

IGE+XAO
Société Anonyme with capital of 5,021,866.85 euros
Head Office : 16, Boulevard Déodat de Séverac, 31770 COLOMIERS
338 514 987 R.C.S. Toulouse
SIRET: 338 514 987 000 76 – VAT number: FR 783.385.149.87

I. – HALF TERM CONSOLIDATED ACCOUNTS AS OF JUNE 30, 2019

A. – CONSOLIDATED BALANCE SHEET

Assets (in euros '000s)	June 30,2019 (6 months)	December 31, 2018 (17 months)
Acquisition of goodwill	2,777	2,777
Intangible fixed assets - net	931	810
Property and equipment - net	4,252	1,531
Deferred tax	664	770
Shares in the associated companies	272	323
Other long term assets - net	178	171
Non current assets	9,075	6,382
Account receivables	8,010	7,845
Tax credit	2,914	2,644
Other current assets	1,239	1,546
Cash and cash equivalents	36,651	32,769
Current assets	48,814	44,804
Assets	57,889	51,186

Liabilities (in euros '000s)	June 30, 2019 (6 months)	December 31, 2018 (17 months)
Common stock	5,021	5,223
Additional paid-in capital	1,911	1,911
Consolidated reserves	26,928	19,169
Net income	3,753	9,045
Shareholders' equities	37,613	36,148
Non-controlling interests	653	644
Total Shareholders' equities	38,266	36,792
Profit sharing	292	744
Pension reserves, other benefits	1,498	1,444
Financial debts – long term	1,962	209
Financial debt – dividends to pay	--	--
Deferred tax	--	58
Other non current debts	397	400
Non current liabilities	4,149	2,855
Current debts	845	888
Social debts	2,470	2,331
Taxes	1,071	1,649
Deferred income – short term	8,969	6,498
Other current debts : short term	944	30
Taxes	710	422
Other current debts	465	392
Current debts	15,474	11,539
Liabilities	57,889	51,186

B. CONSOLIDATED STATEMENT OF OPERATIONS

(in euros '000s)	June 30, 2019 (6 months)	June 30, 2018 (6 months)	January 31, 2018 (6 months)
Total revenues	17,224	16,013	15,118
Other operating revenues	431	371	447
Revenues from operating activities	17,655	16,384	15,565
Purchases			
Other external expenses	(3,292)	(3,639)	(3,541)
Payroll and benefits	8,003	(7,792)	(7,297)
Taxes	(338)	(240)	(215)
Provisions / long term assets	(762)	(232)	(222)
Other operating expenses, net	--	--	2
Operating expenses, net	(12,395)	(11,903)	(11,273)
Current operating income	5,260	4,481	4,292
Impairment of non-current assets	--	--	--
Operating income	5,260	4,481	4,292
Interests on loans	(40)	92	156
Financial revenues	14	--	(69)
Financial expenses	--	--	(9)
Financial income (loss)	(26)	92	78
Income (loss) of the Group before tax	5,234	4,573	4,369
Tax and deferred tax	(1,424)	(1,271)	(1,300)
Part of net income (loss) in the associated companies	(8)	(35)	23
Net income (loss)	3,802	3,267	3,092
Allocated to :			
The Group	3,753	3,189	3,087
The Non-controlling interests	49	78	4
Number of shares, except own shares booked in deduction of the consolidated shareholders' equity	1,302,015	1,302,484	1,302,369
Earnings per share in euros	2.88	2.45	2.17
Net diluted earnings per share	2.88	2.45	2.37

C. STATEMENT OF COMPREHENSIVE INCOME

(in € '000s)	30 June 2019 (6 months)	31 December 2018 (17 months)
Exchange differences resulting from foreign activities	27	71
Actuarial gains (loss) on lump-sum retirement payments with effect on deferred taxes	(6)	225
Other	(8)	(12)
Income and expenses recorded in shareholders' equity	13	166
Result of the period	3,802	9,204
Total income and expenses recorded over the period	3,815	9,370
Allocated to:		
- the Group	3,766	9,195
- the non-controlling interests	49	175
Total income and expenses recorded over the period	3,815	9,370

D. SHAREHOLDERS' EQUITY

Shareholders' equity (in € '000s)	Common stock and additional paid-in capital	Translation adjustment	Accumul. reserves	Shareholders' equity - part of the Group -	Minority interests	Shareholders equity
Shareholders' equity as of July 31, 2017	7,408	(91)	24,930	32,247	496	32,743
Variation of perimeter	(274)		274	--	--	--
Dividends			(2,019)	(2,019)	(27)	(2,046)
Revenues and expenses from the period		(71)	9,266	9,195	175	9,370
Adjustment on the own shares			(3,136)	(3,136)	-	(3,136)
Impact of the cancellation of the gains on own share sales			43	43	--	43
Impact IFRS 15 and corresponding ID			(182)	(182)	--	(182)
Others						
Shareholders' equity as of December 31, 2018	7,134	(162)	29,176	36,148	644	36,792
Dividends			(2,063)	(2,063)	(45)	(2,108)
Revenues and expenses from the period		27	3,739	3,766	49	3,815
Adjustment on the own shares	(202)		202	--	-	--
Impact of the cancellation of the gains on own share sales			--	--	--	--
Impact IFRS 15 and corresponding ID			(242)	(242)	(1)	(243)
Others			4	4	6	10
Shareholders' equity as of June 30, 2019	6,932	(135)	30,816	37,613	653	38,266

E. CONSOLIDATED STATEMENT OF CASH FLOWS

(in € '000s)	June 30, 2019	December 31, 2018
Flow of cash generated by the activity:		
Net income – Part of the Group	3,753	9,045
Increase (decrease) in Cash from :		
Non-controlling interests	49	159
Amortizations and provisions, net	715	688
Deferred tax	--	--
Part of the net income in the associated companies	8	52
Gain and loss on asset disposal	--	29
Change in working capital	2,322	(1,724)
Net cash used in operating activities	6,847	8,249
Purchases of long-term tangible and intangible assets	(410)	(1,272)
Sales of long-term assets	--	--
Acquisition of long-term assets	(12)	--
Proceeds from sale of equipment	--	8
Cash from change in the consolidation scope	(16)	--
Decrease in cash from net acquisitions	(438)	(1,264)
Dividends paid	(2,063)	(2,046)
Loans	--	--
Repayment of loans	(444)	(86)
Buyback of own shares	--	(3,136)
Others of which advances to be paid back	(40)	261
Decrease in cash from financing	(2,547)	(5,008)
Increase (decrease) in cash and cash equivalent	3,862	1,977
Incidences of changes in exchange rate	25	(113)
Net increase (decrease) in cash and cash equivalent	3,887	1,864
Cash and cash equivalent, beginning of year	32,769	30,905
Cash and cash equivalent, end of year	36,656	32,769
Net increase (decrease) in cash and cash equivalent	3,887	1,864

II. ACTIVITY REPORT

Over the first half of 2019*, the IGE+XAO Group has consolidated turnover of 17.2 million euros compared to 16.0 million euros one year ago, which is an increase of 7.6%. This favourable change is the result of strong momentum over all of the Group's clientele - Major Accounts and SME/SMI - in France as well as internationally.

The growth in the activity, along with a controlled change in the expenses, results in an increase in operating income of 17.4% amounting to 5.3 million euros compared to 4.6 million euros over the previous period. Operational profitability** has crossed the 30% line. Consolidated net income for the Group stands at 3.8 million euros, up 17.7% and net profitability*** amounts to 21.8%.

From a financial standpoint, the Group has a solid structure with, at 30 June 2019, almost no bank debt excluding the impact of IFRS 16 and a cash flow of 36.7 million euros.

From an R&D and product standpoint, substantial efforts continue to be deployed regarding the integration of new technologies, in particular concerning the Cloud as well as on all of the future versions of the Group's flagship software: SEE Electrical PLM (Management of the life cycle of electrical facilities), SEE Electrical/Expert (Computer Aided Design software dedicated to electricity) and SEE Electrical 3D Panel+ (Design and manufacture of electrical cabinets in 3D).

Backed with these results and solid fundamentals, IGE+XAO, now a subsidiary of Schneider Electric, intends to pursue its action plan, having as objectives to accelerate international development, and a high level of profitability, while still maintaining strong investment in R&D.

* Application of IFRS 9 and IFRS 15 does not significantly affect the Group's consolidated financial statements as at 30 June 2019

** Operating income in terms of turnover

*** Net income in terms of turnover

Note: The half-year financial statements closed out at 30 June 2019 underwent a limited review by the auditors of IGE+XAO and were approved by the Board of Directors on 22 July 2019.