2018 INTERIM FINANCIAL REPORT

including

- the 2018 Interim Management Report
- Condensed consolidated financial statements at 30 June 2018
- Statutory Auditors' review report on the 2018 half-yearly financial information
- Statement by the person responsible for the 2018 Interim Financial Report

GROUPE GORGÉ SA

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Extract from the press release distributed on 14 September 2018

Groupe Gorgé: improved profitability in the first half of 2018

- **Revenue up 4.1% in the first half of 2018**
- **Sharp rise in EBITDA (+69.4%) and in cash flow from operating activities**
- **2018 targets confirmed**

Groupe Gorgé (Euronext Paris: GOE) publishes its 2018 half-year results today.

(in € millions)[1]	H1 2018	H1 2017 Restated IFRS 15 [2]	Change	H1 2017 Published
Revenue	**143.2**	**137.5**	*+4.1%*	**136.7**
Adjusted revenue [3]	**142.9**	**135.9**	*+5.1%*	**135.1**
EBITDA [4]	**6.3**	**3.7**	*+69.4%*	**2.4**
% revenue	*4.4%*	*2.7%*	*+170bps*	*1.8%*
Current operating income	**(1.4)**	**(3.5)**	*+60.1%*	**(3.7)**
Operating income	**(3.8)**	**(3.9)**	*+1.5%*	**(4.0)**
Financial income and expense	(0.3)	(1.3)	*+75.9%*	(1.3)
Tax	(0.3)	0.4	*-182.5%*	0.4
Net income	**(4.4)**	**(4.7)**	*+7.2%*	**(4.8)**
Profit (loss) for the period attributable to the owners of the parent	**(3.5)**	**(3.9)**	*+9.0%*	**(3.9)**

[1] Limited review procedures were performed by the Statutory Auditors; the audit report is currently being issued.

[2] As of January 1, 2018, the Group applies IFRS 15 "Revenue from Contracts with Customers." All changes and comments indicated in this press release are in comparison with the 2017 figures restated for the implementation of this standard. Detailed reconciliations will be given in the financial report for the first half of 2018.

[3] In order to assess the performance of ongoing activities, the Group presents and comments on the adjusted results, in addition to the reported figures. The adjustments concern in particular within the Smart Safety Systems division the contribution of ECA Sindel and SSI. The figures in this press release are not expressed as adjusted figures, unless otherwise specified.

[4] Current operating income before depreciation, amortization and provisions, and before free share allocation expenses.

In the first half of 2018, **Groupe Gorgé** posted revenue of €143.2 million, up 4.1% compared with the first half of 2017, thanks to by the very strong performance of the 3D Printing division. Excluding the contribution of the Smart Safety Systems activities discontinued in 2018, adjusted revenue amounted to €142.9 million, i.e. an increase of 5.1% compared with the first half of 2017.

The **EBITDA** improved significantly, reflecting a recovery across all divisions, especially 3D Printing. Consolidated EBITDA was €6.3 million in the first half of 2018, versus €3.7 million in 2017, i.e. an increase of 69.4% (+46.1% in adjusted data).

Profit (loss) from continuing operations was -€1.4 million this half-year, versus -€3.5 million in the first half of 2017.

Non-recurring items stood at -€2.4 million in the half-year period, comprising in particular costs related to the restructuring of the Smart Safety Systems and Protection of High-Risk Installations divisions for €2.1 million. Pursued during the second half of the year, these restructuring actions aimed at improving the Group's performance should have a lesser impact on results.

The **interest expense** net of interest income amounted to €0.3 million, compared with €1.3 million in the first half of 2017, due in particular to the receipt of €0.6 million in late payment interest as part of the research tax credit refund.

Following a **tax expense** of -€0.3 million, compared with a tax income of €0.4 million as of June 30, 2017, **profit (loss) for the period attributable to the owners of the parent** was -€3.5 million, compared with -€3.9 million in the prior-year period.

Cash flow generated by the business rose sharply: cash flow from the operations is €3.1 million, compared with a consumption of €9.4 million in the first half of 2017, benefiting from a favorable change in working capital requirements of €+2.3 million, in the Smart Safety Systems and 3D Printing divisions.

At June 30, 2018, **consolidated net debt** (including treasury shares) was €7.8 million, versus net cash of €3.9 million at December 31, 2017 after dividend paid for €4.3 million and reduced financial debt by €4.3 million.

Performance by division

(in € millions)	Revenue			EBITDA		
	H1 2018	**H1 2017 Restated for IFRS 15**	**Change**	**H1 2018**	**H1 2017 Restated for IFRS 15**	**Change**
Smart Safety Systems	**50.4**	**55.2**	***-8.6%***	**5.3**	**4.9**	***+9.7%***
Protection of High-Risk Installations	**65.7**	**68.3**	***-3.8%***	**0.2**	**0.2**	***+8.0%***
3D Printing	**27.6**	**14.6**	***+88.1%***	**0.2**	**(1.0)**	***+120.0%***
Structure & disposals	*(0.5)*	*(0,6)*	*nm*	*0.6*	*(0.4)*	*nm*
Group	**143.2**	**137.5**	***+4.1%***	**6.3**	**3.7**	***+69.4%***

Smart Safety Systems

In the first half of 2018, revenue from the **Smart Safety Systems** division was €50.4 million, down 8.6% compared with the first half of 2017. This decline resulted from the insufficient level of order intake recorded before end-2017. The strong performance of the Simulation business since the start of the year (+54.2%) and that of the Aerospace business in the second quarter (+3.1%) partially offset the decline of the Robotics business (-17.9%). Adjusted for the contribution of one subsidiary that was deconsolidated in the first half and another discontinued in the third quarter, the division's revenue was €50.1 million, down 6.3% compared to the first half of 2017.

Despite the drop in revenue, the division's EBITDA margin improved to 10.6%, versus 8.8% in the first half of 2017 (10.9% and 10.3% in adjusted data), reflecting the impact of measures aimed at improving operating efficiency, implemented at the end of 2017. EBITDA was up 9.7% at €5.3 million in the first half of 2018, versus €4.9 million in 2017.

The division's profit (loss) from continuing operations was €1.6 million, versus €1.2 million in the first half of 2017. Operating income was affected in particular by restructuring costs amounting to €0.7 million.

Protection of High-Risk Installations

Revenue for the Protection of High-Risk Installations division came to €65.7 million in the first half of 2018, down by 3.8% compared to the first half of 2017. The division continued to improve but was still penalized by order delays in 2017 in the Nuclear business. The first order received in 2017 for the Hinkley Point EPR in the United Kingdom contributed only marginally to the revenue for this half and is expected to contribute more in the second half (see May 15, 2018 press release).

The Oil & Gas business showed its first signs of recovery in terms of revenue, and especially with regard to order intake. During the second quarter, DuPont de Nemours awarded Van Dam a multi-million euro contract to supply a petrochemical module in Luxembourg (see June 13, 2018 press release).

EBITDA was €0.2 million, stable compared with the first half of 2017. Although the performances of Oil & Gas and Nuclear were still insufficient, it showed a sharp improvement compared with the second half of 2017. This trend is expected to continue in the second half of 2018.

Current operating income was -€1.3 million, versus -€1.1 million in 2017. Operating income was affected by restructuring of the Nuclear business. Almost all of the costs have been recognized this semester for -€1.4 million.

3D Printing

In the first half of 2018, the 3D Printing division posted revenue of €27.6 million, versus €14.6 million in the first half of 2017, representing growth of 88.1%. Revenue maintained a high growth rate in the first half in both the Products (+59.3%) and Systems (+113.8%) divisions, driven firstly by acquisitions, and secondly by the buoyant momentum of the on-demand parts manufacturing activity. Regarding the sale of machines, some indicators are evolving very favorably. For example, the number of customers with more than one Prodways 3D printer increased from 10 to 22 in the first half of the year.

The division's EBITDA continued to improve over the period: it stood at +€0.2 million, versus -1.0 million in 2017. This strong improvement was achieved despite several recently launched activities still generating losses.

The division's profit (loss) from continuing operations recovered to -€2.2 million in the first half of 2018, versus -€3.1 million in the first half of 2017. Non-recurring items of -€0.3 million, versus -€0.1 million in the first half of 2017 were comprised of acquisition costs for €0.1 million and amortization of intangible assets recognized at fair value during the acquisitions for €0.2 million.

Outlook

At June 30, 2018, **Groupe Gorgé**'s backlog was nearly €220 million, up 7% from December 31, 2017.

The **Smart Safety Systems** division's backlog was €99 million, versus €97 million at December 31, 2017, i.e. an increase of 2.2%. The Group recorded several commercial successes in the first six months of the year, following a year affected by order postponements in 2017. The Group expects to log major new orders before the end of the year.

In Simulation and Aerospace, the Group is positioned to bid for several major calls for tender representing more than €5 million. In the Robotics division, the teams are working on a particularly important call for tender.

Within this framework, the Smart Safety Systems division confirms its target of a slight increase in 2018 revenue compared with 2017, and of improved profitability, with a focus on better operating efficiency and cost reduction.

In the **Protection of High-Risk Installations** division, the backlog reached a record level. At €115 million at June 30, 2018, it was up 10.7% from December 31, 2017. In the Nuclear business, the fulfilment of orders and major new orders that may come in this year are expected to contribute to the recovery of the business. Efforts implemented since 2017 to recover profitability should continue to pay off in the medium term.

During first-half revenue, the **3D Printing** division upgraded its 2018 objective and now expects to record revenue of more than €53 million. This upgrades does not take into account the contribution of Solidscape, which will be consolidated during the second half of the year. Accordingly, the division will raise again its 2018 target at the time of reporting the 2018 third-quarter revenue on October 26, 2018.

Both divisions will continue to improve their performance in the medium term. Organic growth should continue to be bolstered by new acquisitions. Several projects aimed at strengthening the Group's existing activities or at increasing its geographical footprint are being considered.

In this context, **Groupe Gorgé** revised slightly upward its 2018 objective during half-year revenue and confirms this target of revenue between €290 million and €300 million, with above all a target of improved profitability. The Group will update its target at the time of reporting the 2018 third-quarter revenue on October 26, 2018.

NOTE ON 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	MAIN DIRECTORS	CBG CONSEIL
Income statement				
Revenue	191	10	-	-
Other income	-	-	-	-
Purchases and external charges	(96)	-	-	(35)
Balance sheet				
trade receivables	230	-	-	-
Trade payables	96	-	-	25
Miscellaneous debts	-	-	-	-
Loans	-	-	507	-
Deposits and guarantees received	8	5	-	-

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

(in thousands of euros)	Notes	30/06/2018	30/06/2017*	31/12/2017*
NON-CURRENT ASSETS		**136,835**	**125,216**	**134,089**
Goodwill	5.1	61,961	45,815	61,272
Intangible assets	5.2	34,261	36,406	34,737
Property, plant and equipment	5.3	27,798	26,888	26,943
Investment property		298	298	298
Contract costs	4.3	1,651	2,856	2,193
Investments in affiliated companies	7.3	955	1,481	1,507
Other financial assets		4,505	4,197	3,854
Deferred tax assets	8.2	5,402	7,270	3,282
Other non-current assets		4	5	5
CURRENT ASSETS		**245,047**	**267,608**	**273,482**
Net inventories	4.2	26,410	25,690	26,800
Net trade receivables	4.4	56,185	55,802	71,522
Contract assets	4.4	49,878	58,034	44,488
Other current assets		18,947	19,545	19,210
Tax receivables payable	8.1	23,762	22,603	24,635
Other current financial assets		7	39	38
Cash and cash equivalents	7.2	69,860	85,894	86,789
ASSETS HELD FOR SALE		**-**	**-**	**-**
TOTAL ASSETS		381,883	392,823	407,571

** June 2017 and December 2017 columns restated to reflect the items described in Note 1.2. (IFRS 15)*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Total equity and liabilities

(in thousands of euros)	Notes	30/06/2018	30/06/2017*	31/12/2017*
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**94,107**	**97,633**	**101,652**
Share capital[1]	9.1	13,503	13,503	13,503
Share premiums[1]		26,914	26,914	26,914
Retained earnings and other reserves		53,690	57,216	61,235
NON-CONTROLLING INTERESTS		**64,729**	**58,895**	**65,344**
NON-CURRENT LIABILITIES		**47,082**	**75,586**	**50,404**
Long-term provisions	10.1	9,565	9,287	9,934
Long-term liabilities – portion due in more than one year	7.1	33,848	63,009	36,314
Other financial liabilities		2,514	2,134	2,682
Deferred tax liabilities	8.2	340	108	596
Other non-current liabilities		815	1,047	878
CURRENT LIABILITIES		**175,963**	**160,710**	**190,170**
Short-term provisions	10.2	7,824	7,661	11,203
Long-term liabilities – portion due in less than one year	7.1	45,336	32,414	48,308
Financial instruments and derivatives		-	-	-
Operating payables		47,606	49,640	52,853
Contract liabilities	4.4	21,316	19,778	22,726
Other current liabilities		53,681	50,999	54,838
Tax liabilities payable	8.1	200	218	242
LIABILITIES HELD FOR SALE		**-**	**-**	**-**
TOTAL LIABILITIES		**381,883**	**392,823**	**407,571**

** June 2017 and December 2017 columns restated to reflect the items described in Note 1.2. (IFRS 15)*

[1] Of the consolidating parent company.

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	30/06/2018	30/06/2017*	31/12/2017*
REVENUE	**3.3**	**143,164**	**137,525**	**278,225**
Capitalised production		3,657	4,911	10,526
Inventories and work in progress		750	(210)	(829)
Other income from operations		3,054	3,706	8,183
Purchases consumed		(81,643)	(81,984)	(163,856)
Personnel expenses		(61,691)	(58,752)	(117,387)
Tax and duties		(1,791)	(1,723)	(3,407)
Depreciation, amortisation and provisions (net of reversals)	4.1	(7,543)	(6,781)	(16,545)
Other operating expense (net of income)		655	(174)	(388)
PROFIT (LOSS) FROM CONTINUING OPERATIONS		**(1,389)**	**(3,482)**	**(5,478)**
Non-recurring items		(2,424)	(389)	(8,094)
OPERATING INCOME		**(3,813)**	**(3,871)**	**(13,573)**
Interest on gross debt		(910)	(947)	(1,935)
Interest on cash and cash equivalents		24	(24)	23
COST OF NET DEBT (a)	**7.4**	**(886)**	**(971)**	**(1,912)**
Other financial income (b)		820	118	766
Other financial expense (c)		(242)	(419)	(962)
FINANCIAL INCOME AND EXPENSES (d=a+b+c)	**7.4**	**(307)**	**(1,272)**	**(2,108)**
Income tax	8.1	(307)	372	(4,918)
Group share of the earnings of equity-accounted companies		42	49	60
NET INCOME FROM CONTINUING ACTIVITIES AFTER TAX		**(4,384)**	**(4,722)**	**(20,538)**
Net income from discontinued activities		-	-	-
CONSOLIDATED NET INCOME		**(4,384)**	**(4,722)**	**(20,538)**
INCOME ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS		**(3,514)**	**(3,860)**	**(16,015)**
INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		**(871)**	**(862)**	**(4,523)**

Average No. of shares	9.2	13,497,239	13,497,549	13,497,464
Basic and diluted net earnings per share, in euros	9.2	(0.260)	(0.291)	(1.187)

** June 2017 and December 2017 columns restated to reflect the items described in Note 1.2. (IFRS 15)*

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

(in thousands of euros)	30/06/2018	30/06/2017*	31/12/2017*
NET INCOME	**(4,384)**	**(4,722)**	**(20,538)**
Currency translation adjustment	(63)	75	(36)
Tax relating to currency translation adjustments	-	-	-
Actuarial gains and losses on defined benefit plans	147	537	(11)
Tax relating to actuarial gains and losses on defined benefit plans	(37)	(179)	4
Group share of gains and losses recognised directly in equity of equity-accounted companies	-	-	-
TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	**47**	**433**	**27**
- of which can be reclassified subsequently to profit and loss	47	433	27
- of which cannot be subsequently reclassified to profit and loss	-	-	-
CONSOLIDATED COMPREHENSIVE INCOME	(4,338)	(4,289)	(20,511)
COMPREHENSIVE INCOME ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	(3,457)	(3,498)	(15,971)
COMPREHENSIVE INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(881)	(791)	(4,540)

** June 2017 and December 2017 columns restated to reflect the items described in Note 1.2 (IFRS 15)*

CASH FLOW STATEMENT

(in thousands of euros)	30/06/2018	30/06/2017*	31/12/2017*
NET INCOME FROM CONTINUING OPERATIONS	**(4,384)**	**(4,722)**	**(20,538)**
Accruals	5,181	5,828	19,409
Capital gains and losses on disposals	(57)	(95)	1,743
Group share of income of equity-accounted companies	(42)	(49)	(60)
CASH FLOW FROM OPERATING activities (before elimination of net borrowing costs and taxes)	**697**	**961**	**554**
Cost of net debt	886	885	1,912
Tax expense	307	(372)	4,918
CASH FLOW FROM OPERATING activities (after elimination of net borrowing costs and taxes)	**1,890**	**1,474**	**7,384**
Tax paid	(1,081)	(884)	(1,678)
Change in working capital requirements	2,272	(9,988)	(7,432)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**3,081**	**(9,397)**	**(1,726)**
Investing activities			
Payments/acquisition of intangible assets	(3,737)	(4,155)	(9,457)
Payments/acquisition of property, plant and equipment	(4,226)	(3,653)	(6,219)
Proceeds/disposal of property, plant and equipment and intangible assets	149	189	118
Payments/acquisition of long-term investments	(705)	(116)	(266)
Proceeds/disposal of long-term investments	40	269	684
Net cash inflow/outflow on the acquisition/disposal of subsidiaries	(582)	(1,615)	11,475
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	**(9,061)**	**(9,082)**	**(3,664)**
Financing activities			
Capital increase or contributions	-	62,683	62,635
Dividends paid to parent company shareholders	(4,320)	-	-
Dividends paid to non-controlling interests	(120)	(1,113)	(1,129)
Proceeds from borrowings	2,565	6,290	14,829
Repayment of borrowings	(6,909)	(6,306)	(19,634)
Cost of net debt	(530)	(555)	(1,743)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	**(9,314)**	**60,998**	**54,959**
CASH GENERATED BY CONTINUING OPERATIONS (D= A+B+C)	**(15,294)**	**42,520**	**49,569**
Cash generated by discontinued operations	-	-	-
CHANGE IN CASH AND CASH EQUIVALENTS	**(15,294)**	**42,520**	**49,569**
Effects of exchange rate changes	*28*	*(117)*	(167)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**78,983**	**29,665**	**29,665**
Restatement of cash and cash equivalents[(1)]	(35)	(136)	(83)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**63,681**	**71,928**	**78,983**

[(1)] *related to the reclassification of treasury shares.*

** June 2017 and December 2017 columns restated to reflect the items described in Note 1.2 (IFRS 15)*

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
2016 CLOSING EQUITY	**13,496**	**26,769**	**(804)**	**29,482**	**68,943**	**32,803**	**101,745**
IFRS 3R impact	-	-	-	(1,416)	(1,416)	(912)	(2,327)
IFRS 15 impact	-	-	-	(184)	(184)	(117)	(302)
2016 CLOSING EQUITY, RESTATED *	**13,496**	**26,769**	**(804)**	**27,882**	**67,343**	**31,774**	**99,116**
Share capital transactions	7	145	-	-	152	-	152
Free share allocation plan and stock option plan	-	-	-	188	188	97	285
Treasury share transactions	-	-	(52)	-	(52)	(32)	(84)
Commitment to minority shareholders	-	-	-	(32)	(32)	-	(32)
Bond component	-	-	-	(6,524)	(6,524)	(3,476)	(10,000)
Dividends	-	-	-	-	-	(1,128)	(1,128)
Net income (loss) for the period	-	-	(8)	(3,852)	(3,860)	(862)	(4,721)
Items in comprehensive income	-	-	-	361	361	71	433
CONSOLIDATED COMPREHENSIVE INCOME *	**-**	**-**	**(8)**	**(3,491)**	**(3,498)**	**(791)**	**(4,289)**
Changes in scope	-	-	-	40,056	40,056	32,452	72,508
JUNE 2017 CLOSING EQUITY	**13,503**	**26,914**	**(863)**	**58,080**	**97,634**	**58,895**	**156,529**

** Restated to reflect the items described in Note 1.2 (IFRS 15)*

(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**	**65,394**	**167,119**
IFRS 15 impacts	-	-	-	(75)	(75)	(46)	(121)
2017 CLOSING EQUITY, RESTATED	**13,503**	**26,914**	**(813)**	**62,047**	**101,651**	**65,348**	**166,999**
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	(3,531)	(3,514)	(871)	(4,385)
Items in comprehensive income	-	-	-	57	57	(9)	47
CONSOLIDATED COMPREHENSIVE INCOME	**-**	**-**	**18**	**(3,474)**	**(3,457)**	**(881)**	**(4,338)**
Changes in scope	-	-	1	122	122	309	430
JUNE 2018 CLOSING EQUITY	**13,503**	**26,914**	**(845)**	**54,535**	**94,107**	**64,729**	**158,836**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

GROUPE GORGÉ's condensed consolidated interim financial statements cover a six-month period from 1 January to 30 June 2018. They were approved by the Board of Directors on 13 September 2018.

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 2018.

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 2017, as published in the Registration Document filed with the French Financial Markets Authority (*Autorité des Marchés Financiers* - AMF) on 12 April 2018 under number D.18-0327.

The condensed consolidated financial statements for the six-months ended 30 June 2018 were prepared using identical accounting policies as used to prepare the consolidated financial statements for the financial year ended 31 December 2017, with the exception of the new standards, revised standards and interpretations applicable as from 1 January 2018.

The Group has not applied the following standards and interpretations, which had not been adopted by the European Union as at 30 June 2018 or for which application is not mandatory as of 1 January 2018:

• Standards adopted by the European Union:

- Amendments to IFRS 9 – Prepayment Features with Negative Compensation;
- Amendments to IAS 40 – Transfers of Investment Property;
- IFRIC 22 – Foreign Currency Transactions and Advance Consideration;
- IFRS 16 – Leases.

• Standards not adopted by the European Union:

- IFRS 17 – Insurance Contracts;
- IFRIC 23 – Uncertainty over Income Tax Treatments;
- Amendments to IAS 28 – Long-term Interests in Associates and Joint Ventures;
- Amendments to IAS 28 and IFRS 10: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;
- Annual improvements to IFRS 2015-2017 Cycle (December 2017);
- Amendments to IAS 19 - Plan Amendment, Curtailment or Settlement;
- Amendments to References to the Conceptual Framework under IFRS.

These interpretations and amendments should have no material impact on the Group's financial statements.

The determination process by GROUPE GORGÉ of the potential impact on the Group's consolidated financial statements of standards not yet applicable is in progress, in particular regarding the impact of IFRS 16 – *Leases*, the application of which will be mandatory for financial years beginning 1 January 2019. Per this standard, all leases other than short-term leases and leases of low-value assets must be recognised on the lessee's balance sheet in the form of a right-of-use asset and in counterpart to a financial debt.

1.2 Restatement of the financial information for prior years

Finalisation of the fair value measurement of the acquired company

At the end of 2017, the Group finalised its fair value measurement of the acquired assets, liabilities and contingent liabilities with respect to ELTA. IFRS 3 (Revised) states that the fair value of acquired assets and liabilities must be remeasured retrospectively as though the changes had been made starting from the date of initial consolidation. In the notes, the 2018 data are compared to the restated 2017 data.

Implementation of IFRS 15

The Group implemented IFRS 15 – *Revenue from Contracts with Customers* for the first time in 2018. Since the Group chose the full retrospective approach, the financial statements for the first half of 2018 include the 2017 comparative financial statements, restated to reflect the impact of applying this new standard. The opening balance sheet at 1 January 2017 was also adjusted.

The main reasons for differences between past rules and IFRS 15 are as follows:

Backlog
IFRS 15 introduces the concept of an accounting backlog ("revenue to be recognised"). The Group did not previously include the backlog in its notes to the financial statements, which is now the case. The IFRS 15 definition complies with the one previously applied by the Group. However, the backlog is adjusted on account of the adjustments applied to the recognised revenue.

Segmentation of contracts into performance obligations
In certain situations, IFRS 15 imposes the segmentation of contracts into performance obligations with differentiated profit margins. This could be the case in particular for contracts combining construction and operations. The Group has not identified any such situations in its contracts.

Contract costs
Under IFRS 15, the costs of obtaining a contract must be recognised as an asset and amortised if they represent incremental costs, i.e. costs the entity would not have incurred had that individual contract not been obtained, and which the entity expects to recover on the basis of the contract's expected profit. The Group sometimes bears commissions on sales that were previously recognised as expenses upon their generation. The application of this method reduces the rate of progress of the relevant contracts once they are launched, since fewer expenses are recorded and the contract costs are recognised through amortisation of the term of the contract. This method, which has generated a significant impact on revenue through implementation of the standard, only affects contracts concerned by significant costs of obtaining the contract and which have the longest terms.

Elements of variable consideration
IFRS 15 defines the total transaction price as the total amount to which an entity expects to be entitled, which may therefore include upward or downward adjustments (discounts, revisions, indexation, penalties, etc.). The Group is already identifying the elements of variable consideration and including them in the transaction price as soon as they are estimated to be highly probable. In particular, late delivery penalties are taken into account when they are estimated to be probable, and decrease the revenue of the corresponding contracts.

Revenue recognition based on progress
Under past rules, revenue from construction contracts (representing a very significant portion of the Group's revenue) was recognised using the percentage-of-completion method.
IFRS 15 provides criteria to demonstrate the gradual transfer of control of goods and services to the customer and recognise revenue based on progress. For sales of complex goods, it is necessary to demonstrate that the goods sold have no alternative use and that the Group has an irrevocable right to payment regarding the work completed to date (corresponding to the costs incurred to date, plus a reasonable profit margin) in the event of termination for a reason other than the Group's failure to perform. Analysis of the contract portfolio has led to the confirmation that, for major contracts, the criteria defined by IFRS 15 were met. Likewise, revenue relating to service contracts is, as previously, recognised over time based on the stage of completion of services, with the customer benefiting from such services as they are performed.

Method for measuring progress
With IFRS 15, the method for measuring progress is based on cost (in the past, another method was based on progress over time as per milestones reached). Since the Group was already applying a cost-based progress measurement method (the rate of completion is equal to the ratio between the costs recognised to date and the total estimated costs at the end of the project), the rule now set by IFRS 15 has no impact.

Contract assets and liabilities
New aggregates have been created under assets and liabilities of the consolidated statement of financial position. Under assets, capitalised "contract costs" are classified under non-current assets, but are nevertheless taken into account in determining working capital requirements.
"Contract assets" and "contract liabilities" are determined on a contract-by-contract basis. "Contract assets" correspond to the share of revenue not yet invoiced to date, less customer advances. Revenue not yet invoiced is the difference between revenue calculated to date on a percentage-of-completion basis and the invoices issued. Conversely, when the invoices issued exceed the revenue recognised to date, the net amount is accounted for under deferred income and aggregated with customer advances under "contract liabilities". As the revenue recognised on a percentage-of-completion basis had not been recognised under assets less advances received, reclassifications have the effect on comparative periods of changing the total amount of the statement of financial position by a much more significant amount than the impact of IFRS 15 on income.

Restatement of financial statements as at 30 June 2017

The restatements of the financial statements as at 30 June 2017 concern the implementation of IFRS 15 and the fair value measurement of acquired assets and liabilities at the end of the 2016 with respect to ELTA. For ELTA, the changes concern the fair value measurement of intangible R&D assets for €2,186 thousand, additional provisions for late penalties and termination losses at €80 thousand, and the correction of deferred income from the research tax credit at -€169 thousand.

(in thousands of euros)	**30/06/2017 published**	IFRS 15 impact on the financial statements at 01/01/2017	IFRS 15 impact over the period	IFRS 3R impact on ELTA	**30/06/2017 restated**
NON-CURRENT ASSETS	**123,696**	**2,979**	**(29)**	**(1,431)**	**125,216**
Goodwill	45,815	-	-	-	45,815
Other intangible assets	38,592	-	-	(2,186)	36,406
Property, plant and equipment	26,888	-	-	-	26,888
Investment property	298				298
Costs of obtaining and performing contracts	-	2,828	28	-	2,856
Investments in affiliated companies	1,481	-	-	-	1,481
Other financial assets	4,197	-	-	-	4,197
Deferred tax assets	6,420	151	(57)	755	7,270
Other non-current assets	5	-	-	-	5
CURRENT ASSETS	**321,279**	**(43,774)**	**(9,898)**	**-**	**267,608**
Net inventories	29,487	(3,801)	5	-	25,690
Net trade receivables	163,710	(88,849)	(19,059)	-	55,802
Contract assets		48,877	9,157	-	58,034
Other current assets	19,545	-	-	-	19,545
Tax receivables payable	22,603	-	-	-	22,603
Other current financial assets	39	-	-		39
Cash and cash equivalents	85,894	-	-	-	85,894
ASSETS HELD FOR SALE	**-**	**-**	**-**	**-**	**-**
TOTAL ASSETS	**444,975**	**(40,794)**	**(9,927)**	**(1,431)**	**392,824**

(in thousands of euros)	**30/06/2017 published**	IFRS 15 impact on the financial statements at 01/01/2017	IFRS 15 impact over the period	IFRS 3R impact on ELTA	**30/06/2017 restated**
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	**98,568**	**(185)**	**70**	**(821)**	**97,633**
NON-CONTROLLING INTERESTS	**59,490**	**(117)**	**44**	**(522)**	**58,895**
NON-CURRENT LIABILITIES	**75,586**	**-**	**-**	**-**	**75,586**
CURRENT LIABILITIES	**211,332**	**(40,493)**	**(10,043)**	**(88)**	**160,710**
Short-term provisions	7,779	(201)	3	80	7,661
Long-term liabilities – portion due in less than one year	32,414	-	-	-	32,414
Operating payables	49,640	-	-	-	49,640
Contract liabilities		25,771	(5,992)		19,778
Other current liabilities	121,281	(66,063)	(4,051)	(169)	50,999
Tax liabilities payable	218	-	-	-	218
LIABILITIES HELD FOR SALE	**-**	**-**	**-**	**-**	**-**
TOTAL LIABILITIES	**444,975**	**(40,794)**	**(9,927)**	**(1,431)**	**392,824**

(in thousands of euros)	**30/06/2017 published**	Impact IFRS 15	**30/06/2017 restated**
REVENUE	**136,749**	**775**	**137,525**
Capitalised production	4,911	-	4,911
Inventories and work in progress	(219)	8	(210)
Other income from the business	3,706	-	3,706
Purchases consumed	(82,769)	785	(81,984)
Personnel expenses	(58,752)	-	(58,752)
Tax and duties	(1,723)	-	(1,723)
Depreciation, amortisation and provisions (net of reversals)	(5,681)	(1,100)	(6,781)
Other operating income and expenses	124	(298)	(174)
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**(3,653)**	**171**	**(3,482)**
Non-recurring items in operating income	(389)	-	(389)
OPERATING INCOME	**(4,042)**	**171**	**(3,871)**
FINANCIAL INCOME AND EXPENSE	**(1,272)**	**-**	**(1,272)**
Income tax	429	(57)	372
Group share of the earnings of affiliated companies	49	-	49
NET INCOME FROM CONTINUING ACTIVITIES AFTER TAX	**(4,836)**	**114**	**(4,722)**
Net income from discontinued activities	-	-	-
NET INCOME	**(4,836)**	**114**	**(4,722)**
Net income attributable to non-controlling	(906)	44	(862)
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT	**(3,930)**	**70**	**(3,860)**

Restatement of financial statements as at 31 December 2017

All restatements of the financial statements as at 31 December 2017 concern the implementation of IFRS 15.

(in thousands of euros)	**31/12/2017 published**	IFRS 15 impact on the financial statements at 01/01/2017	IFRS 15 impact over the period	**31/12/2017 restated**
NON-CURRENT ASSETS	**131,849**	**2,979**	**(739)**	**134,089**
Goodwill	61,272	-	-	61,272
Other intangible assets	34,737	-	-	34,737
Property, plant and equipment	26,943	-	-	26,943
Investment property	298			298
Costs of obtaining and performing contracts	-	2,828	(635)	2,193
Investments in affiliated companies	1,507	-	-	1,507
Other financial assets	3,854	-	-	3,854
Deferred tax assets	3,235	151	(104)	3,282
Other non-current assets	5	-	-	5
CURRENT ASSETS	**322,331**	**(43,774)**	**(5,075)**	**273,482**
Net inventories	29,800	(3,801)	802	26,800
Net trade receivables	161,860	(88,849)	(1,488)	71,522
Contract assets		48,877	(4,389)	44,488
Other current assets	19,210	-	-	19,210
Tax receivables payable	24,635	-	-	24,635
Other current financial assets	38	-	-	38
Cash and cash equivalents	86,789	-	-	86,789
ASSETS HELD FOR SALE	**-**	**-**	**-**	-
TOTAL ASSETS	**454,180**	**(40,794)**	**(5,814)**	**407,571**

(in thousands of euros)	**31/12/2017 published**	IFRS 15 impact on the financial statements at 01/01/2017	IFRS 15 impact over the period	**31/12/2017 restated**
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	**101,726**	**(185)**	**111**	**101,652**
NON-CONTROLLING INTERESTS	**65,391**	**(117)**	**70**	**65,344**
NON-CURRENT LIABILITIES	**50,404**	**-**	**-**	**50,404**
CURRENT LIABILITIES	**236,658**	**(40,493)**	**(5,995)**	**190,170**
Short-term provisions	11,300	(201)	104	11,203
Long-term liabilities – portion due in less than one year	48,308	-	-	48,308
Operating payables	52,853	-	-	52,853
Contract liabilities	-	25,771	(3,045)	22,726
Other current liabilities	123,955	(66,063)	(3,054)	54,838
Tax liabilities payable	242	-	-	242
LIABILITIES HELD FOR SALE	**-**	**-**	**-**	**-**
TOTAL LIABILITIES	**454,180**	**(40,794)**	**(5,814)**	**407,571**

(in thousands of euros)	**31/12/2017 published**	IFRS 15 impact	**31/12/2017 restated**
REVENUE	**276,685**	**1,540**	**278,225**
Capitalised production	10,526	-	10,526
Inventories and work in progress	(835)	6	(829)
Other income from the business	8,183	-	8,183
Purchases consumed	(165,383)	1,527	(163,856)
Personnel expenses	(117,387)	-	(117,387)
Tax and duties	(3,407)	-	(3,407)
Depreciation, amortisation and provisions (net of reversals)	(14,073)	(2,472)	(16,545)
Other operating income and expenses	(72)	(316)	(388)
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**(5,763)**	**285**	**(5,478)**
Non-recurring items in operating income	(8,094)	-	(8,094)
OPERATING INCOME	**(13,857)**	**285**	**(13,573)**
FINANCIAL INCOME AND EXPENSE	**(2,108)**	**-**	**(2,108)**
Income tax	(4,814)	(104)	(4,918)
Group share of the earnings of affiliated companies	60	-	60
NET INCOME FROM CONTINUING ACTIVITIES AFTER TAX	**(20,718)**	**181**	**(20,538)**
Net income from discontinued activities	-	-	-
NET INCOME	**(20,718)**	**181**	**(20,538)**
Net income attributable to non-controlling	(4,593)	70	(4,523)
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT	**(16,125)**	**111**	**(16,015)**

1.3 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 are 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 interim consolidated financial statements are similar to those set out in the notes to the 2017 consolidated financial statements (Registration Document filed with the AMF on 12 April 2018), except as described in Note 1.2 concerning the implementation of IFRS 15.

NOTE 2 SCOPE OF CONSOLIDATION

2.1 Changes in the consolidation scope in 2018

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

- deconsolidation of ECA SINDEL on 1 January 2018, due to the loss of control in the first half of 2018;
- takeover of VARIA 3D, which was previously only 45% owned and consolidated by the equity method; the company has been fully consolidated since the second quarter of 2018;
- disposal of BE MAURIC securities to company managers, without changing the consolidation method;
- Liquidation of BAUMERT CHINE, subsidiary of BAUMERT HONG KONG;
- Liquidation of ECA MIDDLE EAST, subsidiary of ECA SA.

The loss of control of ECA SINDEL occurred in April 2018 with the start of winding-up proceedings. The company has not been consolidated between 1 January and April 2018, since the financial statements for the interim period could not be prepared. The company's consolidation over that period would have had a slightly positive impact on the Group's revenue and a negative one (of €0.2 to €0.5 million) on profit (loss) from continuing operations and EBITDA. This consolidation would have had no impact on the Group's operating income, since the loss for the period would have increased the deconsolidation profit by the same amount.

2.2 Contribution of business combinations

The Group has taken over VARIA 3D, which was previously only 45% owned and consolidated by the equity method; the company has been fully consolidated since the second quarter of 2018. As a result, goodwill was recognised in the financial statements; the fair value measurement of assets and liabilities is in progress (see table below).

The fair value measurements of the assets, liabilities and contingent liabilities acquired in the second half of 2017 from AVENAO and INTERSON PROTAC have not yet been finalised; they may be adjusted in the next half-year period (12 months after the acquisition date).

VARIA 3D

The assets and liabilities acquired from VARIA 3D break down as follows:

(in thousands of euros)	Carrying amount	Revaluation at fair value	First consolidation
Property, plant and equipment	783	-	783
Inventories	70	-	70
Trade and other receivables	106	-	106
Cash and cash equivalents	46	-	46
Debt	(619)	-	(619)
Trade and other payables	(35)	-	(35)
TOTAL	351	-	351

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.

Key non-IFRS financial indicators are used by Group management:

- EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortisation) which corresponds to profit (loss) from continuing operations, impairment, bonus share allocation expenses, and provisions and other non-recurring income and items;
- profit (loss) from continuing operations;
- adjusted revenue, adjusted EBITDA and adjusted operating income.

EBITDA, profit (loss) from continuing operations, adjusted revenue, adjusted EBITDA and adjusted profit (loss) from continuing operations, with respect to subsidiaries in the process of being discontinued in 2018, are not IFRS financial aggregates and may not be comparable to indicators of a similar name used by other companies.

These non-IFRS indicators are defined and reconciled with operating income in Note 3.2.1. Adjusted indicators are defined and reconciled with consolidated indicators in Note 3.2.2.

3.1 Key indicators by division

IFRS 15 introduces the concept of an accounting backlog ("revenue to be recognised"). The Group did not previously include the backlog in its notes to the financial statements, which is now the case. The IFRS 15 definition complies with the one previously applied by the Group. The backlog was nevertheless adjusted on account of the adjustments applied to the recognised revenue (see Note 1.2 regarding the implementation of IFRS 15).

FIRST HALF OF 2018

(in thousands of euros)	Protection of High-Risk Installations	Smart Safety Systems	3D Printing	Structure	Disposals	Consolidated
Backlog at start of period	103,668	96,505	4,838	-	(337)	204,674
Backlog at end of period	114,785	98,664	5,963	-	(329)	219,084
Revenue	65,684	50,415	27,552	1,783	(2,270)	143,164
Adjusted revenue[(2)]	65,684	50,129	27,552	1,783	(2,270)	142,878
EBITDA[(1)]	203	5,340	195	554	-	6,291
% of revenue	*0.3%*	*10.6%*	*0.7%*	*31.1%*	-	*4.4%*
Adjusted EBITDA[(2)]	203	5,450	195	554	-	6,401
% of adjusted revenue	*0.3%*	*10.9%*	*0.7%*	*31.1%*	-	*4.5%*
Profit (loss) from continuing operations[(1)]	(1,329)	1,626	(2,180)	495	-	(1,389)
% of revenue	*(2.0%)*	*3.2%*	*(7.9%)*	*27.8%*	-	*(1.0%)*
Operating income	(2,755)	892	(2,445)	495	-	(3,813)
% of revenue	*(4.2%)*	*1.8%*	*(8.9%)*	*27.8%*	-	*(2.7%)*
Adjusted operating income[(2)]	(1,329)	1,743	(2,180)	495	-	(1,272)
% of adjusted revenue	*(2.0%)*	*3.5%*	*(7.9%)*	*27.8%*	-	*(0.9%)*
Research and development expenses capitalised over the period	473	1,893	890	-	-	3,257
Other property, plant and equipment and intangible investments	978	905	3,655	35	-	5,573

(1) Non-IFRS indicator defined in Note 3.2.1.
(2) Non-IFRS indicator defined in Note 3.2.2.

FIRST HALF OF 2017

(in thousands of euros)	Protection of High-Risk Installations	Smart Safety Systems	3D Printing	Structure	Disposals	Consolidated
Backlog at start of period	74,500	121,422	2,980	-	(160)	198,742
Backlog at end of period	103,094	102,516	2,899	-	(141)	208,368
Revenue	68,303	55,161	14,645	1,833	(2,418)	137,525
Adjusted revenue[2]	68,303	53,523	14,645	1,833	(2,418)	135,887
EBITDA[1]	188	4,868	(975)	(367)	-	3,714
% of revenue	*0.3%*	*8.8%*	*(6.7%)*	*(20.0%)*	-	*2.7%*
Adjusted EBITDA[2]	188	5,535	(975)	(367)	-	4,382
% of adjusted revenue	*0.3%*	*10.3%*	*(6.7%)*	*(20.0%)*	-	*3.2%*
Profit (loss) from continuing operations[1]	(1,113)	1,193	(3,140)	(422)	-	(3,482)
% of revenue	*(1.6%)*	*2.2%*	*(21.4%)*	*(23.0%)*	-	*(2.5%)*
Operating income	(1,009)	847	(3,287)	(422)	-	(3,871)
% of revenue	*(1.5%)*	*1.5%*	*(22.4%)*	*(23.0%)*	-	*(2.8%)*
Adjusted operating income[2]	905	2,132	(3,139)	(422)	-	(2,542)
% of adjusted revenue	*1.3%*	*4.0%*	*(21.4%)*	*(23.0%)*	-	*(1.9%)*
Research and development expenses capitalised over the period	710	2,442	690	-	-	3,842
Other property, plant and equipment and intangible investments	892	1,682	1,374	36	-	3,983

[1] Non-IFRS indicator defined in Note 3.2.1.
[2] Non-IFRS indicator defined in Note 3.2.2.

3.2 Reconciliation of segment indicators with the consolidated data

3.2.1 Reconciliation of non-IFRS indicators with operating income

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. The tables below reconcile EBITDA with operating income.

FIRST HALF OF 2018

(in thousands of euros)	Protection of High-Risk Installations	Smart Safety Systems	3D Printing	Structure	CONSOLIDATED
EBITDA	203	5,340	195	554	6,291
Payments in shares	(10)	-	(128)	-	(137)
Depreciation, amortisation and provisions	(1,522)	(3,714)	(2,247)	(59)	(7,543)
PROFIT (LOSS) FROM CONTINUING OPERATIONS (A)	(1,329)	1,626	(2,180)	495	(1,389)
Restructuring costs	(1,426)	(669)	-	-	(2,095)
Amortisation of intangible assets recognised at fair value during the acquisitions	-	(195)	(161)	-	(356)
Acquisition costs	-	-	(104)	-	(104)
Impact of the liquidation of ECA SINDEL[1]	-	(51)	-	-	(51)
Impact of the disposal of SSI business goodwill[2]	-	181	-	-	181
TOTAL NON-RECURRING ITEMS (B)	(1,426)	(733)	(265)	-	(2,424)
OPERATING INCOME (C) = (A)+(B)	(2,755)	892	(2,445)	495	(3,813)

[(1)] At 31 December 2017, the Group recorded a provision of €1.5 million concerning a major dispute with a customer related to the continued operation of ECA Sindel. Provisions were also recorded in the subsidiary's financial statement for the assets related to this customer. At 30 June 2018, the company was under court-ordered receivership; it was deconsolidated, and the net negative impact over the period was €51 thousand.
[(2)] In 2017, the Group had recorded 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 assets and liabilities based on their recoverable or callable value and resulting from the disposal agreement entered into on 31 August 2018. The net positive impact over the period was €181 thousand.

FIRST HALF OF 2017

(in thousands of euros)	Protection of High-Risk Installations	Smart Safety Systems	3D Printing	Structure	CONSOLIDATED
EBITDA	188	4,868	(975)	(367)	3,714
Payments in shares	(10)	-	(406)	-	(415)
Depreciation, amortisation and provisions	(1,291)	(3,675)	(1,759)	(55)	(6,781)
PROFIT (LOSS) FROM CONTINUING OPERATIONS (A)	(1,113)	1,193	(3,140)	(422)	(3,482)
Restructuring costs	(44)	-	14	-	(29)
Negative goodwill	148	-	-	-	148
Amortisation of intangible assets recognised at fair value during the acquisitions	-	(345)	(161)	-	(506)
TOTAL NON-RECURRING ITEMS (B)	104	(345)	(148)	-	(389)
OPERATING INCOME (C)=(A)+(B)	(1,009)	847	(3,287)	(422)	(3,871)

3.2.2 Calculation of adjusted non-IFRS indicators

The Group uses non-IFRS adjusted financial information for the purposes of information, management and planning. 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 unless expressly stated otherwise. Adjusted indicators are not IFRS financial aggregates and may not be comparable to indicators of a similar name used by other companies.

The adjustments concern non-recurring items of operating income and the impact of the Group's decision, announced at the end of 2017, to dispose of or close two foreign subsidiaries that had become non-strategic.

The H1 2017 and H1 2018 adjusted income statements are reconciled below with the Group's consolidated financial statements.

FIRST HALF OF 2018

(in thousands of euros)	First half of 2018	Contributions of subsidiaries being discontinued in 2018[(1)]	Other adjustments[(2)]	ADJUSTED INCOME STATEMENT
	a	b	c	a-b-c
REVENUE	**143,164**	**286**	**-**	**142,878**
Capitalised production	3,657	-	-	3,657
Inventories and work in progress	750	7	-	743
Other income from the business	3,054	-	-	3,054
Purchases and external charges	(81,786)	(264)	-	(81,522)
Personnel expenses	(61,691)	(152)	-	(61,539)
Tax and duties	(1,791)	(2)	-	(1,788)
Depreciation, amortisation and provisions (net of reversals)	(7,543)	(7)	-	(7,536)
Other operating income and expenses	798	15	-	782
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**(1,389)**	**(117)**	**-**	**(1,272)**
Non-recurring items in operating income	(2,424)	(955)	(1,469)	-
OPERATING INCOME	**(3,813)**	**(1,072)**	**(1,469)**	**(1,272)**

[(1)] The contribution of SSI, whose business goodwill the Group sold in August 2018, is deducted from the consolidated financial statements. As a reminder, ECA SINDEL was deconsolidated on 1 January 2018.
[(2)] The other adjustments concern: a provision reversal of €1.1 million, recorded at the parent company of SSI, which is offset by the provisions of €0.9 million recorded in June under the subsidiary's contribution (column B, under "non-recurring items in operating income"); the negative impact of ECA Sindel over the period for -€0.05 million; €0.36 million in amortisations of intangible assets recognised at fair value as part of acquisitions; €0.10 million in acquisition costs; €2.10 million in restructuring costs.

By division, the adjustments are close to the accounting indicators:

(in thousands of euros)		Protection of High-Risk Installations	Smart Safety Systems	3D Printing	Structure and disposals	CONSOLIDATED
REVENUE	a	65,684	50,415	27,552	(487)	143,164
Contributions of subsidiaries being discontinued in 2018	b	-	286	-	-	286
ADJUSTED REVENUE	a-b	65,684	50,129	27,552	(487)	142,878
EBITDA	a	203	5,340	195	554	6,291
Contributions to profit (loss) from continuing operations of subsidiaries being discontinued in 2018	b	-	(117)	-	-	(117)
Contributions to depreciation, amortisation and provisions of subsidiaries being discontinued in 2018	c	-	(7)	-	-	(7)
ADJUSTED EBITDA	a-b+c	203	5,450	195	554	6,401
OPERATING INCOME	a	(2,755)	892	(2,445)	495	(3,813)
Contributions of subsidiaries being discontinued in 2018	b	-	13	-	-	13
Other adjustments	c	(1,426)	(863)	(265)	-	(2,554)
ADJUSTED OPERATING INCOME	a-b-c	(1,329)	1,743	(2,180)	495	(1,272)

FIRST HALF OF 2017

(in thousands of euros)	**First half of 2017**	Contributions of subsidiaries being discontinued in 2018[(1)]	Other adjustments[(2)]	ADJUSTED INCOME STATEMENT
	a	b	c	a-b-c
REVENUE	**137,525**	**1,638**	**-**	**135,886**
Capitalised production	4,911	-	-	4,911
Inventories and work in progress	(210)	(1)	-	(209)
Other income from the business	3,706	-	-	3,706
Purchases and external charges	(81,984)	(719)	-	(81,265)
Personnel expenses	(58,752)	(1,026)	-	(57,726)
Tax and duties	(1,723)	(14)	-	(1,709)
Depreciation, amortisation and provisions (net of reversals)	(6,781)	(272)	-	(6,508)
Other operating income and expenses	(174)	(547)	-	373
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**(3,482)**	**(940)**	**-**	**(2,542)**
Non-recurring items in operating income	(389)	(68)	(321)	-
OPERATING INCOME	**(3,871)**	**(1,007)**	**(321)**	**(2,542)**

(1) The contribution of the two entities SSI and ECA Sindel, of which the Group was preparing the disposal or closure, is deducted from the adjusted consolidated financial statements.

(2) The other adjustments concern €0.5 million in amortisations of intangible assets recognised at fair value as part of acquisitions, and a profit of €0.15 million corresponding to negative goodwill.

By division, the adjustments are close to the accounting indicators:

(in thousands of euros)		Protection of High-Risk Installations	Smart Safety Systems	3D Printing	Structure	CONSOLIDATED
REVENUE	a	68,303	55,161	14,645	(585)	137,525
Contributions of subsidiaries being discontinued in 2018	b	-	1,638	-	-	1,638
ADJUSTED REVENUE	a-b	68,303	53,523	14,645	(585)	135,886
EBITDA	a	188	4,868	(975)	(367)	3,714
Contributions to profit (loss) from continuing operations of subsidiaries being discontinued in 2018	b	-	(940)	-	-	(940)
Contributions to depreciation, amortisation and provisions of subsidiaries being discontinued in 2018	c	-	(272)	-	-	(272)
ADJUSTED EBITDA	a-b+c	188	5,535	(975)	(367)	4,382
OPERATING INCOME	a	(1,009)	847	(3,287)	(422)	(3,871)
Contributions of subsidiaries being discontinued in 2018	b	-	(1,007)	-	-	(1,007)
Other adjustments	c	104	(278)	(148)	-	(321)
ADJUSTED OPERATING INCOME	a-b-c	905	2,132	(3,139)	(422)	(2,542)

3.3 Revenue by geographical area

FIRST HALF OF 2018

(in thousands of euros)	France	%	Europe	%	Other total	%	Total Revenue	%
Protection of High-Risk Installations	51,158	52.3%	10,304	48.0%	4,222	17.7%	65,684	45.9%
Smart Safety Systems	27,950	28.6%	5,437	25.3%	17,028	71.6%	50,415	35.2%
3D Printing	19,546	20.0%	5,459	25.4%	2,547	10.7%	27,552	19.2%
Structure and disposals	(757)	(0.8)%	270	1.3%	-	-	(487)	(0.3)%
TOTAL	97,897	100.0%	21,470	100.0%	23,796	100.0%	143,164	100.0%
%	68.4%		15.0%		16.6%		100.0%	

FIRST HALF OF 2017

(in thousands of euros)	France	%	Europe	%	Other total	%	Total Revenue	%
Protection of High-Risk Installations	52,073	56.4%	10,355	49.8%	5,876	24.0%	68,303	49.7%
Smart Safety Systems	32,624	35.3%	6,109	29.4%	16,428	67.2%	55,161	40.1%
3D Printing	8,061	8.7%	4,455	21.4%	2,129	8.7%	14,645	10.6%
Structure and disposals	(467)	(0.5)%	(118)	(0.6)%	0	0.0%	(585)	(0.4)%
TOTAL	92,291	100.0%	20,801	100.0%	24,432	100.0%	137,524	100.0%
%	67.1%		15.1%		17.8%		100.0%	

NOTE 4 OPERATIONAL DATA

4.1 Depreciation, amortisation and provisions (net of reversals)

(in thousands of euros)	30/06/2018	30/06/2017*	31/12/2017*
DEPRECIATION, AMORTISATION AND PROVISIONS			
intangible assets	(3,342)	(3,293)	(6,363)
property, plant and equipment	(2,456)	(2,165)	(4,899)
capital leases	(428)	(444)	(903)
Costs of obtaining and performing contracts	(1,026)	(1,097)	(2,369)
SUBTOTAL	**(7,251)**	**(6,999)**	**(14,534)**
CHARGES TO PROVISIONS, NET OF REVERSALS			
inventory and work in process	60	248	316
current assets	(371)	(343)	(1,280)
risks and charges	19	314	(1,047)
SUBTOTAL	**(291)**	**219**	**(2,011)**
TOTAL DEPRECIATION, AMORTISATION AND PROVISIONS	(7,543)	(6,781)	(16,545)

** June 2017 and December 2017 columns restated to reflect the items described in Note 1.2 (IFRS 15)*

4.2 Inventories and work in progress

(in thousands of euros)	30/06/2018	30/06/2017*	31/12/2017*
Raw materials	15,994	16,142	16,556
Work in progress	2,687	1,347	1,888
Semi-finished and finished goods	4,664	5,342	5,050
Goods	3,065	2,859	3,306
INVENTORY AND WORK IN PROGRESS, NET VALUES	26,410	25,690	26,800

** June 2017 and December 2017 columns restated to reflect the items described in Note 1.2 (IFRS 15)*

Work in progress related to contracts with customers is now classified as "contract assets" or "contract liabilities" (see Note 1.2, application of IFRS 15).

4.3 Costs of obtaining and performing contracts

Pursuant to IFRS 15, the costs of obtaining contracts are recorded under assets and amortised. These costs concern mainly sales commissions that were previously recorded as expenses upon their generation (see Note 1.2 on the implementation of IFRS 15).

(in thousands of euros)	30/06/2018	30/06/2017*	31/12/2017*
Contract costs	8,115	7,022	7,631
Amortisations	(6,464)	(4,166)	(5,438)
CONTRACT COSTS, NET VALUES	1,651	2,856	2,193

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 (work in progress, 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 (see Note 1.2).
The backlog (revenue to be recognised) is indicated by division in Note 3.1.

(in thousands of euros)	30/06/2018	30/06/2017	31/12/2017
trade receivables	60,784	58,516	75,619
Impairment losses	(4,599)	(2,714)	(4,097)
TRADE RECEIVABLES, NET VALUES	56,185	55,802	71,522

(in thousands of euros)	30/06/2018	30/06/2017*	31/12/2017*
Work in progress	2,884	3,510	2,774
Receivables in progress	88,410	95,408	89,103
Down-payments received	(41,408)	(40,877)	(47,389)
Prepaid income	(8)	(8)	-
CONTRACT ASSETS	49,878	58,034	44,488

** June 2017 and December 2017 columns restated to reflect the items described in Note 1.2 (IFRS 15)*

(in thousands of euros)	30/06/2018	30/06/2017*	31/12/2017*
Work in progress	(62)	(289)	(225)
Receivables in progress	(2,642)	(11,503)	(1,035)
Down-payments received	6,632	14,386	5,656
Prepaid income from business	15,900	14,993	16,271
Debt	1,489	2,191	2,059
CONTRACT LIABILITIES	21,316	19,778	22,726

** June 2017 and December 2017 columns restated to reflect the items described in Note 1.2 (IFRS 15)*

NOTE 5 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

5.1 Goodwill

(in thousands of euros)	
AT 1 JANUARY 2018	61,272
Acquisitions	-
Changes in scope	689
Departures	-
Other changes	-
Impact of changes in exchange rates	-
AT 30 JUNE 2018	61,961
Of which impairment at 30 June 2018	*(498)*

5.2 Intangible assets

(in thousands of euros)	Development projects	Other intangible assets	Non-current assets in progress	TOTAL
GROSS VALUES				
AT 1 JANUARY 2018	69,914	17,929	474	88,316
Acquisitions	3,257	241	220	3,718
Changes in scope	(3,643)	(160)	-	(3,803)
Departures	-	28	(8)	20
Other changes	(59)	84	(84)	(59)
Impact of changes in exchange rates	10	4	-	14
AT 30 JUNE 2018 (A)	69,479	18,125	602	88,206
DEPRECIATION AND AMORTISATION, AND IMPAIRMENT				
AT 1 JANUARY 2018	40,233	13,347	-	53,580
Depreciation and amortisation	3,056	639	-	3,695
Changes in scope	(3,254)	(85)	-	(3,340)
Impairment losses	12	3	-	15
Departures	-	(8)	-	(8)
Other changes	37	(47)	-	(11)
Impact of changes in exchange rates	10	4	-	14
AT 30 JUNE 2018 (B)	40,093	13,852	-	53,945
NET VALUES				
AT 1 JANUARY 2018	29,681	4,582	474	34,737
AT 30 JUNE 2018 (A)-(B)	29,386	4,273	602	34,261

No indications of material impairment losses were identified during the first half of 2018.

5.3 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	Investment property	TOTAL
GROSS VALUES								
AT 1 JANUARY 2018	15,498	42,913	6,929	4,441	1,310	-	298	71,388
Acquisitions	124	3,999	-	668	313	8	-	5,112
Changes in scope	-	(2,665)	(2,500)	-	-	-	-	(5,165)
Departures	-	(703)	-	-	(3)	-	-	(706)
Other changes	-	21	-	-	(104)	-	-	(82)
Impact of changes in exchange rates	1	33	-	-	-	-	-	34
AT 30 JUNE 2018	15,623	43,597	4,429	5,109	1,516	8	298	70,579
DEPRECIATION AND AMORTISATION, AND IMPAIRMENT								
AT 1 JANUARY 2018	6,655	31,281	3,702	2,509	-	-	-	44,147
Depreciation and amortisation	395	1,984	56	372	-	-	-	2,807
Changes in scope	-	(3,458)	(788)	-	-	-	-	(4,246)
Impairment losses	-	65	-	-	-	-	-	65
Departures	-	(308)	-	-	-	-	-	(308)
Other changes	-	9	-	-	-	-	-	9
Impact of changes in exchange rates	1	8	-	-	-	-	-	9
AT 30 JUNE 2018	7,051	29,581	2,970	2,881	-	-	-	42,483
NET VALUES								
AT 1 JANUARY 2018	8,843	11,632	3,227	1,931	1,310	-	298	27,240
AT 30 JUNE 2018	8,572	14,016	1,459	2,227	1,516	8	298	28,096

NOTE 6 DETAILS OF CASH FLOWS

6.1 Change in working capital requirements

(in thousands of euros)	Notes	Start of the period[(1)]	Changes in scope	Change over the year	Other changes[(2)]	Currency translation adjustment	CLOSING
Net inventories		26,800	(562)	175	-	(4)	26,410
Net receivables		71,522	(521)	(14,825)	-	9	56,185
Contract assets		44,488	(1,262)	6,651	-	1	49,878
Advances and down-payments		2,576	(0)	(1,082)	-	-	1,493
Prepaid expenses		1,704	(53)	1,215	-	-	2,866
SUBTOTAL	**A**	**147,089**	**(2,397)**	**(7,866)**	**-**	**6**	**136,832**
Trade payables		51,874	(78)	(4,429)	(81)	1	47,288
Contract liabilities		22,726	(299)	(1,111)	-	-	21,316
Advances and down-payments		28	-	11	-	-	39
Prepaid income		-	-	(13)	30	-	16
SUBTOTAL	**B**	**74,628**	**(377)**	**(5,542)**	**(51)**	**2**	**68,660**
WORKING CAPITAL REQUIREMENT	C = A - B	72,462	(2,021)	(2,324)	51	4	68,172
Costs of obtaining and performing contracts		2,193	-	(542)	-	-	1,651
Social and tax receivables		36,002	(261)	(871)	-	-	34,870
Current accounts receivable		8	-	47	-	-	55
Other receivables		3,599	(1)	(163)	(1)	1	3,435
SUBTOTAL	**D**	**41,802**	**(262)**	**(1,530)**	**(1)**	**1**	**40,011**
Tax and social debts		42,300	(422)	(1,137)	-	1	40,743
Accrued interest		6	-	-	-	-	6
Other payables and derivative instruments [(1)]		9,059	43	(749)	391	80	8,825
Current accounts payable		1	20	180	-	-	201
Prepaid income from research tax credit and subsidies		7,245	-	125	(30)	-	7,340
SUBTOTAL	**E**	**58,612**	**(360)**	**(1,581)**	**361**	**82**	**57,114**
OTHER ITEMS OF WORKING CAPITAL REQUIREMENT	F = D - E	(16,810)	98	52	(362)	(80)	(17,103)
WORKING CAPITAL REQUIREMENT	**G = C + F**	**55,652**	**(1,923)**	**(2,272)**	**(311)**	**(76)**	**51,069**

[(1)] *Corrections were made at the start of the period, see Note 1.2 regarding the implementation of IFRS 15.*
[(2)] *The "Other changes" column contains financial inflows that did not affect income from continuing operations or generate cash flows.*

6.2 Subscription and redemption of long-term loans

INITIAL subscribed three new loans during the half-year period to finance its investments:

- in April 2018, two bank loans of €300 thousand and €700 thousand subscribed with Crédit Agricole at fixed rates of 0.15% and 0.55% respectively (amortisable over a 5-year period);
- in June 2018, a bank loan of €1,350 thousand subscribed with BNP at a fixed rate of 0.57% (amortisable over a 5-year period, €1,320 thousand released at the end of June).

NOTE 7 FINANCING AND FINANCIAL INSTRUMENTS

7.1 Gross financial debt

Changes in borrowings and financial debt

(in thousands of euros)	Finance lease liabilities	Bonds	Bank borrowings	Other borrowings	FINANCIAL DEBT excluding bank overdrafts	Bank overdrafts	TOTAL
AT 1 JANUARY 2018	**4,069**	**15,701**	**55,271**	**1,776**	**76,817**	**7,806**	**84,623**
New finance lease contracts	668	-	-	-	668	-	668
New bond issuance/subscription	-	-	2,370	195	2,565	6,184	8,749
Redemptions	(705)	(200)	(5,897)	(107)	(6,909)	(7,806)	(14,715)
Other changes	-	330	(11)	37	356	-	356
First consolidation/(Deconsolidation)	(1,137)	-	-	628	(509)	(4)	(513)
Impact of changes in exchange rates	-	-	-	17	17	-	17
AT 30 JUNE 2018	**2,896**	**15,831**	**51,733**	**2,545**	**73,005**	**6,179**	**79,184**

Schedule of borrowings and financial debt

				Breakdown of maturities at more than one year				
(in thousands of euros)	30/06/2018	<1 year	>1 year	*1 to 2 years*	*2 to 3 years*	*3 to 4 years*	*4 to 5 years*	*> 5 years*
Finance lease liabilities	2,896	1,471	1,421	*743*	*447*	*143*	*89*	-
Bonds	15,831	14,720	1,111	*400*	*400*	*211*	*100*	-
Bank borrowings	51,733	21,907	29,826	*6,650*	*16,491*	*4,924*	*1,364*	*398*
Other borrowings	2,545	1,058	1,493	*131*	*130*	*66*	*184*	*982*
FINANCIAL DEBT EXCLUDING CURRENT BANK OVERDRAFTS	73,005	39,157	33,850	*7,924*	*17,468*	*5,343*	*1,736*	*1,380*
Bank overdrafts	6,179	6,179	-	-	-	-	-	-
GROSS FINANCIAL DEBT	79,184	45,336	33,850	*7,924*	*17,468*	*5,343*	*1,736*	*1,380*

Loans due in less than one year include €15 million in renewable drawdowns by ECA SA as part of two RCF lines of €10 million each. The final maturity of these lines is in July 2020 and July 2021.

The Group has €25 million in undrawn confirmed credit lines.

7.2 Adjusted cash and cash equivalents

(in thousands of euros)	30/06/2018	31/12/2017
Marketable securities and term deposits	25,426	27,051
Cash and cash equivalents	44,434	59,738
GROSS CASH (A)	69,860	86,789
Bank overdrafts (B)	6,179	7,806
CASH AND CASH EQUIVALENTS (C) = (A) - (B)	63,681	78,983
Financial debt (D)	73,005	76,817
NET CASH (NET DEBT) (C) - (A)	(9,324)	2,166
ECA treasury shares	1,257	1,500
PRODWAYS GROUP treasury shares	152	165
GROUPE GORGÉ treasury shares	101	74
ADJUSTED NET CASH (NET DEBT)	(7,814)	3,905

7.3 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	30/06/2018
1 ROBOTICS	3	-	-	-	-	3
DENTOSMILE	901	29	-	-	22	952
VARIA 3D	603	13	5	(627)	6	-
TOTAL EQUITY INVESTMENTS IN ASSOCIATES	1,507	42	5	(627)	29	955

VARIA 3D was consolidated by the equity method until 31 March 2018. Since then, it is fully consolidated, the Group having taken control.

7.4 Financial income and expenses

(in thousands of euros)	30/06/2018	30/06/2017	31/12/2017
Interest expense	(910)	(947)	(1,935)
Income from other securities	8	3	(27)
Net income on sales of marketable securities	16	(27)	51
Cost of net debt	**(886)**	**(971)**	**(1,912)**
Other interest income	462	35	247
Net exchange gain or loss	122	(321)	(393)
Financial allowances net of reversals	(6)	(15)	(51)
FINANCIAL INCOME AND EXPENSES	(307)	(1,272)	(2,108)

NOTE 8 CORPORATE INCOME TAX

8.1 Details of corporate income tax

Three tax consolidations were carried out within GROUPE GORGÉ: with respect to GROUPE GORGÉ SA, ECA SA and PRODWAYS GROUP SA (since 1 January 2018 for the latter), with each of these three companies including all the French companies for which the regulatory terms have been met.

Breakdown of tax expense

(in thousands of euros)	30/06/2018	30/06/2017*	31/12/2017*
Deferred tax liabilities	773	1,256	(3,240)
Taxes payable	(1,080)	(884)	(1,677)
TAX EXPENSE	(307)	372	(4,918)

** June 2017 and December 2017 columns restated to reflect the items described in Note 1.2 (IFRS 15)*

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)	30/06/2018	31/12/2017
Tax receivables	23,762	24,635
Tax payable	(200)	(242)
NET TAX RECEIVABLE/(DUE)	23,562	24,393

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.

8.2 Deferred tax liabilities

Breakdown of deferred taxes by type

(in thousands of euros)	30/06/2018	31/12/2017*
DIFFERENCES OVER TIME		
Retirement and related benefits	2,089	2,071
Development costs	(4,371)	(5,622)
Subsidies	35	67
Finance leases	(185)	(273)
Derivative financial instruments	(48)	(67)
Fair value – IFRS 3	(164)	(198)
IFRS 15	42	47
Other total	500	535
SUBTOTAL	(2,103)	(3,441)
Temporary differences	45	(934)
Deficits carried forward	7,163	7,112
CVAE	(44)	(51)
TOTAL	5,061	2,686
DEFERRED TAX LIABILITIES	(340)	(596)
DEFERRED TAX ASSETS	5,401	3,282

** December 2017 column restated to reflect the items described in Note 1.2 (IFRS 15)*

NOTE 9 SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

9.1 Shareholders' equity

As at 30 June 2018, 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.

Shareholding

	30-June-2018				31-Dec-2017			
	Shares	% of share of capital	Voting rights exercisable at the Shareholders' Meeting [(2)]	% of voting rights exercisable at shareholders' meeting	Shares	% of share of capital	Voting rights exercisable at the Shareholders' Meeting [(2)]	% of voting rights exercisable at shareholders' meeting
GORGÉ family[(1)]	7,583,125	56.16 %	14,862,967	71.20 %	7,583,125	56.16 %	14 834107	71.11 %
Treasury shares	7,060	0.05 %	-	-	4,748	0.04 %	-	-
Public	5,912,658	43.79 %	6,013,175	28.85 %	5,914,970	43.81 %	6,026,386	28.89 %
Total	**13,502,843**	**100 %**	**20,876,142**	**100 %**	**13,502,843**	**100 %**	**20,860,493**	**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' Meeting 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.*

9.2 Earnings per share

	30/06/2018	30/06/2017*	31/12/2017*
Weighted average number of shares	13,497,239	13,497,549	13,497,464
Dividend per share paid for the previous financial year	0.32	-	-
EARNINGS PER SHARE *(in euros)*	(0.274)	(0.286)	(1.187)
EARNINGS PER SHARE FROM ONGOING ACTIVITIES *(in euros)*	(0.274)	(0.286)	(1.187)
Dilutive potential ordinary shares[(1)]	-	544,000	-
Diluted weighted average number of shares	13,497,239	14,041,549	13,497,464
DILUTED EARNINGS PER SHARE *(in euros)*	(0.260)	(0.275)	(1.187)
DILUTED EARNINGS PER SHARE FROM ONGOING ACTIVITIES *(in euros)*	(0.260)	(0.275)	(1.187)

(1) *There were no potential dilutive shares at the date of issue of the financial statements.*

** June 2017 and December 2017 columns restated to reflect the items described in Note 1.2 (IFRS 15).*

NOTE 10 PROVISIONS AND CONTINGENT LIABILITIES

10.1 Long-term provisions

Long-term provisions relate only to retirement indemnities (€9,287 thousand). The assumptions made in respect of this half-year are the same as at 31 December 2017 except for the discount rate, which increased from 1.30% to 1.45%. Following this change in the rate, the impact on equity for the period amounted to a negative €148 thousand (SORIE).

10.2 Other provisions for risks and charges

Short-term provisions *(in thousands of euros)*	Litigation	Customer warranties	Termination losses	Fine and Penalties	Other total	Total
AT 1 JANUARY 2018 [1]	670	922	3,532	39	6,040	11,203
Appropriations (+)	80	80	543	6	1,681	2,390
Provisions used (-)	-	-	(93)	-	(3,037)	(3,130)
Reversals (-)	(85)	(40)	(802)	(98)	(220)	(1,244)
IMPACT ON INCOME FOR THE PERIOD	(4)	40	(352)	(92)	(1,575)	(1,984)
Changes in scope	-	(158)	(1,486)	-	-	(1,644)
Other changes	-	-	-	-	244	244
Impact of changes in exchange rates	1	-	-	-	4	5
AT 30 JUNE 2018	666	805	1,694	(53)	4,712	7,824

[1] Restated to reflect the items described in Note 1.2 (IFRS 15)

NOTE 11 OTHER NOTES

11.1 Workforce

	30/06/2018	30/06/2017	31/12/2017
Smart Safety Systems	656	718	714
Protection of High-Risk Installations	930	928	935
3D Printing	397	246	375
Structure	7	7	7
TOTAL WORKFORCE	1,990	1,899	2,031
AVERAGE WORKFORCE	1,981	1,882	1,921

11.2 Commitments

Group commitments as recorded in the notes to the 2017 consolidated financial statements have not changed materially.

11.3 Exceptional events and disputes

The dispute that arose at ECA Sindel in 2017 led to the start of the company's winding-up proceedings in 2018. The impact of the company's discontinuation on the interim financial statements is indicated in Note 3.2.1.

Regarding the Depalor claim, the notes to the 2017 financial statements indicated that a legal appraisal was under way. The appraiser, who in particular had to determine the causes of the damage and the causes of any malfunctions in the fire protection systems and determine their impact on the claim, concluded the following in his report of March 2018: the problem was caused by a breach in a high-pressure hydraulic fluid pipeline attached to a chipboard press; the fluid vaporised upon contact with the heated press elements and then ignited spontaneously. The damage suffered by Depalor was estimated at €34 million (reconstruction as new value of the plant).

The report indicates that several fire extinguishing systems appear to have been more or less faulty and were therefore not effective in fighting the primary outbreak. The sprinkler system was not triggered due to the presence of a check valve in the fire protection system. Liability for the check valve installation could not be attributed to anyone in particular. As such, it would appear that the network had been out of service for several years. None of the service providers (Apave, Axima or CLF) working on the fire protection system had noted this anomaly during their work. The Depalor employees responsible for weekly checks and re-commissioning following the incident should reasonably have known about the anomaly. Moreover, the report shows that Depalor appears to have been negligent in monitoring the network's maintenance and the dust removal from its structures.
The appraiser maintains that, in any event, "it is uncertain that the fire extinguishing systems, even in an operational condition, would have been effective in controlling a fire caused by the ignition of a mist of oil resulting from a breach in the high-pressure, high-flow pipeline, since the sprinkler system would have been designed mainly to neutralise the impact of the "disc" being manufactured".
In August, Depalor's insurers filed a claim against Depalor, all those having worked on Depalor's fire protection system and their respective insurers, before the Nanterre Commercial Court. Without taking the findings of the legal appraisal into account, they requested the Court to hold that the failings of Axima, CLF and Apave are directly responsible for the damages suffered by Depalor, and requested a joint order against those companies in the amount of €34 million.
CLF considers that those claims contradict the findings set out in the appraisal, since the failure of the sprinkler system did not cause the fire, but was merely one of several factors aggravating the risk of a fire (Depalor's negligence, problem of dust removal from structures). Moreover, the appraisal could not determine who was responsible for installing the check valve that prevented the functioning of the sprinkler network, but it is probable that Depalor was aware of its existence.
Unless the insurers manage to settle, this dispute is likely to continue for several years. CLF is covered by its insurance policy for €3 million with respect to this claim.

There has been no other significant change to disputes since the information provided in the notes to the consolidated financial statements at 31 December 2017.

11.4 Subsequent events

On 17 July 2018, PRODWAYS GROUP announced the acquisition of the American company Solidscape Inc, a subsidiary of Stratasys; this company is specialised in 3D printing machines and has been developing a leading 3D printing technology for investment casting applications, particularly for the jewellery market, for more than 25 years.

The SSI subsidiary sold its business goodwill to Century Geophysical LLC on 31 August 2018. ECA FAROS signed a distribution agreement for its products on the American market with the purchaser of the business.

No other significant events took place between 30 June 2018 and the date of the meeting of the Board of Directors which approved the condensed consolidated financial statements.

NOTE 12 LIST OF CONSOLIDATED COMPANIES

Company	Parent company at 30 June 2018	% control		% interest		Method	
		JUNE 2018	2017	JUNE 2018	2017	JUNE 2018	2017
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 (formerly BALISCO)	100.00	100.00	95.00	95.00	FC	FC
GORGÉ NETHERLANDS (Netherlands)	GORGÉ EUROPE INVESTMENT	91.58	91.58	87.00	87.00	FC	FC
Smart Safety Systems							
BUREAU MAURIC	ECA SA	60.06	71.47	36.71	43.69	FC	FC
ECA[2]	GROUPE GORGÉ SA	75.67	75.65	61.12	61.12	FC	FC
ECA CNAI	ECA AEROSPACE	100.00	100.00	61.12	61.12	FC	FC
ECA AEROSPACE	ECA SA	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 DRONE	ECA SA	100.00	100.00	61.12	61.12	FC	FC
ECA DYNAMICS	ECA SA	51.00	51.00	31.17	31.17	FC	FC
ECA ELTA	ECA AEROSPACE	100.00	100.00	61.12	61.12	FC	FC
ECA EN	ECA SA	100.00	100.00	61.12	61.12	FC	FC
ECA FAROS	ECA SA	100.00	100.00	61.12	61.12	FC	FC
ECA MIDDLE EAST (UAE)[1]	ECA SA	-	100.00	-	61.12	-	FC
ECA ROBOTICS	ECA SA	100.00	100.00	61.12	61.12	FC	FC
ECA RSM	ECA SA	100.00	100.00	61.12	61.12	FC	FC
ECA SINDEL (Italy)	ECA SA	-	99.38	-	60.74	-	FC
ECA SINDEL BRASIL (Brazil)	ECA SINDEL	-	99.80	-	60.62	-	FC
ECA SINTERS	ECA AEROSPACE	100.00	100.00	61.12	61.12	FC	FC
EN MOTEURS	ECA EN	100.00	100.00	61.12	61.12	FC	FC
ESFE (Singapore)	ECA SA	100.00	100.00	61.12	61.12	FC	FC
SSI (United States)	ECA SA	100.00	100.00	61.12	61.12	FC	FC
TRITON IMAGING (United States)	ECA SA	100.00	100.00	61.12	61.12	FC	FC
1ROBOTICS (United States)	ECA SA	29.89	29.89	49.51	49.51	EM	EM
Protection of High-Risk Installations							
AI GROUP	VIGIANS (formerly BALISCO)	100.00	100.00	95.00	95.00	FC	FC
AMOPSI	VIGIANS (formerly BALISCO)	80.00	80.00	76.00	76.00	FC	FC
VIGIANS (formerly BALISCO)	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 CHINE	BAUMERT HONG KONG	-	100.00	-	99.49	-	FC
BAUMERT HONG KONG	BAUMERT	100.00	100.00	99.49	99.49	FC	FC
CIMLEC INDUSTRIAL (Romania)	CIMLEC Industrie	100.00	100.00	95.00	95.00	FC	FC
CIMLEC Industrie	BALISCO / CLF	100.00	100.00	95.00	95.00	FC	FC
CLF-SATREM	VIGIANS (formerly BALISCO)	100.00	100.00	95.00	95.00	FC	FC
SECURITÉVITRÉFEU (formerly FINU 10) [3]	VIGIANS (formerly BALISCO)	100.00	100.00	95.00	100.00	FC	FC
COMMERCY ROBOTIQUE	CIMLEC Industrie	100.00	100.00	95.00	95.00	FC	FC
FRIESLAND INSTALLATIE EN SOLAR BV	GORGÉ-HOEKSTRA	100.00	100.00	87.00	87.00	FC	FC

GORGÉ-HOEKSTRA HOLDING BV	GORGÉ NETHERLANDS	100.00	100.00	87.00	87.00	FC	FC
HOEKSTRA -SUWALD TECHNIEK BV	GORGÉ-HOEKSTRA	100.00	100.00	87.00	87.00	FC	FC
HOEKSTRA-SUWALD INSTALLATIE EN SOLAR BV	GORGÉ-HOEKSTRA	100.00	100.00	87.00	87.00	FC	FC
NTS France	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
SAS STONI	GROUPE GORGÉ SA	100.00	100.00	100.00	100.00	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
TENWHIL	CIMLEC Industrie	100.00	100.00	95.00	95.00	FC	FC
THE WIND FACTORY UK LTD	GORGÉ-HOEKSTRA	100.00	100.00	87.00	87.00	FC	FC
VAN DAM	GORGÉ NETHERLANDS	100.00	100.00	87.00	87.00	FC	FC
VAN DAM ASIA	VAN DAM	100.00	100.00	87.00	87.00	FC	FC
VAN DAM MAINTENANCE AND REPAIR	GORGÉ NETHERLANDS	100.00	100.00	87.00	87.00	FC	FC
VAN DAM USA	VAN DAM	100.00	100.00	87.00	87.00	FC	FC
3D Printing							
3D SERVICAD	AS3D	100.00	100.00	56.61	56.61	FC	FC
AS3D	PRODWAYS GROUP	100.00	100.00	56.61	56.61	FC	FC
AvenAo Industrie	AS3D	100.00	100.00	56.61	56.61	FC	FC
CRISTAL	PRODWAYS GROUP	95.00	95.00	53.78	53.78	FC	FC
DELTAMED	PRODWAYS GROUP	100.00	100.00	56.61	56.61	FC	FC
DENTOSMILE	PRODWAYS ENTREPRENEURS	20.00	20.00	11.32	11.32	EM	EM
EXCELTEC	PRODWAYS GROUP	100.00	100.00	56.61	56.61	FC	FC
INITIAL	PRODWAYS GROUP	100.00	100.00	56.61	56.61	FC	FC
INTERSON PROTAC	IP GESTION	100.00	100.00	42.46	42.46	FC	FC
IP GESTION	PRODWAYS GROUP	75.00	75.00	42.46	42.46	FC	FC
PRODWAYS AMERICAS	PRODWAYS	100.00	100.00	56.61	56.61	FC	FC
PRODWAYS GROUP	GROUPE GORGÉ SA	56.61	56.61	56.61	56.61	FC	FC
PRODWAYS DISTRIBUTION(1)	PRODWAYS GROUP	100.00	100.00	56.61	56.61	FC	FC
PRODWAYS	PRODWAYS GROUP	100.00	100.00	56.61	56.61	FC	FC
PRODWAYS CONSEIL	PRODWAYS GROUP	90.00	90.00	50.95	50.95	FC	FC
PRODWAYS ENTREPRENEURS	PRODWAYS GROUP	100.00	100.00	56.61	56.61	FC	FC
PODO 3D	PRODWAYS GROUP	82.07	82.07	46.46	46.46	FC	FC
PRODWAYS MATERIALS	DELTAMED	100.00	100.00	56.61	56.61	FC	FC
PRODWAYS RAPID ADDITIVE FORGING (formerly PRODWAYS 1)	PRODWAYS GROUP	100.00	100.00	56.61	56.61	FC	FC
PRODWAYS 2(1)	PRODWAYS GROUP	100.00	100.00	56.61	56.61	FC	FC
VARIA 3D (4)	PRODWAYS GROUP	70.50	45.00	39.63	25.48	FC	EM

(1) Companies with no operating activities;
(2) Control percentages for ECA reflect double voting rights;
(3) SVF (ex FINU 10), company with no operating activities until June 2018, now holds the Vitre et Feu (Windows & Fire) business sold by Baumert;
(4) Change in consolidation method for VARIA 3D at 1 April 2018.

STATUTORY AUDITORS' REPORT
ON THE HALF-YEARLY FINANCIAL INFORMATION

(Period from 1 January to 30 June 2018)

PricewaterhouseCoopers Audit

63 rue de Villiers
92208 Neuilly-sur-Seine Cedex

Corevise

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 2018; 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 qualifying the above opinion, we draw your attention to note 1.2 "Restatement of the financial information for prior years – implementation of IFRS 15" to the consolidated financial statements, outlining the changes to the consolidated financial statements as of 30 June 2017 and 31 December 2017 related to the retrospective correction of the financial statements.

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 2018

The Statutory Auditors

PricewaterhouseCoopers Audit

David Clairotte

Corevise

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