lifetimes of these intangible assets is indeterminate, and where applicable, for deciding their lifetimes, are the following:

- reputation of the asset;
- longevity of the asset according to the strategy for including it in the Group's portfolio of activities.

The values of intangible assets with indeterminate lifetimes are tested at least once a year, as soon as an impairment index is identified. Where applicable, exceptional write-downs are recognized.

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

- the technical feasibility necessary for the completion of the intangible asset with a view to its commissioning or its sale;
- the intention to complete the intangible asset and to commission it or to sell it;
- the ability to use or sell the intangible asset;
- the way in which the intangible asset will generate probable future economic benefits. The entity must demonstrate, among other things, the existence of a market for the production from the intangible assets or for the intangible assets itself or, if the latter has to be used internally, its utility;
- the availability of technical, financial and other resources necessary to complete the development and to commission or sell the intangible assets;
- the capacity to reliably estimate the expenses attributable to the intangible asset during its development.

Development costs that do not meet these criteria are expensed in the period in which they are incurred. This is notably the case for research and development work that may be carried out in connection with customer orders where the costs cannot be separated from the costs involved in fulfilling the order.

Capitalized development projects are depreciated over the lifetime of the underlying technology, generally between 3 and 15 years from their date of completion.

The development expenses are tested for impairment each time there is an indication of impairment.

(in thousands of euros)	Development projects	Other intangible assets	Non-current assets in progress	Total
Gross values				
At 1 January 2020	**13,745**	**12,438**	**111**	**26,294**
Acquisitions	1,116	162	-	1,278
Changes in scope	-	-	-	-
Departures	-	(5)	-	(5)
Other changes	282	(12)	(111)	159
Impact of changes in exchange rates	(229)	(146)	-	(375)
At 31 December 2020	**14,915**	**12,436**	**-**	**27,351**
Depreciation, amortization and impairment				
At 1 January 2020	**7,799**	**2,931**	**-**	**10,730**
Depreciation and amortization	1,411	726	-	2,138
Changes in scope	-	-	-	-
Impairment losses	2,403	2,295	-	4,698
Departures	-	(5)	-	(5)
Other changes	-	-	-	-
Impact of changes in exchange rates	(65)	(33)	-	(98)
At 31 December 2020	**11,548**	**5,914**	**-**	**17,462**
Net values				
At 1 January 2020	5,946	9,507	111	15,564
AT 31 DECEMBER 2020	**3,367**	**6,523**	**-**	**9,889**

Intangible assets are tested for impairment in accordance with the procedures indicated in Note 6.4 and in the circumstances indicated in Note 1.1.4. In 2020 impairment losses were recognized in respect of R&D projects (€2.4 million) and intangible assets recognized at fair value during acquisitions (€2.3 million). They appear in the income statement under "Other items of operating income".

R&D policy

In order to maintain and develop competitive advantages, the Group maintains a high level of investment in research and development. The Group sometimes files patents if this can protect technical, technological or commercial progress.

In 2020, the research and development efforts concerned both divisions.

The Group's research and development has been primarily focused on the following areas over the past three years:

- improving the DLP – MOVINGLight® polymerization technology;
- developing a 3D printer using selective laser sintering of plastic powders;
- developing new additive manufacturing printing materials in the photosensitive resin and plastic polymer powders families;
- developing a digital impression process for feet and 3D printing tracking software system for orthopedic insoles;
- the Rapid Additive Forging (RAF) technology which is used for 3D printing of large metal parts.

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

- development of new materials;
- continued development of our solutions for the healthcare sector, orthopedic insoles and new products for hearing aids or hearing protectors and the Rapid Additive Forging (RAF) technology;
- continued innovation in our range of powder sintering 3D printers;
- development of the next ranges and generations of MOVINGLight® 3D printers;
- development of a new printer range for the jewellery market (Solidscape).

The R&D expenditure amounted to some €2.92 million in 2020. The R&D expenditures evolved as follows:

(in millions of euros)	**2020**	**2019**
Capitalized research and development	1.12	2.38
Research and development recognized as an expense	1.80	2.04
TOTAL EXPENDITURE ON RESEARCH AND DEVELOPMENT	**2.92**	**4.42**
Total research and development as% of revenue	5.1%	6.2%
Tax credits for the financial year	0.32	0.46
Research and development net of tax credits	2.60	3.97

To finance its investments, the Group systematically seeks external financing (Bpifrance, FUI, Europe, Regions, etc.) and uses the research tax credit. All subsidiaries of the Group obtained research tax credits for a total of €0.3 million, the total of which is recognized in deferred income and will contribute to future profit/loss.

R&D expenditure is virtually solely 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 recognized at purchase cost, less accumulated depreciation and any impairment losses, as recommended by IAS 16 – *Property, Plant and Equipment*.

Each component of an item of property, plant and equipment with a useful life that differs from that of the item as a whole, is depreciated separately on a straight-line basis, without taking into account the residual values. The useful lives of items of property, plant and equipment are generally considered to be the following:

- buildings: 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.

Property, plant and equipment are tested for impairment when there is an indication that they may be impaired. If necessary, an additional impairment is recognized in the income statement under "Other items of operating income".

(in thousands of euros)	**Land and buildings**	**Fixtures and equipment**	**Rights of use – real estate**	**Rights of use – other assets**	**Non-current assets in progress**	**Advances and down-payments**	**Total**
Gross values							
At 1 January 2020	**1,150**	**19,171**	**10,710**	**2,504**	**461**	**2,622**	**36,618**
Acquisitions	2,747	888	1,901	757	145	-	6,438
Changes in scope	-	-	-	-	-	-	-
Departures	-	(853)	(3,597)	(206)	(74)	-	(4,729)
Other changes	2,622	(315)	-	-	(160)	(2,622)	(475)
Impact of changes in exchange rates	(20)	(244)	(123)	-	(14)	-	(401)
At 31 December 2020	**6,498**	**18,647**	**8,892**	**3,055**	**358**	**-**	**37,450**
Depreciation, amortization and impairment							
At 1 January 2020	**672**	**13,253**	**1,465**	**967**	**-**	**-**	**16,357**
Depreciation and amortization	142	2,407	1,571	995	-	-	5,116
Changes in scope	-	-	-	-	-	-	-
Impairment losses	-	-	453	112	-	-	564
Departures	-	(753)	(437)	(140)	-	-	(1,330)
Other changes	-	(90)	-	-	-	-	(90)
Impact of changes in exchange rates	(17)	(197)	(37)	-	-	-	(251)
At 31 December 2020	**796**	**14,620**	**3,014**	**1,932**	**-**	**-**	**20,365**
Net values							
At 1 January 2020	478	5,919	9,245	1,537	461	2,622	20,261
AT 31 DECEMBER 2020	**5,701**	**4,027**	**5,877**	**750**	**358**	**-**	**17,085**

In 2020 the Group continued with a major real estate investment in Chavanod (38). In November, the activities of the INITIAL and PODO 3D subsidiaries, which had been spread over three separate buildings, were brought together in the newly constructed building. The total investment is around €5 million, of which about half in 2019 and the other half in 2020.

6.4 Impairment losses on non-current assets

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

Open-ended non-current assets are tested for impairment at each reporting date. Amortized assets are tested for impairment when, due to special events or circumstances, the probability of recovering their carrying amount comes into question. The appearance of impairment factors specific to certain assets other than goodwill, and notably R&D assets, may be a reason for a test and justify write-downs of these assets independent of an impairment test by the CGU to which they until then belonged. These impairment factors may be related either to internal factors (for example, change in the management's assessment of the ability to complete an R&D project or concerning the costs necessary for this) or to external events (for example change in commercial prospects). The sum of these factors influences management's appraisal, asset by asset, of whether or not there are any future economic benefits or what those future economic benefits are. For non-current assets that are impaired, the possible recovery of the impairment is reviewed on each reporting date.

For the purposes of measuring impairment, assets are grouped into cash-generating units (CGUs), which represent the lowest level of unit generating separate cash flows.

Impairment is accounted for to match the surplus of the carrying amount over the recoverable amount of a CGU. The recoverable amount corresponds to the higher of the fair value less costs to sell and the value in use, calculated using the discounted future cash flow method.

The CGU adopted in the Group's current configuration and organization are SYSTEMS and PRODUCTS.

Process for the impairment tests

In the first half of 2020, the Covid-19 health crisis emerged. This crisis had an extremely significant impact on all economic activities. This impact weighed heavily on the second quarter, but the repercussions on the economy will be long term. In this context, the Group has carefully and prudently carried out impairment tests on all of its assets since the summer of 2020.

Impairment tests on all intangible assets and property, plant and equipment led to the recognition of impairment losses amounting to €4,698 thousand, concerning R&D projects and assets recognized at fair value upon acquisitions. These impairments are recorded in other items of the operating income.

As part of the closing of the accounts for 2020 and concerning the recoverable amount of the CGUs, the Group re-examined the operational assumptions used for the tests already carried out, as well as measured the change in the discount rate. It was concluded, since the CGUs were unchanged and the assumptions should not be significantly challenged, and as the change in the discount rate was favorable and the margins between recoverable value and book value were significant, that it was not necessary to rerun the tests.

The value in use is calculated using the discounted future cash flow method. The discount rate adopted corresponds to the Weighted Average Cost of Capital (WACC) calculated with the rates of the 10-year OAT (risk-free rate), a market risk premium and a ßeta calculated according to the Company's share price and changes to the ENT Tech 40 index. After-tax cash flows are projected conservatively over the forecast period of the business in question (six years), plus an extrapolated value and a terminal value with a growth assumption of 3%.

The key operating assumptions used include assumptions about the level of activity that are estimated to be conservative and lagged by around one year compared to the assumptions used for previous tests, due to the health crisis and its consequences on the economy. For this reason, the specific premiums have not been revised upwards. We anticipate strong growth in business activity for the SYSTEMS CGU (due to increases in machine sales after enlarging the range, especially smaller machines, and the dissemination of production processes technology). Strong growth in sales of material and services (maintenance) is also forecasted. This growth is linked to the number of installed machines (there is a multiplier effect because each installed machine consumes material and requires regular maintenance). For the PRODUCTS CGU, our dedicated applications, particularly in the medical sector, came to a virtual standstill in the second quarter but restarted and the underlying trend in the sector has not been called into question. The assumptions on rates of profitability include the optimization of production costs and, especially for the SYSTEMS CGU, better absorption of fixed costs. The crisis justified the acceleration of these optimizations. Lastly, in order to support the development of activities, a sustained level of investment (R&D) and a working capital requirement are planned to be maintained at a high level and which could be improved.

The discount rates calculated for the 2020 year-end are 14.4%, including risk premiums. The tests performed take into account the measurement of the sensitivity of key assumptions (including operational ones) used for calculating the recoverable value (discount rate of +/-1.0 point, perpetual growth rate of +/-1.0 point, EBITDA of +/-1.0 point). These sensitivity measurements are identical for each of the CGUs but applied to wider ranges than during previous tests.

No impairment of goodwill was observed. Management does not believe that any reasonably possible change in the key assumptions used to calculate the recoverable value might lead to the carrying amount of a CGU being considerably higher than its recoverable value.

The CGUs and the discount rates used are therefore the following:

CGU	**Goodwill**	**Discount rates, including risk premiums**
SYSTEMS	26,351	14.4%
PRODUCTS	11,744	14.4%
TOTAL	**38,094**	

4

Note 7 Details of cash flows

7.1 Calculation of cash flow

(in thousands of euros)	2020	2019
NET INCOME FROM CONTINUING OPERATIONS	**(14,044)**	**(4,321)**
Allowances for/reversals of depreciation, amortization and provisions	14,256	8,308
Cancelation of capital gains and losses on treasury shares	(21)	(7)
Expense calculated related to share-based payments and equivalent	247	373
Earnings of equity-accounted companies	(9)	(129)
Capital gains and losses on disposals	140	(78)
Other	-	-
CASH FLOW FROM OPERATING ACTIVITIES (BEFORE ELIMINATION OF NET BORROWING COSTS AND TAXES)	**568**	**4,146**

EBITDA is reconciled with the operating cash flow as follows:

(in thousands of euros)	2020	2019
EBITDA	**3,342**	**5,312**
Cancelation of capital gains and losses on treasury shares	(21)	(7)
Capital gains and losses on disposals	140	(78)
Expense calculated related to share-based payments and equivalent	(23)	56
Appropriations and reversals concerning current assets	(2,491)	281
Other operating items excluding charges and reversals	(1,103)	(765)
Financial income excluding financial charges and reversals	(297)	(224)
Corporation tax	1,041	(257)
Other calculated expenses	(19)	(172)
CASH FLOW FROM OPERATING ACTIVITIES (BEFORE ELIMINATION OF NET BORROWING COSTS AND TAXES)	**568**	**4,146**

7.2 Change in working capital requirements

(in thousands of euros)	Notes	Start of the period	Changes in scope	Change over the year	Other movements [1]	Currency translation adjustment	Closing
Net inventories		8,375	-	(2,191)	208	(113)	6,280
Net receivables		14,677	-	(4,677)	-	(47)	9,954
Contract assets		-	-	-	-	-	-
Advances and down-payments		154	-	(68)	-	-	86
Prepaid expenses		606	-	220	-	(12)	813
SUBTOTAL	**A**	**23,813**	**-**	**(6,716)**	**208**	**(172)**	**17,133**
Trade payables		10,111	-	(1,331)	-	(38)	8,741
Contract liabilities		1,481	-	(1,034)	-	-	447
Advances and down-payments		32	-	706	-	-	738
Deferred income related to operations		1,926	-	116	-	(31)	2,011
SUBTOTAL	**B**	**13,549**	**-**	**(1,543)**	**-**	**(69)**	**11,937**
WORKING CAPITAL REQUIREMENT	**C = A - B**	**10,264**	**-**	**(5,173)**	**208**	**(103)**	**5,196**
Social and tax receivables		2,967	-	472	-	(2)	3,437
Other receivables		1,033	-	(1,028)	-	-	5
SUBTOTAL	**D**	**3,999**	**-**	**(556)**	**-**	**(2)**	**3,442**
Tax and social debts		7,540	-	497	-	(34)	8,003
Other payables and derivative instruments		397	-	(196)	(17)	(112)	72
Current accounts payable		1	-	(1)	-	-	-
Deferred income from subsidies and research tax credit		770	-	(537)	-	-	233
SUBTOTAL	**E**	**8,708**	**-**	**(238)**	**(17)**	**(146)**	**8,308**
OTHER ITEMS OF WORKING CAPITAL REQUIREMENT	**F = D - E**	**(4,709)**	**-**	**(318)**	**17**	**144**	**(4,866)**
WORKING CAPITAL REQUIREMENT	**G = C + F**	**5,555**	**-**	**(5,492)**	**225**	**42**	**330**

(1) The "Other movements" column contains cash flows that do not generate cash movements or any reclassifications between items.

4

7.3 Acquisitions/disposals of equity holdings

The cash flows recorded on the line "Acquisitions/disposals of investments" relate to acquisitions or disposals of shares in subsidiaries at the time of a change of control.

An amendment to the cash flow statement was made for 2019 to reclassify flows that did not result in a change of control on the line "Other equity transactions".

(in thousands of euros)	**2020**	**2019**
Payments	-	(3,000)
Cash and cash equivalents of acquired and sold companies	-	193
TOTAL	**-**	**(2,807)**

In 2019, the Group acquired L'EMBOUT FRANÇAIS and SURDIFUSE.

7.4 Other equity transactions

The cash flows recorded on the line "Other equity transactions" concern the acquisitions or disposals of securities of PRODWAYS GROUP or of companies controlled by PRODWAYS GROUP (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 PRODWAYS GROUP liquidity contract.

(in thousands of euros)	**2020**	**2019**
Receipts	22	29
Payments	-	(3,405)
TOTAL	**22**	**(3,376)**

In 2019, the Group paid an additional price relating to AVENAO and acquired the minority interests in IP GESTION.

Note 8 Financing and financial instruments

8.1 Financial assets and liabilities

The financial assets and liabilities consist mainly of the following items:

- long-term financial liabilities, short-term loans and bank overdrafts which make up the gross financial debt (see Note 8.1.1);
- loans and other long-term financial assets and the cash and cash equivalents which are added to the gross financial debt to arrive at the net financial debt (see Note 8.1.2);
- lease liabilities measured according to IFRS 16 (see Note 8.1.3);
- derivative instruments (see Note 8.1.4);
- other financial assets and liabilities (see Note 8.1.5).

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 recognized at fair value, from which are deducted, if need be, any directly attributable transaction costs. They are then valued at amortized cost based on their actual interest rate.

Several new loans were subscribed during the financial year:

- the balance of a property loan contracted in 2019 for €5 million was drawn down for €2.58 million;
- €8.4 million of loans guaranteed by the French State (*Prêts garantis par l'état* – PGE) were received;
- in the United States, the SOLIDSCAPE subsidiary was able to benefit from the Paycheck Protection Program (PPP) set up by the US government under the Coronavirus Aid, Relief and Economic Security Act (CARES), $800 thousand was collected in this respect in the second half of the year;

The funding received by SOLIDSCAPE could eventually turn into a grant.

A financing agreement for €0.25 million was obtained in 2020 as part of the Chavanod real estate project. The financing must be contracted in early 2021.

Changes in borrowings and financial debt

(in thousands of euros)	Bank borrowings	Other borrowings	Financial debt	Bank overdrafts	Gross financial debt (2)
At 1 January 2020	5,420	119	5,539	887	6,427
New loans	11,748	82	11,830	22	11,852
Redemptions	(565)	(18)	(583)	(887)	(1,470)
Other changes (1)	17	-	17	-	17
First consolidation(/Deconsolidation)	-	-	-	-	-
Impact of changes in exchange rates	(53)	-	(53)	-	(53)
AT 31 DECEMBER 2020	**16,568**	**183**	**16,750**	**22**	**16,773**

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

(2) Does not include the lease liability calculated in accordance with IFRS 16, see Note 8.1.3.

Schedule of borrowings and financial debt

				Of which breakdown of maturities at more than one year				
(in thousands of euros)	31/12/2020	< 1 year	> 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years
Bank borrowings	16,568	2,043	14,524	3,276	2,900	2,462	2,420	3,466
Other borrowings	183	17	166	9	9	9	9	131
LONG-TERM DEBT	**16,750**	**2,060**	**14,690**	**3,285**	**2,909**	**2,471**	**2,429**	**3,597**
Bank overdrafts	22	22	-	-	-	-	-	-
GROSS FINANCIAL DEBT	**16,773**	**2,083**	**14,690**	**3,285**	**2,909**	**2,471**	**2,429**	**3,597**

Borrowings of less than one year include €0.7 million of a US aid program that could potentially be converted into a grant or amortized over several years depending on future legislative provisions. The loans guaranteed by the French State amount to €8.4 million, the assumption being that they will not be repaid in 2021 but amortized over four years from 2022 to 2025.

The "other financial debt" include the repayable advances cashed by the Group, notably for research and development. 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 Net restated 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 transferable securities meeting the criteria in IAS 7.

Accrued interest earned on term accounts is recorded under investment income.

(in thousands of euros)	31 December 2020	31 December 2019
AVAILABLE CASH AND CASH EQUIVALENTS (A)	**22,500**	**15,890**
Bank overdrafts (b)	22	887
Cash appearing on the CFS (c) = (a) - (b)	22,478	15,002
Financial debt excluding current bank overdrafts (d)	16,750	5,539
NET CASH (DEBT) (C) - (D)	**5,728**	**9,463**
Treasury shares	116	122
ADJUSTED NET CASH (NET DEBT) BEFORE IFRS 16	**5,844**	**9,585**

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 1 January 2020	10,762
New leases [(1)]	2,668
Redemptions	(2,620)
Other changes [(2)]	(3,152)
First consolidation/(Deconsolidation)	-
Impact of changes in exchange rates	(86)
AT 31 DECEMBER 2020	**7,572**

(1) Change with no impact on cash.

(2) Non-cash changes related to accrued interest and revaluation of contracts. The duration of several real estate contracts has been revised downwards due to internal reorganizations, in particular a real estate contract, originally estimated to last nine years, which will finally be terminated after three years in 2022.

Schedule of lease liabilities

				Of which breakdown of maturities at more than one year				
(in thousands of euros)	31/12/2020	< 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	**7,572**	**1,964**	**5,608**	**1,288**	**879**	**845**	**815**	**1,781**

8.1.4 Derivative financial instruments

Composite financial instruments such as convertible bonds or bonds redeemable in shares are recognized in accordance with IAS 32, *i.e.* separate recognition of the bond component recorded as debt at amortized cost and of the share component recognized as equity (similar to selling a stock option). Related issuance expenses are recognized as equity and debt respectively in proportion to the proceeds of the issue.

The Group may use, if it deems it necessary, derivative financial instruments to hedge against foreign exchange rate risks associated with operations. These risks result essentially from sales made in USD. Corresponding future cash flows are partially hedged by firm or optional foreign exchange futures transactions. On initial posting, derivatives are recorded in the 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 currency hedging, with changes in the fair value of the hedging instrument being recognized as income.

The Group uses swap or cap contracts to manage and operationally hedge changes in interest rates.

The derivative instruments used are economically matched too the maturities, rates and currencies of the loans hedged. These contracts imply the exchange of fixed and variable rates. The interest differential is recognized in financial income and expense by offsetting against interest to be received or paid as applicable. For these interest-rate instruments, the Group applies hedge accounting according to IFRS 9: the instruments are recognized at their acquisition cost then revalued at their fair value at the reporting date.

The Group's financial instruments are allocated to hedging future transactions (cash flow hedge). Therefore, treatment of the change in fair value is the following:

- the effective part of the change in fair value is recognized in hedging reserves until the actual completion of the planned transaction. When the planned transaction is completed, the amount recognized in equity is booked to profit (loss), the income or expense is corrected by the effective part of the gain or loss on the fair value of the hedging instrument;
- the ineffective part of the variation in fair value is recognized in financial income.

The fair value of swap contracts is evaluated according to the valuation techniques based on observable market data, in application of IFRS 7.

8.1.5 Investments in associates and other non-current financial assets

The new IFRS 9 standard covers three main financial asset classifications, those valued at amortized cost, those valued at fair value through other comprehensive income and those valued at fair value through net income. Financial assets are classified according to the asset's economic holding model and the characteristics of its contractual cash flows.

Net value (in thousands of euros)	2020	2019
STAKES IN AFFILIATED COMPANIES	**1,134**	**1,125**
Loans	349	264
Deposits and guarantees	291	303
Non-consolidated holdings	212	34
Other long-term investments	5	5
OTHER FINANCIAL ASSETS	**857**	**606**

Breakdown of stakes in affiliated companies

Movements during the financial year are as follows:

(in thousands of euros)	Start of the period	In	Income	Translation differences	Exit	Closing
BIOTECH DENTAL SMILERS	1,125	-	9	-	-	1,134
TOTAL	**1,125**	**-**	**9**	**-**	**-**	**1,134**

Breakdown of non-consolidated investments

(in thousands of euros)	Start of the period	In	Impairment losses	Equity effect	Other	Closing
XD INNOVATION	-	209	-	-	-	209
Other	34	-	(30)	-	-	4
TOTAL	**34**	**209**	**(30)**	**-**	**-**	**212**

8.2 Financial income and expenses

On the one hand, financial income and expenses comprise interest income and expense related to the cost of net financial debt and, on the other hand, financial income and expenses.

Interest expenses correspond to the amount of interest recognized in respect of the financial debts and the interest income to the amount of the interest received from cash investments.

(in thousands of euros)	2020	2019
Interest expense	(177)	(114)
Interest expenses on lease liabilities	(105)	(94)
Income from other securities	2	-
Net profit (loss) on disposal of investment securities	-	2
Cost of net debt	**(280)**	**(206)**
Other interest income	(7)	(15)
Net exchange gain or loss	(11)	(4)
Financial allowances net of reversals	(30)	(60)
TOTAL FINANCIAL INCOME AND EXPENSES	**(327)**	**(285)**

8.3 Risk management policy

8.3.1 Liquidity risk

At 31 December 2020, the Group's cash amounted to €22.5 million. The Group also has a confirmed credit line, for which the available amount was €5.0 million on the closing 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 dependent on the rating of the Group nor significant concentration of credit risk.

The terms for the reimbursement of the main loans outstanding at the end of the year are the following:

Loan (in thousands of euros)	Rate	Amount	Capital remaining due	Date obtained/Maturity
BNPP/CIC/LCL PGE		7,200	7,200	September 2020/amortizable over four years
BNPP/CA/CE/CDN PGE		1,200	1,200	May 2020/amortizable over four years
CE	1.29%	5,000	5,000	Real estate financing over 15 years, repayment from January 2021
BNP PARIBAS	0.57%	1,350	817	60 monthly payments starting in July 2018
BPIFRANCE	0%	1,400	490	22 quarterly instalments from June 2017
CRÉDIT AGRICOLE	0.55%	700	389	67 monthly payments starting in April 2018
CRÉDIT AGRICOLE	0.60%	700	228	67 monthly payments starting in February 2017
LCL	E3M +0.8%	5,000	-	RCF maturity December 2022, declining basis from June 2020

The BPIFRANCE loan is guaranteed by GROUPE GORGÉ. It carries a change-of-control clause, as does the revolving credit facility (RCF).

Some loans have leverage covenants (net financial debt/EBITDA). They are all complied with. The main loans of PRODWAYS GROUP and those of subsidiaries may include a "change of control" clause.

8.3.2 Interest rate risk

Generally, the Group's policy for managing interest rate risk is to examine on a case by case basis credit agreements concluded on the basis of a variable interest rate and to consider, with the help of its external financial advisors, whether it is opportune to use *ad hoc* financial instruments to hedge, where appropriate, identified rate risks. The Group has not identified any interest rate risk for the period.

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

8.3.3 Foreign exchange risk

Foreign currency transactions are growing within the Group, particularly since the acquisition, in 2018 of SOLIDSCAPE. The share of foreign currency revenue by the Group's French companies remains limited, as the companies of the PRODUCTS division denominate most of their export transactions in euros.

The Group's expenditure in dollars remains stable and is financed by an overdraft in dollars and growing sales in dollars. The increased sales in dollars will gradually permit the overdraft to be reduced. Moreover, the Group must develop a more elaborate policy for managing its foreign exchange risk, and will require an assessment of the risk of currency rate changes by the management on the advice of its banks.

Financial debt in foreign currencies is marginal; only a few foreign subsidiaries may have temporary bank overdrafts.

(in thousands of euros)	USD
Assets	1,779
Liabilities	2,495
Net position before management	**(716)**
Off-balance sheet position	-
Net position after management	**(716)**

A uniform change in exchange rates with a rise or fall of 1 cent (euro) against the major currencies could have non-material impact on the net position, assuming a strict stability of assets and liabilities.

8.3.4 Market risk

PRODWAYS GROUP holds 50,720 treasury 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 held on 31 December 2020 stood at €0.116 million.

A uniform change of 10% in share prices could have an impact on equity of €11.6 thousand compared with the position at 31 December 2020.

The rest of the cash invested by the Group is in term deposits.

8.4 Off-balance-sheet commitments related to financing

8.4.1 Pledges of the issuer's assets

There is no collateral, guarantee or surety at the close of the 2020 financial year other than the pledging of assets to guarantee loans used to finance them.

8.4.2 Commitments received

PRODWAYS GROUP has a renewable credit line of €5.0 million, confirmed until December 2022. The amount of this line will be reduced to €2.5 million per year from June 2021. It has a "change of control" clause and a financial covenant.

8.4.3 Other commitments

No other pledges, guarantees or sureties exist at the close of the 2020 financial year.

Note 9 Corporate income taxes

9.1 Details of corporate income tax

The tax charge on net income includes the tax payable and the deferred taxes of the consolidated companies.

The taxes related to items recognized directly in other items of total net income are recognized in other items of total net income and not in the income statement.

9.1.1 Details of corporate income tax

Breakdown of tax expense

(in thousands of euros)	2020	2019
Deferred tax	1,955	875
Taxes payable	(914)	(1,131)
TAX EXPENSE	**1,041**	**(257)**

The tax expense does not include the research tax credits, classified as other income (see Notes 4.2 and 9.1.2). It does, however, include CVAE in the amount of €0.3 million in 2020 and €0.4 million in 2019.

Tax receivables and payable

(in thousands of euros)	2020	2019
Tax receivables	2,091	1,758
Tax payable	371	255
NET TAX RECEIVABLE/(DUE)	**1,721**	**1,504**

The tax receivable is mainly made up of research tax credit receivables (€1.7 million) and CICE receivables (€0.4 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 recognized 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 recognized in the consolidated balance sheet, research tax credits are recognized as deferred income in liabilities and recognized in income at the rate of future amortization.

Contributions on Corporate Added Value (CVAE) are recognized in income tax accounts, this tax being based on value added. The Group's analysis is based in particular on the definition of income tax as defined in IAS 12 and on an IFRIC position from 2006 that states that the term "taxable income" implies a notion of a net rather than a gross amount, although not necessarily identical to the accounting income.

(in thousands of euros)	2020	2019
NET INCOME FROM CONTINUING OPERATIONS	**(14,043)**	**(4,320)**
Tax Income/(Expense)	1,041	(257)
Earnings of equity-accounted companies	9	129
Earnings before tax	(15,094)	(4,193)
Tax rate	28%	28%
THEORETICAL TAX CHARGE	**4,226**	**1,174**
Reconciliation items		
Uncapitalized tax losses incurred for the period	(3,055)	(2,251)
Use of uncapitalized tax losses	75	-
Reassessment of deferred tax assets	431	745
Differential rates France/Foreign countries and reduced rates	171	113
CVAE	(307)	(369)
Tax effects related to the accounting classification of the CVAE and tax credits/or tax savings on CVAE and restatement/cancelation of theoretical tax on tax credits credit	180	238
Other permanent differences	(682)	93
ACTUAL NET TAX INCOME/(EXPENSE)	**1,040**	**(257)**

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

9.2 Deferred tax liabilities

The deferred tax assets and liabilities corresponding to the time differences and accounting bases of consolidated assets and liabilities are recognized using the liability method. Deferred tax assets are recognized when their future realization seems likely on a date which can be reasonably determined.

Future income tax breaks arising from the use of tax loss carry-forwards (including unlimited carry-forward) are recognized only when they can be reasonably anticipated.

The main timing differences are related to tax losses carried forward, to provisions for pensions and other similar benefits, to other provisions which are temporarily non tax-deductible and to capitalized development expenses. The deferred tax assets and liabilities are calculated using tax rates which will be in effect at the time of the reversal of the timing differences.

Deferred tax assets and liabilities are not discounted and are offset if they relate to the same taxable entity and have identical repayment maturities.

Breakdown of deferred taxes by type

(in thousands of euros)	2020	2019
Differences over time		
Retirement and related benefits	201	243
Development costs	(705)	(780)
Rights of use	170	5
Derivative financial instruments	(2)	(5)
Fair value – IFRS 3	(1,538)	(2,260)
Other	117	23
SUBTOTAL	**(1,990)**	**(2,774)**
Temporary differences and other restatements	153	90
Deficits carried forward	2,665	1,505
TOTAL	**1,063**	**(1,179)**
DEFERRED TAX LIABILITIES	**(447)**	**(1,180)**
DEFERRED TAX ASSETS	**1,274**	**1**

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

Underlying tax position

Uncapitalized deficits carried forward *(bases in millions of euros)*	**2020**	**2019**
Ordinary deficits	33.6	20.2
TOTAL	**33.6**	**20.2**

Note 10 Shareholders' equity and earnings per share

10.1 Equity

10.1.1 Capital and issue premiums

As 31 December 2020, the share capital of PRODWAYS GROUP SA amounted to €25,538,771.50, consisting of 51,077,543 fully paid-up shares, each with a nominal value of €1, of which 34,699,217 have double voting rights.

Changes in capital

	Cumulative number of shares	**Amount of capital (in euros)**
Capital at 31/12/2018	50,815,643	25,407,821.50
Capital at 31/12/2019	51,077,543	25,538,771.50
Capital at 31/12/2020	51,077,543	25,538,771.50

The capital was increased in 2019 by 261,900 shares for the vesting of shares as part of free share allocation plans. A new capital increase was carried out in February 2021 (see Note 12.3 "Subsequent events").

The share premiums represent the difference between the nominal value of the shares issued and the amount, net of costs, of the contributions received by PRODWAYS GROUP at the time of the issues. These premiums amounted to €3,092 thousand.

10.1.2 Dividend per share

The distributable reserves of the parent company (shareholders' equity excluding share capital and legal reserve) amounted to €50,179 thousand, before appropriation of the 2020 net income. They stood at €85,041 thousand on 31 December 2019.

No dividend has ever been paid.

10.1.3 Treasury shares and share buyback plan

The share buybacks in 2020 were carried out under the authorizations given by the shareholders' meetings of 7 June 2019 or 8 June 2020.

At 31 December 2020, PRODWAYS GROUP SA held 50,720 treasury shares under a liquidity contract. At 31 December 2019, 45,316 treasury shares were held. The purpose of these shares may be to:

- transfer shares when exercising the rights attached to securities giving access to the share capital by reimbursement;
- grant stock options to employees;
- cancel all or part of the shares thus repurchased;
- provide securities in payment or exchange for acquisitions;
- stabilize the share's stock market price.

4

10.2 Earnings per share

Earnings per share are calculated by dividing the Group's net income attributable to shareholders by the weighted average number of shares outstanding during the year calculated on a *pro rata* basis, net of treasury shares, in compliance with IAS 33.

The diluted earnings per share take into account instruments having a dilutive effect. It is calculated from the *pro rata* weighted average of the number of shares equivalent to outstanding shares during the year. The dilutive effect of the stock options or purchases of shares is calculated according to the "share buyback" method, taking into account the average price of the period concerned.

	2020	**2019**
Weighted average number of shares	51,026,823	51,032,227
EARNINGS PER SHARE *(IN EUROS)*	**(0.273)**	**(0.082)**
EARNINGS PER SHARE FROM ONGOING ACTIVITIES *(IN EUROS)*	**(0.273)**	**(0.082)**
Dilutive potential ordinary shares [1]	592,075	641,100
DILUTED EARNINGS PER SHARE *(IN EUROS)*	**(0.273)**	**(0.082)**
DILUTED EARNINGS PER SHARE FROM ONGOING ACTIVITIES *(IN EUROS)*	**(0.273)**	**(0.082)**

(1) *To date, free share allocations are currently the only type of instrument outstanding with a potentially dilutive effect. To the extent that accounting for the dilutive effect of free shares would have decreased loss per share, diluted earnings per share is equal to basic earnings per share for the periods presented. Potential shares existing at 31 December 2020 were created and others canceled as of 1 February 2021, see Note 12.3.*

10.3 Pledges of the issuer's shares

As far as the Company is aware, there are no pledges of PRODWAYS GROUP shares outstanding at the reporting date.

Note 11 Other provisions and contingent liabilities

The Group recognizes a provision if it has an obligation to a third party prior to the reporting date, where the loss or liability is probable and can be reasonably estimated. In cases where such loss or liability is neither probable nor reliably measurable, but still possible, the Group reports a contingent liability in commitments (excluding the posting of contingent liabilities in the event of acquisition). Provisions are estimated on a case by case basis or on a statistical basis.

Provisions are primarily intended to cover:

- economic risks: these provisions cover tax risks identified during inspections carried out locally by tax authorities and financial risks arising primarily on guarantees given to third parties covering certain assets and liabilities;
- business risks and contingencies; these provisions comprise:
  - statistical provisions for guarantees: the Group subsidiaries provide for all guarantees which may be given on equipment sales on a statistical basis. Some guarantees may cover 24 months,
  - provisions for termination losses on ongoing projects,
  - provisions for work outstanding on projects already delivered;
- restructuring costs, if the restructuring was covered by a detailed plan and an announcement or project launch before the reporting date.

In contrast to the foregoing definition of a provision, a potential liability is:

- a potential obligation resulting from a past event of which the existence will only be confirmed by the occurrence or otherwise of an uncertain event which is not within the control of the Group;
- a current obligation resulting from a past event for which either the amount of the obligation cannot be reliably estimated or it is unlikely that an outflow of resources representative of economic benefits will be necessary to extinguish the obligation.

As part of business combinations, potential liabilities may be recognized as provisions in accordance with the criteria defined in the IFRS 3R standard.

Changes to provisions over the financial year are the following:

Provisions (in thousands of euros)	**Litigation**	**Customer warranties**	**Other (1)**	**Total**
At 1 January 2020	50	6	127	183
Appropriations	153	60	1,555	1,768
Provisions used	-	-		
Reversals		(6)	(80)	(86)
Impact on income for the period	**153**	**54**	**1,475**	**1,682**
Changes in scope	-	-		
Other changes	-	-	-	-
Impact of changes in exchange rates	-	-		
AT 31 DECEMBER 2020	**203**	**60**	**1,602**	**1,865**

(1) Of which a provision for restructuring of €1,498 thousand.

Note 12 Other notes

12.1 Statutory auditors' fees

The fees invoiced to all Group companies by PRODWAYS GROUP SA's statutory auditors were as follows:

2020 *(in thousands of euros)*	PWC		RSM		Total	
Statutory Audits, review of financial statements	122	100.0%	130	95.6%	252	97.7%
• Parent company	58		56		114	
• Fully consolidated companies	64		74		138	
Services other than certification of the financial statements	-	-	6	4.4%	-	2.3%
TOTAL	**122**	**100.0%**	**136**	**100.0%**	**258**	**100.0%**

2019 *(in thousands of euros)*	PWC		RSM		Total	
Statutory Audits, review of financial statements	100	95.7%	103	100.0%	203	97.8%
• Parent company	60		60		120	
• Fully consolidated companies	40		43		83	
Services other than certification of the financial statements	5	4.3%	-	-	5	2.2%
TOTAL	**105**	**100.0%**	**103**	**100.0%**	**208**	**100.0%**

4

The nature of the services of the Group's statutory auditors other than the certification of the financial statements consists of certification in the context of subsidies.

12.2 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. The current proceedings are not expected to have a material effect on the financial position or profitability of the issuer and/or the group.The company is not aware of any threatened proceedings that are likely to have a material effect on the financial position or profitability of the issuer and/or the group

12.3 Subsequent events

On 1 February 2021, the Board of Directors of PRODWAYS GROUP noted, in respect of the 2019 free share allocation plan, that 186,408 new PRODWAYS GROUP shares could be created, the performance conditions for 2019 having been met and the continued employment condition at 1 February 2021 having been verified. It also noted that the performance conditions for the 2020 financial year were not met, which justifies the cancelation of 202,834 potential shares; therefore, only 202,833 potential shares remain.

On 1 February 2021, the Board of Directors of PRODWAYS GROUP approved a new free share allocation plan. Under this plan, 550,550 PRODWAYS GROUP shares could be created subject to continued employment and/or performance conditions concerning the 2021 and 2022 financial years.

No other significant event took place between 31 December 2020 and the date on which the Board of Directors approved the consolidated financial statements.

Note 13 List of consolidated companies

Company	Parent company 31 December 2020	% control 2020	% control 2019	% interest 2020	% interest 2019	Method 2020	Method 2019
Consolidating company							
PRODWAYS GROUP SA		Top	Top	Top	Top	FC	FC
Structure							
PRODWAYS DISTRIBUTION [1][2]	-	-	100	-	100	-	FC
PRODWAYS ENTREPRENEURS [1]	PRODWAYS GROUP	100	100	100	100	FC	FC
PRODWAYS 2 [1]	PRODWAYS GROUP	100	100	100	100	FC	FC
Systems							
3D SERVICAD	AS 3D	100	100	100	100	FC	FC
AVENAO SOLUTIONS 3D	PRODWAYS GROUP	100	100	100	100	FC	FC
AVENAO INDUSTRIE	AS 3D	100	100	100	100	FC	FC
DELTAMED (Germany)	PRODWAYS GROUP	100	100	100	100	FC	FC
EXCELTEC	PRODWAYS GROUP	100	100	100	100	FC	FC
PRODWAYS AMERICAS (United States) [3]	PRODWAYS	100	100	100	100	FC	FC
PRODWAYS	PRODWAYS GROUP	100	100	100	100	FC	FC
PRODWAYS CONSEIL	PRODWAYS GROUP	100	90	100	90	FC	FC
PRODWAYS MATERIALS (Germany)	DELTAMED	100	100	100	100	FC	FC
PRODWAYS RAPID ADDITIVE FORGING	PRODWAYS GROUP	100	100	100	100	FC	FC
NEXTCUBE.IO	AS 3D	64.67	66.67	64.67	66.67	FC	FC
SOLIDSCAPE (United States)	PRODWAYS GROUP	100	100	100	100	FC	FC
Products							
BIOTECH DENTAL SMILERS	PRODWAYS ENTREPRENEURS	20	20	20	20	EM	EM
CRISTAL	PRODWAYS GROUP	100	100	100	100	FC	FC
INITIAL	PRODWAYS GROUP	100	100	100	100	FC	FC
INTERSON PROTAC	PRODWAYS GROUP	100	100	100	100	FC	FC
IP GESTION [4]	-	-	100	-	100	-	FC
L'EMBOUT FRANÇAIS [4]	-	-	100	-	100	-	FC
PODO 3D	PRODWAYS GROUP	82.07	82.07	82.07	82.07	FC	FC
SCI CHAVANOD	PRODWAYS GROUP	100	100	100	100	FC	FC
SURDIFUSE [4]	-	-	100	-	100	-	FC
VARIA 3D (United States)	PRODWAYS GROUP	70	70	70	70	FC	FC

(1) Companies with no activities.
(2) Company merged with PRODWAYS CONSEIL.
(3) Company liquidated at the end of December.
(4) Companies merged with INTERSON PROTAC.

4.1.7 Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2020

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders' meeting of PRODWAYS GROUP

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying consolidated financial statements of PRODWAYS GROUP ("the Group") for the year ended December 31, 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2020 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis for Opinion

Audit Framework

We conducted our audit 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 opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1st, 2020 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement 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 2020, goodwill recorded on the balance sheet amounted to a net carrying amount of €35.7 million, representing 34% of the total 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 PRODWAYS GROUP's process for preparing estimates and assumptions used as part of the impairment tests, in particular in that which concerns the taking into account the impacts of the sanitary crisis of Covid-19 on the parameters of activity and profitability;
- reviewing the impairment tests performed by Management as of June 30, 2020, by:
  - verifying that the discounted future cash flow projections used to determine the value in use of the cash generating units (CGUs) tested corresponds to those generated by elements comprising the carrying amount of the CGUs;
  - assessing the appropriateness of assumptions used, in particular cash flow projections, the discount rate and long-term growth rate, via a comparison with past performance and external analyses available on the market context;
  - reviewing the tests carried out by Management on the sensitivity of the recoverable amount of the CGUs to a reasonable change in the discount or long-term growth rates.
- Assessing, for each UGT and in accordance with IAS 36.99, that the conditions were respected for applying to year-ended December 31, 2020 the impairment tests performed on June 30, 2020.

Finally, we assessed the appropriateness of information provided in Note 6.4 to the consolidated financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verification required by laws and regulations of the Group's information given in the management report of the Board of Directors.

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

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code (code de commerce) is included in the Group's management report (or in the Group's information given in the management report), it being specified that, in accordance with Article L.823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Report on Other Legal and Regulatory Requirements

Format of the presentation of the consolidated financial statements intended to be included in the annual financial report

In accordance with Article 222-3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the consolidated financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation No 2019/815 of 17 December 2018 to years beginning on or after January 1st, 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (code monétaire et financier).

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of PRODWAYS GROUP by the Shareholders' Meeting held on March 13, 2014 for RSM Paris and on May 5, 2017 for PricewaterhouseCoopers Audit.

At December 31, 2020 RSM Paris was in the seventh consecutive year of their engagement and PricewaterhouseCoopers Audit was in the fourth year, which are the fourth year since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Neuilly-sur-Seine and Paris La Défense, April 6, 2021

The Statutory Auditors

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

4.2 2020 SEPARATE FINANCIAL STATEMENTS

4.2.1 Income statement

(in thousands of euros)	2020	2019
REVENUES	**1,472.7**	**1,755.8**
Reversals of provisions, expense transfers and other income	13.6	37.0
TOTAL OPERATING INCOME	**1,486.2**	**1,792.8**
Other purchases and external charges	1,526.1	1,687.4
Taxes and similar payments	14.4	8.7
Payroll expense	1,048.0	1,389.7
DEPRECIATION, AMORTIZATION AND PROVISIONS:		
non-current assets	22.7	20.4
current assets	-	-
Other expenses	25.0	-
TOTAL OPERATING EXPENSES	**2,636.2**	**3,106.1**
OPERATING RESULTS (A)	**(1,150.0)**	**(1,313.4)**
FINANCIAL INCOME (B)	**(8,932.4)**	**(34,591.2)**
INCOME FROM CONTINUING OPERATIONS BEFORE TAX (C) = (A) + (B)	**(10,082.4)**	**(35,904.5)**
EXCEPTIONAL INCOME (D)	**(384.2)**	**-**
Income tax (E)	695.4	1,042.5
NET INCOME (F) = (C) + (D) + (E)	**(9,771.2)**	**(34,862.0)**

4.2.2 Balance Sheet

Assets

(in thousands of euros)	2020 Gross	2020 Depreciation & provisions	2020 Net	2019
Intangible assets				
Other property, plant and equipment	80.0	32.6	47.4	63.4
Property, plant and equipment				
Technical installations, industrial equipment and tools	15.4	5.0	10.4	13.5
Other property, plant and equipment	20.6	13.2	7.5	3.33
Property, plant and equipment in progress	-	-	-	73.6
Equity securities	106,200.3	45,672.2	60,528.1	64,956.6
Receivables related to shareholdings	-	-	-	-
Other long-term investments	2.0	-	2.0	3.8
NON-CURRENT ASSETS	**106,318.3**	**45,723.0**	**60,595.3**	**65,114.2**
Net trade receivables and related accounts	2,197.1	-	2,197.1	3,156.2
Other trade receivables	11,271.3	5,273.7	5,997.7	9,329.6
Cash and cash equivalents	9,339.2	-	9,339.2	2,924.8
CURRENT ASSETS	**22,807.6**	**5,273.7**	**17,533.9**	**15,410.6**
Prepaid expenses	6.5	-	6.5	8.6
TOTAL ASSETS	**129,132.4**	**50,996.6**	**78,135.8**	**80,533.3**

Liabilities and shareholders' equity

(in thousands of euros)	2020	2019
Share capital	25,538.8	25,538.8
Share premiums	83,786.8	83,786.8
Legal reserve	2,540.8	2,540.8
Other reserves	-	-
Retained earnings	(33,607.8)	1,254.2
Income (loss) for the period	(9,771.2)	(34,862.0)
EQUITY	**68,487.3**	**78,258.5**
PROVISIONS FOR RISKS AND CHARGES	**-**	**-**
Bank borrowings	7,200.7	-
Other borrowings	-	-
Suppliers	313.1	395.6
Tax and social debts	2,131.9	901.4
Other liabilities	2.8	977.9
TOTAL DEBT	**9,648.5**	**2,274.8**
TOTAL LIABILITIES	**78,135.8**	**80,533.3**

4.2.3 Change in cash and cash equivalents

(in thousands of euros)	2020	2019
NET INCOME	**(9,771)**	**(34,862)**
Accruals	13,109	37,880
Capital gains and losses on disposals	-	-
Other	-	-
CASH FLOW FROM OPERATING ACTIVITIES	**3,338**	**3,018**
Change in working capital requirements	(4,088)	(9,380)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**750**	**(6,362)**
Investing activities		
Payments/acquisition of intangible assets	-	-
Payments/acquisition of property, plant and equipment	-	(90)
Proceeds/disposal of property, plant and equipment and intangible assets	-	-
Payments/acquisition of long-term investments	(38)	(6,405)
Proceeds/disposal of long-term investments	2	227
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	**(36)**	**(6,268)**
Financing activities		
Capital increase or contributions	-	-
Dividends paid	-	-
Proceeds from borrowings	7,201	-
Repayment of borrowings	-	-
Change in other debt	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	**7,201**	**-**
CHANGE IN CASH AND CASH EQUIVALENTS (D = A + B + C)	**6,414**	**(12,630)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**2,925**	**15,555**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**9,339**	**2,925**

4.2.4 Notes to the separate 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 2020.

The financial statement (balance sheet, income statement) presented is as follows:

- the net balance sheet total for the financial year ended on 31 December 2020 amounted to €78,135,751.20;
- the income statement presented in list form shows a loss of €9,771,196.28.

The Board of Directors approved the separate financial statements of PRODWAYS GROUP on 16 March 2021. They are subject to approval of the shareholders' meeting of 14 June 2021.

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 authority) on the revised French GAAP, as amended by ANC regulations 2015-06, 2016-07, 2017-01 and 2018-07, applicable at the closing date, with the following assumptions:

- going concern;
- consistency of accounting methods;
- prudence principle;
- separateness of accounting periods.

The recommendations of the French Accounting Standards Authority (Autorité des Normes Comptables), the French Association of Chartered Accountants (Ordre des Experts-Comptables) and the French National Institution of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) have been applied.

The basic method used to value items in the financial statements is the historical cost method.

Liabilities and receivables in foreign currencies are converted at the balance sheet date at their closing rates. The translation differences are recorded in the balance sheet under currency translation adjustments in assets or liabilities. Any unrealized losses are subject to a provision.

Cash and cash equivalents in foreign currencies are converted at the balance sheet date at their closing rates. The resulting currency translation adjustments are recorded in the income statement.

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 Significant events of the year

In June 2020, PRODWAYS GROUP acquired 10% of the share capital of PRODWAYS CONSEIL from a non-controlling shareholder, taking its holding to 100%.

In September 2020, PRODWAYS GROUP subscribed to three State Guaranteed Loans (*Prêts garantis par l'état* – EMP) for an amount of €2.4 million each with three banking institutions for a total of €7.2 million. At the same time, PRODWAYS CONSEIL merged with PRODWAYS DISTRIBUTION.

In December 2020, PRODWAYS GROUP incorporated some of these receivables into the capital of several subsidiaries, notably €19.7 million for PRODWAYS SAS, €1.67 million for CRISTAL and €0.45 million for PRODWAYS RAPID ADDITIVE FORGING. In addition, a receivable of €0.38 million was waived in favor of CRISTAL.

The year 2020 and in particular the first half of the year were strongly affected by the crisis caused by the Covid-19 pandemic. However, the Company was little affected although the subsidiaries were much more affected as described in Note 1.1 to the consolidated financial statements.

Note 3 Notes to the income statement

3.1 Operating income

PRODWAYS GROUP generated revenue of €1,473 thousand in services invoiced to its subsidiaries, including €268 thousand exported.

3.2 Operating expenses

Operating expenses were €2,636.2 thousand, consisting primarily of:

- services of €456 thousand invoiced by GROUPE GORGÉ, the main shareholder;
- fees of €796.8 thousand;
- personnel expenses of €1,048.0 thousand;
- travel expenses of €68.7 thousand.

Average workforce over the financial year is broken down as follows:

	2020	2019
Average workforce employed	**7**	**5**
of which executives and higher professional positions	5	4
of which technicians and supervisors	2	1

3.3 Statutory auditors' fees

The fees for PRODWAYS GROUP's statutory auditors in 2020 were €121 thousand.

3.4 Management remuneration

The members of the Board of Directors of PRODWAYS GROUP received €25 thousand in remuneration.

The Chairman is paid in part by PRODWAYS GROUP and in part by the controlling company GROUPE GORGÉ. PRODWAYS GROUP paid him total gross remuneration of €80,250 in 2020 (fixed remuneration of €68,750 taking into account a voluntary reduction of €6,250 in the second quarter and €11,500 of variable remuneration for 2019). The variable remuneration of the Chairman for 2020 was set at €16,812 by the Board of Directors of PRODWAYS GROUP.

PRODWAYS GROUP paid the Chief Executive Officer total gross remuneration of €251,005 in 2020 (fixed remuneration of €198,625, taking into account a voluntary reduction of €5,125 in the second quarter, and €46,000 in variable remuneration for 2020 was set at €74,100 by the Board of Directors of PRODWAYS GROUP.

3.5 Financial result

(in thousands of euros)	**2020**	**2019**
Investment income(1)	3,773.9	2,946.2
Net income from financial investments and interest on current accounts	468.9	341.2
Interest expense	(88.8)	(38.9)
FINANCIAL INCOME BEFORE PROVISIONS	**4,154.0**	**3,248.5**
Reversals of provisions for impairment	994.3	19.8
Depreciation of provisions for impairment	(14,080.7)	(37,859.5)
FINANCIAL RESULT	**(8,932.4)**	**(34,591.2)**

(1) The investment income in 2020 consisted of dividends received from DELTAMED and AVENAO SOLUTIONS 3D.

As is the case each year, the equity shares and related current accounts were the subject of valuation tests. When the equity securities and related receivables have a present value lower than their book value, the equity securities are written down before the related receivables are written down (unless a specific situation justifies a different order of impairment). These tests were conducted by legal entity and not by CGU as is the case for the consolidated financial statements of the PRODWAYS GROUP. Provisions for securities and current accounts were recognized in the amount of €14 million.

3.6 Exceptional income

(in thousands of euros)	**2020**	**2019**
Exceptional income on management transactions	-	-
Proceeds from disposal of fixed assets	-	-
Exceptional expenses on management transactions	384.2	-
Net value of assets sold	-	-
EXCEPTIONAL INCOME BEFORE PROVISIONS	**384.2**	**0.0**
Reversals of provisions for impairment	-	-
Depreciation of provisions for impairment	-	-
EXCEPTIONAL INCOME	**384.2**	**0.0**

Exceptional income mainly consists of a write-off of receivables in favor of the subsidiary CRISTAL for an amount of €0.375 million.

3.7 Income tax

PRODWAYS GROUP became the parent company of a tax consolidation group on 1 January 2018 comprising the following companies:

Company	Date of entry
PRODWAYS SAS	1 January 2018
PRODWAYS ENTREPRENEURS	1 January 2018
INITIAL	1 January 2018
EXCELTEC	1 January 2018
PRODWAYS RAPID ADDITIVE FORGING	1 January 2018
PRODWAYS 2	1 January 2018
AVENAO SOLUTIONS 3D	1 January 2018
3D SERVICAD	1 January 2018
AVENAO INDUSTRIE	1 January 2018
CRISTAL	1 January 2019
INTERSON PROTAC	1 January 2020

At 31 December 2020, the taxable income of the consolidated Group was a loss carryforward of €12,381.7 thousand.

In the absence of tax consolidation, the Company's taxable income for the year is a loss of €1,288.8 thousand.

A tax income of €695.4 thousand results from the tax consolidation.

Note 4 Notes to the cash flow statement

4.1 Cash flows from operating activities

Change in working capital requirements amounted to an unfavorable sum of €4,088 thousand. This requirement is explained in particular by the increase in net outstandings of subsidiaries' current accounts of €2,787.5 thousand (including the tax integration current accounts for €375.1 thousand). The €1,340 thousand increase in trade receivables completes this explanation.

4.2 Cash flows from investing activities

In 2019, PRODWAYS GROUP acquired SURDIFUSE and L'EMBOUT FRANÇAIS. It also paid the balance for the acquisition of AS3D and its subsidiaries acquired at the end of 2017. Lastly, PRODWAYS GROUP's investment in IP GESTION was increased to 100%. The total paid for these transactions was €6,404.8 thousand.

In 2020, only the residual minority interests in PRODWAYS CONSEIL were acquired, allowing for a wholly-owned holding.

4.3 Cash flows from financing activities

In 2020, PRODWAYS GROUP benefited from the health crisis support measures implemented by the French State. With this in mind, €7.2 million in loans guaranteed by the French State were subscribed and collected in September 2020 and for which the repayment assumption is between one and five years.

Note 5 Notes to the balance sheet

5.1 Non-current assets

Equity securities are recognized on the balance sheet at their acquisition cost less any necessary estimated impairment.

An impairment may be recognized based on the value after tax of the securities, which represents the acceptable value payable to acquire the securities. Value after tax is estimated according to the value of the share of equity of the relevant entities at year-end as well as their income and short-term earnings outlook. This involves using cash flow projections.

Gross values *(in thousands of euros)*	**Start of the period**	**Increase**	**Decrease**	**End of period**
INTANGIBLE ASSETS				
Industrial know-how	80.0	-	-	80.0
PROPERTY, PLANT AND EQUIPMENT				
Office and computer equipment	28.3	7.8	-	36.0
Non-current assets in progress	73.6	-	73.6	0.00
NON-CURRENT FINANCIAL ASSETS				
Equity securities	84,299.6	21,901.7	1.0	106,200.3
Loans	-	-	-	-
Other long-term investments	3.8	-	1.8	2.0
TOTAL	**84,485.2**	**21,909.5**	**76.4**	**106,318.3**

The increases for the year concern in particular:

- acquisition of the remaining 10% of the shares of PRODWAYS CONSEIL;
- incorporation of current accounts in the capital of the subsidiaries PRODWAYS SAS (€19.7 million), PRODWAYS RAF (€1.67 million), PRODWAYS CONSEIL (€0.07 million) and CRISTAL (€0.45 million) for a total of €21.9 million.

Net values *(in thousands of euros)*	**Start of the period**	**Increase**	**Decrease**	**End of period**
INTANGIBLE ASSETS				
Industrial know-how	63.4	-	16.0	47.4
INTANGIBLE ASSETS				
Technical installations, industrial equipment and tools	13.5	-	3.1	10.4
Office and computer equipment	3.3	7.8	3.6	7.5
Non-current assets in progress	73.6	30.1	103.7	-
NON-CURRENT FINANCIAL ASSETS				
Equity securities	64,956.6	21,901.7	26,330.3	60,528.1
Loans	-	-	-	-
Other long-term investments	3.8	-	1.8	2.0
TOTAL	**65,114.2**	**21,939.6**	**26,458.4**	**60,595.4**

The decrease in the net value of equity securities is mainly due to a provision for impairment as detailed in financial income (Note 3.5).

5.2 Maturity of receivables

(in thousands of euros)	Gross amount	Due within 1 year	At more than one year
Loans	-	-	-
Receivables related to shareholdings	-	-	-
Other long-term investments	2.0	-	2.0
Other trade receivables	2,197.1	2,197.1	-
Social Security and other organizations	1.4	1.4	-
State and other government authorities:			
• Income tax	1,362.8	14.9	1,347.9
• Value-added tax	47.1	47.1	-
Group and associated companies	9,860.0	-	9,860.0
Other receivables	-	-	-
Prepaid expenses	6.5	6.5	-
TOTAL	**13,476.9**	**2,267.1**	**11,209.9**

The item "Group and associated companies" includes current account advances granted to subsidiaries, as well as compensation for tax on subsidiaries, related to the tax integration within the Group.

Accrued income: none.

5.3 Equity

5.3.1 Change in equity

(in thousands of euros)	Beginning of period	Capital increase or decrease	Allocation of income	Payment of dividends	End of period
Capital	25,539	-	-	-	25,539
Share premiums	83,787	-	-	-	83,787
Legal reserve	2,541	-	-	-	2,541
Other reserves					-
Retained earnings	1,254	-	(34,862)	-	(33,608)
N-1 income	(34,862)	-	34,862	-	-
TOTAL	**78,259**	**-**	**-**	**-**	**78,259**
Income (loss) for the period					(9,771)
TOTAL EQUITY AT CLOSING	**78,259**				**68,487**

At 31 December 2020, the share capital of PRODWAYS GROUP was made up of 51,077,543 shares with a par value of €0.5 amounting to €25,538,711.5.

5.3.2 Potential shares

In January 2019, PRODWAYS GROUP issued a free share allocation plan in two tranches, in favor of Group employees. Under a collective plan, each employee of a French company is allocated at least 50 potential shares subject only to a presence condition. Under a selective plan reserved for 50 persons, 783,000 shares were allocated, with the vesting of these shares being subject to the achievement of the Group's performance objectives in 2019, 2020 and 2021 and to presence conditions. These two plans together represented at the origin a total of 802,800 potential shares. Taking into account the cancelations which have already occurred, a total of 592,075 potential shares remained at 31 December 2020. At 1 February 2021, the number of potential shares had changed further (see Note 9.3 on subsequent events).

5.4 Net debt

5.4.1 Available cash

Where applicable, transferable securities are recognized on the balance sheet at their acquisition cost. Accrued interest earned on term accounts is recorded under investment income. A provision for impairment is recognized when the net asset value is less than the acquisition cost.

Cash and cash equivalents are recognized on the assets side of the balance sheet at 31 December 2020 for an amount of €9,339.2 thousand.

PRODWAYS GROUP holds 50,720 treasury shares under its liquidity agreement managed by PORTZAMPARC.

At 31 December 2020, the value of the shares held stood at €102.9 thousand, their market value being €116 thousand.

5.4.2 Financial debt

PRODWAYS GROUP has taken out three loans guaranteed by the French State for a total of €7.2 million and has a confirmed credit line of €5 million, not used to date. This facility (initially for €10 million) is confirmed on an amount declining by €2.5 million per year until December 2022.

5.5 Operating payables and other liabilities

Schedule of debts

(in thousands of euros)	Gross amount	Due within 1 year	At more than one year
Trade payables	313.1	313.1	-
Employees	201.4	201.4	-
Social Security and other social services	219.8	219.8	-
State and other government authorities:			
• Income tax	9.0	9.0	-
• Value-added tax	395.6	395.6	-
• Other taxes and similar payments	10.2	10.2	-
Group and associated companies	1,295.9	0.0	1,295.9
Other liabilities	2.8	2.8	-
TOTAL	**2,447.8**	**1,151.9**	**1,295.9**

Accruals: €524.8 thousand of which €228.5 thousand in invoices not yet received, €286 thousand in Social Security liabilities and €10.2 thousand in tax liabilities.

Note 6 Transactions with affiliate companies and related parties

Related parties are persons (Directors or managers of PRODWAYS GROUP or its main subsidiaries) or entities owned or managed by these persons. All transactions between related companies and parties are catted out under normal market terms and conditions.

The net amounts for related undertakings included in PRODWAYS GROUP SA's balance sheet and income statement items for the financial year ended 31 December 2020 are as follows:

(in thousands of euros)	Subsidiaries	GROUPE GORGÉ
BALANCE SHEET		
Deposits	-	-
Net trade receivables and related accounts	2,197.1	-
Current accounts receivable	9,860.0	-
Suppliers	-	11.2
Current accounts payable	1,295.9	-
INCOME STATEMENT		
Operating income	1,472.7	-
Other income	-	-
Purchases and external charges	-	456.8
Investment income	3,823.9	-
Other financial income	396.5	-
Financial expense	-	-
Exceptional expenses	377.5	-

Note 7 Off-balance sheet commitments

7.1 Off-balance sheet commitments related to ordinary activities

None.

7.2 Complex commitments

Within PODO 3D and VARIA 3D, PRODWAYS GROUP is partnered with minority shareholders who are managers of those companies. In certain cases, shareholders' agreements provide for the potential liquidity of their holdings.

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. This investment was increased to 100% in May 2019. The vendors granted an assets and liabilities guarantee with a term of three years. This guarantee, which was capped at €733 thousand for the first 18 months, then reduced to €367 thousand for the following 18 months, was terminated in the first half of 2020 without being called into play.

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, capped at €2 million, expired in 2020 without being called into play.

In 2018, PRODWAYS GROUP acquired all shares making up the share capital of SOLIDSCAPE. The vendors granted an assets and liabilities guarantee with duration of 18 months to 8 years depending on the nature of any claim. This guarantee is limited to $1 million or the acquisition price according to the nature of the claims. The Group did not call the guarantee.

In 2019, PRODWAYS GROUP acquired all of the shares comprising the share capital of SURDIFUSE and L'EMBOUT FRANÇAIS. The vendors granted an assets and liabilities guarantee for a term of 2 to 3 years (longer for some tax and social items) depending on the nature of the claims. This guarantee is capped at €300,000, and declines over time.

In September 2020, PRODWAYS GROUP undertook to ensure the maintenance of the going concern principle of one of its subsidiaries whose shareholders' equity is negative. In this regard, PRODWAYS GROUP undertook to not request reimbursement of any receivables and to provide, if needed, the necessary cash within the limit of €500,000. This commitment is valid until the shareholders' meeting approving the subsidiary's financial statements for 2020.

7.3 Commitments received

PRODWAYS GROUP has a confirmed credit facility of €5 million which has not yet been used. This facility (initially for €10 million) is confirmed on an amount declining by €2.5 million per year until December 2022.

7.4 Financial covenants

PRODWAYS GROUP's confirmed credit facility is accompanied by a change of control clause and a financial covenant which applies in the event of a drawdown.

7.5 Pledges, guarantees and sureties

None.

7.6 Retirement pay

Retirement pay is assessed at €9 thousand on the reporting date.

Note 8 Subsidiaries and equity interests

	Capital	Reserves and retained earnings before allocation of income	Share of capital held (in %)	Carrying amount of securities held Gross	Carrying amount of securities held Net	Loans and advances granted by the Company and not yet repaid	Amount of sureties and endorsements given by the Company	Revenue excluding taxes for the past financial year	Results (profit or loss for the past financial year)	Dividends received by the Company during the financial year
A. Detailed information concerning the above subsidiaries and equity interests										
1. Subsidiaries (more than 50% of the share capital held by the Company).										
DELTAMED	27	2,826	100%	7,066	5,935			6,037	1,395	1,486
PRODWAYS ENTREPRENEURS	701	541	100%	701	701	198			(36)	
PRODWAYS SAS	6,427	7,362	100%	46,453	6,482	2,476		4,023	(9,802)	
INITIAL	400	2,333	100%	12,000	12,000			10,232	(1,414)	
VARIA 3D		235	70%	979	164			197	(138)	
EXCELTEC	20	170	100%	250	250	529		671	(47)	
PODO 3D	28	(1,946)	82.1%	680	680	1,856		1,117	(346)	
CRISTAL	755	754	100%	2,150	2,150	224		2,990	(427)	
PRODWAYS RAPID ADDITIVE FORGING	575	613	100%	1,027	762	889		457	(1,125)	
PRODWAYS 2	5	(3)	100%	5	5	8			(4)	
PRODWAYS CONSEIL	5	(6)	100%	75	75	22			(16)	
INTERSON PROTAC	96	2,991	100%	6,619	6,619	2		7,431	(209)	50
AVENAO SOLUTIONS 3D	21	546	100%	16,466	15,780			17,636	1,831	2,288
SOLIDSCAPE	10,465	7,492	100%	11,726	8,923	1,138		4,823	(1,886)	
SCI CHAVANOD	2	(117)	99.95%	2	2	733			(106)	
B. General information concerning other subsidiaries or equity interests.										
1. Subsidiaries not included in § A										
a. French subsidiaries (all)										
b. Foreign subsidiaries (all)										
2. Shareholdings not included in § A										
a. In French companies (together)										
b. In foreign companies (together)										

Note 9 Other information

9.1 Identity of the consolidating parent company

PRODWAYS GROUP prepares consolidated financial statements. The financial statements of PRODWAYS GROUP are in turn consolidated by GROUPE GORGÉ, a French public limited company (*société anonyme*) with a Board of Directors and share capital of €17,424,747, and domiciled at 19 rue du Quatre-Septembre 75002 Paris.

9.2 Tax consolidation

In turn, on 1 January 2018 PRODWAYS GROUP became the parent company of a tax consolidation group comprising PRODWAYS, PRODWAYS ENTREPRENEURS, PRODWAYS DISTRIBUTION, INITIAL, EXCELTEC, PRODWAYS RAPID ADDITIVE FORGING, PRODWAYS 2, AS3D, 3D SERVICAD, AVENAO INDUSTRIE and CRISTAL.

In 2020, INTERSON PROTAC joined the tax consolidation group.

9.3 Subsequent events

On 1 February 2021, the Board of Directors of PRODWAYS GROUP noted, in respect of the 2019 free share allocation plan, that 186,408 new PRODWAYS GROUP shares could be created, the performance conditions for 2019 having been met and the continued employment condition at 1 February 2021 having been verified. It also noted that the performance conditions for the 2020 financial year were not met, which justifies the cancelation of 202,834 potential shares; therefore, only 202,833 potential shares remain.

On 1 February 2021, the Board of Directors of PRODWAYS GROUP approved a new free share allocation plan. Under this plan, 550,550 PRODWAYS GROUP shares could be created subject to continued employment and/or performance conditions concerning the 2021 and 2022 financial years.

There were no other significant events occurring between 31 December 2020 and the date of the meeting of the Board of Directors which approved the separate financial statements.

4.2.5 Statutory auditors' report on the annual financial statements

Financial year ended 31 December 2020

This is a translation into English of the statutory auditors' report on the annual financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders' Meeting of PRODWAYS GROUP,

Opinion

In application of the assignment entrusted to us by your bylaws and your Shareholders' Meeting, we have conducted an audit of the PRODWAYS GROUP annual financial statements in respect of the financial year ended 31 December 2020, which are appended hereto.

We hereby certify that the annual financial statements give a true and fair view of the assets and liabilities, the financial position and the results of the Company's operations in accordance with French accounting principles.

Basis for the opinion

Audit framework

We have conducted our review in accordance with the professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities in view of these standards are set out in the section entitled "Statutory Auditors' responsibilities regarding the audit of the annual financial statements" in this report.

Independence

We have conducted our audit in accordance with the rules of independence set out by the French Commercial Code and the Professional Code of Ethics for the period from 1 January 2020 to the date on which our report was issued; in particular, we did not render any services prohibited by article 5, paragraph 1 of Regulation (EU) N° 537/2014.

Justification of our assessment – Key audit points

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

It is in this complex and changing context that, in accordance with the provisions of articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key points of the audit relating to the risks of material misstatement which, in our professional judgment, were the most significant for the audit of the annual financial statements for the year, as well as our responses to address such risks.

These assessments were undertaken as part of the audit of the annual financial statements, taken as a whole, approved under the conditions previously mentioned, and of the opinion we formed and expressed above. We have not expressed an opinion on individual elements contained in these separate financial statements.

Assessment of equity securities

Risk identified

At 31 December 2020, equity securities were recorded on the statement of financial position with a net carrying value of €60.5 million, representing 77% of total assets. They are recognized on the date of purchase at their acquisition cost.

When the value in use of securities is lower than their net carrying value, a provision for impairment is recorded for the difference. Value in use is determined, where applicable, based on:

- the value of the share of equity of the investment;
- an analysis of the short and medium-term results and profitability outlook of the investment, in particular through the use of cash flow projections.

Estimating the value in use of these securities therefore requires Management to exercise its judgment in selecting the items to be considered according to the investments concerned, particularly in the context of the COVID-19 pandemic. 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 statement of financial position and inherent uncertainty linked to the likelihood of forecasts used to determine the value in use actually materializing.

Audit procedures implemented to address identified risks

Our work consisted in:

- obtaining an understanding of the value testing process implemented by Management, in particular with regard to taking into account the impacts of the Covid-19 health crisis;
- assessing the appropriateness of the valuation method applied by Management, the assumptions and the figures used;
- comparing the data used to conduct impairment testing of securities with accounting data, where applicable;

where applicable, analyzing the consistency of Management's future cash flow projections with past performance and our knowledge of the subsidiaries' activities. We have also verified the appropriateness of the information presented in sections 5.1 "Non-current assets" and 3.5 "Financial income" of the notes to the separate financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations.

Information provided in the management report and in the other documents sent to shareholders with respect to the financial position and the annual financial statements

We have no matters to report as to the fair presentation and consistency with the annual financial statements of the information given in the Board of Directors' management report and in the other documents sent to Shareholders on the financial position and the annual financial statements.

In application of the law, we hereby bring to your attention the fact that the information relating to customer payment terms specified by article D.441-6 of the French Commercial Code is incompletely discussed in the management report. Consequently, we cannot attest to their accuracy and fair presentation or their agreement with the annual financial statements.

Corporate governance information

We hereby certify the inclusion, in the Board of Directors' report on corporate governance, of the information required by articles L.225-37-4, L.22-10-10, L.225-37-4, L.22-10-10 and L.225-10-9 of the French Commercial Code.

Concerning the information provided pursuant to the provisions of article L.22-10-9 of the French Commercial Code relating to remuneration and benefits paid or awarded to corporate officers, as well as the commitments made in their favor, we have verified its consistency with financial statements or the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from the companies controlled by it that are included in the scope of consolidation. Based on this work, we attest the accuracy and fair presentation of this information.

Concerning the information relating to factors that your Company considers likely to have an impact in the event of a public tender or exchange offer, provided in application of the provisions of article L.22-10-11 of the French Commercial Code, we have verified its compliance with the documents from which it was taken and which were provided to us. On the basis of this work, we have no observations to make regarding this information.

Other information

Pursuant to French law, we have verified that the various information relating to the identity of shareholders and holders of voting rights has been properly disclosed in the management report.

Other verifications or information required under legal and regulatory texts

Format of the annual financial statements intended to be included in the annual financial report

In accordance with section III of article 222-3 of the AMF General Regulations, the Management of your Company has informed us of its decision to postpone the application of the European Single Electronic Format as defined by the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 to the financial years beginning on 1 January 2021. Consequently, this report does not contain any conclusions on the compliance of the presentation of the financial statements intended to be included in the annual financial report with this format, as mentioned in section I of article L.451-1-2 of the French Monetary and Financial Code.

Appointment of Statutory Auditors

We were appointed Statutory Auditors of PRODWAYS GROUP by the bylaws of 13 March 2014, for RSM Paris and by the ordinary shareholders' meeting of 5 May 2017 for PricewaterhouseCoopers Audit.

At 31 December 2020, RSM Paris was in the seventh year of its assignment without interruption, and PricewaterhouseCoopers Audit in its fourth year without interruption, and four years for each firm since the Company's securities were admitted for trading on a regulated market.

Responsibilities of Management and those in charge of corporate governance in relation to the annual financial statements

It is the Management's responsibility to prepare fair and accurate annual financial statements in compliance with French accounting principles, and to implement the internal control procedures which it deems necessary for the preparation of annual financial statements free of any material misstatements, whether resulting from fraud or errors.

In preparing the annual financial statements, it is the Management's responsibility to assess the Company's ability to continue trading as a going concern, to present, where relevant, the necessary information relating to operating as a going concern and to apply the going concern principle of accounting, unless there are plans to liquidate or cease the Company's activity.

These annual financial statements have been approved by the Board of Directors.

Statutory Auditors' responsibilities regarding the audit of the annual financial statements

Audit objective and approach

We are tasked with preparing a report on the annual financial statements. Our objective is to obtain reasonable assurance that the separate financial statements, taken as a whole, are free of material misstatements. Reasonable assurance means a high level of assurance, however without any guarantee that an audit conducted in accordance with professional standards will systematically detect any material misstatement. Misstatements may be the result of fraud or errors, and are considered material when, individually or combined, they can be reasonably expected to impact economic decisions taken based on the financial statements.

As set out in article L.823-10-1 of the French Commercial Code, our assignment to certify the financial statements does not involve guaranteeing the sustainability or quality of the management of your Company.

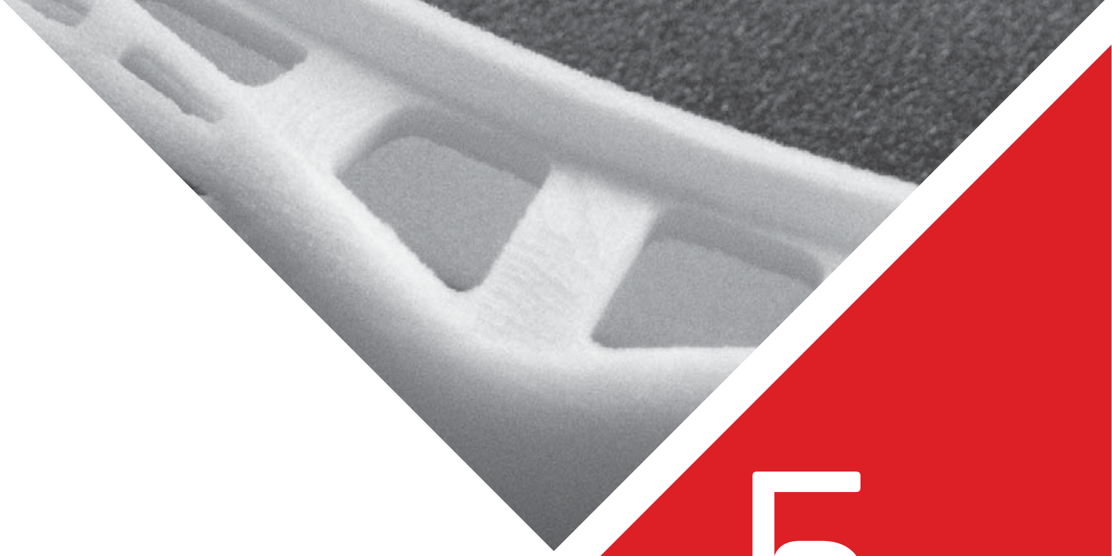
As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercise their professional judgement throughout the entire audit. Furthermore:

- it identifies and assesses the risk of material misstatement in the annual financial statements, whether the result of fraud or errors, defines and implements audit procedures to address such risks, and gathers adequate and appropriate information on which to form an opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from an error, given that fraud may imply collusion, falsification, willful omissions, false statements or the circumvention of internal control;
- it acknowledges internal control processes relevant to the audit, in order to define suitable audit procedures, and not for the purpose of expressing an opinion on the effectiveness of such internal control;
- it assesses the appropriateness of the accounting methods adopted and the soundness of accounting estimates made by Management, as well as information concerning them provided in the annual 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 jeopardize the Company's ability to continue as a going concern. This assessment is founded on information obtained up until the date of the report, it being specified, however, that subsequent circumstances or events may jeopardize business continuity. If the auditor identifies significant uncertainty, they highlight such uncertainty in their report by drawing readers' attention to the corresponding information presented in the annual financial statements, or, if this information has not been provided or is not relevant, issues certification with reserves or a refusal to certify;
- it assesses the overall presentation of the annual financial statements and determines whether they provide a true and fair reflection of the underlying transactions and events.

Paris and Neuilly-sur-Seine, 6 April 2021

The Statutory Auditors

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



5

INFORMATION ABOUT THE COMPANY, ITS SHARE CAPITAL AND SHAREHOLDERS

5.1 INFORMATION ABOUT THE COMPANY

5.1.1 General information

Company name

The Company's name is PRODWAYS GROUP.

Place of registration and registration number

The Company is registered with the Paris Trade and Companies Register under number 801 018 773.

ISIN code FR0012613610 – PWG

Date of incorporation and term

The Company was incorporated on 7 March 2014 for a period of 99 years from the date of its registration with the Trade and Companies Register on 13 March 2014, *i.e.* until 12 March 2113, except in the event of extension or early dissolution.

Registered office, legal form and applicable law

The Company is a public limited company (*société anonyme*) with a Board of Directors governed by French law whose operation is primarily subject to articles L.225-1 *et seq.* of the French Commercial Code.

The head office of the Company is located at 19 rue du Quatre-Septembre, 75002 Paris, France.

The contact information for the Company is as follows:

Telephone: +33 (0) 1 44 77 94 77

Fax: +33 (0) 1 44 77 89 77

Email: IR@prodways.com

Website: www.prodways-group.com

Legal entity identifier (LEI): 969500URB8KRQ9IDBK68

5.1.2 Corporate charter and Articles of Association

Corporate object

As set forth in article 3 of the Articles of Association, the Company's purpose is:

- the acquisition for its own account by purchase, subscription, exchange or otherwise and management of capital investments in any French or foreign company existing now or in the future regardless of their legal form or purpose;
- any provision of service or advice in any field to its investees and subsidiaries, including any hiring of personnel, in particular for its subsidiaries and investees;
- and generally, enter into any transactions that are directly or indirectly related to these purposes or to similar or related purposes or that might aid in their application or development.

Provisions of the Articles of Association, a charter or regulations related to the members of administrative, management and supervisory bodies

The Articles of Association of PRODWAYS GROUP stipulate that the Board of Directors consists of three members at least and 18 at the most, except where this is waived pursuant to the law in the event of a merger.

Throughout the Company's lifetime, Directors are appointed, reappointed or removed by the ordinary shareholders' meeting. They may always be re-elected for new terms.

Each Director serves for a term of three years that ends after the ordinary shareholders' meeting called for the purpose of approving the financial statements of the preceding financial year and held in the year in which his or her term expires.

Directors can be natural or legal persons. At the time of appointment, legal persons must appoint a permanent representative who is subject to the same conditions and obligations and incurs the same liability as if he or she were a Director in his/her own name, without prejudice to the joint and several liability of the legal entity he or she represents.

The Article of Association allow, as the case may be, the appointment of employee Directors on the Board of Directors.

The Board of Directors elects a Chairman among its members who are natural persons. The Board of Directors sets the Chairman's remuneration and the length of tenure, which cannot exceed his/her term of office as Director. Article 14 of the Articles of Association sets a maximum age limit for the Chairman (75 years old).

The Board of Directors prepares and presents the half-yearly and annual financial statements and convenes the shareholders' meetings.

Meetings of the Board of Directors may be held as often as is necessary in the Company's interest. The Internal Regulations provide that meetings may be held by videoconference or by other telecommunication means in accordance with the regulatory requirements for holding meetings.

Quorum is achieved by half of the members of the Board of Directors and decisions are made by a majority vote of the members in attendance or represented by other Directors of the Board.

The Directors' powers are those as defined by law and have not been limited either by statute or at the time of appointment by the Board of Directors.

The Chief Executive Officer may be assisted by the Deputy Chief Executive Officers who are vested with the same powers. If the Chief Executive Officer is a Director, he or she is appointed for the length of his or her term of office as Director. The same applies for the Deputy Chief Executive Officer.

Rights, privileges and restrictions attaching to each class of existing shares

There are no privileges or restrictions attached to certain shares or classes of shares.

"With respect to the percentage of share capital that they represent, double voting rights are conferred upon all fully paid-up shares which have been held in registered form for at least two (2) 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 Articles of Association)

Steps necessary to amend shareholders' rights

The shareholders' rights may be amended by an extraordinary shareholders' meeting and, where necessary, after having been ratified by the special shareholders' meeting for shareholders benefiting from special advantages.

General shareholders' meetings

"Shareholders' meetings are convened and deliberate under the terms and conditions set by the law.

Shareholder resolutions are made at ordinary, extraordinary or special shareholders' meetings depending on the type of decision.

Shareholders' meetings are convened by the Board of Directors, or, failing that, by those individuals named by the French Commercial Code, particularly the statutory auditors or a court-appointed agent as provided by law.

Meetings are held at the head office or in any other location stated in the convocation.

Shareholders' meetings are convened as provided by the regulations in force.

Any shareholder, regardless of the number of shares he or she holds, has the right to attend and vote at the shareholders' meetings, whether in person, by proxy, or by remote voting, under the conditions and within the time limits laid down by the regulations in force.

Shareholders may, under the conditions laid down by the legislation in force, send their voting form by mail for any shareholders' meeting, either as a printed paper copy or, on a decision by the Board of Directors recorded in the meeting notice and the convening notice, as an electronic copy.

Shareholders may, on a decision by the Board of Directors, attend and vote at any shareholders' meeting by means of video-conference or any means of telecommunication, under the conditions laid down by the regulations in force. This decision is included in the meeting notice published in the *Bulletin des Annonces Légales Obligatoires* (BALO). These shareholders are thereupon considered to be in attendance at the meeting, for the purpose of counting the quorum and majority.

Postal voting forms and proxies granted to be represented at a meeting may include an electronic signature by the shareholder or his or her legal or court-appointed representative, in the form of a process in compliance with the requirements of article 1316-4, paragraph 2, of the French Civil Code, namely a reliable identification process guaranteeing its connection with the instrument to which it relates.

All shareholders have the right to access the documents required to be able to make an informed decision on the Company's management and situation.

The laws and regulations determine the type of documents as well as how they are sent and made available to shareholders.

The officers of the meeting certify as accurate the attendance sheet, duly signed by the attending shareholders and their proxies and to which shall be appended the powers of attorney awarded to each proxy and, where applicable, the vote-by-mail forms.

The meetings are presided over by the 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 so appointed shall appoint the Secretary, who does not need to be a shareholder.

The minutes of the meetings will be prepared and copies or excerpts of the proceedings will be certified in accordance with law.

Ordinary and extraordinary shareholders' meeting, ruling under the conditions of quorum and majority required by the provisions that govern them respectively, exercise the powers granted to them by law."

(Extract from article 23 of the Articles of Association)

Crossing of ownership thresholds

The Company's Articles of Association include an obligation to report crossing the thresholds of 2%, 3% and 4%.

"In addition to the applicable regulation governing the crossing of thresholds, any physical or legal person who, alone or together, comes to hold or ceases to hold, in any manner whatsoever, a number of shares representing more than 2%, 3% or 4% of the capital or voting rights, is required to notify the Company within a period of ten calendar days from the crossing of one of these thresholds, of the number of shares, securities giving access to the capital and voting rights attached thereto, that it holds. For the purposes of application of this statutory obligation, the participation thresholds are determined under the same conditions as legal participation thresholds.

In the event of non-compliance with the statutory requirement, the shares exceeding the undeclared fraction shall be deprived of voting rights for any shareholders' meeting held up until the expiry of a period of two years following the date of regularization, at the request, recorded in the minutes of the shareholders' meeting, of one or more shareholders holding 5% at least of the share capital."

(Extract from article 10 of the Articles of Association)

Terms and conditions in the Company's Articles of Association regarding modifications to share capital which are more restrictive than the law

The Company's Articles of Association do not contain any provisions concerning modifications of share capital which are more restrictive than those provided under the law.

5.2 CAPITAL

5.2.1 Total subscribed share capital and potential share capital

At 31 December 2020, the Company's share capital was €25,538,771.50 divided into 51,077,543 fully paid-up shares, each with a par value of €0.50. On 1 February 2021, the share capital was increased by 186,408 new shares, resulting from the acquisition of shares under a free share allocation plan. At 16 March 2021, it amounted to €25,631,975.50.

Free share allocations

Free share allocation plans were set up in February and December 2016 and in January 2019. A new plan was implemented at the beginning of 2021.

1/ Plans implemented in 2016

Free share allocation plans were set up in February and December 2016. Shares for which the performance conditions were achieved were vested in beneficiaries still employed in April 2019 (261,900 shares). The plans are now finished and there are no more potential shares pursuant to these plans.

	Free shares		
Date of the shareholders' meeting authorizing the free shares allocations	**28 September 2015**		
Date of the Board of Directors vote granting the shares	**17 February 2016**	**9 December 2016 (plan effective on 9 December 2016)**	**9 December 2016 (plan effective on 30 December 2016)**
Maximum number of shares authorized	5% of the share capital on the grant date		
Number of free shares allocated	632,200	478,400	10,100
Of which total number that may be acquired by the current corporate officers of the Company	-	-	-
Number of non-corporate-officer recipients (at first)	198	237	1
Dates and terms of vesting	See below	See below	See below
Cumulative number of shares vested	-	255,960	5,940
Cumulative number of allocated free shares canceled or voided	632,200	222,440	4,160
Number of free shares outstanding at 31 December 2020	-	-	-

Free shares known as Performance Shares were subject to the following conditions:

a) Vesting period

The Vesting Period expired on 15 April 2019

b) Vesting conditions

The vesting of the performance shares on the Vesting Date is subject to meeting the cumulative conditions as to liquidity, performance and continued employment (the "Vesting Conditions").

Liquidity conditions

The vesting of the Performance Shares was subject to a liquidity condition that was achieved with the Company's initial public offering in May 2017.

Performance condition

Vesting of the Performance Shares is subject to (i) fulfilling performance conditions related to Group's revenues and EBITDA in the IFRS consolidated financial statements of the Group for the 2016, 2017 and 2018 financial years and (ii) for certain beneficiaries named by the Board of Directors and for only portion of the Performance Shares granted to them the Company's market capitalization.

The performance condition was met with respect to the 2017 financial year and the Company's market capitalization.

Continued employment condition

Unless the Board of Directors decides otherwise, the performance shares could only vest if the recipient was still a corporate officer or employee of the Company or a Group company at the end of the Vesting Period.

2/ Plan implemented in 2019

A free share allocation plan was introduced on January 2019, originally with 802,800 potential shares, subject to conditions of continued employment and/or performance and the share price.

	Free shares
Date of shareholders' meeting authorizing the allocation of free shares	**13 June 2018**
Date of the Board of Directors vote to grant the shares	**31 January 2019**
Maximum number of shares authorized	5% of the share capital on the grant date
Number of free shares allocated	802,800
Of which total number that may be acquired by the corporate officers of the Company	135,000
Number of non-corporate-officer recipients (at first)	445
Dates and terms of vesting	See below
Cumulative number of shares vested (1)	186,408
Cumulative number of allocated free shares canceled or voided	413,558
Number of free shares outstanding on 1 February 2021	202,834

(1) As decided by the Board of Directors on 1 February 2021.

Free shares known as Performance Shares are subject to the following conditions:

2.1/ Collective plan benefiting 396 people (19,800 shares originally)

a) Vesting period

The Vesting Period ends on 1 February 2021.

Provided the vesting conditions referred to in Section (b) below are met, the performance shares will vest on the first business day following the expiration of the Vesting Period (the "Vesting Date").

b) Vesting conditions

The vesting of Performance Shares on the Vesting Date is subject only to compliance with the continued employment condition at 1 February 2021.

Continued employment condition

Unless the Board of Directors decides otherwise, the performance shares will vest only if the recipient is still a corporate officer or employee of the Company or a Group company at the end of the Vesting Period.

2.2/ Selective plan benefiting 50 people (783,000 shares originally)

a) Vesting period

The Vesting Period expires on 1 February 2021 (one third of the shares subject to 2019 performance conditions), 1 February 2022 (one third of the shares subject to 2020 performance conditions) and 1 February 2023 (one third of the shares subject to 2021 performance conditions).

Provided the vesting conditions referred to in Section (b) below are met, the performance shares will vest on the first business day following the expiration of the Vesting Period (the "Vesting Date").

b) Vesting conditions

The vesting of the performance shares on the Vesting Date is subject to meeting the cumulative performance and continued employment conditions (the "Vesting Conditions").

Performance condition

The vesting of the Performance Shares is subject to (i) compliance with performance conditions related to the levels of operating income in the Group's IFRS consolidated financial statements with certain adjustments, for the 2019, 2020 and 2021 financial years (85% of shares) or (ii) the level of the Company's share price as at 31 December 2019, 2020 and 2021 (15% of shares).

Continued employment condition

Unless the Board of Directors decides otherwise, the performance shares will vest only if the recipient is still a corporate officer or employee of the Company or a Group company at the end of the Vesting Period.

For the 2019 plan, the total number of ordinary shares that may be created by the exercise of all instruments giving access to the Company's share capital is 112,832 shares (802,800 originally and 186,408 shares already created), or a maximum dilution of approximately 0.22% of the share capital. The dilution of voting rights would be identical (without taking double voting rights into account).

3/ New plan decided in February 2021

A selective free share allocation plan (selective plan) and a collective free share allocation plan were implemented on 1 February 2021, with initially 546,550 potential shares, subject for the selective plan alone to presence and/or performance conditions and stock market price conditions.

	Free shares
Date of shareholders' meeting authorizing the allocation of free shares	**13 June 2018**
Date of the Board of Directors vote to grant the shares	**1 February 2021**
Maximum number of shares authorized	5% of the share capital on the grant date
Number of free shares allocated	550,550
Of which total number that may be acquired by the corporate officers of the Company	247,500
Number of beneficiaries who are not corporate officers of the Company (originally)	370
Dates and terms of vesting	See below
Cumulative number of allocated free shares canceled or voided (*)	247,500
Number of free shares outstanding under the 2021 plans on 28 April 2021 (*)	303,050

(*) As the Chief Executive Officer of the Company will leave his position in July 2021, he will lose his right to acquire free shares

Free shares known as Performance Shares are subject to the following conditions:

3.1/ Collective plan benefiting 370 people (18,050 shares originally)

a) Vesting period

The Vesting Period ends on 2 February 2023.

Provided the vesting conditions referred to in Section (b) below are met, the performance shares will vest on the first business day following the expiration of the Vesting Period (the "Vesting Date").

b) Vesting conditions

The vesting of Performance Shares on the Vesting Date is subject only to compliance with the continued employment condition at 2 February 2023.

Continued employment condition

Unless the Board of Directors decides otherwise, the performance shares will vest only if the recipient is still a corporate officer or employee of the Company or a Group company at the end of the Vesting Period.

3.2/ Selective plan benefiting 16 people (532,500 shares originally)

a) Vesting periods

The first Vesting Period expires on 2 February 2023 (half of the shares subject to 2021 performance conditions) and the second vesting period expires on 1 July 2023 (half of shares subject to 2022 performance conditions).

Provided the vesting conditions referred to in Section (b) below are met, the final vesting of the Performance Shares will occur on the first business day following the expiration of the relevant Vesting Period (the "Vesting Date").

b) Vesting conditions

The vesting of the performance shares on the Vesting Date is subject to meeting the cumulative performance and continued employment conditions (the "Vesting Conditions").

Performance condition

The vesting of the Performance Shares is subject in part to (i) compliance with the performance conditions linked to the Group's revenue growth levels for the 2021 and 2022 financial years and in part to (ii) the attainment of the Group's consolidated current operating income under IFRS (as defined in the plan) in 2021 and 2022. Any performance shares that may be vested will be allocated a potential "stock market price" bonus depending on the level of the PRODWAYS GROUP share price.

Continued employment condition

Unless the Board of Directors decides otherwise, the performance shares will vest only if the recipient is still a corporate officer or employee of the Company or a Group company at the end of the Vesting Period.

For the 2021 plan, the total number of ordinary shares that may be created by the exercise of all instruments giving access to the Company's share capital is 303,050 shares, or a maximum dilution of approximately 0,59% of the share capital. The dilution of voting rights would be identical (without taking double voting rights into account).

There are no potential shares relating to stock option, stock warrant or free share allocation plans, or other securities that may be convertible, exchangeable or associated with stock warrants, or acquisition rights and/or obligations attached to subscribed but not paid-up capital.

5.2.2 Treasury shares

Share buybacks

The share buybacks in 2020 took place under the authorizations granted by the shareholders' meetings of 7 June 2019 and 8 June 2020.

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 2020 240,569 PRODWAYS GROUP shares were bought back by the Company under the authorizations given by the shareholders' meeting, at an average price of €2.10 per share and for a total cost of €504,435.44.

In 2020, 235,165 PRODWAYS GROUP shares were sold at an average price of €2.12 per share under the liquidity contract.

b) Trading charges

In 2020, the trading charges consisted solely of fees under the liquidity contract which amounted to €12,000.

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 2020, PRODWAYS GROUP held 50,720 treasury shares (representing 0.099% of its share capital) recorded at €102,870 in the balance sheet (€116,149 at the stock market price of €2.29 at the same date).

All of the shares owned to stabilize the stock market price.

The above number of shares and figures are given on the basis of nominal value of €0.50 per share and 51,077,543 shares making up the share capital at 31 December 2020.

Treasury shares are recorded in the balance sheet of PRODWAYS GROUP SA under "Transferable securities".

d) Cancelation of Company shares during the 2020 financial year

In 2020 the Company did not use the authorization granted by the shareholders' meetings of 7 June 2019 and 8 June 2020 to reduce the share capital by canceling shares owned by the Company, up to 10% of the capital for every 24-month period.

e) Number of shares potentially used

Repurchased shares may be used to:

- transfer shares when exercising the rights attached to securities giving access to the share capital by reimbursement;
- grant stock options to employees;
- cancel all or part of the shares thus repurchased;
- the use of shares as payment or in exchange for external growth transactions or to stabilize the share's market price.

f) Potential reallocation for other purposes decided during the 2020 financial year

None.

Renewal of the share repurchase program – Description of the share repurchase program

At the shareholders' meeting of 14 June 2021, the shareholders will be asked to authorize the Board of Directors, with power to sub-delegate, to renew the Company's share repurchase program (15th resolution).

The purpose of this authorization is to enable the Company to trade in its own shares, as provided for by law, in order to:

- support the secondary market or the liquidity of PRODWAYS GROUP shares through the intermediary of an investment service provider under a liquidity contract that complies with the practices approved by the applicable regulations, it being understood that in this case, the number of shares used to calculate the aforementioned limit corresponds to the number of shares purchased, less the number of shares resold;
- retain the purchased shares and subsequently use them in payment or exchange in potential external growth transactions;
- provide coverage for stock option plans and/or free share allotments (or similar plans) for Group employees and/or corporate officers as well as all share allotments to Group or Company savings plans (or similar plans), under profit-sharing schemes and/or all other forms of share allotment to Group employees and/or corporate officers;
- provide coverage for transferable securities giving entitlement to the assignment of shares in the Company under the regulations in force;
- possibly cancel the acquired shares, in accordance with the authorization granted or to be granted by the extraordinary shareholders' meeting.
- and more generally, carry out any objective authorized by law or any market practice approved by market authorities.

This authorization falls within the legal scope of article L.22-10-62 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 €20.

In the event that the capital is increased through capitalization of reserves and allocation of free shares, as well as in the event of a share split, reverse share split or any other transaction affecting equity, the shareholders' meeting would delegate to the Board of Directors the power to adjust the aforementioned prices in such a way as to allow for the impact of such transactions on the share value.

It is understood that these transactions must be performed in compliance with the rules laid down in articles 241-1 to 241-7 of the General Regulation of the French Financial Markets Authority (Autorité des Marchés Financiers) as regards market trading conditions and timing.

5.2.3 Additional information on the share capital

TABLE OF THE HISTORY OF THE DEVELOPMENT OF THE COMPANY'S SHARE CAPITAL

Date	Operations	Number of shares before	Number of shares after	Par value *(in euros)*	Additional paid-in capital *(in euros)*	Share capital after *(in euros)*
13 March 2014	Founding of the Company	5,000	5,000	€1	-	5,000
24 November 2014	Share capital increase in cash	5,000	7,967,290	€1	-	7,967,290
29 December 2014	Capital increase by the issue of shares as remuneration for the contribution of shares of PRODWAYS	7,967,290	15,717,290	€1	-	15,717,290
12 June 2015	Share capital increase in cash	15,717,290	16,896,535	€1	+13,820,751.40	16,896,535
21 March 2017	2-for-1 split in the par value of the shares	16,896,535	33,793,070	€0.50	-	16,896,535
12 May 2017	Share capital increase in cash and through conversion of all convertible bonds (Company IPO)	33,793,070	48,237,529	€0.50	+58,037,765.70	24,118,764.50
22 May 2017	Share capital increase in cash and through conversion of all convertible bonds (Company IPO)	48,237,529	49,823,057	€0.50	+6,472,707.52	24,911,528.50
3 November 2017	Share capital increase remuneration for the contribution of AVENAO SOLUTIONS 3D shares	49,823,057	50,815,643	€0.50	+5,455,565.02	25,407,821.50
15 April 2019	Capital increase resulting from the vesting of shares under a free share allocation plan	50,815,643	51,077,543	€0.50	-	25,538,771.50
1 February 2021	Capital increase resulting from the vesting of shares under a free share allocation plan	51,077,543	51,263,951	€0.50	-	25,631,975.50

TABLE OF DELEGATIONS VALID ON 16 MARCH 2021 GRANTED BY THE SHAREHOLDERS' MEETING TO THE BOARD OF DIRECTORS IN THE AREA OF CAPITAL INCREASES

Date	Delegation	Validity	Maximum nominal mount	Use
Shareholders' meeting of 08/06/2020 (18th resolution)	Delegation of authority to increase the share capital by incorporating reserves, profits, premiums or other sums by issuing and allocating free shares or by raising the nominal value of existing shares by a combination of these two procedures	26 months	€3,000,000	None
Shareholders' meeting of 08/06/2020 (19th resolution)	Delegation of authority to increase the share capital by issuing ordinary shares of securities giving access immediately or in future to the share capital with pre-emptive rights	26 months	€6,000,000 (1) €30,000,000 (1) (debt securities giving access to capital)	None
Shareholders' meeting of 08/06/2020 (20th resolution)	Delegation of authority to issue ordinary shares giving, where applicable, access to ordinary shares or to the allocation of debt securities, and/or securities giving access to ordinary shares, without preferential subscription rights, through a public offer (excluding the offers referred to in I of article L.411-2 of the French Monetary and Financial Code) and/or as remuneration for securities in the context of a public exchange offer.	26 months	€6,000,000 (1) €30,000,000 (1) (debt securities giving access to capital)	None
Shareholders' meeting of 08/06/2020 (21st resolution)	Delegation of authority to issue ordinary shares giving, where applicable, access to ordinary shares or to the allocation of debt securities, and/or securities giving access to ordinary shares, without preferential subscription rights, by an offer referred to in I of article L.411-2 of the French Monetary and Financial Code.	26 months	€4,000,000 (1) (limited to 20% of the share capital per year) €20,000,000 (1) (debt securities giving access to capital)	None
Shareholders' meeting of 08/06/2020 (22nd resolution)	Authorization granted to the Board of Directors in the event of issue of shares without preferential subscription rights, to set the issue price up to a limit of 10% of the share capital and within the limits set by the shareholders' meeting	26 months	within the limit of 10% of the share capital per year	None
Shareholders' meeting of 08/06/2020 (23rd resolution)	Delegation of authority 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 to be issued, without preferential subscription rights, in favor of a category of persons who will underwrite the Company's equity securities that might result therefrom in connection with an equity line of financing	18 months	€4,000,000 (1) €20,000,000 (1) (debt securities giving access to capital)	None

Date	Delegation	Validity	Maximum nominal mount	Use
Shareholders' meeting of 08/06/2020 (24th resolution)	Authorization granted to the Board of Directors to increase the amount of issues decided on pursuant to the 20th to 23rd resolutions in case of excess demand	26 months	within the limit of 15% of the initial issue or any other percentage set by the regulations in force	None
Shareholders' meeting of 08/06/2020 (25th resolution)	Delegation of authority to issue ordinary shares and/or transferable securities giving access to the share capital of the Company, as consideration for non-cash transfers of securities giving access to share capital	26 months	10% of the share capital (1)	None
Shareholders' meeting of 08/06/2020 (26th resolution)	Delegation of authority to issue ordinary shares and/or securities giving access to the share capital without preferential subscription rights in favor of the members of a company savings plan (PEE) pursuant to articles L.3332-18 et seq. of the French Labor Code	26 months	3% of the share capital	None
Shareholders' meeting of 13/06/2018 (20th resolution)	Authorization to grant stock options to employees and/or corporate officers of the Company or affiliated companies	38 months	5% of the existing share capital on the grant date (2)	None
Shareholders' meeting of 13/06/2018 (21st resolution)	Authorization to allocate existing or future free shares to employees and/or certain company officers	38 months	5% of the share capital on the grant date (2)	Free shares were allocated under the free share allocation plans of 31 January 2019, described in Section 5.2.1 of the annual registration document, and 1 February 2021

(1) Charged against the overall nominal ceiling stipulated by the 19th resolution, i.e. €6,000,000 (or €30,000,000 for issues of debt securities giving access to the Company's share capital). This cap does not apply to debt securities whose issue may be decided or authorized by the Board of Directors in accordance with article L.228-40 of the French Commercial Code.

(2) The total number of shares that can be allocated by the Board of Directors free of charge under the 21st resolution of the shareholders' meeting of 13 June 2018 and the total number of shares which any options granted by the Board of Directors pursuant the authorization given in the 20th resolution of the shareholders' meeting of 13 June 2018 May carry rights.

5.3 SHAREHOLDING

5.3.1 Breakdown of share capital and voting rights

The share capital and voting rights break down as follows:

	31 December 2020				31 December 2019			
	Shares	% of share of capital	Voting rights exercisable at the shareholders' meeting (1)	% of voting rights exercisable at the shareholders' meeting	Shares	% of share of capital	Voting rights exercisable at the shareholders' meeting (1)	% of voting rights exercisable at the shareholders' meeting
GROUPE GORGÉ	28,867,733	56.52%	57,635,466	67.23%	28,767,733	56.32%	57,535,466	66.63%
FIMALAC DÉVELOPPEMENT	3,403,508	6.66%	6,807,016	7.94%	3,403,508	6.66%	6,473,683	7.50%
SAFRAN CORPORATE VENTURES	907,894	1.78%	1,565,788	1.83%	907,894	1.78%	1,565,788	1.81%
BPIFRANCE PARTICIPATIONS	750,000	1.47%	1,500,000	1.75%	750,000	1.47%	1,500,000	1.74%
Treasury shares	50,720	0.10%	-	-	45,316	0.09%	-	-
Public	17,097,688	33.47%	18,217,770	21.25%	17,203,092	33.68%	19,280,737	22.33%
TOTAL	**51,077,543**	**100%**	**85,726,040**	**100%**	**51,077,543**	**100%**	**86,355,674**	**100%**

(1) Voting rights exercisable at the shareholders' meeting do not include treasury shares. The number of theoretical vote may be obtained by adding the number of votes exercisable at the shareholders' meeting to the number of treasury shares.

GROUPE GORGÉ declared that it crossed, on 12 May 2019, the threshold of 2/3 of the voting rights in PRODWAYS GROUP. Crossing this threshold resulted from an allocation of double voting rights. In April 2020, GROUPE GORGÉ declared that it had acquired 100,000 PRODWAYS GROUP shares.

In February 2021, the share capital was increased by 186,408 new shares, resulting from the acquisition of shares under a free share allocation plan.

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 5% 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 Articles of Association, PRODWAYS GROUP shares held in registered form for more than two years carry double voting rights. These double voting rights apply from the initial listing of the Company's shares on the Euronext regulated market in Paris on 12 May 2017.

Shareholders, first among which is GROUPE GORGÉ, registered their shares and therefore benefited from double voting rights, after two consecutive years of registration from the Company's initial public offering. This is why the number of voting rights significantly increased in 2019.

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, within the meaning of article L.233-3 of the French Commercial Code, by GROUPE GORGÉ.

The presence of independent directors on the Board of Directors of PRODWAYS GROUP makes it possible to ensure that GROUPE GORGÉ's control over the Company is not abused.

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 two years enjoy double voting rights.

The Company is controlled by GROUPE GORGÉ.

The Company's Articles of Association do not contain any mechanisms for delaying, postponing or preventing a change of control.

5.3.5 Employee shareholding

The Group's existing stock option plans, free share allocation plans and stock warrant plans are described in Note 5.4 to the consolidated financial statements and in Section 5.2.1 of the Universal Registration Document.

On 1 February 2021, 186,408 PRODWAYS GROUP shares were definitively vested in employees and a corporate officer, under the free share allocation plan of 2019.

In accordance with article L.225-102 of the French Commercial Code, it should be noted that at 28 April 2021:

- no employees' shares were held under collective management;
- 415,882 PRODWAYS GROUP shares may be vested in Group employees under free share allocation plans, of which 112,832 were granted under the 2019 plan and 303,050 additional shares under the plan decided on 1 February 2021.

5

5.4 FINANCIAL COMMUNICATION (FINANCIAL CALENDAR, SHARE PERFORMANCE, DIVIDEND POLICY, ETC.)

5.4.1 Stock market information

PRICE CHANGES AND VOLUMES TRADED ON EURONEXT IN 2020

Higher	High *(in euros)*	Low *(in euros)*	Number of shares traded	Capital *(in euros)*
January 2020	3.15	2.67	883,504	2,602,567
February 2020	3.02	2.23	510,046	1,634,925
March 2020	2.45	1.45	1,719,394	2,998,580
April 2020	2.80	1.57	2,990,870	6,413,257
May 2020	1.96	1.76	699,150	1,310,951
June 2020	2.10	1.76	1,080,930	2,074,943
July 2020	1.93	1.62	649,970	1,144,306
August 2020	1.93	1.68	451,198	813,995
September 2020	1.86	1.43	473,640	782,690
October 2020	1.80	1.43	658,664	1,095,785
November 2020	1.97	1.55	926,177	1,674,316
December 2020	2.98	1.83	2,288,832	5,451,268
January 2021	3.35	2.30	2,302,936	6,376,338
February 2021	3.14	2.66	1,496,311	4,343,637

Source: Euronext.

Life of the PRODWAYS GROUP share

PRODWAYS GROUP shares have been listed on EURONEXT Paris since 12 May 2017. PRODWAYS GROUP joined Compartment C which includes listed companies with a market capitalization below €150 million.

Since 2 October 2017, PRODWAYS GROUP has met all the eligibility criteria for the French PEA-SME tax-efficient investment regime (Decree no. 2014-283), meaning it has fewer than 5,000 employees and annual revenue of less than €1,500 million or total assets of less than €2,000 million.

PRODWAYS GROUP shares have been included in the SRD long-only deferred settlement list since 27 December 2017. The SRD long-only listing should help improve trading liquidity.

5.4.2 Dividend distribution policy

The Company intends to pay dividends when results permit, but it has not defined a systematic policy with respect to the apportionment of its profits between dividends and the financing of its operations.

No dividends have been paid since the creation of the Company; the Board of Directors will not propose payment of a dividend to the shareholders' meeting of 14 June 2021.

5.4.3 Information documents

The Company communicates with its shareholders primarily *via* its website (www.prodways-group.com), its Twitter account and the financial wire agency ACTUSNEWSWIRE.

The quarterly, half-yearly and annual financial results are disclosed in press releases according to the indicative timetable below:

- Q1 2021 revenue: 28 April 2021;
- Shareholders' meeting: 14 June 2021;
- Q2 2021 revenue: 28 July 2021;
- HY 2021 financial results: 16 September 2021;
- Q3 2021 revenue: 28 October 2021;
- Q4 2020 revenue: end February 2022.

Conference calls with analysts and investors and the presentation of results are available on the PRODWAYS GROUP website just after results publication. The communication concerning the results of the 2020 financial year took place on 16 March 2021.

During the period of validity of the Universal Registration Document, the following documents may be consulted at the Company's registered office:

- the Company's Articles of Association;
- all reports, correspondence and other documents part of which is included or referred to in this Universal Registration Document;
- the issuer's historical financial information for each of the two financial years preceding the publication of the Universal Registration Document.

The annual reports are available at the Company's registered office, 19 rue du Quatre-September – 75002 Paris, as well as on the website www.prodways-group.com. Company press releases are relayed *via* professional broadcasting services (ACTUSNEWSWIRE) that can be consulted on the main stock exchange sites, accessible to all audiences, such as BOURSORAMA, BOURSIER.COM, EURONEXT, etc.

The Company's website contains all of PRODWAYS GROUP's up-to-date financial information. All PRODWAYS GROUP press releases are readily available on it, as are all documents of relevance to shareholders such as underlying documents, annual reports, Universal Registration Documents, half-year consolidated financial statements and information on share buybacks.

PRODWAYS GROUP participates in small and/or mid cap events and road shows as well as other events throughout the year at which the Company presents its activities and results to analysts, investors and shareholders. The Group also organizes investor and analyst meetings at relevant trade shows during the year and at its main operating sites (specifically PRODWAYS' Tech Centre).

A Securities Service directly administers fully registered shares free of charge. Shareholders who wish to register their securities in this form may send their request to CACEIS Financial Services, 14 rue Rouget-de-Lisle, 92862 Issy-les-Moulineaux Cedex 09, France, or to their own financial advisor.

Our shareholder/investor contact, ACTUS FINANCE (52, rue de Ponthieu – 75008 Paris), is available for all questions about news and the various press releases about the Group.

6

OUR VALUES, OUR EMPLOYEES AND OUR CSR COMMITMENTS

6.1 GENERAL APPROACH AND METHODOLOGY

6.1.1 Specific context of the Statement of Non-Financial Performance

PRODWAYS GROUP has chosen to establish a declaration of extra-financial performance on a voluntary basis; it is indeed not submitted to the obligation to establish one. This statement is verified by an independent third-party entity.

Completion of this Statement of Non-Financial Performance is a new step that is part of the ongoing improvement of PRODWAYS GROUP's social, environmental and economic commitments.

Scope of reporting

The information presented in this report is consolidated and relates to the French subsidiaries with more than 50 employees as of 31 December 2020, *i.e.* six subsidiaries in 2020 (including two that merged during the period), compared with eight subsidiaries in 2019. The latter represented, at the end of 2020, 74% of the Group's workforce and 75% its revenue, stable compared to 2019 (74% of the workforce and 82% of revenue). For practical and organizational reasons within the Group, it seemed relevant to retain this materiality threshold.

Governance and CRS indicator reporting method

The production of CSR (Corporate Social Responsibility) indicators requires a system to report information to the Financial Department of its parent company GROUPE GORGÉ Financial Department. A protocol that describes CSR indicators in a precise, consistent manner has been established.

The governance of the Group's CSR policy has been strengthened, with the appointment by the Board of Directors of Hélène de COINTET, director, as CSR contact in charge of steering the Group's CSR approach. She relies on the Group's employee pilots: Mathilde MISSLIN, Group HR Director, and Laurent CARDIN, Chief Financial Officer.

6.1.2 CSR commitments of PRODWAYS GROUP

Since 2018, to give greater depth to the assessment of its CSR issues and risks, PRODWAYS GROUP conducted a materiality analysis, with the assistance of an external consultant, to anticipate the requirements, risks and opportunities related to sustainable development issues, and our responsibilities vis-à-vis our stakeholders.

This analysis was conducted in several stages:

- establishment of sector benchmarks;
- identification of the main issues using internal resources, including risk mapping;
- organization of internal workshops with operational staff to verify issue relevance;
- the collection of CSR data by the GROUPE GORGÉ Executive Management.

This work made it possible to identify and prioritize the Group's environmental, social and societal challenges based on:

- stakeholder expectations;
- their impact on the Group's activity.

The rating of these risks revealed three levels of potential risks: moderate, high and capital.

PRODWAYS GROUP assessed its challenges and the contribution of its mission and its social and environmental initiatives to the 2030 Agenda for Sustainable Development adopted by the UN in 2015. This program consists of 17 Sustainable Development Goals (SDGs).

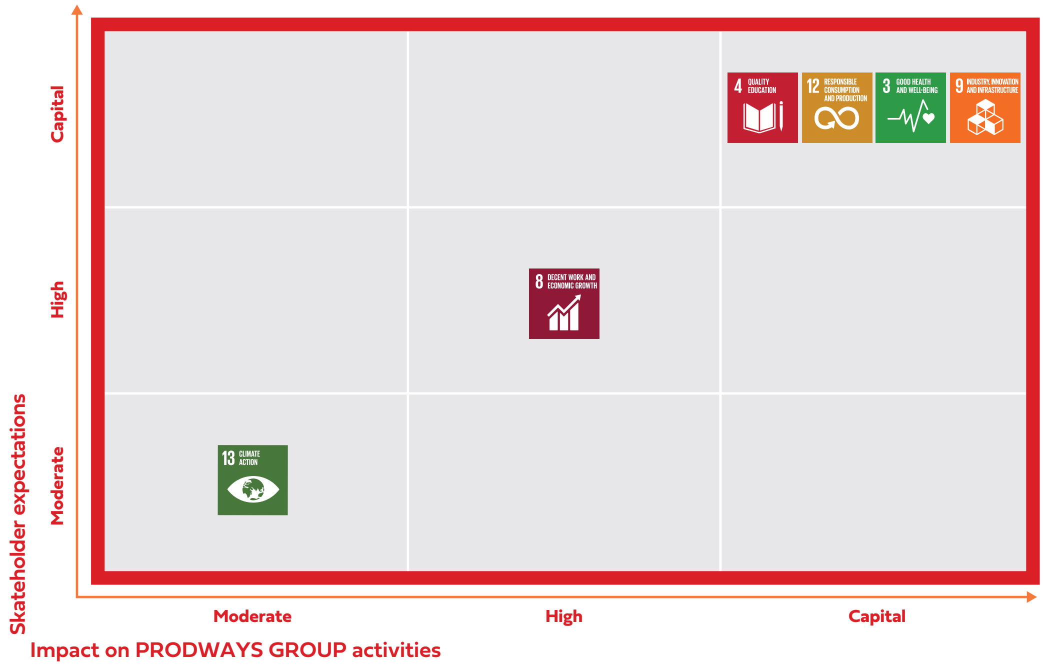
The SDGs are emerging as the new global priority framework and their adaptation for companies by the Global Compact, the WBCSD and the GRI is a new comprehensive and sustainable CSR framework with which the Group hopes to comply.

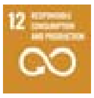
6.1.3 CSR risks and issues of PRODWAYS GROUP

The issues related to PRODWAYS GROUP's activity were attributed to the various Sustainable Development Goals to monitor the Group's CSR contribution and measure actions and their related performance.

PRODWAYS GROUP materiality matrix

The PRODWAYS GROUP materiality matrix represents the CSR issues identified as priorities for the Group. The Group's materiality analysis identified five priority issues, corresponding to six Sustainable Development Goals. These five issues reflect the risks and opportunities identified during the risk analysis.



SDG	CSR issue
	3D printing: a production method that meets the challenges of sustainable development
	Building a major player in technological innovation
	• Medical: an area of strategic development for PRODWAYS GROUP • Workplace health, safety and well-being, a commitment for all employees
	Attracting and shaping talent
	Investing in sustainable and responsible relationships with employees
	Activities with limited impact on climate change

6.2 3D PRINTING: A PRODUCTION METHOD THAT MEETS THE CHALLENGES OF SUSTAINABLE DEVELOPMENT

3D printing is considered an environmentally-friendly technology because of its additive process, which means that only the raw material necessary to manufacture a part is used. It is also a vector for the relocation of industrial activities. By the nature of its activity, PRODWAYS GROUP contributes to reducing the consumption of raw materials and rebuilding a social and sustainable industrial ecosystem in France.

3D printing, also called additive manufacturing, consists of creating physical objects by superimposing different layers of material. This manufacturing process is mostly computer-assisted using digital files (this is called Computer Aided Design, or CAD). Once the object is finalized by the operator for that file, it is sent to special software that cuts it into slices and sends it to the printer, which deposits or solidifies material (depending on the materials and techniques used) layer by layer until the final piece is obtained.

3D printing differs from traditional manufacturing techniques (machining, carving, milling, drilling, etc.) which rely on blocks of material (steel, aluminum, titanium, etc.) and processes aimed at eliminating all the parts deemed unnecessary for obtaining the final shape of the part (this is called subtractive manufacturing). With the 3D printing technique, objects are formed by adding material, which allows users to overcome the constraints and environmental impacts of manufacturing or using a mold, sheet metal plate or block of metal.

By way of 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. This considerably reduces the proportion of material lost as shavings; losses 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 awarded the Made In France prize by Reporter d'Espoir for the theme Employment, Ecology, Relocation: the promises of 3D printing. In 2020, the Covid-19 crisis also highlighted the need to relocate for the purposes of strategic independence and boosting the French industrial fabric.

Thanks to the new possibilities offered, this manufacturing process is appreciated by all industrial trades, in particular by the aerospace industry, for the rapid prototyping of complex geometric parts, and by the medical industry, for the manufacture of several different parts on a single production line.

The Group is positioned in the majority of its activities as a designer and assembler, and it has set up recycling processes for materials, namely the powders and liquid resins used. Accordingly, its activities do not directly cause any major environmental hazards.

6.3 BUILDING A MAJOR PLAYER IN TECHNOLOGICAL INNOVATION

Since its creation, PRODWAYS GROUP has had a reputation for its ability to innovate using know-how and thanks to significant Research and Development efforts. The Group has devoted a significant portion of its resources to Research and Development to develop and improve its lines of 3D printers and equipment and find new applications for additive manufacturing. These efforts enable the Group to maintain its position as a respected player in technological innovation in the additive manufacturing sector.

6.3.1 Innovation: the heart of the Group's strategy

Born from the meeting of Dr. André-Luc ALLANIC, a world-renowned expert in additive manufacturing, with the industrialist Raphaël GORGÉ, innovation has always formed the very DNA of PRODWAYS GROUP.

The Group has eight technology centers dedicated to specific areas of involvement and a team of engineers dedicated to the development of future applications.

The Group's research focuses on three key areas:

- machines;
- materials;
- medical prostheses (dental, audiology, podiatry).

The Group focuses its efforts on series production applications, particularly the medical, aeronautics and jewellery sectors, where the benefits of 3D printing are significant.

This capacity for innovation has enabled the Group to develop several leading innovations in 2020, notably by integrating new innovative features into its range of compact MOVINGLight® ProMaker LD Series 3D printers: the new Super-Resolution 3D, a new generation of 3D algorithms allowing in particular to obtain surfaces that are more faithful to the 3D model and significantly less pixelated without compromising on productivity, and the post-treatment by centrifuge, an economical and ecological device for cleaning the molds of orthodontic aligners and obtaining a perfect finished product without the use of isopropanol.

In 2020, €2.9 million was allocated to R&D, which represents 5.1% of revenue, compared to €4.4 million and 6.2% of revenue in 2019.

The Group makes major investments in research and development to maintain and further develop its competitive edge. The Group files patent applications when necessary to protect patentable technical, technological and commercial breakthroughs.

Thus, PRODWAYS GROUP holds a portfolio of 21 patent families aimed at protecting the formula of materials (six families of material patents) as well as the proprietary DLP® MOVINGLight®, Solidworks® or RAF® technologies developed in its own 3D printers (15 families of patents).

6.3.2 Co-innovation and knowledge sharing

PRODWAYS GROUP bases its vision of innovation on openness and partnership, along several dimensions.

Co-innovation with customers and the additive manufacturing ecosystem

INITIAL and L'ORÉAL have joined forces to accelerate the development of thermoplastic parts through 3D printing. This new way of producing incorporates sustainable development issues.

The Group has also set up a partnership with the JULES VERNE TECHNOLOGICAL RESEARCH INSTITUTE regarding the innovative Rapid Additive Forging technology for the 3D printing of titanium parts for the aeronautical and other sectors. R&D resulted in a reduction of over 80% in material loss compared to traditional machining techniques.

To strengthen its supply of additive manufacturing materials, the Group has set up numerous partnerships with leading chemists such as BASF, ARKEMA and A. SCHULMAN, etc. In 2020, these partnerships were strengthened, with the acquisition by BASF of four new powder-sintering printers operating at high temperatures for its research and development activities and the manufacture of parts.

Entrepreneurial partnerships through joint ventures with start-ups

In 2015, PRODWAYS GROUP invested in the USINE IO incubator, a technological innovation space that provides inventors, entrepreneurs, SMEs and large companies with machine resources, a center of technical expertise and networking in order to design, prototype and prepare the industrialization of objects. Thanks to a concept unique in Europe, USINE IO disrupts the way in which start-ups, SMEs and large industrial groups innovate by supporting them from the idea to the object.

Sharing knowledge with as many people as possible

As an additive manufacturing expert in France, the Group tries, through meetings, conferences and round tables, to initiate knowledge about its activities with associations, business clubs, students or any other audience that may take an interest in the Group's activities. By attending these types of events, the Group seeks to promote the role of middle-market companies in France and support French innovation. The Group also participates in technical conferences at trade shows or events dedicated to additive manufacturing such as the *Journée de la Fabrication Additive*, in which it participates.

6.4 MEDICAL: AN AREA OF STRATEGIC DEVELOPMENT FOR PRODWAYS GROUP

3 GOOD HEALTH AND WELL-BEING

A 3D printer dedicated to medical applications allows the printing of objects that are smaller (like teeth) or have thinner walls. Whether a hospital, university or research laboratory, many medical institutions are interested in 3D printing technologies.

In this sector, 3D printing makes it possible to (i) plan surgeries using accurate anatomical models made from scanners or MRIs, (ii) develop custom implants or prostheses, (iii) use 3D-printed models for medical education, and (iv) bio-print live tissues for drug testing and implant placement.

By making it possible to print unique, custom parts at a reduced price, the use of 3D printing has grown very quickly in this industry.

6.4.1 Medical activities of PRODWAYS: products and services for the well-being of the population

Within its Products division, PRODWAYS GROUP houses medical activities that produce medical prostheses through 3D printing:

- INTERSON PROTAC and SURDIFUSE-L'EMBOUT FRANÇAIS produce custom-made hearing aid tips and personal protective equipment (PPE) type hearing protectors; these products meet the European Personal Protective Equipment (PPE) standards for earplugs (EU 2016/425). The new European regulations require stricter compliance procedures, continuous monitoring of the production process and a guarantee of quality;
- CRISTAL is a dental prosthesis laboratory;
- PODO 3D produces 3D printed orthopedic and comfort insoles under the "Scientifeet" brand, sold to podiatrists.

In addition, PRODWAYS GROUP has developed a range of 3D printers and materials specifically dedicated to the dental sector. Its expertise in additive manufacturing in the dental industry is reflected in its partnership with the biggest names in the sector such as DREVE or BIOTECH DENTAL. It is also associated with renowned dentists and leading international suppliers.

The machines are specially designed for their application and are adapted to the biocompatible materials used in various sectors. For example, the Group developed PLASTCure, a biocompatible material perfectly suited to surgical modelling. In 2020, the Group also obtained approval from the U.S. Food and Drug Administration of the first new printable composite material for the US market for printing dental crowns and bridges.

6.4.2 3D printing supporting the medical sector during the Covid-19 crisis

3D printing technology was also a support during the Covid-19 crisis. Numerous examples of products printed in 3D have enabled hospitals and doctors to overcome the shortage of critical equipment during the pandemic and in particular during the first lockdown in France.

From March 2020, PRODWAYS GROUP mobilized to participate in the effort in the fight against Covid-19 and to meet unprecedented needs in terms of equipment related to this health crisis, in particular by making available its fleet of professional 3D printers, by associating its network of customers, to manufacture protective visor supports.

6.4.3 Corporate sponsorship actions

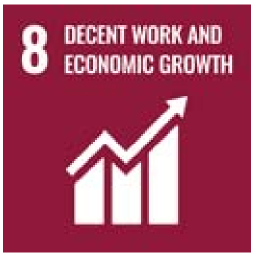
INTERSON PROTAC sponsors the association AuditionSolidarité.org, whose goal is to work to improve auditory well-being for as many people as possible.

As part of its sponsorship, INTERSON PROTAC donates €1 to the Audition Solidarité association for each pair of customized Pianissimo® sold and €0.50 for each standard Pianissimo® sold. INTERSON PROTAC also supports the association in humanitarian missions abroad. A team of hearing professionals are working around the world in schools for deaf and hearing-impaired children to equip all children and train teachers on site for daily monitoring. As part of its missions, INTERSON PROTAC provides Audition Solidarité with expertise in the manufacture of hearing aid eartips and donates materials and accessories.

6.5 COMMITMENTS OF THE GROUP TO ITS EMPLOYEES

With the growth of its activities, the Group has undertaken sustained recruitment efforts in recent years. The recruitment and retention of key skills within the Group is one of its major challenges.

6.5.1 Investing in sustainable and responsible relationships with employees



PRODWAYS GROUP pays close attention to its relationships with its employees, access to quality health services for all and the application of a sustainable and attractive employment policy.

6.5.1.1 Employment policy

In high technology sectors innovation – and therefore talent – determines the successes of tomorrow. This is why the development of human potential is a priority for PRODWAYS GROUP. A common HR policy is being developed at Group level.

Total Group workforce and geographic locations

The total workforce is the number of people present within the Group at 31 December 2020 who are bound by a permanent contract, a fixed-term contract or a trainee contract. Part-time workers are counted as one person.

The following indicators (with the exception of the table below) relate to the total Group workforce for the selected subsidiaries, totaling 347 employees in 2020 (74% of the total on a comparable basis). The indicators for 2019 concerned eight subsidiaries, three of which merged this year, representing 374 employees.

	Systems		Products		Corporate		Total	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Executives	103	110	52	45	5	3	160	158
Technicians and supervisors	22	67	105	108	1	-	128	175
Employees	70	61	79	82	2	2	151	145
Workers	16	16	11	11		-	27	27
TOTAL	**211**	**254**	**247**	**246**	**8**	**5**	**466**	**505**

In France, the Group is present in several regions: Île-de-France (around one third of the workforce), Auvergne-Rhône Alpes (about 25% of the workforce), Nouvelle-Aquitaine (over 15%), and Occitanie (less than 10%). Through its activities, the Group is a local and sustainable job provider. The Group is also established in the United States and Germany with around 40 employees in each of these countries.

Gender distribution by socio-professional categories

	Men		Women		Total	
(in %)	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Executives	28	24	5	5	33	29
Technicians and supervisors	18	27	13	12	31	39
Employees	17	14	14	15	31	28
Workers	3	3	-	-	3	3
Apprentices	1	1	-	-	1	1
TOTAL	**68**	**68**	**32**	**32**	**100**	**100**

Distribution by age

(in %)	2020	2019
Less than 30 years old	23	28
30 to 39 years old	28	31
40 to 49 years old	26	23
50 to 59 years old	18	16
60 years old and over	4	3

6.5.1.2 Recruitment policy

As the Group is positioned in high-tech activities that most often require its employees to have special know-how and/or expertise, it prefers to recruit in the form of permanent contracts, so as to retain knowledge and know-how. In fact, in 2020, permanent employment contracts represented 97% of the total workforce and 70% of hires.

	2020	2019
Hires*:	40	86
• of which permanent employment contract	28	62
• of which fixed-term employment contract	7	22
• of which trainee contract	4	2

* *Excluding transfers between Group entities.*

The year 2020, impacted by the crisis, has unfortunately seen a decrease in the Group's workforce. Reorganizations took place mainly in the Machines business, which was relocated with other Group activities and in the Software business, resulting in redundancies. Over the financial year, we note a decrease of 53% in hiring compared to the previous year.

The table below breaks down departures by reason.

	2020	2019
Departures	62	99
• for economic reasons	11	7
• for other reasons	5	4
• end of contract, retirement, resignation, termination by mutual agreement	46	88

In 2020, the Group had a turnover rate of 12.0% compared to 21.5% in 2019. The sharp decrease in this rate in 2020 is the result of the efforts made by the Group since 2019 on the human resources policy in general, and in particular the promotion of the employer brand and internal communication. It also reflects the decrease in recruitment this year.

Non-discriminatory hiring policy

PRODWAYS GROUP is convinced that a diversity of profiles is an asset for the Company. The Group is committed to being a responsible employer and takes care to ensure that its conduct and practices are exemplary. For this reason, it is committed to preventing any form of discrimination in hiring.

In 2020, 1.4% of the PRODWAYS GROUP's total workforce was disabled.

	2020	2019
Number of disabled employees	5	6

Integration of young graduates and the Group's employment policy

PRODWAYS GROUP promotes its innovative activities on social networks through several of its subsidiaries using both LinkedIn and Twitter. With this presence, it can relay important information about the markets in which it operates, share trends, communicate about the latest contracts awarded to it, announce new solutions or trade show attendance, publish job offers, and more.

Since 2014, several engineering students who had spent their final-year internship in the Group have been offered permanent contracts on completion of their internships.

In 2020, the Group had 28 new interns and apprentices, *i.e.* 8.1% of its workforce.

	2020	2019
Employees of a work-study contract	5	4
Interns	28	46

6.5.1.3 Gender equality

Within PRODWAYS GROUP, women represented almost 32% of the workforce and 5% of managers in 2020, stable compared to 2019.

The employment of women varies according to the divisions. Thus, the Systems division, which represented 45% of the Group's workforce, employed 11% of women whereas the Products division, representing 53% of the Group's workforce, employed 38% of women.

(in %)	2020	2019
Total workforce (% women)	32	32
Executives (% women)	5	5
Non-executives (% women)	27	27
Permanent employment contract workers (% women)	32	32
Fixed-term contract workers (% women)	2	1

Gender distribution remains relatively constant from year to year.

The gender equality index was officially published for the first time by the Group's two subsidiaries having more than 50 employees; it has so far been calculated only by one subsidiary, which has a satisfactory score of 78/100; the second subsidiary, having few comparable positions, was not able to determine the first criterion (equal pay).

Actions implemented to promote gender parity

As regards gender parity, the Group's actions are organized around four concepts: professional promotion, remuneration, professional training and work/family balance.

Work/life balance measures also benefit gender parity as they enable both parents to handle family responsibilities. Agreements for work/life balance are currently being negotiated and include measures such as:

- "sick children" leave; three subsidiaries now have an agreement to take at least one day of sick child leave per year;
- better consideration of the constraints of personal life through scheduling of work meetings on adapted schedules and telecommuting;
- voluntary part-time;
- continued remuneration of men during paternity leave.

Moreover, the composition of the Board of Directors of the Company complies with the rules on gender equality set out in law 2011-103. The PRODWAYS GROUP's Board of Directors is committed to ensuring that men and women are treated equally within the Company and its subsidiaries.

6.5.1.4 Remuneration policy and financial benefits

Each 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, salary evolution of its employees. To maintain employee loyalty, in 2016 and 2019, the Group set up free share allocation plans for all Group employees present as of the date of the decision to allocate shares and free share allocation plans for a limited number of employees. A new plan was decided in early 2021.

Overview of remuneration

	2020	2019
Gross remuneration	11,022	14,508
Social security contributions	4,278	5,737
Pension liabilities: remuneration paid and IAS 19 provision	187	130
Shareholding plans, profit-sharing	-	-
TOTAL	**15,300**	**20,374**

6.5.2 Promoting learning opportunities

The development of know-how and innovation is a priority in the skills management policy of the Group given its rapid evolution in a constantly growing 3D printing market.

Thanks to a training and development policy, employees can learn a skill while furthering their personal and professional development.

The Group's subsidiaries are developing their own training policies. The human resource management policy on training is focused on two types of training:

- training to adapt to a workstation and/or related to job advancement and job retention;
- skills development training.

Despite the great difficulty in delivering face-to-face training in 2020 given the context, PRODWAYS GROUP managed to virtually maintain the number of hours of training of its employees, mainly through internal training and e-learning training. The share of people trained stood at 12% of the workforce, representing 28 training hours on average per trained employee.

	2020	2019
Number of hours of training provided	1,167	1,272
Rate of access to training (%)	12	22
Average number of hours per employee	28	15
Number of persons trained	42	83
Budget (thousands of euros)	20	28

Skills development training

3D printing skills do not always exist outside the Group. To meet its needs, the Group sometimes sets up internal training programs. INTERSON PROTAC trains each employee internally in hearing aid technology.

AVENAO offers its employees the opportunity to study towards vocational qualification certificates (*certificats de qualification professionnelle*) specific to technical positions in order to obtain certification; thus, AVENAO trains all of its technicians so that they can develop additional skills.

In addition, all AVENAO salespeople receive training from DASSAULT SYSTÈMES and its young managers receive external training.

6.5.3 Workplace health, safety and well-being, a commitment for all employees

Each Group company has its own workplace health and safety issues, depending on its activity. In addition, Group companies do not have facilities that are subject to the regulations for facilities classified for environmental protection (ICPE).

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. Customized training is provided based on the risks monitored by employees, especially for hazardous or polluting products.

Some of the Group's activities require the storage and handling of hazardous products. The concerned companies implement the safety procedures recommended for the handling and storage of such products.

For example, INITIAL handles potentially hazardous powders (explosion risks), which may pose a health hazard when inhaled. Strict handling and storage procedures have been put in place.

Similarly, the use of DLP® or lasers requires certain handling precautions to protect the health of the concerned employees.

PRODWAYS GROUP Health and Safety policy performance

	2020	2019
Number of workplace accidents with stoppage	6	4
Number of days lost	*126*	*74*
Frequency rate	10.41	6.94
Severity rate	1.26	0.86

The Group recorded six workplace accidents with lost time.

The sharp increase in the frequency and severity rate in 2020 compared to 2019 is due to four car accidents involving a Group subsidiary; these minor accidents were experienced by sales representatives and trainers traveling to customers.

In addition to the attention given to the health and welfare of its own employees, PRODWAYS GROUP plays a direct role in workplace well-being by producing and selling Personal Protective Equipment (PPE) that is directly helpful for employees.

Thus, in audiology, INTERSON PROTAC and SURDIFUSE-L'EMBOUT FRANÇAIS sell hearing protection for industry to protect employees from noise in open-plan offices or factories and have equipped several subsidiaries of the Group. Similarly, in the INITIAL subsidiary, operators have been equipped with PODO 3D "Scientifeet" brand 3D printed orthopaedic insoles to improve employee comfort and reduce foot pain. A business study in partnership with occupational physicians, a podiatrist and an applied biomechanics laboratory has been launched.

6.6 ACTIVITIES WITH LIMITED IMPACT ON CLIMATE CHANGE AND THE ENVIRONMENT

Given its engineering and assembly activities, the Group has a limited impact on climate change and the environment; none of its subsidiaries is subject to compliance with an environmental standard. Nevertheless, the Group deploys actions whenever possible to reduce its environmental impact.

6.6.1 Resource and product end-of-life management

6.6.1.1 End-of-life management of raw materials and waste

In its production activities, the Group only assembles components purchased from suppliers and produces a limited quantity of waste. The decrease in consumption of all the aggregates below corresponds essentially to the decrease in activity recorded in the Group's activities in 2020.

Consumption of raw materials

The main raw materials used by the subsidiaries of PRODWAYS GROUP are:

- polyamides;
- thermoplastics;
- plaster.

Part production activities use whenever possible recycled polymer powders. Thus, the INITIAL subsidiary uses used powders to produce new PODO 3D printed "Scientifeet" insoles.

Raw material (tonnes)	2020	2019
Powder and resins	55.7	54
Plaster	10.0	15.9

The decrease in raw materials used is related to the decrease in business in the subsidiaries concerned.

Waste management

The three main types of waste produced by PRODWAYS GROUP are:

- polyamides;
- thermoplastics;
- plaster.

End-of-life waste management actions and partnerships have been established in the majority of subsidiaries. INTERSON PROTAC has created an Environmental Charter so that it can be a responsible company, protect the environment and further integrate economic and environmental priorities into all aspects of its business.

All hazardous waste generated by the subsidiaries is collected and processed in accordance with the regulations in force. Powders and resins are recycled *via* a specialized waste management circuit.

The amounts of metal shavings and polluted content (oils and solvents) were negligible.

The main waste produced in the Group is broken down as follows:

Quantity of waste produced *(tonnes)*	2020	2019
Hazardous waste	18	17
Non-hazardous waste	49	58

Hazardous waste mainly consists of resins, powders and solvents.

Non-hazardous waste refers to household waste, wood, cardboard, paper, polyamid and plaster.

6.6.1.2 Water consumption

Water is used for sanitary and industrial purposes. Group companies are not located in areas of water stress and their water supply is provided by the public drinking water system.

Simple measures to limit water waste have been taken in several Group companies, namely: fitting of water saving devices, automatic taps in the toilets, and regular review of the condition of the taps. These measures, combined with reduced use of premises in Group companies during the lockdown periods, led to a sharp decrease in the Group's water consumption in 2020.

	2020	2019
Water consumption *(m3)*	1,456	2,269

6.6.2 Scope of energy consumption indicators

The coverage rate for data relating to energy consumption, water and greenhouse gas emissions represents 100% of total surfaces occupied by panel companies. Direct GHG emissions relate to natural gas consumption and vehicle fleets, and indirect GHG emissions relate to electricity consumption.

Identification of main sources of GHG emissions

The Group has identified the vehicle fleet as the main source of direct CO_2 emissions. And the main source of indirect emissions is electricity consumption related to buildings and machines

6.6.2.1 Employee travel

A policy has been in place since 2015 to reduce business travel by the Group's employees. Now, internal video conferencing and phone conferencing are commonplace, as well as more widespread use of public transport. This trend accelerated again in 2020; in particular, the work tools were adapted from the start of the first lockdown: Office 365, generalized Teams, purchase of portable PCs when necessary.

Some subsidiaries have invested in the installation of electric charging stations to encourage employees to use electric vehicles. Employee carpooling has also been promoted within the Company.

The severe mobility restrictions in 2020, combined with the measures put in place, have led to a sharp, non-normative reduction in these emissions. In 2020, the emissions related to subsidiaries' vehicle fleets totaled 329 teq CO_2.

	2020	2019
GHG emissions related to vehicle fleets (teq CO2)	329	462

6.6.2.2 Energy consumption

Most gas and electricity consumption is generated by site heating and the powering of mainly small industrial equipment. The Group is increasingly implementing measures to reduce this consumption. In particular, the new site of the subsidiary INITIAL, the Group's main industrial site, inaugurated in the Annecy region in 2020, was designed and built to minimize consumption and the generation of pollution. Thus, to limit its energy consumption, INITIAL recovers the heat emitted by its fleet of 3D printers *via* a local heating network. This facility allows it to heat its premises using the energy generated by its fleet of 3D printers. Automation of lighting with occupancy sensors was also installed.

In other subsidiaries, the Group occasionally invests in new, less energy-consuming installations such as lighting automation.

	2020	2019
Gas consumption (MWh PCS)	232	231
Electricity consumption (MWh)	1,941	2,200

The change in gas consumption is due to the use of a new machine at INITIAL running solely on gas.

Summary of greenhouse gas emissions

CO_2 equivalent emissions were 536 tonnes in 2020, 61% of which relates to the vehicle fleets. These GHG emissions relate to scopes 1 and 2 and are allocated as follows:

	2020	2019
GHG emissions related to vehicle fleets (teq CO2)	329	462
GHG emissions from gas (teq CO2)	48	47
GHG emissions from electricity (teq CO2)	159	180
Total CO2 emissions	536	689

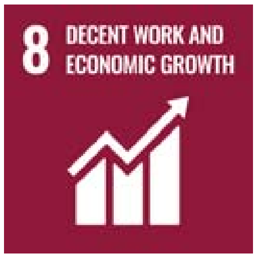
	2020	2019
Direct GHG emissions (teq CO2)	376	509
Direct GHG emissions (teq CO2)	159	180
Total CO2 emissions	536	689

6.7 RESPONSIBLE CONDUCT

6.7.1 Fight against corruption

Business integrity contributes to the good reputation of our group and we are committed to acting in an irreproachable and fair manner with our stakeholders.Management and the Human Resources Department are involved in the development and deployment of the anti-corruption measures provided for in the Sapin II law. The Group's anti-corruption code of conduct and its whistleblowing system have been widely distributed to employees are available on the Group's website.

6.7.1 Promotion of and compliance with the provisions of the fundamental ILO conventions



The group's companies are in France, the USA and Germany. The group scrupulously observes the local regulations in force and thus respects and promotes the fundamental provisions of the ILO (prohibition of child labor, freedom of association, elimination of forced labor, etc).

6.8 REPORT OF THE INDEPENDENT THIRD PARTY ON THE CONSOLIDATED STATEMENT OF NON-FINANCIAL PERFORMANCE INCLUDED IN THE MANAGEMENT REPORT

PRODWAYS GROUP

Financial year ended on 31 December 2020

To the Shareholders,

As Independent Third Party to the company PRODWAYS GROUP, accredited by the COFRAC under no. 3-1080[1], we hereby present our report on the consolidated statement of non-financial performance for the financial year ended 31 December 2020 (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 that complies with the legal and regulatory provisions, including a presentation of the business model, a description of -the main non-financial risks, a presentation of the policies with regard to these risks and the results of these policies, including key performance indicators.

The Statement was prepared by applying the Company's procedures (hereafter the "Reporting Standards") for which the significant elements are presented in the Statement.

Independence and quality control

Our independence is defined by the provisions in article L.822-11-3 of the French Commercial Code and the profession's Code of Ethics. In addition, we have implemented a quality control system including documented policies and procedures that aim to ensure compliance with ethical rules, professional standards and the applicable legal and regulatory texts.

Independent third-party entity responsibility

Based on our work, it is our responsibility to provide a reasoned opinion expressing a conclusion of moderate assurance on:

- the Statement's compliance with the provisions in article R.225-105 of the French Commercial Code;
- the truthfulness and fairness of the information provided in application of paragraph 3 of I and II of article R.225-105 of the French Commercial Code, namely, the results of the policies, including key performance indicators and actions, relating to the main risks, hereinafter the "Information".

It is not our responsibility to express an opinion on:

- the Company's compliance with the other applicable legal and regulatory provisions, notably in terms of the vigilance plan and the fight against corruption and tax evasion;
- the compliance of products and services with applicable regulations.

Nature and scope of work

Our work described below was carried out in accordance with the provisions of articles A. 225-1 *et seq*. of the French Commercial Code determining the methods in which the independent third party conducts its mission and in accordance with the international standard ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information.

We conducted work to enable us to assess the compliance of the Statement with the regulatory provisions and the truthfulness of the Information:

- we examined the activity of all the companies included in the scope of consolidation and the presentation of the main social and environmental risks linked to this activity;
- we assessed the appropriateness of the Reporting Standards with respect to their relevance, comprehensiveness, reliability, neutrality and understandability, taking into consideration, as necessary, good practices in the industry;
- we verified that the Statement provides the information specified in part II of article R.225-105, when it is relevant to the main risks, and that it includes, where applicable, an explanation of the reasons for the absence of the information required by the second paragraph of section III of article L.225-102-1;
- we checked to make sure that the Statement presents the business model and the main risks linked to the activity of all of the entities included in the scope of consolidation, including, when relevant and proportionate, the risks created by the Company's business relationships, products and/or services, as well as the policies, actions and results, including key performance indicators;

(1) For which the scope of accreditation is available at www.cofrac.fr.

- we consulted the documentary sources and conducted interviews to:
  - assess the process used for the selection and validation of the main risks as well as the consistency of the outcomes, including the key performance indicators selected in respect of the main risks and policies presented, and
  - corroborate the qualitative information (actions and results) that we considered the most important(1);
- we checked to make sure that the Statement covers the consolidated scope, *i.e.* all of the entities included in the scope of consolidation in compliance with article L.233-16;
- we familiarized ourselves with the internal control and risk management procedures put in place in the entity and assessed the process of collection aiming for the comprehensiveness and truthfulness of the Information;
- for the key performance indicators and other quantitative results that we considered the most important(2), we conducted the following:
- analytical procedures consisting of verifying the proper consolidation of the data collected as well as the consistency of their changes,
- detailed tests based on sampling methods, to verify the proper application of the definitions and procedures and to compare these with the documentation. This work was carried out on a selection of contributing entities(3) and covers between 31% and 58% of the consolidated data selected for these tests;
- we assessed the consistency of the Statement as a whole with respect to our knowledge of all the entities included in the consolidation scope.

We consider that the work that we have carried out by exercising our professional judgment allows us to formulate a moderate assurance conclusion; a higher level of assurance would have required more extensive verification work.

Means and resources

Our work mobilized the skills of four people and took place between February and March 2021.

We called upon the help of our experts in sustainable development and corporate social responsibility to complete this assignment. We conducted interviews with the people responsible for preparing the Statement.

Conclusion

Based on our work, we found no material misstatement that would cause us to question the compliance of the Statement of non-financial performance with the applicable regulatory provisions and that the Information, taken as a whole, is presented in a fair manner, and in compliance with the Reporting Standards.

Neuilly-sur-Seine, 6 April 2021

Independent third-party entity

Grant Thornton
French member of Grant Thornton international

Vincent PAPAZIAN
Partner

Tristan MOURRE
CEO

6

(1) ***Qualitative information relating to the following sections:*** *"Integration of young graduates and the Group's employer policy"; "Building a major player in technological innovation".*
(2) ***Quantitative social information****: total headcount and breakdown by gender, age and region; recruitments; departures (of which dismissals); number of accidents with work stoppage; number of days lost for accidents with work stoppage; theoretical number of hours worked; frequency rate; severity rate; number of training hours; number of people trained.*
Quantitative environmental information: *electricity consumption; gas consumption; fuel consumption; direct GHG emissions; indirect GHG emissions; amount of waste generated; amount of raw materials consumed.*
(3) *INITIAL, AS3D.*


PRODWAYS
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7

INFORMATION ON THE SHAREHOLDER'S MEETING OF 14 JUNE 2021

7.1 REPORT OF THE BOARD OF DIRECTORS PRESENTING THE RESOLUTIONS SUBMITTED TO THE COMBINED SHAREHOLDERS' MEETING OF 14 JUNE 2021

1. Approval of the separate and consolidated financial statements for the financial year ended 31 December 2020 – Approval of non-tax-deductible expenses and charges (first and second resolutions)

We ask you to approve the separate financial statements for the financial year ended 31 December 2020, which show an income/(loss) of -€9,771,196.28 as well as the consolidated financial statements for the financial year ended 31 December 2020, as presented, which show a profit (loss) for the period (Group share) of -€14,044 thousand.

We will ask you to note the absence of the expenses and charges referred to in 4 of Article 39 of the French General Tax Code.

2. Appropriation of income for the year (third resolution)

The appropriation of the Company's income that we are proposing complies with the law and our bylaws.

We propose that you appropriate the income (loss) for the financial year of -€9,771,196.28 as follows:

- Origin:
  - Income (loss) for the period: -€9,771,196.28
- Appropriation:
  - Retained earnings: -€9,771,196.28

We do not propose to pay any dividend.

In accordance with article 243 bis of the French General Tax Code, we remind you that no dividend or income payouts were made in respect of the last three financial years.

3. Approval of regulated agreements (fourth resolution)

We kindly ask you to take note of the absence of a new agreement of the kind referred to in article L.225-38 of the French Commercial Code.

Furthermore, the agreements entered into and authorized during previous financial years whose performance was ongoing during the last financial year are described in Section 3.7.1 of the Universal Registration Document.

To date, there are no more ongoing regulated agreement.

4. Directors' terms of office (fifth resolutions)

The terms of office of Messrs. Raphaël GORGÉ and Olivier STREBELLE as members of the Board of Directors expire at the end of the next shareholders' meeting.

We propose that you renew Raphaël GORGÉ's mandate for a period of three years expiring at the end of the ordinary shareholders' meeting called to approve the financial statements for the financial year ending 31 December 2023.

Olivier STREBELLE leaving the group, his mandate is not renewed.

Independence

With regard to the independence criteria of the Middlenext Code adopted by the Company as the reference code for corporate governance, Mr. Raphaël GORGÉ cannot be qualified as independent members. as he controls and manages GROUPE GORGÉ which is the majority shareholder of PRODWAYS GROUP.

Expertise, experience, skills

Information concerning the expertise and experience of Raphaël GORGÉ is detailed in Section 3.1.2 of the Universal Registration Document

5. Remuneration policy for the Chairman of the Board of Directors, the Chief Executive Officer and the Directors (sixth to eighth resolutions)

Pursuant to article L.22-10-8 of the French Commercial Code, we ask you to approve the remuneration policy for the Chairman of the Board of Directors, the Chief Executive Officer (and/or any other executive corporate officer) and the Directors, as presented in the corporate governance report included in the Universal Registration Document (Section 3.2).

6. Approval of the information referred to in I of article L.22-10-9 of the French Commercial Code (ninth resolution)

In accordance with article L.22-10-34 II of the French Commercial Code, we ask you to approve the information referred to in I of article L.22-10-9 of the French Commercial Code mentioned in the corporate governance report found in the Universal Registration Document (Section 3.3).

7. Approval of the fixed, variable and exceptional components comprising the total remuneration and benefits of all kinds paid during the past financial year or allocated in respect of said year to Mr. Raphaël GORGÉ, Chairman of the Board of Directors (tenth resolution)

Pursuant to article L.22-10-34 III of the French Commercial Code, we ask you to approve the fixed, variable and exceptional components comprising the total remuneration and benefits of all kinds paid during the past financial year or allocated in respect of said year to Mr. Raphaël GORGÉ, Chairman of the Board of Directors, as presented in the corporate governance report included in the Universal Registration Document (Section 3.4.1).

8. Approval of the fixed, variable and exceptional components comprising the total remuneration and benefits of all kinds paid during the past financial year or allocated in respect of said year to Mr. Olivier STREBELLE, Chief Executive Officer (eleventh resolution)

Pursuant to article L.22-10-34 II of the French Commercial Code, we ask you to approve the fixed, variable and exceptional components comprising the total remuneration and benefits of all kinds paid during the past financial year or allocated in respect of said year to Mr. Olivier STREBELLE, Chief Executive Officer, as presented in the corporate governance report included in the Universal Registration Document (Section 3.4.2).

9. Ratification of the transfer of the Company's registered office (twelfth resolution)

In accordance with the Company's Articles of Association, the Board decided to transfer the Company's registered office to 30 rue de Gramont, 75002 Paris as from 8 July 2021. This decision to transfer the registered office follows the expiry of the lease of the previous premises. We ask you to ratify this transfer of the registered office.

10. Proposal to renew the authorization concerning the implementation of the share buyback program (thirteenth resolution) and concerning the capital reduction by cancelation of treasury shares (fourteenth resolution)

We propose that, pursuant to the thirteenth resolution, you authorize the Board of Directors, for a period of 18 months, to purchase shares of the Company, on one or more occasions, at the times it will determine, within the limit of 10% of the number of shares comprising the share capital, adjusted where appropriate in order to take account of any increase or reduction of capital that may occur during the term of the program.

This authorization would cancel the authorization granted to the Board of Directors by the shareholders' meeting of 8 June 2020 in its sixteenth ordinary resolution.

Acquisitions may be made to:

- support the secondary market or the liquidity of PRODWAYS GROUP shares through the intermediary of an investment service provider under a liquidity contract that complies with the practices approved by the applicable regulations, it being understood that in this case, the number of shares used to calculate the aforementioned limit corresponds to the number of shares purchased, less the number of shares resold;
- retain the purchased shares and subsequently use them in payment or exchange in potential external growth transactions;
- provide coverage for stock option plans and/or free share allotments (or similar plans) for Group employees and/or corporate officers as well as all share allotments to Group or Company savings plans (or similar plans), under profit-sharing schemes and/or all other forms of share allotment to Group employees and/or corporate officers;
- provide coverage for transferable securities giving entitlement to the allocation of shares in the Company under the regulations in force;
- possibly cancel the acquired shares, in accordance with the authorization granted or to be granted by the extraordinary shareholders' meeting;
- and more generally, carry out any objective authorized by law or any market practice approved by market authorities.

These share purchases may be carried out by any means, including by acquisition of blocks of shares, and at times that the Board might deem appropriate.

The Company reserves the right to use option mechanisms or derivatives in line with applicable regulations.

We propose that you set a maximum purchase price of €20 per share and, consequently, that you set the maximum amount of the transaction at €102,527,900 (corresponding to 10% of the share capital as at 16 March 2021 at a maximum price of €20 per share).

As a consequence of the cancelation objective, we ask you, pursuant to the fourteenth resolution, to authorize the Board of Directors, for a period of 24 months, to cancel, at its sole discretion, on one or more occasions, within the limit of 10% of the capital, calculated on the day of the cancelation decision, excluding any shares canceled during the preceding 24 months, the shares that the Company holds or may hold as a result of repurchases under its program to repurchase shares, and to reduce the share capital accordingly, in accordance with the legal and regulatory provisions in force.

The Board of Directors would therefore have the necessary powers to take action in such matters.

11. Renewal of the financial delegation to set up an equity financing line (fifteenth resolution)

The Board of Directors wishes to have the necessary powers to make all issues, should it think fit that may be required for the development of the Group's activities.

The financial delegations held by the Board of Directors are detailed in the table of valid delegations in Section 5.2.3 of the Universal Registration Document.

Shareholders are asked to renew the following delegation of authority which it had and which will expire shortly: "Delegation of authority to be granted to the Board to increase the share capital by issuing ordinary shares, immediately or in the future, equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, without shareholders' preferential subscription rights, in favor of a category of persons underwriting the equity securities of the Company that may result therefrom as part of an equity financing line."

This delegation will authorize the Board to increase capital through the issue of ordinary shares or equity securities giving access to other equity securities or rights to the allocation of debt securities, and/or securities giving access to equity securities issued, without preemptive rights in favor of a category of persons who will underwrite the Company's capital securities that might result therefrom in connection with an equity line of financing.

Such a delegation could be used by the Company to set up an equity line with which the Company could increase its financial flexibility alongside the other financing tools it may already have in place.

Under this delegation, we ask you to cancel the shareholders' preferential subscription rights to ordinary shares in the Company, to equity securities giving access to other equity securities or giving rights to the allocation of debt securities and/or to any transferable securities to be issued, in favor of the following category of persons: any credit institution, investment service provider, or member of an investment banking syndicate or any investment fund or company undertaking to guarantee the completion of the capital increase or of any issue that may eventually result in a capital increase that could be completed pursuant to this delegation in the context of the setup of an equity line of financing.

For the bearers of transferable securities thus issued, this delegation is, as of right, an express waiver by shareholders of their preemptive rights to the shares to which these transferable securities will give right.

The total nominal amount of the share capital increases that may be carried out immediately and/or in future under this delegation cannot exceed €4,000,000 or its exchange value in foreign currency to which ceiling will be added, as the case may be, the additional amount of the shares to be issued to preserve the rights of security holders and other rights giving access to the share capital, in accordance with the law and any applicable contractual stipulations.

The maximum nominal amount of debt securities that may be issued under this delegation will be set at €20,000,000 (or the exchange value of this amount if the issue is in another currency).

These amounts will be deducted from the overall ceiling for the current financial delegations provided for in the nineteenth resolution of the shareholders' meeting of 8 June 2020.

The issue price of the shares issued pursuant to this delegation would be determined by the Board of Directors and would be at least equal to the weighted average of the share prices of the last three trading days preceding its determination, such as, where applicable, reduced by a maximum discount of 30%, taking into account the vesting date, if applicable; it being specified that (i) in the event of the issue of transferable securities giving access to the share capital, the issue price of the shares likely to result from their exercise, conversion or exchange could be set, if applicable, at the discretion of the Board of Directors, by reference to a calculation formula defined by the latter and applicable after the issue of said transferable securities (for example upon exercise, conversion or exchange) in which case the aforementioned maximum discount could be assessed, if the Board of Directors deemed it appropriate, on the date of application of said formula (and not on the date of issue of the securities), and (ii) the issue price of the transferable securities granting access to the share capital, if any, issued under this resolution would be such that the amount, if any, received immediately by the Company, increased by that likely to be received by it on the exercise or conversion of these transferable securities, would be, for each share issued as a result of the issue of these transferable securities, at least equal to the aforementioned minimum amount.

The 30% discount on the issue price of the shares or transferable securities would allow the Company to have greater flexibility in the context of negotiations that could take place with institutions with which the Company might set up this equity line of financing.

This delegation would be granted for a period of 18 months and would replace the previous delegation of the same nature which expires.

12. Renewal of financial delegations for individual employee shareholding (sixteenth and seventeenth resolutions)

The Board of Directors wishes to have the necessary delegations to have an incentive-based employee or executive shareholding policy to support the Group's development.

As the authorizations allowing the Board to proceed with the allocation of stock options and free shares are due to expire, we propose to renew them.

For your information, the free share allocation plans previously put in place are detailed in Section 5.2.1 of the Universal Registration Document.

12.1 Authorization to grant share subscription and/or purchase options (sixteenth resolution)

With regard to stock options, we propose that you renew the authorization granted to the Board of Directors, for a period of 38 months, to grant share subscription and/or purchase options for the benefit of employees, some of them, or certain categories of employees, and/or corporate officers defined by law, both of the Company and of the companies or economic interest groups linked to it under the conditions of articles L.225-177 *et seq.* and articles L.22-10-56 *et seq.* of the French Commercial Code.

The total number of options that may be granted by the Board of Directors under this authorization may not give the right to subscribe or purchase a number of shares greater than 5% of the existing share capital on the date of the allocation decision, it being specified that the total number of shares that may be allocated free of charge by the Board of Directors under the following authorization would be deducted from this ceiling.

The share subscription and/or purchase price by the beneficiaries would be set on the day the options are granted by the Board of Directors as follows:

- in the event of a grant of stock options, the share subscription price may not be less than 80% of the average of the opening prices listed for the 20 trading days preceding that day;
- in the event of the granting of stock options, the purchase price of the shares by the beneficiaries may not be less than 80% of the average of the opening prices quoted for the 20 trading days preceding that day, nor less than 80% of the average purchase price of the shares held by the Company, in accordance with article L.22-10-62 of the French Commercial Code.

The duration of the options set by the Board may not exceed a period of ten years from the date of grant.

Thus, the Board would have, within the limits set above, all powers to set the other terms and conditions for the allocation of options and their exercise and in particular to set the conditions under which the options will be granted and to approve the list or categories of beneficiaries as provided for above, set the period(s) for exercising the options thus granted, carry out or cause to be carried out all acts and formalities for the purpose of finalizing the capital increase(s) that may, if any, be carried out, amend the Articles of Association accordingly and generally do whatever is necessary.

12.2 Authorization to grant free shares to employees and/or certain corporate officers (seventeenth resolution)

With regard to the allocation of free shares, we ask you to renew the authorization granted to the Board of Directors, for a period of 38 months, to proceed, in accordance with article L.225-197-1 of the French Commercial Code, with the allocation of free shares resulting from a capital increase through the capitalization of reserves, premiums or profits, or existing shares.

The beneficiaries of these awards could be:

- employees of the Company or of companies directly or indirectly related to it within the meaning of article L.225-197-2 of the French Commercial Code;
- corporate officers who meet the conditions of articles L.225-197-1 and L.22-10-60 of the French Commercial Code.

The number of free shares that may be allocated by the Board of Directors under this authorization may not exceed 5% of the existing share capital on the date of the allocation decision, it being specified that the total number of options that may be allocated by the Board of Directors under the foregoing authorization would be deducted from this ceiling.

The allocation of shares to the beneficiaries would be definitive at the end of a vesting period, the duration of which will be set by the Board of Directors, which may not be less than the minimum duration provided for by law (*i.e.* one year according to existing regulations). The beneficiaries should, where applicable, hold these shares for a period, set by the Board of Directors, which may not be less than the minimum period provided for by law. The cumulative duration of the vesting and holding periods may not be less than the minimum period provided for by law (*i.e.* two years according to current regulations).

As an exception, the final grant would take place before the end of the vesting period in the event of disability of the beneficiary corresponding to the classification in the second and third of the categories provided for in article L.341-4 of the French Social Security Code.

This authorization would automatically waive your preferential subscription right to the new shares issued by capitalization of reserves, premiums and profits.

Thus, the Board would have, within the limits set above, all powers to set the conditions and, where applicable, the criteria for the allocation of shares; determine the identity of the beneficiaries of the free allocations from among the persons fulfilling the conditions set out above as well as the number of shares due to each of them; where applicable, record the existence of sufficient reserves and, at each allocation, transfer to an unavailable reserves account the sums required for the payment of the new shares to be allocated; decide on capital increase(s) by incorporation of reserves, premiums or profits, correlative to the issue of new free shares; acquire the shares required under the share buyback program and allocate them to the allocation plan; where applicable, determine the impact on the rights of the beneficiaries of transactions that modify the share capital or are likely to affect the value of the shares to be allocated and carried out during the vesting period; take all necessary measures to ensure compliance with the retention obligation, if any, required of beneficiaries; and generally do, within the framework of the regulations in force, all that the implementation of this authorization will make necessary.

13. Delegation of authority to increase t he share capital for the benefit of members of a company savings plan (eighteenth resolution)

We submit this resolution for your approval to comply with the provisions of article L.225-129-6 of the French Commercial Code, under the terms of which the extraordinary shareholders' meeting is called upon to vote on delegations of authority that may generate, immediately or in the future, capital increases in cash, and it must also vote on a delegation for members of a company savings plan.

As part of this delegation, we propose that you authorize the Board of Directors, for a period of 26 months, to increase the share capital, on one or more occasions, by the issuance of ordinary shares or transferable securities giving access to equity securities to be issued by the Company for the benefit of members of one or more Company or Group savings plans set up by the Company and/or the French or foreign companies related to it under the conditions of articles L.225-180 of the French Commercial Code and L.3344-1 of the French Labor Code.

In accordance with the law, the shareholders' meeting would remove shareholders' pre-emptive subscription rights.

The maximum nominal amount of the share capital increase(s) that may be made by using this delegation would be limited to 3% of the amount of the share capital reached at the time of the Board's decision to carry out this increase. This amount is independent of any other limit set regarding capital increase delegations. To this amount would be added, if applicable, the nominal amount of the capital increase necessary to preserve, in accordance with the law and, where applicable, contractual stipulations providing for other methods of preservation, the rights of the holders of rights or securities giving access to the Company's share capital.

It should be noted that, in accordance with the provisions of article L.3332-19 of the French Labor Code, the price of the shares to be issued 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 Labor Code is greater than or equal to ten 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 that average.

Pursuant to article L.3332-21 of the French Labor Code, the Board of Directors may provide for the allocation to beneficiaries, free of charge, of shares that have been or will be issued or other securities giving access to the Company's share capital that have been or will be issued, for (i) the employer's contribution that may be paid pursuant to the company or group savings plan rules, and/or (ii), if applicable, the discount and may decide, in the event of the issue of new shares for the discount and/or employer's contribution, to incorporate into the capital the reserves, profits or issue premiums necessary to pay for said shares.

14. Powers (nineteenth resolution)

The meeting grants all powers to carry out the formalities made necessary by the above decisions.

The Board of Directors asks you to approve by your vote the texts of the resolutions proposed to you.

April 28, 2021, the Board of Directors

7.2 TEXT OF THE RESOLUTIONS SUBMITTED TO THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF 14 JUNE 2021

Agenda

Ordinary resolutions

1) Approval of the separate financial statements for the financial year ended 31 December 2020 – Approval of non-tax-deductible expenses and charges;
2) Approval of the consolidated financial statements for the financial year ended 31 December 2020;
3) Appropriation of income for the financial year;
4) Statutory auditors' special report on regulated agreements and commitments – Absence of new agreement;
5) Reappointment of Mr. Raphaël GORGÉ as Director;
6) Approval of the policy on the remuneration of the Chairman of the Board of Directors;
7) Approval of the policy on the remuneration of the Chief Executive Officer;
8) Approval of the Directors' remuneration policy;
9) Approval of the information referred to in I of article L.22-10-9 of the French Commercial Code;
10) Approval of the fixed, variable and exceptional components comprising the total remuneration and benefits of all kinds paid during the past financial year or allocated in respect of said year to Mr. Raphaël GORGÉ, Chairman of the Board of Directors;
11) Approval of the fixed, variable and exceptional components comprising the total remuneration and benefits of all kinds paid during the past financial year or allocated in respect of said year to Mr. Olivier STREBELLE, Chief Executive Officer;
12) Ratification of the transfer of the Company's registered office;
13) Authorization to be given to the Board of Directors for the Company to purchase shares in itself pursuant to article L.22-10-62 of the French Commercial Code, duration of the authorization, objectives, terms and conditions, ceiling.

Extraordinary resolutions

14) Authorization to be given to the Board of Directors to cancel the Company shares purchased by the Company under article L.22-10-62 of the French Commercial Code, duration of the authorization, ceiling;
15) 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 transferable securities giving access to equity securities to be issued, without shareholders' preferential subscription rights, for the benefit of a category of persons who will underwrite the Company's equity securities that might result therefrom in connection with an equity line of financing;
16) Authorization to be given to the Board of Directors to grant share subscription and/or purchase options to employees and/or certain corporate officers of the Company or related companies, waiver by shareholders of their preferential subscription rights, duration of the authorization, ceiling, exercise price, maximum duration of the option;
17) Authorization to be given to the Board of Directors to allocate existing shares and/or shares to be issued free of charge to employees and/or certain corporate officers of the Company or related companies, waiver by shareholders of their preferential subscription rights, subscription period, duration of the authorization, ceiling, duration of the vesting periods, particularly in the event of disability and holding;
18) Delegation of authority to be granted to the Board of Directors to increase the share capital through the issuance of ordinary shares and/or transferable securities giving access to the share capital, without shareholders' preferential subscription rights, for the benefit of members of a company savings plan pursuant to articles L.3332-18 *et seq.* of the French Labor Code, duration of delegation, maximum nominal amount of capital increase, issue price, option to allocate free shares pursuant to article L.3332-21 of the French Labor Code;
19) Powers for formalities.

Draft resolutions

Ordinary resolutions

First resolution – Approval of the separate financial statements for the financial year ended 31 December 2020 – Approval of non-tax-deductible expenses and charges

The shareholders' meeting, ruling under the quorum and majority conditions for ordinary shareholders' meetings, after having taken note of the reports by the Board of Directors and statutory auditors for the financial year ended 31 December 2020, approves, as they were presented, the annual financial statements as of this date, showing an income (loss) for the period of -€9,771,196.28.

The shareholders' meeting notes the absence of expenses and charges referred to in 4 of article 39 of the French General Tax Code and the corresponding tax.

Second resolution – Approval of the consolidated financial statements for the financial year ended 31 December 2020

The shareholders' meeting, ruling under the quorum and majority conditions for ordinary shareholders' meetings, after having taken note of the reports by the Board of Directors and statutory auditors on the consolidated financial statements as at 31 December 2020, approves those financial statements as they were presented, returning a loss (Group share) of -€14,044 thousand.

Third resolution – Appropriation of income for the financial year

The shareholders' meeting, ruling under the quorum and majority conditions for ordinary shareholders' meetings, on the proposal of the Board of Directors, decides to appropriate the income for the financial year ended 31 December 2020, as follows:

- Origin
  - Income (loss) for the period: -€9,771,196.28
- Appropriation
  - Retained earnings: -€9,771,196.28

In accordance with article 243 bis of the French General Tax Code, the shareholders' meeting notes that it has been reminded that no dividend payout was made in respect of the last three financial years.

Fourth resolution – Statutory auditors' special report on regulated agreements and commitments – Absence of new agreement

The shareholders' meeting, ruling under the quorum and majority conditions for ordinary shareholders' meetings, after having taken note of the statutory auditors' special report mentioning the absence of any new agreements of the nature referred to in articles L.225-38 *et seq.* of the French Commercial Code, merely takes note thereof.

Fifth resolution – Reappointment of Mr. Raphaël GORGÉ as Director

The shareholders' meeting, ruling under the quorum and majority conditions for ordinary shareholders' meetings, resolves to renew the term of office of Mr. Raphaël GORGÉ as Director for a term of three years expiring at the end of the shareholders' meeting to be held in 2024 called to approve the financial statements for the previous financial year.

Sixth resolution – Approval of the policy on the remuneration of the Chairman of the Board of Directors

The shareholders' meeting, ruling under the conditions of quorum and majority required for ordinary meetings, and in accordance with article L.22-10-8 of the French Commercial Code, approves the remuneration policy for the Chairman of the Board of Directors and/or any other executive corporate officer, as presented in the corporate governance report included in the Universal Registration Document (see Section 3.2.2 of the Universal Registration Document).

Seventh resolution – Approval of the policy on the remuneration of the Chief Executive Officer

The shareholders' meeting, ruling under the conditions of quorum and majority required for ordinary meetings, and pursuant to article L.22-10-8 of the French Commercial Code, approves the remuneration policy for the Chief Executive Officer, as presented in the corporate governance report included in the Universal Registration Document (see Section 3.2.3 of the Universal Registration Document).

Eighth resolution – Approval of the policy on the remuneration of Directors

The shareholders' meeting, ruling under the conditions of quorum and majority for ordinary meetings, and pursuant to article L.22-10-8 of the French Commercial Code, approves the remuneration policy for Directors, as presented in the Universal Registration Document (see Section 3.2.6 of the Universal Registration Document).

Ninth resolution – Approval of the information referred to in I of article L.22-10-9 of the French Commercial Code

The shareholders' meeting, ruling under the conditions of quorum and majority required for ordinary meetings, and in accordance with article L.22-10-34 of the French Commercial Code, approves the information referred to in I of article L.22-10-9 of the French Commercial Code, as mentioned in the corporate governance report included in the Universal Registration Document (see Section 3.3 of the Universal Registration Document).

Tenth resolution – Approval of the fixed, variable and exceptional components comprising the total remuneration and benefits of all kind paid during the past financial year or allocated in respect of said year to Mr. Raphaël GORGÉ, Chairman of the Board of Directors

The shareholders' meeting, ruling under the quorum and majority conditions for ordinary meetings, pursuant to article L.22-10-34 II of the French Commercial Code, approves the fixed, variable and exceptional components comprising the total remuneration and benefits of all kinds paid during the past financial year or allocated in respect of said year to Mr. Raphaël GORGÉ, Chairman of the Board of Directors, as presented in the corporate governance report included in the Universal Registration Document (see Section 3.4.1 of the Universal Registration Document).

Eleventh resolution – Approval of the fixed, variable and exceptional components comprising the total remuneration and benefits of all kind paid during the past financial year or allocated in respect of said year to Mr. Olivier STREBELLE, Chief Executive Officer

The shareholders' meeting, ruling under the quorum and majority conditions for ordinary meetings, pursuant to article L.22-10-34 II of the French Commercial Code, approves the fixed, variable and exceptional components comprising the total remuneration and benefits of all kinds paid during the past financial year or allocated in respect of said year to Mr. Olivier STREBELLE, Chief Executive Officer, as presented in the corporate governance report included in the Universal Registration Document (see Section 3.4.2 of the Universal Registration Document).

Twelfh resolution – Ratification of the transfer of the Company's registered office

The shareholder's meeting, ruling in accordance with the quorum and majority requirements for ordinary meetings, ratifies the Board of Directors' decision to transfer the Company's registered office to 30 rue de Gramont, 75002 Paris, as from 8 July 2021.

Thirteenth resolution – Authorization to be given to the Board of Directors for the Company to purchase shares in itself pursuant to article L.22-10-62 of the French Commercial Code

The shareholders' meeting, ruling under the quorum and majority conditions for ordinary shareholders' meetings, noting the report of the Board of Directors, authorizes the latter, for a period of 18 months, in accordance with articles L.22-10-62 *et seq.* of the French Commercial Code to purchase, on one or more occasions, at times it will determine, shares in the Company, up to a maximum of 10% of the number of shares comprising the share capital, adjusted where appropriate to take account of any capital increase or reduction that may occur during the term of the program

This authorization cancels the authorization granted to the Board of Directors by the shareholders' meeting of 8 June 2020 in its sixteenth ordinary resolution.

Acquisitions may be made to:

- support the secondary market or the liquidity of PRODWAYS GROUP shares through the intermediary of an investment service provider under a liquidity contract that complies with the practices approved by the applicable regulations, it being understood that in this case, the number of shares used to calculate the aforementioned limit corresponds to the number of shares purchased, less the number of shares resold;
- retain the purchased shares and subsequently use them in payment or exchange in potential external growth transactions;
- provide coverage for stock option plans and/or free share allotments (or similar plans) for Group employees and/or corporate officers as well as all share allotments to Group or Company savings plans (or similar plans), under profit-sharing schemes and/or all other forms of share allotment to Group employees and/or corporate officers;
- provide coverage for transferable securities giving entitlement to the allocation of shares in the Company under the regulations in force;
- possibly cancel the acquired shares, in accordance with the authorization granted or to be granted by the extraordinary shareholders' meeting.

And more generally, carry out any objective authorized by law or any market practice approved by market authorities.

These share purchases may be carried out by any means, including by acquisition of blocks of shares, and at times that the Board shall deem appropriate.

The Company reserves the right to use option mechanisms or derivatives in line with applicable regulations.

The maximum purchase price is set at €20 per share. In case of operations on the capital, including division or grouping of shares or a free allocation of shares, the aforementioned amount will be adjusted in the same proportions (multiplier coefficient equal to the ratio of the number of shares composing the capital before the operation and the number of shares after the operation).

The maximum amount of the transaction is set at €102,127,900 (corresponding to 10% of the share capital as at 16 March 2021, at a maximum price of €20 per share).

The shareholders' meeting grants all powers to the Board of Directors for the purpose of carrying out these operations, to approve the terms and conditions, to conclude all agreements and execute all formalities.

Extraordinary resolutions

Fourteeth resolution – Authorization to be given to the Board of Directors to cancel the Company shares purchased by the Company under the provisions of article L.22-10-62 of the French Commercial Code

The shareholders' meeting, ruling under the quorum and majority conditions for extraordinary meetings, having noted the report by the Board of Directors and the report by the statutory auditors:

1) authorizes the Board of Directors to cancel, at its sole discretion, on one or more occasions, within the limit of 10% of the capital, calculated on the day of the cancelation decision, excluding any shares canceled during the preceding 24 months, the shares that the Company holds or may hold as a result of repurchases under article L.22-10-62 of the French Commercial Code, and to reduce the share capital accordingly, pursuant to the laws and regulations in force;
2) sets the period of validity of this authorization at 24 months starting from the date of this meeting;
3) gives the Board of Directors all powers to carry out the transactions required for such cancelations and the related reductions in share capital, amend the Company bylaws as a result, and complete all required formalities.

Fifteenth 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 transferable securities giving access to equity securities issued, without shareholders' preferential subscription rights, for the benefit of a category of persons who will underwrite the Company's equity securities that might result therefrom in connection with an equity line of financing

The shareholders' meeting, ruling under the quorum and majority conditions for extraordinary shareholders' meetings, having taken note of the report of the Board of Directors and the report of the statutory auditors, in accordance with articles L.225-129 *et seq.* of the French Commercial Code, specifically its articles L.225-129-2, L.225-129-4, L.22-10-51, L.225-138 and L.228-91 *et seq.*:

1) delegates to the Board of Directors its powers to approve the issue, on one or more occasions, 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 a set of currencies, of ordinary shares or equity securities giving access to other equity securities or giving right to the allocation of debt securities and/or transferable securities (including all debt securities) giving access to equity securities to be issued;
2) resolves that the transferable securities issued can consist of debt securities, can be associated with the issue of such securities or allow the issue thereof as intermediate securities;
3) decides to cancel the shareholders' preferential subscription rights to ordinary shares in the Company, to equity securities giving access to other equity securities or giving rights to the allocation of debt securities and/or to any transferable securities to be issued, in favor of the following category of persons: any credit institution, investment service provider, or member of an investment banking syndicate or any investment fund or Company undertaking to guarantee the completion of the capital increase or of any issue that may eventually result in a capital increase that could be completed pursuant to this delegation in the context of the setup of an equity line of financing;
4) duly notes that where necessary this delegation entails the waiver by the shareholders of their preferential subscription rights to any shares to which these transferable securities give access, in favor of the holders of the transferable securities issued;
5) decides that the total nominal amount of the share capital increases that may be carried out immediately and/or in future under this delegation cannot exceed €4,000,000 or its exchange value in foreign currency to which ceiling will be added, as the case may be, the additional amount of the shares to be issued to preserve the rights of security holders and other rights giving access to the share capital, in accordance with the law and any applicable contractual stipulations;

   This amount is deducted from the maximum amount of the capital increase set in the nineteenth resolution of the shareholders' meeting of 8 June 2020;
6) decides to set at €20,000,000 (or the exchange value of this amount if the issue is in another currency) the maximum nominal amount of debt securities that can be issued under this delegation, given that this amount shall be increased, if applicable, by any redemption premium in excess of the par value. This ceiling does not apply to the debt securities referred to in articles L.228-40, L.228-36-A and L.228-92 paragraph 3 of the French Commercial Code whose issue is decided or authorized by the Board of Directors under the conditions set out in article L.228-40 of said code or, in other cases, under the conditions determined by the Company in accordance with article L.228-36-A of said code.

   This amount is deducted from the maximum nominal amount of the debt securities set in the nineteenth resolution of the shareholders' meeting of 8 June 2020;
7) resolves that the issue price of the shares issued under this delegation shall be determined by the Board of Directors and shall be at least equal to the weighted average of the share prices of the last three trading days preceding its determination, reduced, if applicable, by a maximum discount of 30%, taking into account, if applicable, their vesting date; it being specified that (i) in the event of the issue of transferable securities giving access to the share capital, the issue price of the shares likely to result from their exercise, conversion or exchange may be set, where applicable, at the discretion of the Board of Directors, by reference to a calculation formula defined by the latter and applicable after the issue of said transferable securities (for example upon exercise, conversion or exchange) in which case the aforementioned maximum discount may be assessed, if the Board of Directors deems it appropriate, on the date of application of said formula (and not on the date of issue of the securities), and (ii) the issue price of the transferable securities granting access to the share capital, if any, issued pursuant to this resolution shall be such that the amount, if any, received immediately by the Company, increased by that likely to be received by it upon the exercise or conversion of said transferable securities, or, for each share issued as a result of the issue of these transferable securities, at least equal to the aforementioned minimum amount;

8) specifies that the delegation thus conferred on the Board is valid for a period of 18 months 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,
   - determine the dates, terms and conditions of any issue as well as the form and characteristics of the shares or securities giving access to the share capital to be issued,
   - determine the dividend entitlement date, which may be retroactive, of the shares or securities giving access to the share capital to be issued, and the manner in which they are to be paid up,
   - set the list of beneficiaries in the aforementioned category of persons and the number of shares to be allocated to each of them,
   - at its sole initiative and when it deems appropriate, charge the costs, duties and fees incurred by the capital increases carried out under the delegation mentioned in this resolution, against the amount of premiums related to these transactions and withdraw, from the amount of these premiums, the sums necessary to bring the legal reserve to one-tenth of the new share capital after each increase,
   - note the completion of each share capital increase and amend the bylaws accordingly,
   - in general enter into any agreement to ensure the success of the planned issues, take all measures and carry out all formalities required for the issue and listing of and trade in the securities issued under this delegation as well as the exercise of the rights attached thereto,
   - take any decision respecting the admission of the shares and transferable securities thus issued on any market;
10) notes that this delegation supersedes, with effect from this day, any unused portion of any previous delegation with the same purpose.

Sixteenth resolution – Authorization to be granted to the Board of Directors to grant share subscription and/or purchase options to employees and/or certain corporate officers of the Company or related companies

The shareholders' meeting, ruling under the quorum and majority conditions for extraordinary shareholders' meetings, having noted the report by the Board of Directors and the special report by the statutory auditors:

1) authorizes the Board of Directors, within the framework of the provisions of articles L.225-177 to L.225-185 and L.22-10-56 *et seq.* of the French Commercial Code, to grant, on one or more occasions, for the benefit of the beneficiaries indicated below, options giving the right to subscribe for new shares of the Company to be issued as a capital increase or to purchase existing shares of the Company resulting from buybacks carried out under the conditions provided for by law;
2) sets the period of validity of this authorization at 38 months from the date of this shareholders' meeting;
3) decides that the beneficiaries of these options may only be:
   - on the one hand, employees or some of them, or certain categories of personnel, of PRODWAYS GROUP and, where applicable, companies or economic interest groups linked to it under the conditions of article L.225-180 of the French Commercial Code,
   - on the other hand, corporate officers who meet the conditions set out in articles L.225-185, L.22-10-57 and L.22-10-58 of the French Commercial Code;
4) the total number of options that may be granted by the Board of Directors under this authorization shall not give the right to subscribe or purchase a number of shares greater than 5% of the existing share capital on the date of the allocation decision, it being specified that the total number of shares that may be allocated free of charge by the Board of Directors under the following authorization would be deducted from this ceiling;
5) resolves that the share subscription and/or purchase price by the beneficiaries will be set on the day the options are granted by the Board of Directors as follows:
   - in the event of the granting of stock options, the subscription price of the shares may not be less than 80% of the average of the opening prices listed for the 20 trading days preceding that day,
   - in the event of the granting of stock options, the purchase price of the shares paid by the beneficiaries may not be less than 80% of the average of the opening prices listed for the 20 trading days preceding that day, nor less than less than 80% of the average purchase price of the shares held by the Company under article L.22-10-62 of the French Commercial Code;
6) resolves that no options may be granted during the periods referred to in article L.22-10-56 of the French Commercial Code;

7) acknowledges that this authorization entails the express waiver by the shareholders of their preferential subscription rights to the shares that will be issued as and when the options are exercised;
8) delegates full powers to the Board of Directors to set the other terms and conditions for the granting of options and their exercise and in particular to:
   - set the conditions under which the options will be granted and draw up the list or categories of beneficiaries as provided for above; determine, where applicable, the length of service conditions to be met by these beneficiaries; decide on the conditions under which the price and the number of shares must be adjusted, in particular in the cases provided for in articles R.225-137 to R.225-142 and R.22-10-37 of the French Commercial Code,
   - set the exercise period(s) for the options thus granted, it being specified that the duration of the options may not exceed a period of ten years from the date of grant,
   - provide for the option to temporarily suspend the exercise of options for a maximum period of three months in the event of financial transactions involving the exercise of a right attached to the shares,
   - carry out or cause to be carried out all acts and formalities for the purpose of finalizing the capital increase(s) that may, if applicable, be carried out under the authorization provided for in this resolution; amend the Articles of Association accordingly and generally do whatever is necessary,
   - at its sole discretion and if it deems it appropriate, charge the costs of the share capital increases to the amount of the premiums relating to these increases and deduct from this amount the sums necessary to increase the legal reserve to one tenth of the new share capital after each increase;
9) acknowledges that this authorization supersedes any previous authorization with the same purpose.

Seventeenth resolution – Authorization to be granted to the Board of Directors to allocate free shares to employees and/or certain corporate officers

The shareholders' meeting, ruling under the conditions of quorum and majority for extraordinary meetings, having reviewed the Board of Directors' report and the statutory auditors' special report, authorizes the Board of Directors to allocate, on one or more occasions and in accordance with articles L.225-197-1 *et seq.* and L.22-10-59 *et seq.* of the French Commercial Code, ordinary shares in the Company, existing or to be issued, in favor of:

- employees of the Company or of companies directly or indirectly related to it within the meaning of article L.225-197-2 of the French Commercial Code; and/or
- corporate officers who meet the conditions set out in articles L.225-197-1 and L.22-10-60 of the French Commercial Code.

The total number of free shares thus allocated may not exceed 5% of the share capital on the date of the allocation decision, it being specified that the total number of shares to which any options granted by the Board of Directors under the foregoing authorization may give right will be deducted from this cap.

The allocation of shares to beneficiaries shall be definitive at the end of a vesting period, the duration of which shall be set by the Board of Directors, which may not be less than one year.

The beneficiaries must, where applicable, hold these shares for a period, set by the Board of Directors, at least equal to that necessary so that the cumulative duration of the vesting and holding periods cannot be less than two years.

As an exception, the final allocation will take place before the end of the vesting period in the event of disability of the beneficiary corresponding to the classification in the second and third categories provided for in article L.341-4 of the French Social Security Code.

Full powers are granted to the Board of Directors to:

- set the conditions and, where applicable, the criteria for the allocation of shares;
- determine the identity of the beneficiaries and the number of shares allocated to each of them;
   - where applicable:
   - note the existence of sufficient reserves and proceed at each allocation to the transfer to an unavailable reserve account of the sums required to pay up the new shares to be allocated,
   - decide, when the time comes, on the capital increase(s) by incorporation of reserves, premiums or profits related to the issue of new free shares,
   - acquire the shares required under the share buyback program and allocate them to the allocation plan,
   - determine the impact on the rights of the beneficiaries of transactions that modify the share capital or are likely to affect the value of the shares awarded and carried out during the vesting period and, accordingly, modify or adjust, if necessary, the number of shares awarded to protect the rights of beneficiaries,
   - take all necessary measures to ensure compliance with the retention obligation, if any, required of beneficiaries, and
   - generally, do whatever the implementation of this authorization requires, within the framework of the legislation in force.

This authorization automatically entails the waiver by shareholders of their preferential subscription rights to new shares issued by incorporation of reserves, premiums and profits.

It is given for a period of 38 months from the date of this meeting.

It supersedes any previous authorization with the same purpose.

Eighteenth resolution – Delegation of authority to be given to the Board of Directors to increase the share capital by issuing ordinary shares and/or transferable securities giving access to the share capital, without shareholders' preferential subscription rights, for the benefit of members of a company savings plan pursuant to articles L.3332-18 et seq. of the French Labor Code

The shareholders' meeting, having noted the report of the Board of Directors and the special report of the statutory auditors pursuant to articles L.225-129-6, L.225-138-1 and L.228-92 of the French Commercial Code and L.3332-18 *et seq.* of the French Labor Code:

1) delegates its powers to the Board of Directors, if the latter sees fit and at its sole discretion, to increase the share capital on one or more occasions, by issuing ordinary shares or transferable securities giving access to capital securities to be issued by the Company to members of one or more company or group savings plans set up by the Company and/or French or foreign companies related to it under the terms of article L.225-180 of the French Commercial Code and article L.3344-1 of the French Labor Code;
2) waives for the benefit of these individuals the preferential subscription rights to the shares which may be issued pursuant to this delegation;
3) sets the period of validity of this authorization at 26 months starting from the date of this delegation;
4) limits the maximum nominal amount of the share capital increase(s) that may be made by using this delegation to 3% of the amount of the share capital reached at the time of the Board's decision to carry out this increase. This amount is independent of any other limit set regarding capital increase delegations. To this amount shall be added, if applicable, the nominal amount of the capital increase necessary to preserve, in accordance with the law and, where applicable, contractual stipulations providing for other methods of preservation, the rights of the holders of rights or transferable securities giving access to the Company's share capital;
5) decides that the price of the shares to be issued, pursuant to 1/of this delegation, cannot be more than 30% (or 40% when the lock-up period provided for in the plan pursuant to articles L.3332-25 and L.3332-26 of the French Labor Code is greater than or equal to ten years) 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 that average;
6) resolves, pursuant to article L.3332-21 of the French Labor Code, that the Board of Directors may provide for the allocation to beneficiaries defined in the first paragraph above, free of charge, of shares that have been or will be issued or other securities giving access to the Company's share capital that have been or will be issued, for (i) the employer's contribution that may be paid pursuant to the company or group savings plan rules, and/or (ii), if applicable, the discount and may decide, in the event of the issue of new shares for the discount and/or employer's contribution, to incorporate into the capital the reserves, profits or issue premiums necessary to pay for said shares.

The Board of Directors may or may not implement this delegation, take all measures and carry out all necessary formalities.

Nineteenth resolution – Powers for formalities

The shareholders' meeting grants all powers to the bearer of an example, a copy or an extract of these minutes in order to accomplish all filing and publicity formalities required by law.

7.3 STATUTORY AUDITORS' REPORTS

Statutory auditors' report on the reduction of share capital

(Extraordinary Shareholders' Meeting of 14 June 2021 resolution no. 14)

To the Shareholders' Meeting

As Statutory Auditors of your Company and pursuant to the assignment set forth in article L.22-10-62 of the French Commercial Code in the event of a share capital reduction through the cancelation of shares purchased, we have drawn up this report intended to inform you of our assessment of the causes and conditions of the proposed share capital reduction.

Your Board of Directors proposes that you delegate to it, for a period of 24 months from the date of this meeting, all powers to cancel, up to a limit of 10% of the Company's capital, per 24-month period, the shares purchased pursuant to the implementation of a purchase authorization by your Company for its own shares within the framework of the provisions of the aforementioned article.

We have conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this assignment. These procedures require us to examine whether the causes and conditions of the proposed share capital reduction, of a nature not to impair the equality of shareholders, are regular.

We have no matters to report on the causes and conditions of the proposed share capital reduction.

In Neuilly-sur-Seine and Paris, 29 April 2021

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

Statutory Auditors' report on the issuance of ordinary shares and/or various TRANSFERABLE securities with cancelation of preferential subscription rights

(Combined Shareholders' Meeting of 14 June 2021 – 15th resolution)

To the Shareholders' Meeting

As Statutory Auditors of your Company and pursuant to the assignment set forth in articles L.228-92 and L.225-135 *et seq.* of the French Commercial Code, we hereby present our report on the proposed delegation of authority to your Board of Directors to decide an issue, with cancelation of preferential subscription rights, on one or more occasions, in France and abroad, of ordinary shares of the Company or of equity securities granting access to other equity securities or granting access to debt securities and/or transferable securities (including in particular any debt securities) granting access to equity securities to be issued, reserved for the following category of persons:

- any credit institution, investment service provider, or member of an investment banking syndicate or any investment fund or company undertaking to guarantee the completion of the capital increase or of any issue that may eventually result in a capital increase that could be completed pursuant to this delegation in connection with an equity line of financing;

  a transaction upon which you are called to vote.

The total nominal amount of the capital increases likely to be carried out immediately or in the future may not exceed €4,000,000.

The maximum nominal amount of the debt securities that may be issued under this delegation is €20,000,000.

These amounts will be deducted from the overall ceiling for the current financial delegations provided for in the nineteenth resolution of the Shareholders' Meeting of 8 June 2020.

Based on its report, your Board of Directors is asking that you grant it full powers, for a period of 18 months, to decide an issue with cancelation 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 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 details concerning these transactions, set out in this report.

We have conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this assignment. These procedures consisted in verifying the contents of the report from the Board of Directors on these transactions 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 that may be decided upon, we have no comments to make on the process for setting the issue price of the equity securities to be issued, set out in the report of the Board of Directors.

In addition, as indicated in the Board of Directors' report, the cancelation of the preferential right would be carried out in favor of:

- any credit institution, investment service provider, or member of an investment banking syndicate or any investment fund or company undertaking to guarantee the completion of the capital increase or of any issue that may eventually result in a capital increase that could be completed pursuant to this delegation in connection with an equity line of financing.

This description does not appear to us to comply with the provisions of article L.225-138 of the French Commercial Code providing for the possibility of reserving share capital increases to categories of persons satisfying determined characteristics insofar as the Board of Directors does not sufficiently nor precisely specify the identification criteria for the category to which the beneficiaries of the envisaged issue belong.

As a result, we cannot give our opinion on the proposed cancelation of preferential subscription rights made to you.

Pursuant to article R.225-116 of the French Commercial Code, we will prepare an additional report, as required, when the Board of Directors makes use of this authorization.

Done in Neuilly-sur-Seine and Paris, 29 April 2021

The Statutory Auditors

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

7

Statutory auditors' report on the issuance of shares and/or securities giving access to the share capital reserved for subscribers to a company savings plan

(Combined Shareholders' Meeting of 14 June 2021 – 18th resolution)

To the Shareholders' Meeting

As Statutory Auditors of your Company and pursuant to the assignment set forth in articles L.228-92 and L.225-135 *et seq.* of the French Commercial Code, we hereby present our report on the proposed delegation of authority to your Board of Directors to decide an issues of ordinary shares or transferable securities granting access to equity securities to be issued by the Company, with cancelation of preferential subscription rights, reserved for subscribers to one or more company or group savings plans implemented by the Company and/or the French or foreign companies related to the Company under the conditions set forth in article L.225-180 of the French Commercial Code and article L.3344-1 of the French Labor Code, a transaction 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 Labor Code.

Based on its report, your Board of Directors is asking that you grant it full powers, for a period of 26 months commencing from the date of this Shareholders' Meeting, to decide an issue with cancelation of your 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 truthfulness of the quantified financial information drawn from the financial statements, on the proposal to cancel preferential subscription rights and on certain other details concerning this issue, contained in this report.

We have conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this assignment. These procedures consisted in verifying the contents of the report from the Board of Directors on this transaction and the process for setting the issue price of the equity securities to be issued.

Subject to reviewing, at a future date, the terms and conditions of any issues that may be decided upon, we have no comments to make on the process for setting the issue price of the equity securities to be issued, set out in the report of the Board of Directors.

As the final terms and conditions of the share capital increase have not been set, we shall not express an opinion thereon and, as such, on the proposed cancelation of preferential subscription rights on which you are asked to decide.

Pursuant to article R.225-116 of the French Commercial Code, we will prepare an additional report, as required, when the Board of Directors makes use of this authorization.

Done in Neuilly-sur-Seine and Paris, 29 April 2021

The Statutory Auditors

PricewaterhouseCoopers Audit
David CLAIROTTE

RSM Paris
Stéphane MARIE

Report of the statutory auditors on the authorization to allcate share subscrition or share purchase options

(Extraordinary Shareholders' Meeting of 14 June 2021 resolution no. 16)

To the Shareholders' Meeting

In our capacity as Statutory Auditors of your Company and in execution of the mission provided for by articles L.225-177 and R.225-144 of the French Commercial Code, we present our report on the authorization to allocate share subscription or purchase options in favor of:

- employees or some of them, or certain categories of personnel, of PRODWAYS GROUP and, where applicable, companies or economic interest groups linked to it under the conditions of article L.225-180 of the French Commercial Code;
- corporate officers meeting the conditions set forth in articles L.225-185, L.22-10-57 and L.22-10-58 of the French Commercial Code;

a transaction upon which you are called to vote.

The total number of options thus granted may not give entitlement to a total number of shares representing more than 5% of the Company's share capital on the date of the allocation decision.

On the basis of its report, your Board of Directors asks you to authorize it, for a period of 38 months, to allocate share subscription or purchase options.

It is the Board of Director's responsibility to draw up a report on the motives for opening share subscription or purchase options, and on the proposed terms for setting the subscription or purchase price. It is our responsibility to express our opinion on the proposed terms for setting the subscription or purchase price of the shares.

We have conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this assignment. These procedures consisted in particular in verifying that the proposed methods for determining the subscription or purchase price of the shares are specified in the report of the Board of Directors and that they comply with the provisions of the laws and regulations.

We have no remarks to make on the proposed terms for setting the subscription or purchase price of the shares.

Done in Neuilly-sur-Seine and Paris, 29 April 2021

The Statutory Auditors

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

Report of the statutory auditors on the authorization to allocate free shares, existing or to be issued

(Extraordinary Shareholders' Meeting of 14 June 2021 resolution no. 17)

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in execution of the mission provided for by article L.225-197-1 of the French Commercial Code, we present our report on the proposed authorization to allocate free shares, existing or to be issued, in favor of:

- employees of the Company or companies directly or indirectly related to it within the meaning of article L.225-197-2 of the French Commercial Code; and/or
- corporate officers who meet the conditions set out in articles L.225-197-1, L.22-10-59 and L.22-10-60 of the French Commercial Code;

a transaction upon which you are called to vote. The total number of shares that may be allocated under this authorization may not represent more than 5% of the Company's share capital.

On the basis of its report, your Board of Directors asks you to authorize it, for a period of 38 months, to allocate free shares, existing or to be issued.

It is the responsibility of the Board of Directors to draw up a report on the transaction that it would like to undertake. It is our responsibility to express our observations, if any, on the information provided to you in respect of the planned transaction.

We have conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this assignment. These procedures consisted in particular in verifying that the proposed methods and the data in the report of the Board of Directors comply with the provisions of the laws and regulations.

We have no observations to make on the information provided in the report of the Board of Directors as regards the proposed authorization to allocate free shares.

Done in Neuilly-sur-Seine and Paris, 29 April 2021

The Statutory Auditors

PricewaterhouseCoopers Audit
David CLAIROTTE

RSM Paris
Stéphane MARIE

7.4 OTHER REPORTS OF THE BOARD OF DIRECTORS PRESENTED TO THE SHAREHOLDERS' MEETING OF 14 JUNE 2021

Management report

See the cross-reference table in Section 8.3.1 of the Universal Registration Document.

Board of Directors' corporate governance report prepared in accordance with article L.225-37 and seq. of the French Commercial Code

See the cross-reference table in Section 8.3.2 of the Universal Registration Document.

Special reports by the Board of Directors prepared in accordance with article L.225-197-4 of the French Commercial Code

Dear Shareholders,

Pursuant to article L.225-197-4 of the French Commercial Code, we are pleased to present you the information on the allocation and vesting of free shares made to the employees and directors of the Group during the financial year ended 31 December 2020 and at the beginning of 2021.

The extraordinary shareholders' meeting of 13 June 2018 authorized, in its 21st resolution, the Board of Directors to proceed, on one or more occasions, in accordance with articles L.225-197-1 and L.225-197-2 of the French Commercial Code, with the allocation of free shares in the Company, existing or to be issued, up to 5% of the share capital, in favor of:

- employees of the Company or companies directly or indirectly related to it within the meaning of article L.225-197-2 of the French Commercial Code; and/or
- corporate officers who meet the conditions set by article L.225-197-1 of the French Commercial Code.

As a result of this authorization, the Board of Directors established several free share allocation plans in 2016, then in 2019 and finally in 2021, in order to interest all employees and senior executives in the performance of the Group and to involve key employees in the Group's performance.

No new allocation was decided by the Board during the 2020 financial year.

A new allocation was decided in early 2021.

I. Plans for 2016

It is noted that the 2016 plans have ended and that there are no longer any potential shares under these plans.

II. Plans for 2019

It is noted that the Board of Directors, at its meeting of 31 January 2019, approved two free share allocation plans:

- a free share allocation plan for all employees of PRODWAYS GROUP and its subsidiaries having their registered office in France (the collective plan); and
- a free performance share allocation plan for certain employees and executive corporate officers of the Company and its French and foreign subsidiaries (the selective plan).

II.1 2019 collective plan

The vesting period for the 2019 collective plan expired on 1 February 2021. After examining the continued employment conditions, the Board noted the acquisition of a total of 14,050 shares.

II.2 2019 selective plan

The first vesting period of the 2019 selective plan expired on 1 February 2021 (the other two vesting periods expiring on 1 February 2022 and 1 February 2023). After examining the continued employment and performance conditions, the Board noted at the end of this first vesting period, the acquisition of 172,408 shares, of which 38,248 shares were awarded to the Chief Executive Officer, Mr. Olivier STREBELLE.

III. 2021 plans

On 1 February 2021 the Board of Directors approved two new free share plans:

- a free share allocation plan for all employees of PRODWAYS GROUP and its subsidiaries having their registered office in France (the collective plan); and
- a free performance share allocation plan for certain employees and executive corporate officers of the Company and its French and foreign subsidiaries (the selective plan).

1) Allocation of free shares under the 2021 collective plan

The collective free share allocation plan approved by the Board of Directors on 1 February 2021 aiming to interest all employees in the Group's performance and value creation, provides for a free allocation of 18,050 shares for the benefit of all employees of PRODWAYS GROUP and its more than 50%-owned subsidiaries having their registered office in France. These shares were allocated uniformly between the Company's 370 employees and its French subsidiaries, at the rate of 50 shares per employee.

The plan is explained in greater detail in the table below:

Number of shares allocated	Vesting period/Duration of the retention period	Total number of grant recipients	Allocation conditions and criteria	Origin of the shares to be allocated	Value of the shares
18,050	From 1 February 2021 to 2 February 2023 No retention period	370	No Group performance condition Continued employment condition on 2 February 2023	New shares to be issued	Based on the closing share price on 1 February 2021 (i.e. €2.68): €48,374

2) Allocation of free performance shares under the 2021 selective plan

The selective free performance share plan approved by the Board of Directors on 1 February 2021, with the aim of retaining and involving key employees in the Group's performance and its value creation, provides for the allocation of 532,500 free performance shares to certain employees and executive officers of PRODWAYS GROUP or its French and foreign subsidiaries.

The plan is explained in greater detail in the table below:

Total number of shares granted	Vesting period/Duration of the retention period	Total number of grant recipients	Allocation conditions and criteria	Origin of the shares to be allocated	Value of the shares
532,500	From 1 February 2021 to 2 February 2023, then at 1 July 2023 No retention period, except for executive corporate officers	16	• Performance conditions in reference to the Group's revenue growth in 2021 and 2022 and the achievement of the Group's current operating income target (as defined in the plan) in 2021 and 2022 • The number of performance shares, where applicable, vested according to the above performance criteria will be multiplied by 1.1 depending on the performance of the PRODWAYS GROUP share price in relation to an index. • Continued employment condition at each intermediate vesting period (2 February 2023 and 1 July 2023)	New shares to be issued	Based on the closing share price on 1 February 2021 (i.e. €2.68): €1,427,100

3) Additional information pursuant to article L.225-197-4 of the French Commercial Code

The tables below are prepared in accordance with the requirements of article L.225-197-4 of the French Commercial Code:

a) Allocation of free shares, to date in 2021, to corporate officers of PRODWAYS GROUP, or by related companies within the meaning of article L.225-197-2 of the French Commercial Code.

Corporate officers concerned	Number of shares	Value
Olivier STREBELLE (Chief Executive Officer) (*)	247,500	Based on the share price at 1 February 2021 (closing price at €2.68): €663,300

* Olivier STREBELLE leaves his position as Chief Executive Officer mid-May 2021 and loses his right to acquire shares

b) Allocation of free shares to PRODWAYS GROUP corporate officers, to date in 2021, by controlled companies within the meaning of article L.233-16 of the French Commercial Code, for terms of office and functions exercised by said officers within the controlled companies.

None.

c) List of the ten employees of PRODWAYS GROUP SA, who are not corporate officers, to whom the largest number of shares has been allocated to date in 2021 by PRODWAYS GROUP and by the companies mentioned in article L.225-197-2 of the French Commercial Code

The Company has only nine employees to date.

Employees	Number of shares allocated	Value *(euros)*
A	15,000 (selective plan) and 50 (collective plan)	Based on the share price on 1 February 2021 (closing price at €2.68): €40,334
B	15,000 (selective plan) and 50 (collective plan)	Based on the share price on 1 February 2021 (closing price at €2.68): €40,334
C	7,500 (selective plan) and 50 (collective plan)	Based on the share price on 1 February 2021 (closing price at €2.68): €20,234
Each of the other six employees	50 (collective plan)	Based on the share price on 1 February 2021 (closing price at €2.68): €134

d) Distribution of shares between categories of beneficiaries

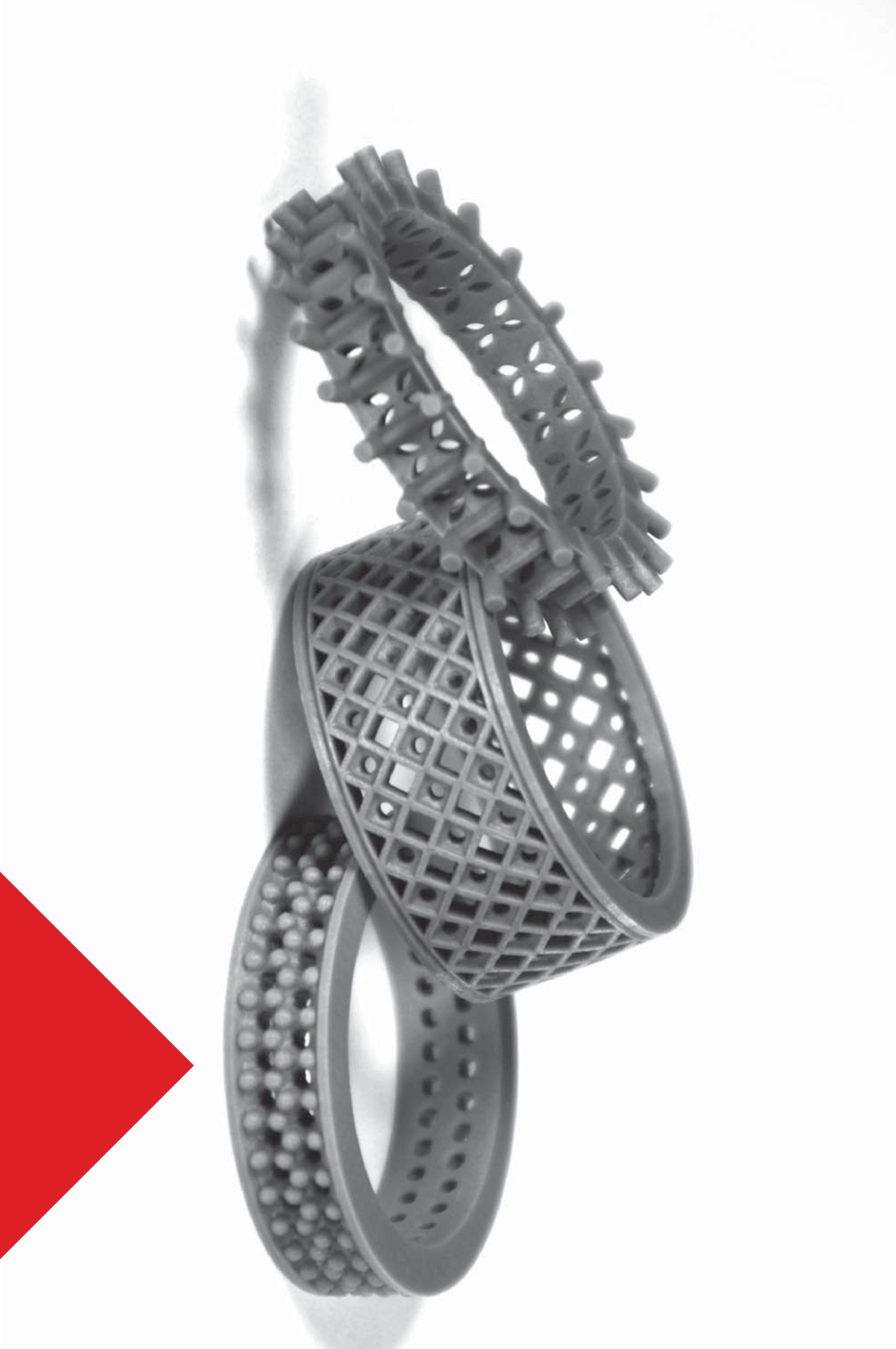
	Collective plan	Selective plan	Total	% of shares by category of beneficiaries
Representatives of PRODWAYS GROUP SA	0	247,500 (*)	247,500	44.96%
Employees	18,050	285,000	303,050	55.04%
Total	18,050	532,500	550,550	100%

* Olivier STREBELLE leaves his position as Chief Executive Officer mid-May 2021 and loses his right to acquire shares

Paris

16 March 2021

The Board of Directors



8

ADDITIONAL INFORMATION

8.1 INFORMATION ABOUT THE STATUTORY AUDITORS

Principal statutory auditors

PRICEWATERHOUSECOOPERS AUDIT

Member of the Versailles Regional Association of statutory auditors

Represented by Mr. David CLAIROTTE

63 rue de Villiers – 92200 Neuilly-sur-Seine

Statutory auditor of the Company appointed by the combined shareholders' meeting of 5 May 2017 for a term of six financial years to expire at the end of the shareholders' meeting called to approve the financial statements for the financial year ending 31 December 2022 (first appointment).

RSM Paris

Member of the Versailles Regional Association of statutory auditors

Represented by Mr. Stéphane MARIE

26 rue Cambacérès – 75008 PARIS

Statutory auditor of the Company appointed by the Articles of Association of 13 March 2014 for a term of office of six financial years (first appointment) and renewed in 2020 (renewal for a period of six years expiring at the end of the shareholders' meeting held in the course of 2026 called to approve the financial statements for the 2025 financial year).

8.2 PERSON RESPONSIBLE FOR THE INFORMATION

8.2.1 Person responsible for the Universal Registration Document containing the annual financial report

Mr. Olivier STREBELLE as Chief Executive Officer of PRODWAYS GROUP SA.

8.2.2 Statement by the person responsible for the Universal Registration Document

"I hereby certify that the information contained in this Universal Registration Document is, to the best of my knowledge, consistent with the facts and does not contain any omissions likely to alter its scope.

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, whose cross-reference table is in section 8.3.3, fairly presents the business trends, earnings and financial situation of the company and of all the companies included in the scope of consolidation, as well as a description of the main risks and uncertainties they face."

Paris, 29 April 2021

The Chief Executive Officer

8.3 CROSS-REFERENCE TABLES

8.3.1 Cross-reference table of the Universal Registration Document (Appendices I and II of Delegated European Regulation no. 2019/980)

In order to facilitate the reading of this Universal Registration Document, the cross-reference table presented below makes it possible to identify the main information required by Appendices I and II of European Delegated Regulation no. 2019/980 of 14 March 2019:

New URD References	Headings	Section/Chapter	Page
Section 1	**Persons responsible, information from third parties, expert reports and approval by the competent authority**		
Point 1.1	Persons responsible for the information	8.2.1	182
Point 1.2	Statement by the persons responsible for the document	8.2.2	182
Point 1.3	Expert statement	N/A	-
Point 1.4	Other statements in case of information from third parties	N/A	-
Point 1.5	Statement regarding the approval of the document	AMF insert	1
Section 2	**Statutory auditors**		
Point 2.1	Contact details	8.1	182
Point 2.2	Changes	8.1	182
Section 3	**Risk factors**		
Point 3.1	Description of significant risks	2	29 *et seq.*
Section 4	**Information about the issuer**		
Point 4.1	Company name and commercial name	5.1.1	130
Point 4.2	Registration with the TCR and identifier (LEI).	5.1.1	130
Point 4.3	Date of incorporation and duration	5.1.1	130
Point 4.4	Registered office – legal form – applicable legislation – website – other	5.1.1	130
Section 5	**Business overview**		
Point 5.1	Main activities	1.2	10
Point 5.1.1	*Nature of operations and main activities*	*1.2*	*10*
Point 5.1.2	*New products and/or services*	*1.2*	*10*
Point 5.2	Main markets	1.2.2	11
Point 5.3	Significant events	Introductory section, 1.2.4, 1.3.4, Notes 1.1, 12.2 and 12.3 of the consolidated financial statements	2 *et seq.*, 18, 20, 76, 107
Point 5.4	Financial and non-financial strategy and objectives	1.3, 1.4, Chapter 6	19, 21, 143 *et seq.*
Point 5.5	Degree of dependency	2.2, Notes 3.3 and 4.5 to the consolidated financial statements	32, 83, 85
Point 5.6	Competitive position	1.2.2	11
Point 5.7	Investments	1.1.6, 1.3.3, Note 6 to the consolidated financial statements	9, 20, 91
Point 5.7.1	*Significant investments made*	*1.1.6, 1.3.3, 6.3*	*9, 20, 147*
Point 5.7.2	*Significant ongoing investments or firm commitments*	*1.3.3*	*20*
Point 5.7.3	*Joint ventures and significant investments*	*1.2.3, Notes 2.2, 7.3 and 13 to the consolidated financial statements*	*20, 78, 98, 108*
Point 5.7.4	Environmental impact of the use of property, plant and equipment	1.3.3, 6.2, 6.6	20, 146, 153

New URD References	Headings	Section/Chapter	Page
Section 6	**Organizational structure**		
Point 6.1	Brief description of the Group/Organizational chart	1.2, 1.5.1	10, 25
Point 6.2	List of significant subsidiaries	1.2.3, Notes 2.2 and 13 to the consolidated financial statements	17, 78, 108
Section 7	**Review of the financial position and results**		
Point 7.1	Financial position	1.1, 1.4, 1.5	8, 21, 25
Point 7.1.1	*Statement of changes and results of operations*	*1.1, 1.4, 1.5*	*8, 21, 25*
Point 7.1.2	*Future developments and activities in research and development*	*1.3*	*19*
Point 7.2	Operating results	1.1.3, 4.1.1, 4.2.1	8, 70, 112
Point 7.2.1	*Significant factors affecting operating revenue*	*1.2.4, 1.4, 4.1, 4.2*	*18, 21, 70 et seq., 112 et seq.*
Point 7.2.2	*Significant changes in net sales or net income*	*1.4, 4.1*	*21, 70 et seq.*
Section 8	**Cash and cash equivalents and capital**		
Point 8.1	Issuer's capital	1.4.2, Note 10.1 to the consolidated financial statements, Note 3 to the separate financial statements	24, 105, 119
Point 8.2	Cash flow	1.4.2, Note 7 to the consolidated financial statements, Notes 2 and 3 to the separate financial statements	24, 96, 118
Point 8.3	Financing requirements and financing structure	1.4.2, 4.1, Note 8 to the consolidated financial statements, Note 4 to the separate financial statements	24, 70 *et seq.*, 99 *et seq.*, 118
Point 8.4	Restriction on use of capital	Note 8 to the consolidated financial statements, Note 5.3 to the separate financial statements	99 *et seq.*, 120
Point 8.5	Expected sources of funding	Notes 8 to the consolidated financial statements	99 *et seq.*
Section 9	**Regulatory environment**		
Point 9.1	Description of the regulatory environment and influencing external factors	1.2.2, 2.2.3, 2.3.2, 6.4	11, 33, 34, 148
Section 10	**Trend information**		
Point 10.1	a) Main recent trends	Message from the Chairman, 1.3.2, 1.3.4, Note 12.3 to the consolidated financial statements	2, 19, 107
	b) Significant change in the Group's financial performance since closing	1.3.2, 1.3.4	19, 20
Point 10.2	Factor likely to have a significant impact on the outlook	1.3.2, 1.3.4, Message from the Chairman	19, 20, 2
Section 11	Profit forecasts or estimates		
Point 11.1	Current profit forecast or estimate	N/A	-
Point 11.2	Main assumptions	N/A	-
Point 11.3	Statement on profit forecast or estimate	N/A	-
Section 12	**Administrative, management and supervisory bodies and executive management**		
Point 12.1	Information concerning the members of the Company's administrative and management bodies	3.1	42 *et seq.*
Point 12.2	Conflicts of interest	3.1.5	49

New URD References	Headings	Section/Chapter	Page
Section 13	**Remuneration and benefits**		
Point 13.1	Remuneration and benefits paid or granted	3.2, 3.3, 3.4	51 *et seq.*
Point 13.2	Provisions for retirement and other	Note 5.3 to the consolidated financial statements, Note 7.6 to the separate financial statements	88, 122
Section 14	**Functioning of the administrative and management bodies**		
Point 14.1	Term of office	3.1.	42 *et seq.*,
Point 14.2	Service contracts	1.5.1, 3.2, 3.4, 3.7.1	25, 51 *et seq.*, 60 *et seq.*
Point 14.3	Committees	3.1.1, 3.1.8	42, 50
Point 14.4	Compliance with corporate governance rules	3.5	63
Point 14.5	Potential significant impacts and future governance changes	3.1	42 *et seq.*
Section 15	**Employees**		
Point 15.1	Breakdown of employees	1.1.7, Note 5.1 to the consolidated financial statements	9, 88
Point 15.2	Equity investments and stock options	Note 5.2 to the consolidated financial statements, 5.3.5	88, 139
Point 15.3	Employee shareholding agreement	see Point 15.2 above	-
Section 16	**Main shareholders**		
Point 16.1	Share capital breakdown	5.3.1	139
Point 16.2	Different voting rights	5.3.2	139
Point 16.3	Control of the issuer	5.3.1	139
Point 16.4	Shareholder agreement	N/A	-
Section 17	**Transactions with related parties**		
Point 17.1	Details of transactions	1.5.1, 3.7.1, Note 5.5 to the consolidated financial statements, Note 6 to the separate financial statements	25, 64, 90, 121
Section 18	**Financial information concerning the assets and liabilities, financial position and results of the issuer**		
Point 18.1	Historical financial information	AMF insert, 4.1, 4.2	1, 70 *et seq.*, 112 *et seq.*
Point 18.1.1	*Audited historical financial information*	*4.1, 4.2*	*70 et seq., 112 et seq.*
Point 18.1.2	*Change of accounting reference date*	*N/A*	-
Point 18.1.3	*Accounting standards*	*4.1 (Note 1), 4.2*	*76*
Point 18.1.4	*Change in accounting standards*	*4.1 (Note 1), 4.2*	*76*
Point 18.1.5	*Minimum content of audited financial information*	*4.1, 4.2*	*70 et seq., 112 et seq.*
Point 18.1.6	*Consolidated financial statements*	*4.1*	*70 et seq.*
Point 18.1.7	Date of latest financial information	4.1, 5.4.3	70 *et seq.*, 141
Point 18.2	Interim and other financial information	N/A	-
Point 18.2.1	*Quarterly or half-yearly financial information*	*N/A*	-
Point 18.3	Audit of historical annual financial information	4.2.5	125 *et seq.*

8

New URD References	Headings	Section/Chapter	Page
Point 18.3.1	*Audit report*	*4.2.5*	*125 et seq.*
Point 18.3.2	*Other audited information*	*3.7.2*	*65*
Point 18.3.3	*Unaudited financial information*	*N/A*	-
Point 18.4	Pro forma financial information	N/A	-
Point 18.4.1	*Significant change in gross values*	*N/A*	-
Point 18.5	Dividend policy	5.4.2	140
Point 18.5.1	*Description*	*5.4.2*	*140*
Point 18.5.2	*Dividend per share*	*1.5.3, 7.1*	*25, 160*
Point 18.6	Legal and arbitration proceedings	Note 12.2 to the consolidated financial statements	107
Point 18.6.1	*Significant procedures*	*See Point 18.6 above*	-
Point 18.7	Significant change in the issuer's financial position	1.1, 1.2.2, 1.2.4, 1.3.4	8, 11, 18, 20
Point 18.7.1	*Significant change since closing*	*See Point 18.7 above*	-
Section 19	**Additional information**		
Point 19.1	Share capital	5.2	132 *et seq.*
Point 19.1.1	*Amount of capital issued*	*5.2*	*132 et seq.*
Point 19.1.2	*Shares not representing capital*	*N/A*	-
Point 19.1.3	*Treasury shares*	*5.2.2*	*135*
Point 19.1.4	*Securities*	*5.2.1*	*132 et seq.*
Point 19.1.5	*Acquisition rights conditions and/or any obligation*	*5.2.1, 5.2.3*	*132 et seq., 136*
Point 19.1.6	*Option or agreement*	*N/A*	-
Point 19.1.7	*History of share capital*	*5.3.2*	*136*
Point 19.2	Corporate charter and Articles of Association	5.1.2	130
Point 19.2.1	*Registration in the register and corporate purpose*	*5.1.1, 5.1.2*	*130*
Point 19.2.2	*Existing share classes*	*5.2*	*132 et seq.*
Point 19.2.3	*Provisions impacting a change of control*	*5.3.4*	*139*
Section 20	**Major contracts**		
Point 20.1	Summary of each contract	N/A	-
Section 21	**Available documents**		
Point 21.1	Statement on searchable documents	5.4.3	141

8.3.2 Cross-reference 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 General Regulations of the French Financial Markets Authority (Autorité des Marchés Financiers – AMF). The documents referred to in article 222-3 of the aforementioned regulation and the corresponding sections of this Universal Registration Document are specified below:

	Annual financial report	**Chapter/Section**	**Page**
1.	Annual accounts	4.2	112 *et seq.*
2.	Consolidated financial statements	4.1	70 *et seq.*
3.	Management report (information within the meaning of article 222-3 of the AMF General Regulation)	See cross-reference table in Section 8.3.3 below	-
4.	Statement by the person responsible for the annual financial report	8.2.2	182
5.	Statutory auditors' report on the separate financial statement	4.2.5	125 *et seq.*
6.	Statutory auditors' report on the consolidated financial statements	4.1.7	109 *et seq.*
7.	Statutory auditors' report on regulated agreements and commitments	3.7.2	65
8.	Board of Directors' corporate governance report (article L.225-37 of the French Commercial Code)	See cross-reference table in Section 8.3.4 below	-

8.3.3 Cross-reference table of the consolidated management report (to which the corporate governance report and the statement of non-financial performance are attached)

This Universal Registration Document includes the items from the management report referred to in articles L.225-100 et seq. and L.232-1 of the French Commercial Code and the corporate governance report pursuant to articles L.225-37 et seq. of the French Commercial Code.

	Consolidated management report	Chapter/Section	Page
1	BUSINESS MARKET		
1.1	Position and activity of the Company over the past year	1.5, 4.2	25 *et seq.*, 112 *et seq.*
1.2	Results of the activity of the Company, its subsidiaries and companies under its control	1.1, 1.4, 4.1	8, 21, 70 *et seq.*
1.3	Key financial performance indicators	1.1	8
1.4	Key non-financial performance indicators	1.1 and 6	8, 143 *et seq.*
1.5	Analysis of changes to the business its results and financial position	1.4	21
1.6	Significant events occurring between the closing of the financial year and the date the management report was drawn up	1.3.4, Note 12.3 to the consolidated financial statements and Note 9.3 to the annual financial statements	20, 107, 124
1.7	Foreseeable development and outlook	Message from the Chairman, 1.3.2	2, 19
1.8	Research and development activities	1.2.2, 1.3.3, Note 6 to the consolidated financial statements	11, 20, 91 *et seq.*
1.9	Significant new shareholdings controlling interests acquired during the year in companies with head offices on French territory	1.2.3, 1.2.4, Note 2.2 to the consolidated financial statements	17, 18, 78
1.10	Statement of existing branches	N/A	-
2.	RISK FACTORS – INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES		
2.1	Description of the main risks and uncertainties facing the Group	2	29 *et seq.*
2.2	Main characteristics of the internal control and risk management procedures implemented by the Company and the Group relating to the preparation and processing of accounting and financial information	3.8	66 *et seq.*
2.3	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, 6.6	29 *et seq.*, 153
2.4.	Information on the use of financial instruments (policy and hedging)	Notes 8.1 and 8.3 to the consolidated financial statements	99 *et seq.*, 102
2.5	Anti-corruption system	6.7	155
3.	STATEMENT OF NON-FINANCIAL PERFORMANCE	6	**143 *et seq.***
3.1	Business model	Introductory section	4
3.2	Description of the main risks related to the activity of the Company and the Group	2	29 *et seq.*
3.3	Information on the way in which the Group takes into account the social and environmental consequences of its activity	6.2 to 6.7	146 *et seq.*
3.4	Results of the policies applied by the Group (key performance indicators)	6.2 to 6.7	146 *et seq.*
3.5	Social information	6.5	149 *et seq.*

	Consolidated management report	Chapter/Section	Page
3.6	Environmental information	6.2 ,6.6	149, 153
3.7	Societal information	6.3, 6.7	147, 155
3.8	Fight against corruption	6.7	155
3.9	Human rights actions	6.7	155
3.10	Seveso site – risk management	N/A	-
3.11	Collective agreements and their impact on the Company's economic performance and on employees' working conditions	6.5	149 *et seq.*
3.12	Statement by the independent third party	6.8	156
4.	SHAREHOLDERS AND SHARE CAPITAL		
4.1	Shareholder structure and changes occurring during the financial year, crossing of ownership thresholds	5.2, 5.3	132 *et seq.*
4.2	Employee share ownership statement	5.3.5	139
4.3.	Repurchase and resale by the Company of its treasury shares	5.2.2	135
4.4	Names of controlled entities and interests held	Note 13 to the consolidated financial statements	108
4.5	Transfers of shares to regularize cross-shareholdings, possible adjustments for securities giving access to the capital in the event of share buybacks or financial transactions	N/A	-
4.6	Trading on Company shares by senior managers and persons with close ties to them	3.1.4	49
4.7	Information on stock option plans granted to corporate officers and employees	3.3 (Tables 4 to 10), 5.2.1	57 *et seq.*, 132 *et seq.*,
4.8	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	57 *et seq.*, 132 *et seq.*, 89, 90
5.	CORPORATE GOVERNANCE REPORT (ART. L.225-37 ET SEQ. OF THE FRENCH COMMERCIAL CODE)	See cross-reference table in Section 8.3.4 below	-
6.	OTHER INFORMATION		
6.1	Non-tax-deductible expenses and expenses added back following tax adjustment	1.5.2	25
6.2	Table of financial results for the past five financial years	1.5.5	26
6.3	Total dividends and other income paid out over the previous three financial years	1.5.3, 5.4.2, 7.1	25, 140, 160
6.4	Orders or financial penalties for anti-competitive practices	N/A	-
6.5	Amount of intercompany loans granted under article L.511-6-3 bis of the French Monetary and Financial Code	N/A	-
6.6	Works council opinion on changes to the Company's financial and legal structure	N/A	-
6.7	Payment times for trade receivables and payables	1.5.4, Note 5.2 to the separate financial statements	25, 120

8.3.4 Cross-reference table – Corporate governance report pursuant to article L.225-37 of the French Commercial Code

	Corporate governance report – Headings	Chapter/Section	Page
1.	INFORMATION ON THE COMPOSITION, OPERATION AND POWERS OF THE BOARD		
1.1	Composition of the Board of Directors	3.1	42 *et seq.*
1.2	Presentation of the members of the Board of Directors, list of their offices and positions	3.1	42 *et seq.*
1.3	Conditions for the preparation and organization of the Board of Directors' work	3.1.7	49
1.4	Gender balance on the Board of Directors	3.1.3	49
1.5	Diversity policy applied to Board members	3.1.1, 3.1.3	42, 49
1.6	Parity within the committee set up by the Executive Management	N/A	-
1.7	Diversity for the 10 positions with the highest responsibility	N/A	-
1.8	Forms of Executive Management	3.1.6	49
1.9	Limitations of CEO powers	3.1.6	49
1.10	Reference to a Corporate Governance Code	3.5	63 *et seq.*
1.11	Summary table of delegations granted by the shareholders' meeting for share capital increases that are still valid	5.2.3	137-138
1.12	Assessment procedure for current agreements signed under normal term and conditions	3.7.1	64
2.	INFORMATION CONCERNING REMUNERATION		
2.1	Corporate officer remuneration policy	3.2	51 *et seq.*
2.2	Information referred to in I of article L.225-37-3 of the French Commercial Code	3.3	55 *et seq.*
2.3	Individual remuneration of executive corporate officers for the past financial year	3.4	60 *et seq.*
2.4	Agreements entered into between corporate officer or a significant shareholder and subsidiary	3.7.1, 1.5.1	64, 25
2.5	Holding modalities by corporate officers of the free shares granted and/or shares from the exercise of stock options	3.3 (Tables 6, 10)	57 *et seq.*
3.	INFORMATION ON FACTORS LIABLE TO HAVE AN IMPACT IN THE EVENT OF AN IPO		
3.1	Structure of the Company's share capital	5.2	132 *et seq.*
3.2	Statutory restrictions on the exercise of voting rights and the transfer of shares or clauses in agreements brought to the Company's knowledge in application of article L.233-11 of the French Commercial Code regarding capital increases	5.1.2, 5.3.4	130, 139
3.3	Direct or indirect investments in its share capital that the Company is aware of pursuant to articles L.233-7 and L.233-12 of the French Commercial Code	5.3.1	139
3.4	List of bearers of all securities with special control rights and description of these rights	5.3.1, 5.3.4	139
3.5	Control mechanisms provided for by any employee shareholding system, when the control rights are not exercised by the system	5.3.5	139
3.6	Shareholder agreements known to the Company that may lead to restrictions on the transfer of shares and the exercise of voting rights	N/A	-
3.7	Rules applicable to the appointment and renewal of members of the Board of Directors and amendments to the Company's bylaws	3.1.1, 5.1.2	42 *et seq.*, 130
3.8	Agreements that end in the event of a change of control	N/A	-
4.	SPECIAL ARRANGEMENTS FOR SHAREHOLDER PARTICIPATION IN SHAREHOLDERS' MEETINGS	3.6	63

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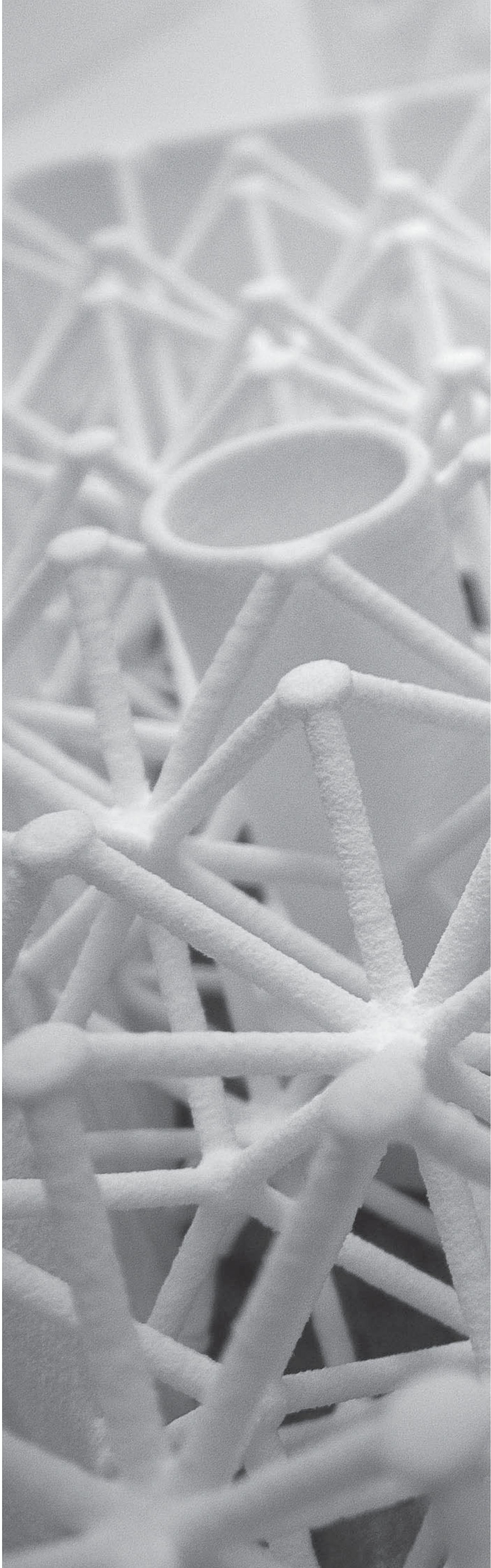

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