2021 HALF-YEAR FINANCIAL REPORT

including

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

PRODWAYS GROUP

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2021 HALF-YEAR ACTIVITY REPORT

Excerpt from the press release issued on 16 September 2021

Results for the first half of 2021

- **Successful transformation of PRODWAYS GROUP**
  - New site in Annecy bringing together teams and achieving operational synergies
  - Revenue growth of 27% per year on average since 2015
  - Share of recurring revenue of around 60% compared to 25% in 2015
  - Solid balance sheet thanks to a disciplined financial policy

- **… Generating record financial results**
  - Revenue growth of 27% in the first half-year to reach €34 million
  - EBITDA(1) growth of 214%, with a margin of 13%, the highest ever
  - Positive operating income for the first time in the history of PRODWAYS, at €0.9 million

- **Solid outlook supported by promising trends**
  - The rise of 3D printing contributes to more responsible production methods
  - Dental and orthodontic aligners players, PRODWAYS' main market, achieved record performances
  - Acceleration of the development of the Products division: integration of CREABIS well under way
  - Accuracy of the 2021 guidance: growth in revenue and profitability of 20% in line with the first half of the year

Successful transformation of PRODWAYS GROUP

New site in Annecy bringing together operational teams and creating synergies

As part of the operational transformation plan launched in 2020, in the first half of 2021 the teams and technologies of five different sites in France joined forces at their new site in Annecy (France).

This new 4,500 m² building houses the PRODUCTS division's printers, the parts design office, and the manufacture of SLS (powder sintering technologies) printers. **This new organization is already generating operational synergies**, promotes the development of new products and services and enables PRODWAYS to meet the growing demands of its customers.

The new site also illustrates PRODWAYS' desire to **contribute to more responsible production methods**: the Group has opted for a renovation project to avoid unnecessary land use and to protect the environment as much as possible. This project was undertaken with the assistance of a very large majority of local companies. The former industrial site has been transformed into an efficient building, incorporating a network to recover the heat released by the equipment to heat the workshop.

Strong recurring revenue growth

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

While in 2015 **the share of recurring revenue** in revenue was only around 25% it **now represents nearly 60%**. This solid revenue base consists first and foremost in sales of materials, which increase all the more as our customers use their machines more and more intensively. The software integration activity also benefits from a high recurrence rate, as does sales of personalized medical devices (audiology, dentistry, chiropody).

Solid balance sheet thanks to a disciplined financial policy

PRODWAYS is positioned as one of the few profitable companies in the 3D printing sector and has been able to consolidate its statement of financial position to support the foundations of sustainable growth. **The Group's cash flow, already positive in 2019** (+€4.6 million) and close to breakeven in 2020 despite the health situation, reached +€2.1 million in the first half of 2021.

In addition, PRODWAYS has demonstrated its **controlled investment policy while making focused efforts in R&D**. These represent around 10% of the revenue generated by sales of machines and materials, the only activities requiring R&D. Overall, investments (R&D and capex) represent between €2 million and €3 million per year at full speed. Their financing is optimized in part by means of various subsidies or tax credits.

Best-ever financial results

(in millions of euros)	H1 2020	H1 2021	Change (in millions of euros)	Change (%)
Revenue	**26.8**	**34.1**	+7.3	+27%
EBITDA [1]	**1.4**	**4.5**	+3.1	+214%
EBITDA margin	***5.3%***	***13.2%***	*n/a*	*+7.9 pts*
Operating result [2]	**-2.9**	**2.2**	+5.1	n/a
Operating income	**-10.0**	**0.9**	**+10.8**	**n/a**
Financial result, taxes and minority interests	**1.3**	**-1.2**	-2.5	n/a
Profit (loss) for the period attributable to the owners of the parent	**-8.7**	**-0.3**	+8.3	n/a

Revenue up by 27% in the first half of the year

PRODWAYS GROUP generated consolidated revenue of €34.1 million in the first half of 2021, up by 27% thanks to the performance of the two divisions SYSTEMS and PRODUCTS. This performance is the combined result of:

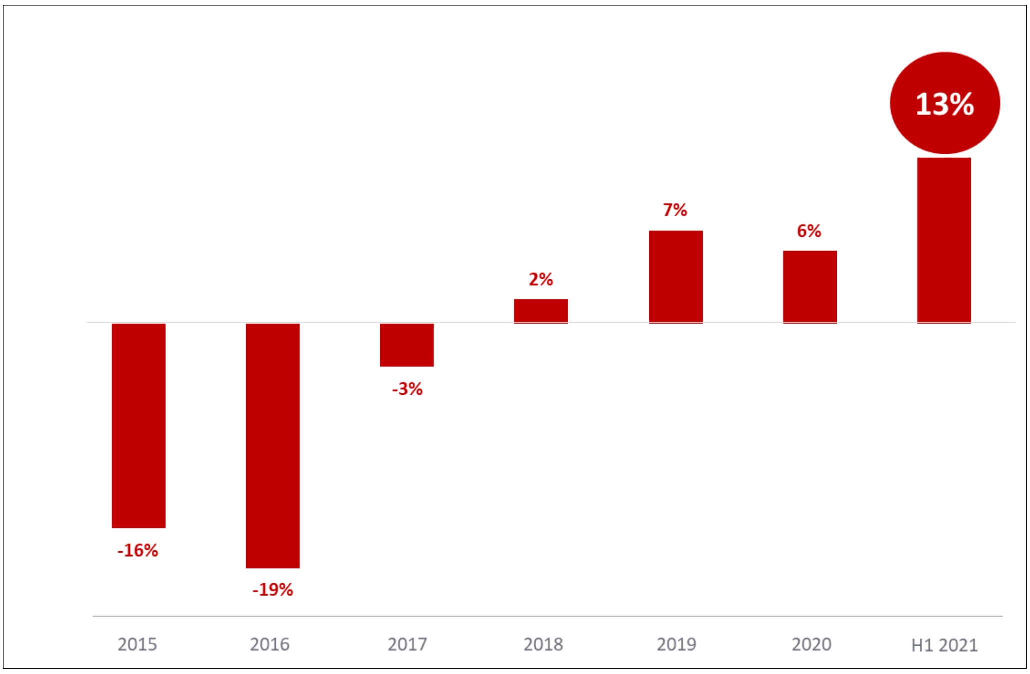
- a **favorable base effect**,
- an **acceleration in the pace of recovery**, and
- **outperformance of the activities in which PRODWAYS has strengthened itself** in recent years, including materials, integration of 3D design software and audiology.

Detailed comments on the revenue for the first half and the second quarter are available in the press release published in July 2021 (link to the press release).

Record level of profitability

As a direct result of the operational transformation plan and the efforts made to consolidate the acquired companies, the profitability profile of PRODWAYS has improved significantly. EBITDA[1] was up by 214% and presented **a margin of 13.2%,** a level never reached in the past, thus making PRODWAYS one of the most profitable companies in the 3D printing sector among listed companies in the world.

Change in PRODWAYS' EBITDA margin since 2015



This significant improvement is primarily the result of **a significant decrease in the operating cost base**, down by 13% compared to the first half of 2019. This improvement is reflected in the two divisions SYSTEMS and PRODUCTS. This half-year, PRODWAYS also benefited from the positive impact of a subsidy granted in the United States for an amount of €0.9 million.

In the first half of 2021, PRODWAYS generated the first positive **operating result(2) in its history, in the amount of €2.2 million** (compared to -€2.9 million in the first half of 2020 and -€1.5 million in the first half of 2019). This change in profitability profile confirms the successful transformation of the Group and reflects the operational efficiency achieved by the company.

The operating income was also at a record level of +€0.9 million, despite the exceptional restructuring costs amounting to €0.4 million this half-year, related to the finalization of the transformation plan.
The consolidated financial statements and operating income by division are available in the notes at the end of this press release.

Solid outlook supported by promising trends

3D printing, a positive impact on the industrial sector

Driven by the rise of Industry 4.0 and the digitization of production processes, 3D printing is considered to be an ecological technology thanks to its additive process that allows the use of only the raw material necessary to manufacture a product. 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.

The virtues of the production model made possible by 3D printing technology are numerous: firstly, for certain applications, this process makes it possible to **reduce the CO_2 emissions** generated by the production of a part by around 80%. In addition, the flexibility and responsiveness of the 3D production processes **eliminate the need for large inventories** of parts, thus limiting the use of storage warehouses, inventory management and obsolete inventory waste. This production model is also **a vehicle for the relocation of industrial activities**, bringing consumers and production closer together and limiting the impact of transport, sometimes over several thousand kilometers.

Dental and orthodontic aligners players, PRODWAYS' main market, achieved record performances

The manufacture of medical equipment for orthodontics is today the most mature application in the 3D printing sector. PRODWAYS GROUP is a major player in this segment thanks to MOVINGLight® technology and its expertise in materials to develop and supply high-quality liquid resins.

The very strong growth of companies in the dental sector and in particular of players that market transparent aligners is an important growth driver for the Group, both in Europe and in the United States. **The revenue generated by alignment specialists have increased by an average of 24% per year since 2015** due to a very strong increase in volumes. This growth will accelerate sharply in 2021, with forecasts announcing growth of around 140%.

The success of this market and the good positioning of PRODWAYS on this application will fuel future revenue growth, on the one hand thanks to the ever-increasing sales of materials as customers use their printer fleets more and more intensively, and on the other hand due to new sales of machines to existing customers increasing their production and to new partners.

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

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

Outlook and clarification of the guidance for 2021

The transformation of the company, the significant share of recurring revenues, the improvement in profitability and the good positioning of PRODWAYS in key markets are solid foundations for generating sustainable growth. Development opportunities in new applications for the SYSTEMS division, leveraging the Group's existing technologies, as well as the increase in the size of the PRODUCTS division will further fuel the performance of the coming years.

For the year 2021, subject to changes in the healthcare context and within the current scope, PRODWAYS GROUP is targeting revenue growth of around 20%, supported by the recovery momentum and the good performance of the Group's markets. The level of profitability, the result of the transformation plan, should also remain around the current level.

Operating result (2) by division

(in millions of euros)		H1 2020	H1 2021	Change (in millions of euros)	Change (%)
Systems	Revenue	16.8	**21.6**	+4.8	+28%
	EBITDA(1)	1.4	**3.5**	+2.1	+157%
	EBITDA margin (%)	*8.1%*	***16.3%***	*8.2 pts*	-
	EBIT	-1.4	**2.5**	+3.9	-
Products	Revenue	9.9	**12.6**	+2.7	+27%
	EBITDA(1)	0.6	**1.4**	+0.8	+125%
	EBITDA margin (%)	*6.3%*	***11.2%***	*4.9 pts*	-
	EBIT	-1.0	**0.0**	+1.0	-

Definition of alternative performance indicators

(1) *EBITDA: Operating income before "Depreciation, amortization and provisions", "Non-recurring items in operating income" and "Group share of the earnings of affiliated companies".*

(2) *Operating result: Operating income before "Non-recurring items in operating income" and "Group share of the earnings of affiliated companies".*

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

(in thousands of euros)	Notes	30/06/2021	30/06/2020	31/12/2020
NON-CURRENT ASSETS		**67,607**	**70,457**	**68,334**
Goodwill	6.1	38,094	38,094	38,094
Intangible assets	6.2	10,243	10,616	9,889
Property, plant and equipment	6.3	16,386	18,824	17,086
Investments in affiliated companies	8.4	1,216	1,099	1,134
Other financial assets	8.5	840	865	857
Deferred tax assets	9.2	829	958	1,274
CURRENT ASSETS		**41,640**	**44,277**	**43,075**
Net inventories	4.2	6,055	7,021	6,280
Net trade receivables	4.3	11,230	10,415	9,954
Contract assets	4.3	-	79	-
Other current assets	4.4	2,073	3,226	2,250
Tax receivables payable	9.1	2,194	1,908	2,091
Cash and cash equivalents	8.2	20,088	21,629	22,500
ASSETS HELD FOR SALE		**-**	**-**	**-**
TOTAL ASSETS		**109,247**	**114,734**	**111,409**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Equity and liabilities

(in thousands of euros)	Notes	30/06/2021	30/06/2020	31/12/2020
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**63,599**	**69,137**	**63,665**
Capital [1]	10.1	25,632	25,539	25,539
Share premiums[1]		85,404	84,952	85,040
Retained earnings and consolidated net income		(47,437)	(41,354)	(46,913)
NON-CONTROLLING INTERESTS		**(150)**	**(205)**	**(277)**
NON-CURRENT LIABILITIES		**21,594**	**15,725**	**21,864**
Long-term provisions	5.2	1,133	1,132	1,120
Long-term liabilities – portion due in more than one year	8.1	14,212	6,634	14,690
Lease liabilities – portion due in more than one year	8.3	5,757	7,773	5,608
Deferred tax liabilities	9.2	492	187	447
Other non-current liabilities		-	-	-
CURRENT LIABILITIES		**24,205**	**30,075**	**26,156**
Short-term provisions	11	1,228	247	1,865
Long-term liabilities – portion due in less than one year	8.1	2,201	8,629	2,083
Lease liabilities – portion due in less than one year	8.3	1,742	2,127	1,964
Operating payables	4.5	7,193	8,137	8,741
Contract liabilities	4.3	617	504	447
Other current liabilities	4.5	10,845	10,153	10,686
Tax liabilities payable	9.1	380	279	371
LIABILITIES HELD FOR SALE		**-**	**-**	**-**
TOTAL LIABILITIES		**109,247**	**114,734**	**111,409**

[1] Of the consolidating parent company.

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	30/06/2021	30/06/2020	31/12/2020
REVENUE	**3.2**	**34,118**	**26,841**	**57,206**
Capitalized production		645	603	1,150
Inventories and work in progress		(531)	(430)	85
Other operating income		1,105	690	897
Purchases consumed		(16,326)	(14,136)	(30,177)
Personnel expenses		(14,196)	(11,901)	(25,280)
Tax and duties		(372)	(332)	(758)
Depreciation, amortization and provisions (net of reversals)	4.1	(2,307)	(4,371)	(7,174)
Other operating expenses net of income		60	101	219
OPERATING RESULT		**2,196**	**(2,937)**	**(3,832)**
Group share of the earnings of affiliated companies		82	(26)	9
Non-recurring items in operating income	3.1	(1,425)	(6,992)	(10,935)
OPERATING INCOME		**852**	**(9,955)**	**(14,758)**
Interest on gross debt		(91)	(153)	(282)
Interest on cash and cash equivalents		3	1	2
NET BORROWING COST (a)	**8.6**	**(88)**	**(152)**	**(280)**
Other financial income (b)		55	16	110
Other financial expenses (c)		(45)	(49)	(158)
FINANCIAL INCOME AND EXPENSES (d = a+b+c)	**8.6**	**(78)**	**(185)**	**(327)**
Income tax	9.1	(1,171)	1,436	1,041
NET INCOME FROM CONTINUING OPERATIONS AFTER TAX		**(397)**	**(8,703)**	**(14,044)**
Net income from discontinued activities		-	-	-
CONSOLIDATED NET INCOME		**(397)**	**(8,703)**	**(14,044)**
INCOME ATTRIBUTABLE TO THE PARENT'S SHAREHOLDERS		**(325)**	**(8,672)**	**(13,946)**
INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		**(72)**	**(32)**	**(98)**

Average number of shares	10.2	51,220,596	51,022,491	51,026,823
Basic and diluted earnings per share, in euros	10.2	(0.006)	(0.170)	(0.273)

STATEMENT OF NET INCOME AND GAINS AND LOSSES RECOGNIZED IN EQUITY

(in thousands of euros)	30/06/2021	30/06/2020	31/12/2020
NET INCOME	**(397)**	**(8,703)**	**(14,044)**
Currency translation adjustments	69	10	(287)
Tax relating to currency translation adjustments	(1)	(8)	-
Actuarial gains and losses on defined benefit plans	18	(5)	(26)
Tax relating to actuarial gains and losses on defined benefit plans	(5)	1	6
Share of gains and losses recognized directly in equity of companies accounted for under the equity method	-	-	-
TOTAL GAINS AND LOSSES RECOGNIZED IN EQUITY	**81**	**(3)**	**(306)**
- of which can be reclassified subsequently to profit and loss	68	1	(287)
- of which cannot be subsequently reclassified to profit and loss	13	(4)	(20)
CONSOLIDATED COMPREHENSIVE INCOME	**(316)**	**(8,699)**	**(14,349)**
COMPREHENSIVE INCOME ATTRIBUTABLE TO THE PARENT'S SHAREHOLDERS	**(244)**	**(8,668)**	**(14,246)**
COMPREHENSIVE INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	**(72)**	**(31)**	**(103)**

STATEMENT OF CASH FLOWS

(in thousands of euros)	30/06/2021	30/06/2020	31/12/2020
NET INCOME FROM CONTINUING OPERATIONS	**(397)**	**(8,703)**	**(14,044)**
Accruals	1,420	8,698	14,481
Capital gains and losses on disposals	(76)	245	140
Group share of income of equity-accounted companies	(82)	26	(9)
CASH FLOW FROM OPERATIONS (before neutralization of the net borrowing cost and taxes)	**865**	**265**	**568**
Net borrowing cost	88	152	280
Tax Expense	1,171	(1,436)	(1,041)
CASH FLOW (after neutralization of the net borrowing cost and taxes)	**2,124**	**(1,019)**	**(193)**
Tax paid	(697)	(516)	(914)
Change in working capital requirements	(2,211)	2,207	5,492
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**(784)**	**672**	**4,385**
Investing activities			
Payment/acquisition of intangible assets	(714)	(751)	(1,278)
Payment/acquisition of property, plant and equipment	(383)	(1,091)	(3,780)
Proceeds/disposal of property, plant and equipment and intangible assets	81	55	127
Payment/acquisition of financial investments	(32)	(285)	(294)
Proceeds/disposal of financial investments	49	9	12
Net cash inflow/outflow on the acquisition/disposal of subsidiaries	-	-	-
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	**(999)**	**(2,064)**	**(5,214)**
Financing activities			
Capital increase or contributions	-	-	-
Dividends paid to parent company shareholders	-	-	-
Other equity transactions	(21)	8	22
Proceeds from borrowings	1,214	8,807	11,830
Repayment of borrowings	(1,766)	(1,883)	(3,203)
Net borrowing cost	(86)	(142)	(273)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	**(659)**	**6,792**	**8,375**
CASH FLOW GENERATED BY CONTINUING OPERATIONS (D = A+B+C)	(2,442)	5,398	7,546
Cash flow generated by discontinued operations	-	-	-
CHANGE IN CASH AND CASH EQUIVALENTS	**(2,442)**	**5,398**	**7,546**
Effects of exchange rate changes	*29*	-	(70)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**22,478**	**15,002**	**15,002**
Reclassification of cash	-	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**20,065**	**20,401**	**22,478**

CHANGE IN CONSOLIDATED EQUITY

(in thousands of euros)	Group share or owners of the parent company						
	Capital	Share capital reserves	Treasury shares	Consolidated reserves and earnings excluding treasury shares	Equity attributable to owners of the parent	Equity attributable to minority interests or non-controlling interests	Total equity
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	-	159	-	-	159	-	159
Treasury share transactions	-	-	(14)	-	(14)	-	(14)
Dividends	-	-	-	-	-	-	-
Net income for the period	-	-	*16*	*(8,688)*	*(8,672)*	*(32)*	*(8,703)*
Items of comprehensive income	-	-	-	*4*	*4*	*1*	*5*
CONSOLIDATED COMPREHENSIVE INCOME	**-**	**-**	**16**	**(8,684)**	**(8,668)**	**(31)**	**(8,698)**
Changes in scope	-	-	-	(8)	(8)	12	4
JUNE 2020 CLOSING EQUITY	**25,539**	**84,952**	**(117)**	**(41,236)**	**69,137**	**(205)**	**68,932**

(in thousands of euros)	Group share or owners of the parent company						
	Capital	Share capital reserves	Treasury shares	Consolidated reserves and earnings excluding treasury shares	Equity attributable to owners of the parent	Equity attributable to minority interests or non-controlling interests	Total equity
2020 CLOSING EQUITY	**25,539**	**85,040**	**(103)**	**(46,810)**	**63,665**	**(276)**	**63,389**
Share capital transactions	94	-	-	(94)	-	-	-
Free share allocation plan and stock option plan	-	365	-	-	365	-	365
Treasury share transactions	-	-	11	-	11	-	11
Dividends	-	-	-	-	-	-	-
Net income for the period	-	-	*(32)*	*(293)*	*(325)*	*(72)*	*(397)*
Items of comprehensive income	-	-	-	*81*	*81*	*1*	*81*
CONSOLIDATED COMPREHENSIVE INCOME	**-**	**-**	**(32)**	**(212)**	**(244)**	**(72)**	**(316)**
Changes in scope	-	-	-	(198)	(198)	198	-
JUNE 2021 CLOSING EQUITY	**25,632**	**85,404**	**(124)**	**(47,314)**	**63,599**	**(150)**	**63,449**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

NOTE 1 ACCOUNTING PRINCIPLES

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

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

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

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

1.2 Accounting principles

The Group prepares half-yearly consolidated financial statements, in accordance with IAS 34 "*Interim financial information*". They do not include all the information required for the preparation of the annual financial statements and should be read in conjunction with the consolidated financial statements for the financial year ended 31 December 2020, as they appear in the Universal Registration Document approved by the French Financial Markets Authority (*Autorité des Marchés Financiers* - AMF) on 30 April 2021.

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

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

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

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

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

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

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

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

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

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

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

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

1.3 Valuation methods and rules

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

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

The above-mentioned assumptions mainly concern:

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

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

The valuation methods and rules applied to the half-year consolidated financial statements are similar to those described in the notes to the consolidated financial statements for 2020 (refer to the Company's Universal Registration Document, approved by the AMF on 30 April 2021).

NOTE 2 SCOPE OF CONSOLIDATION

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

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

NOTE 3 SEGMENT INFORMATION

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

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

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

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

Operating income includes all income and expenses other than:

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

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

- The operating result is the operating income before "Other items of operating income", which include the restructuring costs, recognized or fully provisioned if they are liabilities arising from a Group obligation to third parties, which stem from a decision taken by a competent body, and which materialize before the reporting date through the announcement of said decision to third parties and provided the Group no longer expects consideration for these costs. These costs consist primarily of compensation for termination of employment contracts, severance pay, as well as miscellaneous expenses. The other items included on this line of the income statement concern the costs of free share allocations, the costs of acquisition and disposal of activities, amortization of acquired intangible assets recorded under business combinations impairment of goodwill, and all unusual items by their occurrence or amount.

- Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) are defined by the Group as operating income before "Net depreciation, amortization and provisions", "Group share of the earnings of affiliated companies" and "Other items of operating income".

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

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

FIRST HALF OF 2021

(in thousands of euros)	SYSTEMS	PRODUCTS	Structure and disposals	Consolidated
Backlog at start of period	5,630	949	(13)	6,566
Backlog at the end of the period	7,990	1,372	(9)	9,353
REVENUE	**21,582**	**12,574**	**(37)**	**34,118**
Capitalized production	611	34	-	645
Inventories and work in progress	(560)	29	-	(531)
Other income from operations	1,014	91	-	1,105
Purchases consumed	(11,249)	(5,539)	462	(16 326)
Personnel expenses	(7,818)	(5,558)	(820)	(14,196)
Tax and duties	(95)	(267)	(10)	(372)
Other operating income and expenses	34	43	(16)	60
EBITDA	**3,519**	**1,407**	**(422)**	**4,503**
% revenue	*16.3%*	*11.2%*	*n/s*	*13.2%*
Depreciation, amortization and provisions (net of reversals)	(1,011)	(1,409)	113	(2,307)
OPERATING RESULT	**2,508**	**(2)**	**(310)**	**2,196**
% revenue	*11.6%*	*0.0%*	*n/s*	*6.4%*
Payment in shares	-	-	(458)	(458)
Restructuring costs	(404)	74	(100)	(430)
Amort. of intangible assets recognized at FV during acquisitions	(272)	(50)	-	(321)
Exceptional provisions for impairment of asset values	9	(139)	(39)	(169)
Other	-	-	(9)	(9)
Total other operating income	**(667)**	**(114)**	**(645)**	**(1,425)**
Group share of the earnings of affiliated companies	-	82	-	82
OPERATING INCOME	**1,841**	**(34)**	**(954)**	**852**
% revenue	*8.5%*	*-0.3%*	*n/s*	*2.5%*
Research and development expenses capitalized during the financial year	611	24	-	635
Other property, plant and equipment and intangible investments[(1)]	93	297	109	499

(1) *Does not include rights of use (IFRS 16).*

FIRST HALF OF 2020

(in thousands of euros)	SYSTEMS	PRODUCTS	Structure and disposals	Consolidated
Backlog at start of period	5,963	181	-	6,143
Backlog at the end of the period	4,994	825	(2)	5,817
REVENUE	**16,811**	**9,878**	**152**	**26,841**
Capitalized production	584	19	-	603
Inventories and work in progress	(114)	(316)	-	(430)
Other income from operations	676	14	-	690
Purchases consumed	(9,627)	(4,221)	(289)	(14,136)
Personnel expenses	(6,841)	(4,718)	(343)	(11,901)
Tax and duties	(145)	(180)	(7)	(332)
Other operating income and expenses	25	149	(73)	101
EBITDA	**1,369**	**625**	**(560)**	**1,435**
% revenue	*8.1%*	*6.3%*	*n/s*	*5.3%*
Depreciation, amortization and provisions (net of reversals)	(2,756)	(1,588)	(27)	(4,371)
OPERATING RESULT	**(1,387)**	**(963)**	**(587)**	**(2,937)**
% revenue	*-8.2%*	*-9.7%*	*n/s*	*-10.9%*
Payment in shares	-	-	(170)	(170)
Restructuring costs	(241)	-	-	(241)
Amort. of intangible assets recognized at FV during acquisitions	(395)	(50)	-	(445)
Acquisition and disposal costs	(5,866)	(166)	-	(6,032)
Exceptional provisions for impairment of asset values	-	-	(104)	(104)
Total other operating income	**(6,502)**	**(215)**	**(274)**	**(6,992)**
Group share of the earnings of affiliated companies	-	(26)	-	(26)
OPERATING INCOME	**(7,889)**	**(1,204)**	**(861)**	**(9,955)**
% revenue	*-46.9%*	*-12.2%*	*n/s*	*-37.1%*
Research and development expenses capitalized during the financial year	600	15	-	615
Other property, plant and equipment and intangible investments [(1)]	117	316	794	1,227

[(1)] *Does not include rights of use (IFRS 16).*

3.2 Revenue by geographical area

FIRST HALF OF 2021

(in thousands of euros)	France	%	Europe	%	North America	%	Other	%	Total revenue	%
Systems	11,599	51%	6,172	83%	2,801	97%	1,010	96%	21,582	63%
Products	11,150	49%	1,303	17%	80	3%	41	4%	12,574	37%
Structure and disposals	(37)	0%	-	-	-	-	-	-	(37)	0%
TOTAL	22,712	100%	7,474	100%	2,881	100%	1,051	100%	34,118	100%
%	67%		22%		8%		3%		100%	

FIRST HALF OF 2020

(in thousands of euros)	France	%	Europe	%	North America	%	Other	%	Total revenue	%
Systems	9,455	53%	4,712	77%	1,818	85%	826	100%	16,811	63%
Products	8,325	47%	1,437	23%	114	5%	3	0%	9,878	37%
Structure and disposals	(57)	0%	-	-	209	10%	-	-	152	1%
TOTAL	17,723	100%	6,149	100%	2,140	100%	829	100%	26,841	100%
%	66%		23%		8%		3%		100.0%	

NOTE 4 OPERATIONAL DATA

4.1 Depreciation, amortization and provisions (net of reversals)

(in thousands of euros)	30/06/2021	30/06/2020	31/12/2020
DEPRECIATION, AMORTIZATION AND PROVISIONS			
intangible assets	(324)	(707)	(1,332)
property, plant and equipment	(952)	(1,015)	(2,024)
Rights of use	(1,007)	(1,443)	(2,566)
SUBTOTALS	**(2,283)**	**(3,164)**	**(6,448)**
CHARGES TO PROVISIONS, NET OF REVERSALS			
Inventory and work in progress	(24)	(474)	(667)
Current assets	122	(516)	(276)
Liabilities and expenses	(122)	(218)	(309)
SUBTOTALS	**(24)**	**(1,207)**	**(1,251)**
TOTAL NET CHARGES TO AMORTIZATION AND PROVISIONS	(2,307)	(4,371)	(7,174)

4.2 Inventories and work in progress

	30/06/2021			30/06/2020	31/12/2020
(in thousands of euros)	Gross value	Impairment losses	Net value	Net value	Net value
Raw materials	3,256	(515)	2,741	2,689	2,229
Work in progress	604	-	604	536	1,027
Semi-finished and finished goods	1,614	(158)	1,457	1,331	1,550
Goods	3,319	(2,066)	1,253	2,464	1,474
INVENTORY AND WORK IN PROGRESS	8,793	(2,738)	6,055	7,021	6,280

4.3 Trade receivables, contract assets and liabilities

Trade receivables are invoiced receivables entitling the issuer to payment.
“Contract assets” and “Contract liabilities” are determined on a contract-by-contract basis. “Contract assets” correspond to contracts in force for which the value of created assets exceeds the advances received. “Contract liabilities” correspond to all contracts in a situation where the assets (receivables in progress) are less than the liabilities (advances from clients and deferred income recorded when the invoices issued exceed the revenue recognized to date). These headings result from the application of IFRS 15.
The backlog (revenue to be recognized) is indicated by division in Note 3.1.

(in thousands of euros)	30/06/2021	30/06/2020	31/12/2020
Trade receivables	12,161	11,707	11,007
Impairment losses	(931)	(1,293)	(1,053)
CUSTOMERS, NET	11,230	10,415	9,954
CONTRACT ASSETS	-	79	-
CONTRACT LIABILITIES	617	504	447

4.4 Other current assets

(in thousands of euros)	30/06/2021			31/12/2020
	Gross value	Depreciation	Net value	Net value
Advances and down-payments made	14	-	14	86
Other receivables	9	-	9	5
Social and tax receivables	1,167	-	1,167	1,346
Prepaid expenses	883	-	883	813
TOTAL OTHER CURRENT RECEIVABLES	2,073	-	2,073	2,250

4.5 Other current liabilities

(in thousands of euros)	30/06/2021	31/12/2020
Suppliers	7,193	8,741
Fixed asset suppliers	-	-
SUPPLIER TOTALS	7,193	8,741
Advances and down-payments received	646	738
Social security liabilities	5,710	5,498
Tax liabilities	1,930	2,135
Miscellaneous debts	35	72
Deferred income related to the Research Tax Credit	2,523	2,244
TOTAL OTHER CURRENT LIABILITIES	10,845	10,686

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

4.6 Leases

The leases restated as assets under IFRS 16 had a total asset value of €7.2 million and a very limited impact of €294 thousand on income statement (Group share). In accordance with IFRS 16, the lease expenses are replaced by a depreciation expense for assets known as “right-of-use assets” amounting to €1,007 thousand (of which €106 thousand relating to finance leases that would have been valued in accordance with IAS 17) and by an interest charge on liabilities related to leases amounting to €41 thousand at 30 June 2021. In 2020, impairment losses relating to a machine and underused buildings were recognized in the amount of €564 thousand. Over the half-year, reversals of provisions amounting to €256 thousand were recorded following the termination of several property contracts. The movements during the half-year are detailed in the table below:

(in thousands of euros)	*Property*	*Other property, plant and equipment*	*Prepaid payments*	Total net assets	Lease liabilities on the liabilities side of the statement of financial position
AT 1 JANUARY 2021	5,878	1,122	(37)	6,962	7,572
New leases	892	259		1,151	1,152
Changes in scope	-	-	-	-	-
Amortization of rights of use	(677)	(330)		(1,007)	
Impairment of right-of-use assets	256	-		256	
Interest expenses					41
Change in accrued interest					(1)
Payments (lease expenses canceled)			4	4	(1,115)
Contract withdrawals / revaluations	(161)	(56)		(217)	(185)
Translation differences	34	-	-	34	34
AT 30 JUNE 2021	6,221	994	(33)	7,182	7,499
				of which lease liabilities due in less than one year	*1,742*
				of which lease liabilities due in more than one year	*5,757*

The application of IFRS 16 therefore has a significant impact on EBITDA as defined by the Group (see Note 3.1), with no significant impact on operating income and even less significant on net income. The EBITDA for the half-year, which amounted to €4,503 thousand, would have amounted to €3,416 thousand without the application of IFRS 16.

NOTE 5 EMPLOYEE EXPENSES AND BENEFITS

5.1 Workforce

	30/06/2021	30/06/2020	31/12/2020
Systems	214	236	211
Products	238	245	247
Structure	10	7	8
TOTAL WORKFORCE	462	488	466
AVERAGE WORKFORCE	467	479	483

5.2 Provisions for pensions and similar commitments

The long-term provisions related solely to retirement benefits for an amount of €1,133 thousand. For this half-year, the assumptions used are the same as at 31 December 2020 except for the benchmark IBOXX discount rate, which rose from 0.40% (duration 10 years) to 0.79% (duration 13 years). The impact on shareholders' equity for the period, due to this rate increase, was €18 thousand (SORIE).

5.3 Share-based payments

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

On 1 February 2021, the Board of Directors of PRODWAYS GROUP issued a new free share plan. Under this plan, 550,550 PRODWAYS GROUP shares could be created depending on the presence and performance conditions for the 2021 to 2022 financial years. At 30 June 2021, 287,550 potential shares had been canceled due to the departure of beneficiaries. The potential value of the shares that may be created given the objectives and departures amounted to €631 thousand. An expense of €102 thousand (excluding social security contributions) was recognized during the financial year.

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

NOTE 6 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

6.1 Goodwill

(in thousands of euros)	30/06/2021	31/12/2020
NET VALUE		
AT 1 JANUARY	38,094	38,094
Acquisitions	-	-
Departures	-	-
AT 30 JUNE	38,094	38,094
Of which accumulated impairment	-	-
Of which Systems	*69%*	*69%*
Of which Products	*31%*	*31%*

6.2 Intangible assets

(in thousands of euros)	Development projects	Other intangible assets	Non-current assets in progress	**TOTAL**
GROSS VALUE				
AT 1 JANUARY 2021	14,915	12,436	-	27,351
Acquisitions	635	116	-	751
Changes in scope	-	-	-	-
Departures	-	(39)	-	(39)
Other changes	(234)	221	-	(12)
Impact of changes in exchange rates	91	52	-	142
AT 30 JUNE 2021	15,407	12,787	-	28,193
DEPRECIATION, AMORTIZATION AND IMPAIRMENT				
AT 1 JANUARY 2021	11,548	5,914	-	17,462
Depreciation and amortization	296	390	-	685
Changes in scope	-	-	-	-
Impairment losses	-	-	-	-
Departures	-	-	-	-
Other changes	(234)	-	-	(234)
Impact of changes in exchange rates	24	14	-	38
AT 30 JUNE 2021	11,634	6,317	-	17,951
NET VALUE				
AT 1 JANUARY 2021	3,367	6,523	-	9,889
AT 30 JUNE 2021	3,773	6,470	-	10,243

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

6.3 Property, plant and equipment and investment property

(in thousands of euros)	Land and buildings	Fixtures and equipment	Rights of use – property	Rights of use – other assets	Non-current assets in progress	TOTAL
GROSS VALUE						
At 1 January 2021	6,498	18,647	8,892	3,055	358	37,450
Acquisitions	82	263	892	259	38	1,534
Changes in scope	-	-	-	-	-	-
Departures	-	(312)	(725)	(218)	-	(1,256)
Other changes	-	(8)	-	-	(221)	(230)
Impact of changes in exchange rates	7	85	49	-	4	145
At 30 June 2021	6,587	18,675	9,108	3,096	178	37,644
DEPRECIATION, AMORTIZATION AND IMPAIRMENT						
At 1 January 2021	796	14,620	3,014	1,934	-	20,365
Depreciation and amortization	175	893	677	330	-	2,075
Changes in scope	-	-	-	-	-	-
Impairment losses	-	24	(256)	-	-	(232)
Departures	-	(310)	(566)	(163)	-	(1,038)
Other changes	-	(8)	-	-	-	(8)
Impact of changes in exchange rates	6	73	16	-	-	95
At 30 June 2021	978	15,292	2,886	2,101	-	21,256
NET VALUE						
AT 1 JANUARY 2021	**5,701**	**4,027**	**5,878**	**1,122**	**358**	**17,086**
AT 30 JUNE 2021	**5,609**	**3,383**	**6,222**	**994**	**178**	**16,388**

NOTE 7 DETAILS OF CASH FLOWS

7.1 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 adjustments	CLOSING
Net inventories		6,280	-	(266)	-	41	6,055
Net receivables		9,954	-	1,262	-	14	11,230
Contract assets		-	-	-	-	-	-
Advances and down-payments		86	-	(72)	-	-	14
Prepaid expenses		813	-	67	(1)	4	883
SUBTOTALS	**A**	**17,133**	**-**	**991**	**(1)**	**59**	**18,182**
Trade payables		8,741	-	(1,563)	-	15	7,193
Contract liabilities		447	-	170	-	-	617
Advances and down-payments		738	-	(92)	-	-	646
Deferred income		2,011	-	277	-	11	2,299
SUBTOTALS	**B**	**11,937**	**-**	**(1,208)**	-	**26**	**10,754**
WORKING CAPITAL REQUIREMENT	C = A - B	5,196	-	2,199	(1)	33	7,428
Social and tax receivables		3,437	-	(77)	-	1	3,361
Other receivables		5	-	3	-	-	8
SUBTOTALS	**D**	**3,442**	**-**	**(73)**	-	**1**	**3,370**
Tax and social debts		8,003	-	3	-	14	8,020
Other payables and derivative instruments (1)		72	-	(79)	-	42	35
Current accounts payable		-	-	-	-	-	-
Deferred income CIR and subsidies		233	-	(8)	-	-	225
SUBTOTALS	**E**	**8,308**	**-**	**(84)**	-	**57**	**8,280**
OTHER ITEMS OF WORKING CAPITAL REQUIREMENT	F = D - E	(4,866)	-	11	-	(55)	(4,910)
WORKING CAPITAL REQUIREMENT	**G = C + F**	**330**	**-**	**2,211**	**(1)**	**(22)**	**2,518**

7.2 Net cash from acquisitions and disposals of subsidiaries

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

No transactions were carried out in the first half of 2021.

7.3 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)	30/06/2021	31/12/2020
Proceeds	-	22
Payments	(21)	-
TOTAL	**(21)**	**22**

NOTE 8 FINANCING AND FINANCIAL INSTRUMENTS

8.1 Gross financial debt

In the first half of the year, two new loans were taken out for an amount of €1.2 million:

- in the United States, the SOLIDSCAPE subsidiary was able to benefit from a second loan from the Paycheck Protection Program (PPP) set up by the US government under the Coronavirus Aid, Relief and Economic Security Act (CARES), $1.1 million was collected in this respect in the first half of the year;
- additional financing of €0.25 million was set up as part of the Chavanod real estate program.

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

The loans guaranteed by the State set up in 2021 (a total of €8.4 million) will be amortized over five years, in accordance with amendments currently being drawn up at the date of issue of the financial statements.

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 2021	**16,568**	**183**	**16,750**	**22**	**16,773**
Issue / subscription of new loans	1,214	-	1,214	23	1,237
Redemptions	(688)	(4)	(692)	(22)	(715)
Other changes [1]	(906)	-	(906)	-	(906)
First consolidation/Deconsolidation	-	-	-	-	-
Impact of changes in exchange rates	24	-	24	-	24
AT 30 JUNE 2021	**16,212**	**179**	**16,390**	**23**	**16,413**

[1] *Changes with no impact on cash flow, related to effective interest rates and accrued interest on loans, as well as a debt write-off of $1.1 million from which SOLIDSCAPE benefited.*

[2] *Does not include the lease liability calculated in accordance with IFRS 16.*

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

Schedule of borrowings and financial debt

				Of which breakdown of maturities at more than one year				
(in thousands of euros)	30/06/2021	< 1 year	> 1 year	*1 to 2 years*	*2 to 3 years*	*3 to 4 years*	*4 to 5 years*	*> 5 years*
Bank borrowings	16,212	2,159	14,052	*3,169*	*2,785*	*2,483*	*2,138*	*3,477*
Other borrowings	179	19	159	*9*	*9*	*9*	*9*	*124*
FINANCIAL DEBT EXCLUDING BANK OVERDRAFTS	16,390	2,178	14,211	*3,178*	*2,794*	*2,492*	*2,147*	*3,601*
Bank overdrafts	23	23	-	-	-	-	-	-
GROSS FINANCIAL DEBT	16,413	2,201	14,211	*3,178*	*2,794*	*2,492*	*2,147*	*3,601*

8.2 Cash and net debt

(in thousands of euros)	30/06/2021	31/12/2020
AVAILABLE CASH AND CASH EQUIVALENTS (A)	20,088	22,500
Bank overdrafts (C)	23	22
CASH (D) = (A) + (B) - (C)	20,065	22,478
Financial debt (E)	16,390	16,750
NET CASH (DEBT) (D) - (E)	3,675	5,728
Treasury shares	126	116
ADJUSTED NET CASH (DEBT), BEFORE IFRS 16	3,801	5,844

8.3 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 2021	7,572
New leases	1,152
Redemptions	(1,074)
Other changes[1]	(185)
First consolidation/Deconsolidation	-
Impact of changes in exchange rates	34
AT 30 JUNE 2021	7,499

[1] *Changes with no impact on cash, related to accrued interest and revaluation of contracts.*

Maturity of the lease liability

				Amounts due in more than one year				
(in thousands of euros)	30/06/2021	< 1 year	> 1 year	*1 to 2 years*	*2 to 3 years*	*3 to 4 years*	*4 to 5 years*	*> 5 years*
LEASE LIABILITIES UNDER IFRS 16	7,499	1,742	5,757	*1,133*	*982*	*972*	*782*	*1,888*

8.4 Investments in affiliated companies

The movements over the year are as follows:

(in thousands of euros)	Start of the period	Income	Translation differences	Changes in scope	Other	Closing
BIOTECH DENTAL SMILERS	1,134	82	-	-	-	1,216

8.5 Non-consolidated equity investments

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

8.6 Financial income and expenses

(in thousands of euros)	30/06/2021	30/06/2020	31/12/2020
Interest expense	(50)	(97)	(177)
Interest expenses on lease liabilities	(41)	(57)	(105)
Income from other securities	-	28	2
Net income on sales of transferable securities	3	(27)	-
Net borrowing cost	**(88)**	**(152)**	**(280)**
Other interest income	(10)	(1)	(7)
Net exchange gain or loss	20	(16)	(11)
Financial allowances net of reversals	-	(16)	(30)
FINANCIAL INCOME AND EXPENSES	(78)	(185)	(327)

NOTE 9 CORPORATE INCOME TAX

9.1 Details of corporate income tax

Breakdown of tax expense

(in thousands of euros)	30/06/2021	30/06/2020	31/12/2020
Deferred tax liabilities	(474)	1,952	1,955
Taxes payable	(697)	(516)	(914)
TAX EXPENSE	(1,171)	1,436	1,041

The income tax expense does not include the Research Tax Credit (CIR) classified as “Other income from operations”. However, it includes the Corporate Value Added Contribution (CVAE).

Tax receivables and payable

(in thousands of euros)	30/06/2021	31/12/2020
Tax receivables	2,194	2,091
Tax payable	380	371
NET TAX RECEIVABLE/(DUE)	1,815	1,721

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

9.2 Deferred taxes

Breakdown of deferred taxes by type

(in thousands of euros)	30/06/2021	31/12/2020
DIFFERENCES OVER TIME		
Retirement and related benefits	208	201
Development costs	(831)	(705)
Leases - Finance leases	83	170
Derivative financial instruments	(1)	(2)
Fair value – IFRS 3	(1,491)	(1,538)
Other	16	(117)
SUBTOTALS	(2,016)	(1,990)
Temporary differences	136	153
Deficits carried forward	2,216	2,665
TOTAL	336	1,063
DEFERRED TAX LIABILITIES	(492)	(447)
DEFERRED TAX ASSETS	829	1,274

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

NOTE 10 SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

10.1 Equity

Shareholders whose shares have been registered for more than two years may benefit from double voting rights.

In February 2021 the share capital was increased by 186,408 new shares under free share allocation plans.

At 30 June 2021, the share capital of PRODWAYS GROUP SA amounted to €25,631,975.50, consisting of 51,263,951 fully paid-up shares, each with a nominal value of €0.50, of which 33,908,417 have double voting rights.

Share capital breakdown

	30 June 2021				31 December 2020			
	Shares	% of share of capital	Voting rights exercisable at SM[1]	% of voting rights exercisable at SM	Shares	% of share of capital	Voting rights exercisable at SM[1]	% of voting rights exercisable at SM
GROUPE GORGÉ	28,867,733	56.31%	57,635,466	67.70%	28,867,733	56.52%	57,635,466	67.23%
Fimalac Développement	3,403,508	6.64%	6,807,016	8.00%	3,403,508	6.66%	6,807,016	7.94%
Safran Corporate Venture	907,894	1.77%	1,565,788	1.84%	907,894	1.78%	1,565,788	1.83%
Bpifrance Participations	750,000	1.46%	1,500,000	1.76%	750,000	1.47%	1,500,000	1.75%
Treasury shares	43,355	0.08%	-	-	50,720	0.10%	-	-
Public	17,291,461	33.47%	17,620,443	20.70%	17,097,688	33.47%	18,217,770	21.25%
TOTAL	**51,263,951**	**100%**	**85,129,013**	**100%**	**51,077,543**	**100%**	**85,726,040**	**100%**

[1] The voting rights exercisable at SM exclude treasury shares. The number of theoretical votes may be obtained by adding the number of votes exercisable at the shareholders' meeting to the number of treasury shares.

Due to the existence of free share allocation plans in progress, there are 410,162 potential shares.

10.2 Earnings per share

	30/06/2021	30/06/2020	31/12/2020
Weighted average number of shares	51,220,596	51,022,491	51,026,823
EARNINGS PER SHARE *(in euros)*	(0.006)	(0.170)	(0.273)
EARNINGS PER SHARE FROM ONGOING ACTIVITIES *(in euros)*	(0.006)	(0.170)	(0.273)
Dilutive potential shares(1)	410,162	628,750	592,075
Diluted weighted average number of shares	51,220,596	51,022,491	51,026,823
DILUTED EARNINGS PER SHARE *(in euros)*	(0.006)	(0.170)	(0.273)
DILUTED EARNINGS PER SHARE FROM ONGOING ACTIVITIES *(in euros)*	(0.006)	(0.170)	(0.273)

(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.

NOTE 11 OTHER PROVISIONS AND CONTINGENT LIABILITIES

Short-term provisions *(in thousands of euros)*	Litigation	Customer warranties	Other	Total
AT 1 JANUARY 2021	203	60	1,602	1,865
Appropriations	300	-	65	365
Provisions used	-	-	(978)	(978)
Reversals	(3)	-	(21)	(24)
IMPACT ON NET INCOME FOR THE PERIOD	*297*	*-*	*(934)*	*(637)*
AT 30 JUNE 2021	500	60	667	1,228

NOTE 12 TRANSACTIONS WITH RELATED PARTIES

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

in thousands of euros, in the Group's financial statements	GROUPE GORGÉ	GROUPE GORGÉ's subsidiaries
Income statement		
Revenue	-	168
Other income	-	-
Purchases and external charges	(273)	(3)
Statement of financial position		
Trade receivables	-	127
Trade payables	327	1
Other liabilities	11	110
Debtors	-	-
Loans	-	-
Guarantee deposits received	-	-

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

NOTE 13 OTHER NOTES

13.1 Commitments

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

13.2 Exceptional events and disputes

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

There are no significant changes in litigation compared with the information given in the notes to the consolidated financial statements at 31 December 2020.

13.3 Subsequent events

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

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

NOTE 14 LIST OF CONSOLIDATED COMPANIES

	Parent company	% control		% interest		Method	
Company	**at 30 June 2021**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Consolidating company							
PRODWAYS GROUP SA		Top	Top	Top	Top	FC	FC
Structure							
PRODWAYS DISTRIBUTION(1)	-	-	100	-	100	-	FC
PRODWAYS ENTREPRENEURS(2)	PRODWAYS GROUP	100	100	100	100	FC	FC
PRODWAYS 2(2)	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	PRODWAYS GROUP	100	100	100	100	FC	FC
EXCELTEC	PRODWAYS GROUP	100	100	100	100	FC	FC
PRODWAYS AMERICAS(3)	-	-	100	-	100	-	FC
PRODWAYS	PRODWAYS GROUP	100	100	100	100	FC	FC
PRODWAYS CONSEIL	PRODWAYS GROUP	100	90	100	90	FC	FC
PRODWAYS MATERIALS	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	64.67	64.67	64.67	FC	FC
SOLIDSCAPE (United States)	PRODWAYS GROUP	100	100	100	100	FC	FC
PRODUCTS							
CRISTAL	PRODWAYS GROUP	100	100	100	100	FC	FC
BIOTECH DENTAL SMILERS	PRODWAYS ENTREPRENEURS	20	20	20	20	EM	EM
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	91.03	82.07	91.03	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) Company merged with PRODWAYS CONSEIL in 2020.

(2) Companies with no activities.

(3) Company liquidated at the end of 2020.

(4) Companies merged with INTERSON PROTAC in 2020.

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

(Period from 1 January to 30 June 2021)

PricewaterhouseCoopers

63 rue de Villiers
92208 Neuilly-sur-Seine Cedex

RSM Paris

26 rue Cambacérès
75008 Paris

To the Shareholders,

PRODWAYS GROUP SA

Registered office: 30 rue de Gramont - 75002 PARIS
Public limited company with capital of €25,631,975.50

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

- conducted a limited review of the condensed half-year consolidated financial statements of PRODWAYS GROUP, relating to the period from 1 January 2021 to 30 June 2021, as attached to this report;

- verified the information given in the half-year activity report.

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

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

I - Conclusion on the financial statements

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

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

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

II - Specific verification

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

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

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

The Statutory Auditors

PricewaterhouseCoopers Audit

Christophe Drieu

RSM PARIS

Stéphane Marie

STATEMENT BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR REPORT

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

Raphaël GORGÉ, Chairman and Chief Executive Officer