

**IGE+XAO**  
**Société Anonyme with capital of 5,021,866.85 euros**  
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**338 514 987 R.C.S. Toulouse**  
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**I. HALF TERM CONSOLIDATED ACCOUNTS AS OF JUNE 30, 2020**

**A. CONSOLIDATED BALANCE SHEET**

Assets (in euros '000s)	June 30,2020 (6 months)	June 30,2019 (6 months)	December 31, 2019 (12 months)
Acquisition of goodwill	2,777	2,777	2,777
Intangible fixed assets - net	1,010	931	1,004
Property and equipment - net	3,657	4,252	3,923
Deferred tax	685	664	779
Shares in the associated companies	201	272	209
Other long term assets - net	161	180	178
Non current assets	8,491	9,075	8,870
Account receivables	6,911	8,010	7,296
Tax credit	2,917	2,914	2,187
Other current assets	1,011	1,239	1,114
Cash and cash equivalents	45,486	36,651	39,802
Current assets	56,325	48,814	50,399
Assets	64,816	57,889	59,269

  

Liabilities (in euros '000s)	June 30, 2020 (6 months)	June 30, 2019 (6 months)	December 31, 2019 (12 months)
Common stock	5,020	5,021	5,022
Additional paid-in capital	1,911	1,911	1,911
Consolidated reserves	33,427	26,928	26,986
Exchange difference	(230)		(134)
Net income	3,281	3,753	6,902
Shareholders' equities	43,639	37,613	40,687
Non-controlling interests	738	653	737
Total Shareholders' equities	44,377	38,266	41,424
Pension reserves, other benefits	1,618	1,498	1,605
Financial debts – long term	1,427	1,962	1,654
Deferred tax	(64)	--	(64)
Other non current debts	403	397	404
Non current liabilities	3,384	3,857	3,599
Current debts	1,158	845	972
Social debts	3,192	2,762	3,323
Taxes	1,341	1,071	765
Other current debts : short term	751	8,969	803
Taxes	870	944	940
Deferred income – short term	9,235	710	6,901
Other current debts	508	465	542
Current debts	17,055	15,766	14,246
Liabilities	64,816	57,889	59,269

## B. CONSOLIDATED STATEMENT OF OPERATIONS

(in euros '000s)	June 30, 2020	June 30, 2019	December 31, 2019
	(6 months)	(6 months)	(12 months)
Total revenues	15,845	17,224	33,933
Other operating revenues	330	431	935
Revenues from operating activities	16,175	17,655	34,868
Purchases and other external expenses	(3,108)	(3,292)	(6,760)
Payroll and benefits	(7,611)	8,003	(16,026)
Taxes	(279)	(338)	(702)
Provisions / long term assets	(851)	(762)	(1,610)
Other operating expenses, net	--	--	(25,098)
Operating expenses, net	(11,849)	(12,395)	(25,098)
Current operating income	4,326	5,260	9,770
Impairment of non-current assets	--	--	7
Operating income	4,326	5,260	9,777
Interests on loans	(24)	(40)	(50)
Financial revenues	67	14	43
Financial expenses	(40)	--	(92)
Financial income (loss)	3	(26)	(99)
Income (loss) of the Group before tax	4,329	5,234	9,678
Tax and deferred tax	(1,054)	(1,424)	(2,586)
Part of net income (loss) in the associated companies	6	(8)	(46)
Net income (loss)	3,281	3,802	7,046
Allocated to :			
The Group	3,281	3,753	6,902
The Non-controlling interests	0	49	144
Number of shares, except own shares booked in deduction of the consolidated shareholders' equity	1,302,313	1,302,015	1,330,449
Earnings per share in euros	2,52	2,88	5,19
Net diluted earnings per share	2,52	2,88	5,30

### C. STATEMENT OF COMPREHENSIVE INCOME

(in € '000s)	30 June 2020 (6 months)	30 June 2020 (6 months)	31 December 2019 (12 months)
Exchange differences resulting from foreign activities	(92)	27	27
Actuarial gains (loss) on lump-sum retirement payments with effect on deferred taxes	34	(6)	(72)
Tax losses activation	(11)	8	(68)
Other	--	13	(11)
Income and expenses recorded in shareholders' equity	(69)	3,802	(124)
Result of the period	3,281	3,815	7,046
<b>Total income and expenses recorded over the period</b>	<b>3,212</b>	<b>3,766</b>	<b>6,922</b>
Allocated to:			
- the Group	3,211	49	6,791
- the non-controlling interests	1	3,815	131
<b>Total income and expenses recorded over the period</b>	<b>3,212</b>	<b>27</b>	<b>6,922</b>

### 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 December 31, 2018	7,408	(162)	28,902	36,148	644	36,792
Capital reduction	(201)		201	--	--	--
Perimeter variation			--	--	7	7
Dividends			(2,018)	(2,018)	(45)	(2,063)
Revenues and expenses from the period		27	6,764	6,791	131	6,922
Impact IFRS 9 and corresponding ID Others			(234)	(234)	--	(234)
Shareholders' equity as of December 31, 2019	7,207	(135)	33,615	40,687	737	41,424
Capital reduction	--	--	--	--	--	--
Perimeter variation	--	--	--	--	--	--
Dividends	--	--	--	--	--	--
Revenues and expenses from the period	--	(92)	3,303	3,211	1	3,212
Own-shares cancelation	--	--	(259)	(259)	--	(259)
Others	--	--	--	--	--	--
Shareholders' equity as of June 30, 2020	7,207	(227)	36,659	43,639	738	44,377

## E. CONSOLIDATED STATEMENT OF CASH FLOWS

(in € '000s)	June 30, 2020	June 30, 2019	December 31, 2019
Flow of cash generated by the activity:			
Net income – Part of the Group	3,281	3,7531	6,902
Increase (decrease) in Cash from :			
Non-controlling interests	--	49	144
Amortizations and provisions, net	606	715	1,261
Deferred tax		--	--
Part of the net income in the associated companies	(6)	8	46
Gain and loss on asset disposal	1		5
Change in working capital	2,625	2,322	2,446
Net cash used in operating activities	<u>6,507</u>	<u>6,847</u>	<u>10,804</u>
Purchases of long-term tangible and intangible assets	(294)	(410)	(1,305)
Sales of long-term assets	--	--	--
Acquisition of long-term assets	--	(12)	--
Proceeds from sale of equipment	17	--	(12)
Cash from change in the consolidation scope	--	(16)	(16)
Decrease in cash from net acquisitions	<u>(277)</u>	<u>(438)</u>	<u>(1,333)</u>
Dividends paid	--	(2,063)	(2,063)
Loans	--	--	592
Repayment of loans	(553)	(444)	(953)
Buyback of own shares	140	--	--
Others of which advances to be paid back	(30)	(40)	(42)
Decrease in cash from financing	<u>(443)</u>	<u>(2,547)</u>	<u>(2,466)</u>
Increase (decrease) in cash and cash equivalent	5,787	3,862	7,005
Incidences of changes in exchange rate	(104)	25	28
Net increase (decrease) in cash and cash equivalent	<u>5,683</u>	<u>3,887</u>	<u>7,033</u>
Cash and cash equivalent, beginning of year	39,802	32,769	32,769
Cash and cash equivalent, end of year	45,485	36,656	39,802
Net increase (decrease) in cash and cash equivalent	<u>5,683</u>	<u>3,887</u>	<u>7,033</u>

## II. ACTIVITY REPORT

Over the first half of 2020, the IGE+XAO Group has consolidated turnover of 15.8 million euros compared to 17.2 million euros one year ago, which is a decrease of 8.0%. During this period, the Group's activity was affected by the global Covid-19 pandemic, which started in China at the end of January and substantially affected western markets starting in March 2020. Although, in this difficult context, licence and training turnover dropped, recurring turnover however increased, with in particular software subscription sales which increased more than 12%.

In parallel, and while still fulfilling all of its missions with regards to customers and partners via massive recourse to teleworking and to remote services (remote maintenance and training), IGE+XAO reduced its operating expenses by 4.4%. Consecutively, and despite this crisis period that the global economy is going through, operational profitability\* stands at 27.3% and consolidated net income for the Group stands at 3.3 million euros which is net profitability\*\* of 20.7%.

From a financial standpoint, the Group has a solid structure with, at 30 June 2020, almost no bank debt excluding the impact of IFRS 16 and a cash flow of 45.5 million euros.

Backed with these results and solid fundamentals, and while remaining attentive to the changes in the economic situation, 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.

\* Operating income in terms of turnover

\*\* Net income in terms of turnover

Note: The half-year financial statements closed out at 30 June 2020 underwent a limited review by the auditors of IGE+XAO and were approved by the Board of Directors on 20 July 2020.