EXACOMPTA CLAIREFONTAINE

ORDINARY SHAREHOLDERS'
MEETING

OF 27 May 2021

FISCAL YEAR 2020

REPORTS OF THE BOARD OF DIRECTORS
PARENT COMPANY AND CONSOLIDATED
FINANCIAL STATEMENTS
REPORTS OF THE STATUTORY AUDITORS
DRAFT RESOLUTIONS

Board of Directors

François Nusse, Chairman and Chief Executive Officer

Dominique Daridan

Louise de l'Estang du Rusquec

Céline Nusse

Charles Nusse

Frédéric Nusse

Guillaume Nusse

Jérôme Nusse

Monique Prissard

Emmanuel Renaudin

Manon Trotet

Caroline Valentin

Statutory Auditors

BATT AUDIT, 58 boulevard d'Austrasie – 54000 Nancy, France
Pascal François

ADVOLIS, 38 avenue de l'Opéra – 75002 Paris, France
Patrick Iweins – Hugues de Noray

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Ordinary Shareholders' Meeting

ORDINARY SHAREHOLDERS' MEETING

Agenda:

- Board of Directors' report on operations and the parent company financial statements for fiscal year 2020;
- Board of Directors' report on operations and the consolidated financial statements for fiscal year 2020;
- Board of Directors' report on corporate governance;
- Reports of the Statutory Auditors
  - on the parent company financial statements
  - on regulated agreements and commitments
  - on the consolidated financial statements
- Approval of the parent company financial statements for the year ended 31 December 2020;
- Approval of the consolidated financial statements for the year ended 31 December 2020;
- Appropriation of earnings;
- Agreements governed by Article L. 225-38 of the French Commercial Code;
- Elements of remuneration;
- Transfer of shares from Euronext Paris to Euronext Growth.

THE BOARD OF DIRECTORS

Certification of the annual report:

I hereby certify that to the best of my knowledge the financial statements have been prepared in accordance with applicable accounting standards and present a true and fair view of the assets and liabilities, financial position and earnings of the company and all the companies included in the consolidation and that the management report enclosed herein presents a true and fair view of the operations, earnings and financial position of the company and all the companies included in the consolidation, as well as a description of the main risks and uncertainties facing them.

Jean-Marie Nusse
Executive Vice President

REPORT OF THE BOARD OF DIRECTORS

TO THE ORDINARY SHAREHOLDERS' MEETING

OF 27 May 2021

To the Shareholders,

1. REVIEW AND APPROVAL OF THE PARENT COMPANY FINANCIAL STATEMENTS

(€000)	2020	2019
Operating revenue	8,091	8,361
Operating income/(loss)	446	-16
Net financial items	1,498	5,700
Net income/(loss)	2,328	4,931

EXACOMPTA CLAIREFONTAINE, the holding company, serves the Group companies, for which it manages the sales force and certain property assets.

It is also responsible for the Group's financial management, consolidation, legal and tax services, communications and relations with shareholders. It coordinates actions taken relating to environmental certification.

Since January 2003, the subsidiaries have paid EXACOMPTA CLAIREFONTAINE a royalty equal to 0.2% of their added value for the previous year.

The companies that head sub-groups (Exacompta, Papeteries de Clairefontaine, Clairefontaine Rhodia, AFA and Photoweb) guarantee all repayments of their subsidiaries that borrow from their parent company.

The amount of non-tax deductible expenses was €20,528.

INCOME FOR THE LAST FIVE YEARS (€)

Balance sheet date **Duration of the reporting period (in months)**	**31/12/2020** **12**	**31/12/2019** **12**	**31/12/2018** **12**	**31/12/2017** **12**	**31/12/2016** **12**
CAPITAL AT YEAR-END					
Share capital	4,525,920	4,525,920	4,525,920	4,525,920	4,525,920
Number of ordinary shares	1,131,480	1,131,480	1,131,480	1,131,480	1,131,480
OPERATIONS AND RESULTS					
Revenue excluding tax	1,574,860	1,248,997	1,192,493	1,278,105	1,220,327
Income before taxes, profit-sharing, depreciation, amortisation and provisions	5,619,746	6,520,151	5,072,573	4,260,995	2,065,601
Income taxes	(489,242)	943,463	(903,725)	825,352	829,951
Net depreciation, amortisation and provisions	3,781,049	645,751	488,883	12,666,797	750,344
Net income/(loss)	2,327,939	4,930,937	5,487,415	(9,231,154)	485,306
Distributed income	*3,394,440	3,394,440	3,054,996	3,054,996	2,941,848
EARNINGS PER SHARE					
Income after taxes and profit-sharing and before depreciation, amortisation and provisions	5.40	4.93	5.28	3.04	1.09
Income after taxes, profit-sharing, depreciation, amortisation and provisions	2.06	4.36	4.85	-8.16	0.43
Dividend paid	*3.00	3.00	2.70	2.70	2.60
PERSONNEL					
Average number of employees	37	40	41	44	43
Payroll	3,348,232	3,704,075	3,710,118	3,793,875	3,795,882
Sums paid in employee benefits (social security, fringe benefits, etc.)	1,244,552	1,413,392	1,478,584	1,503,407	1,518,929

* Dividend proposed

INVOICES RECEIVED AND ISSUED NOT SETTLED AT THE YEAR-END AND PAST DUE DATE

	Invoices received					**Invoices issued**				
	1-30 days	31-60 days	61-90 days	91 days and more	Total	1-30 days	31-60 days	61-90 days	91 days and more	Total
	(A) - Late payments by age									
Number of invoices concerned					2					3
Total amount for the invoices concerned in € net of taxes	30	726	–	–	756	79,372	–	4,737	691	84,800
Percentage of total amount of purchases for the fiscal year	0.0%	0.1%			0.1%					
Percentage of revenue for the fiscal year						3.9%		0.2%	0.0%	4.1%
	(B) - Invoices excluded from (A) relating to amounts receivable and amounts payable disputed or not recorded									
Number of invoices excluded	None					None				
Total amount for excluded invoices in € net of taxes	None					None				
	(C) - Standard payment terms used (contractual or legal - Article L.441-6 or Article L.443-1 of the French Commercial Code)									
Payment terms used for calculating late payments	Contractual payment terms					Contractual payment terms				

SHARE AND SHAREHOLDER INFORMATION

The share listed at €115 on 2 January 2020 and closed the year at €95 (down 17%). The number of shares traded during the year was 19,628.
The parent company does not have a share buyback programme and there are no employee shareholders.

The capital of the parent company is composed of 1,131,480 shares, and did not change during the year. A double voting right is granted to each fully paid-up share which has been registered for at least two years in the name of the same shareholder.

Our principal shareholder, Ets Charles Nusse, held 910,395 shares with double voting rights, representing 80.46% of the capital, at 31 December 2020.
Financière de l'Echiquier, a minority shareholder, crossed the 5% ownership threshold in 2005.

2. REVIEW AND APPROVAL OF THE 2020 CONSOLIDATED FINANCIAL STATEMENTS

2.1 EARNINGS

(€000)	2020	2019
Income from continuing activities	689,597	703,436
Operating income	14,727	19,828
Net income before tax	12,837	22,571
Net income after tax	11,574	17,067
Minority interests	-702	0
Group share	12,276	17,067

The Eurowrap and Biella entities were consolidated for nine and six months respectively in the 2019 consolidated accounts. 2019 net income included a €5,024,000 badwill gain on first-time consolidation. A €2 million goodwill impairment charge was recorded in the 2020 consolidated financial statements.

On 31 October 2019 and 18 December 2019 respectively, the Group acquired:
- the entire share capital of Papeteries du Coutal, a company operating in the processing sector;
- a 60% equity stake in Fizzer, a company specialising in digital images, with a call option on the rest of the share capital.

These two companies posted respective 2020 revenue of €2.1 million and €5.6 million.
Given the proximity of the acquisition dates to the 31 December 2019 closing date, both equity investments were carried as financial assets on the balance sheet. They were included in the Group consolidated financial statements from 1 January 2020.
Goodwill on consolidation amounted to €0.6 million for Papeteries du Coutal and €4.2 million for Fizzer.

2020 Group cash flow amounted to €55,192,000 compared to €62,874,000 in 2019 and EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) was €62,826,000, compared to €62,874,000 and €62,819,000 respectively in 2019.

The consolidated financial statements include transactions performed by the Group with Etablissements Charles Nusse, which provides advice and assistance to Group companies. Services provided are paid for in the form of a fee equal to 0.6% of their added value for the previous year.

2.2 BUSINESS SECTORS

Paper

In 2020, deliveries of uncoated printing and writing papers from European plants to Western Europe fell 15% (source: CEPI).
Our own paper production remained virtually stable at 231,000 tonnes. Following a fall in the second quarter, demand was sluggish for the rest of the year. A 5% decrease in tonnage sold led to an increase of approximately 7,000 tonnes in our paper stocks.
The relatively weak pulp market allowed us to maintain our margins.

Processing

The French stationery market posted an average decline of 2.8% for manufactured papers and 11.9% for filing articles (source: GFK). The COVID-19 pandemic led to a drop in our own sales, with variations depending on the product family and the time of year. Production units remained operational but production was partly reduced.
Given the context, the contribution of recently acquired companies and their integration into the Group were quite satisfactory. New specialty products were launched, as continued development is absolutely necessary to keep pace with changes in consumption.

2.3 FINANCIAL POSITION

2.3.1 Debt

2020 revenue amounted to €689,597,000. At 31 December 2020, gross borrowings stood at €292,042,000 including €46,207,000 of financial liabilities arising from the capitalisation of leases. Consolidated shareholders' equity was €423,164,000.

The Group has negotiated additional lines of credit with its banks totalling €36 million. At the balance sheet date, outstanding commercial paper issued by the Group amounted to €50 million out of a global programme of €125 million.
With gross cash and cash equivalents of €202,495,000 at 31 December 2020, Group net borrowings amounted to €89,547,000.
Excluding technical financial liabilities generated by the application of IFRS 16, net debt at 31 December 2020 was €43,340,000 compared to €42,802,000 the previous year.

2.3.2 Financial instruments

The Group no longer holds rate hedging instruments. Due to the current low fixed rates, it was not considered appropriate to use new derivative financial instruments.

Under its cash management policy, the Group does not hold or issue financial derivatives for transaction purposes.

2.4 RISK MANAGEMENT

The Group has conducted an analysis of the risks that may have a material adverse impact on its business, financial position and earnings. The results of this analysis indicate that there are no significant risks other than those listed below.

2.4.1 Risks related to economic activity

The Group's European operations have grown following the acquisitions in 2019. The weighting of our assets in Europe (excluding France) now represents 15.6% in 2020 compared with 4.5% in 2018.
The same applies to our sales. The revenue generated in France accounts for 53.8% in 2020 compared with 63.5% in 2018, whereas revenue generated in Europe now accounts for 42.4% in 2020, up from 31.9% in 2018. The European portion increased by 3.1 points in 2020 as the Eurowrap and Biella groups are consolidated at 9 and 6 months only in the 2019 consolidated financial statements.

The purchase price of our primary raw material, paper pulp, is influenced by the world market.
The price of raw materials can vary by more than €200 per tonne over relatively short periods depending on global production capacity, demand from emerging countries and the Euro to US Dollar exchange rate which is the market's benchmark currency. It is to be noted that the Group uses about 150,000 tonnes of pulp across all its production units.

Consumption of papers for office use and stationery items changes regularly according to the needs of businesses and households. The quality of our products, our sales presence, customer brand recognition and our research and diversification efforts are key advantages in helping us to adapt to this changing environment.

However, the increase of digital and computerised methods has resulted in an annual reduction of around 3% in the consumption of printing and writing paper in Europe over the last ten years. This also has an impact on certain stationery product families albeit to a different extent depending on whether they are intended for professional use or not.

Group activity is also exposed to the external environment, such as the 2008-2009 financial crisis or the situation related to the pandemic in 2020.

From March 2020, in the face of the COVID-19 epidemic, the Group pursued the dual objective of safeguarding the health of its employees and protecting jobs whilst adapting the operations of the various business units. Increased absenteeism and the impact on demand from our clients posed a serious threat to the Group's market.
Shutdowns, fragmented production, tumbling sales and rising inventories all weighed on the Group's performance in 2020.

2.4.2 Financial risks

Generally, the Exacompta Clairefontaine Group does not engage in any complex financial transactions. However, it is exposed to certain risks related to the use of financial instruments in the context of its activities.

Risk management is performed by the operating units, in accordance with the policy established by senior management.

Credit risk

Credit risks represent the risk of financial loss for the Group if a third party fails to meet its contractual obligations.

→ Trade and other receivables
Our credit risk remains spread over a large number of clients even though there is a concentration of distributors of our products. The risk of default by business sector and by country in which the clients engage in their activities does not have a significant influence on credit risk.

The Group has implemented tools to monitor outstandings that enable it to ensure that its clients have an appropriate credit history.
Clients that do not satisfy solvency requirements cannot carry out transactions with the Group without making advance payments. Credit risk is also limited by taking out credit insurance policies.

The Group determines a level of write-downs that represents its estimate of losses that will be incurred in respect of trade and other receivables.

→ Investments
The Group limits its exposure to credit risk from investments, short-term deposits and other cash instruments by investing only in liquid securities.
As the counterparties are leading banks, the Group does not expect that any of them will default.

Liquidity risk

The Group's approach to managing this risk is to ensure that it always has sufficient liquid assets to meet its liabilities as they fall due without incurring unacceptable losses or damaging its reputation.
To this effect, short-term financing (maturities of less than one year) is provided by commercial paper on which a fixed rate is paid.
The Group also has lines of credit to cover medium-term maturities, which can substitute or supplement commercial paper issuance. The related covenants are respected.

The Group has conducted a specific review of its liquidity risk and deems that it will be able to meet future maturities.

Exchange rate and price risk

The Group operates internationally. Risks related to commercial transactions denominated in a currency other than the respective functional currencies of Group entities are related mainly to purchases of raw materials denominated in US dollars. In order to manage this foreign exchange risk, the Group may use options contracts to hedge forecast transactions in this currency.

2.4.3 Risks related to proceedings, tax audits and litigation

To the best of the Group's knowledge, there are no pending or threatened government, judicial or arbitration proceedings that may have, or have had over the past 12 months, a significant impact on the Group's financial position or profitability.

2.4.4 Financial risks relating to the impacts of climate change

No law or regulation defines the components of climate change, the physical criteria of measurement, the timeframe or related values. Therefore, the financial risk related to the impact of climate change cannot be objectively measured.

However, the Group does not expect any major financial risk in the short or medium term directly linked to the rise in global average temperatures, the rise in sea levels or changes in biodiversity.

Three of the Group's subsidiary paper mills are subject to the European regulation on greenhouse gas emissions. The quotas held are sufficient to cover 2020 emissions, but the Group is still awaiting confirmation of the allocations the new period 2021 – 2030. This creates two potential specific but unquantifiable risks related to the volumes allocated and the price levels on the market.
The Non-financial Performance Declaration sets out the Group's environmental policy. In particular, it provides details of energy consumption, greenhouse gas emissions and measures taken to reduce the carbon footprint of the Group's operations.

2.5 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

2.5.1 Definition of internal control

Internal control is defined as a process implemented simultaneously by the Board of Directors, senior management and the employees of a group, which is designed to provide reasonable assurance that objectives are reached in the following areas:

- effectiveness and efficiency of operations;
- reliability of financial and accounting information;
- compliance with the laws and regulations in force.

Internal control consists of all methods that management has implemented to provide reasonable assurance that objectives are reached and to prevent the occurrence of damaging events.

2.5.2 Purposes and limits

Internal control ensures control of the company's operations and protects it from various types of risks, including:

- irregularities and fraud, including computer fraud;
- a material omission or inaccuracy in the processing of information and, therefore, in the financial statements;
- failure to comply with the company's legal and contractual obligations;
- destruction, damage or disappearance of assets, or incorrect valuation of assets.

An internal control system, however efficient the system is, can provide only reasonable assurance and not an absolute guarantee as to the achievement of the company's objectives, both because of the limits inherent in any process implemented by human beings and because of the limits on resources which all companies must take into account.

The Group relies on four types of financial and accounting information to guide its operations:

- the annual and interim parent company and consolidated financial statements;
- the quarterly statements (March and September – not published);
- the projected financial statements (not published).

2.5.3 Procedures for processing financial and accounting information

Systematic identification of risks is the first step in internal control. Mapping the Group's risks presents no specific problems and the main issues are as follows:

- control of raw materials purchases;
- environmental risks;
- protection of industrial assets and sites;
- control of the use of financial instruments and hedging foreign currency risk.

The financial and accounting procedures that are applied in the various Group companies may be summarised as follows:

- preparation of projected financial statements
- budget monitoring
- monitoring of intercompany revenue
- intercompany account reconciliations
- monitoring of monthly and year-to-date interim operating statements
- monthly and year-to-date cash position
- composition and performance of the investment portfolio
- monthly monitoring of the subsidiaries' short- and medium-term financial commitments, with transmission and control of operating working capital requirements.

The internal control of financial instruments is specifically monitored by senior management, with regard to the types of instruments used as well as the maximum risk levels incurred, which are measured daily.

These financial instruments (contracts or options) constitute a transaction that helps to reduce the risk of a variation in the value of an asset or liability, an unrealised future transaction to which they relate, or a future commitment.

The Group has no department dedicated to internal control that is responsible for conducting verifications on its behalf (either in the parent company or in the companies it controls).
The transactions contributing to the corporate activities of the Group and their presentation in the financial statements are verified, though not necessarily through the application of formalised procedures, by senior management or by its authorised representatives or agents, with the general goal of complying or ensuring compliance with the laws, regulations and standards in force, and of making every effort to prevent the occurrence of losses that could affect the Group's ability to continue operations.

For processing financial and accounting information, the Group and its subsidiaries use the following systems:

- Yourcegid fiscalité (tax management)
- Talentia Consolidation and Intercompany (consolidation)
- SAP, Navision (accounting & finance)
- Zadig (personnel management)

3. MANAGEMENT OF THE PANDEMIC

Consumption of office articles such as printing paper fell drastically in Europe during the second quarter of 2020 and our sales have suffered as a result.
For example, paper shipping volumes fell by a third during this period. Moreover, the consequences of the health crisis and the measures taken to protect employees' health compelled us to make adjustments to workshop operation. They have generally remained operational, benefiting from our storage capacities in Europe.
Only the production of certain specialised products was stopped. Preparations were made as usual for the back-to-school and end-of-year campaigns.
The persistence of the pandemic in 2021 continues to impact demand for many products.

4. POST-BALANCE SHEET EVENTS

The situation brought about by the ongoing COVID-19 pandemic is leading to structural changes but our different business units are continuing to operate in line with 2020. There are no significant post-balance sheet events to report.

5. OUTLOOK

The aftermath of 2020 and the threat of further lockdowns in 2021 do not allow for a recovery in sales of papers for office and printing applications. Pulp prices are rising sharply under the combined effect of hygiene-related purchases and demand in the Far East. This sharp increase in costs will have a significant impact on our profitability.
Stationery sales are still partly affected by the pandemic. The Group does not expect 2021 volumes to return to their pre-crisis level. In addition, higher prices for raw materials such as plastic, metal and grey cardboard will affect margins.
Current projections show a significant decrease in operating income versus 2020.

6. RESEARCH AND DEVELOPMENT

The stationery companies are constantly working on technical solutions for certain product ranges or client requests, via internal or external laboratories and machine testing. This technical development work to improve paper quality is not the result of innovative development targeting new paper manufacturing procedures or the market launch of completely new products. Our laboratories are primarily focused on testing the quality of manufactured products, fibre category substitution analysis and technical feasibility.
Processing companies regularly modify product design and new items are constantly being created. The items are not covered by specific programmes and generally require little specific development.
One workshop is dedicated to developing specialist equipment that is not available on the market and is designed exclusively for the Group.

7. EMPLOYMENT INFORMATION

The Exacompta Clairefontaine Group had 3,611 employees at 31 December 2020. The French companies apply the collective agreement for the production of papers, cardboard and cellulose, or the collective agreement for cardboard packaging.
The Group Works Council met on 21 October 2020 to comment on the Group's business and the economic and employment outlook for the year. It appointed a director representing the employees on the Board of Directors.

8. NON-FINANCIAL PERFORMANCE DECLARATION

The information required under Article L. 225-102-1 of the French Commercial Code is included in a separate document entitled "Non-financial performance declaration", which is an integral part of this management report.
It provides information on the manner in which the Group takes into account the social and environmental consequences of its activity as well as its commitments to society in favour of sustainable development, the circular economy, combating discrimination and promoting diversity.

9. PROPOSED TRANSFER OF SHARES TO EURONEXT GROWTH

We propose granting the Board of Directors the necessary powers for transferring the Company's shares from the Euronext market to Euronext Growth within a period of 12 months following the Shareholders' Meeting of 27 May 2021.

The transfer would allow the Company to be listed on a market better suited to its size, mitigate regulatory constraints and reduce listing costs while continuing to benefit from the advantages offered by financial markets.
It is noted that our Company meets the requisite eligibility criteria, namely market capitalisation below one billion euros and a free float of more than 2.5 million euros.

If you approve this proposed transfer, and subject to the approval of Euronext Paris, the transfer would be carried out via direct listing no later than two months after the transfer decision to be taken by the Board of Directors.

We draw your attention to the main consequences of such a transfer on the Company's periodic and continuous reporting regime (non-exhaustive list):

- Periodic reporting

Within four months following the balance sheet date, the Company would publish an annual report including the parent company (and consolidated) financial statements, a management report and the Statutory Auditors' reports.
It would also publish, within four months from the first half closing date, a half-year report including its consolidated half-year financial statements and the corresponding activity report. It will no longer be mandatory for the half-year financial statements to be audited by the Statutory Auditors.

Euronext Growth offers a free choice of accounting standards (French or IFRS) for the preparation of these consolidated financial statements. With a view to transparency among investors and shareholders, the Company has chosen to maintain the application of IFRS.
Finally, the following items of the management report (including the corporate governance report) would no longer be required:
- Elements related to corporate officer remuneration,
- Elements impacting a tender offer.

- Continuous reporting

The Company will continue to publicly disclose all information liable to have a material impact on the share price (inside information). The regulated information (in particular privileged information) must always be published in an effective and comprehensive manner. The Company will continue to use a professional reporting entity.

The Company must continue to prepare insider lists and high-level executives and managers must continue to declare securities transactions to the AMF.

- Composition of the Board – Corporate governance

The rules on gender balance on the Board of Directors provided for in Article L. 225-18-1 of the French Commercial Code would no longer apply. It is nevertheless noted that the Company may be subject to the application of these rules on gender balance if it exceeds certain thresholds, although this is not currently the case.

Following the transfer to Euronext Growth, the Company would remain bound by the obligation to appoint two directors representing the employees as it is above the thresholds established by the regulations (Article L. 225-27-1 of the French Commercial Code).

The Company would no longer be subject to the legal provisions set out in Article L. 823-19 et seq. of the French Commercial Code regarding the audit committee. The Board's report on corporate governance would be less extensive in terms of content.

- Remuneration of executives

The Shareholders' Meeting would no longer be required to approve the remuneration policy for the corporate officers nor to approve the elements of remuneration paid or allocated to the corporate officers in respect of year N-1.

- Shareholders' Meetings

The Company will no longer be required to publish a press release explaining how the documents submitted to the meeting would be made available.

Preparatory documents for the meeting and other documents (including information on the total number of voting rights and shares existing at the date of publication of the prior notice) would have to be published online, not twenty-one days before the meeting as before, but at the date of the notice of meeting (Article 4.4 of the Euronext Growth Market Rules).

The publication of the results of votes and the Meeting report on the Company's website would no longer be required. Likewise, the publication of the financial statement approval notice in the BALO would no longer be required.

- Crossing of shareholding thresholds - Tender offers - Grandfather clause

For three years following the admission of the Company's shares to trading on Euronext Growth, the requirements for shareholders of companies listed on the Euronext regulated market to disclose the crossing of shareholding thresholds and to give notice of their intent would continue to apply.
Following the end of this three-year period, shareholders would only be required to disclose crossing of the 50% and 95% thresholds in the Company's share capital or voting rights to the AMF and to the Company, in accordance with Article 223-15-1 of the AMF General Regulation.
The Company would have to publicly disclose crossings above or below the 50% and 90% thresholds in the share capital or voting rights within five trading days after becoming aware of such threshold crossings.

Pursuant to Article 231-1 of the AMF General Regulation, the provisions on tender offers applicable to companies listed on Euronext would continue to apply for three years following the date of admission to Euronext Growth.
After the end of this period, the Company would be subject to the regulations applicable to companies listed on Euronext Growth. Accordingly, a mandatory tender offer would need only be filed when the 50% share capital or voting right threshold is exceeded.

10. DRAFT RESOLUTIONS

10.1 APPROPRIATION OF EARNINGS

We propose the following appropriation:

2020 earnings	€2,327,939.13
Withdrawal from other reserves	€1,066,500.87
Total	€3,394,440.00
Appropriated as follows:	
First dividend	€226,296.00
Second dividend...	€3,168,144.00
Total dividends	€3,394,440.00

Given that the company's share capital is divided into 1,131,480 shares, each of these shares will receive a total dividend of €3.00.

The following table shows the dividends paid for the last three years:

Year	Dividend	Number of shares
2017	2.70	1,131,480
2018	2.70	1,131,480
2019	3.00	1,131,480

10.2 TRANSFER OF THE COMPANY'S SHARES TO EURONEXT GROWTH

Your Board of Directors proposes approving the transfer of the shares of the company EXACOMPTA CLAIREFONTAINE from Euronext Paris to Euronext Growth and granting the Board of Directors all powers required to implement this stock market transfer.

REPORT ON CORPORATE GOVERNANCE

1. List of offices and positions held by corporate officers

Céline Nusse
- Managing Director, Zadig Productions

Charles Nusse
- Member of the Supervisory Board of Ets Charles Nusse
- Chairman, Exaclair Ltd (GB)
- Joint Managing Director, Ernst Stadelmann (AT)
- Joint Managing Director, Exaclair GmbH (DE)
- Manager of the German companies: Brause Produktion and Rodeco
- Director, Exaclair SA (BE)
- Director, Biella Schweiz (CH)

François Nusse
- Chairman of the Executive Board of Ets Charles Nusse
- Chairman, Exacompta
- Chairman, Papeteries Sill
- Chairman, Claircell Ingénierie
- Joint Managing Director, Ernst Stadelmann (AT)
- Managing director, Exaclair SA (BE)
- Chairman of the Board of Directors, Biella Schweiz (CH)

Frédéric Nusse
- Chairman, Papeteries de Clairefontaine
- Joint Managing Director, Exaclair GmbH (DE)

Guillaume Nusse
- Chairman, Clairefontaine Rhodia
- Chairman, CFR
- Chairman, Madly
- Sole director, Exaclair SA (ES)
- Manager of the Moroccan companies: Makane Bouskoura, Publiday and Clair Maroc
- Director, Eurowrap Ltd (GB)
- Chairman, AE4 2012 Holding (SE) and Eurowrap A/S (DK)

Jean-Claude Gilles Nusse
- Member of the Ets Charles Nusse Executive Board
- Manager, AFA
- Chairman, Photoweb
- Chairman of the Board of Directors, Exaclair Ltd (GB)

Jean-Marie Nusse
- Member of the Ets Charles Nusse Executive Board
- Director, Exaclair SA (BE)

Jérôme NUSSE
- Chairman, Editions Quo Vadis
- Chairman, Exaclair Italia (IT)
- Chairman, Quo Vadis Japan (JP)
- Chairman, Quo Vadis Editions (US)

Monique Prissard
- Member of the Ets Charles Nusse Executive Board

Caroline Valentin
- Member of the Supervisory Board of Ets Charles Nusse
- Manager, Cartier et Cie
- Director, Lancel Sogedi

Dominique Daridan
- Chairman of Daridan Conseil, Recherche Crédit et Investissements

Louise de L'Estang du Rusquec
- Executive at Société Générale Equipment Finance

2. Preparation and organisation of the work of the Board of Directors

The Board of Directors is comprised of ten directors appointed by shareholders and the two directors representing employees.

Exacompta Clairefontaine pursues a long-term policy through a primarily family shareholding structure. Its Board of Directors brings together members with direct responsibilities from the various divisions of the Group's businesses and specialists in financial and staff matters. They collectively provide the qualifications and experience required to determine the direction of the Group's businesses and monitor their implementation.
The other elements of the diversity policy result not only in an adherence to legal provisions regarding the gender balance among directors, but also in the renewal of the Board of Directors. The average age of directors has fallen by over six years since 2015 as a consequence.

Terms of office expire at the end of the year stated in brackets.

- Frédéric Nusse (2021)
- Guillaume Nusse (2021)
- Jérôme Nusse (2021)
- Dominique Daridan (2022)
- Céline Nusse (2022)
- Caroline Valentin (2022)
- Charles Nusse (2023)
- Emmanuel Renaudin, Director representing employees (2023)

- Monique Prissard (2024)
- Louise de L'Estang du Rusquec (2024)
- François Nusse (2025)
- Manon Trotet, Director representing employees   (2025)

The Chief Executive Officer is the Chairman of the Board of Directors.
He is also in charge of the Exacompta department and is supported by two non-director Executive Vice Presidents, assisting him in the following areas:

- Jean-Claude Gilles Nusse – Executive Vice President: AFA and Photoweb departments
- Jean-Marie Nusse – Executive Vice President: Papeteries de Clairefontaine and Clairefontaine Rhodia departments. Administration and Finance Department.

The Board has placed no limitations on the powers of the Chairman and Chief Executive Officer.

The Board does not currently hold any delegation of authority granted at the Shareholders' Meeting for the purposes of capital increases.

Notices of Board meetings are given in writing at least eight days in advance. Meetings are held at the registered office or at the offices of a subsidiary in Paris.
The statutory auditors are called to the meetings of the Board of Directors called to approve the annual and interim financial statements and to all meetings that review the financial statements.

The Board met four times in 2020.

- The 26 March Board meeting approved the financial statements for the previous year and prepared the Shareholders' Meeting;
- The 17 September Board meeting reviewed the half-yearly position, particularly the economic environment at the beginning of the year, the interim operating statements and other specific items;
- The 27 May and 26 November Board meetings discussed the economic environment, the business and other issues.

The March and September Board meetings were followed by an announcement to all shareholders.

One or more additional Board meetings may be held if circumstances require, particularly if there are significant acquisition or investment opportunities.

Board members are not required to be physically present at Board meetings, as video conferencing is authorised by the Board's internal procedure. Board members' attendance rate is very high. No meetings were called at the initiative of the directors.

To allow Board members to make the necessary preparations for meetings, the Chairman provides them with all necessary information or documents prior to the meeting.
During the Board meetings, each head of department presents an analysis of the following points:

- ❑ raw materials and energy
- ❑ earnings for the period
- ❑ capital expenditure
- ❑ outlook and risks

The directors review the consolidated financial statements of the Group and those of the different departments.

The consolidated statements contain a number of analyses, including:

- changes in shareholders' equity;
- contribution to consolidated income by company.

The drafts of the parent company and consolidated financial statements are submitted to Board members at least eight days before the Board meeting called to approve the final financial statements. Whenever a member of the Board so requests, the Chairman shall immediately or promptly provide any additional information or documents to said party.

3. Shareholder attendance at Shareholders' Meetings

There are no particular procedures for shareholders to attend Shareholders' Meetings. The main provisions of the Articles of Association governing voting rights and attendance are:

Excerpt from the Articles of Association (Article 8.2): "The shares are indivisible vis-à-vis the company. Joint shareholders must be represented at Shareholders' Meetings by one of those shareholders or a single representative of their choosing. If the shareholders are unable to agree on a representative, the latter shall be appointed pursuant to an order of the Presiding Judge of the Commercial Court ruling in summary proceedings upon the request of the first joint shareholder to seek legal intervention.
The voting rights attached to shares that have been pledged are exercised by the owner of the shares. If the ownership of a share is divided, said share belongs to the beneficial owner at Ordinary Shareholders' Meetings and to the legal owner at Extraordinary Shareholders' Meetings."

Excerpt from the Articles of Association (Article 8.3.2): "Fully paid-up shares registered in the name of the same shareholder for at least two (2) years shall have double voting rights in proportion to the fraction of share capital represented".

Excerpt from the Articles of Association (Article 15.2): "Shareholders' Meetings are held at the registered office or any other location indicated in the notice, pursuant to the procedures and deadlines set forth in the regulatory provisions".

Excerpt from the Articles of Association (Article 16): "Any shareholder has the right to attend shareholders' meetings or to be represented, provided the shares have been fully paid up.
The company may also require that registered shares be held in the name of their holder in the company's securities register before a date set out in the letter and the notice of meeting, must be no earlier than five (5) days before the date of the Shareholders' Meeting".

Excerpt from the Articles of Association (Article 16.2): "Shareholders may arrange to be represented by another shareholder or their spouse. Representatives are appointed for one Shareholders' Meeting only: said appointment shall be valid for two sessions, an ordinary and an extraordinary session, provided said sessions are held on the same day or within fifteen days of each other. Said appointment shall also be valid for successive meetings called with the same agenda.
Shareholders may vote by post using a form compliant with the regulatory requirements. Said form shall only be valid when received by the company no later than three days prior to the meeting. Where applicable, this form may be incorporated with the power-of-attorney form."

Against the backdrop of the COVID-19 pandemic and pursuant to the provisions of Article 4 of Order no. 2020-321 of 25 March 2020, the company informed its shareholders that the Shareholders' Meeting convened for 27 May 2020 at 3.00pm would be held without the presence of the shareholders and the other persons entitled to attend, whether in person or via telephone or video conference.
The meeting notice and the voting form were made available on the company's website at http://www.exacomptaclairefontaine.fr, as were the documents due to be presented at the meeting pursuant to the provisions of Articles L. 225-115 and R. 225-83 of the French Commercial Code.
The results of the votes were published on the same website.

4. Corporate governance

Given the nature of the company, its strong family shareholding, company values upheld by its members etc., the Board of Directors does not deem it necessary to refer to a corporate governance code.
The operation of the Board of Directors is governed by a set of internal procedural rules and their amendments are decided at the different meetings.

A Code of conduct governing behaviour for the prevention and detection of corruption or influence-peddling was also approved at the Board of Directors' meeting of May 2017.

Audit Committee:

The Audit Committee is represented by the Board of Directors, on which the senior executives from the Group's five departments sit.
The Board has not formally established any other permanent committees tasked with monitoring particular areas. Ad hoc committees may be put in place according to the issues that need to be dealt with.

5. Agreements

There are no agreements governed by Article L. 225-38 of the French Commercial Code.
The 0.2% fee corresponding to the assistance agreement binding Exacompta Clairefontaine and its wholly-owned subsidiaries is excluded pursuant to the first paragraph of Article L. 225-39 of the said Code and is entered into under normal conditions.

Under the procedure implemented by the Board of Directors to assess the current nature and the normal conditions of this agreement, the said agreement is qualified following any update or amendment.
The most recent update of the agreement was approved by the Board of Directors on 26 March 2014. The Board of Directors' meeting of 27 May 2015 qualified it as a "current operation entered into under normal conditions".
This agreement has been in place in intent and amount since 2003, as detailed in the management report.

6. Remuneration of the corporate officers

6.1 Remuneration excluding attendance fees

The corporate officers are members with direct responsibilities from the various divisions of the Group’s businesses and specialists in financial and staff matters. They collectively provide the qualifications and experience required to determine the direction of the Group’s businesses and therefore directly represent the interests of the company and the group.

The remuneration policy for the corporate officers of Exacompta Clairefontaine is based on the same principles as those applied to all the Group’s employees.

The Group applies the principle of fixed remuneration for corporate officers and there is no variable remuneration. Neither does the Group offer any stock options, free share allocations, performance-related shares or supplementary pension schemes.
Similarly, corporate officers do not benefit from any retirement commitments or other advantages awarded in connection with the assumption or termination of duties. Nor do they receive any other annuities from Exacompta Clairefontaine.

Excluding attendance fees, no directors are remunerated by the company Exacompta Clairefontaine. Differences in remuneration reflect the level of responsibility, the specific nature of the position and experience. Increases in remuneration are applied on an individual basis.

This remuneration policy shall be submitted to a vote of the shareholders in accordance with the provisions of the French Commercial Code.

The total amount of remuneration received, excluding attendance fees, by the corporate officers in 2020 amounted to €1,225,000 in the consolidated financial statement of the Exacompta Clairefontaine Group, compared with €1,259,000 in 2019.

The following amount of remuneration and benefits in kind, excluding attendance fees, was paid or owed for the 2020 fiscal year to the Chairman and Chief Executive Officer and the Executive Vice Presidents in respect of their duties in the companies included within the scope of consolidation of the Exacompta Clairefontaine Group.

Remuneration and benefits in kind (in euros)	**2020**	**2019**	**Annual change**
François Nusse Chairman and Chief Executive Officer	185,617	184,375	+1,242
Jean-Marie Nusse Executive Vice President	134,064	139,478	-5,414
Jean-Claude Gilles Nusse Executive Vice President	68,918	68,918	-

Remuneration is set exclusively in accordance with the policy set out above.

The ratios between the remuneration of each of these executives and the average and median remuneration of the employees of the company Exacompta Clairefontaine (excluding the corporate officers) must be present pursuant to Article L. 22-10-9.

These ratios are not applicable as no corporate officers are remunerated by the company Exacompta Clairefontaine. The details of the change in remuneration required by paragraph six of the same article are also not applicable.

The Ordinary Shareholders' Meeting of 27 May 2020, in its seventh to ninth resolution, approved the remuneration and benefits of any kind paid in respect of 2019 to the Chairman and Chief Executive Officer and the the Executive Vice Presidents and, in its sixth resolution, approved the remuneration policy as defined pursuant to the legal provisions in effect in 2019.

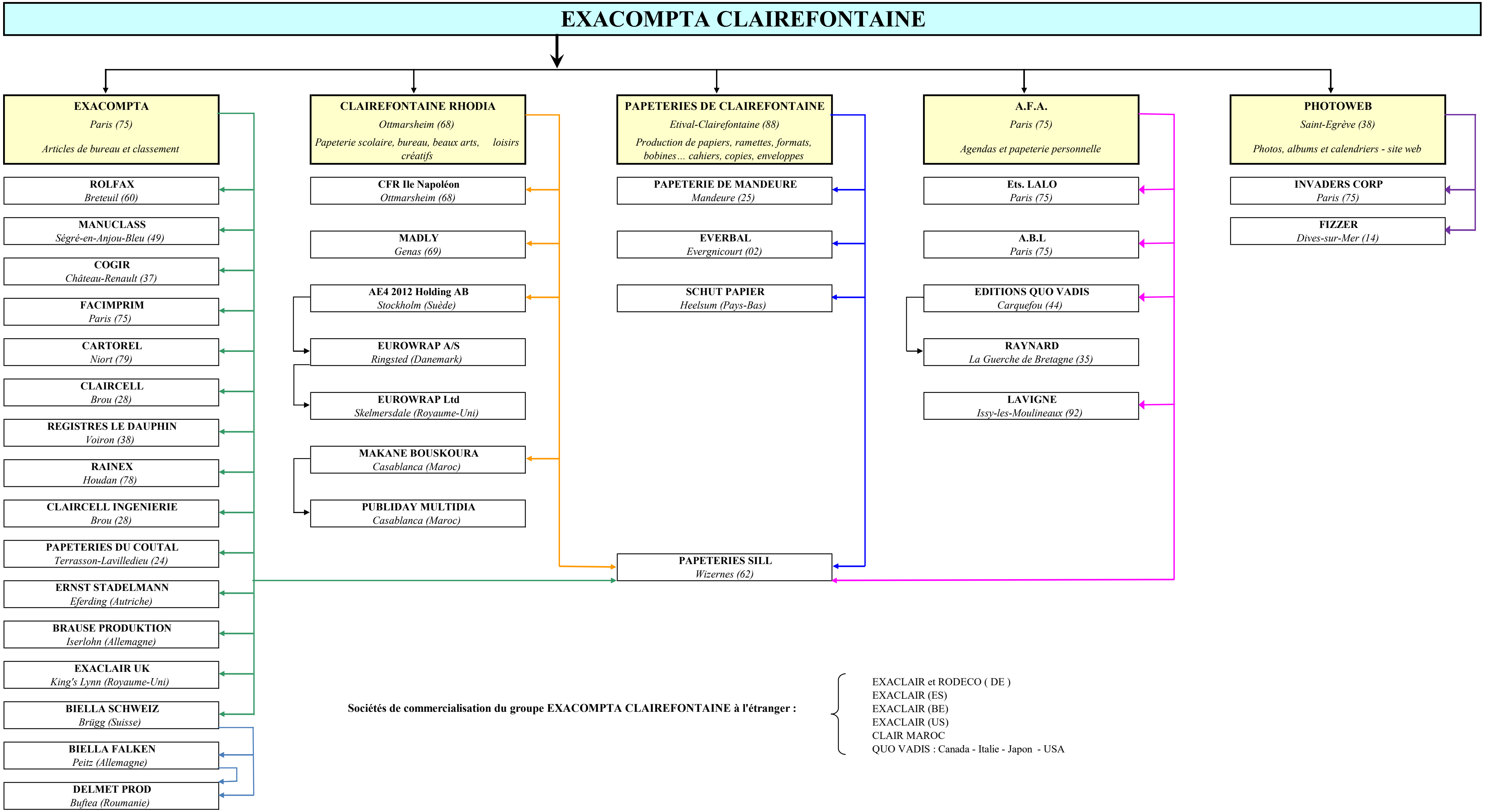
6.2 Directors' fees

The Board assesses the appropriateness of the director's fees allocated to each director in view of the tasks and responsibilities incumbent upon them and the time they require to perform their duties.

The Board of Directors' meeting of 28 November 2019 approved the allocation of an equal share of remuneration between each director in view their participation at Board meetings, as well as the allocation of an additional variable portion to directors that are not on the payroll of the Exacompta Clairefontaine group or Établissements Charles Nusse shareholders. The variable portion concerns two directors and corresponds to a doubling of the fixed portion prorated to the number of Board meetings they attend.

For the 2020 fiscal year the total amount of attendance fees to be shared among the directors amounted to €91,000 and was awarded by a decision of the 6 June 2019 Shareholders' Meeting.

GROUP ORGANISATIONAL CHART



Exacompta Clairefontaine S.A.

Parent Company Financial Statements for the year ended
31 December 2020

BALANCE SHEET AND INCOME STATEMENT

ASSETS (€000)	31/12/2020	31/12/2019
Intangible assets		
Concessions, patents, licences, trademarks	4	6
Intangible assets in progress		
Property, plant and equipment		
Land	3,907	3,854
Buildings	9,397	5,895
Other PP&E	21	21
PP&E in progress	-	3,879
Non-current financial assets		
Equity interests	312,570	315,570
Intercompany receivables	10,938	9,925
Loans	58,706	65,954
Other financial assets	507	507
TOTAL NON-CURRENT ASSETS	**396,050**	**405,611**
Inventories	198	198
Advances and progress payments made on orders	15	24
Receivables		
Trade and intercompany receivables	1,710	1,874
Other receivables	45,453	40,390
Prepaid expenses	138	229
Cash and cash equivalents	99,017	78,739
TOTAL CURRENT ASSETS	**146,531**	**121,454**
Currency translation adjustment	22	52
TOTAL ASSETS	**542,603**	**527,117**

LIABILITIES AND SHAREHOLDERS' EQUITY (€000)	31/12/2020	31/12/2019
Share capital	4,526	4,526
Share, merger and contribution premiums	162,566	162,566
Revaluation surplus	485	485
Reserves		
Statutory reserve	453	453
Other reserves	123,709	122,173
Retained earnings		
Profit/(loss) for the year	**2,328**	**4,931**
Regulated provisions	1,878	1,773
SHAREHOLDERS' EQUITY	**295,945**	**296,907**
Provisions		
For contingent liabilities	22	52
For charges	331	331
TOTAL PROVISIONS	**353**	**383**
Borrowings		
Bank loans and borrowings	141,641	128,725
Operating payables		
Trade payables	252	229
Taxes and social security contributions payable	938	4,717
Other payables	103,445	96,123
Deferred income	29	33
TOTAL PAYABLES	**246,305**	**229,827**
Currency translation adjustment		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**542,603**	**527,117**

INCOME STATEMENT (€000)	31/12/2020	31/12/2019
Revenues	1,575	1,249
Operating subsidies		
Reversals of depreciation, amortisation and provisions, expense transfers	6,029	6,675
Other income	487	437
OPERATING REVENUE	**8,091**	**8,361**
Purchases and other supplies		
Other purchases and external expenses	1,732	1,871
Taxes, duties and similar payments	414	438
Salaries and wages	3,348	3,704
Social security contributions	1,245	1,413
Increases in depreciation/amortisation of non-current assets	706	821
Provision charges	74	31
Other expenses	126	99
OPERATING EXPENSES	**7,645**	**8,377**
OPERATING INCOME/(LOSS)	**446**	**-16**
Financial income from equity investments	4,630	5,520
Income from other securities and receivables from non-current assets	614	178
Other interest and similar income	672	1,098
Reversals of provisions, expense transfers	5,052	27
Positive currency translation adjustments	119	145
Net profit on sales of marketable securities		
FINANCIAL INCOME	**11,087**	**6,968**
Increases in depreciation, amortisation and provisions	8,022	52
Interest expense and similar expenses	1,060	1,177
Negative currency translation adjustments	507	39
Net expenses on sales of marketable securities		
FINANCIAL EXPENSES	**9,589**	**1,268**
NET FINANCIAL INCOME/(EXPENSE)	**1,498**	**5,700**
INCOME/(LOSS) BEFORE TAXES	**1,944**	**5,684**
Extraordinary income		
On operating transactions		
On capital transactions	-	81
Reversals of provisions, expense transfers	45	304
EXTRAORDINARY INCOME	**45**	**385**
Extraordinary expenses		
On operating transactions		
On capital transactions	-	77
Increases in depreciation, amortisation and provisions	150	118
EXTRAORDINARY EXPENSES	**150**	**195**
NET EXTRAORDINARY INCOME/(EXPENSE)	**-105**	**190**
Income taxes	-489	943
NET INCOME/(LOSS) FOR THE YEAR	**2,328**	**4,931**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

1. KEY EVENTS OF THE YEAR

Notes to the balance sheet prior to earnings appropriation for the year ended 31/12/2020, for which:

- Total assets amounted to €542,602,942
- Net income amounted to €2,327,939.13

1.1. Accounting principles, rules and methods

General accounting conventions have been applied, in compliance with the principle of prudence, in accordance with the following underlying assumptions:

- going concern;
- constant accounting methods from one year to the next;
- accruals concept, in accordance with the general rules regarding the preparation and presentation of annual financial statements.

The basic method used to value the items recorded is the historical cost method.

The financial statements are prepared in accordance with French accounting standards authority (ANC) Regulations 2014-03 et seq. regarding the French chart of accounts.

1.2. Comparability of the financial statements

The fiscal year is a period of 12 months that runs from 01/01/2020 to 31/12/2020.

1.3. Changes in accounting methods

There were no changes in the valuation and presentation methods applied to the parent company financial statements for the fiscal year ended compared to the previous year.

1.4. Key events of the year

Net impairment of equity interest of €3 million was recorded in the 2020 financial statements, including a provision of €8 million for the company AFA and a reversal of €5 million for the company Exacompta.
In view of the health crisis and lockdowns, the Company took the measures required to protect its employees and adapted its commercial structure. Use of short-time working arrangements was very limited. Exacompta Clairefontaine did not benefit from any support measures other than the postponement of repayment dates for some loans.

2. ACCOUNTING RULES AND METHODS

2.1. <u>Fixed assets</u>

2.1.1 <u>Intangible assets and property, plant and equipment</u>

Valuation:

Fixed assets are valued at acquisition cost (purchase price excluding ancillary expenses) or production cost.

Depreciation and amortisation:

Depreciation and amortisation are calculated using the straight line method based on the estimated useful life of each asset component, on the following bases:

❑ Software	1 to 3 years
❑ Buildings	25 to 40 years
❑ Fixtures and furnishings	10 to 20 years
❑ Office supplies and computer hardware	3 to 10 years

The difference between tax-related and economic depreciation/amortisation is recognised under accelerated depreciation/amortisation.

Write-downs:

At the end of each year, the company assesses the value of its fixed assets to determine whether there are indications of a loss in value. If so, the recoverable value of the asset is estimated. If the recoverable value is less than the book value, a write-down is taken for the amount of the difference.

2.1.2 <u>Non-current financial assets</u>

The gross value consists of the purchase cost, excluding ancillary expenses.

If fair value is less than gross value, a write-down is taken for the amount of the difference.

The fair value of equity interests is assessed on the basis of the fair value of the shareholders' equity, as measured based on discounted future cash flows and net debt. The outlook of each subsidiary or group of subsidiaries is taken into account, in which case consolidated data may be included in the assessment.

2.2. <u>Inventories</u>

Inventories include the purchase of resinous wood made in 1997.

2.3. <u>Receivables and payables</u>

Valuation and impairment:

Receivables and payables are valued at their nominal amount. A write-down is taken against receivables when their fair value is less than their book value.

Receivables and payables denominated in foreign currencies:

These items are valued using the closing exchange rate on the balance sheet date.
Differences resulting from this valuation are recorded as currency translation adjustments, in assets or liabilities. Provisions are recorded for unrealised foreign exchange losses recognised under assets.

2.4. Cash

Short-term cash:

Short-term needs are financed by commercial paper issued by Exacompta Clairefontaine. A fixed rate determined at the moment of issue is paid on the commercial paper, which has a fixed maturity and a maximum term of 365 days.
At the balance sheet date, the amount issued by the Group was €50 million out of an authorised limit of €125 million.

Lines of credit:

Lines of credit are in place with several banks for a total amount of €135 million, with maturities not exceeding five years. The term of drawdowns ranges from 10 days to twelve months. As at 31 December 2020, none of these lines of credit had been used.

Marketable securities:

Marketable securities are assets held for trading. The book value of €6,453,000 equals the market value at 31 December 2020. The book value is equal to the fair value.

2.5. Accelerated depreciation/amortisation

Accelerated depreciation consists of the difference between the depreciation calculated according to tax practices and that calculated according to the straight line method based on the estimated useful life.
Accelerated depreciation totalled €1,878,000 at year-end.

2.6. Provisions for contingent liabilities and charges

2.6.1 Provisions for retirement indemnities

The method used to calculate the provision is the projected unit credit method. The discount rate is determined using the French average bond market rate, based on blue chip corporate bonds.

The calculation is based on the following main assumptions:

- probability of retirement from the company, turnover, death
- total amount of benefits outstanding under the cardboard packaging (*"Cartonnage"*) collective agreement
- retirement age: between 60 and 67 years of age depending on the employee's year of birth and status
- social security contributions rate: 45%
- discount rate: 0.51%

A provision for the full amount of the retirement commitment – including social security contributions – was taken at year-end and totalled €331,000.

2.6.2 Other provisions

Other provisions recorded correspond to foreign exchange losses of €22,000 resulting from currency translation differences.

3. OTHER INFORMATION

3.1. Parent company consolidating the company's financial statements

Exacompta Clairefontaine is 80.46% owned by Ets Charles Nusse SA, a French limited company (*société anonyme*) with an Executive Board and a Supervisory Board, with a share capital of €1,603,248, registered at 138 Quai de Jemmapes 75010 Paris.

3.2. Staff

The average headcount of the parent company totalled 37 persons in 2020 (1 administrative manager and 36 sales staff).

3.3. Tax consolidation

A tax consolidation agreement has been signed with all the French companies except Fizzer, in which the company holds a 60% interest. This agreement is automatically renewed every year.
The parent company of the tax group is Exacompta Clairefontaine.
The reported tax expense is the expense that would have been incurred in the absence of tax consolidation, subject to the following provisions:

- no limit on the profit against which loss carryforwards may be applied
- refunding of tax credits not applied by the company when these credits may be applied by the parent company

The tax savings realised by the parent company are returned to the subsidiaries when they become profitable and can charge their own losses.
The tax group incurred a tax expense of €489,000 for 2020.

3.4. Remuneration of administrative and management bodies

The members of the Board of Directors receive no remuneration from the company.
The total amount of director's fees to be shared among the directors for 2020 is €91,000 and was awarded by a decision of the 6 June 2019 Shareholders' Meeting.

3.5. Related party transactions

No material non-arm's length transactions involving related parties were executed.

3.6. Off-balance sheet commitments

The companies that head sub-groups (Exacompta, Papeteries de Clairefontaine, Clairefontaine Rhodia, AFA and Photoweb) guarantee all repayments of their subsidiaries that borrow from their parent company.
Exacompta Clairefontaine jointly and severally guarantees payment to Exeltium of all liabilities in respect of purchases of blocks of electricity contracted by Papeteries de Clairefontaine.

4. BALANCE SHEET AND INCOME STATEMENT DATA

Share capital

	Number of shares	Par value (€)
At 1 January	1,131,480	€4
At 31 December	1,131,480	€4

Change in shareholders' equity (€000)

Shareholders' equity at 31/12/2019	**296,907**
Dividends distributed	-3,394
Change in regulated provisions	+104
Net income for fiscal year 2020	2,328
Shareholders' equity at 31/12/2020	**295,945**

Change in gross non-current assets

€000	Gross value b/fwd	Purchases	Sales	Other activity	Gross value c/fwd
Concessions, patents, licences	260				260
Intangible assets	**260**				**260**
Land	3,870	59			3,929
Buildings and fixtures	20,848	311		3,879	25,038
Other PP&E	130	10			140
PP&E in progress	3,879			-3,879	-
Property, plant and equipment	**28,727**	**380**		**0**	**29,107**
Equity interests	352,570				352,570
Intercompany receivables	9,925	2,200	1,187		10,938
Loans	65,954		7,248		58,706
Other financial assets	507				507
Non-current financial assets	**428,956**	**2,200**	**8,435**		**422,721**

Change in depreciation/amortisation of non-current assets

€000	Amounts b/fwd	Additions	Reversals and outflows	Provisions c/fwd
Concessions, patents, licences	254	2		256
Intangible assets	**254**	**2**		**256**
Land	16	6		22
Buildings and fixtures	14,953	688		15,641
Other PP&E	109	10		119
Property, plant and equipment	**15,078**	**704**		**15,782**

Table of subsidiaries and equity interests (€)

Subsidiaries	**Share capital and shareholders' equity**	**% interest**	**Shares gross value net value**	**Loans**	**Dividends received**
PAPETERIES DE CLAIREFONTAINE 88480 Etival Clairefontaine SIREN no. 402 965 297	91,200,000 192,091,075	100%	103,001,491 103,001,491		2,109,000
EXACOMPTA 75010 Paris SIREN no. 702 047 564	2,160,000 87,847,039	100%	115,692,905 95,692,905	29,053,905	1,228,500
AFA 75010 Paris SIREN no. 582 090 452	1,440,000 39,581,953	100%	49,633,433 29,633,433		
CLAIREFONTAINE RHODIA 68490 Ottmarsheim SIREN no. 339 956 781	22,500,000 35,385,453	100%	40,912,423 40,912,423	27,909,357	737,500
PHOTOWEB 38120 Saint-Egrève SIREN no. 428 083 703	40,000 19,903,243	100%	43,329,750 43,329,750		555,000
Equity interests	**Share capital and shareholders' equity**	**% interest**	**Shares gross value net value**		**Dividends received**
Forestry cooperative FORÊT & BOIS DE L'EST	variable	non-material	3,038 3,038		

Change in provisions and write-downs

€000	**Amounts b/fwd**	**Additions**	**Reversals** (used)	**Reversals** (not used)	**Provisions c/fwd**
Accelerated depreciation/amortisation	1,773	150	45		1,878
Regulated provisions	**1,773**	**150**	**45**		**1,878**
Foreign exchange losses	52	22		52	22
Pensions and similar obligations	331	74		74	331
Other expenses					
Provisions for contingent liabilities and charges	**383**	**96**		**126**	**352**
Equity interests	37,000	8,000		5,000	40,000
Write-downs	**37,000**	**8,000**		**5,000**	**40,000**

Increases and reversals		
○ operating	74	74
○ financial	8,022	5,052
○ extraordinary	150	45
Total	**8,246**	**5,171**

Receivables schedule

Receivables due (€000)	**Gross amounts**	**< 1 year**	**> 1 year**
Non-current receivables			
Intercompany receivables	10,938		10,938
Loans	58,706	7,255	51,451
Other financial assets	507		507
Current receivables			
Trade receivables	1,710	1,710	
Personnel and related	9	9	
Income taxes	596	596	
Value added tax	22	22	
Group and associates	44,819	44,819	
Other receivables	7	7	
Prepaid expenses	138	138	
Total	**117,452**	**54,556**	**62,896**

Payables schedule

Payables due (€000)	**Gross amounts**	**< 1 year**	**1-5 years**	**> 5 years**
Bank loans and borrowings	141,641	69,493	47,178	24,970
Trade payables	252	252		
Personnel and related	457	457		
Social security organisations	347	347		
Income taxes	-	-		
Value added tax	92	92		
Other taxes, duties and similar items	42	42		
Group and associates	102,841	102,841		
Other payables	604	604		
Deferred income	29	29		
Total	**246,305**	**174,157**	**47,178**	**24,970**

Breakdown of prepaid expenses and deferred income

€000	**Prepaid expenses**	**Deferred income**
Operating income/expenses	112	
Financial transactions	26	29
Total	**138**	**29**

Breakdown of accrued expenses and accrued income

€000	Accrued expenses	Accrued income
Invoices not received/to be issued	110	90
Tax and social security payables/receivables	495	6
Financial transactions	30	460
Total	**635**	**556**

Breakdown of expense transfers

€000	Expense transfers
Transfer of external expenses	1,279
Transfer of personnel expenses	4,464
Transfer of taxes & duties	212
Total	**5,955**

Extraordinary income and expenses

€000	31/12/2020	31/12/2019
Sale of property, plant and equipment	-	81
Reversal of accelerated depreciation	45	304
Other income		
Total extraordinary income	**45**	**385**
Sale of property, plant and equipment	-	77
Increase in accelerated depreciation	150	118
Other expenses		
Total extraordinary expenses	**150**	**195**

Breakdown of income taxes

Breakdown – €000	Income before tax	Taxes owed	Net income after tax
Income from ordinary activities	1,944		1,944
Extraordinary income	-105		-105
Tax expense			
• tax consolidation gain		489	489
• other tax effects		-	-
Total	**1,839**	**489**	**2,328**

Deferred and future tax position

€000 (at corporate income tax rate of 28%)	**Amount**
Tax on:	
Accelerated depreciation/amortisation	526
Total increases	526
Prepaid tax on:	
Paid holiday	66
Other	93
Total reductions	159
Net deferred tax position	**367**

Tax loss carryforwards	83
Net future tax position	**-83**

Exacompta Clairefontaine S.A.

Reports of the Statutory Auditors

- Report on the parent company financial statements
- Special report on regulated agreements and commitments

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REPORT OF THE STATUTORY AUDITORS ON THE PARENT COMPANY FINANCIAL STATEMENTS

Year ended 31 December 2020

To the Shareholders' Meeting of the company EXACOMPTA CLAIREFONTAINE,

Opinion

In accordance with the assignment entrusted to us by your Shareholders' Meeting, we have audited the financial statements of EXACOMPTA CLAIREFONTAINE for the year ended 31 December 2020, which are appended to this report.

We hereby certify that the parent company financial statements are, with regard to French accounting rules and principles, in order and accurate and fairly present the results of operations for the past year and the financial position, assets and liabilities of the company at the end of that year.

The opinion expressed above is consistent with the content of our report to the Audit Committee of the Board of Directors.

Basis of the opinion

Audit standards
We performed our audit in accordance with the professional standards applicable in France. We believe that the evidence we have gathered provides a reasonable basis for our opinion.

Our responsibilities pursuant to these standards are set forth in the section "Responsibilities of the Statutory Auditors relating to the audit of the parent company financial statements" of this report.

Independence
We have performed our audit in compliance with the rules of independence provided for in the French Commercial Code and the French Code of Ethics for statutory auditors for the period running from 1 January 2020 to the date of issue of our report, and in particular we have not provided services prohibited under Article 5, paragraph 1, of regulation (EU) No. 537/2014.

Justification of our assessments - Key audit matters

The global health crisis related to the COVID-19 pandemic has created specific conditions for the preparation and audit of this year's financial statements. This crisis and the extraordinary measures taken in the context of the health emergency has numerous consequences for companies, particularly with regard to their activity and financing, and has generated significant uncertainty regarding their future prospects. A number of these measures, such as restrictions on travel and remote work, have also had an impact on companies' internal organisation and on the arrangements for carrying out audits.
It is within this complex and ever-changing environment that, pursuant to the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code on the justification of our assessments, we draw your attention to the key audit matters relating to the risk of material misstatements which, in our professional judgement, have been the most significant for the audit of the parent company financial statements, and how we addressed these risks.

The assessments carried out are part of our audit of the financial statements, taken as a whole and prepared under the conditions described above, and formed our opinion, which is expressed above. We do not express an opinion on individual items of these financial statements.

Valuation of equity interests

Risk identified

Equity interests and related receivables, of a net amount of €313 million on the balance sheet as at 31 December 2020, represent one of the most significant items of the balance sheet. They are initially recognised at acquisition cost and depreciated based on their carrying amount.

As stated in Note 2.1.2 to the financial statements, the carrying amount is assessed on the basis of the fair value of the shareholders' equity, as measured based on discounted future cash flows and net debt. The outlook of each subsidiary or group of subsidiaries is taken into account, in which case consolidated data may be included in the assessment.

The estimated carrying amount of these equity interests, based in particular on projected discounted future cash flows, requires the use of assumptions and estimates and the exercise of judgement by management.

In view of the significance of the equity interests and the inherent uncertainties of the assumptions used for their valuation, we considered the carrying amount of the equity interests to be a key element of the audit.

Audit procedures implemented to address this risk

To assess the reasonableness of the estimated carrying amount of equity interests, based on information provided to us, our work consisted mainly in verifying that the estimate of these values determined by management is based on an adequate justification of the valuation method and the figures used and in:

- Obtaining the cash flow and business forecasts of the concerned entities prepared by their operational departments;
- Assessing, for each equity interest concerned, the compliance of the valuation methodology applied by the company with the accounting standards in force and its consistency with the previous fiscal year;
- Verifying, firstly, the consistency of the cash flow and business forecasts prepared by the operational departments and, secondly, the consistency of assumptions used for prior periods with the economic environment at the accounts closing and preparation dates;
- Assessing the appropriateness of the discount rates and long-term growth rates applied to the cash flow forecasts;
- Comparing the forecasts used for prior periods with the corresponding actual figures in order to assess the achievement of previous targets;
- Assessing the recoverability of intercompany receivables in light of the analyses of equity interests.

Specific verifications

We also performed the specific verifications required by law and by the regulations, in accordance with the professional standards applicable in France.

Information provided in the management report and in the other documents addressed to the shareholders concerning the financial position and the annual financial statements

We have no comments to make about the accuracy and consistency with the annual financial statements of the information provided in the management report of the Board of Directors and in the documents addressed to the shareholders concerning the financial position and the annual financial statements.

We hereby confirm the accuracy and the consistency with the annual financial statements of the information relating to payment terms listed in Article D. 441-6 of the French Commercial Code.

Report on corporate governance

We hereby certify that the Board of Directors' report on corporate governance contains the information required by Articles L. 225-37-4 and L. 22-10-9 of the French Commercial Code. As required by law, we hereby inform you that the information set out in Article L. 22-10-9 is mentioned on an individual basis in the Board of Directors' report on corporate governance for the Chairman and Chief Executive Officer and the Executive Vice Presidents only. We cannot therefore certify whether this report contains the required information, nor the accuracy and fair presentation of information on remuneration and benefits paid to corporate officers.

Other information

Pursuant to the law, we made certain that the other information regarding the identity of the holders of the capital or voting rights was communicated to you in the management report.

Other verifications or information required by the legal and regulatory texts

Presentation of the annual financial statements due to be included in the annual financial report

In accordance with section III of Article 222-3 of the AMF General Regulation, the management of your company informed us of its decision to defer application of the single electronic reporting format as defined by Delegated Regulation (EU) 2019/815 of 17 December 2018 to reporting periods opening from 1 January 2021 onwards. Consequently, this report does not include a conclusion on compliance with this format in the presentation of the annual financial statements to be included in the annual financial report indicated in section I of Article L. 451-1-2 of the French Monetary and Financial Code.

Appointment of statutory auditors

We were appointed as statutory auditors of EXACOMPTA CLAIREFONTAINE by the Shareholders' Meeting of 27 May 2020, in the case of ADVOLIS, and of 22 May 2008 in the case of BATT AUDIT.

On 31 December 2020, ADVOLIS was in the 1st year of its engagement and BATT AUDIT in the 13th consecutive year since the company's shares were admitted for trading on a regulated market.

Responsibilities of senior management and of those charged with corporate governance relating to the parent company financial statements

It is the management's responsibility to prepare the parent company financial statements representing a true and fair view in accordance with the French accounting rules and principles and to establish the internal control that it deems necessary for the preparation of the parent company financial statements free of material misstatements, whether due to fraud or error.

During the preparation of the parent company financial statements, it is the responsibility of management to assess the company's ability to continue as a going concern, to present in these financial statements, if applicable, the necessary information on the going concern basis and to apply the standard accounting policy for a going concern, unless it is planned to wind up the company or discontinue operations.

It is the responsibility of the Audit Committee of the Board of Directors to monitor the process for the preparation of financial information and the effectiveness of internal control and risk management systems, and, where applicable, of the internal audit system, as regards the procedures relating to the preparation and processing of accounting and financial information.

The parent company financial statements were approved by the Board of Directors.

Responsibilities of Statutory Auditors relating to the audit of the parent company financial statements

Audit objective and approach

It is our responsibility to prepare a report on the parent company financial statements. Our objective is to obtain reasonable assurance that the parent company financial statements, taken as a whole, are free of material misstatements. Reasonable assurance is a high level of assurance without however guaranteeing that an audit performed in accordance with the professional standards applicable would systematically detect any material misstatement. Misstatements may be due to fraud or errors and are considered as material when it is reasonable to expect that they can, taken separately or together, influence the economic decisions that users of the financial statements take based on them.

As set out in Article L. 823-10-1 of the French Commercial Code, our engagement relating to the certification of the financial statements does not consist in guaranteeing the viability or quality of your company's management.

As part of an audit performed in accordance with auditing standards applicable in France, the statutory auditor exercises their professional judgement throughout the audit. Furthermore:

- identifies and evaluates the risk of the annual financial statements containing material misstatements, whether due to fraud or error, develops and implements audit procedures in response to these risks, and gathers sufficient and appropriate evidence for its opinion. The risk of non-detection of a material misstatement due to a fraud is higher than that of a material misstatement due to an error, since a fraud may involve collusion, forgery, wilful omissions, misrepresentations or the circumvention of internal control;

- obtains an understanding of the aspects of internal control that are relevant to the audit in order to develop appropriate audit procedures, and not to express an opinion as to the effectiveness of the internal control system;

- assesses the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by the management, as well as of the related information provided in the annual financial statements;

- assesses the appropriateness of the management's use of the going concern principle in accounting and, according to the evidence obtained, the existence or otherwise of material uncertainty connected with events or situations likely to cast significant doubt on the capacity of the company to continue its operations. This assessment is based on the evidence gathered up to the date of the auditor's report, it being noted however that subsequent circumstances or events could compromise the going concern basis. If the auditor concludes that there is a significant uncertainty, they draw the reader's attention within their report to the disclosures provided in the parent company financial statements regarding this uncertainty or, if such disclosures are not provided or are not relevant, issues a qualified opinion or refuse to issue an opinion;

- appraises the overall presentation of the annual financial statements and assess whether said statements reflect the transactions and underlying events, and thus provide a true and fair view thereof.

Report to the Audit Committee of the Board of Directors

We submit a report to the Audit Committee of the Board of Directors, defining the scope of the audit work and the audit programme implemented, as well as the findings based on our work. We also draw their attention, where applicable, to significant internal control weaknesses that we have identified, as regards procedures relating to the preparation and processing of accounting and financial information.

The report submitted to the Audit Committee of the Board of Directors also contains information on the risks of material misstatements that we deemed to have been the most significant for the audit of the annual financial statements and which therefore constitute key audit matters, which we are required to describe in this report.

We also submit to the Audit Committee of the Board of Directors the declaration set out in Article 6 of Regulation (EU) No 537-2014 confirming our independence, within the meaning of the rules applicable in France as they are defined in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and the French Code of Ethics for statutory auditors. If necessary, we discuss with the Audit Committee of the Board of Directors the risks to our independence and the safeguards applied.

Executed in Paris and Nancy, 29 April 2021

Statutory Auditors

ADVOLIS **BATT AUDIT**

Hugues de Noray Patrick Iweins Pascal Francois

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SPECIAL REPORT OF THE STATUTORY AUDITORS ON THE REGULATED AGREEMENTS AND COMMITMENTS

Year ended 31 December 2020

To the Shareholders' Meeting of the company EXACOMPTA CLAIREFONTAINE,

In our role as the statutory auditors of your company, we hereby present to you our report on the regulated agreements and commitments.

It is our responsibility to inform you, on the basis of the information provided to us, of the essential characteristics and conditions of the agreements and commitments of which we have been informed or which we have discovered during the course of our audit, as well as the reasons justifying the company's interest in said agreements and commitments, without having to express an opinion on their usefulness or appropriateness or to seek out the existence of other agreements. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code, to assess the interest attached to entering into these agreements and commitments with a view to their approval.

It is also our responsibility, where appropriate, to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code in relation to the performance, during the past year, of those agreements and commitments already approved by the Shareholders' Meeting.

We have carried out the procedures that we judged necessary pursuant to the professional policies of the *Compagnie Nationale des Commissaires aux Comptes* (National Institute of Statutory Auditors) relating to this assignment. These procedures consisted of verifying that the information given to us was consistent with the source documents from which it was taken.

Agreements and commitments submitted to the Shareholders' Meeting for approval

We have not been informed of any agreement authorised and entered into during the past year and requiring to be submitted to the Shareholders' Meeting for approval pursuant to the provisions of Article L. 225-38 of the French Commercial Code.

Agreements and commitments already approved by the Shareholders' Meeting

We hereby inform you that we have not been informed of any agreement or commitment already approved by the Shareholders' Meeting and whose performance continued during the past year.

Executed in Paris and Nancy, 29 April 2021

Statutory Auditors

ADVOLIS		BATT AUDIT
Hugues de Noray	Patrick Iweins	Pascal Francois

Exacompta Clairefontaine S.A.

Consolidated financial statements for the year ended
31 December 2020

1. Consolidated financial statements

Consolidated financial position

€000	31/12/2020	31/12/2019	Notes
NON-CURRENT ASSETS	**359,394**	**352,001**	
Goodwill	42,188	37,383	(2.1.4)
Intangible assets	15,196	13,922	(2.1.4)
Property, plant and equipment	297,482	290,010	(2.1.5)
Financial assets	3,738	9,764	(2.1.6)
Deferred taxes	790	922	(2.4)
CURRENT ASSETS	**534,505**	**514,310**	
Inventories	217,365	207,341	(2.2.1)
Trade and other receivables	111,801	125,121	(2.2.2)
Advances	2,007	2,114	
Taxes receivable	837	484	
Cash and cash equivalents	202,495	179,250	(2.2.3)
TOTAL ASSETS	**893,899**	**866,311**	

SHAREHOLDERS' EQUITY	**423,164**	**419,348**	
Share capital	4,526	4,526	
Consolidated reserves	406,381	397,755	
Net income/(loss) – Group share	12,276	17,067	
Shareholders' equity – Group share	**423,183**	**419,348**	
Minority interests	-19	0	
NON-CURRENT LIABILITIES	**231,160**	**221,425**	
Non-current borrowings and financial debt	146,592	142,620	(2.6)
Lease liabilities (IFRS 16)	36,317	27,470	(2.6)
Deferred taxes	22,351	25,985	(2.4)
Provisions	25,900	25,350	(2.5)
CURRENT LIABILITIES	**239,575**	**225,538**	
Trade payables	68,296	71,098	
Current borrowings and financial debt	99,243	79,523	(2.6)
Lease liabilities (IFRS 16) – short term	9,890	9,372	(2.6)
Provisions	3,152	3,383	(2.5)
Tax liabilities	78	3,829	
Other payables	58,916	58,333	(2.10)
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**893,899**	**866,311**	

Consolidated income statement

€000	31/12/2020	31/12/2019	Notes
Revenues	689,597	703,436	
- Sales of products	673,993	691,502	
- Sales of services	15,604	11,934	
Other operating income	22,316	7,464	
- Reversal of depreciation/amortisation	10,579	272	(2.1.4 to 2.1.6)
- Subsidies	1,258	433	
- Other income	10,479	6,759	
Change in inventories of finished products and work-in-progress	6,104	-8,101	(2.2.1)
Goods and materials used	-326,812	-342,593	
External expenses	-113,072	-108,783	
Personnel expenses	-182,813	-170,859	(2.11)
Taxes and duties	-12,591	-12,270	
Depreciation/amortisation	-48,799	-41,367	(2.1.4, 2.1.5)
Other operating expenses	-19,203	-7,099	
Operating income/(loss) – before goodwill impairment	**14,727**	**19,828**	
Goodwill impairment / badwill gain	-	4,316	(2.1.1, 2.1.4)
Operating income/(loss) – after goodwill impairment	**14,727**	**24,144**	
Financial income	2,509	2,758	
Financial expenses	-4,399	-4,331	
Net financial items	-1,890	-1,573	(2.9)
Income taxes	-1,263	-5,504	(2.4)
CONSOLIDATED NET INCOME	**11,574**	**17,067**	

Net income – minority share	**-702**	**0**	
Net income – Group share	**12,276**	**17,067**	

Net income/(loss) for the period	12,276	17,067	
Number of shares	1,131,480	1,131,480	(2.3)
Earnings per share (basic and diluted)	**10.85**	**15.08**	

Comprehensive income statement

€000	31/12/2020	31/12/2019
Net income/(loss)	**11,574**	**17,067**
Actuarial gains/losses on post-employment benefits Tax on items not reclassified to profit or loss	-860 241	-350 98
Items not reclassified to profit or loss	-619	-252
Currency translation differences arising from foreign entities' financial statements Tax on items reclassified to profit or loss	-849 -	3,319 -
Items reclassified to profit or loss	-849	3,319
Items of other comprehensive income	-78	
Total comprehensive income	**10,028**	**20,134**
Attributable to: - the Group - minority interests	 10,730 -702	 20,134 0

Statement of changes in consolidated shareholders' equity

€000	Share capital	Additional paid-in capital	Reserves and consolidated	Actuarial gains/losses	Currency translation adjustments	Total – Group share	Total – minority interests	Total shareholders' equity
Shareholders' equity at 31 December 2018	4,526	92,745	306,607		(1,609)	402,269	-	402,269
Dividends distributed			-3,055			-3,055		-3,055
Net income/(loss) for the period			17,067			17,067		17,067
Items of other comprehensive income				-252	3,319	3,067		3,067
Shareholders' equity at 31 December 2019	4,526	92,745	320,619	-252	1,710	419,348	-	419,348
Dividends distributed			-3,395			-3,395		-3,395
Net income/(loss) for the period			11,574			12,276	-702	11,574
Items of other comprehensive income			-78	-619	-849	-1,546		-1,546
Reclassification of actuarial gains/losses			-252	252		-		-
Put option on Fizzer minority interests			-3,500			-3,500		-3,500
Fizzer acquisition – minority interests			683			-	683	686
Shareholders' equity at 31 December 2020	4,526	92,745	325,651	-619	861	423,183	-19	423,164

Statement of consolidated cash flows

€000	31/12/2020	31/12/2019	Notes
Total consolidated net income/(loss)	**11,574**	**17,067**	
Elimination of non-cash and non-operating expenses and income:			
• Depreciation, amortisation and provisions	49,403	40,327	(2.1.4 to 2.1.6, 2.5)
• Change in deferred taxes	-4,035	2,256	(2.4)
• Post-tax gains on asset sales	-204	158	
• Currency translation adjustments	(960)	3,319	
• Other	-586	-253	
Cash flow of consolidated companies	*55,192*	*62,874*	
• Change in operating working capital	1,081	-14,456	Balance sheet
• Change in income taxes	5,298	6,346	
• Income taxes paid	-8,764	4,503	
(1) Net cash flow from operating activities	**52,807**	**59,267**	
• Purchases of fixed assets	-35,080	-43,680	(2.1.4 to 2.1.6)
• Sales of fixed assets	1,109	1,037	
• Changes in consolidation – acquisitions	-1,507	-43,280	
(2) Net cash flow from investing activities	**-35,478**	**-85,923**	
• Dividends paid	-3,395	-3,055	(Change in shareholders' equity)
• New borrowings	37,419	98,948	
• Changes in consolidation – acquisitions	180	9,285	
• Loans repaid	-35,998	-55,163	
• Interest paid	-1,298	-1,213	
• Interest received	381	565	
• Lease liability repayments	-11,611	-10,104	
(3) Net cash flow from financing activities	**-14,322**	**39,263**	
(1+2+3) Total cash flow	**3,007**	**12,607**	

Opening cash	90,355	77,748
Closing cash	93,362	90,355
Change in cash	**3,007**	**12,607**

Change in cash and borrowings due in less than one year

€000	31/12/2020	31/12/2019	Change
Reported cash and cash equivalents	202,495	179,250	23,245
Bank overdrafts	-51,485	-34,430	-17,055
Net cash and cash equivalents	**151,010**	**144,820**	**6,190**
Borrowings due in < 1 yr	-57,648	-54,465	-3,183
Net cash less borrowings due in < 1 yr	**93,362**	**90,355**	**3,007**

COVID-19 pandemic

2020 was marked by the various lockdown measures and a slowdown in Group business mainly affecting the processing division.
The impact of the pandemic did not prompt the Group to close any of its facilities. A certain level of operation was maintained thanks to the storage capacity of our logistics platforms. However, the persistence of the pandemic in 2021 continues to impact demand for many products.

The Group implemented appropriate health precautions and working arrangements. The Group made limited use of the assistance offered to businesses during the lockdowns, including furlough schemes.

In financial terms, the Group decided not to make use of the PGE state-guaranteed loan scheme offered by the French government. New loans totalling €36 million were taken out during 2020 but no drawdowns were made on the Group's lines of credit.
Credit risk remains broadly unchanged: the Group granted extended payment deadlines to customers where required. No material loss was recorded over the year.

In view of the circumstances at the end of 2020, the Group felt no need to record a special provision for risks and uncertainties related to the pandemic in respect of the Group's staff, assets, reputation or ability to meet its commitments.

Costs and support measures related to the impact of the health crisis have not been isolated but have been recorded in accordance with their nature.

Presentation of the consolidated financial statements

1- General principles – statement of compliance

The EXACOMPTA CLAIREFONTAINE Group consolidated financial statements are prepared in accordance with IFRS (International Financial Reporting Standards), as adopted within the European Union.
The Exacompta Clairefontaine Group consolidated financial statements were approved by the Board of Directors on 25 March 2021. They will not be final until they have been approved by the Shareholders' Meeting.
No changes were made to the accounting rules and methods applied to the 2019 full-year consolidated financial statements.

2- Adoption of international standards

Standards, amendments and interpretations mandatory from 1 January 2020:

- Amendments to IAS 1 and IAS 8 – *Definition of "material"*
- Amendments to IFRS 7, IFRS 9 and IAS 39 – *Interest rate benchmark reform – Phase 1*
- Amendments to IFRS 3 – *Business combinations - Definition of a business*
- Amendment to IFRS 16 – *COVID-19-related rent concessions*
- Amendment of references to the Conceptual Framework in IFRS standards

These new amendments have no material impact on the financial statements.

Standards, amendments and interpretations adopted by the European Union and mandatory after 2020

- Amendments to IFRS 4, IFRS 7, IFRS 16, IFRS 9 and IAS 39 – *Interest rate benchmark reform – Phase 2*

The Group did not opt for the early application of any standard, amendment or interpretation approved by the European Union in 2020.

3- Changes in consolidation scope

The Group purchased:
- the entire share capital of Papeteries du Coutal on 31 October 2019;
- a 60% equity stake in Fizzer with a call option on the rest of the share capital on 18 December 2019.

These two companies posted respective 2020 revenue of €2.1 million and €5.6 million.
Given the proximity of the acquisition dates to the 31 December 2019 closing date, both equity investments were carried as financial assets on the balance sheet. They were included in the Group consolidated financial statements from 1 January 2020.

The identifiable assets acquired and liabilities assumed were initially recognised at their acquisition date fair value. The main impact of the fair value recognition of these assets concerned Fizzer intangible assets, including its customer portfolio valued at €2.8 million. After completion of the valuation process, goodwill of €0.6 million and €4.2 million respectively was recognised in respect of these acquisitions.

The acquisition of a major stake in Fizzer is subject to a put option granted to minority shareholders, which may be exercised during Q1 2022, and a call option granted to the Group which may be exercised during Q2 2022. At 31 December 2020, the liability related to the minority interests put option was valued at the estimated option exercise price and is recorded under "Other non-current liabilities". Subsequent changes in the fair value of the liability will be posted to Group shareholders' equity.

The following table shows the purchase price allocation for the two acquisitions:

€000	**Fizzer**	**Coutal**	**Total**
Price paid in 2019 Earnout paid in 2020	3,545 1,699	1,400 305	4,945 2,004
Acquisition cost	5,244	1,705	6,949
Net book value Fair value net of deferred taxes Ownership interest	-302 2,000 60.2%	1,106 16 100%	804 2,016
Share of fair value of assets acquired and liabilities assumed	1,022	1,122	2,144
Goodwill	4,222	583	4,805

4- Bases of preparation of the financial statements

The financial statements are presented in euros, rounded to the nearest one thousand euros.
They are prepared on the basis of historical cost, with the exception of financial instruments, which are stated at fair value.

The preparation of financial statements under IFRS requires the exercise of judgement by management in making estimates and assumptions that have an impact on the application of the accounting policies and on the amounts of the assets, liabilities, income and expenses.
The underlying estimates and assumptions are made based on past experience and other factors deemed reasonable in view of the circumstances. They also form the basis for the exercise of judgement required for determining the book values of assets and liabilities that cannot be obtained directly from other sources. Real values may differ from the estimated values.

The estimates and underlying assumptions are reviewed on an ongoing basis. The impact of changes in accounting estimates is recorded during the period in which the change occurs and all subsequent periods affected.

The accounting methods described below have been applied on a consistent basis to all the periods presented in the consolidated financial statements. Furthermore, said methods have been applied uniformly to all Exacompta Clairefontaine Group entities.

5- Consolidation of subsidiaries

The consolidated financial statements include the financial statements of the parent company, Exacompta Clairefontaine, and those of the entities controlled by the parent company (the “subsidiaries”).
Control means the power to direct, directly or indirectly, the financial and operating policies of the entity in order to obtain benefits from its activities.
The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control was obtained until the date on which control is no longer held.

The balances shown in the balance sheet, unrealised losses and gains, and the income and expenses resulting from Group transactions are eliminated in the consolidation.
Unrealised gains arising from transactions with affiliates are eliminated in proportion to the Group’s equity interest.
Unrealised losses are eliminated in the same way, but only if they do not represent a loss in value.

6- Foreign currencies

The individual financial statements of each of the Group’s entities are presented in the currency of the economic environment in which the entity operates. For the purposes of the consolidated financial statements, the profit or loss and the financial position of each entity are stated in euros, which is the functional currency of Exacompta Clairefontaine S.A. and the currency in which the consolidated financial statements are presented.

Transactions in foreign currency are recorded at the exchange rate in effect on the date of the transaction.
Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are converted to euros at the closing rate. The currency translation differences resulting from this conversion are recorded in the income statement as financial income or expense, as applicable.

The assets and liabilities of each individual entity that engages in its activity abroad are converted to euros at the exchange rates in effect at the balance sheet date. Income and expenses are converted at the average exchange rates for the period, which is a sufficient approximation of the rates on the transaction dates.
The currency translation differences resulting from the conversion are recorded under currency translation adjustments as a separate shareholders’ equity account.

7- Business combinations

Business combinations are accounted for using the acquisition method.

- Acquisition cost corresponds to the fair value of assets obtained, equity instruments issued, where applicable, and liabilities incurred or assumed.
  The costs related to the acquisition are recorded as expenses.
- Assets acquired and liabilities transferred are recognised at their acquisition date fair value.

Where applicable, the non-controlling interest in the acquired entity is measured either at fair value or at the share of the fair value of assets and liabilities of the subsidiary acquired. This option is available at each business combination and cannot be changed subsequently.

In the case of a step acquisition, the share of the interest held prior to the acquisition date is measured at its fair value. The related profit or loss is recorded in income.

If a business combination takes place under favourable conditions, the purchaser records the corresponding profit under income as at the acquisition date.

A business combination involving a number of entities under common control is a grouping in which all of the entities or operations that are grouped are ultimately controlled by the same party, both before and after the combination, and where this control is not temporary.
In the absence of specific provisions in the accounting standards, the Group applies the book value method to all transactions involving the entities under common control.

8- Goodwill

Goodwill arising from a business combination is valued as the excess of the consideration transferred over the net balance, as at the acquisition date, of identifiable assets acquired and liabilities assumed, measured at fair value.
The initial valuation of the business combination can be adjusted against goodwill if there is new information on circumstances existing at the acquisition date. The adjustment period in respect of the initial valuation is limited to 12 months from the acquisition date.

Subsequent changes in the percentage of the equity interest that do not impact the control of the acquired company are considered transactions between shareholders. The different between the redemption (or disposal) value and the book value of the share acquired (or sold) is recognised under equity.

Goodwill is initially valued at cost and recorded as an asset in accordance with the principles set out in paragraph 7 above. It is thereafter valued at cost, less accumulated impairment.

For the purposes of impairment testing, goodwill is allocated to the cash generating units (CGU) represented by the Group’s five departments: Paper; Office and filing articles; School stationery, fine arts and crafts; Diaries and calendars; Digital photography. They are comprised of subsidiaries or groups of subsidiaries with synergies and no independent cash flows.
These CGUs are largely independent of the consolidated Group and are smaller than the operating segments defined by IFRS 8 *Operating segments*.

Impairment tests are carried out on all cash generating units to which goodwill is allocated; these tests are performed annually, and at each account statement date if there is an indication of impairment.
The recoverable value of the CGUs is the higher of the market value and the value in use resulting from a Discounted Cash Flow (DCF) carried out as follows in accordance with the mechanism established by IAS 36:

- Discount rate equal to the expected market return for an equivalent investment, regardless of the financing sources. This discount rate is a post-tax rate applied to post-tax cash flows. Its use leads to the determination of recoverable values identical to those obtained by using a pre-tax rate applied to pre-tax cash flows.
- 3-year Business Plans approved by management.
- Extrapolation of cash flow from operations beyond 3 years based on a growth rate specific to the industry.

If the recoverable value of the cash generating unit is less than that unit's book value, the loss in value is first allocated to reducing the book value of any goodwill allocated to that cash generating unit, and then to other assets of the unit, pro rata to the book value of each asset in the unit.
Impairment of goodwill recorded in the income statement is not reversed in a subsequent period.

9- Property, plant and equipment

Group land and buildings are intended for use in the production or supply of goods and services, or for administrative purposes.
The Group does not hold any material real estate that should be classified as an investment. The industrial facilities and other equipment are operating assets for the production or supply of goods and services.

All Group property, plant and equipment is recorded at historical purchase cost, less accumulated depreciation and impairment.
Property, plant and equipment under construction comprises assets intended for use in production and is recorded at cost, less any impairment identified.
When items of property, plant and equipment have different useful lives, they are recorded as separate assets. All ongoing service and maintenance costs are recorded as expenses at the time they are incurred.

Depreciation is recognised as expenses using the straight line method, without any residual value. The depreciation is calculated based on the estimated useful life of each component of fixed assets on the following bases and by year:

- Land	not depreciated
- Buildings	25 to 40 years
- Fixtures and furnishings	10 to 20 years
- Plant and equipment	10 to 20 years
- Other office supplies and computer hardware	3 to 10 years

The useful life of the main assets is reviewed when the accounts are closed. Any change in the useful life is recorded on a prospective basis as a change in an accounting estimate.

10- Leases and right-of-use assets

Recognition of operating leases

All operating leases are recognised pursuant to a single model that records a leasing liability corresponding to the sum of the discounted future lease payments and a right-of-use asset amortised over the residual term of the lease.
The Exacompta Clairefontaine Group has decided to apply the simplified retrospective approach. The option to measure the right-of-use asset at the value of the lease liability shown on the balance sheet immediately before the date of first-time application was applied for all leases. Likewise, low-value asset leases were excluded.

Lease types

The leases are almost 90% real estate leases, with the remainder primarily corresponding to vehicles and handling equipment.
For the specific case of commercial leases, the term used for these leases is the generally enforceable period.
The review of the decision of the IFRS Interpretations Committee of 26 November 2019 did not have a significant impact. In particular, it provided for consistency between terms of leases and non-removable leasehold improvements.

Interest rate

As it is not possible to determine the interest rates implicit in the leases, the Group uses its incremental borrowing rate to measure the lease liability.
It is established by reference to the interest rates of loans, whether taken out or not, that have similar maturities and payment profiles. In particular, the interest rate is established based on 7-10 year maturities applicable to real estate leases, which account for the majority of right-of-use assets.

11- Intangible assets

Research and development costs

Research costs are recorded as expenses in the year in which they are incurred.
Development expenses are recorded as a non-current asset if the costs can be reliably measured and if the Group can demonstrate the technical and commercial feasibility of the product or procedure, the existence of probable future economic benefits and its intention, as well as the availability of sufficient resources, to complete the development of and use or sell the asset.
When the requirements for recording development expenses in assets are not met, they are recognised as expenses for the year in which they are incurred.

Trademarks

Trademarks are recorded as intangible assets at fair value as at the purchase date. In the absence of a foreseeable limit on their capacity to generate net cash flows, the useful life of the trademarks used by the Group is considered to be indefinite.
They are not amortised but undergo an impairment test once a year and at each balance sheet date if there is an indication of any loss in value. The recoverable value is determined based on expected discounted cash flows.

Expenses for internally generated trademarks are expensed as incurred.

Other intangible assets

Other intangible assets purchased by the Group are recorded at cost less amortisation and accumulated impairment.
Amortisation is recognised as an expense under the straight line method over the estimated useful life, on the following bases and by year:

- Patents, licences and software 3 to 8 years
- Other intangible assets 5 to 10 years

12- Impairment of property, plant and equipment and intangible assets (excluding goodwill and trademarks)

At the end of each period, the Group reviews the book values of property, plant and equipment and intangible assets in order to determine whether there is any indication that an asset has suffered impairment. If it has, the recoverable value of the asset is estimated in order to determine the potential impairment.

The recoverable value of an asset is the higher of the fair value less costs to sell and the value in use. The value in use is estimated using the discounted future cash flows method. If the recoverable value is estimated to be less than the book value, impairment is recognised immediately in expenses in the income statement.

Impairment recorded for an asset during a prior period may be reversed if there has been a change in the estimates used to determine the recoverable value. However, any book values that have been increased following a reversal of impairment may not exceed the book value that would have been determined after depreciation or amortisation, if no impairment had been recorded. Impairment reversals are recorded in the income statement.

13- Financial assets

Unconsolidated equity interests are classified as assets available for sale and are measured at fair value; changes in fair value are recorded under shareholders' equity.
If the fair value cannot be reliably estimated, equity interests continue to be measured at purchase cost. In the event of a write-down, the loss in value is recorded in the income statement.

Intercompany receivables and other non-current financial assets are measured initially at fair value and subsequently at amortised cost.

14- Trade and other receivables

Trade and other receivables are measured initially at fair value and subsequently at amortised cost. Any losses in value are recorded in the income statement when the recoverable value is less than the book value. Impairment is established based on the credit losses expected over their useful life.
No one client individually accounts for more than 10% of the Group's consolidated revenue.

15- Inventories

Inventories are valued at their purchase or production cost or at their net liquidation value if this value is lower. The net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.
The cost of inventories includes direct raw materials costs and direct labour costs, and directly attributable general expenses incurred to put the inventories in place in their existing condition. In general, the cost is calculated using the weighted average cost method.

Greenhouse gas emission rights

The Group's subsidiary paper mills are subject to the European regulation on greenhouse gas emissions. An allowance is a unit of account that represents the emission of one tonne of carbon dioxide.
The quotas held are sufficient to cover 2020 emissions, the final year of the 2013-2020 allocation period, but the Group is still awaiting confirmation of the allocations the new period 2021-2030.

The recognition methods applied by the Group are those derived from ANC regulation 2012-03. Pursuant to the regulation, the Group applies the "production" model, in which the holding of allowances is linked to a production process that generates greenhouse gas emissions. The allowances are used in order to comply with the requirement to surrender them to the State.
The main features of the model applied by the Group are as follows:

- The allowances are recorded under inventories
    - Allowances allocated by the State are recorded at zero value. They are treated purely in terms of volume.
    - Purchased allowances are recorded at purchase cost.

- Balance sheet valuation
  - An impairment charge is recorded when the present value of inventories is lower than the book value.
  - No specific valuation is carried out in the case of allocated allowances, as they are recorded at zero value.
- Inventory withdrawal
  - The allowances are withdrawn from inventories on an ongoing basis in line with actual CO_2 emissions. Allocated allowances have no impact on the financial statements.
  - Any gains or losses arising from the sale of emission allowances are recorded under operating income.
- Requirements related to greenhouse gas emissions
  - The basic requirement to surrender the CO_2 emission allowances in accordance with emissions produced remains unchanged from the previous allocation periods.
  - At the end of each reporting period, if the Group lacks a sufficient number of allowances [allocated + purchased] to meet its obligation to surrender allowances to the State, a liability representing the value of missing allowances to be purchased is recorded.

16- Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank balances and short-term investments in money market instruments.
These investments can be converted into a known amount of cash within one week at most and are subject to a negligible risk of a change in value.
Financial assets held for trading (marketable securities) are assets valued at fair value through profit or loss.
Bank overdrafts repayable on demand and current borrowings, which are an integral part of the Group's cash management, are included in cash and cash equivalents for the purposes of the cash flow statement.

17- Derivative financial instruments

The Group has used derivative financial instruments to limit its exposure to interest rate risks. Since 31 December 2018, the Group holds no interest rate hedging instruments as these have expired.

The Group does not apply hedge accounting (cash flow and fair value hedges). The corresponding derivative financial instruments are included in financial assets and liabilities measured at fair value through profit or loss. The profit or loss resulting from subsequent measurements of the fair value is recorded immediately in income.

18- Loans

All interest-bearing loans are measured initially at fair value and subsequently at amortised cost.
Transaction costs are included in the initial measurement of financial instruments that are not measured at fair value through profit or loss. The transaction costs are the marginal costs directly attributable to the purchase or issuance of a financial instrument and do not include internal administration costs.

All loan expenses are recorded as expenses for the period in which they are incurred.

Put options granted to third-party minority shareholders of controlled subsidiaries constitute a financial liability. The liability is measured on the basis of the contracts and may be remeasured based on the results achieved by the entity.

The Group records these put options as financial liabilities at the present value of the exercise price of these options after deduction of the related minority interests with an offsetting entry to shareholders' equity, Group share.
Subsequent changes in the liability are treated in the same manner.

19- Employee benefits

Defined contribution plans

Payments to a defined contribution plan are recorded as expenses at the time they are incurred.

Post-employment benefits

The Group's net liability for defined benefit plans is estimated separately for each scheme by estimating the amount of the future benefits acquired by personnel in exchange for services rendered during the present and prior periods.
This amount is discounted to determine its present value, and is reduced by the fair value of the plan assets. The discount rate is determined using the French average bond market rate on the balance sheet date, based on blue chip corporate bonds. The calculations are performed using the projected unit credit method.

Actuarial gains and losses are recorded under items of other comprehensive income and are not reclassified to profit or loss.

20- Provisions

A provision is recorded in the balance sheet when the Group has a current legal or constructive obligation resulting from a prior event and it is probable that an outflow of resources representing economic benefits will be necessary to satisfy the obligation.
A restructuring provision is recorded when a transaction is approved by the Group and has been the subject of a notification.
The amount recorded in provisions is the best estimate of the expense that will be required to satisfy the obligation. The amount is discounted when the impact is material.

21- Income and expenses

Revenue from contracts with customers

Sales of products and services are measured at the fair value of the consideration received or receivable, net of trade discounts and sales taxes.

Sales of goods are recorded in the income statement at the time of delivery of the goods and transfer of ownership to the buyer, who takes on their risks and benefits.
Income obtained from the provision of services is recorded in the income statement based on the percentage of completion of the service at the balance sheet date, and is valued based on the work performed.
The contracts entered into by the Group do not provide for variable considerations or payment terms over 1 year.

Public subsidies

The public subsidies that offset some expenses incurred by the Group are, with some exceptions, recorded as income in the income statement, for the period in which the expenses are incurred. The exceptions relate to public schemes targeted for the compensation of identified expenses, such as furlough schemes.

The subsidies that cover all or part of the costs of an asset are deducted from this asset to determine its cost price.
The subsidy is recorded as income over the useful life of the asset and can be amortised through a decrease in the depreciation expense.

Operating income

Operating income and expenses are classified by accounting type and not based on whether they are current or non-current.

Net financial items

Net financial items include interest payable on loans and cash liabilities, interest receivable on investments, foreign exchange gains and losses, and gains and losses on financial instruments that are recorded in the income statement.

22- Income tax

Income taxes include current tax expense or income and deferred tax expense or income. The tax is recorded in income unless it is related to items posted directly to shareholders' equity, in which case it is recorded in shareholders' equity.
The *Cotisation sur la Valeur Ajoutée des Entreprises* (CVAE – French business value added tax) is not classified as an income tax and does not come within the scope of IAS 12. The contributions are recorded under operating expenses.

Current tax is the estimated tax due on taxable income for a period and any adjustment of the amount of current tax for prior periods.

Deferred tax is determined using the balance sheet liability method for all temporary differences between the book value of the assets and liabilities and their tax bases, based on tax rates that were adopted or substantially adopted at the balance sheet date.

No deferred tax is posted in respect of the following items:
- Goodwill not deductible for tax purposes;
- Initial recording of an asset or liability that affects neither accounting income nor taxable income (except in the case of a business combination).

A deferred tax asset is not recorded unless it is probable that the Group will have future taxable income against which this asset can be charged. Deferred tax assets are reduced or not recorded when there is uncertainty as to whether sufficient taxable income will be available to recover them.
There are no tax losses that can be recognised as assets at the level of the Exacompta Clairefontaine tax group.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities due, and when they involve taxes on income withheld by the same tax authority and the Group intends to pay them based on their net amount.

23- Management of financial risk

Generally, the Exacompta Clairefontaine Group does not engage in any complex financial transactions. However, it is exposed to certain risks related to the use of financial instruments in the context of its activities.
Risk management is performed by the operating units, in accordance with the policy established by senior management.

Market risks

Exposure to market risks involves mainly exchange rate and interest rate risks.

- Foreign exchange risk

The Group operates internationally. Risks related to commercial transactions denominated in a currency other than the respective functional currencies of Group entities are related mainly to purchases of raw materials denominated in US dollars.
In order to manage this foreign exchange risk, the Group may use options contracts to hedge forecast transactions in this currency.

- Interest rate risk

The Group contracted a number of interest rate swaps in respect of loans initially issued at floating rates, which exposed the Group to cash flow fluctuation risk.
Due to the current low fixed rates, it was not considered appropriate to use new derivative financial instruments.

Liquidity risk

The Group's approach to managing this risk is to ensure that it always has sufficient liquid assets to meet its liabilities as they fall due without incurring unacceptable losses or damaging its reputation.
To this effect, short-term financing (maturities of less than one year) is provided by commercial paper on which a fixed rate is paid.
The Group also has lines of credit to cover medium-term maturities.

The Group has conducted a specific review of its liquidity risk and deems that it will be able to meet future maturities.

Credit risk

Credit risk represents the risk of financial loss for the Group if a client or counterparty to a financial instrument fails to perform its contractual obligations.

- Trade and other receivables

The credit risk remains spread over a large number of clients even though there is a concentration of distributors of our products. The risk of default by business sector and by country in which the clients engage in their activities does not have a significant influence on credit risk.

The Group has implemented tools to monitor outstandings that enable it to ensure that its clients have an appropriate credit history. Clients that do not satisfy solvency requirements cannot carry out transactions with the Group without making advance payments.
Credit risk is also limited by taking out credit insurance policies.

The Group determines a level of write-downs that represents its estimate of losses that will be incurred in respect of trade and other receivables. Impairment charges correspond to specific losses related to individual risks.
The amounts presented in the balance sheet are net of impairment recorded.

- Investments

The Group limits its exposure to credit risk from investments, short-term deposits and other cash instruments by investing only in liquid securities.
As the counterparties are leading banks, the Group does not expect that any of them will default.

24- Segment information

The operating segments are based on the Group's internal organisation and are defined by area of activity.

The Group's operating segments corresponding to its main areas of activity are as follows:

- Paper: production, finishing and formatting of paper
- Processing: manufacture of stationery, office and filing items and digital photos.

Transactions between the different operating segments are carried out on arm's length terms.

Segment information by geographic area is also presented and is divided by sales-to-customer area in respect of revenues and by the area in which the consolidated companies are located in respect of other information.

Post-balance sheet events

The situation brought about by the ongoing COVID-19 pandemic is leading to structural changes but our different business units are continuing to operate in line with 2020. There are no significant post-balance sheet events to report.

2. Notes to the consolidated financial statements

2.1 Non-current assets

2.1.1 Intangible assets and goodwill

Trademarks

"Concessions, licences, trademarks and similar rights" includes trademarks totalling a net amount of €5,367,000.
A €2 million impairment charge was recorded in the 2020 financial statements, related directly to the activity of the Diaries and Calendars department.

Goodwill

Goodwill mainly pertains to Digital department businesses for €30.2 million and the Eurowrap group acquired in 2019 for €11.2 million. Goodwill attached to the companies consolidated in 2020 is presented under Note 3 "Changes in consolidation scope".
The segment information shows the breakdown of goodwill by business and geographic segment.

The annual impairment test of CGUs was performed in 2020 based on the cash flow value-in-use method, by discounting the future cash flows generated by the continuous use of each CGU.
The methods used for determining the value in use in 2020 are similar to those used in 2019.
However, the health and economic crisis caused by COVID-19 had a material impact on the Group's processing business in 2020. The assumptions used take account of this unfavourable environment and the Group does not anticipate a return to normal business levels in 2021. The projections applied set out a gradual return to pre-crisis performance levels over a period of two years, without fundamentally challenging long-term forecasts.

The key assumptions used for determining the recoverable amounts are the discount rate and the growth rate used to determine the terminal value.

- The cash flow discount rates used for CGUs were estimated based on the weighted average cost of capital, giving a pre-tax rate of between 5.59% and 6.37% for the four departments of the Processing sector and 7.03% for the Paper department. They include an inflation rate of 0.5% in respect of a specific premium.
- The long term perpetual growth rates of the CGUs are mainly between 0% and 1.5%.

The sensitivity of impairment losses to changes in key assumptions relates to the Diaries and Calendars GCU only.
- A one percentage point increase in the discount rate would generate an impairment loss risk of €2.7 million.
- A one percentage point reduction in the perpetual growth rate would generate an impairment loss risk of €2.2 million.

This specific sensitivity resulted in the recognition of an impairment loss for brand-related goodwill.

2.1.2 Property, plant and equipment

The useful life of the principal assets has been reviewed by the Group. No changes in useful life leading to a material change in the accounting estimates were identified during the year.

IFRS 16 – Leases

As it is not possible to determine the interest rates implicit in the leases, the Group uses its incremental borrowing rate to measure the lease liability. It is established by reference to the interest rates of loans, whether taken out or not, that have similar maturities and payment profiles. In particular, it is established based on 7-10 year maturities applicable to real estate leases, which represent almost 90% of Group leases in terms of right-of-use asset value.
The review of the decision of the IFRS Interpretations Committee of 26 November 2019 did not have a significant impact. In particular, it established consistent terms between the lease and non-removable leasehold improvements.
Low-value asset leases were excluded.

Lease categories at 31/12/2020

€000	Real estate	Industrial equipment	Other	Total
Right-of-use assets	56,381	2,418	3,946	62,745
Depreciation	13,871	894	1,882	16,647
Net amount	**42,510**	**1,524**	**2,064**	**46,098**

Lease liabilities are carried under liabilities on the balance sheet and are presented in Note 2.6.
In the income statement:, the right-of-use amortisation expense amounts to €10,957,000 and the leasing interest to €212,000.

Leases are aggregated in the tables of changes in property, plant and equipment.

2.1.3 Financial assets

Unconsolidated equity interests and other long-term investments are stated at cost if there is no reliable fair value.
The main variations result from:
- the consolidation of the companies Fizzer and Papeteries du Coutal set out in Note 3 to the consolidated financial statements: change in scope of -€5,250,000,
- the deconsolidation of the liquidated Biella Schweiz subsidiaries, with no impact on the consolidated result, the deconsolidation of €11,723,000 is offset by an impairment reversal (+€10,421,000), a provision for non-consolidated investments (-€64,000) and the reversal of a provision for contingencies (+€1,366,000 – Note 2.5)

Intercompany receivables, loans and other financial assets are valued at amortised cost. The book value is equal to the fair value.
Other receivables mainly comprise deposits and guarantees totalling €1,808,000.

2.1.4 Intangible assets and goodwill

At 31 December 2020 (€000)	Goodwill	Concessions, licences, trademarks and similar rights	Other	Total intangible assets
Gross value b/fwd	37,383	46,728	6,724	53,452
Purchases		1,004	1,425	2,429
Sales		-2,580	-10	-2,590
Changes in consolidation scope	4,805	593	2,800	3,393
Currency translation adjustments		58	-60	-2
Transfers and other		3,363	-403	2,960
Gross value c/fwd	**42,188**	**49,166**	**10,476**	**59,642**
Depreciation and write-downs b/fwd	0	34,192	5,338	39,530
Sales		-2,580	-10	-2,590
Changes in consolidation scope		181		181
Depreciation		5,814	1,476	7,290
Write-downs		23		23
Reversals				
Currency translation adjustments		55	-43	12
Transfers and other				
Depreciation and write-downs c/fwd	**0**	**37,685**	**6,761**	**44,446**
Net book value b/fwd	**37,383**	**12,536**	**1,386**	**13,922**
Net book value c/fwd	**42,188**	**11,481**	**3,715**	**15,196**

At 31 December 2019 (€000)	Goodwill	Concessions, licences, trademarks and similar rights	Other	Total intangible assets
Gross value b/fwd	27,289	32,269	5,541	37,810
Purchases		495	692	1,187
Sales		-417		-417
Changes in consolidation scope	11,166	11,456	886	12,342
Currency translation adjustments		447	51	498
Transfers and other	-1,072	2,478	-446	2,032
Gross value c/fwd	**37,383**	**46,728**	**6,724**	**53,452**
Depreciation and write-downs b/fwd	365	21,310	3,330	24,640
Sales		-417		-417
Changes in consolidation scope		11,003	885	11,888
Depreciation		1,864	1,073	2,937
Write-downs	708			
Reversals				
Currency translation adjustments		432	50	482
Transfers and other	-1,073			
Depreciation and write-downs c/fwd	**0**	**34,192**	**5,338**	**39,530**
Net book value b/fwd	**26,924**	**10,959**	**2,211**	**13,170**
Net book value c/fwd	**37,383**	**12,536**	**1,386**	**13,922**

2.1.5 Property, plant and equipment

At 31 December 2020 (€000) Incl. IFRS 16 right-of-use assets	Land and buildings	Plant and equipment	Other PP&E	Advances and PP&E in progress	Total
Gross value b/fwd	288,507	533,544	55,501	11,726	889,278
Purchases	19,568	17,578	3,991	11,290	52,427
Sales	-3,304	-6,512	-2,085		-11,901
Changes in consolidation scope	607	2,007	361		2,975
Currency translation adjustments	-335	-569	-129	5	-1,028
Transfers and other	2,797	7,697	816	-13,985	-2,675
Gross value c/fwd	**307,840**	**553,745**	**58,455**	**9,036**	**929,076**
Depreciation and write-downs b/fwd	167,463	389,943	41,703	159	599,268
Sales	-3,156	-5,954	-1,986		-11,096
Changes in consolidation scope	465	1,783	224		2,472
Depreciation	14,754	21,886	4,657		41,297
Write-downs	111	9	6		126
Reversals				-159	-159
Currency translation adjustments	-18	-481	-101		-600
Transfers and other	-1,070	1,377	-21		286
Depreciation and write-downs c/fwd	**178,549**	**408,563**	**44,482**	**0**	**631,594**
Net book value b/fwd	**121,044**	**143,601**	**13,798**	**11,567**	**290,010**
Net book value c/fwd	**129,291**	**145,182**	**13,973**	**9,036**	**297,482**

At 31 December 2019 (€000) Incl. IFRS 16 right-of-use assets	Land and buildings	Plant and equipment	Other PP&E	Advances and PP&E in progress	Total
Gross value b/fwd	146,947	458,547	39,865	9,302	654,661
Purchases	43,603	19,560	7,558	11,736	82,457
Sales	-2,309	-20,998	-1,879		-25,186
Changes in consolidation scope	95,355	69,475	9,551	228	174,609
Currency translation adjustments	2,967	1,471	320	10	4,768
Transfers and other	1,944	5,489	86	-9,550	-2,031
Gross value c/fwd	**288,507**	**533,544**	**55,501**	**11,726**	**889,278**
Depreciation and write-downs b/fwd	83,608	326,508	31,060	431	441,607
Sales	-2,175	-20,162	-1,833		-24,170
Changes in consolidation scope	69,939	61,914	8,110		139,963
Depreciation	13,921	20,401	4,108		38,430
Write-downs					
Reversals				-272	-272
Currency translation adjustments	2,170	1,282	258		3,710
Transfers and other changes					
Depreciation and write-downs c/fwd	**167,463**	**389,943**	**41,703**	**159**	**599,268**
Net book value b/fwd	**63,339**	**132,039**	**8,805**	**8,871**	**213,054**
Net book value c/fwd	**121,044**	**143,601**	**13,798**	**11,567**	**290,010**

2.1.6 Financial assets

At 31 December 2020 (€000)	Unconsolidated equity interests	Loans	Other receivables	Total
Gross value b/fwd	34,112	960	1,943	37,015
Purchases		46	590	636
Sales	-11,778	-65	-12	-11,855
Changes in consolidation scope	-5,250		64	-5,186
Currency translation adjustments	249		-10	239
Transfers and other	33	-2	2	33
Gross value c/fwd	**17,366**	**939**	**2,577**	**20,882**
Write-downs b/fwd	27,216	33	2	27,251
Purchases/sales				
Changes in consolidation scope				
Write-downs	106			106
Reversals	-10,441		-2	-10,443
Currency translation adjustments	230			230
Transfers and other				
Write-downs c/fwd	**17,111**	**33**	**0**	**17,144**
Net book value b/fwd	**6,896**	**927**	**1,941**	**9,764**
Net book value c/fwd	**255**	**906**	**2,577**	**3,738**

At 31 December 2019 (€000)	Unconsolidated equity interests	Loans	Other receivables	Total
Gross value b/fwd	1,379	982	1,175	3,536
Purchases	5,250	60	573	5,883
Sales		-82	(97)	-179
Changes in consolidation scope	27,483		269	27,752
Currency translation adjustments			23	23
Transfers and other				
Gross value c/fwd	**34,112**	**960**	**1,943**	**37,015**
Write-downs b/fwd	1,037	33	2	1,072
Purchases/sales				
Changes in consolidation scope	25,705			25,705
Write-downs	464			464
Reversals				
Currency translation adjustments	10			10
Transfers and other				
Write-downs c/fwd	**27,216**	**33**	**2**	**27,251**
Net book value b/fwd	**342**	**949**	**1,173**	**2,464**
Net book value c/fwd	**6,896**	**927**	**1,941**	**9,764**

2.1.7 Table of maturities of other financial assets

At 31 December 2020 (€000)	< 1 year	1-5 years	> 5 years	Total
Loans	111	152	676	939
Other financial assets	117	2	2,458	2,577
Financial assets and receivables	**228**	**154**	**3,134**	**3,516**

At 31 December 2019 (€000)	< 1 year	1-5 years	> 5 years	Total
Loans	86	191	683	960
Other financial assets	740	7	1,196	1,943
Financial assets and receivables	**826**	**198**	**1,879**	**2,903**

2.2 Current assets

2.2.1 Inventories by type

At 31 December 2020 (€000)	Raw materials	Work-in-progress	Semi-finished and finished goods	Total
Gross value b/fwd	87,862	22,163	115,718	225,743
Change	4,229	-1,632	6,751	9,348
Changes in consolidation scope	292	31	280	603
Gross value c/fwd	**92,383**	**20,562**	**122,749**	**235,694**
Write-downs b/fwd	10,537	1,404	6,461	18,402
Additions	11,175	1,001	5,033	17,209
Reversals	-10,739	-1,146	-5,383	-17,268
Currency translation adjustments and other	-5		-9	-14
Write-downs c/fwd	**10,968**	**1,259**	**6,102**	**18,329**
Net book value b/fwd	**77,325**	**20,759**	**109,257**	**207,341**
Net book value c/fwd	**81,415**	**19,303**	**116,647**	**217,365**

At 31 December 2019 (€000)	Raw materials	Work-in-progress	Semi-finished and finished goods	Total
Gross value b/fwd	80,152	21,451	110,920	212,523
Change	-1,151	-1,232	-5,665	-8,048
Changes in consolidation scope	8,861	1,944	10,463	21,268
Gross value c/fwd	**87,862**	**22,163**	**115,718**	**225,743**
Write-downs b/fwd	9,539	1,114	4,715	15,368
Additions	10,276	1,239	4,776	16,291
Reversals	-10,036	-991	-4,282	-15,309
Changes in consolidation scope	756	40	1,235	2,031
Currency translation adjustments and other	2	2	17	21
Write-downs c/fwd	**10,537**	**1,404**	**6,461**	**18,402**
Net book value b/fwd	**70,613**	**20,337**	**106,205**	**197,155**
Net book value c/fwd	**77,325**	**20,759**	**109,257**	**207,341**

2.2.2 Write-down of other current assets

€000	Write-downs b/fwd	Additions	Reversals	Changes in consolidation scope and other differences	Write-downs c/fwd
Trade receivables	2,246	773	-1,148	4	1,875
Other receivables	241				241
Total	**2,487**	**773**	**-1,148**	**4**	**2,116**

Statement of maturities of trade and other receivables

€000	< 1 year	1-5 years	> 5 years	Total
Trade and similar receivables	96,227	938		97,165
Taxes and social security contributions receivable	11,398			11,398
Other receivables	2,944			2,944
	110,569	**938**		**111,507**
Impairment				-2,116
Financial assets				**109,391**

Prepaid expenses	2,410
Reported trade and other receivables	**111,801**

2.2.3 Cash and cash equivalents

€000	31/12/2020	31/12/2019	Change
Cash at bank	176,481	116,875	59,606
Cash equivalents	26,014	62,375	-36,361
Total	**202,495**	**179,250**	**23,245**

Financial assets held for trading (marketable securities) are assets valued at fair value through profit or loss. The book value of €26,014,000 equals the market value at 31 December 2020. The book value is equal to the fair value.

2.3 Shareholders' equity

The parent company's share capital consists of 1,131,480 shares with a par value of 4 euros each, totalling €4,525,920, and did not change during the period. A double voting right is granted to each fully paid-up share which has been registered for at least two years in the name of the same shareholder.
The Group has not implemented any specific capital management policy.

ETABLISSEMENTS CHARLES NUSSE holds 80.46% of the share capital.

2.4 Deferred taxes

The principal sources of deferred taxes are trademarks, regulated provisions, public subsidies, internal profits on inventories and provisions.

Change in deferred taxes

€000	31/12/2019	Newly consolidated companies	31/12/2020	Change
Deferred tax assets	922	23	790	-132
Deferred tax liabilities	25,985	784	22,351	-3,634
Net deferred tax	**25,063**	**761**	**21,561**	**-3,502**

Breakdown of tax charge

€000	31/12/2020	31/12/2019
Current tax	-5,298	-7,344
Deferred taxes	4,035	1,840
Tax income/(charge)	**-1,263**	**-5,504**

Tax Proof

€000	31/12/2020	31/12/2019
Consolidated net income after tax	11,574	17,067
Goodwill impairment, net of badwill gain		-4,316
Income taxes	5,298	7,344
Deferred taxes	-4,035	-1,840
Consolidated tax base	12,837	18,255
Statutory tax rate applicable to parent company	28%	33.33%
Theoretical tax charge	**3,594**	**6,085**
Tax assets recognised on foreign companies	-1,217	
Tax rate differences	164	-439
Accounting/tax timing differences	-474	-703
Tax debits and credits	1,448	324
Deferred tax at 25%	-2,252	
Other effects	-	237
Actual tax charge	**1,263**	**5,504**

Income taxes	5,298	7,344
Deferred taxes	-4,035	-1,840
Reported tax charge	**1,263**	**5,504**

2.5 Provisions

€000	Provisions b/fwd	Changes in consolidation scope	Additions	Reversals	Provisions not used	Other changes	Provisions c/fwd
Post-employment benefits	25,350	82	2,636	-2,376	-652	860	25,900
Non-current provisions	**25,350**	**82**	**2,636**	**-2,376**	**-652**	**860**	**25,900**
Provisions for contingent liabilities	3,116		1,697	-1,552	-206	18	3,073
Other provisions for charges	267		118	-306			79
Current provisions	**3,383**	**82**	**1,815**	**1,858**	**-206**	**18**	**3,152**

Post-employment benefits are provisions for pensions and similar obligations. The other changes correspond to actuarial adjustments recorded under comprehensive income.

The principal changes in provisions for contingent liabilities are:

- A €1,366,000 reversal related to the liquidation of Biella subsidiaries (Note 2.1.3).
- A €1,020,000 contingency provision in relation to restructuring, not related to COVID-19.

Post-employment benefits consist mainly of provisions for retirement indemnities.
They are calculated at each closing date according to the following main parameters:

- probability of retirement, staff turnover and mortality;
- projected salary increases;
- discounting the resulting liability at 0.51%.

The amounts paid to insurance organisations are deducted from provisions.

<u>Change in the provision for post-employment benefits</u>

€000	31/12/2020	31/12/2019
Liability b/fwd	**25,350**	**23,457**
Cost of services rendered	1,553	2,659
Financial expense	267	467
Changes for the period	-2,130	-1,584
→ *o/w new recruits*	*390*	*688*
→ *o/w departures during the period*	*-2,520*	*-2,272*
Liability excluding actuarial gains and losses	**25,040**	**24,999**
Actuarial gains and losses under comprehensive income	860	351
Liability c/fwd	**25,900**	**25,350**

The recorded liability includes €19,402,000 of obligations under the plan applicable to French companies and €6,498,000 under plans applicable to foreign companies.

2.6 Borrowings, financial debt and lease liabilities

Statement of liquidity risk

€000	< 1 year	1-5 years	> 5 years	Total
Loans from financial institutions	45,652	89,435	28,657	163,744
Financial leasing liabilities	9,890	27,189	9,128	46,207
Other financial debt	63	3,500		3,563
Bank loans and overdrafts	51,485			51,485
Subtotal	**107,090**	**120,124**	**37,785**	**264,999**
Shareholder loan accounts (credit balance)	2,001		25,000	27,001
Accrued interest	42			42
Total	**109,133**	**120,124**	**62,785**	**292,042**
Estimated interest to maturity				*3,213*

Medium and long-term financing excluding IFRS 16 lease liabilities consists of loans negotiated at fixed rates.
The liability related to the Fizzer minority interests put option was valued at the estimated option exercise price and recognised under "Other borrowings" in an amount of €3,500,000.
The fair value of borrowings is equal to the book value.

Change in borrowings

€000	31/12/2019	Cash flow	Non-cash items			31/12/2020
			Changes in consolidation scope	New leases	Foreign exchange losses	
Bank loans and overdrafts	34,430	16,935	120	-	-	51,485
Loans from financial institutions	157,986	5,568	180	-	10	163,744
Lease liabilities	36,843	-11,087	-	20,495	-44	46,207
Total bank borrowings	**229,259**	**11,416**	**300**	**20,495**	**-34**	**261,436**
Shareholder loans	29,500	-2,499	-	-	-	27,001
Other payables	188	-125	3,500	-	-	3,563
Total other borrowings	**29,688**	**-2,624**	**3,500**	**-**	**-**	**30,564**
Accrued interest	**38**	**4**				**42**
Total borrowings	**258,985**	**8,796**	**3,800**	**20,495**	**-34**	**292,042**

2.7 Issuance & financial instruments programmes

Commercial paper

Short-term needs are financed by commercial paper issued by Exacompta Clairefontaine. A fixed rate determined at the moment of issue is paid on the commercial paper, which has a maximum term of 365 days.
At the balance sheet date, the amount issued by the Group was €50 million out of an authorised limit of €125 million.

Lines of credit

Lines of credit are in place with several banks for a total amount of €135 million, with maturities not exceeding five years. Lines of credit are indexed to Euribor and the average commitment fee charged is 0.22%. Drawdowns are charged on the basis of the amount and the maturity date of each line of credit. The term of drawdowns ranges from 10 days to twelve months. As at 31 December 2020, none of these lines of credit had been used. The related covenants are respected.

Financial instruments

The Group may use options contracts to hedge forecast transactions, in particular for purchases of raw materials in US dollars which constitute its main exposure to currency risk. The Group implemented no currency hedging arrangements during 2020. Other transactions performed to hedge exchange rate risks are non-material.

2.8 Fair value of financial instruments

Accounting classes and fair value

The table below shows the fair value of financial assets and liabilities as well as their book value as recorded in the statement of financial position.

€000	Note	Assets at acquisition cost	Measured at FVTPL	Loans and receivables	Total book value	Fair value
Unconsolidated equity interests	**2.1.6**	255			255	255
Loans	**2.1.6**			906	906	819
Other receivables	**2.1.6**			2,577	2,577	2,577
Cash and cash equivalents	**Assets**		202,495		202,495	202,495
Trade and intercompany receivables	**2.2.2**			95,290	95,290	95,290
Total assets		**255**	**202,495**	**98,773**	**301,523**	**301,436**

€000	Note	Fair value of derivatives	Other financial liabilities	Total book value	Fair value
Loans from financial institutions	**2.6**		163,744	163,744	163,744
Lease liabilities	**2.6**		46,207	46,207	46,207
Other borrowings	**2.6**		3,563	3,563	3,563
Bank loans and overdrafts	**2.6**		51,485	51,485	51,485
Shareholder loan accounts (credit balance)	**2.6**		27,001	27,001	27,001
Amounts payable on fixed assets	**2.10**		3,413	3,413	3,413
Trade payables	**Liabilities**		68,296	68,296	68,296
Total liabilities		–	**363,709**	**363,709**	**363,709**

Ranking of fair values

The table below shows the breakdown of financial instruments recognised at fair value based on their valuation method. The levels are defined as follows:

- Level 1: fair value measured using (unadjusted) prices quoted on active markets for identical assets and liabilities.
- Level 2: fair value measured using observable data, other than the quoted prices included in level 1, for the asset or liability, either directly (prices) or indirectly (derived from prices).
- Level 3: fair value measured using data not based on observable market data.

€000	Note	Level 1	Level 2	Level 3
Assets				
Cash and cash equivalents	**Assets**	202,495	–	–
Liabilities	–	–	–	–

2.9 Financial income and expenses

€000	31/12/2020	31/12/2019
Income from other receivables and marketable securities	381	565
Other financial income	441	107
Reversal of provisions and write-downs	22	-
Foreign exchange losses	1,665	2,086
Total financial income	**2,509**	**2,758**
Increase in provisions and write-downs	42	464
Interest and financial expenses	1,511	1,512
Foreign exchange losses	2,811	1,895
Other financial expenses	35	460
Total financial expenses	**4,399**	**4,331**

2.10 Other current liabilities

€000	31/12/2020	31/12/2019
Advances and down payments received	1,732	1,736
Taxes and social security contributions payable	35,695	34,745
Fixed asset payables	3,413	3,892
Other liabilities	17,038	16,575
Deferred income	1,038	1,385
Total	**58,916**	**58,333**

2.11 Group headcount

Average headcount	31/12/2020	31/12/2019
Management	541	541
Employees	1,045	1,018
Labourers and other salaried workers	2,025	2,072
Total	**3,611**	**3,631**
Including the Eurowrap and Biella groups	607	629

Expenses recorded for defined contribution schemes (€000)	46,170	43,476

2.12 Off-balance sheet commitments

Greenhouse gas emission allowances

The principles applied by the Group are set forth in Note 15 of the presentation of the consolidated financial statements.
The quantities allocated for 2020 amounted to 62,160 tonnes, while CO_2 emissions totalled 71,132 tonnes. There are no more allowances due for phase 3, which ends in 2020, but the quotas held are sufficient to cover 2020 emissions.

The number of allowances due for phase 4 covering the 2021-2030 period is not yet known.

Sureties and guarantees

Exacompta Clairefontaine jointly and severally guarantees payment to Exeltium of all liabilities in respect of purchases of blocks of electricity contracted by Papeteries de Clairefontaine.

2.13 Related parties

Transactions carried out by the Group with Etablissements Charles Nusse.

€000	31/12/2020	31/12/2019
Balance sheet		
Current account balances:		
Financial liabilities	25,000	25,000
Financial liabilities (short-term)	2,000	4,500
Income statement		
Financial expenses	144	301
Fees	1,441	1,291
Leases excluding expenses	7,285	6,773

Group companies benefit from the leadership provided by Ets Charles Nusse and pay a fee equal to 0.6% of the added value for the previous year.

Manufacturing, logistics and office facilities are leased to certain Group companies on arm’s length terms. These leases have been adjusted following the application of IFRS 16.

Remuneration of the corporate officers

The total amount of remuneration received, excluding attendance fees, by the corporate officers in 2020 amounted to €1,225,000 in the consolidated financial statement of the Exacompta Clairefontaine Group, compared with €1,259,000 in 2019.

2.14 Statutory auditors’ fees

ANC Regulation 2016-09 of 2 December 2016 on disclosures in the notes to consolidated financial statements prepared in accordance with international standards.

€000	**31/12/2020**	**31/12/2019**
SEREC AUDIT	240	344
BATT AUDIT	242	232
ADVOLIS	85	-
EY	135	138
PWC	68	45
Other auditors	188	168
Total - certification of financial statements	**958**	**927**
EY	73	96
PWC	7	8
Total - other services	**80**	**104**

Other auditors mainly include statutory auditors of foreign subsidiaries, comprising 11 firms for 14 subsidiaries in 2020.
The other services are delivered to the foreign subsidiaries of the Eurowrap and Biella groups.

3. Segment information

As in the financial statements, segment information is presented for the prevailing consolidation scope at each balance sheet date.
In the processing division, the 2019 consolidation scope includes Eurowrap, Biella and their subsidiaries for 9 and 6 months of activity respectively. Papeteries du Coutal and Fizzer were consolidated for the first time in 2020.

Correspondence with the consolidated financial position:
- “Other assets allocated” includes inventories and advances;
- “Unallocated assets” consists of tax receivable and deferred tax assets.

➢ Segment information by business – 31/12/2020

€000	Paper	Processing	Inter-segment transactions	Total
Segment income statement				
Revenue	254,296	555,369	-120,068	689,597
Depreciation/amortisation (net of reversals)	12,278	25,942		38,220
Write-downs and provisions	-65	-1,010		-1,075
Operating income/(loss) (excl. goodwill impairment)	14,801	-191	117	14,727
Impairment of goodwill and badwill				
Segment assets				
Net PP&E and intangible assets	116,966	195,712		312,678
o/w capex	*14,747*	*19,608*		*34,355*
Goodwill		42,188		42,188
Trade receivables	36,044	80,373	-21,127	95,290
Other receivables	3,259	13,299	-47	16,511
Balance sheet total	*39,303*	*93,672*	*-21,174*	*111,801*
Other assets allocated	74,055	148,482	-3,165	219,372
Unallocated assets				*1,627*
Total assets	230,324	480,054	-24,339	687,666
Segment liabilities				
Current provisions	1,085	2,067		3,152
Trade payables	24,296	65,128	-21,128	68,296
Other payables	15,521	43,441	-46	58,916
Unallocated liabilities				*78*
Total liabilities	40,902	110,636	-21,174	130,442

➢ Segment information by geographic area – 31/12/2020

€000	France	Europe	Outside Europe	Total
Revenue	371,037	292,571	25,989	689,597
Net PP&E and intangible assets	258,707	48,667	5,304	312,678
o/w capex	*30,435*	*3,783*	*137*	*34,355*
Goodwill	31,022	11,166		42,188
Trade receivables	65,620	27,787	1,883	95,290
Other receivables	12,296	1,747	2,468	16,511
Balance sheet total	*77,916*	*29,534*	*4,351*	*111,801*
Other assets allocated	187,807	25,685	5,880	219,372
Unallocated assets				*1,627*
Total assets	555,452	115,052	15,535	687,666

➢ Segment information by business – 31/12/2019

€000	Paper	Processing	Inter-segment transactions	Total
Segment income statement				
Revenue	285,754	540,945	-123,263	703,436
Depreciation/amortisation (net of reversals)	11,788	29,307		41,095
Write-downs and provisions	232	966		1,198
Operating income/(loss) (excl. goodwill impairment)	11,068	8,712	48	19,828
Impairment of goodwill and badwill		-4,316		-4,316
Segment assets				
Net PP&E and intangible assets	114,443	189,489		303,932
o/w capex	*15,371*	*21,357*		*36,728*
Goodwill		37,383		37,383
Trade receivables	38,927	89,701	-20,934	107,694
Other receivables	2,653	14,875	-101	17,427
Balance sheet total	*41,580*	*104,576*	*-21,035*	*125,121*
Other assets allocated	64,421	148,173	-3,139	209,455
Unallocated assets				*1,405*
Total assets	220,444	479,621	-24,174	677,296
Segment liabilities				
Current provisions	832	2,551		3,383
Trade payables	23,388	68,637	-20,927	71,098
Other payables	16,179	42,265	-111	58,333
Unallocated liabilities				*3,829*
Total liabilities	40,399	113,453	-21,038	136,643

➢ Segment information by geographic area – 31/12/2019

€000	France	Europe	Outside Europe	Total
Revenue	398,479	276,723	28,234	703,436
Net PP&E and intangible assets	247,496	50,203	6,233	303,932
o/w capex	*32,534*	*3,472*	*722*	*36,728*
Goodwill	26,217	11,166		37,383
Trade receivables	73,709	31,964	2,021	107,694
Other receivables	13,546	1,710	2,171	17,427
Balance sheet total	*87,255*	*33,674*	*4,192*	*125,121*
Other assets allocated	176,707	26,055	6,693	209,455
Unallocated assets				*1,405*
Total assets	537,675	121,098	17,118	677,296

4. Consolidated entities

All companies are fully consolidated and wholly owned except for Fizzer, in which the Group holds a 60% equity stake.

Name	Address
EXACOMPTA CLAIREFONTAINE	88480 ETIVAL CLAIREFONTAINE
A.B.L.	132 Quai de Jemmapes - 75010 PARIS
A.F.A.	132 Quai de Jemmapes - 75010 PARIS
CARTOREL	384 Rue des Chênes Verts - 79410 ECHIRE
CFR Ile Napoléon	RD 52 - 68490 OTTMARSHEIM
PAPETERIES DE CLAIREFONTAINE	19 Rue de l’Abbaye - 88480 ETIVAL CLAIREFONTAINE
CLAIREFONTAINE RHODIA	RD 52 - 68490 OTTMARSHEIM
CLAIRCELL	ZI – Rue de Chartres - 28160 BROU
COGIR	10 Rue Beauregard - 37110 CHATEAU-RENAULT
REGISTRES LE DAUPHIN	27 Rue George Sand - 38500 VOIRON
MADLY	6 Rue Henri Becquerel - 69740 GENAS
EVERBAL	2 Route d’Avaux - 02190 EVERGNICOURT
EXACOMPTA	138-140 Quai de Jemmapes - 75010 PARIS
FACIMPRIM	15 Rue des Ecluses Saint Martin - 75010 PARIS
LALO	138 Quai de Jemmapes - 75010 PARIS
LAVIGNE	139-175 Rue Jean Jacques Rousseau - 92130 ISSY-LES-MOULINEAUX
PAPETERIE DE MANDEURE	14 Rue de la Papeterie - 25350 MANDEURE
MANUCLASS	ZI d’Etriché - 49500 SEGRE-EN-ANJOU-BLEU
CLAIRCELL INGENIERIE	ZI – Rue de Chartres - 28160 BROU
EDITIONS QUO VADIS	14 Rue du Nouveau Bêle - 44470 CARQUEFOU
RAYNARD	6 Rue de la Peltière – 35130 LA GUERCHE DE BRETAGNE
RAINEX	Lieudit Saint-Mathieu – ZI - 78550 HOUDAN
ROLFAX	ZI Route de Montdidier - 60120 BRETEUIL
PAPETERIES SILL	Rue du Moulin - 62570 WIZERNES
PHOTOWEB	1 Rue des Platanes - 38120 SAINT-EGREVE
INVADERS CORP	144 Quai de Jemmapes -75010 PARIS
PAPETERIES DU COUTAL	ZI du Coutal - 24120 TERRASSON-LAVILLEDIEU
FIZZER	15 Rue Edouard Herriot - 14160 DIVES-SUR-MER
BRAUSE PRODUKTION (Germany)	51149 KÖLN
EXACLAIR GmbH (Germany)	51149 KÖLN
RODECO (Germany)	51149 KÖLN
MAKANE BOUSKOURA (Morocco)	Parc industriel de Bouskoura, lot n°4 - 20180 BOUSKOURA
CLAIR MAROC (Morocco)	Parc industriel de Bouskoura, lot n°4 - 20180 BOUSKOURA

PUBLIDAY MULTIDIA (Morocco)	Parc industriel de Bouskoura, lot n°4 - 20180 BOUSKOURA
ERNST STADELMANN (Austria)	Bahnhofstrasse 8 - 4070 EFERDING
EXACLAIR (Spain)	08110 MONTCADA I REIXAC
EXACLAIR (Belgium)	Boulevard Paepsem, 18D - 1070 ANDERLECHT
EXACLAIR Inc. (USA)	143 west, 29th street - NEW YORK
EXACLAIR Ltd (UK)	Oldmedow Road - KING’S LYNN, Norfolk PE30 4LW
QUO VADIS International Ltd (Canada)	1055, rue Begin - Ville Saint Laurent - QUEBEC H4R 1V8
EXACLAIR Italia Srl (Italy)	Via Soperga, 36 - 20127 MILANO
QUO VADIS Japon Co Ltd (Japan)	Sangenjaya Combox 4F 1–32–3 Kamjuma Setagaya-Ku, TOKYO
QUO VADIS Editions Inc (USA)	120, Elmview Avenue - HAMBURG, NY 14075-3770
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FALKEN (Germany)	Am Bahnhof 5, 03185 PEITZ
DELMET PROD (Romania)	Industriei 3, 070000 BUFTEA
AE4 2012 HOLDING (Sweden)	Hamilton Advokatbyrå, Box 715, 101 33 STOCKHOLM
EUROWRAP A/S (Denmark)	Odinsvej 30, 4100 RINGSTED – (DK)
EURO WRAP Ltd (UK)	Unit 2 Pikelaw Place, West Pimbo Industrial State, SKELMERSDALE WN8 9PP

Exacompta Clairefontaine S.A.

Statutory auditors' report
on the consolidated financial statements

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Resolutions submitted to the Ordinary Shareholders' Meeting

ADVOLIS
Statutory Auditor
Member of the Paris Institute of Statutory Auditors
38 Avenue de l'Opéra
75002 PARIS

BATT AUDIT
Statutory Auditor
Member of the Nancy Institute of Statutory Auditors
58 Boulevard d'Austrasie
54000 NANCY

REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

To the Shareholders' Meeting of the company EXACOMPTA CLAIREFONTAINE,

Opinion

In accordance with the assignment entrusted to us by your Shareholders' Meeting, we have audited the consolidated financial statements of EXACOMPTA CLAIREFONTAINE for the year ended 31 December 2020, which are appended to this report.

We hereby certify that the consolidated financial statements are, with regard to the IFRS adopted within the European Union, in order and accurate and fairly present the results of operations for the year ended as well as the financial position and the assets and liabilities, at the year-end, of the persons and entities included in the consolidation.

The opinion expressed above is consistent with the content of our report to the Audit Committee of the Board of Directors.

Basis of the opinion

Audit standards
We performed our audit in accordance with the professional standards applicable in France. We believe that the evidence we have gathered provides a reasonable basis for our opinion.

Our responsibilities pursuant to these standards are set forth in the section "Responsibilities of the statutory auditors relating to the audit of the consolidated financial statements" of this report.

Independence
We have performed our audit in compliance with the rules of independence provided for in the French Commercial Code and the French Code of Ethics for statutory auditors for the period running from 1 January 2020 to the date of issue of our report, and in particular we have not provided services prohibited under Article 5, paragraph 1, of regulation (EU) No. 537/2014.

Justification of our assessments - Key audit matters

The global health crisis related to the COVID-19 pandemic has created specific conditions for the preparation and audit of this year's financial statements. This crisis and the extraordinary measures taken in the context of the health emergency has numerous consequences for companies, particularly with regard to their activity and financing, and has generated significant uncertainty regarding their future prospects. A number of these measures, such as restrictions on travel and remote work, have also had an impact on companies' internal organisation and on the arrangements for carrying out audits.

It is within this complex and ever-changing environment that, pursuant to the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code on the justification of our assessments, we draw your attention to the key audit matters relating to the risk of material misstatements which, in our professional judgement, have been the most significant for the audit of the consolidated financial statements, and how we addressed these risks.

The assessments carried out are part of our audit of the consolidated financial statements, taken as a whole, and formed our opinion, which is expressed above. We do not express an opinion on individual items of these consolidated financial statements.

Valuation of the recoverable value of goodwill and other intangible assets

Risk identified

As part of its development, the Group carries out acquisitions and recognises goodwill, trademarks and other intangible assets in accordance with the purchase price allocation process.

These assets are tested for impairment at least once a year at the level of the cash generating units (CGU) to which they correspond.

As indicated in Notes 8 and 11 to the consolidated financial statements, impairment is recognised if the book value of a CGU is higher than its recoverable value,

The recoverable value of each CGU is established based on the discounted value of expected future cash flows from the group of assets comprising that CGU.
It is largely based on management’s judgement, in particular as regards the medium-term forecasts and discount rates and long-term growth rates used that are applicable to them.

We are therefore of the opinion that the measurement of the recoverable value of goodwill and other intangible assets is a key audit matter.

Audit procedures implemented to address this risk

We have reviewed the procedures for impairment testing within the Group and we have exercised our professional judgement to assess the position adopted by management.

We have reviewed the method applied by management to determine the recoverable value of each group CGUs, in order to assess its compliance with IAS 36 and we have conducted a critical review of how this method was applied. We assessed the items comprising the carrying amount of each CGU tested and the consistency of the determination of this amount with the way in which the projected future cash flows were determined for the measurement of recoverable value.

In particular, for the CGUs for which the recoverable value is close to the net book value, we have:

- assessed, by means of interviews with management, the consistency of the revenue and earnings forecasts with regard to the economic and financial environment in which the corresponding Group entities operate, past performance and the measures implemented by the Group;

- Assessed the reasonableness of the discount rates and long-term growth rates applied to the cash flow forecasts;

- conducted our own sensitivity analyses as regards certain key variables of the valuation model in order to assess the material nature of the potential impact on recoverable value.

Specific verifications

In accordance with the professional standards applicable in France, we also performed the specific verifications required by the legal and regulatory texts relating to information on the Group contained in the Board of Directors' management report.

We have no comments to make about the accuracy and conformity thereof with the consolidated financial statements.

We hereby confirm that the consolidated non-financial performance declaration provided for by Article L. 225-102-1 of the French Commercial Code is included in the group information provided in the management report, it being noted that, in accordance with the provisions of Article L. 823-10 of the said Code, we have not verified the accuracy or consistency with the consolidated financial statements of the information contained in this declaration, which should be subject to a report conducted by an independent third party.

Other verifications or information required by the legal and regulatory texts

Presentation of the consolidated financial statements due to be included in the annual financial report

In accordance with section III of Article 222-3 of the AMF General Regulation, the management of your company informed us of its decision to defer application of the single electronic reporting format as defined by Delegated Regulation (EU) 2019/815 of 17 December 2018 to reporting periods opening from 1 January 2021 onwards. Consequently, this report does not include a conclusion on compliance with this format in the presentation of the consolidated financial statements due to be included in the annual financial statements indicated in section I of Article L. 451-1-2 of the French Monetary and Financial Code.

Appointment of statutory auditors

We were appointed as statutory auditors of EXACOMPTA CLAIREFONTAINE by the Shareholders' Meeting of 22 May 2008 in the case of BATT AUDIT, and of 27 May 2020 in the case of ADVOLIS.
On 31 December 2020, BATT AUDIT was in the 13th consecutive year of its engagement and ADVOLIS in the 1st year since the company's shares were admitted for trading on a regulated market.

Responsibilities of senior management and of those charged with corporate governance relating to the consolidated financial statements

It is management's responsibility to prepare consolidated financial statements representing a true and fair view in accordance with IFRS (International Financial Reporting Standards), as adopted within the European Union, and to establish the internal control that it deems necessary for the preparation of consolidated financial statements free of material misstatements, whether due to fraud or error.

During the preparation of the consolidated financial statements, it is the responsibility of management to assess the company's ability to continue as a going concern, to present in these financial statements, if applicable, the necessary information on the going concern basis and to apply the standard accounting policy for a going concern, unless it is planned to wind up the company or discontinue operations.

It is the responsibility of the Audit Committee of the Board of Directors to monitor the process for the preparation of financial information and the effectiveness of internal control and risk management systems, and, where applicable, of the internal audit system, as regards the procedures relating to the preparation and processing of accounting and financial information.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the statutory auditors relating to the audit of the consolidated financial statements

Audit objective and approach

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements, taken as a whole, are free of material misstatements. Reasonable assurance is a high level of assurance without however guaranteeing that an audit performed in accordance with the professional standards applicable would systematically detect any material misstatement. Misstatements may be due to fraud or errors and are considered as material when it is reasonable to expect that they can, taken separately or together, influence the economic decisions that users of the financial statements take based on them.

As set out in Article L. 823-10-1 of the French Commercial Code, our engagement relating to the certification of the financial statements does not consist in guaranteeing the viability or quality of your company's management.

As part of an audit performed in accordance with auditing standards applicable in France, the statutory auditor exercises their professional judgement throughout the audit. Furthermore:

- identifies and evaluates the risk of the consolidated financial statements containing material misstatements, whether due to fraud or error, develops and implements audit procedures in response to these risks, and gathers sufficient and appropriate evidence for its opinion. The risk of non-detection of a material misstatement due to a fraud is higher than that of a material misstatement due to an error, since a fraud may involve collusion, forgery, wilful omissions, misrepresentations or the circumvention of internal control;

- obtains an understanding of the aspects of internal control that are relevant to the audit in order to develop appropriate audit procedures, and not to express an opinion as to the effectiveness of the internal control system;

- assesses the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as the disclosures on these provided in the consolidated financial statements;

- assesses the appropriateness of the management's use of the going concern principle in accounting and, according to the evidence obtained, the existence or otherwise of material uncertainty connected with events or situations likely to cast significant doubt on the capacity of the company to continue its operations. This assessment is based on the evidence gathered up to the date of the auditor's report, it being noted however that subsequent circumstances or events could compromise the going concern basis. If the auditor concludes that there is a significant uncertainty, the auditor draws the reader's attention within the audit report to the disclosures provided in the consolidated financial statements regarding this uncertainty or, if such disclosures are not provided or are not relevant, issues a qualified opinion or refuses to issue an opinion;

- assesses the overall presentation of the consolidated financial statements and assesses whether the consolidated financial statements reflect the underlying transactions and events in such a way as to give a true and fair view;

- regarding financial information on persons and entities included in the consolidation, the auditor gathers evidence that he deems sufficient and appropriate to express his opinion on the consolidated financial statements. The auditor is responsible for the management, supervision and conduct of the audit of the consolidated financial statements and for the opinion expressed on these financial statements.

Report to the Audit Committee of the Board of Directors

We submit a report to the Audit Committee of the Board of Directors, defining the scope of the audit work and the audit programme implemented, as well as the findings based on our work. We also draw their attention, where applicable, to significant internal control weaknesses that we have identified, as regards procedures relating to the preparation and processing of accounting and financial information.

The report submitted to the Audit Committee of the Board of Directors also contains information on the risks of material misstatements that we deemed to have been the most significant for the audit of the consolidated financial statements and which therefore constitute key audit matters. These matters are described in this report.

We also submit to the Audit Committee of the Board of Directors the declaration set out in Article 6 of Regulation (EU) No 537-2014 confirming our independence, within the meaning of the rules applicable in France as they are defined in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and the French Code of Ethics for statutory auditors. If necessary, we discuss with the Audit Committee of the Board of Directors the risks to our independence and the safeguards applied.

Executed in Paris and Nancy, 29 April 2021

Statutory Auditors

ADVOLIS	**BATT AUDIT**
Hugues de Noray Patrick Iweins	Pascal Francois

RESOLUTIONS SUBMITTED
TO THE ORDINARY SHAREHOLDERS' MEETING OF 27 MAY 2021

FIRST RESOLUTION

That, following a reading by the Board of Directors and the statutory auditors of their respective reports, the Meeting approve these reports in their entirety, as well as the operations described therein, and approve the parent company financial statements for the year ended 31 December 2020.

SECOND RESOLUTION

That, following a reading by the Board of Directors and the statutory auditors of their respective reports, the Meeting approve these reports in their entirety, as well as the operations described therein, and approve the consolidated financial statements for the year ended 31 December 2020.

THIRD RESOLUTION

That, at the recommendation of the Board of Directors, the Shareholders' Meeting resolve to distribute and appropriate earnings for the year as follows:

Income for 2020	€2,327,939.13
Withdrawal from other reserves	€1,066,500.87
Total	€3,394,440.00

Appropriated as follows:

First dividend	€226,296.00
Second dividend	€3,168,144.00
Total dividends	€3,394,440.00

Given that the company's share capital is divided into 1,131,480 shares, each of these shares will receive a total dividend of €3.00.

The following table shows the dividends paid for the last three years:

Year	Dividend	Number of shares
2017	2.70	1,131,480
2018	2.70	1,131,480
2019	3.00	1,131,480

FOURTH RESOLUTION

That, following a reading of the statutory auditors' special report, the Shareholders' Meeting formally note the absence in 2020 of any operations related to Article L. 225-38 of the French Commercial Code.

FIFTH RESOLUTION

The Shareholders' Meeting, having reviewed the report provided for in Article L. 225-37 of the French Commercial Code, approves the corporate officer remuneration policy presented therein (paragraph 6).

SIXTH RESOLUTION

The Shareholders' Meeting approves the remuneration package and benefits of all kind paid or allocated in respect of fiscal year 2020 to François Nusse, Chairman and Chief Executive Officer, as presented in the corporate governance report (point 6).

SEVENTH RESOLUTION

The Shareholders' Meeting approves the remuneration package and benefits of all kind paid or allocated in respect of fiscal year 2020 to Jean-Marie Nusse, Executive Vice President, as presented in the corporate governance report (point 6).

EIGHTH RESOLUTION

The Shareholders' Meeting approves the remuneration package and benefits of all kind paid or allocated in respect of fiscal year 2020 to Jean-Claude Gilles Nusse, Executive Vice President, as presented in the corporate governance report (point 6).

NINTH RESOLUTION – Approval of the proposed transfer of the Company's shares from Euronext Paris to Euronext Growth and power to be granted to the Board of Directors

The Shareholders' Meeting, having reviewed the report of the Board of Directors, approves, in accordance with the provisions of Article L. 421-14 V of the French Monetary and Financial Code, the request to delist the Company's shares from trading on Euronext Paris and simultaneously admit them to trading on Euronext Growth and grants the Board of Directors all powers required to implement this stock market transfer within a period of 12 months from the date of this meeting.

NOTES