2022 HALF-YEAR FINANCIAL REPORT

including

- 2022 half-year activity report
- Condensed consolidated financial statements at 30 June 2022
- Statutory Auditors' report on the half-year financial information for 2022
- Statement by the person responsible for the 2022 half-year financial report

GROUPE GORGÉ SA

30 RUE DE GRAMONT

75002 PARIS

www.groupe-gorge.com

EXCERPT FROM THE PRESS RELEASE ISSUED ON 19 SEPTEMBER 2022

Building stronger operations & perspectives with the combination of ECA and iXblue

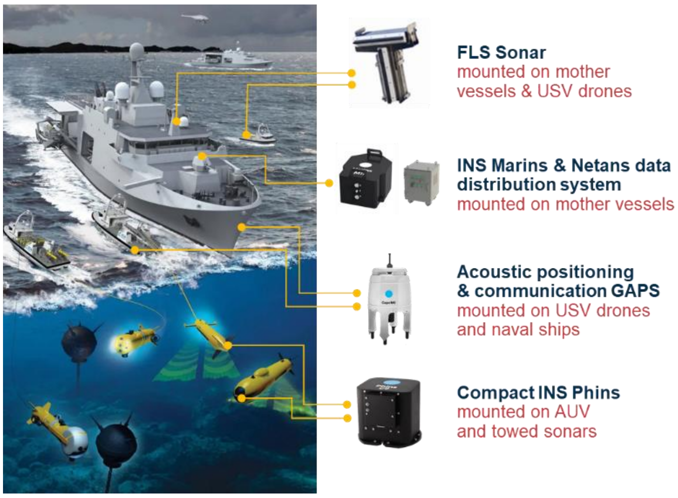
The first half of 2022 was marked by the acquisition of iXblue, a transforming operation for Groupe Gorgé. The combination of iXblue and ECA Group has created a French technological champion, leader in its markets. The group now has solid assets to support its ambitions: technological leadership, quality of teams, experience in the execution of major programs and ability to compete internationally. This is demonstrated by the orders received by ECA group during the first half of the year, with €60 million in new contracts, as well as the activity on major tenders on which the group is positioned. During the first half of the year, the preparation of the collaboration between the teams of the two companies has enabled to strengthen the execution of certain programs and the growth perspectives on the group's markets. The synergies between the two companies will allow this momentum to continue after the closing of the transaction, still scheduled at the end of September.

Contracts still well on-track, with execution improved by the combination with iXblue

Major milestones achieved in the Belgian-Dutch program this semester

The flagship program with the Belgian and Dutch navies, now representing a total of €500 million, reached important milestones during the first half of 2022. Following the customer's validation of the Critical Design Review in January, the first steps of the pre-production phase have been successfully taken: the sea trials of the Launch & Recovery System (LARS), one of the key points of the drones system, for the USV Inspector 125, took place in January; the inauguration of the new assembly site in Ostend, close to the mine-hunting training center for NATO countries, took place in June.

The combination between ECA Group and iXblue will also strengthen the technological developments on this program. As part of this contract, iXblue is providing several products integrated into the various ECA droness and ships: innovative FLS sonars (Front Looking Sonars), inertial navigation systems of various accuracies and acoustic positioning systems. The precise positioning of the different vehicles and the good communication between them are critical points of the demining system, which will be better managed by the integration of the two companies' teams.



Successful execution of the modernization program for the Latvian Navy

ECA Group has won the international tender for the modernization of 3 earlier generation mine-hunting ships in 2020. Each of the ships will be equipped with a UMIS drone system consisting of one A-18 underwater drone, two SEASCAN identification drones, 10 K-STER consumable drones, as well as UMISOFT mission management software. As a complete system provider, ECA Group is also in charge of the modernization of the ship's architecture to integrate the new Mine Warfare Data Center equipment (communication, navigation system, autopilot, drone system controls).

The 3 mine hunters of the Latvian Navy

The program is proceeding as planned and several major milestones were achieved during the first half of the year, following the validation of the Critical Design Review at the end of 2021. The customer has taken delivery of the Mine Warfare Data Center, followed by the successful completion of Factory Acceptance Tests (mine control, command and identification systems). Delivery of the ships and drone systems is scheduled for 2024.

The complementarity between ECA Group and iXblue also improves the operational performance for the Latvian Navy. iXblue was selected by ECA to provide compact inertial units for drones, acoustic positioning systems and a GECDIS data processing and display module for this program.

As with other programs, the size of this contract can be increased through various amendments, covering operational maintenance and other services or options not included in the base contract. Initially at €20 million, it could reach €25 million or more in total, illustrating once again the strength of ECA Group's business model, which consists of supplying complete systems and maintaining them in operational condition for several years, thus generating recurring revenues.

Results for the first half of 2022 by division: good profitability in the Drones & Systems division and slight deterioration in the Engineering & Protection Systems division

Profitability remains uneven between the Drones & Systems division (19% current EBITDA margin) and the Engineering and Protection Systems division (7% margin). The results of the previous first half have been restated to take into account the exit of the 3D Printing division at the end of 2021 and the withdrawal from the nuclear doors business.

Income from ordinary activities by division

(In € million)		H1 2022	H1 2021	Variation
Drones & Systems	Revenues	62,9	58,8	*+7,1%*
	Current EBITDA[1]	11,7	12,1	*-3%*
	Current EBITDA margin (%)	*18,7%*	*21%*	*-1,9 pts*
	Income from ordinary activities[2]	5,4	6,5	-1,0 M€
Engineering & Protection Systems	Revenues	34,2	32,2	*+6,2%*
	Current EBITDA[1]	2,5	2,7	*-6,6%*
	Current EBITDA margin (%)	*7,3%*	*8,3%*	*-1,0 pts*
	Income from ordinary activities[2]	1,3	1,3	+0,0 M€

[1] See the glossary in the appendix for definitions of alternative performance indicators

Drones & Systems

The +7% increase in revenues in the Drones & Systems division is the combined result of:

- **The strong increase in the naval and maritime field (>70% of Drones & Systems revenues): +16%**, both thanks to the BENL program and to other robotics and integrated systems contracts.
- **Growth in on-board equipment and associated solutions for the aerospace sector (c.20% of Drones & Systems revenues): +15% growth**. It was driven in particular by a significant flow of orders for emergency beacons.
- The decline in other activities, particularly industrial, which account for less than 10% of Drones & Systems revenues: -41% (maintenance equipment, production tooling, etc.).

More details are available in the press release of July 27th.

The division's current EBITDA margin stood at 19% for the first half. It remains at a good level despite a drop of 2 pts and reflects:

- **A slight improvement in gross margins,** reflecting good execution and compliance with client delivery deadlines despite tighter supply conditions.
- **The mobilization of significant resources on projects that are not yet generating revenue,** such as responses to the several hundred million of euros of tenders in progress or the development of the AMR activity.

Amortizations have increased compared to last year, due to the increase in tangible and intangible assets on the balance sheet. As a result, the operating result of the Drones & Systems division amounts to €5.4 million.

Engineering & Protection Systems

This division now represents €34 million of revenues in the first half of 2022, generated by two activities: fire protection and consulting in engineering and technology. As a reminder, the technical doors business for the nuclear industry is now classified as discontinued operations (IFRS 5) and does not contribute to the published revenues, including in the historical data. Groupe Gorgé had previously announced during the 2021 annual results the plan to withdraw from this activity, which is still loss-making.

Revenue growth was driven by the continued development of the engineering consulting business, while revenues from the fire protection business were down slightly compared to the first half of 2021.

The current EBITDA margin of this division stands at 7%, down by 1 pt due to a temporary drop in the fire protection business. Operating income remained stable on a constant basis at €1.3 million.

Consolidated P&L of the 1st semester 2022

(in € million)	H1 2022	H1 2021	Var M€	Variation %
Revenues	**96,6**	90,4	**+6,2**	*+7%*
Current EBITDA[2]	**13,9**	14,3	**-0,3**	*-2%*
Current EBITDA margin (%)	***14,4%***	*15,8%*	*n.a.*	*-1,4 pt*
Income from ordinary activities[2]	**6,2**	7,2	**-1,0**	*-14%*
Operating income	**4,5**	6,7	**-2,1**	*-32%*
Financial result	**-1,3**	-0,6	**-0,7**	-
Tax	**-6,1**	-2,6	**-3,5**	-
Net income from discontinued activities	**-2,8**	-3,1	**+0,4**	-
Net income	**-5,6**	0,3	**-5,9**	-
Net income in group share	**-5,8**	**0,3**	**-6,1**	**-**

Groupe Gorgé achieved organic revenue growth of +7%. Current EBITDA amounted to €14 m, close to the level of the 1st half 2021. Other non-current items of operating income increased by €1 m, almost entirely comprising acquisition costs of iXblue.

The tax charge is significant (€6.1 m) due to deferred taxes (€5.1 m) with no impact on cash. The forthcoming withdrawal of ECA Group from the Groupe Gorgé tax group, as a result of the structuring of the current operation with iXblue, significantly reduces the prospects of using the tax group's tax loss carryforwards.

Net income from discontinued operations (Baumert subsidiary) made a negative contribution of around €3 m, as this activity is still structurally loss-making.

All in all, Groupe Gorgé generated a net loss of €5.8 m, group share, penalized by discontinued operations and deferred taxes.

[2] See glossary in the appendix for a definition of alternative performance indicators.

Solid cash generation and healthy balance sheet

The cash-flow from operations[3] of Groupe Gorgé stood strong in the first half of 2022, at €11 million, generated mainly by the Drones & Systems division. **As a matter of fact, the cash-flow from operations of this division increased by 3% vs H1 2021.**

Net cash flow generated by operations is up sharply due to the improvement in working capital requirements (+9 M€). This variation is notably linked to the payment milestones of the Belgian-Dutch contract, whose payment cycle was unfavorable for the year 2021 alone.

Investments in the first half of the year were lower than in the first half of 2021 (€8.5 m versus €12.4 m) with the completion of the new drone assembly site in Ostend.

The group's debt has also decreased by €9 m, with nearly €10 m repaid in the first half. In the end, net debt will be €73 m at the end of June 2022 (compared with €80 m at the end of December 2021).

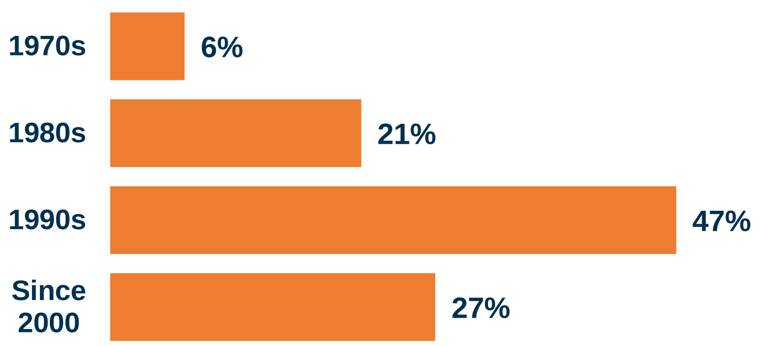
Perspectives

Mine-hunting: aging fleets in need of renewal in the coming years

The threat posed by underwater mines has increased this year, particularly in the Black Sea. A Romanian mine-hunting vessel was recently damaged after setting off a floating mine. The Latvian navy, which until now has been equipped with mine warfare ships built in the 1980s (as have Belgium and the Netherlands), will be the first navy to be equipped with a state-of-the-art robotic mine clearance system. Other navies, equipped with ships built in the 1990s, such as the Royal Australian Navy, have already started preparing renewal programs. Overall, of the more than 300 mine-hunting vessels in service in Europe, Asia-Pacific and the Middle East/North Africa[4], more than 70% are more than 20 years old and are rapidly becoming obsolete.

Almost all navies concerned are expected to have launched modernization or complete replacement programs to equip themselves with robotic systems by 2030, representing a market worth several billion euros. ECA Group, a leader in this field, is already identified as a key player in future calls for tender and has gained significant recognition thanks to the program with the Belgian and Dutch navies, NATO references in this field. The quality of ECA systems will be strengthened by the acquisition of iXblue and supports the group's ambition to win a significant share of this market.

Distribution of the fleet of c.300 minehunters by decade of commissioning
in Europe, Asia Pacific and Middle East/North Africa



Several tenders are already underway, notably in Australia and the Middle-East, representing a total of more than €200 million in potential orders. Their results should be known within the next 18 months. These various tenders have mobilized large teams since the beginning of the year.

[3] Cash flow from operations after neutralization of the net borrowing cost and taxes and before change in working capital
[4] Representing ECA's addressable markets: Europe, Asia-Pacific, the Middle East/North Africa, excluding Russia, China and Iran

Drone systems also for civil markets, such as hydrography and seabed mapping

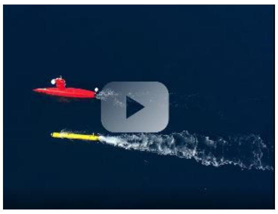
The civil maritime markets also represent significant growth opportunities over the next decades, with multiple applications. Many players in different sectors will require the deployment of surface and underwater drones, particularly for mapping large areas and collecting data.

DriX survey mission in St-Nazaire

The installation of offshore wind turbines, tidal turbines and other sources of marine energy will require increasing needs for robotic solutions to carry out maritime operations. The European Union, for example, aims to have 60 GW of offshore wind capacity by 2030 and 300 GW by 2050, which implies around 50,000 km² of seabed that will need to be mapped for the technical needs of the installations and the impact studies of the surrounding areas.

iXblue has already successfully completed a mapping mission for the offshore wind project in the Bay of Saint-Nazaire in France. The company deployed its DriX USV, remotely supervised from the control center located in La Ciotat in the south of France (read the press release).

In order to offer the most efficient systems to existing and potential customers, the teams of both companies have already started to work together on the collaboration between their drones. A demonstration of the cooperation between the DriX surface drone and the A-18 underwater drone took place in September.



Link to the video of the demonstration

The robotization of all these missions will enable all of the group's current and future clients to carry out their missions more efficiently, more safely, at lower financial cost and with a limited environmental impact. The deployment of a ship represents the financial and carbon equivalent of the deployment of a hundred drones. Groupe Gorgé is already preparing to take full advantage of these important growth levers in the years to come.

Guidance 2022

The good performance of operations is leading the group to reiterate the guidance given at the beginning of the year: Groupe Gorgé had set itself the target of revenue growth of between +10% and +20% in 2022 for the Drones & Systems division and the maintenance of a good level of profitability. For the Engineering & Protection Systems division, the group is still aiming for a continuation of the current trajectory. However, the 2022 income statement will be transformed by the acquisition of iXblue.

Update on the timetable for the operation of combination of ECA Group and iXblue

In March, Groupe Gorgé announced the operation of combination of ECA Group and iXblue in order to create a world leader in cutting-edge technologies for critical applications, particularly in the defense, space and maritime sectors. A presentation of the operation took place at the beginning of April with the management teams of both companies to explain the strategy and the growth perspectives (link to the presentation). As a reminder, the new ECA Group-iXblue entity has the ambition to achieve revenues of more than €500 million and an EBITDA margin of around 25% by 2025-2026.

The last foreign administrative approval has been obtained and the closing of the transaction is expected to take place at the end of September, according to schedule.

Definitions of alternative performance indicators

- **Current EBITDA:** Operating income before “depreciation, amortization and provisions”, “other items of operating income” and “Group share of the earnings of affiliated companies”.
- **Income from ordinary activities:** Operating income before “other items of operating income” and “Group share of the earnings of affiliated companies”.
- **Net Debt :** Net debt excluding lease liabilities resulting from the application of IFRS 16 and including the value of treasury stock.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

(in thousands of euros)	Notes	30/06/2022	30/06/2021	31/12/2021
NON-CURRENT ASSETS		**122,640**	**177,790**	**116,244**
Goodwill	6.1	23,792	63,245	23,792
Other intangible assets	6.2	35,662	45,466	34,172
Property, plant and equipment	6.3	43,845	52,930	38,355
Investments in associates	8.5	6	1,221	5
Other financial assets	8.6	18,900	12,256	18,543
Deferred tax assets	9.2	429	2,672	1,378
Other non-current assets		—	—	-
CURRENT ASSETS		**215,111**	**257,049**	**203,565**
Net inventories	4.2	20,944	31,917	23,003
Net trade receivables	4.3	35,558	52,052	43,757
Contract assets	4.3	82,827	64,324	63,189
Other current assets	4.4	18,558	22,292	17,115
Tax receivables payable	9.1	16,324	14,001	13,375
Other current financial assets		196	216	217
Cash and cash equivalents	8.2	40,705	72,249	42,909
ASSETS HELD FOR SALE		**30,304**	**-**	**32,751**
TOTAL ASSETS		**368,056**	**434,839**	**352,560**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Equity and liabilities

(in thousands of euros)	Notes	30/06/2022	30/06/2021	31/12/2021
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**54,285**	**87,798**	**59,300**
Capital[(1)]	10.1	17,425	17,425	17,425
Share premiums[(1)]		12,171	28,614	12,171
Retained earnings and consolidated net income		24,689	41,759	29,705
STAKES ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		**4,636**	**31,502**	**5,001**
NON-CURRENT LIABILITIES		**106,224**	**141,069**	**107,355**
Long-term provisions	5.2	4,123	7,442	5,224
Long-term liabilities – portion due in more than one year	8.1	81,608	110,106	86,696
Lease liabilities – portion due in more than one year	8.3	12,582	19,990	11,972
Other financial liabilities	8.4	3,108	2,734	3,138
Deferred tax liabilities	9.2	4,639	492	150
Other non-current liabilities		164	305	175
CURRENT LIABILITIES		**170,550**	**174,471**	**148,643**
Short-term provisions	11	4,806	6,404	4,881
Long-term liabilities – portion due in less than one year	8.1	37,133	22,053	41,114
Lease liabilities – portion due in less than one year	8.3	3,683	5,782	3,279
Operating payables	4.5	34,741	45,153	32,843
Contract liabilities	4.3	45,555	32,290	22,504
Other current liabilities	4.5	44,369	62,302	43,780
Tax liabilities payable	9.1	263	489	242
LIABILITIES HELD FOR SALE		**32,362**	-	**32,260**
TOTAL LIABILITIES		**368,056**	**434,839**	**352,560**

[(1)] Of the consolidating parent company.

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	30/06/2022	30/06/2021[1]	31/12/2021
REVENUES	**3.2**	**96,625**	**90,384**	**178,273**
Capitalized production		4,936	6,623	11,569
Inventories and work in progress		373	(1,236)	(1,907)
Other operating income		4,025	3,120	8,185
Purchases and external charges		(44,346)	(41,349)	(84,003)
Personnel expenses		(46,909)	(42,499)	(82,294)
Tax and duties		(1,113)	(993)	(1,898)
Depreciation, amortization, and provisions (net of reversals)	4.1	(7,738)	(7,092)	(14,784)
Other operating expenses net of income		316	204	2,253
OPERATING RESULTS		**6,171**	**7,162**	**15,394**
Group share of the earnings of associates		-	-	-
Non-recurring items in operating income	3.1	(1,625)	(486)	(1,166)
OPERATING INCOME		**4,546**	**6,676**	**14,228**
Interest on gross debt		(1,375)	(1,074)	(2,293)
Interest on cash and cash equivalents		18	2	4
NET BORROWING COSTS (A)	**8.7**	**(1,357)**	**(1,072)**	**(2,289)**
Other financial income (b)		96	378	173
Other financial expense (c)		(42)	104	(347)
FINANCIAL INCOME AND EXPENSES (d = a + b + c)	**8.7**	**(1,303)**	**(589)**	**(2,463)**
Income tax	9.1	(6,101)	(2,639)	(3,179)
NET INCOME FROM CONTINUING OPERATIONS		**(2,858)**	**3,448**	**8,586**
Net income from discontinued operations	12	(2,777)	(3,133)	38,286
CONSOLIDATED NET INCOME		**(5,635)**	**315**	**46,871**
INCOME ATTRIBUTABLE TO THE PARENT'S SHAREHOLDERS		**(5,790)**	**339**	**46,208**
INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		**155**	**(24)**	**663**

Average number of shares	10.2	17,105,486	17,237,390	17,218,321
Basic and diluted earnings per share, in euros	10.2	(0.339)	0.020	2.684
Net and diluted earnings per share from continuing operations, in euros		(0.176)	0.187	0.471

(1) Column at 30 June 2021 restated for the activities held for sale (see Note 12).

STATEMENT OF NET INCOME AND GAINS AND LOSSES RECOGNIZED IN EQUITY

(in thousands of euros)	30/06/2022	30/06/2021	31/12/2021
NET INCOME	**(5,635)**	**315**	**46,871**
Translation differences	(124)	33	58
Tax relating to translation differences	-	(9)	-
Actuarial gains and losses on defined benefit plans	1,410	518	811
Tax relating to actuarial gains and losses on defined benefit plans	(354)	(129)	(203)
Financial assets measured at fair value	-	-	(2,721
Taxes on financial assets measured at fair value	-	-	-
TOTAL GAINS AND LOSSES RECOGNIZED IN EQUITY	**932**	**412**	**(2,055)**
- *of which can be reclassified subsequently to profit and loss*	*(124)*	*24*	58
- *of which cannot be subsequently reclassified to profit and loss*	*1,056*	*389*	(2,113)
CONSOLIDATED COMPREHENSIVE INCOME	**(4,703)**	**727**	**44,815**
COMPREHENSIVE INCOME ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	**(4,922)**	**703**	**44,274**
COMPREHENSIVE INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	**218**	**24**	**541**

STATEMENT OF CASH FLOWS

(in thousands of euros)	Notes	30/06/2022	30/06/2021[1]	31/12/2021
NET INCOME FROM CONTINUING OPERATIONS		**(2,858)**	**3,448**	**8,586**
Accruals		6,424	3,836	10,306
Capital gains and losses on disposals		(26)	(16)	13
Group share of income of equity-accounted companies		-	-	-
CASH FLOW FROM OPERATING ACTIVITIES (BEFORE NEUTRALIZATION OF THE COST OF NET FINANCIAL DEBT AND TAXES)		**3,539**	**7,268**	**18,904**
Net borrowing costs	8.7	1,357	1,072	2,289
Tax expense	9.1	6,101	2,639	3,179
CASH FLOW FROM OPERATING ACTIVITIES (AFTER NEUTRALIZATION OF THE COST OF NET FINANCIAL DEBT AND TAXES)		**10,997**	**10,978**	**24,372**
Tax paid	9.1	(984)	(1,068)	(1,448)
Change in working capital	7.1	9,199	(10,812)	(34,752)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**19,212**	**(901)**	**(11,827)**
Investing activities				
Payment/acquisition of intangible assets		(5,262)	(7,081)	(12,799)
Payment/acquisition of property, plant and equipment		(3,530)	(5,317)	(12,493)
Proceeds/disposal of property, plant and equipment and intangible assets		31	-	20
Payment/acquisition of financial investments		(169)	(248)	(352)
Proceeds/disposal of financial investments		266	288	286
Net cash inflow/outflow on the acquisition/disposal of subsidiaries		115	-	-
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		**(8,549)**	**(12,359)**	**(25,338)**
Financing activities				
Capital increase or contributions		-	-	-
Dividends paid to parent company shareholders	10.1	-	(5,509)	(5,509)
Dividends paid to non-controlling interests		(327)	(276)	(360)
Other equity transactions	7.3	(143)	(1,666)	(3,213)
Proceeds from borrowings	8.1	917	90,537	118,476
Repayment of borrowings	8.1-8.3	(12,266)	(73,803)	(83,150)
Net borrowing cost paid		(874)	(891)	(1,811)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)		**(12,692)**	**8,392**	**24,433**
CASH FLOW GENERATED BY CONTINUING OPERATIONS (D = A+B+C)		**(2,029)**	**(4,868)**	**(12,732)**
Cash flow generated by discontinued operations		(3,913)	(6,493)	(8,253)
CHANGE IN CASH AND CASH EQUIVALENTS		**(5,943)**	**(11,361)**	**(20,985)**
Effects of exchange rate changes		*17*	*4*	*16*
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**8.2**	**42,835**	**57,857**	**57,857**
Restatement of cash and cash equivalents and impact of discontinued operations[2]		(135)	(1,676)	(2,308)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**8.2**	**40,685**	**51,317**	**42,835**

[1] *Column at 30 June 2021 restated for activities held for sale (see Note 12).*

[2] *Related to the reclassification of cash from activities held for sale.*

CHANGE IN CONSOLIDATED EQUITY

(in thousands of euros)	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	**17,425**	**28,614**	**(1,291)**	**50,140**	**94,887**	**31,401**	**126,288**
Share capital transactions	-	-	-	-	-	-	-
Free share allocation plan and stock option plan	-	-	-	205	205	159	365
Treasury share transactions	-	-	(1,654)	-	(1,654)	5	(1,649)
Commitments to non-controlling interests	-	-	-	(601)	(601)	-	(601)
Dividends	-	-		(5,509)	(5,509)	(361)	(5,869)
Net income for the period	-	-	*(25)*	*363*	*338*	*(24)*	*315*
Items of comprehensive income	-	-	-	*365*	*365*	*48*	*412*
CONSOLIDATED COMPREHENSIVE INCOME	**-**	**-**	**(25)**	**728**	**703**	**24**	**727**
Changes in scope	-	-	-	(234)	(234)	272	38
JUNE 2021 CLOSING EQUITY	**17,425**	**28,614**	**(2,969)**	**44,728**	**87,798**	**31,502**	**119,299**

(in thousands of euros)	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
2021 CLOSING EQUITY	**17,425**	**12,171**	**(4,446)**	**34,150**	**59,300**	**5,001**	**64,302**
Share capital transactions	-	-	-	-	-	-	-
Free share allocation plan and stock option plan	-	-	-	-	-	-	-
Treasury share transactions	-	-	(124)		(124)	-	(124)
Commitments to non-controlling interests	-	-	-	30	30	-	30
Dividends	-	-	-	-	-	(584)	(584)
Net income for the period	-	-	*(20)*	*(5,771)*	*(5,791)*	*155*	*(5,635)*
Items of comprehensive income	-	-		*869*	*869*	*63*	*932*
CONSOLIDATED COMPREHENSIVE INCOME	**-**	**-**	**(20)**	**(4,902)**	**(4,922)**	**218**	**(4,703)**
Changes in scope	**-**	**-**	**-**	**-**	**-**	**-**	**-**
JUNE 2022 CLOSING EQUITY	**17,425**	**12,171**	**(4,588)**	**29,278**	**54,284**	**4,636**	**58,921**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed half-year consolidated financial statements of GROUPE GORGÉ cover a period of six months from 1 January to 30 June 2022. They were approved by the Board of Directors on 19 September 2022.

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 Accounting principles

The Group prepares 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 on 31 December 2021, as they appear in the Universal Registration Document filed with the French Financial Markets Authority (*Autorité des Marchés Financiers* – AMF) on 15 April 2022 under number D.22-0302.

The accounting standards used to prepare the half-year consolidated financial statements comply with the regulations and interpretations of the International Financial Reporting Standards (IFRS) as adopted by the European Union as of 30 June 2022. 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 2021.

The Group has applied all standards, amendments and interpretations that are mandatory for financial years beginning after 1 January 2022:

New standards and interpretations without significant impact on the consolidated financial statements at 30 June 2022:

- amendments to IFRS 3 – *Business combinations: references to the conceptual framework*;
- amendments to IAS 16 – *Property, plant and equipment: recognition of revenue generated before commissioning*;
- 2018-2020 cycle of annual IFRS improvements;
- amendments to IAS 37 – *Provisions, contingent assets and liabilities: onerous contracts, notion of costs directly related to the contract*.

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 2022. They concern:

Standards adopted by the European Union:

- amendments to IAS 1 – *Presentation of the financial statements and Practical application guide 2: disclosures on accounting policies;*
- amendments to IAS 8 – *Accounting policies, changes in estimates and errors: definition of accounting estimates*;
- IFRS 17 and amendments – *Insurance contracts*.

Standards not adopted by the European Union:

- amendments to IAS 1 – *Presentation of the financial statements: classification of current and non-current liabilities*;
- amendments to IAS 12 – *Income tax: deferred tax on assets and liabilities arising from the same transaction*.

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

1.2 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. Other financial assets and 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 2021 (Universal Registration Document filed with the AMF on 15 April 2022).

NOTE 2 SCOPE OF CONSOLIDATION

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

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

NOTE 3 SEGMENT INFORMATION

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 as follows (main companies):

- Engineering & Protection Systems division: Fire Protection (in particular CLF-SATREM), NUCLÉACTION – BAUMERT, SERES Technologies, STEDY;
- Drones & Systems division: GROUPE ECA and its subsidiaries.

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

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

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

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

Operating income includes all income and expenses other than:

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

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

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

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

The 2022 and 2021 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 2022

(in thousands of euros)	Engineering & Protection Systems	Drones & Systems	Structure and disposals	Segment total	Adjustments related to discontinued operations[1]	Consolidated
Backlog at start of period	86,061	489,885	(307)	575,639	(36,019)	539,620
Backlog at the end of the period	108,729	488,189	(146)	596,772	(37,120)	559,652
REVENUE	**45,291**	**62,933**	**(463)**	**107,760**	**(11,135)**	**96,625**
Capitalized production	190	4,754	-	4,944	(8)	4,936
Inventories and work in progress	-	373	-	373	-	373
Other income from operations	801	3,478	-	4,280	(254)	4,025
Purchases and external charges	(22,761)	(29,605)	1,229	(51,137)	6,791	(44,346)
Personnel expenses	(21,648)	(29,481)	(1,259)	(52,388)	5,479	(46,909)
Tax and duties	(566)	(608)	(81)	(1,255)	142	(1,113)
Other operating expenses net of income	20	(99)	255	175	141	316
Current EBITDA	**1,326**	**11,745**	**(319)**	**12,753**	**1,156**	**13,909**
% revenue	*2.9%*	*18.7%*	*68.8%*	*11.8%*	*-10.4%*	*14.4%*
Depreciation, amortization and provisions (net of reversals)	(1,755)	(6,298)	(247)	(8,300)	562	(7,738)
OPERATING RESULT	**(428)**	**5,447**	**(566)**	**4,453**	**1,718**	**6,171**
% revenue	*-0.9%*	*8.7%*	*122.2%*	*4.1%*	*-15.4%*	*6.4%*
Restructuring costs	(1,102)	-	-	(1,102)	903	(199)
Amort. of intangible assets recognized at FV during acquisitions	-	(11)	-	(11)	-	(11)
Unusual provisions on assets	-	-	-	-	-	-
Acquisition/disposal costs of subsidiaries[3]	116	-	(1,432)	(1,316)	-	(1,316)
Other	-	(97)	-	(97)	-	(97)
Total other operating income	**(987)**	**(110)**	**(1,432)**	**(2,529)**	**903**	**(1,625)**
Group share of the earnings of associates	-	-	-	-	-	-
OPERATING INCOME	**(1,222)**	**6,099**	**(689)**	**1,924**	**2,622**	**4,546**
% revenue	*-2.8%*	*10.4%*	*n/a*	*1.8%*	*-23.5%*	*4.7%*
Research and development expenses capitalized during the financial year	8	4,073	0	4,081	(8)	4,073
Other investments in property, plant and equipment and intangible assets[2]	704	5,808	44	6,556	(77)	6,479

[1] The "Adjustments" column concerns all the contributions of the NUCLÉACTION group, included in the segment information but classified in the consolidated income statement on the line "Net income from discontinued operations", in accordance with IFRS 5.

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

[3] Mainly concerns the proposed acquisition of IXBLUE.

FIRST HALF OF 2021

(in thousands of euros)	Engineering & Protection Systems	Drones & Systems	3D Printing	Structure and disposals	Segment total	Adjustments related to discontinued operations[1]	Consolidated
Backlog at start of period	77,156	539,730	6,566	(212)	**623,240**	**(40,528)**	**582,712**
Backlog at the end of the period	77,422	514,163	9,353	(396)	600,542	(41,521)	559,021
REVENUE	**43,335**	**58,767**	**34,118**	**(723)**	**135,497**	**(45,113)**	**90,384**
Capitalized production	1,114	6,516	645	-	8,274	(1,652)	6,623
Inventories and work in progress	-	(1,236)	(531)	-	(1,767)	531	(1,236)
Other income from operations	441	2,726	1,105	-	4,272	(1,152)	3,120
Purchases and external charges	(24,128)	(26,956)	(16,326)	1,530	(65,880)	24,532	(41,349)
Personnel expenses	(20,536)	(26,795)	(14,196)	(1,000)	(62,528)	20,029	(42,499)
Tax and duties	(497)	(580)	(372)	(70)	(1,519)	526	(993)
Other operating expenses net of income	135	(353)	60	(228)	(386)	590	204
Current EBITDA	**(135)**	**12,088**	**4,503**	**(492)**	**15,964**	**(1,710)**	**14,254**
% revenue	*-0.3%*	*20.6%*	*13.2%*	*n/a*	*11.8%*	3.8%	15.8%
Depreciation, amortization and provisions (net of reversals)	(1,775)	(5,630)	(2,307)	(70)	(9,783)	2,691	(7,092)
OPERATING RESULT	**(1,911)**	**6,458**	**2,196**	**(562)**	**6,181**	**981**	**7,162**
% revenue	*-4.4%*	*11.0%*	*6.4%*	*n/a*	*4.6%*	*-2.2%*	*7.9%*
Payment in shares	-	-	(458)	-	(458)	458	-
Restructuring costs	(11)	-	(430)	(67)	(508)	441	(67)
Amort. of intangible assets recognized at FV during acquisitions	-	(11)	(321)	-	(333)	321	(11)
Unusual provisions on assets	-	(250)	(169)	-	(419)	169	(250)
Acquisition/disposal costs of subsidiaries	700	-	(39)	(61)	601	(661)	(60)
Other	-	(98)	(9)	-	(106)	9	(98)
Total other operating income	**689**	**(359)**	**(1,425)**	**(127)**	**(1,222)**	**736**	**(486)**
Group share of the earnings of associates	-	-	46	-	46	(46)	-
OPERATING INCOME	**(1,222)**	**6,099**	**817**	**(689)**	**5,005**	**1,671**	**6,676**
% revenue	*-2.8%*	*10.4%*	*2.4%*	*n/a*	*3.7%*	*-3.7%*	*7.4%*
Research and development expenses capitalized during the financial year	635	6,024	244	-	6,903	(879)	6,024
Other investments in property, plant and equipment and intangible assets[2]	499	5,361	1,440	479	7,778	(1,448)	6,330

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

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

3.2 Revenue by geographical area

FIRST HALF OF 2021

(in thousands of euros)	France	%	Europe	%	Other	%	Total revenue
Engineering & Protection Systems	40,068	88%	4,140	9%	1,083	2%	45,291
Drones & Systems	16,216	26%	36,542	58%	10,175	16%	62,933
Structure and disposals	(457)	100%	(6)		0		(463)
Impact of IFRS 5	(6,194)	56%	(4,028)	36%	(913)	8%	(11,135)
TOTAL	**49,633**	**51%**	**36,647**	**38%**	**10,345**	**11%**	**96,625**
%	**51%**		**38%**		**11%**		**100%**

FIRST HALF OF 2021

(in thousands of euros)	France	%	Europe	%	Other	%	Total revenue
Engineering & Protection Systems	39,825	92%	1,541	4%	1,969	5%	43,335
Drones & Systems	24,641	42%	23,490	40%	10,635	18%	58,767
3D Printing	22,712	67%	7,474	22%	3,932	12%	34,118
Structure and disposals	(723)	100%	-	-	-	-	(723)
Impact of IFRS 5	(30,586)	68%	(9,007)	20%	(5,521)	12%	(45,113)
TOTAL	**55,870**	**62%**	**23,499**	**26%**	**11,015**	**12%**	**90,384**
%	**62%**		**26%**		**12%**		**100%**

NOTE 4 OPERATIONAL DATA

4.1 Depreciation, amortization and provisions (net of reversals)

(in thousands of euros)	30/06/2022	30/06/2021[1]	31/12/2021
DEPRECIATION, AMORTIZATION AND PROVISIONS			
Intangible assets	(2,805)	(2,363)	(4,687)
Property, plant and equipment	(1,284)	(1,071)	(1,792)
Rights of use	(1,832)	(1,897)	(1,746)
Costs of obtaining and performing contracts	(946)	(878)	(3,922)
SUBTOTAL	**(6,867)**	**(6,209)**	**(12,146)**
CHARGES TO PROVISIONS, NET OF REVERSALS			
Inventory and work in progress	(224)	(656)	(916)
Current assets	(204)	(54)	(191)
Liabilities and expenses	(444)	(172)	(1,531)
SUBTOTAL	**(872)**	**(883)**	**(2,637)**
TOTAL NET CHARGES TO AMORTIZATION AND PROVISIONS	(7,738)	(7,092)	(14,784)

(1) Column at 30 June 2021 restated for the activities held for sale (see Note 12).

4.2 Inventories and work in progress

	30/06/2022			30/06/2021	31/12/2021
(in thousands of euros)	Gross value	Impairment losses	Net value	Net value	Net value
Raw materials	22,739	(5,899)	16,840	20,881	15,483
Work in progress	2,836	-	2,836	7,230	6,290
Semi-finished and finished goods	1,850	(582)	1,268	2,862	1,230
Goods	-	-	-	944	-
INVENTORY AND WORK IN PROGRESS	27,425	(6,481)	20,944	31,917	23,003

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

4.3 Trade receivables, contract assets and liabilities

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

(in thousands of euros)	30/06/2022	30/06/2021	31/12/2021
Trade receivables	37,306	54,539	45,332
Impairment losses	(1,748)	(2,488)	(1,575)
TRADE RECEIVABLES, NET VALUES	35,558	52,052	43,757

(in thousands of euros)	30/06/2022	30/06/2021	31/12/2021
Work in progress (A)	2,292	1,775	1,212
Receivables in progress (B)	98,100	103,296	93,389
Down-payments received (C)	(17,565)	40,759	31,412
Deferred income (D)	-	12	-
CONTRACT ASSETS (A) + (B) - (C) - (D)	82,827	64,324	63,189

(in thousands of euros)	30/06/2022	30/06/2021	31/12/2021
Work in progress (A)	(192)	41	441
Receivables in progress (B)	(0)	218	90
Down-payments received (C)	20,031	4,669	6,762
Deferred income (D)	25,363	27,417	15,912
Other liabilities (E)	353	463	362
CONTRACT LIABILITIES - (A) - (B) + (C) + (D) + (E)	45,555	32,290	22,504

4.4 Other current assets

(in thousands of euros)	30/06/2022			30/06/2021	31/12/2021
	Gross value	Depreciation	Net value	Net value	Net value
Advances and down-payments made	6,835	-	6,835	7,978	7,405
Miscellaneous debtors and current accounts in debit	3,002	(551)	2,451	2,628	2,062
Social and tax receivables	6,902	-	6,902	9,393	6,637
Prepaid expenses	2,370	-	2,370	2,293	1,011
TOTAL OTHER CURRENT RECEIVABLES	19,109	(551)	18,558	22,292	17,115

4.5 Other current liabilities

(in thousands of euros)	30/06/2022	30/06/2021	31/12/2021
Suppliers	34,659	45,150	32,014
Fixed asset suppliers	82	3	829
SUPPLIER TOTALS	34,741	45,153	32,843
Advances and down-payments received	887	667	256
Social security liabilities	19,340	26,726	16,275
Tax liabilities	14,070	21,934	17,318
Miscellaneous debts and current accounts payable	2,592	3,581	2,258
Deferred income related to the Research Tax Credit	7,481	9,393	7,672
TOTAL OTHER CURRENT LIABILITIES	44,369	62,302	43,780

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

4.6 Summary of leases

The leases restated as assets under IFRS 16 had a total asset value of €15.8 million and a very limited impact of €10 thousand on the half-year income statement (Group share). In application of IFRS 16, the nature of the expenses related to these leases has changed as the application of IFRS 16 has replaced the recognition on a straight-line basis of expenses in respect of operating leases by an amortization expense for right-of-use assets amounting to €1,832 thousand (including €9 thousand relating to finance leases that were valued in accordance with IAS 17) and by an interest expense for liabilities related to leases amounting to €95 thousand at 30 June 2022. The movements during the half-year are detailed in the table below:

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

(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 2022	**13,055**	**2,023**	**(304)**	**14,775**	**15,251**
New leases	2,196	718		2,914	2,924
Changes in scope	-	-	-	-	-
Amortization of rights of use	(1,262)	(588)		(1,850)	
Impairment of right-of-use assets	-	-		-	
Interest expenses					95
Payments			(3)	(3)	(1,959)
Change in accrued interest			-	-	2
Departures	(13)	(21)		(34)	(48)
Translation differences	-	-	-	-	-
AT 30 JUNE 2022	**13,976**	**2,132**	**(306)**	**15,802**	**16,265**
				of which lease liabilities due in less than one year	*3,683*
				of which lease liabilities due in more than one year	*12,582*

The application of IFRS 16 therefore has a significant impact on current EBITDA as defined by the Group (see Note 3.1), with no significant impact on operating income and even less significant on net income. The current EBITDA for the half-year, which amounted to €13,909 thousand, would have amounted to €11,972 thousand without the application of IFRS 16.

NOTE 5 EMPLOYEE EXPENSES AND BENEFITS

5.1 Workforce

Continuing operations	30/06/2022	30/06/2021	31/12/2021
Drones & Systems	759	735	760
Engineering & Protection Systems	502	494	515
Structure	6	7	7
Workforce	1,267	1,236	1,282
AVERAGE WORKFORCE	1,273	1,212	1,226

5.2 Provisions for pensions and similar commitments

The long-term provisions relate solely to retirement benefits for an amount of €4,090 thousand. For this half-year, the assumptions used are the same as at 31 December 2021, except for the reference IBOXX 10+ discount rate, which increased from 0.98% to 3.22%. The impact on shareholders' equity for the period, due to this rate increase, was -€1,259 thousand (SORIE).

NOTE 6 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

6.1 Goodwill

(in thousands of euros)	30/06/2022	31/12/2021
NET VALUE		
START OF THE PERIOD	23,792	63,245
Activities held for sale or discontinued(1)	-	(3,766)
Acquisitions	-	-
Departures(2)	-	(35,687)
CLOSING	23,792	23,792
Of which accumulated impairment	*(498)*	*(498)*

(1) Concerns the NUCLÉACTION group.
(2) Concerns the exit of PRODWAYS GROUP and its subsidiaries in 2021.

6.2 Intangible assets

(in thousands of euros)	Development projects	Costs of obtaining and performing contracts	Other intangible assets	Non-current assets in progress	**TOTAL**
GROSS VALUE					
AT 1 JANUARY 2022	69,246	6,650	14,569	714	91,179
Acquisitions	4,073	435	560	193	5,261
Changes in scope	-	-	-	-	-
Departures	-	-	(2)	-	(2)
Other changes	-	(3)	(34)	(545)	(583)
Impact of changes in exchange rates	-	-	1	-	-
AT 30 JUNE 2022	73,319	7,081	15,094	362	95,856
DEPRECIATION, AMORTIZATION AND IMPAIRMENT					
AT 1 JANUARY 2022	42,261	2,763	11,983	-	57,007
Depreciation and amortization	2,120	946	696	-	3,762
Changes in scope	-	-	-	-	-
Impairment losses	-	-	-	-	-
Departures	-	-	(1)	-	(1)
Other changes	-	(3)	(571)	-	(575)
Impact of changes in exchange rates	-	-	-	-	-
AT 30 JUNE 2022	44,381	3,705	12,107	-	60,194
NET VALUE					
AT 1 JANUARY 2022	26,985	3,887	2,586	714	34,172
AT 30 JUNE 2022	**28,938**	**3,376**	**2,986**	**362**	**35,662**

There was no indication of impairment in the first half of 2022.

6.3 Property, plant and equipment

(in thousands of euros)	Land and buildings	Fixtures and equipment	Rights of use – property	Rights of use – other assets	Non-current assets in progress	Advances and down-payments	**TOTAL**
GROSS VALUE							
AT 1 JANUARY 2022	17,407	24,300	19,176	4,191	7,002	-	72,076
Acquisitions	153	1,031	2,196	718	1,601	-	5,698
Changes in scope	-	-	-	-	-	-	-
Departures[(1)]	-	(3,575)	(131)	(154)	(2)	-	(3,863)
Other movements[(2)]	4	3,427	-	(5)	(487)	-	2,940
Impact of changes in exchange rates	-	15	-	-	-	-	15
AT 30 JUNE 2022	17,564	25,199	21,241	4,749	8,114	-	76,866
DEPRECIATION, AMORTIZATION AND IMPAIRMENT							
AT 1 JANUARY 2022	6,256	19,177	6,121	2,168	-	-	33,721
Depreciation and amortization	321	963	1,262	570	-	-	3,116
Changes in scope	-	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-	-
Departures[(1)]	-	(3,570)	(118)	(121)	-	-	(3,809)
Other changes	-	-	-	-	-	-	-
Impact of changes in exchange rates	-	13	-	-	-	-	13
AT 30 JUNE 2022	6,577	16,583	7,265	2,617	-	-	33,041
NET VALUE							
AT 1 JANUARY 2022	11,151	5,124	13,055	2,023	7,002	-	38,355
AT 30 JUNE 2022	**10,987**	**8,616**	**13,976**	**2,132**	**8,114**	**-**	**43,825**

[(1)] The “Disposals” mainly include the scrapping of fully depreciated non-current assets for €3.4 million.
[(2)] The “Other movements” concern the reclassification of a drone that was previously held in inventory. This reclassification has no impact on the income statement or cash flows.

NOTE 7 DETAILS OF CASH FLOWS

7.1 Change in working capital

(in thousands of euros)	Notes	Start of the period	Changes in scope	Change over the year	Other movements(1)	Translation differences	CLOSING
Net inventories		23,003	-	884	(2,942)	-	20,944
Net receivables		43,757	-	(8,207)	3	5	35,558
Contract assets		63,189	-	19,637	-	-	82,827
Advances and down-payments		7,405	-	(570)	-	-	6,835
Prepaid expenses		1,011	-	1,359	-	-	2,370
SUBTOTAL	**A**	**138,365**	**-**	**13,103**	**(2,939)**	**5**	**148,533**
Trade payables		32,014	-	2,645	-	1	34,659
Contract liabilities(2)		22,504	-	23,051	-	-	45,555
Advances and down-payments		256	-	631	-	-	887
Deferred income		603	-	(263)	-	-	340
SUBTOTAL	**B**	**55,377**	**-**	**26,064**	**-**	**1**	**81,441**
WORKING CAPITAL REQUIREMENT	C = A - B	82,987	-	(12,961)	(2,939)	4	67,092
Social and tax receivables		20,011	-	3,214	-	-	23,226
Current accounts receivable		-	-	7	-	-	7
Other receivables(2)		2,261	(6)	373	-	-	2,628
SUBTOTAL	**D**	**22,272**	**(6)**	**3,595**	**-**	**-**	**25,860**
Tax and social debts		33,836	(7)	(157)	-	-	33,672
Other payables and derivative instruments		5,570	-	(81)	(30)	150	5,607
Current accounts payable		1	(2)	(1)	-	-	-
Deferred income CIR and subsidies		7,069	-	71	-	-	7,140
SUBTOTAL	**E**	**46,476**	0	**(168)**	**(30)**	**150**	**46,419**
OTHER ITEMS OF WORKING CAPITAL REQUIREMENT	F = D - E	(24,203)	(9)	3,763	30	(150)	(20,559)
WORKING CAPITAL REQUIREMENT	**G = C + F**	**58,784**	3	**(9,199)**	**(2,909)**	**(146)**	**46,533**

(1) *The "Other movements" column concerns flows that do not generate any cash flow or that concern any reclassifications from item to item.*

(2) *Reclassification of poorly classified flows at the beginning of the year.*

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 or in the first half of 2022. In the second half of 2021, the Group acquired CREABIS (3D Printing division); the cash impact was included in the line of discontinued operations.

7.3 Other equity transactions

The cash flows recorded on the line "Other equity transactions" concern the acquisitions or disposals of shares in GROUPE GORGÉ or companies controlled by GROUPE GORGÉ (flows that do not result in a change of control), as well as the cash flows related to purchases and sales of treasury shares under the liquidity agreement of GROUPE GORGÉ.

(in thousands of euros)	30/06/2021	30/06/2021	31/12/2021
Proceeds	-	-	-
Payments	(143)	(1,687)	(3,213)
TOTAL	**(143)**	**(1,687)**	**(3,213)**

In 2021, GROUPE GORGÉ disbursed €1.7 million in the first half of the year as part of its share buyback program and €3.2 million for the year as a whole. In the first half of 2022, buybacks represented only €0.1 million.

NOTE 8 FINANCING AND FINANCIAL INSTRUMENTS

8.1 Gross financial debt

In the first half of 2022, the main movements in the Group's financial debt were as follows:

- drawdowns in the amount of €0.8 million were made under the credit agreement of €8 million set up to finance the construction of the Ostend plant (Drones & Systems division);
- more than €10 million in repayments were made, including a maturity of the syndicated loan set up in 2021 (€4.25 million) and a reduction in the use of the revolving credit line (€3 million).

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 2022	**126,634**	**1,104**	**127,738**	**73**	**127,810**
New loans	815	102	917	17	935
Redemptions	(10,381)	(22)	(10,402)	(73)	(10,475)
Other changes[1]	470	-	470	-	470
First consolidation/Deconsolidation	-	-	-	-	-
Translation differences	-	-	-	-	-
AT 30 JUNE 2022	**117,539**	**1,184**	**118,724**	**17**	**118,741**

[1] Changes with no impact on cash flow, related to effective interest rates and accrued interest on borrowings.

[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)	30/06/2022	< 1 year	> 1 year	*1 to 2 years*	*2 to 3 years*	*3 to 4 years*	*4 to 5 years*	*> 5 years*
Bank borrowings	117,539	37,009	80,628	*10,735*	*10,288*	*10,029*	*43,622*	*5,955*
Other borrowings	1,184	107	980	*157*	*692*	*102*	*29*	-
FINANCIAL DEBT EXCLUDING BANK OVERDRAFTS	118,724	37,116	81,609	*10,892*	*10,980*	*10,131*	*43,650*	*5,955*
Bank overdrafts	17	17	-	-	-	-	-	
GROSS FINANCIAL DEBT	118,741	37,133	81,609	*10,892*	*10,980*	*10,131*	*43,650*	*5,955*

Amounts due in less than one year include a confirmed revolving credit facility of €24.7 million.

The Group benefits from a total of €28.0 million of unused RCF lines.

8.2 Cash and net debt

(in thousands of euros)	30/06/2022	31/12/2021
AVAILABLE CASH AND CASH EQUIVALENTS (A)	40,705	42,909
ASSIMILABLE FINANCIAL INSTRUMENTS (B)	-	(2)
Bank overdrafts (C)	17	73
CASH (D) = (A) + (B) - (C)	40,688	42,835
Financial debt (E)	118,724	127,738
NET CASH (DEBT) (D) - (E)	(78,036)	(84,903)
GROUPE GORGÉ treasury shares	5,452	5,127
ADJUSTED NET CASH (DEBT), BEFORE IFRS 16	(72,584)	(79,776)

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 2022	15,251
New leases	2,924
Redemptions	(1,864)
Other changes[1]	(3)
First consolidation/Deconsolidation	(43)
Impact of changes in exchange rates	-
AT 30 JUNE 2022	16,265

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

Maturity of the lease liability

				Amounts due in more than one year				
(in thousands of euros)	30/06/2022	< 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	***16,265***	***3,683***	***12,582***	*2,900*	*2,268*	*1,872*	*1,817*	*3,725*

8.4 Other financial liabilities

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

(in thousands of euros)	Start of the period	In	Options exercised	Equity effect	Other	Closing
Option to purchase SERES TECHNOLOGIES	1,350	-	-	(44)	-	1,307
Option to purchase MAURIC	1,788	-	-	14	-	1,804
NON-CURRENT TOTALS	3,138	-	-	(30)	-	3,108

8.5 Investments in associates

The movements over the year are as follows:

(in thousands of euros)	Start of the period	Income	Translation differences	Changes in scope	Other	Closing
1 ROBOTICS	5	-	1	-	-	6
TOTAL EQUITY INVESTMENTS	5	-	1	-	-	6

8.6 Non-consolidated equity investments

The changes in fair value in the first half of 202 for all non-consolidated securities are identified below.

(in thousands of euros)	Start of the period	In	Income	Equity effect	Other	Closing
PRODWAYS GROUP	8,998	-	245	-	-	9,243
RYDER	3,510	-	-	-	-	3,510
WANDERCRAFT	2,441	-	-	-	-	2,441
Other	25	20	-	-	-	45
TOTAL NON-CONSOLIDATED SECURITIES	14,974	20	245	-	-	15,239

8.7 Financial income and expenses

(in thousands of euros)	30/06/2022	30/06/2021[(1)]	31/12/2021
Interest expense	(1,281)	(1,059)	(2,095)
Interest expenses on lease liabilities	(95)	(155)	(199)
Net income from other securities	18	2	5
Net income on sales of transferable securities	(1)	3	-
Net borrowing costs	(1,357)	(1,209)	(2,289)
Other interest income	(19)	12	265
Net exchange gain or loss	73	60	104
Financial allowances net of reversals	(0)	278	(543)
FINANCIAL INCOME AND EXPENSES	(1,303)	(860)	(2,463)

(1) Column at 30 June 2021 restated for the activities held for sale (see Note 12).

NOTE 9 CORPORATE INCOME TAX

9.1 Details of corporate income tax

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

Breakdown of tax expense

(in thousands of euros)	30/06/2022	30/06/2021[1]	31/12/2021
Deferred tax liabilities	(5,117)	(2,043)	(1,731)
Taxes payable	(984)	(1,788)	(1,448)
TAX EXPENSE	(6,101)	(3,830)	(3,179)

(1) Column at 30 June 2021 restated for the activities held for sale (see Note 12).

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

The deferred tax expense is significant due to the assumption that in 2022 the ECA sub-group will leave the tax consolidation scope of GROUPE GORGÉ, as a result of the structuring of the ongoing merger with IXBLUE. As a result of this departure, the prospects for using the tax consolidation group’s tax loss carryforwards are considerably reduced.

Tax receivables and payable

(in thousands of euros)	30/06/2022	31/12/2021
Tax receivables	16,324	13,375
Tax payable	263	242
NET TAX RECEIVABLE/(DUE)	16,061	13,132

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)	30/06/2022	31/12/2021
DIFFERENCES OVER TIME		
Retirement and related benefits	897	1,163
Development costs	(6,772)	(6,242)
Subsidies	190	(84)
Leases	116	125
Derivative financial instruments	109	47
Fair value – IFRS 3	39	36
Other	1,152	1,470
SUBTOTAL	(4,270)	(3,484)
Other temporary differences	(2,545)	(2,642)
Deficits carried forward	2,597	7,348
CVAE	8	5
TOTAL	(4,209)	1,228
DEFERRED TAX LIABILITIES	(4,639)	(150)
DEFERRED TAX ASSETS	429	1,378

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

NOTE 10 EQUITY AND EARNINGS PER SHARE

10.1 Equity

At 30 June 2022, the share capital of GROUPE GORGÉ SA amounted to €17,424,747, made up of 17,424,747 shares, each with a par value of €1 and fully paid up, of which 7,570,290 shares have double voting rights.

The Shareholders' Meeting decided not to pay a dividend in 2022, given the exceptional distribution in PRODWAYS GROUP shares made in December 2021. This exceptional distribution represented the equivalent of €4.11 per share and was combined with the dividend of €0.32 paid in June 2021 in respect of 2020.

Shareholding

	30 June 2022				31 December 2021			
	Shares	% of share of capital	Voting rights exercisable at SM[2]	% of voting rights exercisable at SM	Shares	% of share of capital	Voting rights exercisable at SM[2]	% of voting rights exercisable at SM
Gorgé family[1]	7,636,449	43.83%	14,956,293	60.62%	7,626,449	43.77%	14,946,293	60.52%
Treasury shares	321,096	1.84%	-	-	312,976	1.80%	-	-
Public	9,467,202	54.33%	9,717,648	39.38%	9,485,322	54.44%	9,748,714	39.48%
Total	17,424,747	100%	24,673,941	100%	17,424,747	100%	24,695,007	100%

[1] "Gorgé family" refers to shares held directly by Jean-Pierre Gorgé, founder of the Group (115,409 shares), and those held directly by Raphaël Gorgé (88,969 shares), as well as the shares held by PÉLICAN VENTURE SAS, a holding company controlled by three members of the Gorgé family.

[2] The voting rights exercisable at the shareholders' meeting do not include treasury shares. The number of theoretical votes may be obtained by adding the number of votes exercisable at the shareholders' meeting to the number of treasury shares.

10.2 Earnings per share

	30/06/2022	30/06/2021	31/12/2021
Weighted average number of shares	17,105,486	17,237,390	17,218,321
Dividend per share paid in respect of the financial year[1]	-	-	-
EARNINGS PER SHARE *(in euros)*	(0.339)	0.020	2.684
EARNINGS PER SHARE FROM ONGOING ACTIVITIES *(in euros)*	(0.176)	(0.021)	0.471
Potentially dilutive shares[2]	-	-	-
Diluted weighted average number of shares	17,105,486	17,237,390	17,218,321
DILUTED EARNINGS PER SHARE *(in euros)*	(0.339)	0.020	2.684
DILUTED EARNINGS PER SHARE FROM ONGOING ACTIVITIES *(in euros)*	(0.176)	(0.021)	0.471

[1] No dividend was paid in respect of the 2021 financial year. The payment of the dividend in respect of 2020 (€0.32 per share) took place in June 2021.
[2] There are no longer any potentially dilutive shares.

The dividend per share indicated in the table does not take into account the exceptional distribution of PRODWAYS GROUP shares that took place in December 2021. Each GROUPE GORGÉ share received 1.5 PRODWAYS GROUP shares valued at €2.74 on the ex-dividend date, *i.e.* a dividend of €4.11 per share.

NOTE 11 OTHER PROVISIONS AND CONTINGENT LIABILITIES

Short-term provisions *(in thousands of euros)*	Litigation	Customer warranties	Termination losses	Fine and penalties	Other	TOTAL
AT 1 JANUARY 2022	1,304	1,602	695	622	659	4,881
Appropriations (+)	330	591	71	-	25	1,017
Provisions used (-)	(303)	(95)	(11)	-	-	(408)
Reversals (-)	(216)	(249)	(65)	(30)	(179)	(738)
IMPACT ON THE NET INCOME FOR THE PERIOD	(189)	247	(4)	(30)	(153)	(130)
Changes in scope	-	-	-	-	-	-
Other changes	67	-	-	-	(12)	55
Impact of changes in exchange rates	-	-	-	-	-	-
AT 30 JUNE 2022	1,182	1,849	691	592	493	4,806

NOTE 12 ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS

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

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

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

In July 2019, the Group sold its subsidiary CIMLEC INDUSTRIE (Engineering & Protection Systems division) to SPIE. The contribution of CIMLEC INDUSTRIE in 2019 appears on a separate line of the income statement and the statement of cash flows, as this group corresponded to a discontinued operation. A provision for the guarantee of assets and liabilities granted to SPIE was recorded on this same line of the income statement for 2020 and part of this provision was reversed in 2021.

In December 2021, the Group distributed to its shareholders most of the PRODWAYS GROUP securities in its possession. Due to this exceptional distribution, GROUPE GORGÉ no longer controls PRODWAYS GROUP. The contribution of PRODWAYS GROUP was therefore treated in 2021 on a separate line of the income statement and the statement of cash flows, as this group corresponded to a discontinued operation. The group was deconsolidated at the end of 2021 and a capital gain was recognized on this occasion, recorded on the same line of the income statement.

The Management of GROUPE GORGÉ decided in 2021 to implement a plan for the sale of the subsidiary BAUMERT (held by a NUCLÉACTION sub-holding). Ongoing discussions have led to the conclusion that the transaction is highly probable. The employees of BAUMERT were informed of this in March 2022. The contribution of NUCLÉACTION and its subsidiary BAUMERT was therefore treated in 2021 and in June 2022 on a separate line of the income statement and the cash flow statement, as the group corresponded to a discontinued operation. The assets and liabilities of the Group are classified in the statement of financial position under assets and liabilities held for sale.

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

(in thousands of euros)	30/06/2022	30/06/2021	31/12/2021
REVENUE	**11,135**	**45,113**	**93,748**
OPERATING RESULT	**(1,718)**	**(981)**	**(2,057)**
Non-recurring items in operating income	(903)	(736)	41,615
Group share of the earnings of associates		46	45
OPERATING INCOME	**(2,622)**	**(1,671)**	**39,604**
FINANCIAL INCOME AND EXPENSE	**(86)**	**(270)**	**(529)**
Income tax	(70)	(1,192)	(789)
NET INCOME FROM DISCONTINUED OPERATIONS AFTER TAX	**(2,777)**	**(3,133)**	**38,286**

(in thousands of euros)	30/06/2022	30/06/2021	31/12/2021
Contribution relating to CIMLEC	-	700	700
Contribution relating to PRODWAYS GROUP, including the exit capital gain in 2021	-	(433)	44,474
Contribution relating to NUCLÉACTION	(2,777)	(3,400)	(6,480)
Disposal costs	-	-	(409)
NET INCOME FROM DISCONTINUED OPERATIONS	**(2,777)**	**(3,133)**	**38,286**

(in thousands of euros)	30/06/2022	30/06/2021	31/12/2021
NET INCOME FROM DISCONTINUED OPERATIONS	**(2,777)**	**(3,133)**	**38,286**
CASH FLOW FROM OPERATIONS (after neutralization of the net borrowing cost and taxes)	**(1,376)**	**1,591**	**1,275**
Tax paid	(35)	(720)	(1,324)
Change in working capital	(1,902)	(675)	4,690
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**(3,313)**	**2,986**	**4,641**
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	**(15)**	**2,105**	**(7,674)**
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	**(586)**	**2,219**	**(5,220)**
CHANGE IN CASH (D = A + B + C)	**(3,913)**	**(6,493)**	**(8,253)**
Effects of exchange rate changes	-	29	63
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**233**	**23,011**	**23,011**
Restatement of cash and cash equivalents[1]	135	1,676	2,308
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**(3,545)**	**18,223**	**17,130**

[1] *Corresponds to the impact of the flows with continuing operations.*

NOTE 13 TRANSACTIONS WITH RELATED PARTIES

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

in thousands of euros, in the Group's financial statements	PÉLICAN VENTURE	PÉLICAN VENTURE SUBSIDIARIES	PRODWAYS GROUP
Income statement			
Revenues	49	18	327
Other income	-	-	-
Purchases and external charges	(26)	-	(119)
Statement of financial position			
Trade receivables	19	-	-
Trade payables	31	-	83
Dividends	-	-	-
Other receivables	-	-	95
Guarantee deposits received	-	-	-

PÉLICAN VENTURE is a holding company owned by the Gorgé family, the main shareholder of GROUPE GORGÉ. PRODWAYS GROUP is chaired by Raphaël Gorgé.

NOTE 14 OTHER NOTES

14.1 Commitments

The Group's commitments, as they appear in the notes to the consolidated financial statements for 2021, have not changed significantly.

14.2 Exceptional events and litigation

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

In July 2013, a fire destroyed the DEPALOR particle board production plant in Phalsbourg. Some fire protection systems at the fire's initial break-out point are thought to have failed to function. DEPALOR and its insurance company launched a court-ordered appraisal against the various specialist companies responsible for the design, maintenance, verification and occasional work on the fire extinguishing systems, including CLF-SATREM, and their respective insurers. The legal appraisal, which was required to determine the causes of the incident as well as the causes of any malfunctions of the fire safety systems and determine the impact thereof in the incident, concluded in March 2018 that the origin of the incident would come from the rupture of a pressurized hydraulic oil pipeline from a particle board press; the oil would have vaporized on contact with the elements brought to the high temperature of the press and would then have ignited spontaneously. The damage suffered by DEPALOR was estimated at €34 million (replacement value of the plant). The report indicates that several fire extinguishing systems appear to have been more or less faulty and were therefore not effective in fighting the primary outbreak. The sprinkler system was not triggered due to the presence of a check valve in the fire protection system. Liability for the check valve installation could not be attributed to anyone in particular. As such, it would appear that the network had been out of service for several years. None of the service providers (APAVE, AXIMA or CLF) working on the fire protection system had noted this anomaly during their work. The DEPALOR employees responsible for weekly checks and re-commissioning following the incident should reasonably have known about the anomaly. Moreover, the report shows that DEPALOR appears to have been negligent in monitoring the network's maintenance and the dust removal from its structures. The appraiser maintains that, in any event, "it is uncertain that the fire extinguishing systems, even in an operational condition, would have been effective in controlling a fire caused by the ignition of a mist of oil resulting from a breach in the high-pressure, high-flow pipeline, since the sprinkler system would have been designed mainly to neutralize the impact of the "disc" being manufactured". In 2019, DEPALOR's insurers filed a claim against DEPALOR, all those having worked on DEPALOR's fire protection system and their respective insurers, before the Nanterre Commercial Court. Without taking the findings of the legal appraisal into account, they requested the Court to hold that the failings of AXIMA, CLF and APAVE are directly responsible for the damages suffered by DEPALOR, and requested a joint order against those companies in the amount of €34 million. CLF considers that those claims contradict the findings set out in the appraisal, since the failure of the sprinkler system did not cause the fire, but was merely one of several factors aggravating the risk of a fire (DEPALOR's negligence, problem of dust removal from structures). Moreover, the appraisal could not determine who was responsible for installing the check valve that prevented the functioning of the sprinkler network, but it is probable that DEPALOR was aware of its existence. Unless the insurers manage to settle, this dispute is likely to continue for several years. CLF is covered by its insurance policy for €3 million with respect to this claim.

In 2014, BAUMERT wanted to close its establishment in Dreux in order to redeploy the business carried out on this site to its main site in Alsace in particular. Since 15 out of 16 employees refused to move, the Company was obliged to implement a plan (PSE) to safeguard the employees' jobs. Fourteen employees requested the cancelation of the PSE on the grounds that it had not been approved by the competent Regional Directorate of businesses, competition, consumption, labor and employment ("DIRECCTE") and that the PSE had not been assessed by the latter with regard to the resources available to the Group to which the BAUMERT company belongs. The proceedings before the administrative courts confirmed that the DIRECCTE which approved the PSE had no jurisdiction in the area. Due to the cancelation of the PSE, the employees also initiated Labor Tribunal proceedings for dismissal without real and serious cause. BAUMERT was thus ordered by the Labor Tribunal in 2016 to pay damages to employees for an amount of approximately €460 thousand. This ruling was upheld on appeal in September 2018 for an amount finally set at €302 thousand. BAUMERT has launched legal proceedings to call into question the responsibilities of the French State and its lawyer, who advised the Company on the PSE, in particular due to DIRECCTE's lack of jurisdiction.

In 2014 and 2015, BAUMERT designed, manufactured and installed sealed doors for nine methanation units designed by NASKEO ENVIRONNEMENT that were sold to agricultural operators. The price of this contract totaled €720 thousand for BAUMERT. Four methanation units with malfunctions affecting the expected performance of farmers are or have been the subject of legal appraisals. To date, an appraisal concerning a site in Salive (21) has ended without BAUMERT being held liable. An appraisal is in progress concerning a site in Saint George (49). An appraisal report concerning a site in Is-sur-Tille (21) and a site in Hazebrouck (59) concluded that the technical responsibilities were shared between BAUMERT and NASKEO ENVIRONNEMENT. BAUMERT currently considers that these doors were designed in compliance with the requirements of the specifications of NASKEO ENVIRONNEMENT. The parties and their respective insurers have come to terms and the dispute is now settled.

In 2014, as per the specifications of a project manager and an architectural firm, CLF installed a deluge system for the Theatre of Saumur. Following a power outage in 2018 and a compressor malfunction, the deluge system was triggered and the theatre was partially flooded. A joint appraisal is under way involving everyone involved in the installation (design, installation, supply, certification, and maintenance) and their insurers, to determine each party's liability. The expertise showed that CLF was not at fault

At the end of a nine-year legal appraisal, SCI FERCA, ECA EN's former lessor (absorbed by ECA Robotics), sued the companies in charge of the unfinished asbestos removal work (and their insurers) to claim compensation for the damage suffered due to poorly executed and incomplete asbestos removal. SCI FERCA sued ECA EN, along with the companies in charge of the asbestos removal, accusing it, in its capacity as former tenant, of having hampered the asbestos removal process, which ECA EN vigorously contests. In a judgment of 24 November 2020, the Paris Court of Justice ruled out the liability of ECA ROBOTICS (which came to the rights of ECA EN following the simplified merger between these companies); an appeal has since been lodged by SCI FERCA.

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

No other significant change in litigation other than what is indicated in subsequent events is to be mentioned in relation to the information given in the notes to the consolidated financial statements at 31 December 2021.

14.3 Subsequent events

On 14 March 2022, GROUPE GORGÉ announced that it had entered into exclusive negotiations with the shareholders of IXBLUE to acquire 100% of the company's share capital. The acquisition of IXBLUE, for an enterprise value of €410 million, would be carried out by a holding company (NEWCO) to which 100% of the shares of GROUPE ECA would be contributed and/or sold. On 6 April, GROUPE GORGÉ communicated detailed information on the project, available on its website. This acquisition should be completed by the end of September 2022.

No other significant events took place between 30 June 2022 and the date of the Board of Directors meeting that approved the consolidated financial statements.

NOTE 15 LIST OF CONSOLIDATED COMPANIES

Companies	Parent company at 30 June 2022	% control		% interest		Method	
		30 JUNE 2022	30 JUNE 2021	**30 JUNE 2022**	30 JUNE 2021	**30 JUNE 2022**	30 JUNE 2021
GROUPE GORGÉ SA	Consolidating company	Top	Top	Top	Top	FC	FC
Structure							
SCI DES CARRIÈRES	GROUPE GORGÉ SA	100.00	100.00	100.00	100.00	FC	FC
GORGÉ EUROPE INVESTMENT (Netherlands)	VIGIANS	100.00	100.00	100.00	100.00	FC	FC
GORGÉ NETHERLANDS (Netherlands)	GORGÉ EUROPE INVESTMENT	90.58	90.58	90.58	90.58	FC	FC
Drones & Systems							
GROUPE ECA	GROUPE GORGÉ SA	100.00	100.00	100.00	100.00	FC	FC
ECA AEROSPACE	GROUPE ECA	100.00	100.00	100.00	100.00	FC	FC
ECA AUTOMATION	ECA AEROSPACE	100.00	100.00	100.00	100.00	FC	FC
ECA DEV 1(1)	GROUPE ECA	100.00	100.00	100.00	100.00	FC	FC
ECA DYNAMICS(3)	GROUPE ECA	51.00	51.00	51.00	51.00	FC	FC
ECA GROUP ASIA (Singapore)	GROUPE ECA	100.00	100.00	100.00	100.00	FC	FC
ECA ROBOTICS	GROUPE ECA	100.00	100.00	100.00	100.00	FC	FC
ECA ROBOTICS BELGIUM (Belgium)	ECA ROBOTICS	100.00	100.00	100.00	100.00	FC	FC
MAURIC	GROUPE ECA	60.06	60.06	60.06	60.06	FC	FC
MAURIC BELGIUM (Belgium)	MAURIC	100.00	100.00	60.06	60.06	FC	FC
OK18 SYSTEMS(1) (United States)	GROUPE ECA	100.00	100.00	100.00	100.00	FC	FC
TRITON IMAGING(1) (United States)	GROUPE ECA	100.00	100.00	100.00	100.00	FC	FC
1ROBOTICS(1) (United States)	GROUPE GORGÉ SA	29.89	29.89	81	81	EM	EM
Engineering & Protection Systems							
AMOPSI	VIGIANS PROTECTION INCENDIE	80.00	80.00	56.00	56.00	FC	FC
BAUMERT	NUCLÉACTION	100.00	100.00	100.00	100.00	FC	FC
CLF-SATREM	VIGIANS PROTECTION INCENDIE	100.00	100.00	70.00	70.00	FC	FC
GORGÉ-HOEKSTRA HOLDING (Netherlands)	GORGÉ NETHERLANDS	100.00	100.00	90.58	90.58	FC	FC
NUCLÉACTION	GROUPE GORGÉ SA	100.00	100.00	100.00	100.00	FC	FC
SCI MEYSSE	BAUMERT	100.00	100.00	100.00	100.00	FC	FC
SCI DES PORTES	GROUPE GORGÉ SA	100.00	100.00	100.00	100.00	FC	FC
SERES TECHNOLOGIES	GROUPE GORGÉ SA	70.00	70.00	70.00	70.00	FC	FC
STEDY	GROUPE GORGÉ SA	65.00	65.00	65.00	65.00	FC	FC
STEDY PORTAGE	STEDY	100.00	100.00	65.00	65.00	FC	FC
STEDY LIBERTY	STEDY	100.00	100.00	65.00	65.00	FC	FC
STONI	GROUPE GORGÉ SA	100.00	100.00	100.00	100.00	FC	FC
SVF	VIGIANS PROTECTION INCENDIE	100.00	100.00	70.00	70.00	FC	FC
THE WIND FACTORY UK (Ireland)(2)	-	-	100.00	-	90.58	-	FC
VIGIANS	GROUPE GORGÉ SA	100.00	100.00	100.00	100.00	FC	FC
VIGIANS PROTECTION INCENDIE	GROUPE GORGÉ SA	70.00	70.00	70.00	70.00	FC	FC
3D Printing(3)							
AVENAO SOLUTIONS 3D	PRODWAYS GROUP	-	100.00	-	56.32	-	FC
AVENAO INDUSTRIE	AS3D	-	100.00	-	56.32	-	FC
CRISTAL	PRODWAYS GROUP	-	100.00	-	56.32	-	FC

Companies	Parent company at 30 June 2022	% control		% interest		Method	
		30 JUNE 2022	30 JUNE 2021	**30 JUNE 2022**	30 JUNE 2021	**30 JUNE 2022**	30 JUNE 2021
DELTAMED (Germany)	PRODWAYS GROUP	-	100.00	-	56.32	-	FC
BIOTECH DENTAL SMILERS	PRODWAYS ENTREPRENEURS	-	20.00	-	11.26	-	EM
EXCELTEC	PRODWAYS GROUP	-	100.00	-	56.32	-	FC
INITIAL	PRODWAYS GROUP	-	100.00	-	56.32	-	FC
INTERSON PROTAC	PRODWAYS GROUP	-	100.00	-	56.32	-	FC
NEXTCUBE.IO	AS3D	-	64.67	-	36.42	-	FC
PRODWAYS GROUP	GROUPE GORGÉ SA	-	67.70	-	56.32	-	FC
PRODWAYS	PRODWAYS GROUP	-	100.00	-	56.32	-	FC
PRODWAYS CONSEIL	PRODWAYS GROUP	-	100.00	-	56.32	-	FC
PRODWAYS ENTREPRENEURS	PRODWAYS GROUP	-	100.00	-	56.32	-	FC
PODO 3D	PRODWAYS GROUP	-	91.03	-	51.27	-	FC
PRODWAYS MATERIALS (Germany)	DELTAMED	-	100.00	-	56.32	-	FC
PRODWAYS RAPID ADDITIVE FORGING	PRODWAYS GROUP	-	100.00	-	56.32	-	FC
PRODWAYS 2	PRODWAYS GROUP	-	100.00	-	56.32	-	FC
SCI CHAVANOD	PRODWAYS GROUP	-	100.00	-	56.32	-	FC
SOLIDSCAPE (United States)	PRODWAYS GROUP	-	100.00	-	56.32	-	FC
VARIA 3D (United States)	PRODWAYS GROUP	-	70.00	-	39.42	-	FC
3D SERVICAD	AS3D	-	100.00	-	56.32	-	FC

(1) *Companies without activity.*
(3) *Company deconsolidated as of 1 January 2021.*
(3) *The 3D Printing division (corresponding to the group made up of PRODWAYS GROUP and its subsidiaries) is consolidated within discontinued operations over the periods shown and was deconsolidated at the end of December 2021. In December 2021, GROUPE GORGÉ held only 5.95% of the share capital of PRODWAYS GROUP.*

STATUTORY AUDITORS’ REPORT ON THE HALF-YEAR FINANCIAL INFORMATION

(period from 1 January to 30 June 2022)

PricewaterhouseCoopers Audit

63 rue de Villiers
92208 Neuilly-sur-Seine Cedex

RSM PARIS

26 rue Cambacérès
75008 Paris

GROUPE GORGÉ

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

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

- conducted a limited review of the condensed half-year consolidated financial statements of GROUPE GORGÉ, relating to the period from 1 January 2022 to 30 June 2022, as attached to this report;

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

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 19 September 2022

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, Chairperson and Chief Executive Officer