

Share buyback program

In accordance with the provisions of European Regulation No. 596/2014 of April 16, 2014 on market abuse, Articles 241-1 et seq of the General Regulations of the “Autorité des Marchés Financiers” and Articles L.225-209 and following the objectives and modalities of ESI Group’s share buyback program, as authorized by the Combined Annual General Meeting held on July 18, 2019 and implemented by the Board of Directors during its meeting held the same day.

This new program ends the previous one authorized by the Combined General Meeting of July 18, 2018.

- **Shares concerned**

Shares issued by ESI Group, listed on Euronext Paris (ISIN code FR0004110310).

- **Objectives of the buyback program**

- i. stimulate the secondary market or the liquidity of ESI Group shares through a liquidity contract signed with an investment service provider and compliant with the AMAFI’s Code of Ethics dated September 23, 2008 and approved by the French Financial Markets Authority (AMF),
- ii. fulfill its share issue obligations, in accordance with the terms and conditions set forth by law, undertaken as part of the following:
 - plans granting stock options for the purchase of existing shares by the Group’s employees or corporate officers,
 - employee profit-sharing plans under which these shares would be granted to employees and/or corporate officers,
 - free share grants to the Group’s employees and corporate officers,
 - shares provided upon exercise of the rights attached to securities giving access to shares by any means, whether immediately or in the future, under the conditions set forth by the AMF and at any time deemed appropriate by the Board of Directors,
- iii. retain shares to subsequently use them in exchange or as payment for future business acquisitions,
- iv. cancel shares by a reduction in share capital.

- **Maximum purchase price**

The maximum purchase price is set at €60 per share.

The maximum amount that the company would be likely to pay under this share buyback program is set at €13,000,000.

- **Buy-back terms and conditions**

The shares may be purchased or retained at the discretion of the Board of Directors by any means by trading on or off the market, or on an over-the-counter market, on one or more occasions. All shares purchased under the authorized share buyback program may be acquired in the form of blocks of shares. Such transactions

may be carried out at any time, including during public offering periods, in accordance with the regulations in force.

- **Duration of the buy-back program**

18 months from July 18, 2019, i.e. until January 17, 2021.

The Board of Directors will inform the shareholders in its management report of the acquisitions and disposals made in application of this authorization.

- **Treasury shares held as of July 18, 2019**

As at July 18, 2019, the company held 393,509 shares representing 6.5% of its share capital, including 5151 shares via the AMAFI liquidity contract.

The Group favors an allocation of shares to cover employee share ownership plans and potential acquisitions.

- **Maximum proportion of share capital**

10% of the share capital (i.e. 601,789 shares to date), it being specified that this limit is assessed at the date of buy-backs in order to consider any capital increase or reduction that may occur during the program. The number of shares taken into account to calculate this limit corresponds to the number of shares purchased, less the number of shares resold during the program as part of the purpose of liquidity.

As the company cannot hold more than 10% of its share capital, considering the number of shares already held of 393,509 (i.e. 6.5% of the share capital), the maximum number of shares that may be purchased will be 208,280 shares (i.e. 3.5% of the share capital) unless to sell or cancel the shares already held.

Upcoming events

Half Year Sales and Results
September 19, 2019

Q3 FY19 revenue
November 19, 2019

FY19 revenue (11 months)
February 13, 2020

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About ESI

[ESI](#) is the world's leading creator of Virtual Prototyping software and services. Specialist in the physics of materials, ESI has developed a unique proficiency in helping industrial manufacturers replace physical prototypes by virtual prototypes, allowing them to virtually manufacture, assemble, test and pre-certify their future products. Coupled with the latest technologies, Virtual Prototyping is now anchored in the wider concept of the Product Performance Lifecycle™, which addresses the operational performance of a product during its entire lifecycle, from launch to disposal. The creation of a Hybrid Twin™, leveraging simulation, physics and data analytics, enables manufacturers to deliver smarter and connected products, to predict product performance and to anticipate maintenance needs.

Present in more than 40 countries, and addressing every major industrial sector, [ESI](#) employs about 1200 high-level specialists around the world and reported annual sales of €139 million in 2018. ESI is a French company listed in compartment B of NYSE Euronext Paris, labeled "Innovative Company" in 2000 by Bpifrance and eligible for FCPI (innovation-focused mutual funds) and PEA-PME (personal equity plans investing in SMEs).

For further information, go to www.esi-group.com/fr.

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