

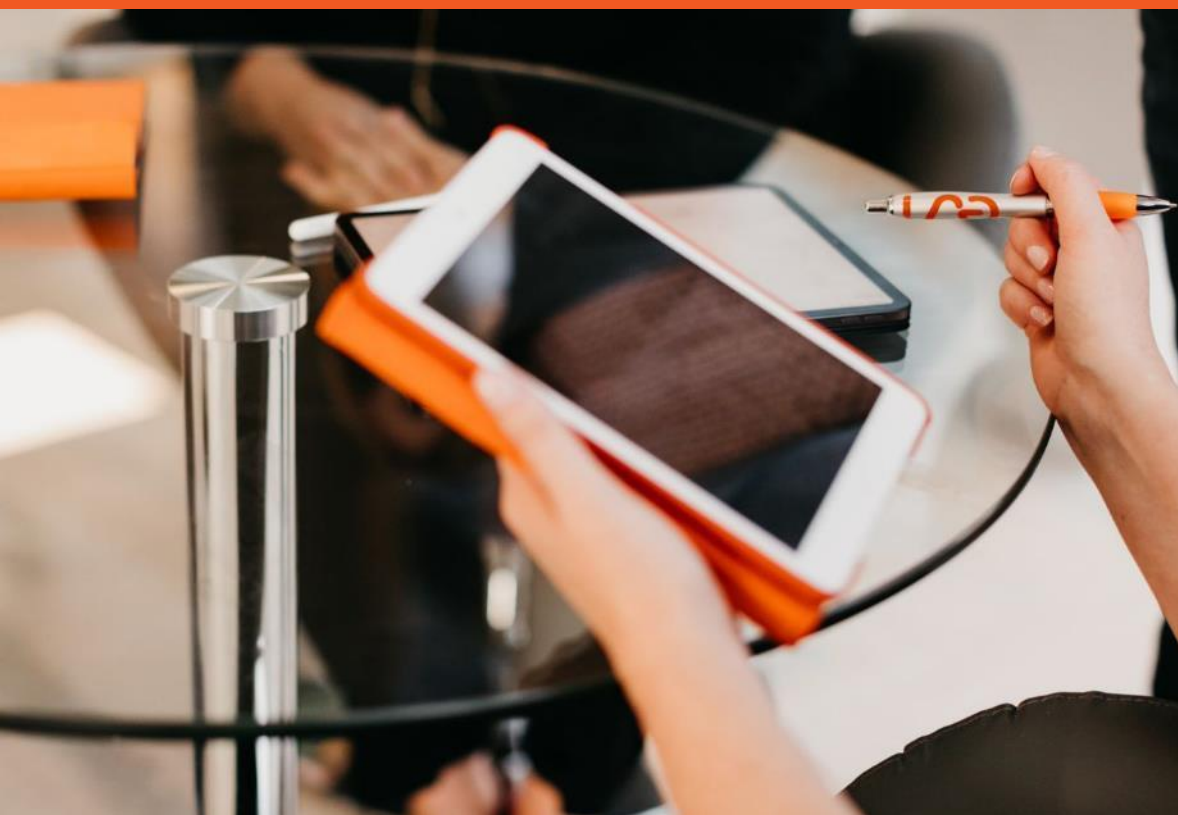
Shareholders meeting

June 22nd, 2021

ESI Group

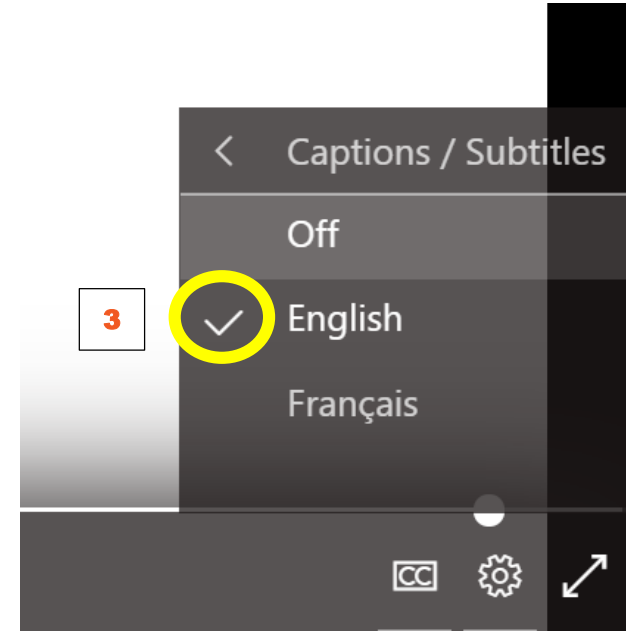
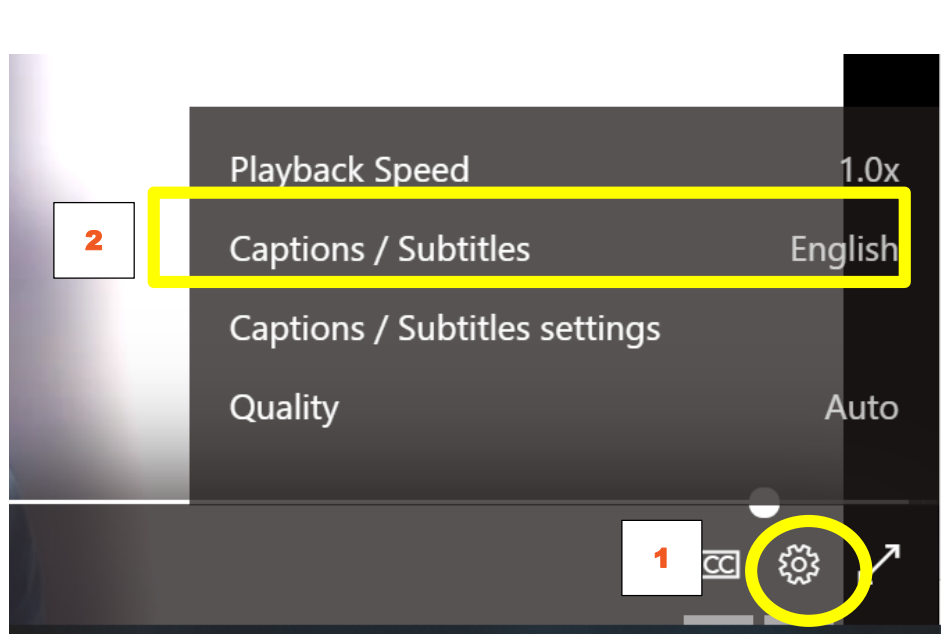
External Use

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Technical introduction

How to activate captions/subtitles on a Teams call or live event?



1. On the bottom right, click on the “Settings” button
2. On the list, choose/click on “Captions / Subtitles”

3. Choose your favorite language from the list of available languages

PS: After applying the steps above, if you do not see or lose the captions/subtitles, please leave the call/live and connect again after few seconds.

Introduction by the Chairman of the Board



1. Modalities and presentation of the officers

Modalities



**Behind
closed doors**

**Live and
Replay**

Q&A

**Legal
publication**

Presentation of the officers



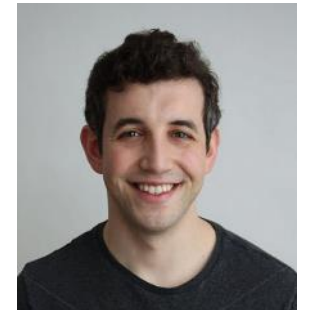
Alex Davern
Chairman



Corinne Romefort-Régnier
Secretary



Brian Nelson
Long Path Partners
Scrutineer



Robert Blatt
Briarwood Chase
Management
Scrutineer

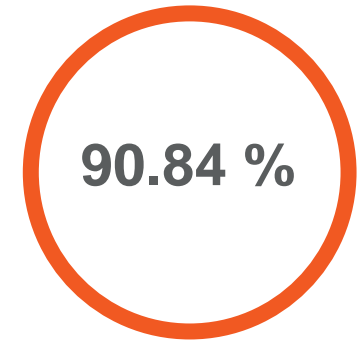
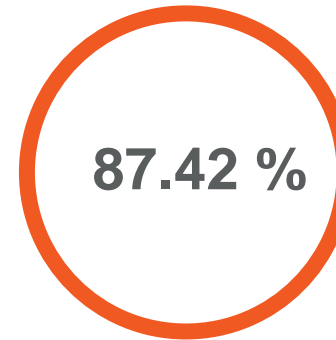
Quorum rules

- **Ordinary General Meeting**

Resolutions falling within the competence of the Ordinary General Meeting require a quorum of **one fifth of the shares** entitled to vote and a **majority of the votes** held by the shareholders present or represented.

- **Extraordinary General Meeting**

Resolutions falling within the competence of the Extraordinary General Meeting require a quorum of **one quarter of the shares** entitled to vote and a **majority of two thirds of the votes** of the shareholders present or represented.



Agenda of the Combined shareholders meeting

1/3

1. Approval of the parent company financial statements for the financial year ended December 31, 2020
2. Approval of the consolidated financial statements for the financial year ended December 31, 2020
3. Allocation of net profit for the year
4. Special report of the Statutory Auditors on the regulated agreements and commitments referred to in Article L. 225-38 of the French Commercial Code and absence of new regulated agreement
5. Ratification of the Board of Directors' decision to transfer the Company's registered office and of the related amendment to Article 4 "Registered Office" of the articles of association
6. Renewal of Cristel de Rouvray's mandate as Director
7. Ratification of co-optation and appointment of Alex Davern as Director
8. Nomination of Charles-Helen des Isnards as Board observer
9. Approval of the remuneration policy of the members of the Board of Directors for 2021 financial year
10. Approval of the remuneration policy of the Chairman of the Board of Directors for 2021 financial year
11. Approval of the remuneration policy of the Chief Executive Officer for 2021 financial year
12. Approval of the remuneration policy of the Chief Operating Officer for 2021 financial year

Agenda of the Combined shareholders meeting

2/3

13. Approval of the components of the total compensation paid or allocated to Alain de Rouvray, Chairman of the Board of Directors, for the financial year ended on December 31, 2020
14. Approval of the components of the total compensation paid or allocated to Cristel de Rouvray, Chief Executive Officer, for the financial year ended on December 31, 2020
15. Approval of the components of the total compensation paid or allocated to Vincent Chaillou, Chief Operating Officer, for the financial year ended on December 31, 2020
16. Approval of the components of the total compensation paid or allocated to Christopher St John, Chief Operating Officer, until June 30, 2020, for the financial year ended on December 31, 2020
17. Determination of the compensation paid to the members of the Board of Directors
18. Non-renewal of the Statutory Auditor PricewaterhouseCoopers audit and the Alternate Statutory Auditors: Auditex and Yves Nicolas
19. Renewal of the mandate of Ernst & Young Audit as Statutory Auditor for six years
20. Appointment of KPMG as Statutory Auditor for six years
21. Authorization for the Board of Directors to purchase the Company's own shares

Agenda of the Combined shareholders meeting

3/3

- 22. Amendment of Article 18 of the Company's articles of association in order to remove the obligation to appoint Alternate Statutory Auditors
- 23. Authorization given to the Board of Directors to increase the capital by issuing shares reserved for employees enrolled in the employee savings plan
- 24. Powers for formalities

2. Main Highlights



2020 Financial results

Building a foundation for improved growth & profitability



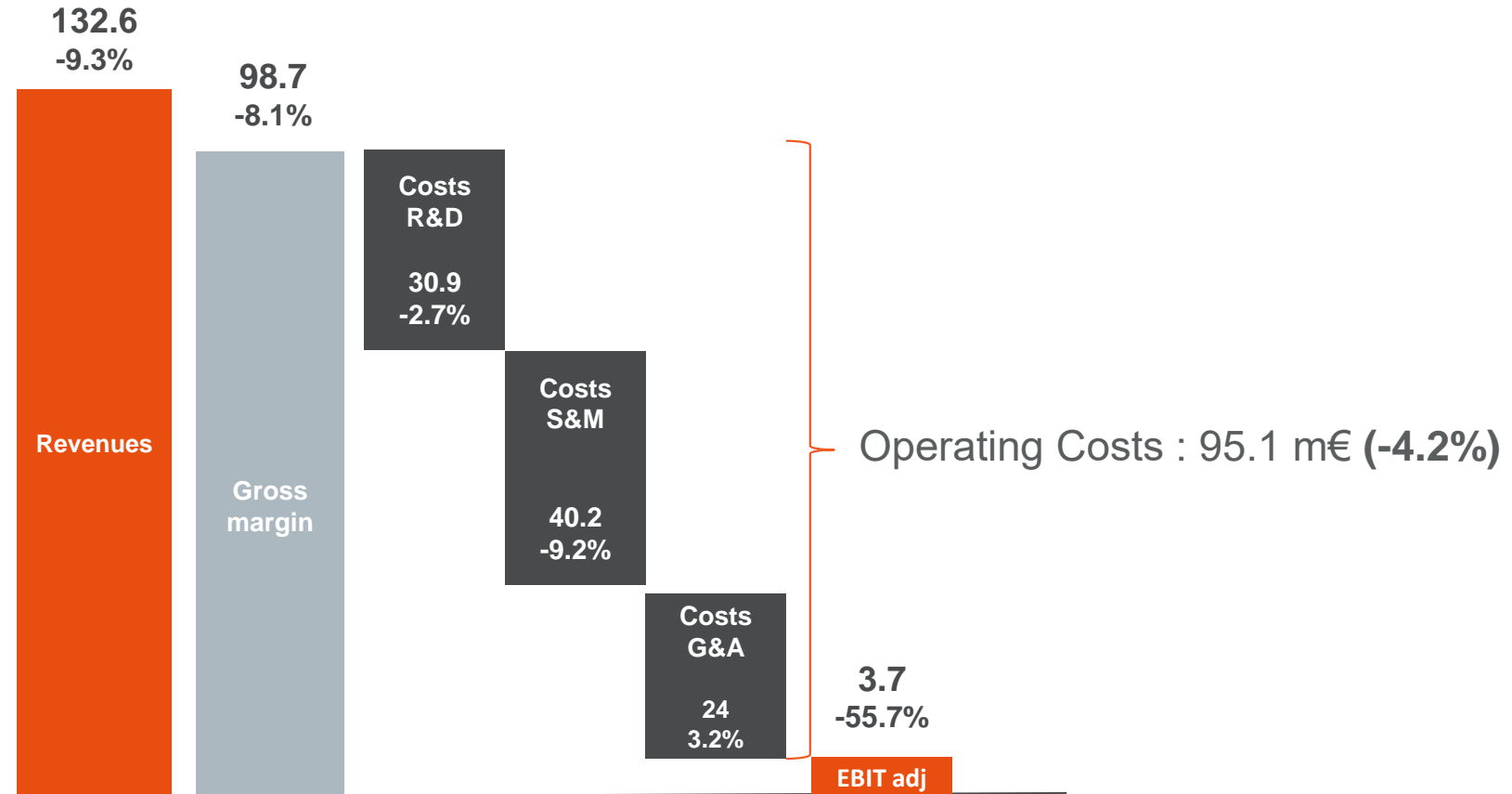
Key figures

EBIT (adj.) decrease limited to -4.6 m€ vs -13.6 m€ decrease in revenue

(€m)	FY 2020	FY 2019 (Jan – Dec)	Change	Change cer
Revenue	132.6	146.2	-9.3%	-8.7%
Gross margin	98.7	107.4	-8.1%	-7.5%
%revenue	74.5%	73.4%		
EBIT (adjusted*)	3.7	8.3	-55.7%	-55.0%
%revenue	2.8%	5.7%		
EBIT	4.0	8.4	-52.0%	-55.0%
%revenue	3.1%	5.8%		
Net result	1.4	n/a	n/a	
%revenue	1.1%	n/a	n/a	
Cash	22.5	20.2	11.0%	

* Adjusted before IFRS 16

EBIT (adj.) per destination - Overview



- Improvement of GM at 74.5% vs 73.4% in 2019
- Decrease of operating costs mostly due to S&M : lower marketing costs (digital events) & decreased travel expenses

EBIT (adj.) per nature - Overview

Decrease of all types of costs

€m	FY 2020		FY 2019 (JAN- DEC)		VARIATION	
	Amount	%revenue	Amount	%revenue	Amount	% Var
Revenue	132.6		146.2		-13.6	-9.3%
Expenses linked to revenue	-7.9	-6.0%	-9.0	-6.1%	1.1	-11.7%
Staff costs	-93.4	-70.5%	-95.9	-65.6%	2.5	-2.6%
Other costs	-27.6	-20.8%	-33.6	-23.0%	6.1	-18.1%
Total costs to EBIT (adj.)	128.9		137.9		-9.0	-6.6%
EBIT (adjusted)	3.7	2.8%	8.3	5.7%	-4.6	-55.8%

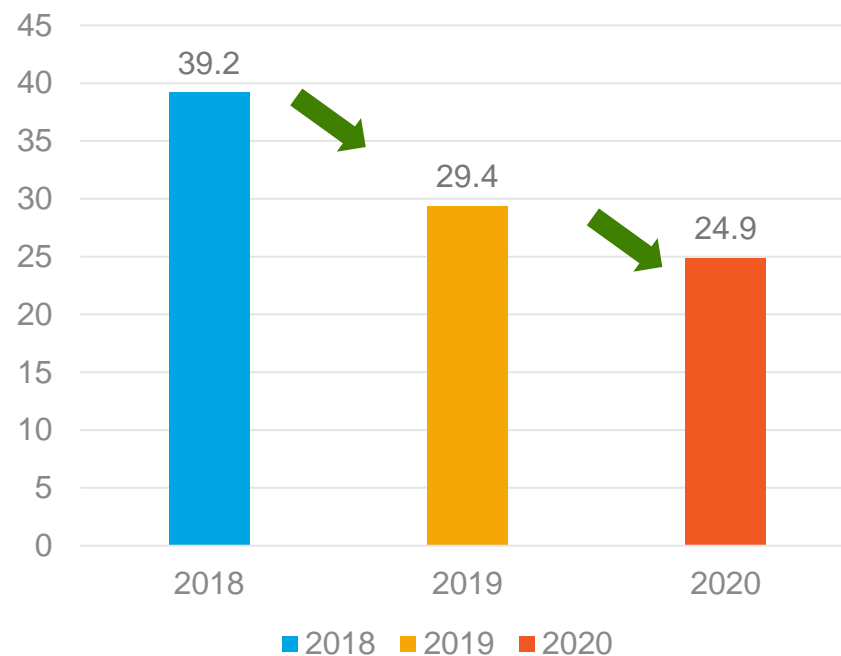
Cash position & Net financial debt

Good trend of financial indicators

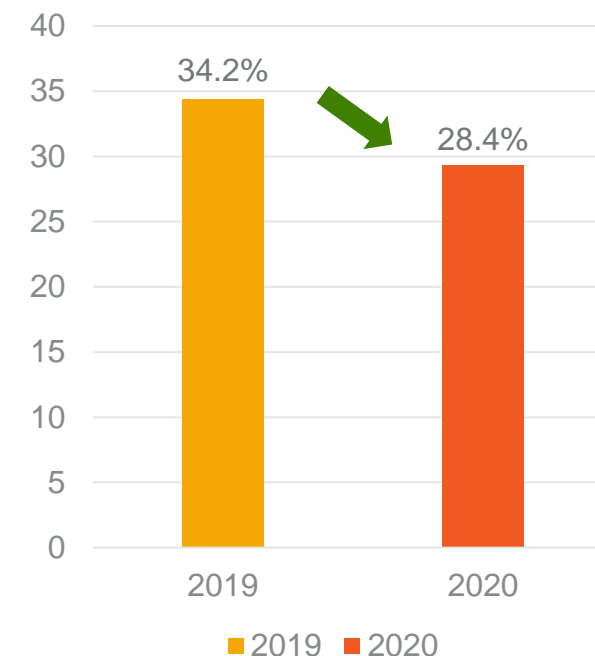
Cash position

m€	FY20	FY19
Cash	22,5	20,2
Incl. RCF	0,0	10,0

Net financial debt*



Gearing Net financial debt/Equity



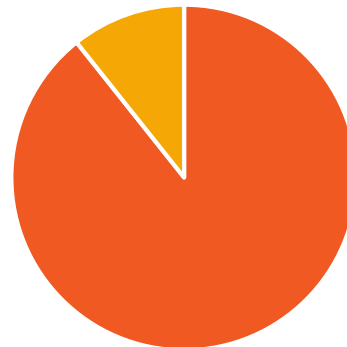
*Including state-guaranteed loans (PGE) for 13,75m€

Q1 revenues: exceed guidance at €55.5m

Revenues (€m)	Q1-2021	Q1-2020	Change	Change Constant exchange rate (cer)
Q1 - Licenses	49.6	48.8	+1.6%	+4.2%
Q1 – Services	5.9	6.1	-2.5%	-0.1%
Q1 - Total	55.5	54.9	+1.2%	+3.7%

Q1 REVENUES

10.6%
(vs 11.0% in Q1 20')



89.4%
(vs 89.0% in Q1 20')

■ Licenses ■ Services

FY20 Highlights and FY21 execution



Main highlights for 2020 and key initiatives continuing into 2021



Demonstrated resilience
of our business model

Focus on
New Business

Culture of transparency
& execution

A committed company

ESI – Our new corporate purpose

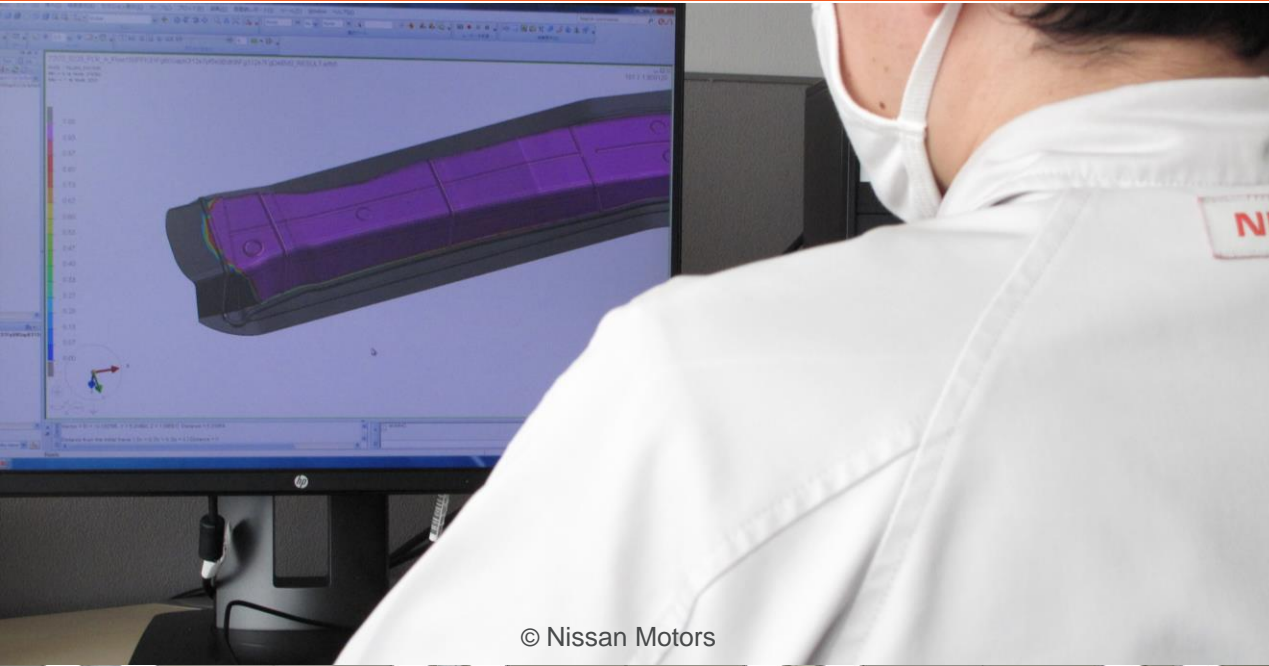
**Boost human creativity
to drive industrial
performance to ever
higher levels**

ESI's Vision / Mission

We envision a world where Industry can commit to bold **OUTCOMES**, addressing high stakes concerns – environmental impact, safety & comfort for consumers and workers, adaptable and sustainable business models



Providing reliable and customized **SOLUTIONS** anchored on predictive physics to allow industries to make the right decisions at the right time.



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Mission Critical **Solutions**, addressing **Customer** **Outcomes**

2020 showed all our customers the URGENCY of change and it is now clear that 2021 will be a year of accelerating innovation in the industries we serve

Honda – “Assembly” partner

Ensuring the link between manufacturing and outcomes for improved performance.

A longstanding collaboration:
More than 10 years for Assembly matters
and more than 20 years globally.

A Multi-Material Joining & Assembly
extended collaboration.

Clear outcomes for Honda:

- Cost & time reduction
- Increased quality

On-demand Honda presentation →
(<https://www.esi-group.com/esi-live-2020>)





A committed company

Being a committed employer

Continue drawing the best future of work scheme for our employees:

- No-Meeting Wednesday
- Ongoing Global Work from Home + next generation office reflection

Being an outstanding partner

Dedicated events for customer exchange:

- ESI Live France & MMJA Roundtable

Socially responsible partner:

- 0 customer-related data incident (GDPR) in 2020
- 2021 Ethics charter reinforcing our commitment toward Business ethics



Management Evolution



The Executive Committee

Working in partnership with 2 new Vice presidents:



Emmanuel Leroy
EVP - Industry solutions



Yannick Charron
VP - Human Resources

Improving the Group's long-term profitability

Continuing managing costs in 2021



Facilities

Adapt to new ways
of working

Global structure

Simplification &
synergies

Events & travel

Go digital

Software development

Align on ROI

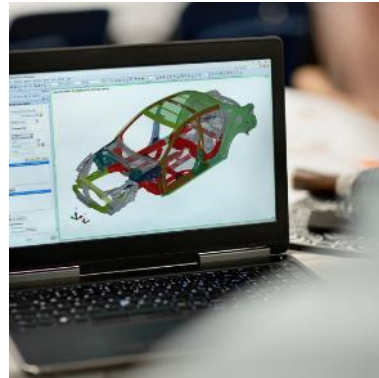
**The path to ESI's performance improvement is to leverage this foundation for improved
New Business & profitability**

2021, a focus on New Business

Global marketing programs to feed our new business pipeline



**Sustainable
Mobility**



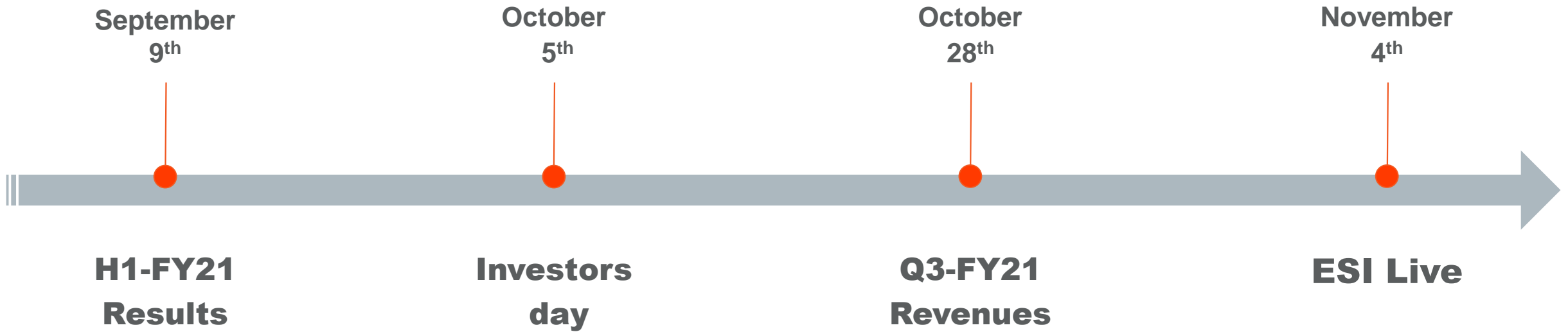
**Multi-Material
Joining &
Assembly**



**Heavy
Machinery**

A **program** is a globally coordinated approach-to-market to increase New Business: Account-base Marketing, dedicated events, industry demonstrators to make it **easier to sell**

Upcoming events

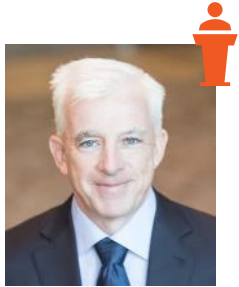


More events presented in our website: www.esi-group.com/company/events

Governance Report

Board members

 Committee chair-person



Alex Davern
Chairman



Alain de Rouvray
Founder



Cristel de Rouvray
CEO



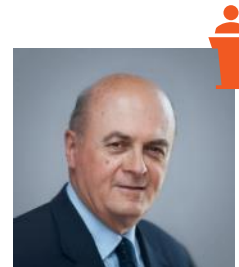
Vincent Chaillou
C-COO



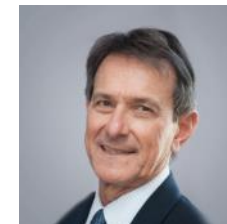
Rajani Ramanathan



Véronique Jacq



Eric d'Hotelans



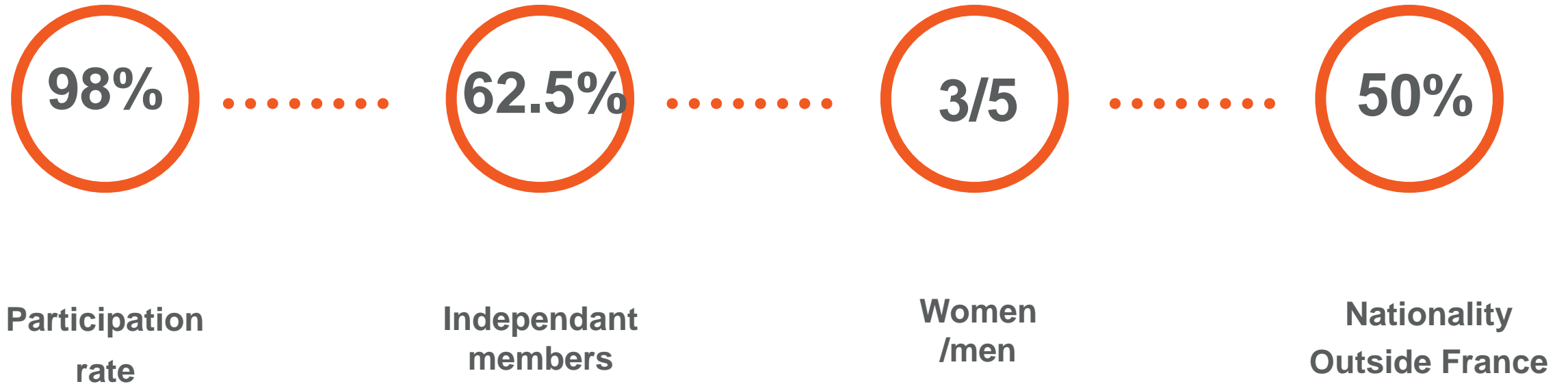
Yves de Balmann



Charles-Helen
des Isnards

Board members

Balanced, committed and diversified governance



Auditors report

Auditors' reports

1st resolution : annual accounts as of December 31, 2020



- In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2020 and of the results of its operations for the year then ended in accordance with French accounting principles.
- The key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period are the capitalization of development costs and the valuation of equity investments.
- We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the shareholders.
- We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code.
- We attest the accuracy and fair presentation of the information related to remunerations and benefits received by the directors and any other commitments made in their favor.

Auditors' reports

2nd resolution : consolidated accounts as of December 31, 2020



- In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2020 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.
- The key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period are the capitalization of development costs and the revenue recognition from sales of software licenses.
- We have no matters to report as to the fair presentation and consistency with the consolidated financial statements of the information relating to the Group given in the management report.
- We attest that the consolidated non-financial performance statement required by Article L. 225-102-1 of the French Commercial Code is included in the information relating to the Group given in the management report.

Auditors' reports

4th resolution : related party agreements



- **Agreements submitted for approval to the Annual General Meeting**

We have not been advised of any agreement authorized and concluded during the fiscal year to submit for approval to the Shareholders' Meeting.

- **Agreements already approved by the Annual General Meeting**

We have not been advised of any agreement previously approved by the Shareholders' Meeting, the execution of which has continued during the past fiscal year.

Auditors' reports



23rd resolution : capital increase reserved for employees enrolled in the company's savings plan

We have no matters to report as to the methods used to determine the issue price of the shares or other securities giving access to the capital to be issued provided in the Board of Directors' report.

As the final conditions for the issue of capital securities have not yet been determined, we cannot report on these conditions, and consequently, on the proposed cancellation of preferential subscription rights.

In accordance with article R. 225-116 of the French Commercial Code, we will issue a supplementary report when your Board of Directors has exercised this authorization.

Statement On Extra-financial Performance

On the basis of our work, we did not note any significant anomaly of such a nature as to cast any doubt on the fact that the statement of non-financial performance complies with the applicable regulatory provisions and that that information, as a whole, has been presented with sincerity, in accordance with the Pronouncements.

FINEXFI – March 31,2021



3. Voting of Resolutions

Attendance sheet

	Shares	%
Number of shares	6 062 428	
Number of shares with voting rights	5 697 158	
Number of voting rights	7 965 156	
Number of voting rights	7 965 156	
Quorum General Assembly	1 139 432	20%
Quorum Extraordinary General Assembly	1 424 290	25%
Shareholders participating or with proxies	4 980 704	87.42%
Number of voting rights present or represented	7 235 588	90.84%
Simple majority of votes	3 617 794	1/2
Enhanced majority of votes	4 823 725	2/3

**Approval and allocation
of the results**

First resolution

Approval of the parent company financial statements for the year ended December 31, 2020

Votes cast

For	7 201 088	99.52%
Against	34 500	
Abstention	0	

ADOPTED RESOLUTION

Second resolution

Approval of the consolidated financial statements for the year ended December 31, 2020

Votes cast

For	6 376 637	88.13%
Against	858 951	
Abstention	0	

ADOPTED RESOLUTION

Third resolution

Allocation of the result for the year

Votes cast

For	7 235 588	100%
Against	0	
Abstention	0	

ADOPTED RESOLUTION

Regulated agreements

Transfer of registered office

Fourth resolution

Special report of the Statutory Auditors on the regulated agreements and commitments referred to in Article L. 225-38 of the French Commercial Code and absence of new regulated agreement

Votes cast

For	7 235 588	100%
Against	0	
Abstention	0	

ADOPTED RESOLUTION

Fifth resolution

Ratification of the Board of Directors' decision to transfer the Company's registered office and of the related amendment to Article 4 "Registered Office" of the articles of association

Votes cast

For	7 235 588	100%
Against	0	
Abstention	0	

ADOPTED RESOLUTION

**Renewal and nomination of
board members and
observers**

Sixth resolution

Renewal of Cristel de Rouvray's mandate as Director

Votes cast

For	7 215 252	99.72%
Against	20 336	
Abstention	0	

ADOPTED RESOLUTION

Seventh resolution

Ratification of co-optation and appointment of Alex Davern as Director

Votes cast

For	7 088 401	98.99%
Against	72 523	
Abstention	74 664	

ADOPTED RESOLUTION

Eighth resolution

Nomination of Charles-Helen des Isnards as Board observer

Votes cast

For	7 135 335	98.61%
Against	100 253	
Abstention	0	

ADOPTED RESOLUTION

**Consultation of
shareholders on the
compensation of
corporate officers**

Ninth resolution

Approval of the remuneration policy for the members of the Board of Directors for 2021

Votes cast

For	7 215 232	99.72%
Against	20 336	
Abstention	20	

ADOPTED RESOLUTION

Tenth resolution

Approval of the remuneration policy for the chairman of the Board of Directors for 2021

Votes cast

For	7 215 232	99.72%
Against	20 336	
Abstention	20	

ADOPTED RESOLUTION

Eleventh resolution

Approval of the remuneration policy for the Chief Executive Officer for 2021

Votes cast

For	6 157 338	87.39%
Against	888 575	
Abstention	189 675	

ADOPTED RESOLUTION

Twelfth resolution

Approval of the remuneration policy for the Chief Operating Officer for 2021

Votes cast

For	6 157 338	87.39%
Against	888 575	
Abstention	189 675	

ADOPTED RESOLUTION

Thirteenth resolution

Approval of the components of the total compensation paid or allocated to Alain de Rouvray, Chairman of the Board of Directors, for the financial year ended on December 31, 2020

Votes cast

For	6 431 137	91.28%
Against	614 756	
Abstention	189 695	

ADOPTED RESOLUTION

Fourteenth resolution

Approval of the components of the total compensation paid or allocated to Cristel de Rouvray, Chief Executive Officer, for the financial year ended on December 31, 2020

Votes cast

For	6 409 407	88.58%
Against	826 181	
Abstention	0	

ADOPTED RESOLUTION

Fifteenth resolution

Approval of the components of the total compensation paid or allocated to Vincent Chaillou, Chief Operating Officer, for the financial year ended on December 31, 2020

Votes cast

For	6 407 437	88.55%
Against	828 131	
Abstention	20	

ADOPTED RESOLUTION

Sixteenth resolution

Approval of the components of the total compensation paid or allocated to Christopher St John, Chief Operating Officer, until June 30, 2020 for the financial year ended on December 31, 2020

Votes cast

For	6 201 629	88.02%
Against	844 264	
Abstention	189 695	

ADOPTED RESOLUTION

Seventeenth resolution

Determination of the compensation paid to the members of Board of Directors

Votes cast

For	7 232 188	99.95%
Against	3 400	
Abstention	0	

ADOPTED RESOLUTION

**Renewal and nomination of
the statutory auditors**

Eighteenth resolution

Non-renewal of the Statutory Auditor PricewaterhouseCoopers audit and the Alternate Statutory Auditors: Auditex and Yves Nicolas

Votes cast

For	7 235 588	100%
Against	0	
Abstention	0	

ADOPTED RESOLUTION

Nineteenth resolution

Renewal of the mandate of Ernst & Young Audit as Statutory Auditor for six years

Votes cast

For	6 982 487	96.50%
Against	253 101	
Abstention	0	

ADOPTED RESOLUTION

Twentieth resolution

Nomination of the statutory auditor KPMG for six years

Votes cast

For	7 235 588	100%
Against	0	
Abstention	0	

ADOPTED RESOLUTION

***Authorization to the Board
to purchase the Company's
own shares***

Twenty-first resolution

Authorization for the Board of Directors to purchase the Company's own shares

Votes cast

For	6 840 388	94.54%
Against	395 200	
Abstention	0	

ADOPTED RESOLUTION

***Decisions falling within the
competence of the
Extraordinary General
Meeting***

Twenty-second resolution

Amendment of Article 18 of the Company's articles of association in order to remove the obligation to appoint Alternate Statutory Auditors

Votes cast

For	7 160 924	98.97%
Against	74 664	
Abstention	0	

ADOPTED RESOLUTION

Twenty-third resolution

Authorization granted to the Board of Directors to increase the capital by issuing shares reserved for employees enrolled in the employee savings plan

Votes cast

For	6 976 755	96.42%
Against	258 833	
Abstention	0	

ADOPTED RESOLUTION



Powers for formalities

Twenty-fourth resolution

Powers to carry out formalities

Votes cast

For	7 235 588	100%
Against	0	
Abstention	0	

ADOPTED RESOLUTION

Thank you

Any Questions?

investors@esi-group.com

