HALF-YEARLY FINANCIAL REPORT

30 JUNE 2019

ACTIA®

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ACTIA Group
Limited Liability Company with a Board of Directors and Supervisory Board

with Share Capital of €15,074,955.75

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We present to you this interim financial report covering the six month period ended 30 June 2019, drawn up in compliance with the provisions of Article L.451-1-2 III of the French Monetary and Financial Code and Articles 222-4 et seq. of the French Financial Markets Authority (AMF) General Regulation.

This report has been distributed in compliance with the provisions of Article 221-3 of the AMF General Regulation. It is also available on our company site - www.actia.com.

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1 CHAIRMAN'S STATEMENT

I hereby certify, to the best of my knowledge, that the condensed interim financial statements have been drawn up in compliance with the applicable accounting standards and give a true and fair view of the assets, financial health and results of all the companies included in the scope of consolidation and that the half-yearly management report in Chapter 2 "Half-yearly Management Report" gives a true and fair view of the important events that have occurred during the six months under review and of their effect on the interim accounts, the principal related party transactions, as well as a description of the principal risks and areas of uncertainty for the remaining six months of the financial year.

16 September 2019

Jean-Louis Pech

Chairman of the Board of Directors

2 HALF-YEARLY MANAGEMENT REPORT

2.1 The figures

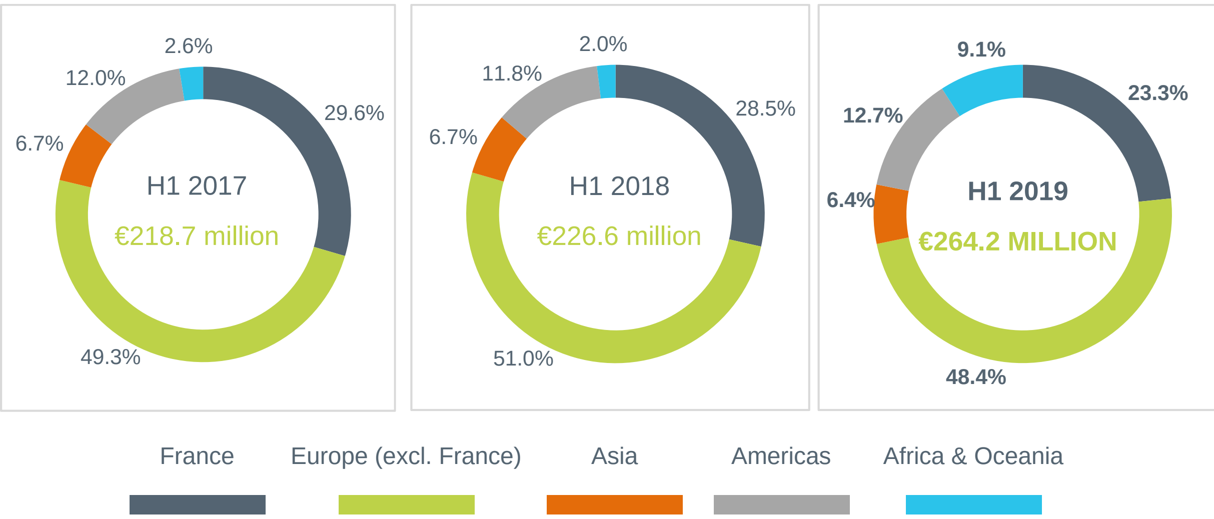
2.1.1 Turnover

The Group's consolidated financial statements show turnover for the first half of 2019 of €264.2 million, up by 16.6%.

In € millions	2019			2018			% variance		
	Q1	**Q2**	**H1**	Q1	Q2	H1	Q1	Q2	H1
Automotive	**114.6**	**117.7**	**232.3**	99.1	109.4	208.5	15.6%	7.6%	11.4%
Telecommunications	**19.8**	**12.1**	**31.9**	7.7	10.3	18.0	156.2%	17.5%	77.0%
Total	**134.4**	**129.8**	**264.2**	**106.9**	**119.7**	**226.6**	25.7%	8.5%	16.6%

Turnover for the first half of 2019 reached €264.2 million, up by 16.6% in line with the Group's expectations. Growth was continuous, driven by the ramping up of new contracts for the Automotive Division and the renewal of an historical contract, as well as by the deployment of a major contract for the Telecommunications Division leading to a more even spread of activity across the financial year.

ACTIA Group's revenues continued to be driven by international sales. The French entities generated turnover of €119.3 million, equivalent to 45.2% of the Group's consolidated revenues, and an improvement of 17.7% with exports from France having overtaken domestic sales a number of months ago. Sales of the international subsidiaries reached €144.9 million, equivalent to 54.8% of the Group's revenues, up by 15.7%. Sales to international customers thus represented 76.7% of the Group's business, as opposed to 71.5% for the same period 2018, a rise of 26.2%. This performance was made possible by growth in the business with the portfolio of customers of the Automotive Division and the advent of export sales for the Telecommunications Division through the deployment of the SatCom programme in Egypt.



While preparing for the end of contracts for telematics boxes with two automobile manufacturers, including a first phase at end 2017, ACTIA Group has been enjoying robust sales for a considerable period, achieving a large number of successes giving it confidence in the future. At the same time, this has meant a major investment programme, particularly in Research & Development and real estate. The last few months have seen the completion of a number of new buildings in France and Tunisia, renovation and extensions to existing sites and the inauguration of the new circuit board production facility in the outskirts of Detroit (United States), which has been making its first industrial scale production runs since end August.

The **Automotive Division** generated 87.9% of the Group's first half revenues and enjoyed growth of 11.4%.

The **Telecommunications Division** represented 12.1% of the Group's first half revenues and grew by 77.0%.

Operating segment (in € thousands)	**H1 2019**	**H1 2018**	**H1 2017**
OEM	181,823	158,544	150,619
Aftermarket	25,000	24,132	23,234
MDS	25,451	25,804	25,059
Total Automotive	**232,274**	**208,481**	**198,911**
SatCom	22,884	6,283	8,749
Energy	3,896	4,909	3,886
Rail	4,254	3,840	2,947
IRT	825	2,971	3,633
Total Telecom	**31,859**	**18,003**	**19,215**
TOTAL	**264,181**	**226,551**	**218,167**

2.1.2 Results

The consolidated results were as follows:

In € thousands	**H1 2019**	H1 2018	H1 2017 *Adjusted IFRS 15*
Turnover	**264,181**	226,551	218,721
Operating income	**8,504**	957	6,307
Financial income	**(1,438)**	3,760	(3,697)
Income for the period	**5,763**	2,052	2,411
attributable to Group shareholders	**5,515**	1,928	2,285
Minority interests	**248**	124	126

The Group's operating income was €8.5 million, compared to €1.0 million for the first half 2018; it takes into account the application of changes to IFRS 16 (restatement of rents) for an additional €269 k over the period.

Since end 2017, and as indicated in previous publications, the electronic components market has been very tight with supply failing to meet demand internationally, thus leading to quotas. However, in the first half of 2019 the level of global sales, especially in the telephony segment, was lower than forecast at end 2018 and this led to a resumption of negotiations resulting in some price decreases and a slight improvement in supply with about one third of components no longer being subject to quotas. This is nevertheless not enough for a complete return to normal in the organisation of circuit board production, with lead times for some components continuing to necessitate shorter production runs in order to avoid penalising customer deliveries. Combined with a favourable EUR/USD exchange rate for our purchases in this early part of the year, purchases of consumables rose by only 12.6%, while sales were up by 16.6% over the period. This was despite the new circuit boards integrated into our products that consume many more components than boards for products at the end of their lifecycle.

With a large number of products under development following the commercial successes of the preceding months, the Group's investments have affected its income statement. Indeed, the financing of R&D by customers in the early stages of contracts was just 22.6% of the committed expenditure as opposed to 29.3% in the first half 2018, a rate that is always lower at end June and which corrects itself during the second half. Independently from the adjustments under IFRS 16 which cancel out €2.4 million from rental charges, this cyclical effect is also seen in the increase of external charges by 9.0%, once again affected by use of subcontractors, but to a lesser extent than at the end of the 2018 financial year. Nevertheless, robust sales in the first half 2019 could lead to further spending on this item with difficulties in the labour market in finding the right people meaning that R&D needs to be contracted out in order to meet customer deadlines. Headcount grew by 3.0% from 3,697 at end 2018 to 3,809 at 30 June 2019 and will continue to increase across the second half.

ACTIA needs to recruit more employees, not only to serve its current and future customers, but also to ensure its growth in Africa and the United States, where recruitment is difficult due to a very competitive labour market and full employment. Lastly, the start-up of the new industrial facility for the production of circuit boards in America itself in the first half with the production of the first boards on an industrial scale at end August, generates fixed costs that have not yet been absorbed by the level of production and have a direct impact on the bottom line of -€1.7 million. The facility is expected to achieve breakeven by end 2020 or early 2021.

With the SatCom business more evenly spread across the full 2019 financial year, the **Telecommunications Division** shows growth of 77.0% in the first half with turnover of €31.9 million. The same growth will not therefore be seen in the second half. Operating margins thus rose to 10.5%, an exceptionally high level, due to high turnover for a structure with a fixed cost base. Purchases consumed represented 45.0% of turnover whereas the figure at 31 December 2018 was 40.1%.

The **Automotive Division** enjoyed growth of 11.4%. The product mix, however, remained dominated by long production runs for automobiles which increased by 17.6% and overshadowed the ramping of up of new contracts that have not yet reached their full potential in terms of profitability. However, the work done to improve profitability, along with a slight easing in the components market resulting in some price decreases, can be seen in the improvement to operating income. The Automotive Division thus achieved operating income of €4.6 million, compared to €1.1 million at 30 June 2018.

Concerning the impact of the dollar in a very volatile currency markets, changes to the EUR/USD exchange rate and the hedging instruments used by the Group made it possible to reduce the cost of our purchases of components by about €2.1 million. In fact, thanks to its hedging strategy being able to limit the risks in relation to the commitments made to customers, the Group was able to make dollar denominated purchases over the period at an average rate of 1.1741, compared to 1.1782 over the first half 2018. The Group thus outperformed the markets where the average rate over the period was 1.1298, compared to 1.2108 over the first half 2018.

In relation to 31 December, the growth in headcount of 112 people remains sustained even if the Group continues to encounter difficulties with hiring in France itself and in all the other subsidiaries, difficulties that are particularly acute in the United States where full employment makes recruitment problematic.

With the implementation of new R&D programmes related to the commercial successes of the past few months, expenditure on R&D grew by €2.3 million to stand at 15.8% of consolidated revenues at 30 June 2019, compared to 17.4% a year earlier, an exceptionally high level with substantial use of subcontractors increasing the cost price. The impact on the income statement was €27.3 million, with the portion reinvoiced to customers dropping over the period from 29.3% to 22.6%, a sign of the pressure exerted by the customers to contribute less to the cost of development of their products, with an improvement that usually occurs around 31 December with the acknowledgement of milestones.

Financial interest increased by 41.9% due to the effect of higher net debt and the reclassification of a part of the cost of rents under financial interest due to IFRS 16. The average interest rate increased slightly to 1.59% from 1.57% at 30/06/18, with the impact of bond issues whose interest rates were significantly higher and with an uplift of 0.5 due to a leverage of above 3.5 at 31 December 2018. The increase in net debt of €68.7 million as compared to the situation at 30 June 2018, is related to a period of high levels of investment, up by €52.2 million since 1 July 2018: investments in R&D, investments in property with the construction and renovation of numerous sites (see Section 5.6 of the 2018 Registration Document), the creation of a new production facility and to an increase in working capital requirements due to business growth and the management of risk related to the supply of components, resulting in inventory rising by €25.9 million over one year. It should be noted that the application of IFRS 16 also generated an additional €17.8 million in debt. The change in working capital requirements was a negative €12.3 million, which compares to a negative €9.5 million at 30 June 2018. The business generated €6.6 million in cash, whereas it consumed €2.8 million in the first half 2018.

As with every year, most of the medium-term financing that goes hand in hand with R&D will be put in place in the third quarter 2019, even if the financing of the real estate programmes will continue throughout 2019, with the vast majority of these programmes due to be completed this year. The rise of the dollar had a positive impact on the financial result through the increased value of hedging instruments, a rise of €0.7 million compared to 31 December 2018. The financial result was therefore a negative €1.4 million, to be compared with €3.8 million for the first half 2018, with the valuation of the hedging instruments having generated a reversal of provisions of €5.1 million.

As explained in the 2018 Registration Document and previous communications, following non-compliance with the terms of covenants on loans representing 25;2% of total debt, a waiver was requested. The financial institutions in question had been regularly updated. Thus, on 30 June 2019, 5 of the 6 financial partners had responded favourably, which represented €21.2 million out of a total of €41.2 million of debt reclassified in 2018. It should be noted that some of the partners made the agreement conditional upon acceptance by all stakeholders.

Therefore, at 30 June 2019, the €28.7 million concerning the medium- and long-term portion of these borrowings was reclassified under financial debt of less than one year, representing the amount of the debt pending a response and the portion conditional upon the agreement of all the interested parties. The agreement of the last financial institution was received in early September 2019.

With a reduction in the tax charge to €1.4 million, compared to €2.6 million for the same period last year, net income reached €5.8 million, up by €3.7 million.

The gearing ratio stood at 152.6%, compared to 110.1% at 30 June 2018 and 126.9% at 31 December 2018, with the impact of changes to IFRS 16 having a significant effect on the Group’s net debt position. Gearing, excluding the financing of receivables, grew from 94.4% (106.3% at 31 December 2018) to 129.8%.

EBITDA improved by 113.1% in comparison to the first half 2018, reaching €21.6 million.

The details are shown below:

In € thousands	**H1 2019**	H1 2018	H1 2017 *Adjusted IFRS 15*
Income	**5,763**	2,052	2,411
Taxation	**1,359**	2,551	(217)
Interest and financial charges	**1,894**	1,334	1,003
Provisions for depreciation	**13,270**	9,312	8,861
Impairment of goodwill	**0**	0	0
Financial instruments	**672**	5,104	(2,636)
Total EBITDA	**21,614**	**10,144**	**13,709**

2.2 The business

2.2.1 Automotive Division

The Automotive Division business represented €232.3 million, equivalent to 87.9% of Group turnover. It showed growth of 11.4%, which was particularly strong in the first quarter when sales rose by 15.6%. The trend for sales over the first half was driven by the ramping up of new multi-year contracts and the ongoing growth in telematics solutions for light, industrial and commercial vehicles.

The division achieved 79.0% of its sales with customers outside France at 30 June 2019, with domestic sales rising by a modest €0.7 million over the period.

Europe, which represented 54.8% of the division’s consolidated turnover, showed similar growth with sales up by 12.7% to €14.2 million, driven by improved sales for heavy vehicles in Belgium. Sweden became the country with the highest sales, overtaking France for the first time.

The Americas grew by 27.7% with sharp contrasts depending on the local economic climate and market cycles. The Group thus enjoyed strong growth of 38.2% in the United States, resulting in an overall improvement of 34.3% on the North American continent, while South America fell by 17.2%. Sales dropped in Brazil by 18.9%, but the teams had some fresh commercial successes, which will be seen in our results as of end 2021.

As for Asia, the region grew by 13.2%, mainly thanks to the good performance of our automobile manufacturer customer. The Chinese market remains highly competitive, which causes pressure on prices. ACTIA is encountering difficulties making progress in the domestic market where there is a tendency towards slowing demand, whereas our products are sought after in the market for exports from China, particularly in the Bus & Coach segment.

Variations in the fortunes of individual business lines over the first half are not an exact reflection of the expected annual trends, especially concerning turnover in R&D which has not been consistent over the period under review.

The highlights of the first half 2019 in the 3 segments of the division were as follows:

- "OEM" Business Unit: vehicles

The OEM segment achieved total sales of €181.8 million, up by 14.7% and representing 68.8% of the Group's business.

Whereas there is a global slowdown in the automobile sector, our customer's sales continued to progress over this first half thanks to some very good international commercial successes generating volumes significantly higher than those included in the initial business plan. For example, sales in the field of telematics continued to progress in comparison to the first half 2018, up 19.4% to €91.4 million in the automobile, heavy vehicles and specialist vehicles sectors. However, changes in the product mix have been less favourable, adversely affecting operating margins.

Automobile manufacturers have thus remained stable with 34.0% of the Automotive Division's sales as compared to 37.9% at end June 2018, maintaining an historically significant share of consolidated turnover thanks to the diagnostics business, in which the Group has a widely acknowledged expertise, enabling it to generate sales on a regular basis.

Despite a growth in sales of 8.0%, the manufacturers of heavy vehicles represented only 15.7% of the division's revenues as opposed to the 16.3% achieved in the first half 2018. However, this temporary situation is not necessarily representative of the share of each segment.

Relying on long-term relationships with the customers, the Bus & Coach segment was up slightly over the first half 2018 at 24.1%, representing 12.8% of the division, as was Off-highway (plant and agricultural machines…), reaching 8.3%, compared to 7.9% at 30 June 2018.

With a few late deliveries, Rail suffered a drop of 17.0% in its sales, without however calling into question the growth potential of this segment, which currently still only represents 2.5% of the Automotive Division's business.

Lastly, the electric vehicles segment grew by 16.5% compared to the first half 2018, with the growth of Battery Management System (BMS) solutions remaining robust. Although still relatively weak, the powertrains business saw the delivery of prototypes and pre-series, particularly in the Bus & Coach field, a sector in which ACTIA Group has yet to make its mark.

- "Aftermarket" Business Unit

Sales grew by €0.9 million, or 3.6% to reach €25.0 million at 30 June 2019, thus returning to similar levels as the first half 2017.

With no new changes to the regulations in the field of Technical Inspection, which suffered from the "yellow vests" crisis in France, and with a global economic that is lagging behind forecasts, sales fell by 7.4%. A recovery is possible in the second half, in response to the regulatory changes planned over the coming months for the Technical Inspection market internationally, which would bring this business back up to a level comparable to 2018.

Following a difficult first quarter, the Garages Business Unit, whose sales are essentially limited to the domestic market in France, more than made up for it by recording growth of 27.1% over the full period, following years of decline. The sector continues to undergo consolidation, as it is confronted by increasingly reliable vehicles and changing attitudes in terms of mobility.

Finally, the Fleet Management Business Unit continues to underperform in relation to the Group's goals, slipping by €0.9 million in relation to the previous year. This is due to the development of the new generation of telematic boxes specific to this business being delayed, using up resources without generating the expected new business.

- "Manufacturing – Design & Services" Business Unit

This business unit saw a slight drop of 1.4% in its sales to €25.5 million, representing 9.6% of the Group's consolidated revenues, a level close to the 10.1% recorded at 31 December 2018. By maintaining a diverse portfolio of customers for its factories, both in France and Tunisia, the Group continues its sales drive against a backdrop of intense international competition. The diversity of products and the Group's expertise in the production of electronics help it to maintain long-term relationships with its historical customers, particularly in the field of aeronautics where the partnership with one of our major customers has been renewed until end 2020.

Across the period, the product mix remained unfavourable, but the influence of changes to the EUR/USD exchange rate on our purchases resulted in an improvement of €166 k compared to the average exchange rate over the first half 2018. The hedging instruments put in place ensure a ready supply of dollars despite the turbulence in the financial markets. Contrary to the situation at 30 June 2018, when the valuation of the hedging instruments had resulted in the reversal of a provision of €4.9 million which had an adverse impact on the financial result, the value of the same instruments at 30 June increased by €0.7 million in relation to the position at 31 December 2018.

With the gradual ramping up of new production start-ups, margins are still under construction: they continue to be affected by the rise in R&D expenditure needed to prepare for the entry into production of the latest commercial successes and by purchases of components in an international market that is under pressure, thus maintaining pressure on prices and causing less efficient use of the means of production. Production will remain affected as long as the market for electronic components fails to return to normal delivery lead times and suffers from quotas, as is the case today for two thirds of components. However, no particular delays have affected relations with our customers and transportation costs progress in line with the volumes transported.

Since 30 June 2018, headcount increased by 257 people or 7.9%, which is not reflected in the 14.7% increase in personnel costs due to the intense R&D activity over the period, causing considerable variances in capitalised production.

Charged salaries increased by 10.9% as a result of recruitment efforts over the past few years and inflationary pressure on salaries in certain countries necessary to retain the right skillsets (United States, China, Tunisia).

In support of the development of new contracts and to further reinforce sales in growth areas, spending on R&D increased by €1.0 million to reach €34.8 million over the first half, representing 15.0% of turnover. With a slightly lower level of capitalisation, down by €1.2 million in comparison to 30/06/18 and other contributions (Research Tax Credit, subsidies) being flat down by just €0.2 million, the income statement was affected by an additional €3.5 million in relation to the first half 2018. This intense activity was also reflected in the external charges where the use of outside subcontractors helped to meet the immediate needs in tight labour markets in many countries, while avoiding hires in over specific fields.

During the first half, these items were reflected in the operating income of the Automotive Division which reached €4.6 million, equivalent to 2.0% of turnover as opposed to 0.5% at 30 June 2018, thus showing a marked improvement in relation to a first half in 2018 that was badly affected by the increases in component prices. The contribution to Group net income remained stable at €2.0 million, as at 30 June 2018 when the valuation of hedging instruments had a very favourable effect of €5.1 million on earnings.

It should be noted that the division once again saw an increase in inventory of 5.7%, or €6.8 million compared to 31/12/18, due once again to supply difficulties in the components market, but above all linked to the very sustained levels of business achieved by the division, which affects working capital requirements.

2.2.2 Telecommunications Division

With a contribution to consolidated sales of €31.9 million, up by 77.0%, the Telecommunications Division represented 12.1% of the Group's business. This growth was related to the start of an export contract at the end of the second quarter 2018, creating a very favourable basis of comparison. Sales are therefore expected to be far more evenly spread in 2019 than in 2018. Whereas international sales represented only 8.6% of the total at end 2017, they stood at 60.4% at 30 June 2019.

The highlights of the first half 2019 for the 4 segments within the division were as follows:

- SatCom

  With half-yearly turnover of €22.9 million, as compared to €6.2 million in the same period 2018, this operational entity showed very robust growth thanks to the new contract in Egypt, which will influence the division's performance into the first half 2020. Business generated by its multi-year contracts remained in line with expectations, with no exceptional items.

  However, it should be noted that this business unit's consistent and sustained drive to acquire international business was rewarded by the contract in Egypt in 2018, which may well be followed by repeat business in the years to come. The subsidiary has also enjoyed the renewed confidence of Thales in the field of SatCom.

- Energy

  Turnover at 30 June reached €3.9 million, down by €1.0 million compared to the first half 2018, due to production delays that will be made up for in the second half. The commercial successes of recent months and years will only benefit the business six months to one year from now. Furthermore, this operational business unit is also working on developing its business internationally in order to reduce its exposure to the domestic market in France, with a particular emphasis on the Group's new entity in Tunisia, ACTIA Africa.

- Rail - Transport

  This operational business unit continued to see growth with an increase in turnover of €0.4 million, or 11.6%, compared to the first half 2018, thanks to a focus on the application of transport related telecommunications technologies, particularly in the rail segment. Sales continue to progress, especially thanks to the partnership with Alstom and the development of synergies with the Automotive Division, which will contribute to more marked growth over the coming months.

- Infrastructure – Networks – Telecoms

  With the end of the deployment of the 4G network in France, the level of business slowed considerably to €0.9 million, a decline of 70.0%. The outlook for this business unit depends on the start of the deployment of 5G.

With a significantly higher level of business than in the same period last year, operating income showed robust growth to reach €3.4 million, as opposed to breakeven at 30 June 2018. It nevertheless continued to be affected by the efforts made to support the beginning of major programmes requiring increased expertise in R&D and for which use of subcontractors helped to compensate for certain specific needs in terms of resources and difficulties with recruitment for some positions. Headcount rose by 14.2% compared to the situation at 30 June 2018, in support of the division's very strong growth over recent months. Spending on R&D affected the income statement by €3.7 million, an increase of 156.3%, a sign of the intense activity needed to execute the programmes acquired over recent months, the benefits of which in terms of billing will only be felt over time. Relying on outside service providers to maintain flexibility, external charges represented 13.9% of turnover as opposed to 20.6% in the first half 2018, weighted for the level of activity recorded and the internal recruitment that has since taken place. Operating margin therefore came in at a particularly high level of 10.5%, compared to 0.7% in the same period last year. However, deliveries planned over the coming quarters are expected to enable a return to traditional levels of profitability for the Telecommunications Division.

2.3 Outlook

On the one hand, ACTIA's business has been driven by the ramping up of a number of sources of growth in various areas and, on the other, by the renewal of some major automotive contracts. This development phase is slowly being reinforced by the growing profitability generated by new contracts coming on stream. Major investment programmes have been maintained in terms of both infrastructure and new product development, as well as in terms of digitisation.

For 2019, ACTIA expects to see further sales growth, with revenues forecast to comfortably exceed €500 million at the start of the year, the figure could now be greater than €520 million thanks to the good performance of our customers in their own markets and solid ongoing operations. This growth is expected to go hand in hand with improved EBITDA margin under the influence of measures taken internally, the effects of which will nevertheless be limited by the renewal of the automotive telematics contract and the sustained efforts required in R&D by the latest commercial successes.

2.4 Principal related party transactions

The principal transactions between related parties are described in Note 21 "Transactions with related parties" in the notes to the condensed consolidated interim financial statements at 30 June 2019.

3 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3.1 Consolidated balance sheet

Consolidated assets in € thousands	Notes	30/06/2019	31/12/2018
Goodwill	Note 4	24,148	24,148
Development costs	Note 4	56,423	54703
Other intangible assets	Note 4	1,286	1,182
Total intangible assets	**Note 4**	**81,857**	**80,032**
Land	Note 5	3,654	3,619
Buildings	Note 5	33,477	8,977
Technical equipment	Note 5	23,428	17,860
Other tangible assets	Note 5	21,766	24,754
Total tangible fixed assets	**Note 5**	**82,324**	**55,210**
Equity method investments		674	613
Non-current financial assets	Note 11	1,075	1,197
Deferred taxation	Note 10	12,437	11,460
Non-current tax credit	Note 11	15,119	13,190
TOTAL NON-CURRENT ASSETS		**193,487**	**161,702**
Stocks and work in progress	Note 6	148,785	136,051
Accounts receivable	Note 7	154,960	150,262
Other business related current receivables	Note 7	14 867	11,011
Current tax credit	Note 7	13,524	17,910
Other miscellaneous current receivables	Note 7	1,601	688
Current financial assets	Note 9.2	1,883	1,209
Total current receivables		**335,619**	**317,132**
Cash equivalents	Note 9.1	100	95
Cash	Note 9.1	29,250	36,941
Total cash and cash equivalents	**Note 9.1**	**29,349**	**37,036**
TOTAL CURRENT ASSETS		**364,968**	**354,168**
TOTAL ASSETS		**558,455**	**515,870**

Equity and consolidated liabilities in € thousands	Notes	30/06/2019	31/12/2018
Capital	Note 13	15,075	15,075
Premiums	Note 13	17,561	17,561
Reserves	Note 13	89,945	83,301
Retained earnings	Note 13	11,351	11,141
Translation reserve	Note 13	(3,657)	(3,840)
Treasury shares	Note 13	(162)	(162)
Income for the period	Note 13	5,515	9,027
Group common shareholders' equity	**Note 13**	**135,629**	**132,102**
Income from non-controlling interests	Note 13	248	167
Reserves from non-controlling interests	Note 13	573	548
Non-controlling interests	**Note 13**	**821**	**716**
EQUITY	**Note 13**	**136,450**	**132,817**
Borrowings from credit institutions	Note 12	85,150	72,069
Miscellaneous debt	Note 12	2,218	2,547
Lease financing obligations	Note 12	17,098	4,437
Total non-current debt	**Note 12**	**104,466**	**79,053**
Deferred tax liabilities	Note 10	3,943	3,812
Provisions for pensions and other long-term benefits	Note 15	10,682	9,905
TOTAL NON-CURRENT LIABILITIES		**119,091**	**92,770**
Other provisions	**Note 15**	**9,020**	**8,312**
Short-term debt	Note 12	133,110	126,547
Financial instruments	Note 9.2	2	
Total current debt		**133,111**	**126,547**
Accounts payable	Note 16	84,410	79,594
Other operating liabilities	Note 16	59,765	60,149
Corporate taxes	Note 16	2,051	2,029
Other miscellaneous debt	Note 16	704	1,434
Deferred income		13,852	12,216
TOTAL CURRENT LIABILITIES		**302,914**	**290,282**
TOTAL EQUITY AND LIABILITIES		**558,455**	**515,870**

3.2 Consolidated income statement

Consolidated income statement in € thousands	Notes	H1 2019	H1 2018
Revenue from operations *(Turnover)*	**Note 17**	**264,181**	**226,551**
- Materials and supplies	Note 17	(144,560)	(128 385)
- Personnel costs	Note 17	(63,029)	(54,664)
- External charges	Note 17	(38,232)	(37,283)
- Taxes		(3,577)	(3,111)
- Provisions for depreciation	Note 17	(13,270)	(9,312)
+/- Changes in stocks of finished goods and work in progress		2,311	6 102
+/- Exchange gains / losses on operating activities		2,001	(774)
+ Research tax credit		2,406	1 900
Current Operating Income	**Note 17**	**8,231**	**1,025**
+ Other operating income / (expense)		310	(64)
+/- Profit / loss on disposal of assets		(36)	(4)
- Impairment of goodwill	Note 4		
Operating Income	**Note 17**	**8,504**	**957**
+ Income from cash and cash equivalents		6	17
- Interest and financial costs	Note 17	(1,894)	(1,334)
+ Other financial income / (costs)		449	5 077
Financial Result	**Note 20**	**(1,438)**	**3,760**
+ Net income Group share equity method consolidated companies		56	(114)
+ Taxation	Note 17	(1,359)	(2,551)
Income for the period	**Note 17**	**5,763**	**2,052**
* attributable to owners of the parent		5,515	1,928
* non-controlling interests		248	124
Basic and diluted earnings per share (in €) – Group share	**Note 14**	**0.27**	**0.10**

3.3 Statement of comprehensive income

Statement of comprehensive income in € thousands	H1 2019	H1 2018
Income for the period	**5,763**	**2,052**
Items that will not be reclassified to profit or loss		
Defined benefit pension plans – Actuarial differences	(432)	50
Deferred taxation on defined benefit pension plans – Actuarial differences	134	(15)
Items that may subsequently be reclassified to profit or loss		
Translation differences	299	188
Other comprehensive income for the year, net of tax	**1**	**223**
Total comprehensive income for the period	**5,764**	**2,275**
* attributable to owners of the parent	5,401	2,129
* non-controlling interests	364	146

3.4 Statement of changes in equity

In € thousands	Capital	Treasury shares	Premiums	Consolidated reserves, retained earnings,	Translation reserve	Total attributable to the Group	Non-controlling interests	Total Shareholders' funds
At 01/01/2018	**15,075**	**(162)**	**17,561**	**96,701**	**(3,204)**	**125,970**	**1,481**	**127,451**
Change of method IFRS 15						**0**	**0**	**0**
Comprehensive income								
Income for the period				1,928		1,928	124	2,052
Other comprehensive income				35	166	201	22	223
Comprehensive income for the period	**0**	**0**	**0**	**1,963**	**166**	**2,129**	**146**	**2,275**
Transactions with shareholders								
Distributions to shareholders				(2,410)		(2,410)	(256)	(2,665)
Change in equity						0		0
Change in scope						0		0
Others				(218)		(218)	(74)	(292)
At 30/06/2018	**15,075**	**(162)**	**17,561**	**96,036**	**(3,038)**	**125,472**	**1,297**	**126,768**
At 01/01/2019	**15,075**	**(162)**	**17,561**	**103,468**	**(3,840)**	**132,102**	**716**	**132,817**
Comprehensive income								
Consolidated income				5,515		5,515	248	5,763
Other comprehensive income				(298)	184	(115)	116	1
Comprehensive income for the period	**0**	**0**	**0**	**5,217**	**184**	**5,401**	**364**	**5,764**
Transactions with shareholders								
Distributions to shareholders				(2,009)		(2,009)	(182)	(2,191)
Change in equity						0		0
Change in scope						0	(60)	(60)
Others				135		135	(16)	119
At 30/06/2019	**15,075**	**(162)**	**17,561**	**106,812**	**(3,657)**	**135,629**	**821**	**136,450**

3.5 Consolidated cash flow statement

Consolidated cash flow statement in € thousands	Notes	H1 2019	H1 2018
Income for the period	**3.2**	**5,763**	**2,052**
Adjustments for:			
Depreciation and provisions	3.2	13,771	4,371
Profit / loss from disposal of assets	3.2	35	(8)
Interest charges	3.2	1,894	1,334
Current tax charge (excl. Research tax credit)	3.2	2,006	1,204
Changes to deferred taxation	3.2	(647)	1,347
Research tax credit	3.2	(2,406)	(1,900)
Other income / expense	3.2	479	(194)
Share of the profit / loss of associates	3.2	(56)	114
Operating cash flow before changes to working capital requirements		***20,838***	***8,320***
Changes to working capital requirements related to the business	Note 24.1	(12,282)	(9,525)
Cash flow from operating activities		***8,556***	***(1,205)***
Income tax paid (excl. Research tax credit)		(1,983)	(1,565)
Receipt of Research tax credit			
Net cash flow from operating activities		**6,573**	**(2,770)**
Capital purchases	Note 4	(22,594)	(19,205)
Dividends received from associates		12	
Income from disposal of assets	3.2	24	26
Changes in loans and advances		118	(138)
Acquisitions during the period under net of cash acquired		(60)	
Net cash flow from investing activities		**(22,499)**	**(19,317)**
Dividends paid to the owners of the parent company		(2,009)	(2,410)
Dividends paid to non-controlling interests in consolidated companies		(182)	(256)
New borrowings	Note 12	23,714	25,478
Repayment of borrowings	Note 12	(23,904)	(15,452)
Interest paid	Note 20	(1,894)	(1,334)
Net cash flow from financing activities		**(4,274)**	**6,026**
Effect of exchange rate changes		130	(245)
Cash and cash equivalents – opening balance	Note 9.1	(9,991)	16,612
Cash and cash equivalents – closing balance	Note 9.1	(30,061)	307
Changes in cash and cash equivalents		**(20,070)**	**(16,306)**

3.6 Notes to the consolidated financial statements

Note 1. Information about the Group – Entity presenting the financial statements

ACTIA Group is domiciled in France. The Company's registered head office is located at 5, Rue Jorge Semprun - 31400 Toulouse. The Company's consolidated financial statements include the Company and its subsidiaries (the whole being considered as the "Group"). The principal business areas of the Group are high-added value, on-board electronic systems for the automotive and telecommunications markets.

The condensed consolidated financial statements at 30 June 2019 were approved by the Board of Directors on 16 September 2019.

Note 2. Accounting principles

Note 2.1 Basis for the preparation of the financial statements

The accounting methods and means of calculation have been applied in an identical manner for all the periods presented, with the exception of the new IFRS 16 Leases, applicable as of 1 January 2019.

The sums stated in these financial statements are expressed in thousands of Euros (€k).

The consolidated interim financial statements have been prepared in accordance with IFRS as published by the IASB and adopted by the European Union. Compliance with these standards includes the definitions, and accounting and valuation methods recommended by IFRS, as well as all the information that they require. In compliance with Standard IAS 34, *Interim financial information*, they do not include all the information required for annual financial statements and must be read in conjunction with the Group's financial statements for the year ended 31 December 2018.

Note 2.2 Use of estimates and judgements

The preparation of financial statements in accordance with IFRS requires management to exercise judgement, and make estimates and assumptions that have an impact on the application of the accounting methods and on the value of assets, liabilities, income and expenditure. These underlying estimates and assumptions are made on the basis of past experience and other factors considered to be reasonable in view of the circumstances. They therefore serve as the basis for exercising the judgement needed to determine the book value of certain assets and liabilities that cannot otherwise be determined directly from other sources. The actual value may differ from the estimated value.

These underlying estimates and assumptions are constantly re-examined. The impact of changes to accounting estimates is recognised during the period in which the change occurs if they only affect that period, or in the period in which the change occurs and the subsequent periods if these are also affected by the change.

The principal line items in the balance sheet that are affected by these estimates are deferred tax (see Note 9 "Deferred taxation"), Goodwill (see Note 4 "Intangible assets"), capitalised development costs (see Note 4 "Intangible assets") and provisions (see Note 14 "Provisions").

Note 2.3 Changes to IFRS

The new IAS/IFRS texts and interpretations that became effective on 1 January 2019 and have been **applied by the Group** when preparing these consolidated financial statements at 30 June 2019 are as follows:

	IASB date of application	EU date of adoption	EU date of application
IFRS 16 - Leases	01/01/2019	31/10/2017	01/01/2019
Interpretation IFRIC 23 – Uncertainty over income tax treatments	01/01/2019	23/10/2018	01/01/2019
Amendments to IFRS 9: Prepayment features with negative compensation	01/01/2019	22/03/2018	01/01/2019
Amendments to IAS 28: Long-term interests in associates and joint ventures	01/01/2019	08/02/2019	01/01/2019
Amendments to IAS 19: Plan amendment, curtailment or settlement	01/01/2019	13/03/2019	01/01/2019
Annual improvements 2015-2017	01/01/2019	14/03/2019	01/01/2019

The effects of the implementation of IFRS 16 are presented in Note 2.4 "Changes of method".

New standards, interpretations and amendments to IFRS published and **applied early** by the Group as of 1 January 2019: none.

New standards, interpretations and amendments adopted by the European Union but **not yet applicable or applied early** by the Group:

	IASB date of application	EU date of adoption	EU date of application
Amendments of references to the conceptual framework of the standards	01/01/2020	/	01/01/2020
Amendments to IFRS 3: definition of a business	01/01/2020	2019?	01/01/2020
Amendments to IAS 1 and IAS 8: definition of the term “material”	01/01/2020	2019?	01/01/2020
IFRS 17 – Insurance contracts	01/01/2021	2019?	01/01/2021
Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its associate or joint venture	Delayed indefinitely	Adoption postponed	Adoption postponed

These new texts have not yet been adopted by the European Union and cannot therefore be applied early, even where the standard may allow it.

Note 2.4 Changes of method

The Group has applied **IFRS 16** to leases as of 1 January 2019. For the first time, it introduces a single accounting method for leases by the lessee in the balance sheet. The lessee recognises a “right of use” asset that represents its right to use the underlying asset, and a liability in the form of rent under its obligation to pay said rent. For the lessor, the accounting rules remain similar to those required by previous accounting methods.

This standard has been applied according to the simplified retrospective approach as of 1 January 2019, meaning recognised in shareholders’ as of the date the change became effective. This means that the comparable statements for 2018 have not been adjusted and are therefore presented here as they previously appeared, according to the principles of IAS 17 and its interpretations. The resulting changes to accounting methods are presented below.

❖ Definition of a lease

The Group previously decided upon signature of the contract whether or not an arrangement constituted or contained a lease in accordance with the provisions of the IFRIC 4 interpretation “Determining whether or not an arrangement contains a lease”. The Group now decides if a contract is or contains a lease based on the new definition of a lease. According to IFRS 16, a contract or a part of a contract is or contains a lease if it grants the right to control the use of a given asset for a certain period in exchange for a consideration.

On the date of the transition, the Group chose to apply a simplification consisting of retaining past analyses used to categorise leases and to only apply IFRS 16 to contracts that were previously categorised as leases. Contracts that had not been identified as leases under the terms of IAS 17 and IFRIC 4 have not been reviewed. It therefore follows that the definition of a lease as intended by IFRS 16 has only been applied for contracts entered into or modified as of 1 January 2019.

When entering into or reconsidering a contract involving a leasing component, the Group allocates the payment stated in the contract to each component, leasing or non-leasing, on the basis of their relative and distinct cost. However, if the Group is a lessee of a fixed asset, it chooses not to separate non-leasing components, but rather recognises all the components as a single leasing component.

❖ Significant accounting principles

The Group leases a large number of assets, including, property, means of production, computer equipment and vehicles.

The Group recognises a right to use asset and a rental liability on the start date of a lease. The right to use asset is initially valued at cost and then at cost less any depreciation and cumulative loss of value, it being possible to adjust the amount depending on certain reassessments of the rental liability.

The debt in the form of rents is initially valued at the present value of rents that are not due but not yet paid on the start date of the contract. The discount rate used corresponds to the interest rate implicit in the contract or, if this cannot be easily determined, to the incremental borrowing rate. It is the latter rate that the Group normally uses as a discount rate.

The rental liability is then increased for the cost of interest and reduced by the amounts of rent paid. It is reassessed if there are changes to future rents due to an altered index or rate, a new estimate of the amount expected to be paid under the terms of a residual value guarantee or, where applicable, a reassessment due to the exercising of an option to purchase, a renewal or the non-exercise of a termination option (which then become 'reasonably certain').

The Group has exercised its judgement to determine the duration of leases containing an option to renew. The fact that the Group has deemed it to be 'reasonably certain' that such options will be exercised as an impact on the rental period used and significantly influences the amount of the rental liability and the right of use asset recognized in the financial statements.

The Group has adopted the two exemptions allowed under IFRS 16 that make it possible not to recognise in the balance sheet any short-term leases equal to or less than 12 months, and leases pertaining to assets with values of less than €5,000.

❖ Transition

On the date of the transition, the rental liabilities under contracts categorised as operating leases according to IAS 17 were reassessed as being the value of outstanding rents, discounted using an incremental borrowing rate at 1 January 2019. Right to use assets are valued at an amount equal to that of the rental liability recognised in the balance sheet. The application of IFRS 16 therefore had no impact on equity as at 1 January 2019.

❖ Consequences for the financial statements

Impacts of the transition: in the balance sheet, the Group has recognised right to use assets and additional rental liabilities under liabilities. As explained above, there is no impact on retained earnings. To assess the rental liabilities pertaining to leases that were previously categorised as operating leases, the Group discounted the rental payments using an incremental borrowing rate at 1 January 2019. The average weighted rate was 1.83%.

The effects of the transition on the financial statements were as follows:

In € thousands	At 01/01/2019
Right of use assets presented under Tangible assets	14,813
Rental liabilities	(14,813)

The variances between the commitments given under operating leases in the consolidated notes to the 2018 Registration Document and the rental liabilities recognised at 1 January 2019 may be explained as follows:

In € thousands	At 01/01/2019
Commitments given under operating leases at 31 December 2018	**15,897**
Time lags – availability of assets	(166)
Differences in the periods used	(907)
Other effects	544
Lease obligations before discounting	**15,368**
Effect of discounting	(555)
Lease obligations after discounting	**14,813**
Existing finance leases	6,328
Rental liabilities recognised at 1 January 2019	**21,141**

Impacts on the financial statements for the period: as a consequence of the application of IFRS 16 to leases previously categorised as operating leases, the Group recognized right of use assets for a total amount of €17,552 thousand and rental liabilities in the amount of €17,761 thousand at 30 June 2019.

For the same finance leases, the Group has also recognised depreciation and interest costs instead of the rental costs associated with simple operating leases. For the six months ended 30 June 2019, it therefore recognised €2,143 thousand under depreciation, €144 thousand under interest and €333 thousand in discounting charges for these finance leases.

The amount of rent not adjusted for the first half 2019 may be broken down as follows:

In € thousands	H1 2019
Short-term rents less than or equal to 12 months	640
Assets worth less than €5,000	199
Unadjusted rental costs	**839**

Note 3. Consolidated companies

During the first half 2019, there were no significant changes to scope.

Note 4. Intangible assets

During the first half 2019, capitalised development costs amounted to €8.2 million, down from €9.2 million for the same period 2018.

Details of acquisitions of intangible assets are given in the following table:

In € thousands	30/06/2019	30/06/2018
Development costs		
Automotive	7,078	8,274
Telecommunications	1,105	961
Total	**8,182**	**9,236**
Other intangible assets		
Automotive	225	234
Telecommunications	45	23
Other (incl. Holding company)		
Total	**270**	**258**

The value of **goodwill** did not change from 31 December 2018. Impairment tests are conducted each year at closing on 31 December. No indications of loss of value were apparent at 30 June 2019.

Note 5. Tangible fixed assets

During the first half 2019, acquisitions of tangible assets were €19.1 million, up from the same period in 2018, of which €4.9 million resulted from leases; all were acquired from outside suppliers.

The details are given in the following table:

In € thousands	30/06/2019	30/06/2018
Land		
AUTOMOTIVE	-	-
TELECOMMUNICATIONS	-	-
Sub-total		
Buildings		
AUTOMOTIVE	4,397	136
of which Leases	*2,325*	
TELECOMMUNICATIONS	93	27
Other (incl. Holding company)	-	-
Sub-total	**4,489**	**164**
Technical equipment		
AUTOMOTIVE	6,732	1,551
of which Leases	*2,043*	*133*
TELECOMMUNICATIONS	202	232
Sub-total	**6,934**	**1,784**
Other tangible assets		
AUTOMOTIVE	5,497	8,430
of which Leases	*556*	*601*
TELECOMMUNICATIONS	2,144	68
Other (incl. Holding company)	12	
of which Leases	*12*	
Sub-total	**7,653**	**8,497**
Total	**19,077**	**10,445**
of which Leases	***4,935***	***733***

The variance in the net value of tangible fixed assets between 1 January 2019 and 30 June 2019, following the application of IFRS 16 on finance leases was as follows:

In € thousands	01/01/2019	Translation differences	Acquisitions (Transfers)	Disposals and other reductions	(Provisions) Reversals	30/06/2019
Land	3,619	35				3,654
Buildings	21,128	140	14,176		(1,967)	33,477
Technical equipment Machinery	19,070	162	7,332	(472)	(2,663)	23,428
Other assets	26,207	137	(2,912)	(599)	(1,067)	21,766
Total	**70,024**	**474**	**18,596**	**(1,072)**	**(5,697)**	**82,324**
Of which rights to use						
Land	*247*					*247*
Buildings	*12,848*	*(44)*	*2,325*		*(1,464)*	*13 663*
Technical equipment Machinery	*6,611*	*(3)*	*2,043*		*(987)*	*7,663*
Other assets	*2,339*	*(6)*	*568*		*(696)*	*2,205*
Total	***22,304***	***(54)***	***4 935***		***(3,148)***	***23,778***

Note 6. Stocks and work in progress

The net realizable value of stocks was as follows:

In € thousands	30/06/2019	31/12/2018	30/06/2018	31/12/2017
Raw materials	71,289	61,906	57,118	48,414
R&D costs pursuant to the execution of contracts	32,522	27,150	23,622	21,241
Intermediate and finished products	32,518	35,755	32,344	29,276
Goods	12,455	11,240	9,817	9 967
Total	**148,785**	**136,051**	**122,901**	**108,898**

During the first half 2019, stocks grew overall by €12.7 million, as opposed to an increase of €14.0 million in the first half 2018. Details of these **half-yearly changes** are given in the following table:

In € thousands	Gross	Depreciation	Net
At 31/12/2017	**119,475**	**(10,578)**	**108,898**
Change over the period	13,871		13 871
Net depreciation		965	965
Changes in scope			
Effect of exchange rates	(843)	10	(833)
At 30/06/2018	**132,503**	**(9,603)**	**122,901**
Change over the period	14,446		14,446
Net depreciation		(1,369)	(1,369)
Changes in scope	0		0
Effect of exchange rates	94	(21)	74
At 31/12/2018	**147,044**	**(10,992)**	**136,051**
Change over the period	13,474		13,474
Net depreciation		(744)	(744)
Changes in scope			
Effect of exchange rates	0	4	3
At 30/06/2019	**160,518**	**(11,733)**	**148,785**

Pledges of stocks are listed under Note 233 “Security given against assets”.

Note 7. Trade and other receivables

The details of trade receivables and other current receivables are given in the following table:

In € thousands	Net value at 31/12/2018	Changes over the period	Depreciation / Reversals	Changes in scope	Exchange rate effect	Net value at 30/06/2019
Trade receivables	**150,262**	**5,545**	**(409)**		**(438)**	**154,960**
Pre-payments	**4,869**	(7)			22	**4,884**
Social security receivables	**433**	(148)			4	**289**
VAT claims	**3,576**	2,197			0	**5,772**
Accruals	**2,134**	1,803			(14)	**3,922**
Other business related current receivables	**11,011**	**3,844**			**12**	**14,867**
Tax receivables	**11,411**	(4,880)			(28)	**6,502**
Research Tax Credit	**6,500**	522				**7,022**
Current tax credit	**17,910**	**(4,359)**			**(28)**	**13,524**
Miscellaneous current receivables	**688**	**908**			**4**	**1,601**
Total	**179,871**	**5,939**	**(409)**		**(450)**	**184,951**

At 30 June 2019, the schedule for gross trade receivables not yet due and past due (aged balance) was as follows:

In € thousands	Not yet due	Past due by 0 to 30 days	Past due by 31 to 60 days	Past due by 61 to 90 days	Past due by more than 91 days	Total trade receivables (Gross)
Gross at 30/06/2019	133,262	9,090	3,851	2,028	10,456	**158,687**
Gross at 31/12/2018	124,644	11,985	4,513	2,836	9,608	**153,587**

No significant uncollectable debt was recognised at 30 June 2019, as was the case at 30 June 2018.

Note 8. Other contractual assets and liabilities

As part of the application of the new IFRS 15 "Revenue from contracts with customers", for any given contract, the cumulative sum of revenues recognised in exchange for all the contractual service obligations, after deduction of the payments received and the trade receivables accounted for separately, are presented below under the headings contractual assets or contractual liabilities, if the balance is negative.

Any provisions for onerous contracts, known as forecast losses, are excluded from these balances and presented under provisions for liabilities and charges.

In € thousands	At 30/06/2018	At 31/12/2018	At 30/06/2019
Contractual assets	9,442	16,182	**28,697**
Contractual liabilities	(3,419)	(2,934)	**(4,077)**

Note 9. Cash, cash equivalents and financial instruments at fair value through profit and loss

Note 9.1 Cash and cash equivalents

These changed as follows:

In € thousands	30/06/2019	31/12/2018	Change
Cash equivalents	100	95	4
Cash	29,250	36,941	(7,691)
Cash and cash equivalents	**29,349**	**37,036**	**(7,687)**
(Short-term bank borrowings)	**(59,411)**	**(47,028)**	**(12,383)**
Total	**(30,061)**	**(9,991)**	**(20,070)**

Short-term bank borrowings are included in "Short-term debt" under Current liabilities.

Marketable securities are recognised at their market value on the date of closing. The impact on income for the period is as follows:

In € thousands	Fair value at 30/06/2019	Fair value at 31/12/2018	Impact
Marketable securities	100	95	0

Note 9.2 Financial instruments at fair value through profit and loss

These include:

- Interest rate hedging instruments

At 30 June 2019, the subsidiary ACTIA Automotive S.A. held interest rate SWAPs the details of which are given in the following table:

In € thousands	Initial amount	Amount at 30/06/2019	Fixed rate	Start date	End date	Bullet redemption
SWAP 1	5,000	5,000	0.50%	01/06/2016	01/06/2021	In fine
SWAP 2	5,000	2,000	0.34%	01/06/2016	01/06/2021	quarterly
SWAP 3	5,000	2,250	0.25%	01/09/2016	01/09/2021	quarterly
SWAP 4	5,000	5,000	0.45%	01/09/2016	01/09/2021	In fine
Total	**20,000**	**14,250**				

These hedging instruments are not linked to specific finance contracts but they cover the Group's indebtedness to a level of €14.3 million at 30 June 2019.

ACTIA Group recognises these hedging instruments at fair value through profit and loss.

The impact of this treatment on the results is shown in the following table:

In € thousands	30/06/2019		31/12/2018	
	Fair value	Impact	Fair value	Impact
ASSET / (LIABILITY) Financial instruments				
SWAP	(238)	(19)	(219)	11
Total	**(238)**	**(19)**	**(219)**	**11**

An analysis of ACTIA Group's exposure to interest rate risk is given under Note 24.2 "Market risks".

- Currency hedging instruments

At 30 June 2019, ACTIA Automotive and ACTIA Telecom held currency hedging contracts. Details of these hedges are given in the following table:

In currency	Maximum initial amount	Maximum amount remaining to be acquired at 30/06/2019	Minimum threshold	Strike	Start date	End date
Currency purchases						
EUR/USD Accumulator	$3,300,000	$275,000	1.1995	1.2430	13/04/2018	31/07/2019
EUR/USD Accumulator	$5,200,000	$1,400,000	1.0900	1.1850	20/02/2019	21/08/2019
EUR/USD Accumulator	$6,000,000	$6,000,000	1.0990	1 ;1730	03/06/2019	30/09/2019
EUR/USD Accumulator	$3,300,000	$825,000	1.1700	1.2900	12/04/2018	30/09/2019
EUR/USD Accumulator	$12,000,000	$4,000,000	1.1400	1.2535	26/07/2018	03/10/2019
EUR/USD Accumulator	$804,000	$284,750	1.1150	1.2100	25/10/2018	23/10/2019

In currency	Maximum initial amount	Maximum amount remaining to be acquired at 30/06/2019	Minimum threshold	Strike	Start date	End date
EUR/USD Accumulator	$16,000,000	$6,000,000	1.1600	1.2420	29/05/2018	06/12/2019
EUR/USD Accumulator	$9,000,000	$3,600,000	1.1200	1.2500	27/08/2018	16/12/2019
EUR/USD Forward	$2,400,000	$2,400,000	NA	1.1380	21/06/2019	18/12/2019
Asymmetrical EUR/USD tunnel	$48,000,000	$36,000,000	NA	1.1281	23/04/2019	20/12/2019
EUR/USD Accumulator	$13,300,000	$4,200,000	1.2200	1.3040	25/01/2018	23/12/2019
EUR/USD Accumulator	$6,000,000	$6,000,000	1.1090	1.1730	03/06/2019	31/12/2019
EUR/USD Accumulator	$5,200,000	$0	1.2170	1.3300	04/05/2018	31/12/2019
EUR/USD Accumulator	$15,000,000	$7,000,000	1.1280	1.2570	20/09/2018	17/01/2020
EUR/USD Accumulator	$13,000,000	$8,000,000	1.0900	1.2150	12/12/2018	18/02/2020
EUR/USD Accumulator	$15,000,000	$8,000,000	1.1250	1.2390	07/11/2018	18/02/2020
EUR/USD Accumulator	$5,200,000	$5,200,000	1.0900	1.2050	20/02/2019	21/02/2020
EUR/USD Accumulator	$15,000,000	$8,000,000	1.0500	1.2175	16/11/2018	27/02/2020
EUR/USD Accumulator	$1,300,000	$900,000	1.0800	1.2150	29/11/2018	11/03/2020
EUR/USD Accumulator	$13,200,000	$0	1.1400	1.2855	17/07/2018	30/03/2020
EUR/USD Accumulator	$6,000,000	$6,000,000	1.1190	1.1730	03/06/2019	31/03/2020
EUR/USD Accumulator	$13,000,000	$11,000,000	1.1250	1.2400	08/01/2019	18/05/2020
EUR/USD Accumulator	$1,300,000	$1,200,000	1.0800	1.2190	29/05/2019	05/06/2020
EUR/USD Accumulator	$30,000,000	$24,000,000	1.1180	1.2050	28/03/2019	17/06/2020
EUR/USD Accumulator	$24,000,000	$19,200,000	1.1160	1.2030	28/03/2019	17/06/2020
EUR/USD Accumulator	$22,500,000	$18,000,000	1.2200	1.2418	09/01/2019	17/06/2020
EUR/USD Accumulator	$22,500,000	$18,000,000	1.1220	1.2135	14/03/2019	17/06/2020
EUR/USD Accumulator	$15,000,000	$12,000,000	1.0800	1.2370	20/12/2018	19/06/2020
EUR/USD Accumulator	$15,000,000	$12,000,000	1.1100	1.2220	11/04/2019	24/06/2020
EUR/USD Accumulator	$6,000,000	$6,000,000	1.1290	1.1730	03/06/2019	30/06/2020
EUR/USD Accumulator	$5,200,000	$5,200,000	1.0900	1.2250	20/02/2019	21/08/2020
EUR/USD Accumulator	$1,120,000	$1,120,000	1.1100	1.2180	21/03/2019	25/08/2020
EUR/USD Accumulator	$1,080,000	$1,080,000	1.1080	1.2000	04/06/2019	04/09/2020
EUR/USD Accumulator	$5,200,000	$5,200,000	1.0900	1.2450	20/02/2019	22/02/2021
Currency sales						
EUR/USD Accumulator	$3,600,000	-$2,800 000	N/A	1.1350	12/02/2019	14/02/2020
EUR/USD Accumulator	$3,200,000	-$3,200,000	N/A	1.1385	26/06/2019	13/05/2020

ACTIA Group recognises these currency hedging instruments at fair value through profit and loss.

The impact of this treatment on the results is shown in the following table:

In € thousands	30/06/2019		31/12/2018	
	Fair value	Impact	Fair value	Impact
ASSET / (LIABILITY) Financial instruments				
EUR / USD hedges	2,119	691	1,428	6,464
EUR / JPY hedges	0	0	0	30
Total	**2,119**	**691**	**1,428**	**6,494**

Note 10. Deferred taxation

In € thousands	30/06/2019	31/12/2018
Tax assets recognised under:		
Timing differences	6,363	4,930
Of which provision for pension benefits	*2,216*	*2,077*
Of which profits on stocks	*532*	*429*
Of which other adjustments	*3,615*	*2,424*
Losses carried forward	6,074	6,530
Net total tax assets	**12,437**	**11,460**
Tax liabilities recognised under:		
Deferred tax liabilities	3,943	3,812
Net total tax liabilities	**3,943**	**3,812**
Net total deferred tax assets and liabilities	**8,494**	**7,647**

Note 11. Financial assets and liabilities

Financial assets and liabilities are carried at amortized cost.

The Group distinguishes between three categories of financial instruments according to the consequences of their characteristics in terms of their valuation method, and uses this classification to present some of the types of information required by the standard IFRS 13:

- Level 1: “market value”; financial instruments listed in an active market,
- Level 2: “model with observable inputs”; financial instruments whose valuation is calculated using valuation techniques based on observable inputs,
- Level 3: “model with unobservable inputs”.

Note 11.1 Financial assets

In € thousands	30/06/2019				31/12/2018			
	Available for sale financial assets	Financial assets at fair value through profit and loss	Loans and receivables	Consolidated Group accounts (*)	Available for sale financial assets	Financial assets at fair value through profit and loss	Loans and receivables	Consolidated Group accounts (*)
Non-current assets								
Non-current financial assets	88		987	**1,075**	152		1,045	**1,197**
Non-current tax credit			15,119	**15,119**			13 190	**13 190**
Current assets								
Trade receivables			154,960	**154,960**			150,262	**150 262**
Current tax credit			13,524	**13,524**			17,910	**17,910**
Other current receivables			1,601	**1,601**			688	**688**
Financial instruments		1,883		**1,883**		1,209		**1,209**
Cash equivalents		100		**100**		95		**95**
Cash			29,250	**29,250**			36,941	**36,941**
Total	**88**	**1,983**	**215,440**	**217,511**	**152**	**1,305**	**220,035**	**221,492**

(*) Fair value is identical to the value recognised in the consolidated accounts for all financial assets.

In € thousands	Level 1 Market value	Level 2 With observable inputs	Level 3 With unobservable inputs
Financial instruments		1,883	
Cash equivalents	100		
Total	**100**	**1,883**	**-**

Note 11.2 Financial liabilities

In € thousands	30/06/2019			31/12/2018		
	Financial liabilities at amortised cost	Financial labilities at fair value through profit and loss	Consolidated Group accounts (*)	Financial liabilities at amortised cost	Financial liabilities at fair value through profit and loss	Consolidated Group accounts (*)
Non-current liabilities						
Bond issues	0		**0**	0		**0**
Borrowing from credit institutions	85,150		**85,150**	72,069		**72,069**
Misc. Financial debt	413	1,805	**2,218**	322	2,225	**2,547**
Financial debt – Finance leases	17,098		**17,098**	4 437		**4,437**
Current liabilities						
Short-term financial debt	132,536	574	**133,110**	126 203	345	**126,547**
Financial instruments		2	**2**		0	**0**
Payables	84,410		**84,410**	79,594		**79,594**
Other misc. debt	704		**704**	1,434		**1 434**
Total	**320,312**	**2,380**	**322 692**	**284,060**	**2,570**	**286,629**

(*) Fair value is close to the value recognised in the consolidated accounts for financial liabilities.

in € thousands	Level 1 Market value	Level 2 With observable inputs	Level 3 With unobservable inputs
Non-current liabilities			
Misc. Financial debt	1,805		
Current liabilities			
Short-term financial debt	574		
Financial instruments		2	
Total	**2,379**	**2**	**-**

Note 12. Financial debt

Financial debt by type and by maturity breaks down as follows:

in € thousands	30/06/2019				31/12/2018			
	<30/06/20	>01/07/20 <30/06/24	>01/07/24	Total	<31/12/18	>01/01/19 <31/12/22	>01/01/23	Total
Bond issues	20,000			**20,000**	20,000			**20,000**
Borrowings from credit institutions	46,623	72,929	12,221	**131,773**	56,793	63,136	8,933	**128,863**
Miscellaneous debt	1,059	2,102	116	**3,277**	836	2,431	116	**3,383**
Debt – lease financing (*)	6,017	13,824	3,275	**23,116**	1,891	4,437		**6,328**
Short-term bank borrowings and overdrafts	59,411			**59,411**	47,028			**47,028**
Total	**133,110**	**88,855**	**15,611**	**237,576**	**126,547**	**70,004**	**9,049**	**205,601**

(*) of which €17,761 thousand for the impact of operating leases (IFRS 16) at 30/06/2019. See Section "Changes of method".

During the first half 2019, financial debt changed as follows:

In € thousands	At 01/01/2019	Monetary changes		Non-monetary changes					At 30/06/2019
		New borrowings	Repayments of borrowings	Changes of scope	IFRS 16	Changes in fair value	Translation differences	Other	
Bond issues	**20,000**								**20,000**
Borrowings from credit institutions	**128,863**	22,191	(19,686)				4	400	**131,773**
Miscellaneous debt	**3,383**	1 523	(1,104)				8	(533)	**3,277**
Debt – lease financing	**6,328**		(3,114)		19,749	207	(54)		**23,116**
Short-term bank borrowings and overdrafts	**47,028**	12,371					12		**59,411**
Total	**205,601**	**36,085**	**(23,904)**	**0**	**19,749**	**207**	**(29)**	**(133)**	**237,576**

At 30 June 2019, the schedule for financial debt, including interest not yet accrued, breaks down as follows:

In € thousands	<30/06/20		>01/07/20 <30/06/24		>01/07/24		Total		
	Nominal	Interest	Nominal	Interest	Nominal	Interest	Nominal	Interest	Nominal + Interest
Bond issues	20,000	642	0	2,500	0	625	**20,000**	**3,767**	**23,767**
Borrowings from credit institutions	46,623	1,303	72,929	2,295	12,221	158	**131 773**	**3,756**	**135 529**
Miscellaneous debt	1,059		2,102		116		**3,277**	**0**	**3,277**
Debt – lease financing	6,017	367	13,824	722	3,275	52	**23,116**	**1,140**	**24,256**
Short-term bank borrowings and overdrafts	59,411	639					**59,411**	**639**	**60,050**
Total	**133,110**	**2,951**	**88,855**	**5,517**	**15,611**	**835**	**237,576**	**9,303**	**246,879**

Financial debt by currency breaks down as follows:

In € thousands	EUR	USD	Other	Total
Bond issues	20,000	0	0	**20,000**
Borrowings from credit institutions	126,830	4,943	0	**131,773**
Miscellaneous debt	2,774	0	503	**3,277**
Debt – lease financing	19,412	26	3,678	**23,116**
Short-term bank borrowings and overdrafts	53,972	4,970	469	**59,411**
Total	**222,988**	**9,939**	**4,649**	**237,576**

The net debt to equity ratio (gearing) was as follows:

In € thousands	30/06/2019	31/12/2018
Bond issues	20,000	20,000
Borrowings from credit institutions	131,773	128,863
Miscellaneous debt	3,277	3,383
Debt – lease financing	23,116	6,328
Short-term bank borrowings and overdrafts	59,411	47,028
Sub-total A	**237,576**	**205,601**
Cash equivalents	100	95
Cash	29,250	36,941
Sub-total B	**29,349**	**37,036**
Total net debt = A - B	**208,227**	**168,565**
Total equity	**136,450**	**132,817**
Gearing ratio	**152.6%**	**126.9%**

The gearing ratio, adjusted for the impact of the financing of trade receivables, the Research (CIR) and Competitivity and Employment (CICE) Tax Credits, was as follows:

In € thousands	30/06/2019	31/12/2018
Bond issues	20,000	20,000
Borrowings from credit institutions	131,773	128,863
Miscellaneous debt	3,277	3,383
Debt – lease financing	23,116	6,328
Short-term bank borrowings and overdrafts	59,411	47,028
- Financing of trade receivables	*(19,426)*	*(15,747)*
- CIR	*(8,241)*	*(8,241)*
- CICE	*(3,394)*	*(3,394)*
Sub-total A	**206,515**	**178,219**
Cash equivalents	100	95
Cash	29,250	36,941
Sub-total B	**29,349**	**37,036**
Total net debt = A - B	**177,166**	**141,183**
Total equity	**136,450**	**132,817**
Gearing ratio	**129.8%**	**106.3%**

The breakdown between fixed and variable rate debt was as follows:

In € thousands	30/06/2019			31/12/2018		
	Fixed	Variable	Total	Fixed	Variable	Total
Bond issues	20,000	0	**20,000**	20,000	0	**20,000**
Borrowings from credit institutions	121,210	10,562	**131,773**	117,121	11,741	**128,863**
Miscellaneous debt	3,277	0	**3,277**	3,383	0	**3,383**
Debt – lease financing	23,116	0	**23,116**	6,328	0	**6,328**
Short-term bank borrowings and overdrafts	2,352	57,058	**59,411**	5,206	41,821	**47,028**
Total	**169,955**	**67,621**	**237,576**	**152,038**	**53,563**	**205,601**
Percentage breakdown	71.5%	28.5%	**100.0%**	73.9%	26.1%	**100.0%**

All debt covenants and short-term borrowings must be checked on an annual basis at year end. At 30 June 2019, they applied to 19.8% of debt.

As explained in the notes to the consolidated financial statements in the 2018 Registration Document, following non-compliance with the covenants on borrowings representing 25.2% of debt at 31 December 2018, a waiver request was made. The financial institutions in question had been kept regularly informed about the issue. On 30 June 2019, 5 of the 6 financial partners had thus responded favourably, representing €21.2 million out of a total of €41.2 million of debt reclassified in 2018. It should be noted that some partners made the agreement conditional on acceptance by all stakeholders. Therefore, at 30 June 2019, the €28.7 million concerning the medium- and long-term portion of these borrowings was reclassified in short-term financial debt, representing the amount of debt pending a response, as well as the portion conditional upon the agreement of all parties. The final financial institution gave its agreement in early September 2019.

The guarantees given for borrowings and financial debt are listed in Note 23 “Security given against assets”.

As part of the borrowing agreements entered into by the Group, certain banks include in these agreements general clauses concerning the enjoyment of assets and subscribing to new loans.

Note 13. Equity

During the first half 2019, changes in Group equity were primarily related to income for the period and distribution of the dividend for 2018 earnings (Shareholders’ Meeting of 28/05/2019).

Details of changes to the number of shares over the period were as follows:

In units	31/12/2018	Capital increase	30/06/2019
ACTIA Group shares - ISIN FR 0000076655	**20,099,941**	**None**	**20,099,941**

At 30 June 2019, the share capital consisted of 7,968,813 shares with single voting rights, 12,120,000 shares with double voting rights and 11,128 treasury shares with no voting rights.

There are 12,320,155 registered shares and 7,779,786 bearer shares.

The company ACTIA Group S.A. has no priority dividend shares and no preference shares.

The nominal value of a share is €0.75.

During the first half 2019, changes to Group equity were related to:

- The distribution of dividends in the amount of €2,010 thousand, approved by the Shareholders' Meeting of the holding company ACTIA Group SA. The amount of the dividend paid per share was €0.10. The dividend was paid on 14 June 2019 after suspending trading on 12 June;
- Income for the period of €5,515 thousand.

Note 14. Earnings per share

Note 14.1 Basic earnings per share

The calculation of basic earnings per share at 30 June 2019 was conducted on the basis of the income attributable to the Group, the details of which are given in the following table:

	30/06/2019	31/12/2018
Consolidated income attributable to owners of the parent *(in €)*	**5,515,144**	**9,026,805**
Weighted average number of shares		
Shares issued as at 1 January	20,099,941	20,099,941
Treasury shares held at the end of the period	(3,328)	(3,328)
Weighted average number of shares	**20,096,613**	**20,096,613**
Basic earnings per share *(in €)*	**0.27**	**0.45**

Note 14.2 Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2019 was conducted on the basis of the consolidated income for the period attributable to Group shareholders. No corrections have been made to this amount. The weighted average number of potential ordinary shares over the period was 20,096,613 shares.

The details of the calculations are shown in the following table:

	30/06/2019	31/12/2018
Diluted earnings *(in €)*	**5,515,144**	**9,026,805**
Weighted average number of potential shares		
Weighted average number of ordinary shares	20,096,613	20,096,613
Effect of stock option plans	0	0
Diluted weighted average number	**20,096,613**	**20,096,613**
Diluted earnings per share *(in €)*	**0.27**	**0.45**

Note 15. Provisions

During the first half 2019, provisions for pension and other long-term benefits increased by €777 thousand to €10,682 thousand at 30 June 2019. The actuarial difference recognised under other comprehensive income corresponds to a provision of €432 thousand. The assumptions underlying the calculation at 30 June 2019 changed as follows:

- Discount rate of 0.77% (1.57% at 31/12/18) for the French companies, 7.62% (7.62% at 31/12/18) for the Tunisian companies,
- Salary inflation assumed at 2.25% for the French companies and 3% for the Tunisian companies,
- Variable rates of turnover depending on the companies and employee categories (management and non-management).

The assumptions used for these calculations may be adjusted on the basis of internal analyses of the payroll.

The other provisions for risks and charges rose by a total of €708 thousand.

Note 16. Other current liabilities

The details of other current liabilities are given in the following table:

In € thousands	Net amounts at 31/12/2018	Changes over the period	Changes in scope	Effect of foreign exchange	Net amounts at 30/06/2019
Suppliers of goods and services	**79,594**	**4,707**		**109**	**84,410**
Prepayments received	**24,651**	833		(161)	**25,323**
Social security liabilities	**22,022**	2,055		(5)	**24,072**
Tax liabilities	**13,477**	(3,123)		16	**10,370**
Other operating liabilities	**60,149**	**(235)**	**0**	**(149)**	**59,765**
Tax liabilities (Corporate taxes)	**2,029**	**50**		**(27)**	**2,051**
Fixed asset liabilities	**675**	(368)		0	**308**
Advances payable	**500**	(86)		27	**441**
Miscellaneous liabilities	**258**	(293)		(11)	**(45)**
Other miscellaneous liabilities	**1,434**	**(746)**	**0**	**16**	**704**
Total	**143,206**	**3,775**	**0**	**(51)**	**146,931**

Note 17. Operating segments

In accordance with the provisions of IFRS 8, the information by operating segment is based on the approach taken by management, meaning the way in which management allocates resources depending on the performance of the different segments. Within ACTIA Group, the Chairman of the Board of Directors is the chief operating decision maker. The Group has two segments to present, which offer distinct products and services and are managed separately insofar as they require different technological and commercial strategies. The types of activities conducted by each of the two segments presented may be summarised as follows:

- The Automotive Division that includes Original Equipment Manufacturers (OEM), Aftermarket and Manufacturing-Design & Services (MDS) products;
- The Telecommunications Division that includes SatCom, Energy, Rail – Transport and Infrastructures-Networks-Telecommunications products.

In addition to these two operating segments there is also:

- A heading Others including the holding company ACTIA Group S.A. and the SCI Les Coteaux de Pouvourville property management company, both accounted for by the equity method).

During the first half 2019, the key indicators by operating segment were as follows:

In € thousands	30/06/2019			
	Automotive	Telecom-munications	Others	Consolidated Group accounts
Revenue from ordinary activities				
(Turnover)	232,274	31,859	48	**264,181**
Materials and supplies	(129,718)	(14,324)	(518)	**(144,560)**
Personnel costs	(53,165)	(9,276)	(588)	**(63,029)**
External charges	(32,802)	(4,421)	(1,009)	**(38,232)**
Provisions for depreciation (A)	(12,391)	(858)	(21)	**(13,270)**
Current operating income	**4,371**	**3,330**	**530**	**8,231**
Impairment of goodwill (C)	0	0	0	**0**
Operating income	**4,623**	**3,353**	**528**	**8,504**
Interest and financial costs (B)	(1,384)	(89)	(420)	**(1,894)**
Fair value of hedging instruments (E)	691	(18)	0	**672**
Taxes (D)	(1,718)	387	(29)	**(1,359)**
NET INCOME (F)	**1,971**	**3,640**	**153**	**5,763**
EBITDA (G) = (F)-(A)-(B)-(C)-(D)-(E)	**16,773**	**4,218**	**623**	**21,614**

In € thousands	30/06/2019			
	Automotive	Telecom-munications	Others	Consolidated Group accounts
SEGMENT ASSETS				
Non-current assets	164,427	28,149	911	**193,487**
Stocks	125 322	23 462	0	**148,785**
Trade receivables	115,340	39,579	41	**154,960**
Other current receivables	27,741	3,937	196	**31,875**
Cash and cash equivalents	22,454	558	6,338	**29,349**
TOTAL SEGMENT ASSETS	**455,285**	**95,685**	**7,485**	**558,455**
INVESTMENTS				
Intangible	7,302	1,150	0	**8,452**
Tangible	16,626	2,439	12	**19,077**
Financial	8	14	0	**22**
TOTAL INVESTMENTS	**23,936**	**3,603**	**12**	**27,551**
SEGMENT LIABILITIES				
Non-current liabilities	102,599	12,227	4,265	**119,091**
Short-term debt	91,730	13,313	28,067	**133,110**
Accounts payable	74,657	8,774	979	**84,410**
Other current liabilities	67,287	17,302	806	**85,394**
TOTAL SEGMENT LIABILITIES	**336,273**	**51,615**	**34,117**	**422,005**

During the first half 2018, the key indicators by operating segment were as follows:

In € thousands	30/06/2018			
	Automotive	Telecom-munications	Others	Consolidated Group accounts
Revenue from ordinary activities				
(Turnover)	208,481	18,003	68	**226,551**
Materials and supplies	(122,297)	(5,649)	(438)	**(128,385)**
Personnel costs	(46 346)	(7,705)	(612)	**(54,664)**
External charges	(32,584)	(3,707)	(992)	**(37,283)**
Provisions for depreciation (A)	(8,662)	(647)	(3)	**(9,312)**
Current operating income	**1,240**	**39**	**(254)**	**1,025**
Impairment of goodwill (C)	0	0	0	**0**
Operating income	**1,102**	**120**	**(266)**	**957**
Interest and financial costs (B)	(968)	(26)	(340)	**(1,334)**
Fair value of hedging instruments (E)	4,861	243	0	**5,104**
Taxes (D)	(2,916)	383	(18)	**(2,551)**
NET INCOME (F)	**2,043**	**723**	**(713)**	**2,052**
EBITDA (G) = (F)-(A)-(B)-(C)-(D)-(E)	**9,727**	**770**	**(353)**	**10,144**
SEGMENT ASSETS				
Non-current assets	121,386	21,586	1,284	**144,257**
Stocks	108,933	13,968	0	**122,901**
Trade receivables	112,940	22,449	213	**135,601**
Other current receivables	18,723	3,437	178	**22,338**
Cash and cash equivalents	18,844	3,120	8,886	**30,850**
TOTAL SEGMENT ASSETS	**380,825**	**64,560**	**10,561**	**455,946**
INVESTMENTS				
Intangible	8,509	985	0	**9,493**
Tangible	10,118	327	0	**10 445**
Financial	0	0	0	**0**
TOTAL INVESTMENTS	**18,626**	**1 312**	**0**	**19 938**

In € thousands	30/06/2018			
	Automotive	Telecom-munications	Others	Consolidated Group accounts
SEGMENT LIABILITIES				
Non-current liabilities	89 589	7,020	24,540	**121,150**
Short-term debt	58,696	3,300	2,576	**64,572**
Accounts payable	68,274	3,739	184	**72,196**
Other current liabilities	55,680	14 414	1,166	**71,260**
TOTAL SEGMENT LIABILITIES	**272,239**	**28,473**	**28,465**	**329,178**

Note 18. Order book

The Group applies IFRS 15 "Revenue from contracts with customers", which introduces the notion of a financial order book ("revenue still to be recognised for service obligations that are either as yet unexecuted or partially executed at the date of closing").

Therefore, the total order book for the Group stood at €303,058 thousand at 30 June 2019, of which 86.6% was expected to generate revenues within one year.

In € thousands	At 30/06/2018	At 30/06/2019
Order book	305,710	**303,058**

Note 19. Income taxes

The details of the Group's income taxes are as follows:

In € thousands		30/06/2019	30/06/2018
Income from consolidated companies		5,707	2,166
Current taxation (credit)		2,006	1,204
Deferred taxation (credit)		(647)	1,347
Of which	*Deferred taxation on temporary differences*	*(1,324)*	*1,345*
	Deferred taxation on changes in tax rates	*677*	*2*
Income from consolidated companies before tax		**7,066**	**4,717**

At 30 June 2019, there were no deferred taxes resulting from the deactivation of fiscal losses.

Note 20. Notes to the financial result

Details of the financial result are given in the following table:

In € thousands		30/06/2019	31/12/2018
Income from cash and equivalents		6	35
Interest and financial costs		(1,894)	(3,260)
Of which	*Interest on debt*	*(1,894)*	*(3,260)*
Other financial income		833	6,615
Of which	*Interest received*	*124*	*90*
	Dividends received	*0*	*19*
	Income from financial instruments	*709*	*6,505*
Other financial costs		(384)	(18)
Of which	*Costs on financial instruments*	*(37)*	*0*
Financial result		**(1,438)**	**3,371**

Note 21. Transactions with related parties

The details of transactions with related parties related to ACTIA Group that occurred during the first half 2019 are presented below.

Note 21.1 With the holding company LP2C S.A.

The nature of the relationship with LP2C is set out in three agreements signed by LP2C and Group companies on 27 November 2018:

The ongoing services concern the following areas:

- Group promotion,
- Services in the following areas:
  - Administrative, legal, accounting and financial,
  - Quality,
  - Communications,
  - Human resources,
  - Property,
  - Management and internal Group procedures,
  - Business development.
- A specific agreement binds ACTIA Group to LP2C, with ACTIA Group carrying out the following services for the benefit of LP2C:
  - Management secretarial services,
  - Accounting.

Additional activities: LP2C may undertake, upon request by ACTIA Group and on its behalf, specific and clearly defined activities, which are limited in duration and do not enter into the normal framework of the services listed above. These specific additional activities are subject to separate agreements established according to the same terms and conditions as the agreement covering the ongoing services and are subject to prior authorisation by the board:

These agreements have been entered into for a fixed period of five years, from 1 January 2018 to 31 December 2022.

The figures concerning balance sheet items are as follows:

In € thousands		H1 2019	H1 2018
Net amount of the transaction (expense)		**(777)**	**(737)**
Of which	*Ongoing services*	*(804)*	*(763)*
	Ad hoc services to the holding company	*27*	*26*
Net balance sheet entry (liability)		**(285)**	**(511)**
Of which	*Current accounts*	*0*	*0*
	Supplier payables	*(303)*	*(660)*
	Trade receivables	*18*	*149*
Invoicing terms		Quarterly	Quarterly
Payment terms		Cash	Cash
Provisions for bad debt		**0**	**0**

Note 21.2 With investments consolidated by the equity method

The relationships between SCI Los Olivos, SCI Les Coteaux de Pouvourville and the Group concern **property**:

- SCI Los Olivos owns land and a building in Getafe (Spain) which are leased to ACTIA Systems,
- SCI Les Coteaux de Pouvourville owns land and buildings located in Toulouse (Department 31) which are leased to ACTIA Group and ACTIA Automotive in proportion to the surface area occupied.

Furthermore, the Group, through its parent company ACTIA Group, acquired a minority interest of 20% of the share capital of COOVIA, an internet start-up specialized in urban carpooling, in 2016.

The figures concerning **SCI Los Olivos** are as follows:

In € thousands		H1 2019	H1 2018
Net amount of the transaction (expense)		**(88)**	**(88)**
Of which	*Invoicing of rents*	*(88)*	*(88)*
	Interest and financial charges	*0*	*0*
Net balance sheet entry (liability)		**299**	**0**
Of which	*Current accounts*	*299*	*0*
	Supplier payables	*0*	*0*
	Trade receivables	*0*	*0*
Invoicing terms		Monthly	Monthly
Payment terms		Cash	Cash
Provisions for bad debt		**0**	**0**

The figures concerning **SCI Les Coteaux de Pouvourville** are as follows:

In € thousands		H1 2019	H1 2018
Net amount of the transaction (expense)		**(439)**	**(221)**
Of which	*Invoicing of rents*	*(468)*	*(281)*
	Reinvoicing of misc. costs	*29*	*61*
Net balance sheet entry (liability)		**35**	**203**
Of which	*Current accounts*	*12*	*20*
	Supplier payables	*0*	*(51)*
	Trade receivables	*23*	*234*
Invoicing terms		Quarterly	Quarterly
Payment terms		Cash	Cash
Provisions for bad debt		**0**	**0**

The figures concerning **COOVIA** are as follows:

In € thousands		H1 2019	H1 2018
Net amount of the transaction (expense)		**0**	**0**
Of which	*Interest and financial charges*	*0*	*0*
Net balance sheet entry (liability)		**0**	**739**
Of which	*Current accounts*	*0*	*730*
	Supplier payables	*0*	*0*
	Trade receivables	*0*	*9*
Invoicing terms		N/A	Annual
Payment terms		N/A	Cash
Provisions for bad debt		**0**	**0**

Following its declaration of insolvency on 15 February 2019, the process of receivership has been ongoing since 5 March 2019. The current account has been written down and the equity accounted shares were written down to zero as at 31 December 2018.

Note 21.3 With subsidiaries

These are companies included within the scope of consolidation of the Group (see Note 3 – Consolidated companies).

Transactions with subsidiaries are eliminated in full in the consolidated accounts. They are of various kinds:

- buying or selling of goods and services,
- rental of premises,
- transfer of research and development,
- buying or selling of capital assets,
- licence agreements,
- management fees,
- current accounts,
- loans…

Note 21.4 With members of management bodies

This is the compensation paid to individuals who are **corporate officers of the company ACTIA Group S.A.**:

- ACTIA Group: members of the Board of Directors and Supervisory Board,
- LP2C, the controlling company: members of the Board of Directors and Supervisory Board,
- In the controlled companies, subsidiaries of ACTIA Group.

The **details of compensation paid to** corporate officers are as follows:

In € thousands		H1 2019	H1 2018
Compensation of corporate officers		**198**	**207**
Of which	*Fixed*	*193*	*202*
	Variable	*0*	*0*
	Exceptional	*0*	*0*
	Benefits in kind	*5*	*5*
Other compensation for non-executive directors		**85**	**83**
Attendance fees		**0**	**0**
Total		**283**	**290**

Note 21.5 With other related parties

- GIE PERENEO

The company ACTIA Automotive S.A. holds 50% of GIE PERENEO. The purpose of this economic interest group is to respond to tenders for Maintenance in Operational Condition (MOC) and the upkeep of electronic systems.

The figures concerning transactions with GIE PERENEO are as follows:

In € thousands	H1 2019	H1 2018
Amount of the transaction (expense)	586	543
Balance sheet entry (liability)	401	326
Payment terms	Cash	Cash
Provisions for bad debt	0	0

The financial information concerning GIE PERENEO is as follows:

In € thousands	H1 2019	H1 2018
Total Assets	966	874
Debt	1,001	872
Turnover	1,181	1,304
Income	(62)	(25)

Note 22. Off-balance sheet commitments

The off-balance sheet commitments break down as follows:

In € thousands	30/06/2019	31/12/2018
Commitments received		
Bank guarantees	28,858	27,799
Total commitments received	**28,858**	**27,799**

The above information does not include:

- Lease financing balances that are covered under Note 12 “Financial debt”,
- Lease financing commitments and operating leases,
- Interest on borrowings that are covered under Note 12 “Financial debt”
- Foreign currency term sales commitments and interest rate SWAPs that are covered under Note 9.2 “Financial instruments at fair value through profit and loss”.

Note 23. Security given against assets

Security given against assets corresponds to assets serving as security against debts recognised under liabilities. They break down as follows:

In € thousands	30/06/2019				31/12/2018			
	Auto-motive Division	Telecom-munica-tions Division	Other subsidiaries	Total	Automotive Division	Telecom-munica-tions Division	Other subsidiaries	Total
interests in consolidated companies (*)	0	3,607	0	**3,607**	0	3,607	0	**3,607**
Secured debt balance	*0*	*2,271*	*0*	***2,271***	*0*	*2,519*	*0*	***2,519***
Assignment of trade receivables	24,702	1,976	0	**26,678**	22,788	1,457	0	**24,246**
Of which: Dailly secured	*12,266*	*0*	*0*	***12,266***	*6,698*	*0*	*0*	***6,698***
Dailly with recourse	*12,436*	*1,976*	*0*	***14,412***	*16,090*	*1,457*	*0*	***17,548***
Discounted notes not yet matured	*0*	*0*	*0*	***0***	*0*	*0*	*0*	***0***
Assignment of CIR & CICE	11,634	0	0	**11,634**	11,634	0	0	**11,634**
Assignment of stocks	0	0	0	**0**	0	0	0	**0**
Assignment of other receivables	0	0	0	**0**	0	0	0	**0**
Assignment of equipment	1,054	0	0	**1,054**	1,323	0	0	**1,323**
Mortgages/Security (land & buildings)	20,589	3,024	0	**23,613**	16,099	1,102	0	**17,202**
Total	**57,979**	**8,608**	**0**	**66,587**	**51,845**	**6,167**	**0**	**58,012**

(*) Book value of pledged securities

Note 24. Risk factors

ACTIA Group undertakes reviews of risks that may have a material adverse effect on its business, financial health, its results, and its ability to achieve its objectives.

The principal risks to which ACTIA Group is exposed have been identified and are described in the 2018 Registration Document (Note 28).

The most relevant and material risk factors identified at the date of publication of this Half-yearly Report are presented in this section.

Other than the risks presented below, the Group considers that there are no other significant risks.

Note 24.1 Liquidity risks

The Company has undertaken a specific review of its liquidity risk and considers that it is in a position to meet its future commitments. Such reviews are undertaken on a regular basis in order to be prepared for any eventualities and to be able to provide a rapid response if necessary.

A detailed study of financial debt, the cash position, net debt and debt including interest is provided under Note 12 “Financial debt”.

The half-yearly accounts do not allow for the presentation of the medium-term financing required for investments in R&D because these will be put in place during the second half 2019. The financing budget for 2019 stands at €40.8 million and mostly concerns support for a part of the R&D programmes, which amounts to €20 million, and production facilities for €11.4 million. The latter go along with local financing, as for the factory in Romulus (USA), which consumed €4.5 million and began full scale production at end August 2019.

Close to an additional €5 million will be devoted to increasing the capacity of the other sites and €1.8 million to special machinery, with these investments being financed under leasing contracts. Lastly, expenditure on property, which will represent another €9.4 million across the full year, is already funded under a budget for the programme covering the period 2017-2019.

The interim financial statements do not make it possible to include the medium-term financing required for investments in R&D as these are generally put in place during the second half of the year.

As discussed in the 2018 Registration Document and previous communications, following non-compliance with covenants on borrowings representing 25.2% of the debt, a waiver request was made. The financial institutions in question had been kept fully informed of the matter. On 30 June 2019, 5 of the 6 financial partners that had been approached responded favourably, which represented €21.2 million out of a total of €41.2 million of debt reclassified in 2018. It should be noted that certain partners made their agreement conditional upon acceptance by all stakeholders. Therefore, at 30 June 2019, the €28.7 million concerning the medium- and long-term portion of these borrowings was reclassified in short-term borrowings, representing the amount of debt pending a response and the portion that was conditional upon the agreement of all parties. The final financial institution gave its agreement in early September 2019.

A detailed review of financial assets and liabilities is provided in the Section “Financial assets and liabilities” and is shown again in the following tables:

At 30 June 2019:

In € thousands	<30/06/20	>01/07/20 <30/06/24	>01/07/24	Total
Total financial assets	201,317	15,119	1,075	**217 511**
Total financial liabilities	(218,226)	(88,855)	(15,611)	**(322,692)**
Net position before management	**(16,909)**	**(73,736)**	**(14,536)**	**(105,181)**
Off-balance sheet commitments	(28,858)			**(28,858)**
Net position after management	**(45,767)**	**(73,736)**	**(14 536)**	**(134,039)**

At 31 December 2018:

In € thousands	<31/12/19	>01/01/20 <31/12/23	>01/01/24	Total
Total financial assets	207,106	13,190	1,197	**221,492**
Total financial liabilities	(207,576)	(70,004)	(9,049)	**(286,629)**
Net position before management	**(470)**	**(56,815)**	**(7,852)**	**(65,137)**
Off-balance sheet commitments	(27,799)			**(27,799)**
Net position after management	**(28,269)**	**(56,815)**	**(7,852)**	**(92,936)**

In ACTIA Group, the risk that a business unit might encounter difficulties in honouring its financial liabilities is related to its level of invoicing and debt collection, but there are no such difficulties to be reported.

The companies in ACTIA Group manage their future cash requirements independently. The parent company only intervenes in case of difficulties. Cash is generated mainly by the business, and sometimes by bank borrowings obtained locally. Major investments are decided on by senior Group management (acquisitions, buildings, production equipment and significant R&D projects) and are generally financed by loans or leasing contracts taken on by the entity in question. ACTIA Automotive S.A., as the leading company in the Automotive Division, may be called upon to finance major investments on behalf of its subsidiaries (e.g. the investment in telematics with its subsidiary ACTIA Nordic and the investment in the production facility in the United States with its subsidiary ACTIA Corp.).

Finally, the Group, with the benefit of excess cash within some subsidiaries, has set up bilateral cash management agreements.

To date, ACTIA Automotive S.A. has signed framework agreements with its subsidiaries ACTIA Systems (Spain), ACTIA I+Me (Germany), ACTIA Italia (Italy), and ACTIA PCs (France) in order to make the best possible use of the excess cash available within the Group. During the first half 2019, ACTIA Automotive S.A received no excess cash from its subsidiaries,

Similarly, ACTIA Telecom has signed a bilateral cash management agreement with its parent company ACTIA Group S.A. for the sum of €3.0 million, unused as at 30 June 2019.

It should be noted that the purpose of these agreements is to use the cash available within the Group in order to limit use of the parent company's short-term lines of credit and so reduce financial costs: the intention is not to transfer bank borrowings into the subsidiaries.

Note 24.2 Market risks

❖ Interest rate risk

At 30 June 2019, the Company assessed its interest rate risk and the resulting figures are presented in the table, below:

In € thousands	Financial assets* (a)		Financial liabilities* (b)		Net exposure before hedging (c) = (a) - (b)		Interest rate hedging instruments (d)		Net exposure after hedging (e) = (c) + (d)	
	Fixed	Variable	Fixed	Variable	Fixed	Variable	Fixed	Variable	Fixed	Variable
< 1 year	201,317		157,089	61,136	44,227	(61,136)	14,250	(14,250)	**29,977**	**(46 886)**
1 to 5 years	15 119		85,280	3,574	(70,161)	(3,574)			**(70,161)**	**(3,574)**
> 5 years	1,075		12,702	2,910	(11,626)	(2,910)			**(11,626)**	**(2,910)**
Total	**217,511**	**0**	**255,071**	**67,621**	**(37,560)**	**(67,621)**	**14,250**	**(14,250)**	**(51,810)**	**(53,371)**

* Details of financial assets and liabilities are given in Note 12 of the notes to the consolidated financial statements.

At Group level, checks are conducted to ensure that the overall interest rate risk is spread in such a way as to achieve a reasonable cost for bank borrowings.

Benefiting from the low interest rate environment and the setting up of a zero floor for variable borrowings, the Group has continued to prefer setting up financing at fixed rates. The breakdown of fixed and variable rate financial debt is given in Note 12 "Financial debt".

In order to achieve a balance between fixed and variable rates, the Group has put in place a hedging instrument designed to bring the share of variable rate bank borrowings to 25.3%. The characteristics of the rate swaps held by ACTIA Automotive S.A. are described under Note 9.2 "Financial instruments at fair value through profit and loss".

The sensitivity of a +/- 1% variance in the benchmark rate has been calculated on a post-hedging basis. The results of this analysis are given below:

In € thousands	30/06/2019	
	Impact on pre-tax earnings	Impact on pre-tax equity
Impact of a variance of + 1% in interest rates	**(534)**	**(534)**
Impact of a variance of - 1% in interest rates	**534**	**534**

❖ Foreign exchange risk

In countries where the currency related risk is most acute, the Group invoices in Euros for all intragroup transactions and limits customer credit in countries with "soft" currencies.

For transactions conducted in foreign currencies such as purchases in USD or JPY by entities in the Euro zone, the companies concerned manage their foreign exchange risk independently and, if necessary, set up foreign exchange hedges where the volumes in question allow for it.

At 30 June 2019, the companies ACTIA Automotive, ACTIA Systems and ACTIA Telecom held foreign exchange hedging contracts, the details of which are given in Note 9.2 “Foreign exchange risk hedging instruments”.

The Group was thus able to purchase dollars at an average rate over the period of 1.1741 as compared to 1.1782 for the first half 2018. As the average rate on the financial markets was 1.1298 for the first half 2019, the Group was able to reduce the impact by almost €2.1 million across the period.

The Group has analysed the foreign exchange risk on trade receivables and payables after hedging and the resulting figures are presented in the table, below:

In € thousands	Trade receivables - gross (a)	Trade payables (b)	Off-balance sheet commitments (c)	Net position before hedging (d)=(a)+(b)+(c)	Financial hedging instruments (e)	Net position after hedging (f)=(d)+(e)
EUR	116,330	(62,851)	28,858	82,338		82,338
USD	28,829	(13,883)		14,945	10,386	25,331
Other currencies	13,529	(7,676)		5,853	0	5,853
Total	**158,687**	**(84,410)**	**28,858**	**103,136**	**10,386**	**113,522**

The majority of transactions are therefore conducted in Euros. The sensitivity analysis using a variance of +/- 1% in the exchange rate was conducted for the USD, the second most used currency within the Group, with the nine other currencies being grouped together in the following table under the heading “Other currencies” presenting no material risk, even if certain currencies fluctuate considerably, such as the Brazilian Real.

The sensitivity of a variance of +/- 1% in the EUR/USD exchange rate has been calculated on a post-hedging basis. The figures resulting from this analysis are given below:

In € thousands		Impact on pre-tax income		Impact on pre-tax equity	
		Rise of 1%	Fall of 1%	Rise of 1%	Fall of 1%
Net position after hedging in USD		25,331	25,331	25,331	25,331
USD	0.87873	0.88752	0.86995	0.88752	0.86995
Estimated risk		**+223**	**-223**	**+223**	**-223**

Note 25. Post-balance sheet events

No other significant events have occurred since 30 June 2019.

4 STATUTORY AUDITORS' REPORT

ACTIA Group S.A.

Registered head office: 5, Rue Jorge Semprun - 31400 Toulouse
Share Capital: €15,074,956

Statutory Auditors' Report on the interim financial statements 2019

Period from 1 January 2019 to 30 June 2019

Ladies and Gentlemen Shareholders,

Under the terms of the assignment entrusted to us by your General Meeting and pursuant to Article L. 451-1-2 III of the French Monetary and Financial Code, we have carried out:

- a limited review of the condensed consolidated interim financial statements of the company ACTIA Group S.A. in respect of the period 1 January 2019 to 30 June 2019, as attached to this report,
- a verification of the information provided in the half-yearly management report.
- These condensed consolidated interim financial statements have been compiled under the responsibility of the Board of Directors. Our role, on the basis of our limited review, is to express our opinion on these accounts.

I – Conclusion on the financial statements

We have carried out our limited review in accordance with the generally accepted professional standards in France. A limited review primarily involves discussions with the members of management in charge of accounting and financial matters and the application of analytical procedures. The scope of this review is less extensive than that required for an audit conducted in accordance with generally accepted professional standards in France. Consequently, the assurance that the accounts, taken as a whole, are free of material misstatements, obtained within the framework of a limited review, is only a moderate assurance, with less weight than that obtained within the framework of a full audit.

On the basis of our limited review, we have noted no material misstatements leading us to believe that the condensed consolidated interim financial statements do not comply with the requirements of standard IAS 34 – an IFRS accounting standard adopted by the European Union regarding interim financial information

Without in any way contradicting the conclusion expressed above, we would nevertheless draw your attention to Note 2.4 in the notes to the condensed consolidated financial statements that sets out the changes in accounting methods arising from the first application by your company of IFRS 16 Leases, as of 1 January 2019.

II – Specific verification

We have also carried out a verification of the information provided in the half-yearly management report commenting on the condensed consolidated interim financial statements, which we have examined as part of our limited review. We have no matters to report as to its fair presentation of and consistency with the condensed consolidated interim financial statements.

Labège, 16 September 2019

KPMG S.A.

Philippe Saint-Pierre
Partner

Mathieu Leruste
Partner

Paris, 16 September 2019

BM&A

Eric Seyvos
Partner