TOUCH THE DIFFERENCE

FIRST HALF FINANCIAL REPORT 2021

CONTENTS

AURES Technologies SA

24 bis rue Léonard de Vinci, CS 20622, Lisses, 91027 EVRY CEDEX, France

T +33 (0)1 69 11 16 60 | **www.aures.com**

SA au capital de 1 000 000 € | RCS: Evry B 352 310 767

Code APE: 4652Z | SIRET: 352 310 767 00046

Numéro d’identification intracommunautaire: FR 40 352 310 767

INTERIM BUSINESS REVIEW

At its meeting on 30 September 2021, the Board of Directors approved the accompanying interim financial statements for the six months ended 30 June 2021.

1. Significant events and impact on the interim financial statements

The impacts of the global health crisis caused by Covid-19 continued to affect business during the period. However, the Group saw a turnaround in business trends amid ongoing uncertainty, driven by stellar growth in the second quarter (up 61.4% on second-quarter 2020).

In addition, other events particularly impacting business towards the end of first-half 2021 include the shortage of components and delays in deliveries owing to transport difficulties.

Lastly, on 22 February 2021 the Group acquired all the shares of a set of two companies specialised in designing, developing and marketing software products, the French company Softavera and the Tunisia-based Leader Solution Tactile (LST), as well as their trademarks and associated software.
More details on the acquisition can be found in the notes to the condensed interim consolidated financial statements.

The aim of the structural operation is to enable the Group to offer end-to-end solutions to the market by proposing not only hardware but also middleware (IT gateway between kiosk applications and point-of-sale management software).

2. Financial position and results

2.1. Revenue

Consolidated revenue totalled €51,276K for first-half 2021, up 19.5% from €42,896K in first-half 2020.

Revenue at actual exchange rates was significantly affected (around 4 points) by sharp fluctuations in the average EUR/USD exchange rate (4% higher than in first-half 2020). At constant exchange rates, consolidated revenue grew by more than 23%.

2.2. Operating profit

Operating profit was €2,984K, up 236.4% from €887K in first-half 2020.

The increase was mainly driven by the rise in revenue.

Financial support recognised during the period in connection with the Group’s various short-time working schemes totalled €116K, compared to €818K for the same period in 2020.

Based on the consolidated income statement, gross margin is calculated as follows:

	First-half 2021	First-half 2020
Revenue	51,276	42,896
Cost of goods sold	(26,061)	(22,197)
Gross margin	25,215	20,699
as a % of revenue	**49.18%**	**48.25%**

Gross margin increased to 49.18% from 48.25% in first-half 2020.

Goods forwarding costs remained under control, up €54K over the period compared to 2020.

The first-half 2021 operating profit figure includes €140K in acquisition fees, €66K in amortisation charged against intangible assets and €136K in personnel costs (earn-out) relating to the acquisition finalised during the period.

For the first time, the Group also recognised research tax credits in the amount of €216K, in accordance with IAS 20.

At constant scope of consolidation, the Group's operating profit amounted to €3,387K, representing an operating margin of 6.72%, higher than the 6.1% recorded in first-half 2019, despite revenue for the period being lower than in first-half 2019.

Lastly, RTG confirmed its ability to generate an operating profit. Over the period, the entity posted operating profit (excluding intangible asset amortisation) of €1,534K (compared with operating profit of €336K for first-half 2020 and an operating loss of €299K for first-half 2019).

2.3. Financial profit and loss

The Group recorded financial profit of €453K versus a loss of €250K in first-half 2020, mainly reflecting currency fluctuations.

The components comprising the financial profit are detailed in Note 5.22 to the consolidated financial statements for the six months ended 30 June 2021.

2.4. Net profit

After a tax expense of €1,098K, net profit attributable to owners of the parent came in at €2,271K, or 4.43% of revenue.

The tax expense represents 31.93% of pre-tax profit, compared with 30.84% in first-half 2020.

Net profit including non-controlling interests was €2,340K.

2.5. Net cash position

During the period, the Group decided to convert the €10.5 million government-backed loan ("PGE") that it obtained in 2020 from three financial institutions in France into a loan repayable over five years with a one-year deferment period. Excluding the cost of the guarantee from the French government, the fixed interest rate on the loan ranges between 0.28% and 0.75%.

In the United States, the Group has obtained confirmation from the SBA that its USD 3 million Paycheck Protection Program (PPP) loan will be forgiven. Accordingly, the loan will be converted into a grant recognised in income in 2020.

Changes in net debt were as follows:

Gross debt at 31 December 2020	**(21,233)**
Repayments during the period[1]	3,680
New borrowings	(16)
Impact of exchange rate fluctuations	(38)
Gross debt at 30 June 2021	**(17,569)**
Bank overdrafts	(50)
Cash and cash equivalents	23,220
Net cash at 30 June 2021	**5,601**

[1] Including €2,342K in non-cash repayments following confirmation from the SBA of the conversion of the Paycheck Protection Program (PPP) loan into a grant recognised in income in 2020.

3. Subsequent events

No events that could have a significant impact on the consolidated financial statements took place between 30 June 2021 and the date on which this report was prepared.

4. Outlook

Demand returned in 2021.

Five months after its February acquisition, the Group has finalised the first version of its middleware (IT gateway between kiosk applications and point-of-sale management software).
Demand for middleware interconnection from software publishers confirms market expectations.

Despite the positive signs of a recovery in business, there is still a lack of visibility as to the global shortage of electronic components and the pressure on sea and air freight in terms of both capacity and prices.

Any forecast would therefore still be subject to a high degree of uncertainty.

5. Risks and uncertainties

The risks and uncertainties facing the Company's business activities in the months ahead are broadly similar to those presented in the management report contained in the 2020 annual report.

Since there were no significant developments during the period in the disputes that were in progress at the end of 2020 or in their outcome versus the analysis presented at the time of preparing its financial statements for the year ended 31 December 2020, the Company has maintained the position that it adopted at that date.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

➢ Consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (€ thousands)

Notes	ASSETS	30 June 2021	31 Dec. 2020
	NON-CURRENT ASSETS		
5.1	Goodwill	9,178	6,901
5.2	Intangible assets	7,788	5,583
5.4	Right-of-use assets under leases	7,193	7,633
5.3	Property, plant and equipment	2,154	1,925
5.5	Other financial assets	1,634	1,418
5.24	Deferred tax assets	2,267	2,673
	TOTAL NON-CURRENT ASSETS	**30,214**	**26,133**
	CURRENT ASSETS		
5.6	Inventories and work-in-progress	20,451	19,526
5.7	Trade receivables	16,011	9,793
5.8	Other current assets	2,171	7,135
	Financial assets at fair value	17	0
5.9	Cash and cash equivalents	23,220	23,468
	TOTAL CURRENT ASSETS	**61,869**	**59,922**
	TOTAL ASSETS	**92,084**	**86,055**

Notes	EQUITY AND LIABILITIES	30 June 2021	31 Dec. 2020
	EQUITY		
	Share capital	1,000	1,000
	Reserves	31,235	27,725
	Attributable net profit for the period	2,271	3,026
	Shareholders' equity	34,507	31,752
	Non-controlling interests	324	255
5.10	**TOTAL EQUITY**	**34,830**	**32,007**
	NON-CURRENT LIABILITIES		
5.12	Non-current borrowings and debt	14,830	18,550
5.13	Non-current lease liabilities	6,138	6,544
5.24	Deferred tax liabilities	1,243	1,538
5.11	Provisions for contingencies and expenses	1,137	1,134
5.16	Other non-current liabilities	137	462
	TOTAL NON-CURRENT LIABILITIES	**23,485**	**28,228**
	CURRENT LIABILITIES		
5.14	Trade payables	13,547	9,539
5.13	Current portion of lease liabilities	1,472	1,400
5.12	Current borrowings and debt	2,828	2,704
	Derivative instruments	0	260
	Current tax	1,241	647
5.15	Contract liabilities	7,156	6,072
5.16	Other liabilities	7,525	5,199
	TOTAL CURRENT LIABILITIES	**33,768**	**25,820**
	TOTAL EQUITY AND LIABILITIES	**92,084**	**86,055**

CONSOLIDATED INCOME STATEMENT (€ thousands)

Notes		First-half 2021	First-half 2020
5.17	Revenue	51,276	42,896
	Cost of goods sold	(26,061)	(22,197)
	Personnel costs	(10,572)	(10,138)
	External expenses	(8,843)	(7,520)
	Taxes other than on income	(287)	(271)
5.2/5.3/5.4	Depreciation and amortisation expense	(1,799)	(1,879)
5.6/5.7/5.11	(Additions to) Reversals of provisions	(636)	(726)
5.20	Other operating income and expenses	(104)	692
	Net recurring operating profit	**2,975**	**857**
5.21	Other income from operations	74	33
5.21	Other expenses from operations	(64)	(3)
	Net operating profit	**2,984**	**887**
	Cost of net debt	(155)	(173)
5.22	**Cost of net debt**	**(155)**	**(173)**
5.22	Other financial income	713	405
5.22	Other financial expenses	(104)	(482)
5.23	Income tax expense	(1,098)	(197)
	Net profit for the period	**2,340**	**441**
	Attributable to owners of the parent	2,271	414
	Attributable to non-controlling interests	68	27
5.25	Basic earnings per share (€)	0.58	0.11
5.25	Diluted earnings per share (€)	0.58	0.11

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (€ thousands)

Notes		First-half 2021	First-half 2020
	Consolidated net profit attributable to owners of the parent	**2,271**	**414**
	Other comprehensive income (loss) to be reclassified to the income statement	0	0
	Translation gains and losses	397	(560)
	Other comprehensive income (loss) not to be reclassified to the income statement	0	0
	Actuarial gains and losses on defined benefit plans	0	0
	Total other items of comprehensive income (loss)	**397**	**(560)**
	Net profit (loss) attributable to non-controlling interests	0	0
	Attributable to owners of the parent	**2,668**	**(146)**
	Attributable to non-controlling interests	**68**	**27**
	Total comprehensive income (loss)	**2,736**	**(119)**

CONSOLIDATED STATEMENT OF CASH FLOWS (€ thousands)

Notes		First-half 2021	First-half 2020
	Consolidated net profit (1)	2,340	441
	+/- Net depreciation, amortisation and provision expense (2)	1,721	1,643
5.22	-/+ Unrealised gains and losses on changes in fair value	(172)	(51)
	-/+ Income and expenses related to stock options and other	58	(4)
	-/+ Capital gains and losses on disposals	(3)	(15)
5.22	+ Cost of net debt	155	169
5.23	+/- Income tax expense (including deferred taxes)	1,098	197
	= CASH FLOW FROM OPERATIONS BEFORE COST OF NET DEBT AND INCOME TAX EXPENSE (A)	5,197	2,380
	- Income tax paid (B)	1,076	(261)
	+/- Change in working capital relating to operations (3) (C)	(1,510)	435
	= NET CASH FROM OPERATING ACTIVITIES (D) = (A)+(B)+(C)	4,763	2,554
	- Outflows relating to purchases of property, plant and equipment and intangible assets	(292)	(144)
	+ Inflows relating to disposals of property, plant and equipment and intangible assets	16	0
5.5	- Outflows relating to purchases of long-term financial assets (non-consolidated equity investments)	0	0
5.1	+/- Impact of changes in scope of consolidation (5)	(2,839)	0
	+/- Change in loans and advances granted	(182)	129
	= NET CASH FROM (USED IN) INVESTING ACTIVITIES (E)	(3,297)	(16)
6.6	-/+ Buybacks and sales of treasury shares	17	0
	- Dividends paid during the period:	0	0
	- Dividends paid to owners of the parent	0	0
	- Dividends paid to non-controlling shareholders of consolidated companies	0	0
5.12	+ Inflows relating to new borrowings	113	13,655
5.12	- Repayments of borrowings	(1,344)	(827)
	- Decrease in lease liabilities	(758)	(1,066)
5.22	- Net interest paid	(155)	(169)
	= NET CASH FROM (USED IN) FINANCING ACTIVITIES (F)	(2,127)	11,593
	+/- Impact of exchange rate fluctuations (G)	383	(314)
5.9/5.12	**= NET CHANGE IN CASH AND CASH EQUIVALENTS (4) (H) = (D)+(E)+(F)+(G)**	**(278)**	**13,818**
	NET CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD (I)	**23,447**	**8,268**
	NET CASH AND CASH EQUIVALENTS AT END OF PERIOD (J)	**23,169**	**22,085**

(1) Including non-controlling interests.
(2) Excluding additions relating to current asset items.
(3) Including changes relating to employee benefit obligations.
(4) Including cash and cash equivalents and bank overdrafts (see Notes 5.9 and 5.12).
(5) See Note 5.1, Goodwill.

The change in working capital (C) can be analysed as follows:

	First-half 2021	First-half 2020
Change relating to trade receivables and contract assets net of contract liabilities	(4,398)	8,401
Change relating to trade payables	3,228	(9,852)
Change relating to other receivables and payables	230	(873)
Change relating to inventories	(569)	2,759
= Change in working capital relating to operations	**(1,510)**	**434**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (€ thousands)

	Share capital	Consolidated reserves	Translation reserves	Shareholders' equity	Non-controlling interests	Total equity
Total equity at 31 December 2019[1]	**1,000**	**29,282**	**(1,030)**	**29,252**	**193**	**29,445**
Net profit for the period	0	414	0	414	27	441
Translation gains and losses	0	0	(560)	(560)	0	(560)
Actuarial gains and losses on defined benefit plans	0	0	0	0	0	0
Comprehensive income (loss)	**0**	**414**	**(560)**	**(146)**	**27**	**(119)**
Dividends paid	0	0	0	0	0	0
Treasury share transactions	0	(40)	0	(40)	0	(40)
Free share awards	0	0	0	0	0	0
Other	0	(5)	0	(5)	0	(5)
Total equity at 30 June 2020	**1,000**	**29,651**	**(1,590)**	**29,061**	**220**	**29,281**

[1] After the retrospective application of reclassifications linked to the purchase price accounting for RTG.

	Share capital	Consolidated reserves	Translation reserves	Shareholders' equity	Non-controlling interests	Total equity
Total equity at 31 December 2020	**1,000**	**32,298**	**(1,546)**	**31,752**	**255**	**32,007**
Net profit for the period	0	2,271	0	2,271	68	2,340
Translation gains and losses	0	0	397	397	0	397
Actuarial gains and losses on defined benefit plans		0	0	0	0	0
Comprehensive income	**0**	**2,271**	**397**	**2,668**	**68**	**2,736**
Dividends paid	0	0	0	0	0	0
Treasury share transactions	0	29	0	29	0	29
Free share awards	0	58	0	58	0	58
Other	0	0	0	0	0	0
Total equity at 30 June 2021	**1,000**	**34,656**	**(1,149)**	**34,507**	**323**	**34,830**

Unless otherwise specified, all the information below is expressed in thousands of euros.

1. Accounting policies and methods

1.1. General accounting principles and accounting standards

The AURES Group has prepared its condensed interim financial statements for the six months ended 30 June 2021 in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union and mandatorily applicable prior to 30 June 2021.
The standards can be consulted on the European Commission website.

The interim consolidated financial statements for the six months ended 30 June 2021 were prepared in accordance with IAS 34 – Interim Financial Reporting. As these are condensed financial statements, they do not include all of the disclosures required by IFRS and must be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2020.
The accounting policies and methods used by the Group to prepare its condensed interim financial statements are identical to those used to prepare the consolidated financial statements for the year ended 31 December 2020.

The following standards, amendments and interpretations applicable for reporting periods beginning on or after 1 January 2021 do not have a material impact on the financial statements or are not applicable:

- Amendments to IFRS 7, IFRS 9, IAS 39, IFRS 4 and IFRS 16 published in January 2021 – "Interest Rate Benchmark Reform – Phase 2".
- Amendments to IFRS 7 and IFRS 4 – Insurance Contracts – "Extension of the Temporary Exemption from Applying IFRS 9".
- IFRIC decision on Attributing Benefit to Periods of Service (IAS 19 – Employee Benefits). The Group will finalise its analysis of the impacts of the decision for 31 December 2021.

There are no major standards, amendments or interpretations either adopted or not yet adopted by the European Union but available for early adoption and due to come into force for reporting periods beginning on or after 30 June 2021.

The consolidated financial statements for the six months ended 30 June 2021 were approved by the Board of Directors on 30 September 2021.

1.2. Significant estimates and assumptions

Preparing financial statements in accordance with the IFRS Conceptual Framework requires the Group to make estimates and assumptions which affect the amounts reported in those financial statements. Estimates and assumptions that are deemed likely to result in a significant adjustment to the carrying amount of assets and liabilities in the next reporting period are detailed below.

1.2.1. Goodwill impairment

The Group tests its goodwill for impairment annually, in accordance with the method described in Note 5.1.1 to the consolidated financial statements for the year ended 31 December 2020. The recoverable amounts of the Group's cash-generating units are determined based on value in use. Value-in-use calculations are based on estimates.

1.2.2. Income tax

Deferred tax assets are recognised for tax loss carryforwards to the extent that it is probable that the Group will generate future taxable income. They are recognised in the financial statements if the Group considers that they are likely to be recovered. The amount recognised is determined based on forecasts of future taxable income based on a reasonable likelihood that the assets will be realised or recovered, as estimated in light of available forecasts.

The Group is therefore required to exercise judgement as to the impact of recent events on the value of these assets and, in particular, any changes in estimates of future taxable profit and in the timing of their reversal. The position adopted by the Group may depend on its interpretation of applicable tax legislation, and this interpretation may be uncertain.

1.2.3. Other significant estimates

Other significant estimates made by management when preparing the consolidated financial statements chiefly concern:

- the measurement of intangible assets (trademarks, customer relationships, non-compete clauses, etc.);
- the measurement of right-of-use assets and lease liabilities;
- provisions for claims and disputes;
- post-employment benefits;
- asset impairment;
- provisions for contingencies and expenses;
- research tax credits.

1.3. Principal accounting methods

The principal accounting methods used by the Group now include:

- *Intangible assets (1.3.1)*

Trademarks and copyrights are amortised over an estimated life of 15 years.

- *Recurring operating profit and operating profit (1.3.17)*

In accordance with IAS 20, the Group recognises research tax credits within recurring operating profit, as a deduction from personnel costs.

2. Scope of consolidation

The ultimate parent company is AURES Technologies SA.
The following entities are included in the scope of consolidation:

	30 June 2021			31 Dec. 2020		
	% ownership	% control	Consolidation method	% ownership	% control	Consolidation method
AURES Technologies Limited	100%	100%	FC	100%	100%	FC
AURES Technologies GmbH	90%	90%	FC	90%	90%	FC
AURES Technologies Inc.	100%	100%	FC	100%	100%	FC
AURES Technologies Pty	100%	100%	FC	100%	100%	FC
J2 Systems Technology Limited	100%	100%	FC	100%	100%	FC
CJS PLV	15%	15%	NC	15%	15%	NC
AGH US Holding Company Inc.	100%	100%	FC	100%	100%	FC
Retail Technology Group Inc.	100%	100%	FC	100%	100%	FC
AURES Konnect	100%	100%	FC	100%	100%	FC
Softavera	100%	100%	FC	-	-	-
Leader Solution Tactile	100%	100%	FC	-	-	-

FC: Full consolidation

NC: Not consolidated

3. Foreign currency translation

The table below shows the exchange rates used to translate entities' foreign currency financial statements into euros:

	Average rate 2021	Average rate 2020	Closing rate	Closing rate
	(6 months)	(6 months)	30 June 2021	31 Dec. 2020
US dollar	1.2057	1.1410	1.1884	1.2271
Australian dollar	1.5629	1.6556	1.5853	1.5896
Pound sterling	0.8685	0.8892	0.8581	0.8990

The exchange rates used to translate the financial statements of LST (consolidated with effect from 22 February 2021) into euros are as follows:

	Average rate	Opening rate	Closing rate
	2021	22 Feb. 2021	30 June 2021
Tunisian dinar	3.31018	3.30030	3.31100

Translation gains and losses recognised in other comprehensive income primarily result from fluctuations in the US dollar, Australian dollar and pound sterling between 2020 and 2021.

4. Alternative performance indicators

The Group monitors the following alternative performance indicators (APIs):

- changes in revenue based on constant exchange rates, which are calculated using the exchange rates for the period prior to the published period;
- gross profit, which is determined by deducting cost of goods sold from revenue;
- gross margin, which corresponds to gross profit divided by revenue;
- operating margin, which corresponds to operating profit divided by revenue;
- net margin, corresponding to net profit divided by revenue;
- net debt (or net cash), which represents the difference between gross debt (non-current borrowings and debt, excluding lease liabilities) and cash as reported in the statement of cash flows, comprising cash and cash equivalents less bank overdrafts.

5. Notes to the financial statements for the six months ended 30 June 2021

Amounts are expressed in thousands of euros.

5.1. Goodwill

Movements in goodwill can be analysed as follows:

In € thousands	31 Dec. 2020	Impact of exchange rate fluctuations	Changes in scope of consolidation	30 June 2021
Goodwill (J2)	329	16	0	345
Goodwill (RTG)	6,572	214	0	6,786
Goodwill (Softavera and LST)	0	0	2,048	2,048
TOTAL	**6,901**	**230**	**2,048**	**9,178**

5.1.1. Acquisition of Softavera and LST and their trademarks and associated software

Through its entity AURES Konnect SAS, on 22 February 2021 the Group acquired all the shares of a set of two companies – the French company Softavera and the Tunisia-based Leader Solution Tactile (LST) –, as well as their trademarks and associated software.
The companies employ about 70 people and design, develop and market software products.

The aim of the structural operation is to enable the Group to offer end-to-end solutions to the market by proposing not only hardware but also middleware (IT gateway between kiosk applications and point-of-sale management software).

The amount of the operation was €4.88 million, breaking down as follows:

- a cash payment on closing the acquisition;
- a cash payment deferred until September 2021;
- a cash payment deferred for a period of one year.

Since the cash assets acquired represented €148K, the net impact on consolidated cash and cash equivalents was a negative €2.839 million at 30 June 2021.

The provisional goodwill calculated by the Group was €2.048 million, corresponding to the acquisition price less the net assets of the companies at the acquisition date (i.e., 22 February 2021).

The measurement of the assets acquired and liabilities assumed together with the estimate and calculation of goodwill in accordance with IFRS 3 will be finalised within 12 months of the acquisition date.

The table below shows the fair value of the assets acquired and liabilities assumed at the acquisition date of 22 February 2021:

In € thousands	
Total non-current assets	2,978
Total current assets	1,089
Total cash and cash equivalents	148
Total assets	**4,215**
Total non-current liabilities	0
Total current liabilities	1,378
Total liabilities	**1,378**
Net assets at the acquisition date	2,837
Acquisition price	4,885
Provisional goodwill	**2,048**

The non-current assets acquired consist mainly of trademarks and copyrights with an estimated life of 15 years.

In first-half 2021, the set of acquired companies contributed a positive €915K to consolidated revenue and a negative €17K to consolidated operating profit.
Softavera's business is included in the marketing segment (see Note 5.17).

5.2. Intangible assets

Movements in intangible assets can be analysed as follows:

In € thousands	31 Dec. 2020	Acquisitions	Disposals	Transfers	Changes in scope of consolidation	Impact of exchange rate fluctuations	30 June 2021
Customer relationships	11,172	0	0	0	0	449	11,621
Non-compete clause	363	0	0	0	0	13	376
Concessions, patents and other rights	1,813	4	0	0	2,205	16	4,038
Trademarks	0	0	0	0	600	0	600
Gross value of intangible assets	**13,348**	**4**	**0**	**0**	**2,805**	**478**	**16,636**
Customer relationships	(5,886)	(667)	0	0	0	(273)	(6,826)
Non-compete clause	(201)	0	0	0	0	(8)	(209)
Concessions, patents and other rights	(1,678)	(103)	0	0	(2)	(14)	(1,797)
Trademarks	0	(14)	0	0	0	0	(14)
Amortisation of intangible assets	**(7,765)**	**(784)**	**0**	**0**	**(2)**	**(296)**	**(8,847)**
Net amount of intangible assets	**5,583**	**(780)**	**0**	**0**	**2,804**	**182**	**7,788**

5.3. Property, plant and equipment

Movements in property, plant and equipment can be analysed as follows:

In € thousands	31 Dec. 2020	Acquisitions	Disposals	Transfers	Changes in scope of consolidation	Impact of exchange rate fluctuations	30 June 2021
Buildings, fixtures and fittings	1,852	112	0	737	9	32	2,742
Technical installations, equipment and tooling	487	2	0	4	2	15	510
Other property, plant and equipment	1,201	149	(27)	4	212	18	1,557
Property, plant and equipment in progress	779	0	0	(745)	0	0	34
Gross value of property, plant and equipment	**4,319**	**263**	**(27)**	**0**	**223**	**65**	**4,843**
Buildings, fixtures and fittings	(1,035)	(96)	0	0	(1)	(29)	(1,161)
Technical installations, equipment and tooling	(457)	(6)	0	0	0	(15)	(478)
Other property, plant and equipment	(902)	(85)	25	0	(69)	(17)	(1,048)
Depreciation of property, plant and equipment	**(2,394)**	**(188)**	**25**	**0**	**(70)**	**(60)**	**(2,688)**
Net amount of property, plant and equipment	**1,925**	**75**	**(2)**	**0**	**153**	**5**	**2,155**

Movements recorded under "Transfers" relate to the transfer of property, plant and equipment in progress to their final asset categories.

During the period, they correspond to fixtures and fittings for the headquarters extension.

"Other property, plant and equipment" mainly includes vehicles (€86K) and office and IT equipment (€1,471K).

5.4. Right-of-use assets

Right-of-use assets related to property, plant and equipment can be analysed as follows:

In € thousands	31 Dec. 2020	Increases: New leases	Increases: Depreciation	Decreases: End of contracts	Decreases: Depreciation	Impact of exchange rate fluctuations	30 June 2021
Right-of-use assets – Property	7,068	39	(642)	0	0	120	6,585
Right-of-use assets – Plant and equipment	0	8	(1)	0	0	0	6
Right-of-use assets – Vehicles	565	227	(185)	(43)	32	5	601
TOTAL	**7,633**	**274**	**(828)**	**(43)**	**32**	**125**	**7,192**

5.5. Long-term financial assets

Movements in long-term financial assets can be analysed as follows:

In € thousands	31 Dec. 2020	Increases	Decreases	Transfers	Changes in scope of consolidation	Impact of exchange rate fluctuations	30 June 2021
Non-consolidated equity investments	951	0	0	0	0	0	951
Other long-term financial assets	467	195	(1)	0	19	3	683
TOTAL	**1,418**	**195**	**(1)**	**0**	**19**	**3**	**1,634**

Non-consolidated equity investments relate to the acquisition of a 15% stake in the capital of CJS-PLV on 4 January 2018. In the current environment, the Group did not find any evidence that this investment might be impaired at 30 June 2021.

Other long-term financial assets mainly comprise deposits and guarantees given on the signature of leases regarding various Group entities and a holdback (€250K) deducted by BPI at the time of arranging financing in 2018.

The increase during the period mainly corresponds to a guarantee deposit that was set up for the use of a bank card at RTG (€166K).

5.6. Inventories

In € thousands	30 June 2021	31 Dec. 2020
Inventories	24,125	22,427
Impairment	(3,674)	(2,901)
NET	**20,451**	**19,526**

Inventories and work-in-progress can be analysed as follows for each Group entity:

In € thousands	TOTAL	AUS	FR	GMBH	US	UK	RTG	SOFTAVERA
Inventories	24,125	2,078	10,137	2,706	2,452	2,493	4,175	84
Impairment	(3,674)	(397)	(735)	(327)	(620)	(570)	(1,025)	0
NET	**20,451**	**1,681**	**9,402**	**2,379**	**1,832**	**1,923**	**3,150**	**84**

Movements in the "Impairment" line can be analysed as follows:

In € thousands	31 Dec. 2020	Impairment	Reversals of impairment	Changes in scope of consolidation	Impact of exchange rate fluctuations	30 June 2021
Impairment	(2,901)	(3,649)	2,946	0	(70)	(3,674)

Impairment recognised against inventories is included in operating profit.

The increase in impairment charged against inventories in the period primarily reflects the slower inventory turnover due to the contraction in the Group's business as a result of the Covid-19 health crisis.

5.7. Trade receivables

In € thousands	30 June 2021	31 Dec. 2020
Gross value	16,304	10,098
Impairment	(294)	(305)
NET	**16,011**	**9,793**

Movements in impairment of trade receivables can be analysed as follows:

In € thousands	31 Dec. 2020	Impairment	Reversals of impairment	Changes in scope of consolidation	Impact of exchange rate fluctuations	30 June 2021
Impairment	(305)	(169)	225	(38)	(7)	(294)

All trade receivables fall due within one year, with the exception of doubtful receivables.

The maximum exposure to credit risk on trade receivables is their carrying amount.
Impairment recognised against trade receivables is included in operating profit.

Trade receivables can be analysed as follows for each Group entity:

In € thousands	TOTAL	AUS	FR	GMBH	US	UK	RTG	SOFTAVERA
Trade receivables	16,219	1,060	4,404	1,212	1,673	1,708	5,144	1,017
Doubtful receivables	85	74	12	0	0	0	0	0
Gross value	16,304	1,133	4,416	1,212	1,673	1,708	5,144	1,017
Impairment	(294)	(68)	(10)	(24)	0	0	(174)	(18)
NET	**16,011**	**1,066**	**4,406**	**1,188**	**1,673**	**1,708**	**4,970**	**999**

5.8. Accrued receivables and other

In € thousands	30 June 2021	31 Dec. 2020
State	698	3,322
Personnel-related receivables	8	8
Amounts receivable from suppliers	4	99
Credit notes receivable	81	50
Advances granted to suppliers	195	125
Other receivables	318	2,761
Accrued income	4	4
Prepaid expenses	863	766
TOTAL	**2,171**	**7,134**

At 31 December 2020, "Other receivables" included €2,459K corresponding to the estimated amount when the Group filed its forgiveness application for the USD 3 million loan obtained under the Paycheck Protection Program (PPP) introduced by US Public Law 116-136 – Coronavirus Aid, Relief and Economic Security (the "CARES" Act).

5.9. Cash and cash equivalents

In € thousands	30 June 2021	31 Dec. 2020
Bank accounts	23,207	23,458
Petty cash	12	10
TOTAL	**23,220**	**23,468**

5.10. Equity

Equity includes shareholders' equity and non-controlling interests as shown in the statement of financial position.
The consolidated statement of changes in equity can be found on page 10 of the consolidated financial statements.

Consolidated equity is not subject to any third-party restrictions.

Treasury shares held at 30 June 2021 amounted to €1,592K.

5.11. Provisions for contingencies and expenses

In € thousands	31 Dec. 2020	Additions	Reversals	Remeasurement	Transfers	Changes in scope of consolidation	Impact of exchange rate fluctuations	30 June 2021
Employee benefit obligations (1)	560	26	0	0	0	0	0	586
Customer warranties (2)	451	504	(452)	0	0	0	2	505
Free share plans	1	13	0	0	0	0	0	14
Other provisions for contingencies (3)	122	0	(90)	0	0	0	0	32
TOTAL	**1,134**	**543**	**(542)**	**0**	**0**	**0**	**2**	**1,137**

◦ (1) Employee benefit obligations

In accordance with IAS 34, employee benefit obligations were not fully recalculated at 30 June 2021.

Changes in the net benefit obligation were estimated as follows:

- Interest cost and past service cost were estimated based on data extrapolated at 30 June 2021 from the total obligation as calculated at 31 December 2020.

- No actuarial differences resulting from changes in the discount rate were reported in first-half 2021. A discount rate of 0.35% was used at both 30 June 2021 and 31 December 2020.

- Other actuarial assumptions relating to the total benefit obligation (rate of salary increases, employee turnover, etc.) are generally updated at the end of the year.

At 30 June 2021, the Group did not identify any items that could have a material impact on the amount of its projected benefit obligation.

- Other actuarial differences resulting from experience adjustments were not recalculated since no significant changes are expected in the year.

◦ (2) Customer warranties

A provision calculated on a statistical basis is set aside in the financial statements for the costs of setting up contractual warranties for customers on sales of equipment.

The provision is calculated based on the revenue earned and the residual warranty period at the reporting date.

◦ (3) Other provisions for contingencies

As indicated in Note 5.11, Provision for contingencies and expenses to the 2020 annual financial report, other provisions for contingencies concern various claims and disputes that are still pending.

5.12. Non-current and current borrowings and debt

At 30 June 2021, non-current and current borrowings and debt can be analysed by maturity as follows:

In € thousands	TOTAL	1 year or less	More than 1 year and less than 5 years	More than 5 years
Other borrowings and debt	(17,607)	(2,777)	(14,754)	(76)
Short-term bank overdrafts	(51)	(51)	0	0
TOTAL	**(17,658)**	**(2,828)**	**(14,754)**	**(76)**

Changes in non-current and current borrowings and debt in the period can be analysed as follows:

In € thousands	31 Dec. 2020	Increases	Decreases	Changes in scope of consolidation	Impact of exchange rate fluctuations	30 June 2021
Cash liabilities	(20)	(44)	26	(6)	(6)	(50)
Borrowings and debt	(21,233)	(16)	3,680[1]	0	(38)	(17,607)
TOTAL	**(21,253)**	**(60)**	**3,706**	**(6)**	**(44)**	**(17,657)**
O/w current	(2,688)	0	0	0	0	(2,828)
O/w non-current	(18,550)	0	0	0	0	(14,830)

[1] Including €2,342K in non-cash repayments following confirmation from the SBA of the conversion of the Paycheck Protection Program (PPP) loan into a grant recognised in income in 2020.

In 2016, to finance the fixtures and fittings for its new headquarters, the Company was granted two bank loans in euros bearing fixed-rate interest at between 1.15% and 1.64%, with a final maturity in 2023.

In connection with the acquisition of RTG on 16 October 2018, the Company was granted three bank loans in euros bearing fixed-rate interest at between 0.95% and 1%, with a final maturity in 2024.

In 2020, the Group arranged a bank loan in euros with a final maturity in 2027 and bearing fixed-rate interest at 0.52%, taken out in connection with financing for fixtures and fittings for its headquarters.

Amid the Covid-19 health crisis, the Group also obtained a €10.5 million government-backed loan ("PGE") in France from three financial institutions. During the period, the loan was converted into a loan repayable over five years with a one-year deferment period, for a final maturity in 2026. The loan bears fixed-rate interest at between 1.65% and 2.14%.

The Group considers that it is not exposed to interest rate risk and that the fair value of the various borrowings and debt corresponds to their carrying amount in the statement of financial position.

5.13. Lease liabilities

Movements in lease liabilities can be analysed as follows:

In € thousands	**31 Dec. 2020**	**New leases**	**Increases**	**Decreases**	**Impact of exchange rate fluctuations**	**30 June 2021**
Non-cash impacts	11,401	199	97	0	134	11,831
Cash impacts	(3,456)	0	0	(765)	0	(4,221)
TOTAL	**7,945**	**199**	**97**	**(765)**	**134**	**7,610**
O/w current	1,400	0	0	0	0	1,472
O/w non-current	6,544	0	0	0	0	6,138

At 30 June 2021, lease liabilities can be analysed by maturity as follows:

In € thousands	**TOTAL**	**1 year or less**	**More than 1 year and less than 5 years**	**More than 5 years**
Lease liabilities	7,610	1,472	3,925	2,213

5.14. Trade payables

Trade payables can be analysed as follows for each Group entity:

In € thousands	**TOTAL**	**AUS**	**FR**	**GMBH**	**US**	**UK**	**RTG**	**SOFTAVERA**
Trade payables	13,546	185	9,920	363	99	160	2,679	140
Amounts payable on non-current assets	0	0	0	0	0	0	0	0
TOTAL	**13,546**	**185**	**9,920**	**363**	**99**	**160**	**2,679**	**140**

All amounts included within "Trade payables" fall due within one year.

5.15. Contract liabilities

In € thousands	**30 June 2021**	**31 Dec. 2020**
Customer advances	1,337	1,647
Deferred income	5,819	4,425
TOTAL	**7,156**	**6,072**

Deferred income relates to:

- revenue earned on extended warranties for the residual warranty period and relating to future years, totalling €3,592K (including the impact of IFRS 15 for €1,637K). It includes a financial component that is not considered material by the Group in light of the parent company's borrowing costs; and

- revenue earned on services performed by RTG for the residual period and relating to future years, amounting to €2,227K.

5.16. Accrued payables and other

In € thousands	30 June 2021	31 Dec. 2020
Other non-current liabilities	**137**	**462**

In € thousands	30 June 2021	31 Dec. 2020
Tax and social security liabilities	4,212	3,999
Amounts payable to customers	147	287
Credit notes not yet issued	239	273
Other payables	2,927	640
TOTAL	**7,525**	**5,199**

Other non-current liabilities correspond to future benefits payable within four years to employees of the set of acquired companies (Softavera and LST), subject to service conditions and sales objectives.

The "Other payables" line corresponds to the (i) one-year deferred cash payment and the earn-out due in connection with the RTG acquisition and (ii) the deferred cash payments relating to the acquisition of the set of companies (Softavera and LST) and their trademarks and associated copyrights.

5.17. Segment information

The Group reports on three geographical segments: France, Europe, and the United States and Australia.
This information reflects the key indicators monitored and used internally by the Group's chief operating decision-makers.
Following the addition of the set of acquired companies (Softavera and LST) to its consolidated group during the period, the Group has modified the total of each indicator for each business sector, in order to track overall trends in those sectors:

- marketing and sale of POS, kiosk and software products;
- POS services.

Information analysing revenue by source is also presented.

The two sources of revenue are now:

- sales of goods and software products;
- sales of services including warranties, repairs of equipment no longer under warranty, and billed shipping costs.

5.17.1. Results by business sector

Sector information is determined in light of consolidated data as defined in Note 5.17:

	First-half 2021						First-half 2020					
In € thousands	Marketing and sales				Services		Marketing and sales				Services	
	France (1)	Europe (2)	US/ Australia (3)	Sub-total	US	Total	France (1)	Europe (2)	US/ Australia (3)	Sub-total	US	Total
				(1)+(2)+(3)						(1)+(2)+(3)		
Revenue	13,478	13,745	7,659	34,882	16,394	51,276	9,068	9,873	8,009	26,951	15,946	42,896
Net Operating profit (loss)	674	1,217	266	2,156	828	2,984	373	495	98	966	(78)	887
Consolidated net profit (loss)	686	912	148	1,746	594	2,339	299	360	(111)	548	(107)	441

France includes AURES SA, AURES Konnect, Softavera and LST.

Europe includes the UK and German entities.

United States (services) includes RTG.

5.18. Revenue by source

Consolidated revenue can be analysed by source as follows:

In € thousands	First-half 2021	First-half 2020
Sales of goods held for resale	36,849	28,580
Sales of services	14,426	14,316
TOTAL	**51,276**	**42,896**

5.19. Geographic breakdown

Consolidated revenue can be analysed by destination of sales as follows:

In € thousands	First-half 2021	First-half 2020
France	10,074	6,896
United Kingdom	4,745	3,635
Germany	6,610	3,772
Australia	3,862	2,974
United States	19,900	20,903
Other EU countries	4,741	3,256
Exports (non-EU)	1,343	1,460
TOTAL	**51,276**	**42,896**

The criterion used to allocate revenue in the table above is the destination of sales.

This is different from that used in earnings press releases prepared by the Group, in which revenue is presented by entity.

5.20. Other operating income and expenses

Other operating income and expenses consist of the following:

In € thousands	First-half 2021	First-half 2020
Royalties and patents	(30)	(42)
Debt write-offs	(190)	(99)
Directors’ remuneration (formerly directors’ fees)	(4)	(4)
Other operating expenses	(1)	0
Amounts received in respect of short-time working or similar arrangements	116	818
Other operating income	6	19
TOTAL	**(104)**	**692**

Royalties relate to amounts paid on sales of J2 products.

The Group hedges losses on its trade receivables.

Amounts received in respect of short-time working or similar arrangements concern France (€57K) and the United Kingdom (€58K).

5.21. Other income and expenses from operations

Other income and expenses from operations consist of the following:

In € thousands	First-half 2021	First-half 2020
Net carrying amount of non-current assets sold	(13)	0
Other expenses from operations	(51)	(3)
Proceeds from disposals of non-current assets	16	0
Terminated leases (IFRS 16)	0	10
Other income from operations	58	23
TOTAL	**9**	**30**

5.22. Financial profit and loss

The following items make up financial profit and loss:

In € thousands	First-half 2021	First-half 2020
Interest expense	(43)	(55)
Interest expense on lease liabilities	(112)	(118)
Cost of net debt	**(155)**	**(173)**
Other financial income	0	4
Foreign exchange gains and losses	436	(132)
Fair value of financial instruments	172	51
Other financial expenses	**608**	**(77)**
FINANCIAL PROFIT (LOSS)	**454**	**(250)**

- Currency risk

The Group is exposed to two types of currency risk that could impact its profit and equity:

- currency risk resulting from the translation of the financial statements of its foreign subsidiaries (United Kingdom, Australia and United States) into euros;
- currency risk arising on cash flows from commercial and financial transactions carried out in currencies other than the euro, which is the Group's functional currency.

The Group has a policy aimed at minimising and managing these currency risks:

- cash flows exchanged in connection with purchases of goods for resale are generally pooled by AURES Technologies SA, therefore providing the Company with a natural hedge for a portion of these purchases;
- hedges are in place to protect against the currency risk arising on transactions. These hedges consist of forward purchases ranging from six months to one year and protect the Group's earnings from adverse changes in exchange rates against the euro. However, the hedges are flexible and are set up gradually, so as to maximise the benefit from any favourable exchange rate fluctuations.

The impact of hedges is set out in Note 6.1, Off-balance sheet commitments.

- The Group's policy is not to hedge risks arising on the translation into euros of the financial statements of consolidated subsidiaries with a functional currency other than the euro.

The main exchange rates used to prepare the financial statements are presented in Note 3 to the consolidated financial statements.

5.23. Income tax

Income taxes in the income statement break down as follows:

In € thousands	First-half 2021	First-half 2020
Current tax	(982)	(294)
Deferred tax	(116)	97
TOTAL	**(1,098)**	**(197)**

The table below reconciles:

- the Group's theoretical tax expense as calculated by multiplying consolidated profit before tax by the tax rate applicable in 2022, with
- the total tax expense recognised in the consolidated income statement.

In € thousands	First-half 2021	First-half 2020
Consolidated profit before tax	3,438	637
Theoretical tax expense	888	184
%	25.83%	28.92%
Impact of non-taxable income and expenses	106	(101)
Impact of different tax rates	104	114
EFFECTIVE TAX EXPENSE AND TAX RATES	**1,098**	**197**
	31.93%	**30.84%**

5.24. Deferred tax

Deferred tax assets and liabilities can be analysed by category as follows:

	30 June 2021	31 Dec. 2020
Deferred tax assets on temporary differences	1,062	1,121
Deferred tax assets on tax loss carryforwards	403	697
Deferred tax assets on employee benefit obligations	151	153
Deferred tax assets on adjustments (inventory margin)	146	144
Deferred tax assets on adoption of IFRS 15	425	444
Deferred tax assets on adoption of IFRS 16	79	65
Deferred tax assets on fair value	0	48
Deferred tax assets	**2,266**	**2,673**
Deferred tax liabilities on temporary differences	0	0
Deferred tax liabilities on provisions	(107)	(261)
Deferred tax liabilities on intangible assets	(1,137)	(1,278)
Deferred tax liabilities on fair value	0	0
Deferred tax liabilities	**(1,244)**	**(1,538)**
Net deferred tax assets	**1,022**	**1,135**

At 30 June 2021, the Group's historical US entity had cumulative tax losses of around USD 1,600K (taken on from AURES USA Inc. following the merger with the current entity, formerly known as J2 Retail Systems Inc.). These tax losses have not given rise to the recognition of any deferred tax assets in the financial statements.

Since the US subsidiary (AURES Inc.) is a UK and US tax resident, a portion of the tax losses generated by J2 Retail Systems Inc. in previous periods was offset against income taxed in the United Kingdom. The remaining tax losses may be offset against income generated and liable for income tax in the United States if the Company is no longer a UK tax resident.

Following the acquisition of RTG, the Group recognised deferred tax assets of €403K on the tax losses carried forward by the entity (in an amount of USD 1.84 million).

These were recognised to the extent that they may be utilised against future taxable differences, based on a reasonable likelihood that they would be realised or recovered, as estimated in light of available forecasts.

5.25. Earnings per share

At 30 June 2021, AURES Technologies' share capital comprised 4,000,000 shares and the Company held 70,881 treasury shares (Note 6.6).

In € per share (except for number of shares)	30 June 2021
Net profit attributable to owners of the parent (in €K)	2,271
Average number of shares outstanding	0
Before dilution	3,928,280
Impact of dilution	0
Free shares	10,000
After dilution	3,938,280
Attributable earnings per share	0
Basic	0.58
Diluted	0.58

5.26. Related-party transactions

The Group carried out the following related-party transactions:

In € thousands	First-half 2021	First-half 2020
	Le Cristal Un SCI	Le Cristal Un SCI
External expenses (rent)	199	110
Taxes other than on income	0	18
Trade payables	0	0

Le Cristal Un SCI has a senior executive in common with AURES Technologies SA.

Remuneration expensed for senior executives during the period is detailed in Note 6.5.

6. Other disclosures

6.1. Off-balance sheet commitments

In € thousands	30 June 2021	30 June 2020
Forward purchases of foreign currencies	4,130	4,978
Pledge of business goodwill	5,060	5,060
Guarantees	959	2,813
Deferred payments	1,413	0
TOTAL	**11,562**	**12,851**

- Forward purchases of foreign currencies

At 30 June 2021, the amount outstanding under forward currency contracts taken out by the Group totalled USD 4,939K, of which USD 1,603K was allocated to the payment of trade payables.

The average exchange rate for the hedges in force at 30 June 2021 is €1 = USD 1.1957.

Forward contracts are carried in the financial statements at their fair value and were recognised in financial assets in an amount of €17K at 30 June 2021.

- Pledge of business goodwill

On 31 December 2012, business goodwill was pledged to Crédit du Nord and BNP Paribas in an amount of €5,060,000 in connection with ten-year financing set up for the J2 Systems Technology acquisition on 20 December 2012.

On 10 January 2017, business goodwill was pledged to BPI France in an amount of €350,000 in connection with financing set up in relation to fixtures and fittings for the new headquarters.

- Guarantees

Within the scope of the RTG acquisition on 16 October 2018, AURES Technologies SA provided a parent company guarantee to its subsidiary AGH US Holding Company Inc. It remains liable for the amounts due until 2022, i.e., €2,813K (USD 1,140K based on the exchange rate at 30 June 2021).

- Deferred payments

Deferred payments correspond to future benefits payable within four years to employees of the set of acquired companies (Softavera and LST), subject to service conditions and sales objectives.

- Bank covenants

Other commitments given by the Company relate to bank covenants agreed at the time of arranging financing for the acquisition of RTG on 16 October 2018.

The Company undertook to comply with three covenant ratios defined in the loan agreement with BNP Paribas and CIC.

These three ratios, based on the consolidated financial statements, are:

- Net debt/equity
- Free cash flow/interest expense
- Consolidated net debt/consolidated gross operating profit + finance lease payments

The Group complied with all of these covenant ratios at 30 June 2021.

6.2. Headcount

The AURES Technologies Group had a headcount of 333 at 30 June 2021:

	30 June 2021	30 June 2020
Managerial-grade employees (*cadres*)	45.7	41.9
Other employees	287.3	316.9
TOTAL	**333.0**	**358.8**

6.3. Employee profit-sharing and incentive schemes

No Group companies are required to set up an employee profit-sharing or incentive scheme.

6.4. Subsequent events

No events that could have a significant impact on the consolidated financial statements took place between 30 June 2021 and the date on which this report was prepared.

6.5. Executive remuneration

Remuneration paid to members of AURES Technologies' management bodies totalled €262K in the period.

No advances were granted during the period.

The above amount concerns remuneration payable to the Chairman and Chief Executive Officer.

Remuneration payable to other corporate officers is not disclosed for confidentiality reasons, given the Company's scale and operating methods.

The corporate officers do not receive any remuneration for the duties they perform within the companies controlled by the Group.

No specific agreements have been entered into with the corporate officers in respect of pensions or similar benefits.

No advances were granted during the period.

6.6. Treasury shares

A new share buyback programme was set up by the Board of Directors further to the authorisation given at the Annual General Meeting of 24 June 2021.
The shares held within the scope of all share buyback programmes undertaken by the Company are as follows:

	30 June 2021			31 Dec. 2020		
Account	**Number of shares**	**Price per share €**	**Total price €K**	**Number of shares**	**Price per share €**	**Total price €K**
Market-making	1,884	28.50	54	3,065	21.36	65
Treasury shares	68,997	22.32	1,540	68,997	22.32	1,540
TOTAL	**70,881**		**1,594**	**72,062**		**1,605**

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

I hereby certify that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all of the entities included in the consolidated group, and that the interim business review includes a fair description of all significant events that took place in the first six months of the year, together with details of the impact of those events on the interim financial statements, the principal risks and uncertainties for the second half of 2021, and the main related-party transactions.

Patrick Cathala
Chairman and Chief Executive Officer

STATUTORY AUDITORS' REPORT

AURES Technologies SA

Statutory Auditors' review report
on the 2021 interim financial information

(For the six months ended 30 June 2021)

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex
France

F.-M. Richard & Associés
1, place d'Estienne d'Orves
75009 Paris
France

Statutory Auditors' review report on the 2021 interim financial information

(For the six months ended 30 June 2021)

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

AURES Technologies SA
24 bis, rue Léonard de Vinci
91090 Lisses
France

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of Aures Technologies SA for the six months ended 30 June 2021;
- the verification of the information contained in the interim management report.

Due to the global crisis related to the Covid-19 pandemic, the condensed interim consolidated financial statements of this period have been prepared and reviewed under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

These condensed interim consolidated financial statements are 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 professional standards applicable in France.

A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with IAS 34 – Interim Financial Reporting, as adopted by the European Union.

II - Specific verification

We have also verified the information given in the interim management report on the condensed interim consolidated financial statements subject to our review.

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

Neuilly-sur-Seine and Paris, 15 October 2021

The Statutory Auditors

PricewaterhouseCoopers Audit	F.-M. Richard & Associés
Emilie Reboux	Julie Galophe

AURES Technologies
Touch the difference

24 bis rue Léonard de Vinci | 91090 Lisses, France | +33 01 69 11 16 60
www.aures.com