2019 INTERIM FINANCIAL REPORT

including

- The 2019 Interim Management Report
- Condensed consolidated financial statements at 30 June 2019
- Statutory Auditors' review report on the 2019 half-yearly financial information
- Statement by the person responsible for the 2019 Interim Financial Report

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Extract from the press release distributed on 18 September 2019

First-half 2019 results

- **Record backlog**
- **Sharp rise in profitability across the three divisions**
- **Cash flow from operations up to €10.6 million**

(in € millions)	H1 2019[1]	H1 2018[2]	Change
Backlog at end of period	**641.2**	202.3	*+216.9%*
Revenue[3]	**135.4**	123.0	*+10.0%*
EBITDA[4]	**14.3**	5.3	*+169.2%*
Current operating income	**2.6**	(1.9)	*+237.5%*
Operating income	**0.0**	(4.5)	*+€4.5 M*
Tax	**(2.2)**	(0.1)	*-€2.1 M*
Net income from discontinued activities	**0.3**	0.3	-
Net income	**(2.1)**	(4.5)	*+€2.3 M*
Profit (loss) for the period attributable to the owners of the parent	**(2.1)**	(3.6)	*+€1.5 M*
Cash flow from operations	**10.6**	1.1	*+861.7%*

In first-half 2019, Groupe Gorgé's **revenue** was up by 10.0% to €135.4 million. This growth was driven by strong performance in the Robotics and Aerospace businesses in Smart Safety Systems and across all businesses in the 3D Printing division.

At 30 June 2019, Groupe Gorgé's backlog reached a record high of €641.2 million, multiplied by more than three since 30 June 2018, on the back of a major order of about €450 million from the Belgian and Dutch navies for naval robotics in the Smart Safety Systems division.

The Group's **EBITDA** jumped 169.2% to €14.3 million in first-half 2019. It reflects the strong improvement in profitability across all divisions, and for €2.9 million the application of IFRS 16 – *Leases* as from 1 January 2019. The Group's EBITDA margin was 10.5%, compared with 4.3% in the first half of 2018.

Current operating income was €2.6 million, compared with a loss of -€1.9 million in the first half of 2018. **Non-recurring items** in operating income were -€2.7 million in first-half 2019, including in particular restructuring costs across the three divisions for an amount of -€1.0 million.

Financial income was -€0.2 million, compared with -€0.3 million in first-half 2018.

The income **tax** expense was -€2.2 million, compared with -€0.1 million in first-half 2018. This increase was partially due to the improved profitability of the businesses. The Group was also penalized by an unfavorable change in deferred taxes (approximately €1.4 million) related to tax loss carryforwards and recognized as assets.

[1]First-time application of IFRS 16 – *Leases* as from 1 January 2019 (the impacts are described in the notes to the financial statements) with no retrospective adjustments for 2018.
[2] In the Protection of High-Risk Installations division, Cimlec and its subsidiaries (Cimlec Group) were disposed of on 9 July 2019. In accordance with IFRS 5 - *Non-current assets held for sale and discontinued operations*, Cimlec Group's contribution is presented on the "net income from discontinued activities" line and not on each line of the income statement. For information, these activities represented €20.1 million in revenue in the first half of 2018 and €21.8 million in the first half of 2019.
[3] The approved revenue shows a €0.9 million difference compared with the revenue reported on 28 July 2019 due to adjustments in some contracts of the application methods used for IFRS 15 - *Revenue from Contracts with Customers* in the Smart Safety Systems division (ECA).
[4] Current operating income before depreciation, amortisation and provisions, and before free share allocation expenses.

Net income from discontinued activities (Cimlec Industrie) was €0.3 million, both in 2019 and 2018. **Net income group share** improved by €1.5 million to -€2.1 million in the first half, compared with -€3.6 million for the same period in the previous year. Net income for the period does not yet reflect the profit of more than €20 million from the disposal of Cimlec group on 9 July 2019.

The impact of the first-time application of IFRS 16 – *Leases* was €2.9 million on EBITDA, but had virtually no effect on operating income and net income (less than €0.2 million).

Performance by division

(in € millions)	Chiffre d'affaires			EBITDA[4]		
	H1 2019	**H1 2018**	**Change**	**H1 2019**	**H1 2018**	**Change**
Smart Safety Systems	**57.1**	50.1	*+13.9%*	**9.9**	5.5	*+€4.4 M*
Protection of High-Risk installations	**65.7**	65.7	*+0.0%*	**3.5**	0.2	*+€3.3 M*
3D Printing	**35.3**	27.6	*+28.1%*	**2.6**	0.2	*+€2.4 M*
Structure & disposals	***(0.9)***	*(0.5)*	*n.s.*	***(0.2)***	*0.6*	*n.s*
Discontinued activities[5]	**(21.8)**	(20.1)	*n.s*	**(1.5)**	(1.0)	*n.s*
Other adjustments[6]	**-**	0.3	*n.s*	**-**	(0.1)	*n.s*
Consolidated	**135.4**	123.0	*+10.0%*	**14.3**	5.3	*+169.2%*

Smart Safety Systems

In first-half 2019, revenue of the Smart Safety Systems division was €57.1 million, up by a sharp 13.3% This acceleration is driven by the remarkable performance of the Robotics (+29.6%) and Aerospace (+11.2%) businesses, offsetting the decline in Simulation, which now accounts for only 4.5% of the division's revenue, at €2.6 million (-54.3%). During the half-year period, the division recorded a portion of the revenue that could be recognised this year from the contract with the Belgian and Dutch navies; the teams are in place, recruitments are on-going, and the project design phase has begun.

At June 30 2019, the division's backlog reached a record high of €545.5 million, 5.5 times higher than the amount at June 30 2018.

EBITDA was up by 85.4% to €9.9 million. The EBITDA margin rose sharply from 10.6% in first-half 2018 to 17.3% in first-half 2019. This reflects the excellent growth in the Robotics division, a return to profitability in the Aerospace division and the application of IFRS 16 – *Leases* for €1.1 million.

After deducting non-recurring items of €0.4 million, operating income was up 322.9% to €3.8 million. The operating margin was 6.6%, up sharply compared with first-half 2018.

Protection of High-Risk Installations

In the Protection of High-Risk Installations division, including Cimlec and its subsidiaries disposed of on July 9 2019, revenue was €65.7 million in first-half 2019, stable compared with first-half 2018. In the second quarter, the Group disposed of subsidiaries NTS and Hoekstra; those two businesses contributed €3.8 million to revenue for financial year 2018.

In application of IFRS 5, Cimlec and its subsidiaries are consolidated on a single line of the profit and loss statement (Discontinued operations), the division's revenue excluding its contribution was €43.5 million. The division now accounts for 32% of Groupe Gorgé's half-year revenue.

The division's backlog was €89.2 million at June 30 2019.

The division's EBITDA increased this half-year to €3.5 million, up €3.3 million, thanks to the recovery in the Nuclear business, and by the application of IFRS 16 for €0.8 million. The EBITDA margin was 5.3%.

After deducting non-recurring items for €1.2 million, related in particular to restructuring costs for €0.4 million and disposals for €0.8 million, operating income improved by €2.5 million to -€0.2 million in first-half 2019.

3D Printing

First-half 2019 revenue was €35.3 million, up sharply by 28.1% compared with first-half 2018. The half-year period was marked by continued dynamic organic growth in the Systems (+33.1%) and Products (+19.7%) businesses, strengthened by a favorable scope effect due to the consolidation of companies acquired in 2018 and early 2019 (€5.3 million).

[5] The IFRS 5 - *Non-current assets held for sale and discontinued operations* adjustment concerns the contribution of Cimlec and its subsidiaries (Cimlec Group) within the Protection of High-Risk Installations division. These subsidiaries were disposed of on 9 July 2019 and are consolidated under discontinued activities.
[6] In the Smart Safety Systems division, the 2018 segment data are adjusted for the contribution of activities for which closure or disposal had been decided in 2017 (disposal of the SSI business in August 2018 in Simulation).

EBITDA was €2.6 million, multiplied by 13 over one year. This reflects a strong improvement in the company's profitability, and for €1.0 million the application of IFRS 16. EBITDA margin increased to 7.3% in first-half 2019, compared to 0.7% in first-half 2018.

Operating income improved by €0.1 million to -€2.5 million in first-half 2019, although it was penalised by non-recurring items of €1.0 million, due mainly to the amortisation of intangible assets recognised at fair value during the acquisitions, restructuring costs in the medical division, and an expense related to bonus share allocations of €0.5 million this half-year. In January 2019, Prodways Group established a new bonus share allocation plan (802,800 shares, i.e. maximum dilution of about 1.58% on the basis of existing share capital) for all employees. This plan is subject to the achievement over three years of performance criteria based on operating income and helps strengthen the alignment of the interests of management and employees with those of shareholders.

Financial position at June 30, 2019

Cash flow from operations for the half-year period was €9.5 million, compared with €4.4 million in first-half 2018, benefiting from the improved cash flow from operating activities at €10.6 million versus €1.1 million in June 2018, and from the positive evolution of working capital requirement of €0.8 million.

During the half-year period, the Group maintained a strong level of investments at €11.2 million. €5.3 million are related to acquisitions (Surdifuse-L'Embout Français, Avenao earn-out, and acquisition of minority interests in the 3D Printing division) and disposals (NTS and Hoekstra in the Protection of High-Risk *Installations division*, EN *Moteurs* in the Smart Safety Systems division). The proceeds from the disposal of Cimlec was collected in July 2019.

At June 30, 2019, the Group recorded net debt (excluding rental debt resulting from the application of IFRS 16 and including treasury share) of €31.9 million, versus net debt of €27.7 million at December 31, 2018.

The very healthy backlog level of the Aerospace division suggests strong performance in the second half-year. The business momentum remains positive, especially in the Automated Guided Vehicles segment, where the Group applies its expertise to drones and land vehicles; these new developments are receiving strong expressions of interest, in particular in the aeronautics segment. ECA Group anticipates significant potential for this business in the medium term. The Group is expecting significant calls for tender in the Simulation division, which should boost the business's recovery.2019 outlook

For 2019, the Smart Safety Systems division confirms that it expects to greatly exceed its +5% revenue growth target.

Lastly, the Robotics division should continue to deliver a very strong performance, driven by the fulfilment of the supply contract of 12 mine countermeasures vessels to the Belgian and Dutch navies. Some new opportunities for mine hunting contracts are already identified in several countries.

In the **Protection of High-Risk Installations** division, the recovery observed throughout 2018 is expected to continue in 2019 for all the division's businesses, and several major contracts are expected.

The reorganisation of capital in the France Fire Protection business (CLF Satrem, AMOPSI and SVF) will make it possible to accelerate the development of these businesses, which saw a decline in performance in recent years. The leveraged buy-out where management owns 30% of the business capital was finalised on July 25, 2019. The business will remain consolidated in the Group's financial statements.

The **3D Printing** division has been working for several years on 3D Printing industrialisation projects in various business sectors. These projects would involve a large number of machines dedicated to production applications consuming several tonnes of material.

The Group observes a positive trend in some sectors and significant progress has been made over the last few months on several projects. The Group expects a first order intake of this type in the next 6 months.

The disposal of Cimlec group changes the revenue outlook for the Protection of High-Risk Installations division. Nevertheless, the **Group** confirms its 10% growth target for 2019.

Net income for the year should show a strong increase compared with the previous year without taking into account the disposal of the Cimlec group, which took place on July 9 2019, and which will increase net income for the period by more than €20 million. Those elements should enable the Group to reach a record net income in 2019. Proceeds from the disposal will also significantly improve the Group's net debt.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(in thousands of euros)	Notes	30/06/2019	30/06/2018*	31/12/2018*
NON-CURRENT ASSETS		**166,145**	**138,565**	**143,531**
Goodwill	6.1	64,080	57,327	62,887
INTANGIBLE ASSETS	6.2	41,262	40,686	42,412
PROPERTY, PLANT AND EQUIPMENT	6.3	21,555	27,798	27,180
Rights of use	6.4	28,485	-	-
Investment property		298	298	298
Contract costs	4.3	1,868	1,651	1,436
Investments in affiliated companies	8.5	1,049	955	998
Other financial assets	8.6	5,203	4,505	4,419
Deferred tax assets	9.2	2,346	5,341	3,902
Other non-current assets		-	4	-
CURRENT ASSETS		**231,977**	**245,056**	**240,608**
Net inventories	4.2	31,689	28,442	30,066
NET TRADE RECEIVABLES	4.4	64,181	57,043	73,982
Contract assets	4.4	54,517	46,996	50,318
Other current assets	4.5	20,207	18,947	17,938
Tax receivables payable	9.1	23,579	23,762	26,296
Other current financial assets		13	7	6
Cash and cash equivalents	8.2	37,791	69,860	42,002
ASSETS HELD FOR SALE		**22,567**	**-**	**-**
TOTAL ASSETS		**420,690**	**383,621**	**384,138**

* *June 2018 and December 2018 columns restated to reflect the items described in Note 1.3.*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Total equity and liabilities

(in thousands of euros)	Notes	30/06/2019	30/06/2018*	31/12/2018*
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**88,864**	**94,040**	**95,938**
Capital[1]	10.1	13,503	13,503	13,503
Share premiums[1]		26,914	26,914	26,914
Retained earnings and consolidated net income		48,447	53,623	55,522
NON-CONTROLLING INTERESTS		**64,263**	**64,788**	**65,573**
NON-CURRENT LIABILITIES		**74,742**	**48,821**	**59,535**
Long-term provisions	5.2	7,783	9,565	8,945
Long-term liabilities – portion due in more than one year	8.1	41,604	33,848	45,309
Lease liabilities – portion due in more than 1 year	8.3	21,257		
Other financial liabilities	8.4	1,775	2,514	2,660
Deferred tax liabilities	9.2	1,768	2,078	2,010
Other non-current liabilities		554	815	611
CURRENT LIABILITIES		**172,460**	**175,971**	**163,092**
Short-term provisions	11	5,257	7,824	5,805
Long-term liabilities – portion due in less than one year	8.1	30,224	45,336	25,532
Lease liabilities – portion due in less than 1 year	8.3	5,817		-
financial instruments and derivatives		-	-	16
Operating payables	4.6	45,630	47,606	48,544
Contract liabilities	4.4	29,221	20,272	28,666
Other current liabilities	4.6	55,948	54,733	54,274
Tax liabilities payable	9.1	363	200	255
LIABILITIES HELD FOR SALE		**20,360**	**-**	**-**
TOTAL LIABILITIES		**420,690**	**383,621**	**384,138**

* *June 2018 and December 2018 columns restated to reflect the items described in Note 1.3.*

[1] Of the consolidating parent company.

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	30/06/2019	30/06/2018*	31/12/2018*
FINANCIAL INCOME	**3.2**	**135,377**	**123,019**	**253,170**
Capitalised production		3,389	3,491	7,541
Inventories and work in progress		2,076	714	981
Other income from operations		2,831	2,853	6,571
Purchases consumed		(74,789)	(71,354)	(144,382)
Personnel expenses		(54,618)	(53,179)	(105,123)
Tax and duties		(1,454)	(1,527)	(3,213)
Depreciation, amortisation and provisions (net of reversals)	4.1	(11,123)	(7,077)	(14,023)
Other operating expense (net of income)		939	1,148	630
CURRENT OPERATING INCOME		**2,629**	**(1,912)**	**2,152**
Non-recurring items	3.1	(2,669)	(2,592)	(2,794)
OPERATING INCOME		**(40)**	**(4,504)**	**(642)**
Interest on gross debt		(441)	(891)	(1,684)
Interest on cash and cash equivalents		5	24	92
COST OF NET DEBT (A)	**8.7**	**(436)**	**(867)**	**(1,591)**
Other financial income (b)		445	827	908
Other financial expense (c)		(228)	(215)	(320)
FINANCIAL INCOME AND EXPENSES (d=a+b+c)	**8.7**	**(218)**	**(255)**	**(1,003)**
Income tax	9.1	(2,237)	(92)	(2,173)
Group share of the earnings of equity-accounted companies		29	42	67
NET INCOME FROM CONTINUING ACTIVITIES AFTER TAX		**(2,466)**	**(4,808)**	**(3,752)**
Net income from discontinued activities	12	324	340	1,717
CONSOLIDATED NET INCOME		**(2,142)**	**(4,468)**	**(2,035)**
INCOME ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS		**(2,062)**	**(3,559)**	**(1,917)**
INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		**(81)**	**(910)**	**(117)**

Average No. of shares	10.2	13,507,563	13,497,239	13,508,279
Basic and diluted net earnings per share, in euros	10.2	(0,153)	(0,264)	(0,142)
Diluted net earnings per share from continuing operations, in euros		(0,175)	(0,288)	(0,263)

* *June 2018 and December 2018 columns restated to reflect the items described in Note 1.3.*

INCOME STATEMENT - GAINS AND LOSSES RECOGNISED DIRECTLY IN SHAREHOLDERS' EQUITY

(in thousands of euros)	30/06/2019	30/06/2018*	31/12/2018*
NET INCOME	**(2,142)**	**(4,468)**	**(2,035)**
Currency translation adjustment	148	(63)	68
Tax relating to currency translation adjustments	(17)	-	-
Actuarial gains and losses on defined benefit plans	(1,262)	147	583
Tax relating to actuarial gains and losses on defined benefit plans	316	(37)	(146)
Group share of gains and losses recognised directly in equity of equity-accounted companies	-	-	-
TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	**(816)**	**47**	**506**
- of which can be reclassified subsequently to profit and loss	**(816)**	47	506
- of which cannot be subsequently reclassified to profit and loss	-	-	-
CONSOLIDATED COMPREHENSIVE INCOME	**(2,959)**	**(4,422)**	**(1,529)**
COMPREHENSIVE INCOME ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	**(2,686)**	**(3,502)**	**(1,512)**
COMPREHENSIVE INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	**(273)**	**(920)**	**(16)**

** June 2018 and December 2018 columns restated to reflect the items described in Note 1.3.*

CASH FLOW STATEMENT

(in thousands of euros)	30/06/2019	30/06/2018*	31/12/2018*
NET INCOME FROM CONTINUING OPERATIONS	**(2,466)**	**(4,808)**	**(3,752)**
Accruals	9,676	5,051	10,388
Capital gains and losses on disposals	745	(57)	(776)
Group share of income of equity-accounted companies	(29)	(42)	(67)
CASH FLOW FROM OPERATING ACTIVITIES (BEFORE ELIMINATION OF NET BORROWING COSTS AND TAXES)	**7,926**	**143**	**5,793**
COST OF NET DEBT	436	867	1,591
TAX EXPENSE	2,237	92	2,173
CASH FLOW FROM OPERATING ACTIVITIES (AFTER ELIMINATION OF NET BORROWING COSTS AND TAXES)	**10,598**	**1,102**	**9,557**
Tax paid	(1,957)	(918)	(2,390)
Change in working capital requirements	832	4,229	(10,470)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**9,474**	**4,412**	**(3,302)**
Investing activities			
Payments/acquisition of intangible assets	(3,248)	(3,575)	(6,868)
Payments/acquisition of property, plant and equipment	(2,740)	(3,899)	(6,450)
Proceeds/disposal of property, plant and equipment and intangible assets	136	149	175
Payments/acquisition of long-term investments	(127)	(679)	(931)
Proceeds/disposal of long-term investments	120	38	131
Net cash inflow / outflow on the acquisition/disposal of subsidiaries	(5,326)	(582)	(7,152)
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	**(11,186)**	**(8,548)**	**(21,095)**
Financing activities			
Capital increase or contributions	100	-	-
Dividends paid to parent company shareholders	-	(4,320)	(4,320)
Dividends paid to non-controlling interests	(217)	(120)	(158)
Proceeds from borrowings	8,271	2,554	17,908
Repayment of borrowings	(9,369)	(6,909)	(28,576)
COST OF NET DEBT	(303)	(511)	(1,491)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	**(1,518)**	**(9,306)**	**(16,637)**
CASH GENERATED BY CONTINUING OPERATIONS (D= A+B+C)	**(3,230)**	**(13,442)**	**(41,038)**
CASH GENERATED BY DISCONTINUED OPERATIONS	(494)	(1,852)	(433)
CHANGE IN CASH AND CASH EQUIVALENTS	**(3,724)**	**(15,294)**	**(41,471)**
Effects of exchange rate changes	*92*	*28*	69
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**37,645**	**78,983**	**78,983**
Restatement of cash and cash equivalents, and impact of discontinued operations[1]	(1,808)	(3,788)	(2,391)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**32,698**	**62,380**	**35,626**

[1] *related to the reclassification of treasury shares and to cash and cash equivalents from discontinued operations.*

** June 2018 and December 2018 columns restated to reflect the items described in Note 1.3.*

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in thousands of euros)	Group share or owners of the parent company						
	Capital	Share capital reserves	Treasury shares	Retained earnings and consolidated net income	Equity – Group share or owners of the parent company	Equity – Minority interests or non-controlling interests	Total Equity
2017 CLOSING EQUITY	**13,503**	**26,914**	**(813)**	**62,122**	**101,726**	**65,391**	**167,117**
IFRS 15 impacts	-	-	-	(75)	(75)	(46)	(121)
IFRS 3R impact	-	-	--	(22)	(22)	98	76
2017 CLOSING EQUITY, RESTATED	**13,503**	**26,914**	**(813)**	**62,025**	**101,629**	**65,443**	**167,073**
Share capital transactions	-	-	-	-	-	-	-
Free share allocation plan and stock option plan	-	-	-	68	68	47	116
Treasury share transactions	-	-	(52)	-	(52)	(7)	(59)
Commitment to minority shareholders	-	-	-	94	94	74	168
Dividends	-	-	-	(4,320)	(4,320)	(160)	(4,480)
Net income (loss) for the period*	-	-	*18*	*(3,576)*	*(3,559)*	*(910)*	*(4,468)*
Items in comprehensive income	-	-	-	*57*	*57*	*(9)*	*47*
CONSOLIDATED COMPREHENSIVE INCOME	**-**	**-**	**18**	**(3,519)**	**(3,502)**	**(920)**	**(4,422)**
Changes in scope	-	-	1	120	122	312	433
JUNE 2018 CLOSING EQUITY	**13,503**	**26,914**	**(845)**	**54,468**	**94,040**	**64,789**	**158,828**

** Adjusted to reflect the items described in Note 1.3.*

(in thousands of euros)	Group share or owners of the parent company						
	Capital	Share capital reserves	Treasury shares	Retained earnings and consolidated net income	Equity – Group share or owners of the parent company	Equity – Minority interests or non-controlling interests	Total Equity
2018 CLOSING EQUITY	**13,503**	**26,914**	**(667)**	**56,224**	**95,974**	**65,600**	**161,573**
IFRS 3R impact	-	-	-	(35)	(35)	(27)	(62)
2018 CLOSING EQUITY, RESTATED *	**13,503**	**26,914**	**(667)**	**56,189**	**95,939**	**65,573**	**161,511**
Share capital transactions			-	-	-	-	-
Free share allocation plan and stock option plan	-	-	-	219	219	170	389
Treasury share transactions	-	-	40	-	40	28	68
Commitment to minority shareholders	-	-	-	(46)	(46)	1	(45)
Dividends	-	-	-	(4,320)	(4,320)	(1,614)	(5,933)
Net income (loss) for the period	-	-	*(135)*	*(1,927)*	*(2,062)*	*(81)*	*(2,143)*
Items in comprehensive income	-	-		*(624)*	*(624)*	*(192)*	*(816)*
CONSOLIDATED COMPREHENSIVE INCOME *	**-**	**-**	(135)	(2,551)	(2,686)	(273)	(2,959)
Changes in scope	-	-	(7)	(276)	(283)	379	96
JUNE 2019 CLOSING EQUITY	**13,503**	**26,914**	**(768)**	**49,215**	**88,864**	**64,263**	**153,127**

GROUPE GORGÉ's condensed half-yearly consolidated financial statements cover a six-month period from 1January to 30 June 2019. They were approved by the Board of Directors on 17 September 2019.

The Group observes seasonal variations in its businesses that can affect the level of revenue from one six-month period to another. Accordingly, the interim results are not necessarily indicative of what can be expected for full-year 2019.

The significant events in the first half are discussed in the management report.

NOTE 1 ACCOUNTING PRINCIPLES

1.1 Accounting principles

The Group prepares consolidated financial statements on a biannual basis, in accordance with IAS 34 "Interim *Financial Reporting*". They do not contain all the information required for annual financial statements and should be read in conjunction with the consolidated financial statements for the financial year ended 31 December 2018, as published in the Registration Document filed with the French Financial Markets Authority (*Autorité des Marchés Financiers* - AMF) on 17 April 2019 under number D.19-0353.

The accounting standards used to prepare the consolidated interim financial statements comply with the regulations and interpretations of the International Financial Reporting Standards (IFRS) as adopted by the European Union as of 30 June 2019. These accounting standards are consistent with those used to prepare the annual consolidated financial statements for the year ended 31 December 2018, with the exception of the application of IFRS 16 – *Leases*.

The Group has applied all standards, amendments and interpretations whose application is mandatory for financial years beginning on or after 1 January 2019:

- IFRS 16 – *Leases*; the application of this standard is described in Note 1.3.2;
- IFRIC 23 – *Uncertainty over income tax treatments*;
- amendments to IFRS 9 – *Prepayment features with negative compensation*;
- amendments to IAS 19 – *Employee benefits*;
- improvements to 2015-2017 cycles;
- amendment to IAS 28 - *In-vestments in associates and joint ventures*.

Excluding IFRS 16, these new texts have no material impact on the Group's financial statements.

The Group has not applied the following standards and interpretations, which had not been adopted by the European Union as at 30 June 2019 or for which application is not mandatory as of 1January 2019:

- IFRS 17 – *Insurance contracts*;
- amendments to IFRS 3 – *Definition of a business*;
- amendments to IAS 1 and IAS 8 - *Definition of 'material' in financial statements*;
- Amendments to References to the conceptual framework under IFRS.

1.2 Valuation methods and rules

The financial statements have been prepared under the historical cost convention, except in the case of derivatives and available-for-sale financial assets, which are measured at fair value. Financial liabilities measured at amortised cost. Hedging instruments are measured at fair value.

The preparation of the financial statements requires that Group management or the subsidiaries' management make estimates and assumptions that affect the reported amounts of assets and liabilities on the consolidated balance sheet, the reported amounts of income and expense items on the income statement and the commitments relating to the period under review. The actual results may differ.

The above-mentioned assumptions mainly concern:

- the calculation of the recoverable amounts of assets;
- the calculation of provisions for risks and charges;
- the calculation of income upon completion of work in progress;
- the calculation of retirement benefit obligations.

As the Group's consolidated companies operate in different sectors, the valuation and impairment methods used for certain items may vary according to the sector.

The valuation methods and rules applied for the consolidated interim financial statements are similar to those set out in the notes to the 2018 consolidated financial statements (Registration Document filed with the AMF on 17 April 2019), except as described in Note 1.3 concerning the implementation of IFRS 16 and the application of IFRS 5.

1.3 Restatement of the financial information for prior years and at 1 January 2019

The financial statements as at 1 January 2019 were adjusted for four main reasons: the adjustment of financial statements at 31 December 2018 relating to the finalisation in 2019 of fair value measurements of acquisitions in 2018; the reclassification of assets and liabilities as part of the application of IFRS 15; the first-time implementation of IFRS 16 on 1 January 2019; and the application of IFRS 5. Throughout the notes, 2019 information is compared with 2018 information, adjusted as explained above.

1.3.1 Final fair value measurement of assets and liabilities acquired (IFRS 3R)

IFRS 3 (Revised) states that the fair value of acquired assets and liabilities must be remeasured retrospectively as though the changes had been made at the date of initial consolidation. The financial statements at 30 June 2018 were adjusted to reflect in the financial statements of 31 December 2018 the final fair value measurements of the assets, liabilities and contingent liabilities acquired from AVENAO and INTERSON PROTAC. The financial statements at 31 December 2018 were adjusted to reflect the final fair value measurements of the assets, liabilities and contingent liabilities acquired from SOLIDSCAPE.

The adjustments concerned the valuation of intangible assets excluding deferred tax assets among the assets and liabilities of SOLIDSCAPE, and their resulting amortisation:

- €1,559 thousand for the brand and client relations;
- €639 thousand for technology.

1.3.2 Application of IFRS 16 – *Leases*

The Group implemented IFRS 16 – *Leases* (applicable on 1 January 2019) for the first time. Since the Group opted for the simplified retrospective approach, the first-half 2019 financial statements do not include the comparative 2018 financial statements adjusted to reflect the application of this new standard, but the opening balance sheet at 1 January 2019 has been adjusted.

The new standard on leases, IFRS 16 places more focus on controlling the leased asset. IFRS 16 replaces existing standards on leases. Under IFRS 16, the Group must recognise assets (corresponding to the rights of use of underlying assets) and lease liabilities with respect to its obligations to pay the rent due on all its leases. The value of the lease asset (right of use) and liability is measured initially at the discounted value of future lease payments, as well as estimated payments at the end of the lease. The lease term is defined on a lease-by-lease basis and corresponds to the firm commitment period, taking into account option periods that are reasonably certain to be carried out. The right-of-use asset is amortised over the remaining lease period. The Group applies the exemptions provided by the standard for leases with a term of 12 months or less, and for leases where the underlying asset has a low value (less than USD 5,000) when it is new. These lease payments are recognised directly as expenses. Moreover, the following simplification measures have been applied to the transition:

- leases with a remaining term of less than 12 months as at 1 January 2019 do not give rise to the recognition of an asset and a liability;
- leases that qualified as finance leases under IAS 17 (the formerly applicable standard) have been taken to be unchanged from 2018, but are now presented under lease liabilities and rights of use;
- the discount rates applied at the transition date are based on the incremental borrowing rates by type of Group asset at the transition date. The average incremental rate applied at this date and over the first-half 2019 period was 1.01%.

Leases entered into by the Group and falling within the scope of this standard concern primarily:

- property leases;
- vehicle and other equipment leases.

The Group chose the "simplified retrospective" method provided for by the standard, which consists of recognising the cumulative effect of the initial application as an adjustment to opening equity, considering that the right-of-use asset is equal to the amount of lease obligations, adjusted to reflect the amount of prepaid lease payments.

The Group's operating lease payment commitments as lessee amounted to €19.2 million at 31 December 2018. The simplified retrospective application of IFRS 16 led to the recognition at 1 January 2019 of lease liabilities of €23.2 million (including lease liabilities from discontinued operations). The €4.0 million difference can be broken down as follows:

- finance lease liabilities for €2.2 million, recognised as financial debt at 31 December 2018;
- the effect of discounting for -€1.2 million;
- differences in the scope of leases, leading to adjustments of €0.2 million;
- differences between the commitment period and the reasonably certain term finally chosen for certain leases for €2.8 million, mainly concerning property leases.

The leases restated under IFRS 16 have a total balance sheet value of €28.3 million and a very limited interim impact on the net income statement attributable to the owners of the parent (€124 thousand). However, the nature of the expenses related to these leases has changed, since the application of IFRS 16 has replaced the straight-line recognition of operating lease expenses with an amortisation expense for "right-of-use" assets amounting to €3,394 thousand (including €459 thousand related to finance leases that were valued under IAS 17) and with an interest expense for lease liabilities amounting to €139 thousand at 30 June 2019. The impact of the standard's application on the interim financial statements is broken down in the below table:

(in thousands of euros)	*Property*	*Other property, plant and equipment*	*Prepaid payments*	Total net assets	Lease liabilities on the liabilities side of the balance sheet
Reclassified finance leases	1,412	1,899	(7)	3,304	2,227
Operating leases	17,690	3,588	(351)	20,927	20,938
Restatement of discontinued activities	(1,004)	(1,020)	33	(1,991)	(1,991)
01/01/2019	**18,098**	**4,467**	**(325)**	**22,240**	**21,174**
New leases	7,880	850		8,729	8,730
Changes in scope	521	72	-	593	587
Amortisation of rights of use	(2,156)	(1,238)		(3,394)	
Interest expenses					139
Payments (lease expenses cancelled)			101	101	(3,589)
Change in accrued interest					36
Departures	-	(6)		(6)	
Currency translation adjustment	(3)	-	-	(3)	(3)
30/06/2019	**24,348**	**4,145**	**(224)**	**28,268**	**27,074**
				of which lease liabilities due in less than one year	*5,817*
				of which lease liabilities due in more than one year	*21,257*

1.3.3 Application of IFRS 5 – Non-current assets held for sale and discontinued operations

The Group applies IFRS 5 – *Non-current assets held for sale and discontinued operations*, which requires a specific recognition and presentation of assets (or groups of assets) held for sale, along with discontinued operations and operations sold or being sold.

Non-current assets or groups of assets and directly associated liabilities are deemed to be held for sale if their carrying amount is recovered primarily through a sale rather than through continued use. For that to be the case, the asset (or group of assets) must be available for immediate sale and its sale must be highly probable. These assets are no longer depreciated as from their classification as assets (or groups of assets) held for sale. They are presented on a separate line of the Group's balance sheet, without restatement of prior periods.

An operation that is discontinued, sold or being sold is defined as a component of an entity that generates cash flows that can be clearly distinguished from the rest of the entity and represents a separate major line of business or geographical area of operations. The net income of these activities is presented on a separate line in the income statement and is adjusted in the cash flow statement for all reported periods.

In June 2019, the Group announced the plan to sell the CIMLEC Industrie subsidiary (Protection of High-Risk Installations division) to SPIE. The actual disposal was carried out in July 2019. The income statement and cash flow statement at 30 June and 31 December 2018 were adjusted so that the contribution of CIMLEC Industrie appears on a separate line (see Note 12).

1.3.4 Impact of adjustments on the financial statements

Adjustment of financial statements as at 30 June 2018

The impacts of the adjustments made to the financial statements at 30 June 2018 are described in the following tables:

(in thousands of euros)	30/06/2018 published	Adjustments IFRS 3R	Other adjustments	30/06/2018 adjusted
NON-CURRENT ASSETS	**136,835**	**1,730**	**-**	**138,565**
Goodwill	61,961	(4,634)	-	57,327
Other intangible asset	34,261	6,425	-	40,686
PROPERTY, PLANT AND EQUIPMENT	27,798	-	-	27,798
Investment property	298	-	-	298
Costs of obtaining and performing contract	1,651	-	-	1,651
Investments in affiliated companies	955	-	-	955
Other financial assets	4,505	-	-	4,505
Deferred tax assets	5,402	(61)	-	5,341
Other non-current assets	4	-	-	4
CURRENT ASSETS	**245,047**	**-**	**8**	**245,056**
Net inventories	26,410	-	2,032	28,442
NET TRADE RECEIVABLES	56,185	-	858	57,043
Contract assets	49,878	-	(2,881)	46,996
Other current assets	18,947	-	-	18,947
Tax receivables payable	23,762	-	-	23,762
Other current financial assets	7	-	-	7
Cash and cash equivalents	69,860	-	-	69,860
ASSETS HELD FOR SALE	**-**	**-**	**-**	**-**
TOTAL ASSETS	**381,883**	**1,730**	**8**	**383,621**

(in thousands of euros)	30/06/2018 published	Adjustments IFRS 3R	Other adjustments	30/06/2018 adjusted
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	**94,107**	**(67)**	**-**	**94,040**
NON-CONTROLLING INTERESTS	**64,729**	**59**	**-**	**64,788**
NON-CURRENT LIABILITIES	**47,082**	**1,738**	**-**	**48,821**
Long-term provisions	9,565	-	-	9,565
Long-term liabilities – portion due in more than one year	33,848	-	-	33,848
Lease liabilities – portion due in more than 1 year		-	-	
Other financial liabilities	2,514	-	-	2,514
Deferred tax liabilities	340	1,738	-	2,078
Other non-current liabilities	815	-	-	815
CURRENT LIABILITIES	**175,963**	**-**	**-**	**175,971**
Short-term provisions	7,824	-	-	7,824
Long-term liabilities – portion due in less than one year	45,336	-	-	45,336
Operating payables	47,606	-	-	47,606
Contract liabilities	21,316	-	(1,045)	20,272
Other current liabilities	53,681	-	1,053	54,733
Tax liabilities payable	200	-	-	200
LIABILITIES HELD FOR SALE	**-**	**-**	**-**	**-**
TOTAL LIABILITIES	**381,883**	**1,730**	**8**	**383,621**

(in thousands of euros)	30/06/2018 published	Impact IFRS 3R	Impact IFRS 5	30/06/2018 adjusted
REVENUE	**143,164**	**-**	**(20,145)**	**123,019**
Capitalised production	3,657	-	(166)	3,491
Inventories and work in progress	750	-	(36)	714
Other income from operations	3,054	-	(200)	2,853
Purchases consumed	(81,643)	-	10,289	(71,354)
Personnel expenses	(61,691)	-	8,512	(53,179)
Tax and duties	(1,791)	-	264	(1,527)
Depreciation, amortisation and provisions (net of reversals)	(7,543)	-	466	(7,077)
Other operating income and expenses	655	-	493	1,148
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**(1,389)**	**-**	**(523)**	**(1,912)**
Non-recurring items in operating income	(2,424)	(117)	(51)	(2,592)
OPERATING INCOME	**(3,813)**	**(117)**	**(574)**	**(4,504)**
FINANCIAL INCOME AND EXPENSE	**(307)**	**-**	**52**	**(255)**
Income tax	(307)	33	182	(92)
Group share of the earnings of affiliated companies	42	-	-	42
NET INCOME FROM CONTINUING ACTIVITIES AFTER TAX	**(4,384)**	**(84)**	**(340)**	**(4,808)**
Net income from discontinued activities	-	-	340	340
NET INCOME	**(4,384)**	**(84)**	**-**	**(4,468)**
Net income attributable to non-controlling	871	39	-	910
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF THE PARENT	**(3,514)**	**(45)**	**-**	**(3,559)**

Adjustment of financial statements at 31 December 2018 and impacts of IFRS 16 at 1 January 2019

The impacts of the adjustments made to the 2018 financial statements and the impact of IFRS 16 at [1] January 2019 are described in the following tables:

(in thousands of euros)	31/12/2018 published	IFRS 3R adjustment	Other adjustments	31/12/2018 adjusted	Impact IFRS 16	1/1/2019 adjusted
NON-CURRENT ASSETS	**143,174**	**357**	**-**	**143,531**	**21,080**	**164,611**
Goodwill	64,639	(1,752)	-	62,887	-	62,887
Other intangible asset	40,303	2,109	-	42,412	-	42,412
PROPERTY, PLANT AND EQUIPMENT	27,180	-	-	27,180	(3,311)	23,869
Rights of use	-	-	-	-	24,391	24,391
Investment property	298	-	-	298	-	298
Costs of obtaining and performing contract	1,436	-	-	1,436	-	1,436
Investments in affiliated companies	998	-	-	998	-	998
Other financial assets	4,419	-	-	4,419	-	4,419
Deferred tax assets	3,902	-	-	3,902	-	3,902
Other non-current assets	-	-	-	-	-	-
CURRENT ASSETS	**240,558**	**-**	**50**	**240,608**	**(355)**	**240,253**
Net inventories	28,256	-	1,811	30,066	-	30,066
NET TRADE RECEIVABLES	72,665	-	1,316	73,982	-	73,982
Contract assets	53,394	-	(3,077)	50,318	-	50,318
Other current assets	17,938	-	-	17,938	(355)	17,584
Tax receivables payable	26,296	-	-	26,296	-	26,296
Other current financial assets	6	-	-	6	-	6
Cash and cash equivalents	42,002	-	-	42,002	-	42,002
ASSETS HELD FOR SALE	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL ASSETS	**383,732**	**357**	**50**	**384,138**	**20,726**	**404,864**

(in thousands of euros)	31/12/2018 published	IFRS 3R adjustment	Other adjustments	31/12/2018 adjusted	Impact IFRS 16	1/1/2019 adjusted
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	**95,974**	**(35)**	**-**	**95,938**	**-**	**95,938**
NON-CONTROLLING INTERESTS	**65,600**	**(27)**	**-**	**65,573**	**-**	**65,573**
NON-CURRENT LIABILITIES	**58,965**	**569**	**-**	**59,535**	**16,758**	**76,293**
Long-term provisions	8,945	-	-	8,945	-	8,945
Long-term liabilities – portion due in more than one year	45,309	-	-	45,309	(1,131)	44,179
Lease liabilities – portion due in more than 1 year	-	-	-		17,889	17,889
Other financial liabilities	2,660	-	-	2,660	-	2,660
Deferred tax liabilities	1,441	569	-	2,010	-	2,010
Other non-current liabilities	611	-	-	611	-	611
CURRENT LIABILITIES	**163,192**	**-**	**50**	**163,092**	**3,967**	**167,059**
Short-term provisions	5,805	-	-	5,805	-	5,805
Long-term liabilities – portion due in less than one year	25,532	-	-	25,532	(1,096)	24,436
Lease liabilities - portion due in less than one year	-	-	-		5,065	5,065
Other current financial liabilities	16	-	-	16	-	16
Operating payables	48,544	-	-	48,544	-	48,544
Contract liabilities	30,150	-	(1,485)	28,666	-	28,666
Other current liabilities	52,890	(151)	1,534	54,274	-	54,274
Tax liabilities payable	255	-	-	255	-	255
LIABILITIES HELD FOR SALE	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL LIABILITIES	**383,732**	**357**	**50**	**384,138**	**20,726**	**404,864**

(in thousands of euros)	31/12/2018 published	Impact IFRS 3R	Impact IFRS 5	31/12/2018 adjusted
REVENUE	**296,004**	**-**	**(42,834)**	**253,170**
Capitalised production	7,806	-	(265)	7,541
Inventories and work in progress	819	-	162	981
Other income from operations	7,019	-	(449)	6,571
Purchases consumed	(166,280)	-	21,898	(144,382)
Personnel expenses	(122,273)	-	17,150	(105,123)
Tax and duties	(3,672)	-	459	(3,213)
Depreciation, amortisation and provisions (net of reversals)	(14,823)	-	801	(14,023)
Other operating income and expenses	(305)	-	934	630
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**4,295**	**-**	**(2,143)**	**2,152**
Non-recurring items in operating income	(2,667)	(127)	-	(2,794)
OPERATING INCOME	**1,628**	**(127)**	**(2,143)**	**(642)**
FINANCIAL INCOME AND EXPENSE	**(1,110)**	**-**	**107**	**(1,003)**
Income tax	(2,526)	34	313	(2,173)
Group share of the earnings of affiliated companies	67	-	-	67
NET INCOME FROM CONTINUING ACTIVITIES AFTER TAX	**(1,942)**	**(93)**	**(1,717)**	**(3,752)**
Net income from discontinued activities	-	-	1,717	1,717
NET INCOME	**(1,942)**	**(93)**	**-**	**(2,035)**
Net income attributable to non-controlling	77	40	-	117
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF THE PARENT	**(1,865)**	**(52)**	**-**	**(1,917)**

NOTE 2 SCOPE OF CONSOLIDATION

2.1 Changes in the scope of consolidation in 2019

The full list of consolidated companies is included in Note 15.

Changes in scope over the half-year are as follows:

- takeover (acquisition of all securities) on 3 January 2019 of L'EMBOUT FRANÇAIS and SURDIFUSE (3D Printing division); both companies are fully consolidated as from the start of the year;
- takeover (capital increase) on 30 January 2019 of YWORK (Protection of High-Risk Installations division); the company is fully consolidated as from the start of the year; additional non-controlling interests were acquired in June 2019;
- disposal of two small companies in the Protection of High-Risk installations division: NTS (subsidiary of CIMLEC Industrie) in early April 2019; the company is consolidated under discontinued activities until end-March; HOEKSTRA SUWALD TECHNIEK B.V. on 12 April 2019.

Moreover, three companies in the Smart Safety Systems division were merged in January 2019 with no impact on the Group's financial statements and the non-controlling interests of IP GESTION (3D Printing division) were acquired with no change in control.

2.2 Contributions of business combinations

The fair value measurements of the assets, liabilities and contingent liabilities acquired from L'EMBOUT FRANÇAIS and SURDIFUSE have not yet been finalised; they may be adjusted in the next half-year period (12 months after the acquisition date).

The assets and liabilities of the two acquired companies break down as follows:

(in thousands of euros)	Carrying mount	Revaluation at fair value	First consolidation
Intangible assets (including goodwill)	389	646	1,035
Property, plant and equipment and financial assets	231	-	231
Rights of use	593		593
Inventories	85	-	85
Trade and other receivables	598	-	598
Social and tax receivables	95	-	95
Prepaid expenses	23	-	23
Cash and cash equivalents	193	-	193
Retirement provisions	-	(107)	(107)
Financial debt	(39)	-	(39)
Lease liabilities	(587)		(587)
Trade and other payables	(287)	-	(274)
Tax and social debts	(241)	(33)	(241)
Deferred tax assets/liabilities	-	(145)	(145)
TOTAL	1,053	361	1,414

NOTE 3 SEGMENT INFORMATION

In accordance with IFRS 8 – *Operating Segments*, the segment information presented below is based on the internal reporting used by General Management to assess the performance of and allocate resources to the various segments. The General Management is the principal operational decision maker within the meaning of IFRS 8.

The three divisions defined as operating segments are as follows:

- Protection of High-Risk Installations division: VIGIANS and its subsidiaries (in particular CLF-SATREM, AMOPSI, VAN DAM, CIMLEC and their subsidiaries), NUCLEACTION and its subsidiaries (in particular BAUMERT and BAUMERT SUD), SERES Technologies, YWORK and STONI;
- Smart Safety Systems division: ECA and its subsidiaries;
- 3D Printing division: PRODWAYS GROUP and its subsidiaries.

The key indicators by division presented in the tables below are the following:

- the backlog, which corresponds to revenue yet to be recognised in respect of orders recorded;
- revenue includes revenue made with other divisions;
- EBITDA;
- profit (loss) from continuing operations;
- operating income;
- the Research and Development expenses recognised in the assets during the financial year;
- other tangible and intangible investments.

3.1 Reconciliation of non-IFRS indicators and segment indicators with consolidated operating income

The Group uses non-IFRS financial information for the purposes of information, management and planning because they offer a better assessment of its long-term performance. This additional information is not a substitute for any IFRS measures of operating and financial performance. The data presented by the Group are always non-adjusted consolidated data, like the segment data, unless expressly stated otherwise.

Operating income includes all income and expenses other than:

- interest income and expenses;
- other financial income and expenses;
- Group share of net income of equity-accounted companies;
- corporate income tax.

To make it easier to compare financial years and monitor its operating performance, the Group has decided to isolate non-recurring items of operating income and present "profit (loss) from continuing operations". It also uses an EBITDA indicator. These indicators are not strictly accounting indicators and do not constitute IFRS financial aggregates as defined under IFRS and may not be comparable to indicators of a similar name used by other companies.

- Non-recurring items of operating income include restructuring costs, recognised or fully provisioned if they are liabilities arising from a Group obligation to third parties, which stem from a decision taken by a competent body, and which materialise before the reporting date through the announcement of said decision to third parties and provided the Group no longer expects consideration for these costs. These costs consist primarily of compensation for termination of employment contracts, severance pay, as well as miscellaneous expenses. Other non-recurring items of operating income concern the costs of acquisition and disposal of activities, amortisation of acquired intangible assets recorded under business combinations impairment of goodwill, and all unusual items by their occurrence or amount.

- EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) is defined by the Group as operating profit (loss) before depreciation, amortisation, impairment, bonus share allocation charges, and non-recurring items.

The 2019 and 2018 segment income statements are reconciled below with the Group's consolidated financial statements. They are prepared in accordance with the Group's operating reporting. The differences between the segment information (internal reporting) and the consolidated financial statements concern in particular the scope of continuing operations. In 2018, the Group's reporting no longer integrated two foreign ECA subsidiaries, which had become non-strategic and were being sold or closed in a definitive manner. Provisions were created in 2017 for the planned discontinuation of these operations, and no material impact of these operations on the Group's income statement was expected in 2018. However, these planned closings or disposals did not comply with the conditions for applying IFRS 5 – Non-current assets held for sale and discontinued operations. During the entire first half of 2019, conversely, the Group's reporting integrated CIMLEC and its subsidiaries, despite the planned disposal, which was ultimately concluded in July 2019. CIMLEC and its subsidiaries comply with the conditions for applying IFRS 5 – *Non-current assets held for sale and discontinued operations* (see Note 1.3). The reclassification of the contribution of CIMLEC and its subsidiaries on a specific line of the income statement thus creates a discrepancy between the operating reporting and the consolidated financial statements.

The aggregates between the operating profit (loss) and net profit (loss) are not followed by segment in the Group's operational reporting

FIRSTHALF OF 2019

(in thousands of euros)	Protection of High-Risk installations[1]	Smart Safety Systems	3D Printing	Structure and disposals	Segment total	Adjustments related to discontinued activities[2]	Consolidated
Backlog at end of period	103,043	120,267	7,493	(354)	230,449	(16,498)	213,951
Backlog at end of period	107,755	545,481	6,967	(487)	659,540	(18,354)	641,186
REVENUE	**65,709**	**57,098**	**35,293**	**(938)**	**157,161**	**(21,784)**	**135,377**
Capitalised production	468	1,265	1,739	-	3,472	(83)	3,389
Inventories and work in progress	265	1,846	230	-	2,341	(265)	2,076
Other income from operations	143	2,303	399	-	2,844	(13)	2,831
Purchases consumed	(36,681)	(31,819)	(19,130)	1,784	(85,846)	11,057	(74,789)
Personnel expenses	(25,328)	(21,080)	(15,433)	(983)	(62,825)	8,729	(54,096)
Tax and duties	(826)	(560)	(362)	(32)	(1,780)	326	(1,454)
Other operating income and expenses	(272)	845	(151)	(11)	411	528	939
EBITDA	**3,478**	**9,898**	**2,583**	**(180)**	**15,779**	**(1,506)**	**14,274**
% revenue	5.3%	17.3%	7.3%		10.0%	6.9%	10.5%
Payment in shares	-	-	(522)	-	(522)	-	(522)
Depreciation, amortisation and provisions (net of reversals)	(2,512)	(5,716)	(3,576)	40	(11,764)	642	(11,123)
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**966**	**4,182**	**(1,515)**	**(141)**	**3,493**	**(864)**	**2,629**
% revenue	1.5%	7.3%	-4.3%		-3.6%	4.5%	1.9%
Restructuring costs	(403)	(299)	(368)	-	(1,070)	23	(1,047)
Amort. of intangible assets recognised at FV during acquisitions	-	(111)	(505)	-	(616)	-	(616)
Exceptional provisions for assets	-	-	(80)	(150)	(230)	-	(230)
Subsidiary acquisition/disposal costs	(797)	-	(24)	(50)	(871)	95	(777)
TOTAL NON-RECURRING ITEMS	**(1,200)**	**(411)**	**(976)**	**(200)**	**(2,786)**	**118**	**(2,669)**
OPERATING INCOME	**(234)**	**3,771**	**(2,491)**	**(341)**	**707**	**(746)**	**(40)**
% revenue	-0.4%	6.6%	-7.1%	*n/a*	0.4%	3.4%	*0.0%*
Research and development expenses capitalised over the period	253	1,136	1,115	-	2,504	(71)	2,362
Other property, plant and equipment and intangible investments	1,335	1,189	987	123	3,635	(186)	3,263

[1] The contribution of CIMLEC and its subsidiaries is included in the Protection of High-Risk Installations column insofar as these companies were consolidated in the operating reporting throughout the period.

[2] Adjustments concerning the contribution of CIMLEC and its subsidiaries, consolidated in the segment information but classified in the consolidated income statement on a single line in accordance with IFRS 5, see Note 1.3.

FIRST HALF OF 2018

(in thousands of euros)	Protection of High-Risk installations(1)	Smart Safety Systems(2)	3D Printing	Structure and disposals	Segment total	Adjustments related to discontinued activities	Adjustments(3)	Consolidated
Backlog at end of period	103,668	96,505	4,838	(337)	204,674	(13,275)	(2,219)	189,181
Backlog at end of period	114,785	98,664	5,963	(329)	219,084	(16,769)	(23)	202,301
REVENUE	**65,684**	**50,129**	**27,552**	**(487)**	**142,878**	**(20,145)**	**286**	**123,019**
Capitalised production	341	2,021	1,295	0	3,657	(166)	0	3,491
Inventories and work in progress	(88)	1,098	(266)	0	743	(36)	7	714
Other income from operations	717	1,774	561	1	3,054	(200)	0	2,853
Purchases consumed	(39,956)	(26,657)	(16,503)	1,737	(81,379)	10,289	(264)	(71,354)
Personnel expenses	(26,727)	(22,081)	(11,970)	(623)	(61,402)	8,512	(152)	(53,042)
Tax and duties	(830)	(624)	(301)	(34)	(1,788)	264	(2)	(1,527)
Other operating income and expenses	1,061	(209)	(173)	(39)	639	493	15	1,148
EBITDA	**202**	**5,450**	**195**	**555**	**6,402**	**(989)**	**(111)**	**5,302**
% revenue	0.3%	10.9%	0.7%	n/a	4.5%	4.9%		4.3%
Payment in shares	(10)	-	(128)	-	(137)	-	-	(137)
Depreciation, amortisation and provisions (net of reversals)	(1,522)	(3,708)	(2,247)	(59)	(7,536)	466	(7)	(7,077)
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**(1,330)**	**1,743**	**(2,180)**	**496**	**(1,272)**	**(523)**	**(117)**	**(1,912)**
% revenue	-2.0%	3.5%	-7.9%	n/a	-0.9%	2.6%		-1.6%
Restructuring costs	(1,426)	(669)	-	-	(2,095)	(51)	-	(2,146)
Amortisation of intangible assets recognised at fair value during the acquisitions	-	(195)	(278)	-	(473)	-	-	(473)
Acquisition costs	-	-	(104)	-	(104)	-	-	(104)
Impact of liquidation of ECA SINDEL (4)	-	-	-	-	-	-	(51)	(51)
Impact of the disposal of SSI business goodwill (5)	-	-	-	-	-	-	181	181
TOTAL NON-RECURRING ITEMS	**(1,426)**	**(863)**	**(382)**	**-**	**(2,671)**	**(51)**	**130**	**(2,592)**
OPERATING INCOME	**(2,756)**	**880**	**(2,562)**	**496**	**(3,943)**	**(574)**	**13**	**(4,504)**
% revenue	-4.2%	1.8%	-9.3%	-101.7%	-2.8%	2.8%		-3.7%
Research and development expenses capitalised over the period	473	1,893	890	-	3,257	(100)	-	3,157
Other property, plant and equipment and intangible investments	978	905	3,655	35	5,573	(389)	-	5,183

(1) The contribution of CIMLEC and its subsidiaries is included in the Protection of High-Risk Installations column insofar as these companies have been integrated into the operating reporting throughout the period.

(2) Expenses for ECA SINDEL (deconsolidated at 1 January 2018) and consisting essentially of charges to provisions, as well as the contribution of SSI, whose business goodwill the Group sold in August 2018, are included in the adjustments.

(3) The adjustments concern: the contribution of SSI, the cancellation of the impact of the provision reversal regarding SSI (€1.1 million), the cancellation of the impact of ECA SINDEL (reversal of the provision recorded in 2017, net income on deconsolidation, provisions for risks and assets concerning ECA SINDEL) as well as the reclassification of the contribution of CIMLEC and its subsidiaries as discontinued operations (retrospective application of IFRS 5, see Note 1.3).

(4) *On 31 December 2017, the Group created a provision of €1.5 million to offset the consequences of a major dispute with a client related to the continued operation of ECA SINDEL. The assets associated with this client were also provisioned in the subsidiary's financial statements. At 31 December 2018, the company was under court-ordered receivership; it was deconsolidated, and the net negative impact over the period (reversal of the provision recorded in 2017, deconsolidation result, provisions on assets involving ECA SINDEL) was €99 thousand.*

(5) *In 2017, the Group had created a provision for risks and charges of €1.1 million with respect to the disposal or closure of SSI. The provision aimed to cover liabilities generated from the business discontinuation and the foreseeable impairment of assets (stocks). In 2018, the provision for risks and charges was reversed and reallocated to the corresponding a e and liabilities based on their recoverable or callable value and resulting from the disposal agreement entered into on 31 August 2018. The net impact over the period was €221 thousand.*

3.2 Revenue by geographical area

FIRSTHALF OF 2019

(in thousands of euros)	France	%	Europe	%	Other total	%	Total Revenue
Protection of High-Risk installations	50,973	78%	11,035	17%	3,701	6%	65,709
Smart Safety Systems	26,158	46%	9,103	16%	21,838	38%	57,098
3D Printing	24,440	69%	6,246	18%	4,606	13%	35,293
Structure and disposals	(933)	n/s	(5)	n/s	-	-	(938)
Adjustments	(18,277)	84%	(2,493)	11%	(1,014)	5%	(21,784)
TOTAL	**82,360**		**23,887**		**29,131**		**135,377**
%	**61%**		**18%**		**22%**		**100%**

FIRST HALF OF 2018

(in thousands of euros)	France	%	Europe	%	Other total	%	Total Revenue
Protection of High-Risk installations	51,158	78%	10,304	16%	4,222	6%	65,684
Smart Safety Systems	27,950	56%	5,437	11%	16,742	33%	50,129
3D Printing	19,546	20%	5,459	25%	2,547	11%	27,552
Structure and disposals	(757)	n/s	270	n/s	-	-	n/s)
Adjustments	(16,360)	82%	(3,383)	17%	(116)	1%	(19,859)
TOTAL	**81,537**		**18,088**		**23,394**		**123,019**
%	**66%**		**15%**		**19%**		**100%**

NOTE 4 OPERATIONAL DATA

4.1 Depreciation, amortisation and provisions (net of reversals)

(in thousands of euros)	30/06/2019	30/06/2018*	31/12/2018*
DEPRECIATION, AMORTISATION AND PROVISIONS			
intangible assets	(3,718)	(3,205)	(6,527)
property, plant and equipment	(2,788)	(2,315)	(4,605)
assets in the form of finance leases	-	(428)	(876)
Costs of obtaining and performing contract	(3,394)	-	-
Rights of use	(751)	(1,026)	(1,918)
SUBTOTAL	(10,650)	(6,973)	(13,927)
CHARGES TO PROVISIONS, NET OF REVERSALS			
inventory and work in process	(362)	122	209
current assets	366	(340)	(289)
risks and charges	(476)	115	(16)
SUBTOTAL	(472)	(104)	(96)
TOTAL DEPRECIATION, AMORTISATION AND PROVISIONS	(11,123)	(7,077)	(14,023)

** June 2018 and December 2018 columns adjusted to reflect the items described in Note 1.3.*

Depreciation and amortisation increased sharply in the first half of 2019, mainly due to new depreciation associated with rights of use (IFRS 16).

4.2 Inventories and work in progress

(in thousands of euros)	30/06/2019	30/06/2018*	31/12/2018*
Raw materials	17,404	15,994	17,023
Work in progress	6,771	4,719	5,035
Semi-finished and finished goods	3,914	4,664	5,076
Goods	3,600	3,065	2,932
INVENTORY AND WORK IN PROGRESS, NET VALUES	31,689	28,442	30,066

** June 2018 and December 2018 columns adjusted to reflect the items described in Note 1.3.*

Work in progress related only to completion-based contracts with customers is now classified as "contract assets" or "contract liabilities" (application of IFRS 15).

4.3 Costs of obtaining and performing contracts

Pursuant to IFRS 15, the costs of obtaining contracts are recorded This concerns mainly commissions on sales that were previously recognised as expenses upon their generation.

(in thousands of euros)	30/06/2019	30/06/2018	31/12/2018
Contract costs	9,975	8,115	8,792
Amortisations	8,107	6,464	7,356
CONTRACT COSTS, NET VALUES	1,868	1,651	1,436

4.4 Trade receivables, contract assets and liabilities

Trade receivables are invoiced receivables entitling the issuer to payment.
"Contract assets" and "contract liabilities" are determined on a contract-by-contract basis. "Contract assets" correspond to contracts in force for which the value of created assets exceeds the advances received. Contract liabilities correspond to all contracts in a situation where the assets (receivables in progress) are less than the liabilities (advances from clients and deferred income recorded when the invoices issued exceed the revenue recognised to date). These new items arise from the application of IFRS 15.
The backlog (revenue to be recognised) is indicated by division in Note 3.1.

(in thousands of euros)	30/06/2019	30/06/2018*	31/12/2018*
trade receivables	67,621	61,642	78,444
Impairment losses	(3,440)	(4,599)	(4,462)
TRADE RECEIVABLES, NET VALUES	64,181	57,043	73,982

** June 2018 and December 2018 columns adjusted to reflect the items described in Note 1.3.*

(in thousands of euros)	30/06/2019	30/06/2018*	31/12/2018*
Work in progress (A)	841	860	510
Receivables in progress (B)	82,084	87,552	79,999
Down-payments received (C)	(28,408)	(41,408)	(30,167)
Deferred income (D)	-	(8)	(24)
CONTRACT ASSETS (A) + (B) - (C) - (D)	54,517	46,996	50,318

** June 2018 and December 2018 columns adjusted to reflect the items described in Note 1.3.*

(in thousands of euros)	30/06/2019	30/06/2018*	31/12/2018*
Work in progress (A)	(217)	(53)	(265)
Receivables in progress (B)	(1,634)	(2,642)	(896)
Down-payments received (C)	17,023	6,632	13,646
Deferred income (D)	11,898	14,847	14,801
Other liabilities (E)	2,151	1,489	1,381
CONTRACT LIABILITIES - (A) - (B) + (C) + (D) + (E)	29,221	20,272	28,666

** June 2018 and December 2018 columns adjusted to reflect the items described in Note 1.3.*

4.5 Other current assets

(in thousands of euros)	30/06/2019			31/12/2018*
	Gross value	Depreciation	Net value	Net value
Advances and down-payments made	2,018	-	2,018	1,515
Other receivables	3,390	(177)	3,212	4,138
Social and tax receivables	11,625	-	11,625	10,194
Other total	3	-	3	3
Prepaid expenses	3,349	-	3,349	2,089
TOTAL OTHER CURRENT RECEIVABLES	20,384	(177)	20,207	17,938

** December 2018 column restated to reflect the items described in Note 1.3.*

4.6 Other current and non-current liabilities

(in thousands of euros)	30/06/2019	31/12/2018*
Suppliers	45,623	48,023
Fixed asset suppliers	7	521
TOTAL TRADE PAYABLES	45,630	48,544
Advances and down-payments received	150	3
Social Security liabilities	20,187	22,737
Tax liabilities	17,828	18,335
Miscellaneous debts	9,530	4,878
Deferred income from research tax credits	8,252	8,319
TOTAL OTHER CURRENT LIABILITIES	55,948	54,274
Conditional advances	554	611
TOTAL OTHER NON-CURRENT LIABILITIES	554	611

** December 2018 column restated to reflect the items described in Note 1.3.*

The deferred income corresponds to research tax credits that will be recognised as income concurrent with the amortisation of the corresponding assets.

The various debts include dividends voted by the Shareholders' Meeting in June 2019 and to be paid out in July 2019 for €5.7 million (including €1.4 million to be paid by ECA SA to non-controlling shareholders).

NOTE 5 EMPLOYEE EXPENSES AND BENEFITS

5.1 Workforce

	30/06/2019	30/06/2018	31/12/2018
Smart Safety Systems	626	656	614
Protection of High-Risk installations	792	930	921
3D Printing	445	397	460
Structure	7	7	7
TOTAL WORKFORCE	1,870	1,990	2,002
AVERAGE WORKFORCE	1,861	1,981	1,830

At 30 June 2019, the workforce included 327 people (Protection of High-Risk Installations division) performing their work within discontinued activities.

5.2 Provisions for pensions and similar commitments

Long-term provisions relate only to retirement indemnities (€10,095 thousand). The assumptions made in respect of this half-year are the same as at 31 December 2018 except for the discount rate, which changed from 1.58% to 0.77%. Due to this decreased rate, the impact on equity for the period was €1,264 thousand (SORIE).

5.3 Share-based payments

PRODWAYS GROUP had set up free share allocation schemes in 2016. Vesting of 261,900 new PRODWAYS GROUP shares for which the vesting conditions were met became final in April 2019.

On 31 January 2019, the Board of Directors of PRODWAYS GROUP issued a new free share plan. With this plan, 802,800 PRODWAYS GROUP shares could be created if the attendance and performance conditions for the 2019-2021 financial years are met. The potential value of the shares is €2,142 thousand; an expense of €317 thousand (excluding social security contributions) was recorded during the half-year.

NOTE 6 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

6.1 Goodwill

(in thousands of euros)	30/06/2019	31/12/2018*
NET VALUES		
AT 1JANUARY	62,887	56,638
Discontinued activities	(649)	-
AT 1 JANUARY, ADJUSTED	62,238	56,638
Acquisitions	1,964	6,834
Changes in scope	(122)	(585)
Departures	-	-
Other changes	-	-
Impact of changes in exchange rates	-	-
AT 30 JUNE	64,080	62,887
Of which accumulated impairment	*(498)*	*(498)*

** 31/12/2018 column restated to reflect the items described in Note 1.3*

Goodwill decreased in 2018 due to the disposal of EN Moteurs and AI GROUP subsidiaries and the allocation of goodwill for SOLIDSCAPE. In 2018 and 2019, new goodwill concerned only the 3D Printing division.

6.2 INTANGIBLE ASSETS

(in thousands of euros)	Development projects	Other intangible asset	Non- current assets in progress	TOTAL
GROSS VALUE				
AT 1 JANUARY 2019[1]	72,670	25,889	639	99,198
Restatement of discontinued activities	(1,279)	(1,047)	(1)	(2,326)
AT 1 JANUARY 2019, RESTATED	71,391	24,843	638	96,872
Acquisitions	2,362	296	325	2,983
Changes in scope	-	634	-	634
Departures	-	(22)	-	(22)
Other changes	-	47	(37)	10
Impact of changes in exchange rates	4	10	-	14
AT 30 JUNE 2019 (A)	73,757	25,809	926	100,491
DEPRECIATION AND AMORTISATION, AND IMPAIRMENT				
AT 1 JANUARY 2019[1]	42,724	14,062	-	56,786
Restatement of discontinued activities	(945)	(870)	-	(1,815)
AT 1 JANUARY 2019, RESTATED	41,778	13,193	-	54,971
Depreciation and amortisation	3,568	702	-	4,271
Changes in scope	-	(8)	-	(8)
Impairment losses	-	-	-	-
Departures	-	(19)	-	(19)
Other changes	-	12	-	12
Impact of changes in exchange rates	2	-	-	2
AT 30 JUNE 2019 (B)	45,348	13,881	-	59,229
NET VALUE				
AT 1 JANUARY 2019	29,613	11,650	638	41,901
AT 30 JUNE 2019 (A)-(B)	28,409	11,928	926	41,262

[1] *Opening restated to reflect the items described in Note 1.3.1.*

No indications of material impairment losses were identified during the first half of 2019.

6.3 Property, plant and equipment and investment property

(in thousands of euros)	Land and buildings	Fixtures and equipment	Land and buildings held under finance leases	Equipment held under finance leases	Non- current assets in progress	Advances and down-payments	Invest-ment property	TOTAL
GROSS VALUE								
AT 31 DECEMBER 2018	15,961	46,811	4,429	5,182	473	29	298	73,182
Application of IFRS 16 to finance leases	-	-	(4,429)	(5,182)	-	-	-	(9,611)
Restatement of discontinued activities	(1,389)	(3,912)	-	-	(10)	-	-	(5,311)
AT 1 JANUARY 2019	14,571	42,899	-	-	463	29	298	58,260
Acquisitions	36	2,252	-	-	338	16	-	2,643
Changes in scope	(21)	663	-	-	4	-	-	645
Departures	-	(799)	-	-	-	(12)	-	(811)
Other changes	-	(1,151)	-	-	(36)	-	-	(1,151)
Impact of changes in exchange rates	1	20	-	-	1	-	-	23
AT 30 JUNE 2019	14,588	43,884	-	-	769	33	298	59,572
DEPRECIATION AND AMORTISATION, AND IMPAIRMENT								
AT 31 DECEMBER 2018	7,351	32,044	3,017	3,283	-	-	-	45,695
Application of IFRS 16 to finance leases	-	-	(3,017)	(3,283)	-	-	-	(6,300)
Restatement of discontinued activities	(1,253)	(3,110)	-	-	-	-	-	(4,363)
AT 1 JANUARY 2019	6,098	28,934	-	-	-	-	-	35,032
Depreciation and amortisation	370	2,358	-	-	-	-	-	2,727
Changes in scope	(21)	538	-	-	-	-	-	517
Impairment losses		60	-	-	-	-	-	60
Departures		(628)	-	-	-	-	-	(628)
Other changes	-	(10)	-	-	-	-	-	(10)
Impact of changes in exchange rates	1	12	-	-	-	-	-	12
AT 30 JUNE 2019	6,448	31,262	-	-	-	-	-	37,710
NET VALUE								
AT 1 JANUARY 2019	8,473	13,966	1,412	1,899	463	29	298	26,539
AT 30 JUNE 2019	8,140	12,622	-	-	769	33	298	21,862

6.4 Rights of use of leased property

Leases adjusted according to IFRS 16 break down in the balance sheet as follows:

(in thousands of euros)	Rights of use - property	Rights of use - other property, plant and equipment	TOTAL
GROSS VALUE			
AT 31 DECEMBER 2018	-	-	-
Reclassification of finance leases (net values)	1,412	1,899	3,311
First-time application of IFRS 16	17,690	3,588	21,278
Restatement of discontinued activities	(1,004)	(1,020)	(2,024)
AT 1 JANUARY 2019	18,098	4,477	22,576
Acquisitions	7,880	850	8,729
Changes in scope	521	72	593
Departures	(437)	(45)	(482)
Other changes	-	-	-
Impact of changes in exchange rates	(4)	-	(5)
AT 30 JUNE 2019	26,058	5,354	31,412
AMORTISATIONS			
AT 31 DECEMBER 2018	-	-	-
First-time application of IFRS 16	-	10	10
AT 1 JANUARY 2019	-	10	10
Depreciation and amortisation	2,156	1,238	3,394
Changes in scope	-	-	-
Departures	(437)	(39)	(476)
Other changes	-	-	-
Impact of changes in exchange rates	(1)	-	(1)
AT 30 JUNE 2019	1,718	1,209	2,927
NET VALUE			
AT 1 JANUARY 2019	18,098	4,467	22,566
AT 30 JUNE 2019	24,340	4,145	28,485

NOTE 7 DETAILS OF CASH FLOWS

7.1 Change in working capital requirements

(in thousands of euros)	Notes	Start of the period[(1)]	Discontinued operations	Changes in scope	Change over the year	Other changes[(2)]	Currency translation adjustment	CLOSING
Net inventories		30,063	(669)	(591)	1,687	1,192	8	31,689
Net receivables		72,665	(7,175)	678	(1,996)	-	9	64,181
Contract assets		51,638	(6,143)	-	9,023	-	-	54,517
Advances and down-payments		1,515	(92)	4	591	-	-	2,018
Prepaid expenses		1,745	(305)	23	1,885	-	1	3,349
SUBTOTAL	**A**	**157,626**	**(14,384)**	**114**	**11,189**	**1,192**	**19**	**155,754**
Trade payables		48,021	(5,972)	230	3,343	-	1	45,623
Contract liabilities		30,200	(3,186)	(0)	2,199	-	7	29,221
Advances and down-payments		4	-	14	282	(150)	-	150
Prepaid income		143	-	(93)	1,965	-	(3)	2,012
SUBTOTAL	**B**	**78,368**	**(9,157)**	**150**	**7,790**	**(150)**	**5**	**77,007**
WORKING CAPITAL REQUIREMENT	C = A - B	79,258	(5,227)	(37)	3,399	1,342	13	78,748
Costs of obtaining and performing contracts		1,436	-	-	432	-	-	1,868
Social and tax receivables		36,490	(789)	18	(516)	-	-	35,204
Current accounts receivable		2	-	-	-	-	-	2
Other receivables		2,817	(307)	(64)	191	(1)	-	2,637
SUBTOTAL	**D**	**40,746**	**(1,096)**	**(46)**	**107**	**(1)**	**-**	**39,711**
Tax and social debts		41,481	(6,651)	87	3,462	-	(2)	38,378
Accrued interest		-	-	-	-	-	-	-
Other payables and derivative instruments[(1)]		8,158	19	78	1,248	(3,385)	25	6,142
Current accounts payable		1	(1)	-	-	-	-	-
Prepaid income from research tax credit and subsidies		6,641	(29)	-	(372)	-	-	6,240
SUBTOTAL	**E**	**56,282**	**(6,663)**	**165**	**4,338**	**(3,385)**	**22**	**50,759**
OTHER ITEMS OF WORKING CAPITAL REQUIREMENT	F = D - E	(15,535)	5,567	(211)	(4,231)	3,384	(22)	(11,049)
WORKING CAPITAL REQUIREMENT	**G = C + F**	**63,722**	**340**	**(248)**	**(832)**	**4,726**	**(9)**	**67,699**

[(1)] *Corrections were made at the start of the period, see Note 1.3.*
[(2)] *The "Other changes" column contains financial inflows that did not affect income from continuing operations or generate cash flows.*

7.2 Net cash inflow/outflow on the acquisition/disposal of subsidiaries

In 2018, in particular, the Group acquired SOLIDSCAPE and disposed of EN MOTEURS, for which part of the disposal price was collected in 2019. In first-half 2019, in particular, the Group acquired L'EMBOUT FRANÇAIS-SURDIFUSE and non-controlling interests in INTERSON PROTAC, and paid an earn-out with respect to AVENAO.

(in thousands of euros)	30/06/2019	31/12/2018
Proceeds	921	2,567
Payments	(6,515)	(12,399)
Cash and cash equivalents of companies acquired and disposed of	268	2,667
TOTAL	**(5,326)**	**(7,165)**

NOTE 8 FINANCING AND FINANCIAL INSTRUMENTS

8.1 Gross financial debt

In July 2018, ECA had contracted an investment credit facility of €3 million. At the end of 2018, the credit was drawn for €2 million. The remaining million was drawn during first-half 2019. Moreover, INITIAL took out a new loan for €163 thousand, repayable over a period of five years, in March 2019 to finance its investments.

Changes in borrowings and financial debt

(in thousands of euros)	finance lease liabilities	Bonds	Bank borrowings	Other borrowings	FINANCIAL DEBT	Bank overdrafts	GROSS FINANCIAL DEBT [2]
AT 31 DECEMBER 2018*	**2,229**	**1,343**	**60,741**	**2,151**	**66,464**	**4,333**	**70,797**
Reclassification of finance leases	(2,229)	-	-	-	(2,229)	-	(2,229)
AT 1 JANUARY 2019	**-**	**1,343**	**60,741**	**2,151**	**64,235**	**4,333**	**68,568**
New bond issuance/subscription	-	-	8,228	43	8,271	5,102	13,373
Redemptions	-	(200)	(5,187)	(532)	(5,919)	(4,333)	(10,252)
Other changes[1]	-	30	67	(1)	96	-	96
First consolidation/(Deconsolidation)	-	-	40	-	40	-	40
Impact of changes in exchange rates	-	-	2	1	4	-	4
AT 30 JUNE 2019	**-**	**1,173**	**63,890**	**1,663**	**66,726**	**5,102**	**71,829**

** Adjusted to reflect the items described in Note 1.3.*

[1] Changes with no impact on cash flow, related to effective interest rates and accrued interest on borrowings.

[2] Does not include lease liabilities calculated under IFRS 16.

Schedule of borrowings and financial debt

				Breakdown of maturities at more than one year				
(in thousands of euros)	30/06/2019	<1 year	>1 year	*1 to 2 years*	*2 to 3 years*	*3 to 4 years*	*4 to 5 years*	*>5 years*
Bonds	1,173	348	826	358	369	99	-	-
Bank borrowings	63,890	24,127	39,764	17,359	5,773	1,886	14,050	696
Other borrowings	1,663	648	1,015	43	14	14	-	943
FINANCIAL DEBT EXCLUDING BANK OVERDRAFTS	66,726	25,122	41,604	17,761	6,156	1,999	14,050	1,639
Bank overdrafts	5,102	5,102	-	-	-	-	-	-
GROSS FINANCIAL DEBT	71,829	30,224	41,604	17,761	6,156	1,999	14,050	1,639

GROUPE GORGE SA has a credit line of €10 million. Initially confirmed until July 2020, this line was renewed early in July 2019; it now matures in July 2024. At 30 June 2019, €7 million of the line had been used.

PRODWAYS GROUP has a renewable credit line of €10 million, intended to finance general requirements or acquisitions. The credit line is confirmed for €10 million until June 2019, then for a decreasing amount of €2.5 million per year until December 2022. No amount has been drawn.

ECA has two credit lines of €10 million each. These lines are confirmed until July 2020 and July 2021. At 30 June 2019, €10 million of these lines had been used.

Loans due in less than one year include €17 million in renewable drawdowns by ECA SA and GROUPE GORGE SA as part of the confirmed credit lines.

8.2 Net cash and debt

(in thousands of euros)	30/06/2019	1/1/2019*
Marketable securities and term deposits	2,714	2,718
Cash and cash equivalents	35,077	37,241
GROSS CASH (A)	37,791	39,959
Financial instruments (B)	9	-
Bank overdrafts (C)	5,102	4,333
CASH AND CASH EQUIVALENTS = (A) + (B) - (C)	32,698	35,626
Financial debt (E)	66,726	64,235
NET CASH (NET DEBT) (D) - (E)	(34,029)	(28,609)
ECA & PRODWAYS GROUP treasury shares	2,065	901
GROUPE GORGÉ treasury shares	73	44
ADJUSTED NET CASH (DEBT), BEFORE IFRS 16	(31,890)	(27,664)

** The 1 January 2019 column includes the reclassification of finance lease liabilities as lease liabilities, in application of IFRS 16.*

8.3 Lease liabilities valued according to IFRS 16

Lease liabilities valued according to IFRS 16 have changed as follows:

(in thousands of euros)	Lease liabilities
AT 31 DECEMBER 2018	-
Reclassification of finance lease liabilities	2,227
First-time application of IFRS 16	20,938
Restatement of discontinued activities	(1,991)
AT 1 JANUARY 2019	21,174
New leases	8,730
Redemptions	(3,450)
Other changes[1]	36
First consolidation/(Deconsolidation)	587
Impact of changes in exchange rates	(3)
AT 30 JUNE 2019	27,074

[1] Changes with no impact on cash and cash equivalents, due to accrued interest.

Schedule of lease liabilities

				Debt due in more than 1 year				
(in thousands of euros)	30/06/2019	<1 year	>1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	>5 years
LEASE LIABILITIES UNDER IFRS 16	27,074	5,817	21,257	4,543	3,394	2,871	2,612	7,838

8.4 Derivative financial instruments

MAURIC and SERES TECHNOLOGIES' non-controlling shareholders hold put options that are exercisable under shareholders' agreements. These options are valued at fair value through equity.

IP GESTION's non-controlling shareholders held put options that were exercisable from 2023, and PRODWAYS GROUP held a call option that was exercisable from 2021. These options were valued at fair value through equity. Since the parties have agreed to dispose of the shares under option in the first-half of 2019, the value of the options is now nil.

(in thousands of euros)	Start of the period	In	Options exercised	Equity effect	Other total	Closing
SERES TECHNOLOGIES call option	1,383	-	-	48	-	1,431
INTERSON PROTAC call option	930	-	-	(930)	-	-
MAURIC call option	347	-	-	(4)	-	343
NON-CURRENT TOTAL	2,660	-	-	(885)	-	1,775

8.5 Investments in affiliated companies

The movements over the year are as follows:

(in thousands of euros)	Start of the period	income	Currency translation adjustment	Changes in scope	Other total	30/06/2019
1 ROBOTICS	3	-	-	-	-	3
PRODWAYS	995	51	-	-	-	1,046
TOTAL EQUITY INVESTMENTS IN ASSOCIATES	998	51	-	-	-	1,049

8.6 Non-consolidated equity securities

The Group holds a 4.02% interest in WANDERCRAFT. The company carried out a capital increase in June 2019 (which explains the dilution of the Group, which owned 4.69% at 31 December 2018). In accordance with IFRS 9, WANDERCRAFT securities have been measured at fair value through profit or loss. The impact on the half-year income was €1 million on the "Other operating income and expenses" line in the income statement.

(in thousands of euros)	Start of the period	In	2019 Income	Equity effect	Other total	Closing
WANDERCRAFT	500	-	996	-	-	1,496

8.7 Financial income and expense

(in thousands of euros)	30/06/2019	30/06/2018*	31/12/2018*
Interest expense	(441)	(891)	(1,684)
income from other securities	(2)	8	(9)
Net income on sales of marketable securities	7	16	101
COST OF NET DEBT	(436)	(867)	(1,591)
Other interest income	395	490	490
Interest expenses on lease liabilities	(139)	-	-
Net exchange gain or loss	(39)	127	133
Financial allowances net of reversals	-	(6)	(34)
FINANCIAL INCOME AND EXPENSE	(218)	(255)	(1,003)

** June 2018 and December 2018 columns adjusted to reflect the items described in Note 1.3.*

Other financial income includes default interest received for redemptions on research tax credit receivables, corresponding to €623 thousand in 2018 and €363 thousand in 2019.

NOTE 9 CORPORATE INCOME TAX

9.1 Details of corporate income tax

Three tax consolidations are carried out within GROUPE GORGÉ: at GROUP GORGÉ SA, ECA SA and PRODWAYS GROUP SA, with each of the three companies including all French companies that meet the regulatory requirements.

Breakdown of tax expense

(in thousands of euros)	30/06/2019	30/06/2018*	31/12/2018*
Deferred tax liabilities	(280)	825	217
Taxes payable	(1,957)	(917)	(2,390)
TAX EXPENSE	(2,237)	(92)	(2,173)

** June 2018 and December 2018 columns adjusted to reflect the items described in Note 1.3.*

The tax expense does not include the Research Tax Credit (CIR) or the Tax Credit for Encouraging Competitiveness and Jobs (CICE), classified under "Other income from operations". It does, however, include the Contributions on Corporate Added Value (CVAE).

Tax receivables and payable

(in thousands of euros)	30/06/2019	31/12/2018*
Tax receivables	23,579	26,296
Tax payable	363	253
NET TAX RECEIVABLE/(DUE)	23,216	26,043

** December 2018 column restated to reflect the items described in Note 1.3.*

Tax receivables consist mainly of receivables for the Research Tax Credit and the Tax Credit for Encouraging Competitiveness and Jobs, which could not be included in tax payable.

9.2 Deferred tax assets or liabilities

Breakdown of deferred taxes by type

(in thousands of euros)	30/06/2019	31/12/2018*
DIFFERENCES OVER TIME		
Retirement and related benefits	1,714	1,961
Development costs	(4,620)	(4,677)
Subsidies	(39)	10
Leases - Finance leases	(353)	(269)
Derivative financial instruments	(20)	(30)
Fair value – IFRS 3	(2,510)	(2,389)
IFRS 15	(19)	80
Other total	224	399
SUBTOTAL	(5,623)	(5,755)
Temporary differences	91	438
Deficits carried forward	6,131	6,398
CVAE	(22)	(30)
TOTAL	578	1,891
DEFERRED TAX LIABILITIES	(1,768)	(2,010)
DEFERRED TAX ASSETS	2,346	3,902

** December 2018 column restated to reflect the items described in Note 1.3.*

NOTE 10 SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

10.1 Equity

As at 30 June 2019, the share capital of GROUPE GORGÉ SA was €13,502,843, consisting of 13,502,843 fully paid-up shares, each with a nominal value of €1.

In June 2019, a divided of €0.32 per share was paid, i.e. €4,320 thousand. The dividend paid in 2018 was the same.

Shareholding

	30-June-2019				31-Dec-2018			
	Shares	% of share of capital	Voting rights exercisable at shareholders' meetings [(2)]	% of voting rights exercisable at shareholders' meeting	Shares	% of share of capital	Voting rights exercisable at shareholders' meetings [(2)]	% of voting rights exercisable at shareholders' meeting
GORGÉ family[(1)]	7,583,125	56.16%	14,862,967	71.19%	7,583,125	56.16%	14,862,967	71.19%
Treasury shares	4,494	0.03%	-	-	5,234	0.04%	-	-
Public	5,915,224	43.81%	6,016,271	28.81%	5,914,484	43.80%	6,015,249	28.81%
Total	**13,502,843**	**100%**	**20,879,238**	**100%**	**13,502,843**	**100%**	**20,878,216**	**100%**

[(1)] *"Gorgé Family" refers to shares held directly by Jean-Pierre Gorgé, founder of the Group, i.e. 115,219 shares, and those held directly by Raphaël Gorgé, i.e. 230,334 shares, as well as shares held by PÉLICAN VENTURE SAS, a holding company controlled by three members of the Gorgé family.*

[(2)] *Voting rights exercisable at the shareholders' meetings do not include treasury shares. The number of theoretical votes may be obtained by adding the number of votes exercisable at the shareholders' meeting to the number of treasury shares.*

10.2 Earnings per share

	30/06/2019	30/06/2018*	31/12/2018*
Weighted average number of shares	13,507,563	13,497,239	13,508,279
Dividend per share paid for the previous financial year	-	-	0.32
EARNINGS PER SHARE *(in euros)*	(0.153)	(0.264)	(0.142)
EARNINGS PER SHARE FROM ONGOING ACTIVITIES *(IN EUROS)*	(0.175)	(0.288)	(0.263)
Dilutive potential ordinary shares[(1)]	-	-	-
Diluted weighted average number of shares	13,507,563	13,497,239	13,508,279
DILUTED EARNINGS PER SHARE *(in euros)*	(0.153)	(0.264)	(0.142)
DILUTED EARNINGS PER SHARE FROM ONGOING ACTIVITIES *(IN EUROS)*	(0.175)	(0.288)	(0.263)

[(1)] *There were no longer any potential dilutive shares at the date of approval of the financial statements*

** June 2018 and December 2018 columns adjusted to reflect the items described in Note 1.3.*

NOTE 11 OTHER PROVISIONS AND CONTINGENT LIABILITIES

Short-term provisions *(in thousands of euros)*	Litigation	Customer warranties	Termination losses	Fine and Penalties	Other total	TOTAL
AT 31 DECEMBER 2018	954	777	1,380	45	2,648	5,805
Reclassification of discontinued activities	-	-	(9)	-	(292)	(301)
AT 1 JANUARY 2019	954	777	1,371	45	2,357	5,504
Appropriations (+)	37	101	334	15	277	764
Provisions used (-)	(114)	(50)	(109)	(3)	(404)	(678)
Reversals (-)	(32)	(32)	(325)	-	(49)	(438)
IMPACT ON INCOME FOR THE PERIOD	(109)	19	(99)	13	(176)	(353)
Changes in scope	-	-	-	-	(34)	(34)
Other changes	-	-	-	-	141	141
Impact of changes in exchange rates	-	-	-	-	-	-
AT 30 JUNE 2019	845	795	1,272	57	2,288	5,257

NOTE 12 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

As indicated in Note 1.3.3, the Group applies IFRS 5 – *Non-current assets held for sale and discontinued operations*, which requires a specific recognition and presentation of assets (or groups of assets) held for sale, along with discontinued operations and operations sold or being sold.

In June 2019, the Group announced the plan to sell the CIMLEC Industrie subsidiary (Protection of High-Risk Installations division) to SPIE. The actual disposal was carried out in July 2019. The income statement and cash flow statement at 30 June and 31 December 2018 were adjusted so that the contribution of CIMLEC Industrie appears on a separate line.

The contribution of discontinued activities is as follows:

(in thousands of euros)	30/06/2019	30/06/2018	31/12/2018
REVENUE	**21,784**	**20,145**	**42,834**
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**864**	**523**	**2,143**
Non-recurring items in operating income	(118)	51	-
OPERATING INCOME	**746**	**574**	**2,143**
FINANCIAL INCOME AND EXPENSE	**(33)**	**(52)**	**(107)**
Income tax	(389)	(182)	(319)
NET INCOME FROM DISCONTINUED ACTIVITIES AFTER TAX	**324**	**340**	**1,717**

(in thousands of euros)	30/06/2019	30/06/2018	31/12/2018
NET INCOME FROM DISCONTINUED ACTIVITIES	**324**	**340**	**1,717**
CASH FLOW FROM OPERATING ACTIVITIES (after elimination of net borrowing costs and taxes)	**1,539**	**788**	**2,699**
Tax paid	(252)	(163)	(385)
Change in working capital requirements	(1,098)	(1,957)	(1,789)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**189**	**(1,331)**	**525**
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	**(234)**	**(513)**	**(928)**
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	**(448)**	**(8)**	**(34)**
CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C)	**(494)**	**(1,852)**	**(436)**
Effects of exchange rate changes	-	-	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**2,019**	**2,788**	**2,788**
Restatement of cash and cash equivalents (1)	(184)	364	(332)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**1,341**	**1,300**	**2,019**

(1) Corresponds to the impact of cash generated by continuing operations.

NOTE 13 RELATED-PARTY TRANSACTIONS

Related parties are persons (Directors, managers of GROUPE GORGÉ or of its principal subsidiaries) or companies owned or managed by these persons. The following transactions by the Group with related parties during the half-year have been identified:

In thousands of euros, in the Group's financial statements	PELICAN VENTURE	PELICAN VENTURE SUBSIDIARIES	CBG CONSEIL
Income statement			
Financial income	96	10	-
Other income	-	-	-
Purchases and external charges	(133)	-	(8)
Statement of financial position			
trade receivables	-	-	-
Trade payables	-	-	1
Dividends	2,316	-	-
Loans	-	-	-
Deposits and guarantees received	8	5	-

PELICAN VENTURE is a holding company, and the main shareholder of GROUPE GORGÉ.

NOTE 14 OTHER NOTES

14.1 Commitments

Group commitments as recorded in the notes to the 2018 consolidated financial statements have not changed materially.

14.2 Exceptional events and disputes

The company and its subsidiaries are involved in various legal proceedings. After reviewing each case and seeking counsel, the provisions considered necessary have, as applicable, been recorded in the financial statements.

There has been no significant change to disputes since the information provided in the notes to the consolidated financial statements at 31 December 2018.

14.3 Subsequent events

The effective disposal of CIMLEC Industrie (and its subsidiaries) was completed on 9 July 2019. In the second-half of 2019, this disposal generated a capital gain of more than €20 million.

In July 2019, GROUPE GORGÉ acquired the 5% of capital in VIGIANS owned by a non-controlling shareholder. The capital of fire protection activities in France (Protection of High-Risk Installations division) was reorganised at the same time. Management now owns 30% of the capital of a holding that includes the activities of CLF-SATREM, AMOPSI and SVF. This transaction has no impact on consolidated income for the second half-year.

Both aforementioned transactions generated additional available cash and cash equivalents for the Group of more than €33 million.

GROUPE GORGÉ SA had a confirmed credit line of €10 million, expiring in July 2020. This credit line was renewed early, in July 2019, and now expires in July 2024.

ECA's confirmed credit lines were upgraded during the summer of 2019. A new credit line of €15 million was agreed with LCL, confirmed for a five-year period. An existing credit line of €10 million with CIC, expiring in July 2021, is expected to be increased in September to €15 million, expiring in September 2024. Lastly, an existing credit line of €10 million with BNPP expiring in July 2020 is currently being renewed for the same amount, expiring in 2022. Accordingly, ECA will have €40 million in confirmed credit lines expiring in mid-2022 for €10 million and mid-2024 for €30 million.

In August, the Group finalised the acquisition of a building in Chavanod (38) for a price of €2.25 million After construction works, in 2020 the building will accommodate all activities of the INITIAL subsidiary on a single site. This acquisition and the works will be subject to a bank loan concluded in September 2019.

No other significant events took place between 30 June 2019 and the date of the meeting of the Board of Directors that approved the condensed consolidated financial statements.

NOTE 15 LIST OF CONSOLIDATED COMPANIES

Company	Parent company At 30 June 2019	% control		% interest		Method	
		JUNE 2019	2018	JUNE 2019	2018	JUNE 2019	2018
GROUPE GORGÉ SA	Consolidating company	Top	Top	Top	Top	FC	FC
Structure							
SCI DES CARRIÈRES	GROUPE GORGÉ SA	100.00	100.00	100.00	100.00	FC	FC
GORGÉ EUROPE INVESTMENT (Netherlands)	VIGIANS	100.00	100.00	95.00	95.00	FC	FC
GORGÉ NETHERLANDS	GORGÉ EUROPE (Netherlands)	90.58	91.58	86.05	87.00	FC	FC
Smart Safety Systems							
ECA(2)	GROUPE GORGÉ SA	75.71	75.68	61.12	61.12	FC	FC
ECA AEROSPACE	ECA SA	100.00	100.00	61.12	61.12	FC	FC
ECA AUTOMATION (formerly ECA CNAI)	ECA AEROSPACE	100.00	100.00	61.12	61.12	FC	FC
ECA DEV 1(1)	ECA SA	100.00	100.00	61.12	61.12	FC	FC
ECA DYNAMICS(1)	ECA SA	51.00	51.00	31.17	31.17	FC	FC
ECA FAROS	ECA SA	100.00	100.00	61.12	61.12	FC	FC
ECA GROUP ASIA (Singapore)	ECA SA	100.00	100.00	61.12	61.12	FC	FC
ECA ROBOTICS	ECA SA	100.00	100.00	61.12	61.12	FC	FC
ECA ROBOTICS BELGIUM (Belgium)	ECA ROBOTICS	100.00	100.00	61.12	61.12	FC	FC
ECA SINTERS(3)	ECA AEROSPACE	-	100.00	-	61.12	-	FC
EN MOTEURS(4)	ECA EN	-	100.00	-	61.12	-	FC
ELTA(3)	ECA AEROSPACE	-	100.00	-	61.12	-	FC
MAURIC	ECA SA	60.06	60.06	36.71	36.71	FC	FC
OK18 SYTEMS(1) (formerly SSI) (United States)	ECA SA	100.00	100.00	61.12	61.12	FC	FC
TRITON IMAGING(1) (United States)	ECA SA	100.00	100.00	61.12	61.12	FC	FC
1ROBOTICS(1)(United States)	ECA SA	29.89	29.89	49.51	49.51	EM	EM
Protection of High-Risk installations							
AI GROUP(5)	VIGIANS	-	100.00	-	95.00	-	FC
AMOPSI	VIGIANS	80.00	80.00	76.00	76.00	FC	FC
VIGIANS	GROUPE GORGÉ SA	95.00	95.00	95.00	95.00	FC	FC
BAUMERT	NUCLÉACTION	100.00	100.00	99.49	99.49	FC	FC
BAUMERT HONG KONG	BAUMERT	100.00	100.00	99.49	99.49	FC	FC
CIMLEC INDUSTRIAL(6) (Romania)	CIMLEC INDUSTRIE	100.00	100.00	95.00	95.00	FC	FC
CIMLEC INDUSTRIE(6)	BALISCO / CLF	100.00	100.00	95.00	95.00	FC	FC
CLF-SATREM	VIGIANS	100.00	100.00	95.00	95.00	FC	FC
COMMERCY ROBOTIQUE(6)	CIMLEC INDUSTRIE	100.00	100.00	95.00	95.00	FC	FC
COMMERCY ROBOTICA(6) (Spain)	COMMERCY ROBOTIQUE	100.00	100.00	95.00	95.00	FC	FC
GORGÉ-HOEKSTRA HOLDING (Netherlands)	GORGÉ NETHERLANDS	100.00	100.00	86.05	87.00	FC	FC
HOEKSTRA-SUWALD TECHNIEK(7) (Netherlands)	GORGÉ-HOEKSTRA	-	100.00	-	87.00	-	FC
HOEKSTRA-SUWALD INSTALLATIE EN SOLAR (Netherlands)	GORGÉ-HOEKSTRA	100.00	100.00	86.05	87.00	FC	FC
NTS(6)	CIMLEC INDUSTRIE	100.00	100.00	95.00	95.00	FC	FC
NUCLÉACTION	GROUPE GORGÉ SA	99.49	99.49	99.49	99.49	FC	FC
PORTAFEU NUCLÉAIRE	NUCLÉACTION	100.00	100.00	99.49	99.49	FC	FC
SCI MEYSSE	PORTAFEU NUCLÉAIRE	100.00	100.00	99.49	99.49	FC	FC
SCI DES PORTES	GROUPE GORGÉ SA	100.00	100.00	100.00	100.00	FC	FC

SERES TECHNOLOGIES	GROUPE GORGÉ SA	70.00	70.00	70.00	70.00	FC	FC
STON	GROUPE GORGÉ SA	100.00	100.00	100.00	100.00	FC	FC
SVF	VIGIANS	100.00	100.00	95.00	100.00	FC	FC
TENWHIL(6)	CIMLEC INDUSTRIE	100.00	100.00	95.00	95.00	FC	FC
THE WIND FACTORY UK (Ireland)	GORGÉ-HOEKSTRA	100.00	100.00	86.05	87.00	FC	FC
VAN DAM (Netherlands)	GORGÉ NETHERLANDS	100.00	100.00	86.05	87.00	FC	FC
VAN DAM ASIA (Singapore)	VAN DAM	100.00	100.00	86.05	87.00	FC	FC
VAN DAM MAINTENANCE AND REPAIR (Netherlands)	GORGÉ NETHERLANDS	100.00	100.00	86.05	87.00	FC	FC
VAN DAM USA (United States)	VAN DAM	100.00	100.00	86.05	87.00	FC	FC
YWORK(8)	GROUPE GORGÉ SA	65.00	-	65.00	-	FC	-
3D Printing							
AVENAO SOLUTIONS 3D	PRODWAYS GROUP	100.00	100.00	56.32	56.61	FC	FC
AVENAO INDUSTRIE	AS3D	100.00	100.00	56.32	56.61	FC	FC
CRISTAL	PRODWAYS GROUP	95.00	95.00	53.51	53.78	FC	FC
DELTAMED (Germany)	PRODWAYS GROUP	100.00	100.00	56.61	56.61	FC	FC
PRODWAYS	PRODWAYS ENTREPRENEURS	20.00	20.00	11.26	11.32	EM	EM
EXCELTEC	PRODWAYS GROUP	100.00	100.00	56.32	56.61	FC	FC
INITIAL	PRODWAYS GROUP	100.00	100.00	56.32	56.61	FC	FC
INTERSON PROTAC	IP GESTION	100.00	100.00	56.32	42.46	FC	FC
IP GESTION	PRODWAYS GROUP	100.00	75.00	56.32	42.46	FC	FC
L'EMBOUT FRANÇAIS(8)	PRODWAYS GROUP	100.00	-	56.32	-	FC	-
PRODWAYS AMERICAS (United States)	PRODWAYS	100.00	100.00	56.32	56.61	FC	FC
PRODWAYS GROUP	GROUPE GORGÉ SA	56.32	56.61	56.32	56.61	FC	FC
PRODWAYS DISTRIBUTION(1)	PRODWAYS GROUP	100.00	100.00	56.32	56.61	FC	FC
PRODWAYS	PRODWAYS GROUP	100.00	100.00	56.32	56.61	FC	FC
PRODWAYS CONSEIL	PRODWAYS GROUP	90.00	90.00	50.69	50.95	FC	FC
PRODWAYS ENTREPRENEURS(1)	PRODWAYS GROUP	100.00	100.00	56.32	56.61	FC	FC
PODO 3D	PRODWAYS GROUP	82.07	82.07	46.22	46.46	FC	FC
PRODWAYS MATERIALS (Germany)	DELTAMED	100.00	100.00	56.32	56.61	FC	FC
PRODWAYS RAPID ADDITIVE FORGING	PRODWAYS GROUP	100.00	100.00	56.32	56.61	FC	FC
PRODWAYS 2(1)	PRODWAYS GROUP	100.00	100.00	56.32	56.61	FC	FC
SCI CHAVANOD(1)	PRODWAYS GROUP	100.00	100.00	56.32	56.61	FC	FC
SOLIDSCAPE (United States)	PRODWAYS GROUP	100.00	100.00	56.32	56.61	FC	FC
SURDIFUSE(8)	PRODWAYS GROUP	100.00	-	56.32	-	FC	-
VARIA 3D(4)	PRODWAYS GROUP	70.50	70.50	39.43	39.63	FC	EM
3D SERVICAD	AS3D	100.00	100.00	56.32	56.61	FC	FC

(1) Companies with no operating activities;
(2) Control percentages for ECA reflect double voting rights;
(3) ELTA and ECA SINTERS merged with ECA AEROSPACE on 3 January 2019;
(4) Consolidated until its deconsolidation on 10 December 2018;
(5) Consolidated until its deconsolidation on 31 October 2018;
(6) Consolidated within discontinued activities (IFRS 5);
(7) Consolidated until its deconsolidation on 31 March 2019;
(8) Consolidated as from January 2019.

STATUTORY AUDITORS' REPORT ON THE INTERIM FINANCIAL INFORMATION

(Period from 1 January to 30 June 2019)

PricewaterhouseCoopers Audit

63 rue de Villiers
92208 Neuilly-sur-Seine Cedex

RSM PARIS

26 rue Cambacérès
75008 PARIS

To the Shareholders,

GROUPE GORGÉ

19 Rue du Quatre-Septembre
75002 PARIS

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

- the review of the accompanying condensed half-yearly consolidated financial statements of GROUPE GORGÉ, for the period from 1 January to 30 June 2019, and;

- the verification of information contained in the Interim Management Report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I - Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists primarily in making inquiries of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that the financial statements, taken as a whole, are free from material misstatements, as we would not become aware of all significant matters that might be identified in an audit.

Based on our review, nothing has come to our attention that causes us to believe that the condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 – IFRS as adopted by the European Union applicable to interim financial information.

Without calling into question the conclusion expressed above, we would like to draw your attention to Note 1.3. 2 "Application of IFRS 16 – Leases" in the notes to the condensed half-yearly consolidated financial statements, which sets out the impact of the application at 1 January 2019 of the new IFRS 16 "Leases" standard.

II - Specific verification

We have also verified the information presented in the interim management report in respect of the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and its consistency with the condensed half yearly consolidated financial statements.

Neuilly-sur-Seine and Paris, 18 September 2019

The statutory auditors

PricewaterhouseCoopers Audit

David Clairotte

RSM PARIS

Stéphane Marie

STATEMENT OF THE PERSON RESPONSIBLE FOR THE INTERIM REPORT

I hereby declare that, to the best of my knowledge, the condensed consolidated financial statements for the past six months have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the company and of all consolidated companies and that the above interim management report includes a fair review of the material events that occurred in the first six months of the financial year and their impact on the financial statements, the main related-party transactions and a description of the principal risks and uncertainties for the remaining six months of the year.

Raphaël GORGÉ, Chairman and Chief Executive Officer