Paris, 3 April 2018, 7:00 am

Smart Safety Systems | Protection of High-Risk Installations | 3D printing

Groupe Gorgé: 2017 - a year of contrasts

- **A strong performance in 3D printing, a disappointing year in the other divisions**
- **Negative net income offset by a capital gain of €19 million on the disposal of 7.5% of the share capital of Prodways Group by Groupe Gorgé SA**
- **Return to a dividend of €0.32 per share proposed in respect of 2017**

Groupe Gorgé (Euronext Paris: GOE) reported its results for the 2017 financial year today.

(in € millions)	2017	2016[1]	Change
Revenue	**276.7**	**281.2**	***-1.6%***
Adjusted revenue	**274.0**	**272.1**	***+0.7%***
Adjusted EBITDA	**10.9**	**21.4**	***-48.3%***
% adjusted revenue	*4.0%*	*7.9%*	*-446bps*
Adjusted operating income	**(1.1)**	**9.5**	***n/a***
Net income	**(20.7)**	**3.4**	***n/a***
Adjusted net income	**(10.0)**	**1.9**	***n/a***
Net income – Group share	**(16.1)**	**(0.8)**	***n/a***

On 29 March 2018, the Board of Directors approved the financial statements for financial year 2017 including the contributions of two foreign, non-strategic subsidiaries in the Smart Safety Systems division, whose closure or disposal is underway. In order to enable a better appreciation of the performance of long-term activities and their change over the financial year ended, the Board decided to present and comment, in addition to the actual results as approved, on the "adjusted" results, which take into account the exit of these subsidiaries as well as non-current operating income items in the Protection of High-Risk Installations and Smart Safety Systems divisions.

Appendix I to this press release reconciles the adjusted information with the financial statements for the period. The figures provided in this press release are not adjusted figures, except when specified to the contrary.

Audit procedures were performed by the Statutory Auditors; the audit report is currently being issued.

[1] Appendix 2 to this press release reconciles the restated income statement with the reported financial statements for 2016.

In 2017, Groupe Gorgé's **revenue** amounted to €276.7 million, an amount that was almost stable compared to 2016 (-1.6%). This change reflects the drop in sales in the Protection of High-Risk Installations and Smart Safety Systems divisions, which was not fully offset by the strong growth in 3D printing reinforced by the acquisitions made in the second half of 2017. Adjusted for the contribution of two subsidiaries whose closure or disposal is underway, Group revenue totalled €274.0 million, slightly higher than the forecasts presented in December 2017.

Profitability improved significantly in the 3D printing division during the financial year, with balanced EBITDA in the fourth quarter. However, in the Protection of High-Risk Installations and Smart Safety Systems divisions, the postponement of several large orders until 2018 and operational challenges had a negative impact on activity and performance. Consolidated **EBITDA** fell from €21.8 million in 2016 to €9.1 million in 2017 and to €10.9 million after adjustments.

Group **operating income** amounted to -€13.9 million, compared to +€10.1 million in 2016. Exceptional items amounting to -€8.1 million were recognised in 2017, with in particular, provisions of €2.6 million relating to two subsidiaries in the Smart Safety Systems division, whose disposal is planned, and impairment of assets, chiefly R&D, for €4.5 million. These provisions had a significant negative impact on earnings for the year but had no impact on cash in the period. Corrected for all non-recurring items, adjusted operating income amounted to -€1.1 million, compared to €9.5 million in 2016.

Interest expense net of interest income amounted to €2.1 million compared to €2.2 million in 2016.

After income tax expense of -€4.8 million, including -€3.1 million in deferred tax assets, 2017 ended with a consolidated net loss of €20.7 million (and -€10.0 million on an adjusted basis).

In accordance with IFRS, the €19 million capital gain made by GROUPE GORGÉ SA on the disposal of 7.5% of the share capital of PRODWAYS GROUP was recorded in equity with no impact on consolidated income.

Operating income by division

Smart Safety Systems

(in € millions)	2017	2016	Change
Revenue	**112.0**	**112.5**	***-0.5%***
Adjusted revenue	**109.3**	**103.4**	***+5.6%***
EBITDA	**11.5**	**14.6**	***-21.7%***
% revenue	*10.2%*	*13.0%*	*-277bps*
Adjusted EBITDA	**13.3**	**14.3**	***-7.3%***
% adjusted revenue	*12.1%*	*13.8%*	*-170bps*
Operating income	**(1.5)**	**12.5**	***n/a***
Adjusted operating income	**8.5**	**9.8**	***-13.8%***

Revenue in the **Smart Safety Systems** division was stable compared to 2016, at €112.0 million. Adjusted for the contribution of two subsidiaries in the Robotics and Simulation businesses, whose closure or disposal is planned, revenue was up 5.6% to €109.3 million.

The division's EBITDA amounted to €11.5 million in 2017, compared to €14.6 million in 2016, a drop of 21.7% reflecting the impact of loss-making subsidiaries in the Robotics and Simulation divisions, whose sale or disposal by the Group has been announced for 2018. Adjusted EBITDA for these subsidiaries amounted to €13.3 million in 2017, compared to €14.3 million in 2016. A decline of 7.3% stemming chiefly from the weaker performance in the Robotics business, impacted by commercial costs relating to demonstrations in the first half.

Operating income for the division was down, at -€1.5 million compared to €12.5 million in 2016. In 2017, operating income was heavily impacted by the losses of the aforementioned two companies and provisions in respect of their discontinuation or disposal in the amount of €2.6 million. In addition, asset impairment provisions, in particular in R&D, were recognised for €2.6 million. This €5.2 million in provisions had no impact on the division's cash. Adjusted operating income in 2017 amounted to €8.5 million, or 7.7% of adjusted revenue, compared with €9.8 million in 2016.

At 31 December, the division's backlog totalled €98 million, down 19.5%, reflecting postponements of orders. Large orders, either on account of their size or strategic nature in the field of Robotics, were more recently announced in January 2018.

Protection of High-Risk Installations

(in € millions)	2017	2016	Change
Revenue	**131.6**	**144.9**	***-9.2%***
EBITDA	**(0.8)**	**11.7**	***n/a***
% revenue	*-0.6%*	*8.0%*	*-864bps*
Operating income	**(5.2)**	**5.9**	***n/a***
Adjusted operating income	**(3.6)**	**7.1**	***n/a***

The revenue of the **Protection of High-Risk Installations** division was €131.6 million in 2017, a 9.2% drop over the same period in 2016. This decline resulted from the combination of the weakness in the contribution from major new nuclear construction projects and the low level of activity in Oil & Gas in the financial year, following a strong 2016.

EBITDA was -€0.8 million, compared to €11.7 million in 2016, impacted by the decline in the level of activity and tighter margins on business in the nuclear sector. The lowering of the breakeven point and changes made within the organisation should help improve performance and the quality of service provision and lead earnings to recover in 2018.

Operating income was -€5.2 million compared to €5.9 million in 2016. Impairment provisions were recognised for €1.5 million on intangible R&D assets; they had no impact on the division's cash. Adjusted operating income was -€3.6 million compared to €7.0 million in 2016.

The backlog at end-2017 was up sharply, by 39%, to €104 million compared to €75 million at end-2016. It includes the Hinkley Point EPR contract won in the first half of 2017 in the United Kingdom for approximately €20 million.

3D printing

(in € millions)	2017	2016	Change
Revenue	**34.8**	**25.2**	***38.1%***
EBITDA	**(1.2)**	**(4.9)**	***n/a***
% revenue	*-3.4%*	*-19.4%*	*n/a*
Operating income	**(6.6)**	**(8.9)**	***n/a***

Revenue in the **3D printing** division amounted to €34.8 million, a rise of 38.1% compared to 2016, driven by the balanced growth of the two Systems and Products activities and boosted by the acquisitions of AvenAo and Interson Protac in the second half-year.

EBITDA improved, at -€1.2 million compared to -€4.9 million in 2016, due to continual efforts to turn profitability around and boosted by the contribution of the companies acquired during the financial year. The division reached its announced objective of breakeven EBITDA in the fourth quarter of 2017.

At the end of the year, the backlog amounted to €5 million, an increase compared to end-2016 (€3 million). It should be noted that, in contrast to the Group's other businesses, this is a short-cycle business with a high turnover in terms of revenue from the backlog.

Financial position at 31 December 2017 and proposed dividend

At 31 December 2017, consolidated net cash (including treasury shares) was €3.9 million, versus net debt of €49,5 million at 31 December 2016. Net cash including treasury shares amounted to €3.9 million. The Group posted a strengthened cash position, thanks to the funding raised by the 3D printing division in the first half-year in the amount of €62.6 million net of fees and the proceeds from the disposal of 7.5% of the share capital of Prodways Group in October 2017 for €20.8 million. This income has no effect on consolidated earnings.

The consumption of cash in the 3D printing business has slowed considerably, however the cash flow generation of the other two divisions has also decreased. Operations consumed €1.7 million in cash, whereas €1.3 million was generated in 2016, in particular due to the increase in working capital requirements in the Smart Safety Systems division (+€7.0 million).

The commitment to investment remained strong, at €15,2 million excluding acquisitions, compared to €13.7 million in 2016, clearly demonstrating our intention to remain at the forefront of technology.

Furthermore, the Group has €40 million in revolving credit lines, of which €17.5 million has been used.

Despite disappointing performances in the financial year ended, and to confirm its confidence in the prospects for recovery from 2018, the Board of Directors will propose to the Shareholders' Meeting the payment of a dividend of €0.32 per share in respect of 2017. This dividend will be financed by the proceeds from the disposal of 7.5% of the share capital of Prodways Group.

A good medium-term outlook

Groupe Gorgé started 2018 with a solid adjusted backlog of €204 million as at 31 December 2017, up slightly by 5,0% from 31 December 2016.

In the **Smart Safety Systems** division, efforts in recent years have focused mainly on R&D, with the development of new robots, and an improvement in commercial performance such as to strengthen the division's presence, in particular in the robotics markets. The strengthening of its positions in its core markets, in particular mobile robotics and robot systems, is beginning to bear fruit. Although 2017 was characterised by several order postponements some of those projects started materialize beginning of this year and two major commercial successes, resulting of R&D projects conducted in 2015 and 2016, were announced in early 2018:

- the SMINEX order (see press release dated January 10, 2018) for €30 million including optional tranches marked a major step forward for the Group. It is the first substantial order of IGUANA ground robots, which were developed in the last few years;
- in addition, the partnership with the Petrus oil services company will generate a minimum combined revenue of €6 million over the next four years and position ECA Group's brand new A18D autonomous underwater robot on the buoyant Oil & Gas services market (see press release dated 15 February 2018).

These two successes confirm the trend for robot use in an increasing number of civil and military applications.

During 2018, the division expects to continue to grow as it markets products developed in recent years, and advances initiatives relating to improving its profitability, with an emphasis on enhancing operating efficiency and reducing costs. The division expects to generate savings of €4 million over the full year from 2019.

The division announced the disposal or closure of two loss-making subsidiaries that are no longer strategic within the Robotics and Simulation divisions, representing revenue of €2.7 million in 2017. The disposal or closure should be finalised in the first half of 2018 and should have no impacts on 2018 accounts. In this context, the Smart Safety Systems division is targeting a slight increase in revenue in 2018 compared with 2017 and an improved profitability.

In the **Protection of High-Risk Installations** division, the new Vigians brand identity, unveiled in early 2018 (see press release of 8January 2018), brings the division together and strengthens it under a single brand that embodies its full range of expertise and drives its ambition in France and abroad: namely to become a reference player in the design, installation and maintenance of protection systems.

The visibility of Nuclear business improved with the signature of a €20 million contract for the two EPR[TM] nuclear reactors at Hinkley Point in the United Kingdom (see press release of May 15, 2017) and a first contract for almost €20 million to be performed in partnership with Prezioso Linjebygg, a subsidiary of the Altrad group, for cable-trays wrapping (see press release of January 11, 2018). New major orders are expected this year and will contribute to the medium-term rebound of the nuclear business. The division's rebound will also be facilitated by the improved operating efficiency of the Oil & Gas business, which adjusted to the drop in activity recorded during the year but whose outlook is continuing to improve as oil prices climb and investment in the sector gradually resumes.

In the medium term the division aims to increase the proportion of recurring activities, which currently represent around 30% of revenue, and thereby mitigate the cyclical effects. In the field of nuclear protection, the division continues to consolidate its position as global leader in the supply of special doors for nuclear power plants, as well as the development and standardisation of its offering in the field of protection and safety of nuclear facilities.

Lastly, the **3D printing** division will continue its strong growth momentum and the improvement of its results. The level of R&D will remain high, in particular in the development of Rapid Additive Forging technology, which can boast its initial success with the installation of the first industrial machine at NEXTEAM GROUP in Toulouse (press release of 19 March 2018). The division's integrated strategy enables it to benefit from the growing impact of recurring sales of materials and tailored services as the installed base increases. The 3D design software integration and distribution activity is expected to record double-digit growth.

In the Products business, the ramp-up of medical applications (podiatry, audiology and dental) should better absorb the significant structural costs required to launch and develop these activities. The manufacturing of 3D printed parts on request is expected to maintain its strong growth momentum and gradually benefit from investments in new machines in 2018 for an amount nearly three times as high as the average amount invested in previous years.

With the full-year consolidation of the acquisitions made in the second half of 2017 and the organic growth of its activities, the 3D printing division aims to exceed revenue of €50 million in 2018, representing growth of more than 43%. New acquisitions could amplify this growth momentum one of the major challenges for the year in the Systems division will be to strike the right balance between a high level of innovation and R&D, and the continued return to profitability. EBITDA should improve in terms of absolute value within the division's two businesses.

In this context, **Groupe Gorgé** is targeting adjusted 2018 revenue of between €285 and €295 million, with improved profitability as its primary goal.

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Conference call on 3 April 2018 at 11:00 am CET

The information on the 2017 results includes this press release and the presentation available on the Groupe Gorgé website: www.groupe-gorge.com.

Today, Tuesday 3 April 2018, Raphaël Gorgé, Chairman and CEO, and Loïc Le Berre, Deputy Chief Executive Officer - Finance, will provide the financial community with their comments on the Groupe Gorgé results and respond to questions from analysts during a conference call in French from 11:00 am (Paris time).

To participate in the conference call, you may call any of the following telephone numbers approximately 5 - 10 minutes prior to the scheduled start time:

- France: +33 (0) 1 70 71 01 59
- United-Kingdom: +44 (0) 8 00 37 66 183
- Germany: +49 (0) 8 00 72 41 011
- USA: +1 84 42 86 06 43

Access code : 57569402#

A webcast will be available on Groupe Gorgé's website: wwww.groupe-gorge.com/webcast

A replay of this conference call will be available after the conference call on Groupe Gorgé's website and at the following telephone numbers (Access code: 57569402#):

- France : +33 (0) 1 72 72 74 02
- United-Kingdom: +44 (0) 2 03 36 45 147
- USA: +1 64 67 22 49 69

Next key financial date:

Publication of first quarter 2018 revenue on 27 April 2018 before stock market opening.

About Groupe Gorgé

Created in 1990, Groupe Gorgé is an independent group that specializes in high-tech industries. Today, the Group is active in the fields of security and protection in extreme environments, as well as in the 3D printing sector. It employs around 1,700 people, is located in eight countries and directly exports around 40% of its activity. In its more than twenty-five year history, Groupe Gorgé has always developed and driven the latest technological and industrial innovations.

Smart Safety Systems:
Developing complete, innovative technological solutions for complex missions in hostile and confined environments.

Protection of High-Risk Installations:
Protecting people and ensuring the active and passive protection of installations for energy markets and industrial and tertiary sectors in France. Ensuring the maintenance of these protection systems.

3D Printing:
Enabling major industry players to find new routes to successful innovation and production processes by providing systems, 3D printers and new premium material.

In 2017, the Group reported revenue of €277million. It is backed by 2,000 employees and operations in over ten countries.

More information available on www.groupe-gorge.com

Groupe Gorgé is listed on Euronext Paris.

Euronext Paris:
Compartment B.
ISIN code: FR0000062671
Ticker code: GOE

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GROUPE GORGE press releases may contain forward-looking statements regarding GROUPE GORGE's targets. These forward-looking statements reflect GROUPE GORGE's current expectations. Such forward-looking statements and targets depend on known and unknown risks, uncertainties and other factors that could cause actual results, performance or events to differ materially from those anticipated herein. The risks and uncertainties that could affect the Group's future ability to achieve its targets include, in addition to those indicated in the press release: the strength of competition; the development of markets in which the Group operates and notably the 3D printing division; currency fluctuations; obtaining the export authorizations that may be required for certain activities; control of costs and expenses; changes in tax legislation, laws, regulations or their enforcement; our ability to successfully keep pace with technological advances; our ability to attract and retain qualified personnel and key staff; the evolution, interpretation and uniform application and enforcement of International Financial Reporting Standards (IFRS), according to which we prepare our financial statements; manufacturing and supply chain bottlenecks; the performance of our business partners (subcontractors, agents, suppliers, etc.). Some of these risk factors are set forth and detailed in our Document de Référence (Registration Document including the annual financial report filed with the French Autorité des Marchés Financiers), available on our website www.groupe-gorge.com. This list of risks, uncertainties and other factors is not limitative. Other unanticipated, unknown or unforeseeable factors, such as changes in the economic situation or financial markets, could also have a material adverse effect on our targets.

This press release and the information it contains do not constitute an offer to sell or to subscribe, or a solicitation to purchase or subscribe shares or securities in GROUPE GORGE or in its listed subsidiaries in any country whatsoever.

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APPENDIX I: Reconciliation of non-GAAP indicators with operating income

Operating income includes all income and expenses other than:

- interest income and expenses;
- other financial income and expenses;
- share of profit of associated companies;
- corporate income tax.

In order to improve the comparability of financial years and the monitoring of operational performance, the Group decided to separate non-current operating items and to show the "Current operating income". It also uses an EBITDA indicator.

Non-current operating items include in particular the cost of restructuring efforts, booked or fully provisioned, when such cost constitutes a liability resulting from a Group obligation towards third parties based on a decision made by a competent body and which materialised before the balance sheet date through the announcement of this decision to the third parties in question, and provided the Group no longer expects to receive a consideration for these costs. These costs comprise mainly end-of-contract compensation, severance pay, and various expenses.

Other non-current operating income items concern company acquisition costs, the amortisation of intangible assets acquired and recorded as business combinations, goodwill impairment losses, and any items considered unusual on account of their occurrence or amount.

The Group defines EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortisation) as operating income before amortisation, impairment losses, expenses related to free share allocation plans and other non-current income and items.

2017 FINANCIAL YEAR

(in € thousands)	**Protection of High-Risk Installations**	**Smart Safety Systems**	**3D printing**	**Structure**	**Consolidated**
EBITDA	**(782)**	**11,471**	**(1,169)**	**(444)**	**9,076**
Share-based payments	(19)	-	(747)	-	(766)
Depreciation, amortisation and provisions	(2,787)	(7,637)	(3,537)	(111)	(14,073)
CURRENT OPERATING INCOME (A)	**(3,588)**	**3,834**	**(5,453)**	**(555)**	**(5,763)**
Restructuring costs	(163)	(442)	(138)	-	(743)
Acquisition costs	-	-	(194)	-	(194)
Amortisation of intangible assets recognised at fair value upon acquisition	-	(691)	(322)	-	(1,013)
Cancellation of a possible earn-out debt concerning ELTA	-	1,000	-	-	1,000
Provisions related to the future deconsolidation of two subsidiaries	-	(2,633)	-	-	(2,633)
Unusual asset impairment provisions	(1,463)	(2,565)	(483)	-	(4,511)
TOTAL NON-CURRENT ITEMS (B)	**(1,627)**	**(5,331)**	**(1,137)**	**-**	**(8,094)**
OPERATING INCOME (C) = (A) + (B)	**(5,215)**	**(1,497)**	**(6,590)**	**(555)**	**(13,857)**

2016 FINANCIAL YEAR

(in € thousands)	**Protection of High-Risk Installations**	**Smart Safety Systems**	**3D Printing**	**Structure**	**Consolidated**
EBITDA	**11,657**	**14,641**	**(4,895)**	**360**	**21,762**
Share-based payments	(19)	-	(20)	(67)	(106)
Depreciation, amortisation and provisions	(4,580)	(5,299)	(3,142)	397	(12,625)
CURRENT OPERATING INCOME (A)	**7,057**	**9,342**	**(8,058)**	**690**	**9,031**
Restructuring costs	(680)	(171)	(119)	-	(970)
ELTA negative goodwill	-	4,060	-	-	4,060
Acquisition costs	-	(28)	-	(134)	(162)
Amortisation of intangible assets recognised at fair value upon acquisition	-	(691)	(322)	-	(1,013)
Unusual asset impairment provisions	-	-	(368)	-	(368)
Other	(526)	-	-	-	(526)
TOTAL NON-CURRENT ITEMS (B)	**(1,206)**	**3,170**	**(809)**	**(134)**	**1,021**
OPERATING INCOME (C) = (A) + (B)	**5,851**	**12,512**	**(8,867)**	**556**	**10,052**

The Group decided to use adjusted non-GAAP financial information for purposes of information, management and planning, since this information can be used to better assess the performance of its ongoing activities. According to the Group, this additional information, which cannot replace any GAAP measures of operating and financial performance, provides relevant indicators of the Group's operating and financial performance. The figures presented by the Group are non-adjusted consolidated figures, except when otherwise specified. The adjusted indicators are not financial aggregates defined by IFRS and may be incomparable with similar indicators chosen by other companies.

The adjustments made concern non-current operating items and the impact of the Group's decision, announced at the end of 2017, to sell or dispose of two foreign subsidiaries within the Smart Safety Systems division that were no longer strategic. As at the 2017 reporting date, these planned closures or disposals did not fulfil the conditions for applying IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations.* .

The 2016 and 2017 adjusted income statements are reconciled with the Group's consolidated financial statements below.

2017 FINANCIAL YEAR

(in € thousands)	**2017 consolidated income statement**	Contributions of subsidiaries being discontinued in 2018[1]	Other adjustments[2]	**2017 adjusted income statement**
	A	B	c	**d=a-b-c**
REVENUE	**276,685**	**2,690**	**-**	**273,995**
CURRENT OPERATING INCOME	**(5,763)**	**(4,628)**	**-**	**(1,135)**
Non-current operating income items	(8,094)	(633)	(7,461)	-
OPERATING INCOME	**(13,857)**	**(5,261)**	**(7,461)**	**(1,135)**
FINANCIAL INCOME AND EXPENSE	**(2,108)**	**(82)**	**-**	**(2,025)**
Income tax	(4,814)	(384)	2,487	(6,917)
NET INCOME	**(20,718)**	**(5,727)**	**(4,974)**	**(10,017)**

[1] The contribution of entities for which the Group is preparing the disposal or closure in 2018 is deducted from the consolidated financial statements.
[2] Other adjustments concern: €4.0 million in asset impairment losses, including mainly R&D intangible assets; €2.6 million in provisions recognised in the disposal or closure of the concerned entities in 2018; income of €1 million relating to the cancellation of an earn-out debt that will no longer be paid with respect to ELTA; €0.9 million in amortisation of intangible assets recognised at fair value in connection with acquisitions; €0.9 million in restructuring and acquisition costs. Only these costs of €0.9 million have had or will have an impact on cash; the other items for €6.5 million will have no impact on cash. Provisions for impairment losses on R&D intangible assets generated income of €0.6 million from a research tax credit which should be recognised in the income statement at the time of amortisation of the R&D item that generated it; by convention, this income was not adjusted. A theoretical tax adjustment was calculated on the operating income adjustments in order to determine the adjusted net income. By convention, this tax is calculated for adjustments related to items that are in theory taxable at the rate in force at the parent company.

By division, the adjustments are reconciled with accounting indicators as follows:

(in € thousands)	**Protection of High-Risk Installations**	**Smart Safety Systems**	**3D Printing**	**Structure and eliminations**	**Consolidated**
EBITDA	**(782)**	**11,471**	**(1,169)**	**(444)**	**9,076**
Contributions to current operating income of subsidiaries being discontinued in 2018	-	(4,628)	-	-	(4,628)
Contributions to depreciation, amortisation and provisions by subsidiaries being discontinued in 2018	-	2,828	-	-	2,828
ADJUSTED EBITDA	**(782)**	**13,271**	**(1,169)**	**(444)**	**10,877**
OPERATING INCOME	**(5,215)**	**(1,497)**	**(6,590)**	**(555)**	**(13,857)**
Contributions of subsidiaries being discontinued in 2018	-	(5,261)	-	-	(5,261)
Other adjustments	(1,626)	(4,698)	(1,137)	-	(7,461)
ADJUSTED OPERATING INCOME	**(3,589)**	**8,461**	**(5,453)**	**(555)**	**(1,135)**

2016 FINANCIAL YEAR

(in € thousands)	**2016 consolidated income statement**	Contributions of subsidiaries being discontinued in 2018 [1]	Other adjustments [2]	**2016 adjusted income statement**
REVENUE	**281 153**	**(9 055)**	**-**	**272 098**
CURRENT OPERATING INCOME	**9 031**	**476**	**-**	**9508**
Non-current operating income items	1 021	135	(1 156)	-
OPERATING INCOME	**10 052**	**611**	**(1 156)**	**9508**
FINANCIAL INCOME AND EXPENSE	**(2 255)**	**57**	**-**	**(2 199)**
Income tax	(4 488)	8	(968)	(5 448)
NET INCOME	**3 350**	**675**	**(2 214)**	**1 901**

[1] The contribution of entities for which the Group is preparing the disposal or closure in 2018 is deducted from the consolidated financial statements.
[2] Other adjustments concern in particular: income related to the negative goodwill recognised upon the acquisition of ELTA for €4.1 million; €1.2 million in restructuring and acquisition costs; €0.9 million in amortisation of intangible assets recognised at fair value in connection with acquisitions; €0.5 million in other provisions for disputes; €0.4 million in asset impairment losses. Only restructuring and acquisition costs and disputes for €1.7 million have had or will have an impact on cash; the other items have no impact on cash. A theoretical tax adjustment was calculated on the operating income adjustments in order to determine the adjusted net income. By convention, this tax is calculated for adjustments related to items that are in theory taxable at the rate in force at the parent company.

By division, the adjustments are reconciled with accounting indicators as follows:

(in € thousands)	**Protection of High-Risk Installations**	**Smart Safety Systems**	**3D Printing**	**Structure and eliminations**	**Consolidated**
EBITDA	**11,657**	**14,641**	**(4,895)**	**360**	**21,4762**
Contributions to current operating income of subsidiaries being discontinued in 2018	-	(476)	-	-	(476)
Contributions to depreciation, amortisation and provisions by subsidiaries being discontinued in 2018	-	794	-	-	794
ADJUSTED EBITDA	**11,657**	**14,323**	**(4,895)**	**360**	**21,444**
OPERATING INCOME	**5,851**	**12,512**	**(8,867)**	**556**	**10,052**
Contributions of subsidiaries being discontinued in 2018	-	(611)	-	-	(611)
Other adjustments	(1,206)	3,305	(809)	(134)	(1,156)
ADJUSTED OPERATING INCOME	**7,057**	**9,818**	**(8,058)**	**690**	**9,508**

APPENDIX II: Restatement of financial statements reported previously

The financial statements as at December 31, 2016 were adjusted due to the finalisation of fair value measurements of assets, liabilities and contingent liabilities acquired from ELTA and BE MAURIC. IFRS 3R provides that the fair value measurement of the assets and liabilities acquired must be subject to retrospective adjustment, as though the amendments had been applied from the date of consolidation. Detailed information is provided in the notes to the consolidated financial statements.

The impact of the adjustments made to the income statement is described in the tables below:

INCOME STATEMENT

(in € thousands)	**31/12/2016 reported**	**Adjustments**	**31/12/2016 restated**
REVENUE	**281,153**	**-**	**281,153**
CURRENT OPERATING INCOME	**9,031**	**-**	**9,031**
Non-current operating income items	2,530	(1,509)	1,021
OPERATING INCOME	**11,561**	**(1,509)**	**10,052**
Financial income and expense	(2,255)	-	(2,255)
Income tax	(4,488)	-	(4,488)
NET INCOME	**4,859**	**(1,509)**	**3,350**
Attributed:			
- To equity holders of the parent company	**172**	**(922)**	**(751)**
- To non-controlling interests	4,687	(587)	4,100