FINANCIAL STATEMENTS

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

PRODWAYS GROUP

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2022 HALF-YEAR ACTIVITY REPORT

EXCERPT FROM THE PRESS RELEASE ISSUED ON 14 SEPTEMBER 2022

Prodways achieves record profitability in the first half 2022

- **A strong financial performance**
  - Revenue growth of +22% compared to the first half of 2021
  - Current EBITDA up +75%, representing a 19% margin
  - Record cash generation of €6.9 m, multiplied by 3 compared to H1 2021[1]

- **Systems division: an exceptional first half**
  - Success of Prodways' technologies for mass production, the result of 10 years of R&D
  - International expansion, representing ~90% of Machines & Materials revenue
  - +22% in revenues and +71% in current EBITDA

- **Products division: sustained development**
  - Digital Manufacturing (printing on demand) : gaining new customers and taking larger orders
  - Successful integration of Creabis generates twice as many synergies as expected
  - Audiology continues its development momentum, reinforced by the acquisition of Auditech
  - +21% revenues and +64% current EBITDA

- **2022 guidance**
  - Revenue growth expected to be around +15% (revised upwards end-July from ~+10%)
  - Strong profitability also expected in the second semester. Prodways is aiming for a current EBITDA margin of between 15% and 20% for the full year 2022.

[1] Net cash flow from operating activities before changes in working capital.

Prodways Group: a rewarding long-term strategy

The strategic axis implemented since 2013 have proven their relevance

Since its creation, Prodways Group has focused on **technologies serving industrial production for mass manufacturing**. The company's expertise in printers was quickly complemented by the development of 3D materials and print-on-demand activities. The joint work of these teams, for nearly 10 years, has enabled Prodways to offer one of the most reliable technologies on the market for industrial production. The performance and quality of Prodways Machines & Materials have enabled the group to win international tenders in Europe, the USA and Asia-Pacific.

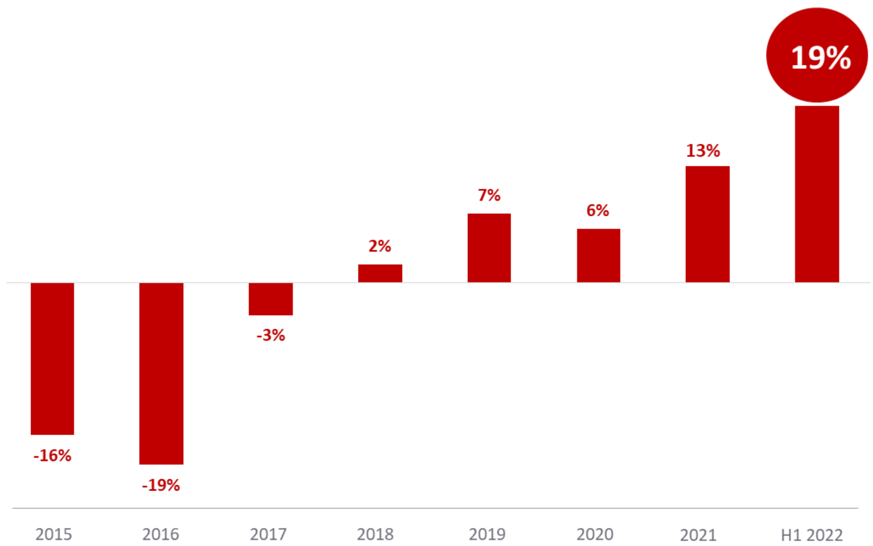
Prodways has also been able to focus at the right time on supportive markets in 3D printing. In particular, it has focused on the needs of **the medical sector** since 2014, which is now the largest consumer of 3D printing and offers significant opportunities against the backdrop of the digitalization of its processes. Prodways Group is now one of the world's reference players in 3D printing for the dental sector. Overall, customers in the **medical sector now represent nearly 50% of Prodways' revenues.**

These development paths have enabled Prodways to build up a **significant base of recurring revenues, representing around 65% of revenues at the end of June 2022**. These include recurring consumption of 3D materials, which has been rising sharply for several years, as well as recurring orders from numerous customers equipped with Prodways solutions, such as the network of over 1,000 audiologists in France.

A long-term strategy of growth and profitability that is bearing fruit

The strong revenue growth of 22% in the first half of 2022 was accompanied by a clear improvement in Prodways Group's profitability across all its indicators (current EBITDA, operating profit, cash generation). Prodways' strategy of pursuing both revenue growth and profitability is now proving its relevance in a context of rising interest rates and concerns about the sustainability of certain 3D printing companies that are still loss-making.

Current EBITDA margin since 2015



Since the launch of its activities in 2014, Prodways has achieved an average revenue growth of +46% per year, combining organic and external growth. At the same time, the current EBITDA margin has increased from -42% in 2014 to +19% in the first half of 2022, reaching €7.9 million. This result materialized in cash generation of +6.9 M€[2], 16% more than for the full year 2021. **This financial performance makes Prodways the most profitable company among the main listed 3D companies[3].**

This financial strength confers significant competitive advantages to accelerate its growth trajectory, such as:

- The ability to convince customers to commit to ambitious long-term industrial projects
- Continued targeted investment in R&D
- The ramping up of commercial efforts to accelerate organic growth
- The pursuit of external growth.

Strong improvement in profitability in the first half of 2022

P&L statement of the first half 2022

(in €million)	**H1 2021**	**H1 2022**	Variation (€m)	Variation (%)
Revenues	**34,1**	**41,5**	**+7,4**	**+22%**
Current EBITDA	**4,5**	**7,9**	**+3,4**	**+75%**
Current EBITDA margin (%)	*13,2%*	*19,0%*	*-*	*+6 pts*
Income from ordinary activities	**2,2**	**5,4**	**+3,2**	**+146%**
Operating income	**0,9**	**5,1**	**+4,2**	**+495%**
Financial results, tax and minorities interest	**-1,2**	**-1,6**	**-0,4**	**n.a**
Net result in group share	**-0,3**	**3,5**	**+3,8**	**n.a**

[2] Net cash flow from operating activities before changes in working capital
[3] Comparison of H1 2022 current EBITDA margin of 22 listed companies in North America, Europe and Asia, excluding China (PWG, DDD, SSYS, DM, MKFG, SLM, XMTR, VLD, VJET, PRLB, MTLS, SHPW, NNDM, STKH, ONVO, FATH, NORSF, CFMS, FSRD, A3D, TTT, XAR)

Revenues of the first half 2022: +22% growth compared to the first half 2021

Prodways Group achieved strong revenue growth in the first half of 2022, driven by both organic growth of +15% and the momentum of external growth. This performance is the combined result of:

- The ramp-up in industrial production resulting in **significant sales of printers and materials**.

- **A record half-year for the Software activity**, which benefited in Q1 2022 from anticipated orders, securing part of the revenue for the year.

- **Solid growth in on-demand printing services,** both organically and through the successful integration of Creabis in 2021.

- **A good level of revenue from medical applications,** which remains close to that of the first semester 2021 despite the unfavorable base effect (significant catch-up effect in H1 2021 when medical practices re-opened).

More details on the evolution of revenues are available in the dedicated press release of July 25, 2022.

Record profitability

Prodways Group generated current EBITDA of €7.9 million in the first half of 2022, up 75% compared to the first half of 2021.

This improvement is the result of several factors:

- The capacity to maintain a gross margin of over 50%, reflecting good execution of operations and control of supplies in a context of global tensions.

- Significant operating leverage thanks to the investments made in recent years and the reorganization carried out in 2020-2021. Prodways' current industrial structure should enable the group to generate more revenues and pursue its growth trajectory.

- The growing contribution of 3D materials sales, with high added-value

- The benefit of a debt waiver in the United States in connection with public support during the health crisis, generating +€0.9 million in income for the period[4].

As a result, Prodways' **operating profit for the first half of the year was five times higher than in the first half of 2021, at €5.1 million**

The consolidated financial statements are available in the appendix at the end of this press release.

[4] As a reminder, Prodways Group also benefited from a waiver of €0.9 million in the first half of 2021.

Record cash generation and a solid balance sheet

Prodways is positioned as one of the few profitable companies in the 3D printing sector and has consolidated its balance sheet to support the foundations of sustainable growth. **The Group's cash flow from operations reached €6.9 million in the first half of 2022**, more than three times the amount generated in the first half of 2021 and already 16% higher than the amount generated over the full year 2021.

This performance is partially offset by the higher-than-normal change in working capital (+€3.4 million in H1 2022, to €3.8 million). This increase is explained by a rise in inventories as a precautionary measure for production needs, as well as the impact of the change in seasonality due to anticipated sales in the Software activity. The level of working capital should decrease by the end of the year back to a normal level of around 3% to 4% of annual revenues.

In the end, the Group is still in a positive net cash position (of €1.8 million), with €19 million of cash available at the end of June 202.

Results by division

(in €million)		H1 2021	H1 2022	Variation €m	Variation %
Systems	Revenues	21,6	**26,4**	+4,8	22%
	Current EBITDA	3,5	**6,0**	+2,5	71%
	Current EBITDA margin (%)	*16,3%*	***22,7%***	*6,4 pts*	-
	Income from ordinary activities	2,5	**5,0**	+2,5	-
Products	Revenues	12,6	**15,3**	+2,7	21%
	Current EBITDA	1,4	**2,3**	+0,9	64%
	Current EBITDA margin (%)	*11,2%*	***15,1%***	*3,9 pts*	
	Income from ordinary activities	0,0	**0,8**	+0,8	

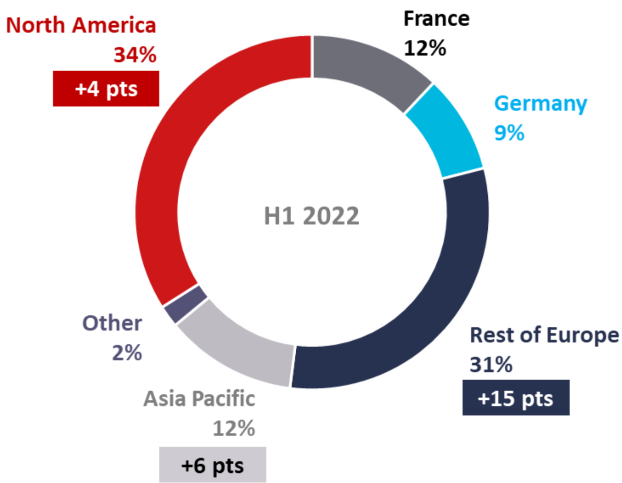
Systems Division: an exceptional semester

Reliable technologies that set the standards in the market

Prodways' Systems Division achieved a number of successes this semester, particularly in its Machines & Materials activity. The performance of the MovingLight® LD printers, the second generation of this technology, combined with Prodways' proprietary 3D resins (such as the Absolute Aligner resin), is now recognized by many players in the dental sector worldwide. The productivity of the machines, their precision over several years and the quality of the finished products are setting references in the market and have enabled Prodways to win industrial projects for multi-machine production sites. In addition to new customers, almost all of the group's existing customers are increasing their consumption of materials, taking advantage of the buoyant medical market.

These commercial successes, following on from those of 2021, have led to a strong expansion of Prodways' international business. France now accounts for only 12% of Machines & Materials revenues, while North America now accounts for 1/3 of revenues.

Breakdown of Machines & Materials revenues, evolution compared to 2020



Strong structural growth enhanced by exceptional items

The Systems Division's revenues are up by +22% this half-year compared to the first half of 2021. This performance is the combined result of:

- A +20% growth in the medical sector
- A +17% increase in revenues generated by the other industrial sectors
- +€0.9 million in sales achieved earlier than expected in the first half of the year, initially expected in the second half of the year[5].

On the back of this strong revenue growth, **this division achieved a current EBITDA margin of 23% this half-year, up +6 pts compared with the 1st half of 2021**. This profitability is supported by good control of gross margins, the reduction in indirect costs as a proportion of revenues and the growing contribution of material sales. It was enhanced this half-year by the waiver of a debt in the United States in the context of public support during the health crisis, representing an impact of +€0.9 million.

Products Division: continuous progress since the end of 2021

Digital Manufacturing (3D printing on demand): robust and growing demand

This activity, which was slow to recover from the crisis last year, has grown organically by +8% and +47% including the acquisition of Creabis. This activity benefits from four growth levers:

- The adoption of Prodways' services by a **growing number of customers**: more than 150 new accounts since the beginning of the year.

[5] Revenues generated in H1 2022 by customers who should have renewed their SOFTWARE licenses mainly in H2 2022.

- **A 13% increase in the average order size**, illustrating the gradual penetration of our technologies in manufacturing processes.

- **The success of the 3D Molding offer**, with more than 60 projects since the beginning of the year, compared to about 15 last year. This innovative technique enables to produce a mold in 3D printing and then inject the parts in the right material, thus freeing the clients from the costs, design constraints and lead times of traditional injection tools.

- **The volume of orders has increased by 85% via the digital platform** Prodline, which allows customers to submit their digital models directly and order their parts.

The development of this activity has been accelerated by **the acquisition of Creabis, whose successful integration is generating twice as many synergies as initially planned**. The pooling of resources has made the new entity's offering more attractive and has resulted in a cross-selling volume that is well above expectations.

In total, nearly 55% of the Digital Manufacturing business' revenues are now generated from French customers and nearly 45% from foreign customers, notably in Germany, Italy and Switzerland.

Integrated medical activities: strong momentum in audiology

Integrated medical activities, in which Prodways offers complete digital solutions from impression taking to delivery to the client (practitioner or end user), are driven by the performance of audiology. It accounts for nearly 75% of the revenues of this segment, taking into account the recent acquisition.

Revenue growth was driven in particular by past commercial successes, which are having an impact this half-year. Prodways forged some twenty new partnerships with emblematic customers (such as EDF, Bouygues, Yves Rocher, Aéroports de Paris, SNCF, Derichebourg, Colas, BIC, etc.) to equip their employees with hearing protection. This momentum is now reinforced by the acquisition of Auditech Innovations, completed in early July 2022.

Significant improvement in results

Along with the 21% revenue growth, the Products division generated a current EBITDA of €2.3 million in the first half of the year, up 64%. The current EBITDA margin reached 15% and reflects:

- The improvement of the gross margin thanks to good price and cost control.
- Operating leverage, with indirect costs decreasing in proportion to revenues. Past investments, notably in the Annecy production site, give the existing industrial tool the capacity to generate more revenues in the future.

Thanks to this progress, the Products Division has achieved generated the highest income from ordinary operations of its history with €0.8 million.

Guidance 2022

At the end of July 2022, Prodways Group raised its revenue guidance for the year 2022, now targeting growth of around +15% including recent acquisitions (compared with "around 10%" previously).

The group's profitability, adjusted for exceptional items in the first half of the year, should remain at its current level. Prodways Group is therefore targeting a current EBITDA margin of between 15% and 20% for the full year 2022.

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		**72,743**	**67,607**	**73,203**
Goodwill	6.1	41,831	38,094	41,831
Other intangible assets	6.2	11,936	10,243	11,033
Property, plant and equipment	6.3	16,039	16,386	16,815
Investments in affiliated companies	8.4	1,285	1,216	1,213
Other financial assets		782	840	815
Deferred tax assets	9.2	870	829	1,496
CURRENT ASSETS		**44,645**	**41,640**	**40,464**
Net inventories	4.2	8,006	6,055	6,502
Net trade receivables	4.3	13,063	11,230	12,175
Contract assets	4.3	48	-	20
Other current assets	4.4	2,796	2,073	3,049
Tax receivables payable	9.1	1,865	2,194	1,802
Cash and cash equivalents	8.2	18,868	20,088	16,917
ASSETS HELD FOR SALE		**-**	**-**	**-**
TOTAL ASSETS		**117,389**	**109,247**	**113,668**

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		**68,893**	**63,599**	**64,812**
Capital[(1)]	10.1	25,632	25,632	25,632
Share premiums[(1)]		85,755	85,404	85,617
Retained earnings and consolidated net income		(42,494)	(47,437)	(46,438)
NON-CONTROLLING INTERESTS		**38**	**(150)**	**41**
NON-CURRENT LIABILITIES		**21,156**	**21,594**	**20,215**
Long-term provisions	5.2	691	1,133	949
Long-term liabilities – portion due in more than one year	8.1	14,424	14,212	13,031
Lease liabilities – portion due in more than one year	8.3	5,356	5,757	5,698
Deferred tax liabilities	9.2	684	492	538
Other non-current liabilities		-	-	-
CURRENT LIABILITIES		**27,302**	**24,205**	**28,601**
Short-term provisions	11	806	1,228	927
Long-term liabilities – portion due in less than one year	8.1	2,787	2,201	2,721
Lease liabilities – portion due in less than one year	8.3	1,701	1,742	1,779
Operating payables	4.5	7,697	7,193	9,155
Contract liabilities	4.3	2,086	617	1,585
Other current liabilities	4.5	11,731	10,845	12,273
Tax liabilities payable	9.1	493	380	161
LIABILITIES HELD FOR SALE		**-**	**-**	**-**
TOTAL LIABILITIES		**117,389**	**109,247**	**113,668**

[(1)] Of the consolidating parent company.

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	30/06/2022	30/06/2021	31/12/2021
REVENUE	**3.2**	**41,470**	**34,118**	**70,645**
Capitalized production		1,116	645	1,510
Inventories and work in progress		111	(531)	(555)
Other income from operations		1,066	1,105	1,937
Purchases consumed		(20,448)	(16,326)	(35,319)
Personnel expenses		(15,298)	(14,196)	(28,422)
Tax and duties		(326)	(372)	(767)
Depreciation, amortization, and provisions (net of reversals)	4.1	(2,494)	(2,307)	(4,491)
Other operating expenses net of income		195	60	(226)
OPERATING RESULT		**5,393**	**2,196**	**4,312**
Group share of the earnings of affiliated companies		71	82	79
Non-recurring items in operating income	3.1	(393)	(1,425)	(2,610)
OPERATING INCOME		**5,071**	**852**	**1,782**
Interest on gross debt		(112)	(91)	(206)
Interest on cash and cash equivalents		-	3	-
COST OF NET DEBT (a)	**8.6**	(112)	(88)	(206)
Other financial income (b)		150	55	179
Other financial expense (c)		(134)	(45)	(148)
FINANCIAL INCOME AND EXPENSES (d = a + b + c)	**8.6**	**(97)**	**(78)**	**(176)**
Income tax	9.1	(1,504)	(1,171)	(1,054)
NET INCOME FROM CONTINUING OPERATIONS AFTER TAX		**3,470**	**(397)**	**552**
Net income from discontinued operations		-	-	-
CONSOLIDATED NET INCOME		**3,470**	**(397)**	**552**
INCOME ATTRIBUTABLE TO THE PARENT’S SHAREHOLDERS		**3,468**	**(325)**	**626**
INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		**2**	**(72)**	**(74)**

Average number of shares	10.2	51,225,160	51,220,596	51,218,493
Basic earnings per share (in euros)	10.2	0.068	(0.006)	0.012
Diluted earnings per share (in euros)	10.2	0.067	(0.006)	0.012

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	**3,470**	**(397)**	**552**
Translation differences	340	69	167
Tax relating to translation differences	(63)	(1)	-
Actuarial gains and losses on defined benefit plans	236	18	63
Tax relating to actuarial gains and losses on defined benefit plans	(59)	(5)	(16)
TOTAL GAINS AND LOSSES RECOGNIZED IN EQUITY	**454**	**81**	**214**
- of which can be reclassified subsequently to profit and loss	277	68	167
- of which cannot be subsequently reclassified to profit and loss	177	13	47
CONSOLIDATED COMPREHENSIVE INCOME	**3,925**	**(316)**	**766**
COMPREHENSIVE INCOME ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	**3,928**	**(244)**	**846**
COMPREHENSIVE INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	**(3)**	**(72)**	**(79)**

STATEMENT OF CASH FLOWS

(in thousands of euros)	30/06/2022	30/06/2021	31/12/2021
NET INCOME FROM CONTINUING OPERATIONS	**3,470**	**(397)**	**552**
Accruals	1,835	1,420	4,348
Capital gains and losses on disposals	17	(76)	(149)
Group share of income of equity-accounted companies	(71)	(82)	(79)
CASH FLOW FROM OPERATING ACTIVITIES (before neutralization of the cost of net financial debt and taxes)	**5,251**	**865**	**4,672**
Cost of net debt	112	88	206
Tax expense	1,504	1,171	1,054
CASH FLOW FROM OPERATING ACTIVITIES (before neutralization of the cost of net financial debt and taxes)	**6,867**	**2,124**	**5,933**
Tax paid	(853)	(697)	(1,267)
Change in working capital	(3,362)	(2,211)	(835)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**2,652**	**(784)**	**3,831**
Investing activities			
Payment/acquisition of intangible assets	(1,223)	(714)	(1,513)
Payment/acquisition of property, plant and equipment	(380)	(383)	(1,608)
Proceeds/disposal of property, plant and equipment and intangible assets	11	81	169
Payment/acquisition of financial investments	(9)	(32)	(35)
Proceeds/disposal of financial investments	44	49	84
Net cash inflow/outflow on the acquisition/disposal of subsidiaries	(225)	-	(3,394)
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	**(1,783)**	**(999)**	**(6,297)**
Financing activities			
Capital increase or contributions	-	-	-
Dividends paid to parent company shareholders	-	-	-
Other equity transactions	22	(21)	(43)
Proceeds from borrowings	2,968	1,214	1,208
Repayments of borrowings and lease liabilities	(1,840)	(1,766)	(4,143)
Cost of net debt	(112)	(86)	(200)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	**1,038**	**(659)**	**(3,179)**
CASH FLOW GENERATED BY OPERATING ACTIVITIES (D = A + B + C)	**1,907**	**(2,442)**	**(5,644)**
Cash flow generated by discontinued operations	-	-	-
CHANGE IN CASH AND CASH EQUIVALENTS	**1,907**	**(2,442)**	**(5,644)**
Effects of exchange rate changes	*36*	*29*	64
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**16,897**	**22,478**	**22,478**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**18,841**	**20,065**	**16,897**

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
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**

(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
2021 CLOSING EQUITY	**25,632**	**85,617**	**(131)**	**(46,307)**	**64,812**	**41**	**64,853**
Share capital transactions	-	-	-	-	-	-	-
Free share allocation plan and stock option plan	-	138	-	-	138	-	138
Treasury share transactions	-	-	16	-	16	-	16
Dividends	-	-	-	-	-	-	-
Net income for the period	-	-	*6*	*3,464*	*3,469*	*2*	*3,470*
Items of comprehensive income	-	-	-	*459*	*459*	*(5)*	*454*
CONSOLIDATED COMPREHENSIVE INCOME	**-**	**-**	**6**	**3,923**	**3,928**	**(3)**	**3,925**
Changes in scope	-	-	-	-	-	-	-
JUNE 2022 CLOSING EQUITY	**25,632**	**85,755**	**(106)**	**(42,388)**	**68,893**	**38**	**68,931**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed half-year consolidated financial statements of the PRODWAYS GROUP cover a period of six months, from 1 January to 30 June 2022. They were approved by the Board of Directors on 14 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 half-year 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 approved by the French Financial Markets Authority (*Autorité des Marchés Financiers* – AMF) on 27 April 2022.

The accounting principles used for the preparation of 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 (please see the Company's Universal Registration Document approved by the AMF on 27 April 2022).

NOTE 2 SCOPE OF CONSOLIDATION

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

The Group did not experience any 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, CREABIS, CRISTAL, PODO 3D, INTERSON PROTAC;
- SYSTEMS division: PRODWAYS PRINTERS, 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;
- 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 a current 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.

- Current 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 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)	SYSTEMS	PRODUCTS	Structure and disposals	Consolidated
Backlog at start of period	9,198	1,069	(92)	10,175
Backlog at the end of the period	8,667	1,290	(4)	9,953
REVENUE	**26,420**	**15,253**	**(204)**	**41,470**
Capitalized production	1,043	74	-	1,116
Inventories and work in progress	(78)	189	-	111
Other income from operations	936	131	-	1,066
Purchases consumed	(14,404)	(6,612)	568	(20,448)
Personnel expenses	(7,927)	(6,638)	(732)	(15,298)
Tax and duties	(120)	(192)	(15)	(326)
Other operating expenses net of income	131	98	(35)	195
Current EBITDA	**6,001**	**2,303**	**(418)**	**7,886**
% revenue	*22.7%*	*15.1%*	*n/s*	*19.0%*
Depreciation, amortization and provisions (net of reversals)	(1,042)	(1,519)	68	(2,494)
OPERATING RESULT	**4,959**	**783**	**(350)**	**5,393**
% revenue	*18.8%*	*5.1%*	*n/s*	*13.0%*
Payment in shares	-	-	(175)	(175)
Restructuring costs	107	(16)	-	92
Amort. of intangible assets recognized at FV during acquisitions	(279)	(50)	-	(328)
Exceptional provisions for impairment of asset values	(11)	30	-	(19)
Other	-	-	-	-
Total other operating income	**(183)**	**(35)**	**(175)**	**(393)**
Group share of the earnings of affiliated companies	-	71	-	71
OPERATING INCOME	**4,776**	**820**	**(525)**	**5,071**
% revenue	*18.1%*	*5.4%*	*n/s*	*12.2%*
Research and development expenses capitalized during the financial year	1,043	31	-	1,074
Other property, plant and equipment and intangible investments[(1)]	135	326	68	529

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

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 expenses net of income	34	43	(16)	60
Current 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).*

3.2 Revenue by geographical area

FIRST HALF OF 2022

(in thousands of euros)	France	%	Europe	%	North America	%	Other	%	Total revenue	%
Systems	15,099	58%	5,623	59%	3,390	96%	2,309	98%	26,420	64%
Products	11,214	43%	3,869	41%	123	4%	47	2%	15,253	37%
Structure and disposals	(244)	-1%	41	0%	-	-	-	-	(204)	0%
TOTAL	26,068	100%	9,532	100%	3,513	100%	2,357	100%	41,470	100%
%	63%		23%		8%		6%		100%	

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%	

NOTE 4 OPERATIONAL DATA

4.1 Depreciation, amortization and provisions (net of reversals)

(in thousands of euros)	30/06/2022	30/06/2021	31/12/2021
DEPRECIATION, AMORTIZATION AND PROVISIONS			
Intangible assets	(374)	(324)	(679)
Property, plant and equipment	(872)	(952)	(1,911)
Rights of use	(1,114)	(1,007)	(2,118)
SUBTOTAL	**(2,360)**	**(2,283)**	**(4,707)**
CHARGES TO PROVISIONS, NET OF REVERSALS			
Inventory and work in progress	(57)	(24)	64
Current assets	(100)	122	430
Liabilities and expenses	23	(122)	(278)
SUBTOTAL	**(134)**	**(24)**	**216**
TOTAL NET CHARGES TO DEPRECIATION, AMORTIZATION AND PROVISIONS	(2,494)	(2,307)	(4,491)

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	4,725	(646)	4,079	2,741	3,054
Work in progress	826	-	826	604	650
Semi-finished and finished goods	949	(74)	875	1,457	1,427
Goods	2,383	(158)	2,225	1,253	1,371
INVENTORY AND WORK IN PROGRESS	8,883	(878)	8,006	6,055	6,502

As part of its restructuring projects initiated in 2020, the Group scrapped these impaired assets during the half-year for €1.6 million.

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	13,786	12,161	12,798
Impairment losses	(723)	(931)	(623)
TRADE ACCOUNTS RECEIVABLE, NET VALUES	13,063	11,230	12,175
CONTRACT ASSETS	48	-	20
CONTRACT LIABILITIES	2,086	617	1,585

4.4 Other current assets

(in thousands of euros)	30/06/2022			31/12/2021
	Gross value	Depreciation	Net value	Net value
Advances and down-payments made	153	-	153	75
Other receivables	322	-	322	644
Social and tax receivables	1,168	-	1,168	1,323
Prepaid expenses	1,154	-	1,154	1,006
TOTAL OTHER CURRENT RECEIVABLES	2,796	-	2,796	3,049

4.5 Other current liabilities

(in thousands of euros)	30/06/2022	31/12/2021
Suppliers	7,697	9,155
Fixed asset suppliers	-	-
SUPPLIER TOTALS	7,697	9,155
Advances and down-payments received	275	75
Social security liabilities	5,375	5,718
Tax liabilities	1,950	2,490
Miscellaneous debts	643	975
Deferred income related to the Research Tax Credit	3,488	3,015
TOTAL OTHER CURRENT LIABILITIES	11,731	12,273

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 Leases

The leases restated under IFRS 16 had a total asset value of €6.9 million and a very limited impact of €124 thousand on the 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 €1,114 thousand (of which €67 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 €42 thousand at 30 June 2022. Over the half-year, reversals of provisions amounting to €131 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 2022	6,021	1,228	(38)	7,212	7,477
New leases	519	205		724	724
Changes in scope	-	-	-	-	-
Amortization of rights of use	(752)	(362)		(1,114)	
Impairment of right-of-use assets	131	-		131	
Interest expenses					41
Change in accrued interest					(1)
Payments			4	4	(1,152)
Contract withdrawals/revaluations	(110)	(9)		(119)	(113)
Translation differences	79	-	-	79	79
AT 30 JUNE 2022	5,888	1,062	(34)	6,916	7,057
				of which lease liabilities due in less than one year	*1,701*
				of which lease liabilities due in more than one year	*5,356*

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 current EBITDA for the half-year, which amounted to €7,886 thousand, would have amounted to €6,738 thousand without the application of IFRS 16.

NOTE 5 EMPLOYEE EXPENSES AND BENEFITS

5.1 Workforce

	30/06/2022	30/06/2021	31/12/2021
Systems	197	214	195
Products	241	238	256
Structure	11	10	9
TOTAL WORKFORCE	450	462	460
AVERAGE WORKFORCE	449	467	468

5.2 Provisions for pensions and similar commitments

The long-term provisions related solely to retirement benefits for an amount of €690 thousand. For this half-year, the assumptions used were the same as at 31 December 2021 except for the benchmark IBOXX 10+ discount rate, which changed from 0.98% to 3.22%. The impact on shareholders' equity for the period, due to this rate increase, was -€325 thousand (SORIE).

5.3 Share-based payments

PRODWAYS GROUP set up free share allocation plans in 2016, 2019 and 2021.

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). There are potential shares under the 2019 and 2021 plans; the table below summarizes the situation of the two plans.

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	- / 2,095	- / 18,840
Cumulative final allocations/cancellations	- / 294,083	186,408 / 512,129
Potential share balance	256,467	104,263
Date of establishment	February 2021	January 2019
Start of the vesting period	February 2021	January 2019
End of the vesting period	February to July 2023	February 2021 to February 2023
End of the lock-up period	February to July 2023	February 2021 to February 2023
Total expense recognized excluding social charges *(in thousands of euros)*	402	860
Potential value of the shares *(in thousands of euros)*	662	331

NOTE 6 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

6.1 Goodwill

(in thousands of euros)	30/06/2022	31/12/2021
NET VALUE		
AT 1 JANUARY	41,831	38,094
Acquisitions[1]	-	3,737
Departures	-	-
AT 30 JUNE	41,831	41,831
Of which accumulated impairment	-	-
Of which Systems	*63%*	*63%*
Of which Products	*37%*	*37%*

[1] *First consolidation in 2021 concerns the acquisition of CREABIS in the PRODUCTS division.*

6.2 Intangible assets

(in thousands of euros)	Development projects	Other intangible assets	Non-current assets in progress	**TOTAL**
GROSS VALUE				
AT 1 JANUARY 2022	16,283	13,454	-	29,737
Acquisitions	1,074	115	34	1,223
Changes in scope	-	-	-	-
Departures	(4,521)	(269)	-	(4,790)
Other changes	-	215	-	215
Impact of changes in exchange rates	362	155	-	517
AT 30 JUNE 2022	13,199	13,671	34	26,904
DEPRECIATION, AMORTIZATION AND IMPAIRMENT				
AT 1 JANUARY 2022	11,991	6,714	-	18,704
Depreciation and amortization	257	445	-	702
Changes in scope	-	-	-	-
Impairment losses	(754)	-	-	(754)
Departures	(3,748)	(269)	-	(4,017)
Other changes	-	215	-	215
Impact of changes in exchange rates	59	57	-	117
AT 30 JUNE 2022	7,805	7,162	-	14,967
NET VALUE				
AT 1 JANUARY 2022	**4,293**	**6,740**	**-**	**11,033**
AT 30 JUNE 2022	**5,394**	**6,509**	**34**	**11,936**

As part of its restructuring projects initiated in 2020, the Group had identified certain assets to be impaired and recognized the corresponding provisions. Several of these assets were located on the Les Mureaux site, where the Group was a tenant until 30 June. As part of the departure from this site and during this half-year, the Group scrapped these impaired and fully depreciated assets for €4.8 million. The net impact of the disposals of the Group's intangible assets for the period was €0.8 million.

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

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 2022	7,203	19,381	9,874	3,808	235	40,501
Acquisitions	14	340	519	205	26	1,104
Changes in scope	-	-	-	-	-	-
Departures	-	(3,192)	(624)	(122)	-	(3,938)
Other changes	-	358	(109)	(2)	(13)	234
Impact of changes in exchange rates	21	242	149	-	19	430
At 30 June 2022	7,238	17,129	9,809	3,890	267	38,332
DEPRECIATION, AMORTIZATION AND IMPAIRMENT						
At 1 January 2022	1,167	16,086	3,853	2,580	-	23,686
Depreciation and amortization	196	343	752	362	-	1,653
Changes in scope	-	-	-	-	-	-
Impairment losses	-	(111)	(131)	-	-	(241)
Departures	-	(2,729)	(623)	(115)	-	(3,466)
Other changes	-	346	-	-	-	346
Impact of changes in exchange rates	21	224	70	-	-	315
At 30 June 2022	1,384	14,160	3,921	2,827	-	22,292
NET VALUE						
At 1 January 2022	**6,036**	**3,295**	**6,021**	**1,228**	**235**	**16,815**
At 30 June 2022	**5,854**	**2,969**	**5,888**	**1,062**	**267**	**16,039**

As part of its move from the Les Mureaux site, the Group scrapped these impaired and fully depreciated assets for €2.9 million over the half-year. The net impact of the disposals of property, plant and equipment for the period was €0.5 million.

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		6,502	-	1,306	-	198	8,006
Net receivables		12,175	-	835	-	52	13,063
Contract assets		20	-	28	-	-	48
Advances and down-payments		75	-	78	-	-	153
Prepaid expenses		1,006	-	134	-	13	1,154
SUBTOTAL	**A**	19,778	**-**	2,381	**-**	264	22,423
Trade payables		9,155	-	(1,521)	-	63	7,697
Contract liabilities		1,585	-	501	-	-	2,086
Advances and down-payments		75	-	187	-	14	275
Deferred income		2,677	-	443	-	41	3,161
SUBTOTAL	**B**	13,493	**-**	(390)	**-**	117	13,219
WORKING CAPITAL	C = A - B	6,285	-	2,771	-	147	9,204
Social and tax receivables		3,125	-	(95)	-	2	3,033
Other receivables		644	-	(322)	-	-	322
SUBTOTAL	**D**	3,770	**-**	(417)	-	2	3,355
Tax and social debts		8,378	-	(603)	-	42	7,818
Other payables and derivative instruments[1]		965	-	(395)	(225)	298	643
Deferred income CIR and subsidies		338	-	(10)	-	-	327
SUBTOTAL	**E**	9,681	**-**	(1,008)	(225)	340	8,788
OTHER ITEMS OF WORKING CAPITAL	F = D - E	(5,911)	-	591	225	(338)	(5,433)
WORKING CAPITAL	**G = C + F**	**374**	**-**	**3,362**	**225**	**(190)**	**3,770**

[1] *The "Other movements" column contains cash flows that do not generate cash movements or any reclassifications between items.*

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.

In July 2021, the Group acquired CREABIS. The acquisition contract provided for an earn-out based on the Company's performance in the 2021 to 2023 financial years, and a first earn-out of €225 thousand was paid in the first half of 2022.

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)	30/06/2022	31/12/2021
Proceeds	22	-
Payments	-	(43)
TOTAL	**22**	**(43)**

NOTE 8 FINANCING AND FINANCIAL INSTRUMENTS

8.1 Gross financial debt

In the first half of the year, three new loans were taken out with PRODWAYS GROUP, each for €1.5 million. Only two of them had been paid out as of 30 June 2022.

Three credit facility agreements were also signed for a total of €7.5 million.

The first tranche of the financing received by SOLIDSCAPE under the PPP program ($0.9 million) benefited from a total abandonment by the US federal government in 2022.

The State-guaranteed loans set up in 2020 (€8.4 million in total) will be amortized over four years.

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	**15,568**	**164**	**15,732**	**20**	**15,752**
Issue / subscription of new loans	2,917	51	2,968	26	2,994
Redemptions	(727)	(5)	(731)	(20)	(751)
Other changes[1]	(811)	-	(811)	-	(811)
First consolidation/Deconsolidation	-	-	-	-	-
Impact of changes in exchange rates	28	-	28	-	28
AT 30 JUNE 2022	**16,975**	**210**	**17,185**	**27**	**17,212**

[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 $0.9 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)	30/06/2022	< 1 year	> 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years
Bank borrowings	16,975	2,757	14,218	3,371	3,090	2,769	1,555	3,433
Other borrowings	210	4	206	9	9	9	9	171
FINANCIAL DEBT EXCLUDING CURRENT BANK OVERDRAFTS	17,185	2,761	14,424	3,379	3,099	2,777	1,564	3,604
Bank overdrafts	27	27	-	-	-	-	-	-
GROSS FINANCIAL DEBT	17,212	2,787	14,424	3,379	3,099	2,777	1,564	3,604

8.2 Cash and net debt

(in thousands of euros)	30/06/2022	31/12/2021
AVAILABLE CASH AND CASH EQUIVALENTS (A)	18,868	16,917
Bank overdrafts (B)	27	20
CASH (C) = (A) - (B)	18,841	16,897
Financial debt (D)	17,185	15,732
NET CASH (DEBT) (C) - (D)	1,656	1,165
Treasury shares	118	134
ADJUSTED NET CASH (NET DEBT) BEFORE IFRS 16	1,774	1,299

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	7,475
New leases	724
Redemptions	(1,109)
Other changes[1]	(112)
First consolidation/Deconsolidation	-
Impact of changes in exchange rates	79
AT 30 JUNE 2022	7,057

[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)	30/06/2022	< 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	7,057	1,701	5,356	*1,358*	*1,102*	*849*	*711*	*1,336*

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	1,213	71	-	-	-	1,285

8.5 Off-statement of financial position commitments related to financing

PRODWAYS GROUP has four revolving credit lines of €2.5 million each with three banking institutions. The three new lines complete the €2.5 million line which expires in December 2022. They are confirmed, on a decreasing basis, until 31 December 2025 and are not used to date.

8.6 Financial income and expenses

(in thousands of euros)	30/06/2022	30/06/2021	31/12/2021
Interest expense	(71)	(50)	(122)
Interest expenses on lease liabilities	(41)	(41)	(85)
Income from other securities	-	-	2
Net income on sales of transferable securities	-	3	(206)
Cost of net debt	**(112)**	**(88)**	**(39)**
Other interest income	(23)	(10)	69
Net exchange gain or loss	39	20	-
Financial allowances net of reversals	-	-	(176)
FINANCIAL INCOME AND EXPENSES	(97)	(78)	(122)

NOTE 9 CORPORATE INCOME TAX

9.1 Details of corporate income tax

Breakdown of tax expense

(in thousands of euros)	30/06/2022	30/06/2021	31/12/2021
Deferred tax liabilities	(651)	(474)	213
Taxes payable	(853)	(697)	(1,267)
TAX EXPENSE	(1,504)	(1,171)	(1,054)

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)	30/06/2022	31/12/2021
Tax receivables	1,865	1,802
Tax payable	493	161
NET TAX RECEIVABLE/(DUE)	1,372	1,641

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	105	164
Development costs	(1,185)	(966)
Leases	33	68
Fair value – IFRS 3	(1,388)	(1,435)
Other	41	8
SUBTOTALS	(2,395)	(2,161)
Other temporary differences	128	108
Deficits carried forward	2,453	3,011
TOTAL	186	958
DEFERRED TAX LIABILITIES	(684)	(538)
DEFERRED TAX ASSETS	870	1,496

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 55% 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

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

At 30 June 2022, 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 8,052,665 have double voting rights.

Share capital breakdown

	30 June 2022				31 December 2021			
	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
PÉLICAN VENTURE	11,089,087	21.63%	11,089,087	18.71%	11,089,087	21.63%	11,089,087	18.71%
GROUPE Gorgé	3,050,210	5.95%	6,000,420	10.12%	3,050,210	5.95%	6,000,420	10.12%
Raphaël Gorgé	173,964	0.34%	173,964	0.29%	177,472	0.35%	177,472	0.30%
Jean-Pierre Gorgé	173,048	0.34%	173,048	0.29%	173,113	0.34%	173,113	0.29%
Sub-total Gorgé family	**14,486,309**	**28.26%**	**17,436,519**	**29.41%**	**14,489,882**	**28.27%**	**17,440,092**	**29.42%**
Fimalac Développement	3,403,508	6.64%	6,807,016	11.48%	3,403,508	6.64%	6,807,016	11.48%
Safran Corporate Venture	907,894	1.77%	1,565,788	2.64%	907,894	1.77%	1,565,788	2.64%
Bpifrance Participations	750,000	1.46%	1,500,000	2.53%	750,000	1.46%	1,500,000	2.53%
Treasury shares	38,791	0.076%	-	-	45,458	0.09%	-	-
Public	31,531,251	61.51%	31,676,106	53.44%	31,667,209	61.77%	31,965,954	53.43%
TOTAL	**51,263,951**	**100.00%**	**59,277,825**	**100.00%**	**51,263,951**	**100%**	**59,278,850**	**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 360,730 potential shares.

10.2 Earnings per share

	30/06/2022	30/06/2021	31/12/2021
Weighted average number of shares	51,225,160	51,220,596	51,218,493
EARNINGS PER SHARE *(in euros)*	0.068	(0.006)	0.012
EARNINGS PER SHARE FROM ONGOING ACTIVITIES *(in euros)*	0.068	(0.006)	0.012
Dilutive potential shares[1]	360,730	410,162	363,200
Diluted weighted average number of shares	51,585,890	51,220,596	51,581,693
DILUTED EARNINGS PER SHARE *(in euros)*	0.067	(0.006)	0.012
DILUTED EARNINGS PER SHARE FROM ONGOING ACTIVITIES *(in euros)*	0.067	(0.006)	0.012

[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 the loss per share, the diluted earnings per share is equal to the basic earnings per share for the period until 30 June 2021.

NOTE 11 OTHER PROVISIONS AND CONTINGENT LIABILITIES

Short-term provisions *(in thousands of euros)*	Litigation	Customer warranties	Other	Total
AT 1 JANUARY 2022	712	-	215	927
Appropriations	-	-	16	16
Provisions used	-	-	(116)	(116)
Reversals	(7)	-	(18)	(25)
IMPACT ON THE NET INCOME FOR THE PERIOD	*(7)*	-	*(118)*	*(125)*
Impact of changes in exchange rates	-	-	4	4
AT 30 JUNE 2022	705	-	101	806

NOTE 12 TRANSACTIONS WITH RELATED PARTIES

Related parties are persons (Directors or managers of PRODWAYS GROUP or its main subsidiaries) or entities owned or managed by these persons.

in thousands of euros, in the Group's financial statements	GROUPE Gorgé	GROUPE Gorgé's subsidiaries
Income statement		
Revenue	-	119
Other income	-	-
Purchases and external charges	(324)	(3)
Statement of financial position		
Trade receivables	-	83
Trade payables	-	-
Other liabilities	74	21
Debtors	-	-
Loans	-	-
Guarantee deposits received	-	-

The company PRODWAYS GROUP is chaired by Mr. Raphaël Gorgé, who is also a Director and Chairperson and Chief Executive Officer of GROUPE Gorgé.

NOTE 13 OTHER NOTES

13.1 Commitments

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

13.2 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.

There are no significant changes in litigation compared with the information given in the notes to the consolidated financial statements at 31 December 2021.

13.3 Subsequent events

On 6 July 2022, the acquisition of the French company AUDITECH, a French specialist in customized hearing protection, was announced. In 2021, the company generated revenue close to €3 million and was 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 2022 and the date of the Board of Directors meeting that approved the consolidated financial statements.

NOTE 14 LIST OF CONSOLIDATED COMPANIES

Company	Parent company At 30 June 2022	% control 2022	% control 2021	% interest 2022	% interest 2021	Method 2022	Method 2021
Consolidating company							
PRODWAYS GROUP SA		Top	Top	Top	Top	FC	FC
Structure							
PRODWAYS ENTREPRENEURS(1)	PRODWAYS GROUP	100	100	100	100	FC	FC
PRODWAYS 2(1)	PRODWAYS GROUP	100	100	100	100	FC	FC
SYSTEMS							
3D SERVICAD	AS 3D	100	100	100	100	FC	FC
AVENAO SOLUTIONS 3D	PRODWAYS GROUP	100	100	100	100	FC	FC
AVENAO INDUSTRIE	AS 3D	100	100	100	100	FC	FC
DELTAMED (Germany)	PRODWAYS GROUP	100	100	100	100	FC	FC
EXCELTEC	PRODWAYS GROUP	100	100	100	100	FC	FC
PRODWAYS	PRODWAYS GROUP	100	100	100	100	FC	FC
PRODWAYS CONSEIL	PRODWAYS GROUP	100	100	100	100	FC	FC
PRODWAYS MATERIALS (Germany)	DELTAMED	100	100	100	100	FC	FC
PRODWAYS RAPID ADDITIVE FORGING	PRODWAYS GROUP	100	100	100	100	FC	FC
NEXTCUBE.IO	AS 3D	64.67	64.67	64.67	64.67	FC	FC
SOLIDSCAPE (United States)	PRODWAYS GROUP	100	100	100	100	FC	FC
PRODUCTS							
CREABIS (Germany)(2)	INITIAL	100	100	100	100	FC	FC
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
PODO 3D	PRODWAYS GROUP	100	100	100	100	FC	FC
SCI CHAVANOD	PRODWAYS GROUP	100	100	100	100	FC	FC
VARIA 3D (United States)	PRODWAYS GROUP	70	70	70	70	FC	FC

(1) Companies with no activities.

(2) CREABIS was acquired in July 2021; it was only consolidated for six months in 2021.

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

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 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 14 September 2022

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.

Mickaël OHANA, Chief Executive Officer