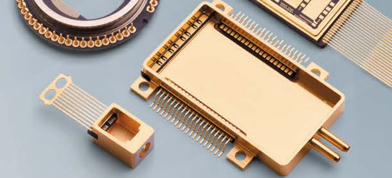

EGIDE

2018 FIRST HALF RESULTS

- **H1 2018 sales: €16.25m (+10.6%)**
- **Operating profit +€0.43m (+€0.79m / H1 2017)**
- **Net income: €0.09m**
- **Building new business momentum**

Bollène, October 1, 2018 - 7:00 p.m. (CET) - The interim financial statements for the six-month period ended June 30, 2018 have been approved by the audit committee and the board of directors. The auditors performed a review of these interim financial statements and their report thereon was issued in accordance with the provisions of the law.

Egide Group's consolidated revenue for the six-month period ended June 30, 2018 grew 10.6% to €16.25 million (up from €14.69 million at June 30, 2017). At constant perimeter and exchange rates, revenue was up 6.3 % in the 2018 first half.

K€ - IFRS	H1 2017	**H1 2018**	Change (%)	LFL change [(1) (2)]
Egide SA	7,550	**7,630**	+1.1%	+1.1%
Egide USA	3,986	**3,877**	-2.7%	+8.8%
Santier	3,153	**4,747**	+50.5%	+15.8%
Group	**14,689**	**16,254**	**+10.6%**	**+6.3%**

(1) 2018 exchange rate of $1.21/€; $1.08/€ in 2017
(2) four months of operations only for Santier in H1 2017

FIRST-HALF RESULTS

€m - IFRS	H1 2017	**H1 2018**
Revenue	14.69	**16.25**
Gross operating surplus EBITDA	0.12	**0.84**
Operating profit / (loss)	(0.36)	**0.43**
Net financial income (expense)	(0.55)	**(0.22)**
Net income/(loss)	(0.90)	**0.09**

Based on growth in Group sales in the 2018 first half, a reduction in raw material used in operations (1 point), and personnel costs (2 points), the main expense items which vary with the level of business and the containment of fixed costs (stable) contributed to an EBITDA margin of 5.2%. Amortization, depreciation of fixed assets remained stable like-for-like (four months of operations only for Santier in H1 2017). On that basis, the first-half operating margin improved significantly in relation to the same period last year, rising to 2.7%.

Borrowing costs at June 30, 2018 (€0.22 million) rose from one year earlier (€0.14 million), reflecting interest payments respectively by Egide USA (on the credit facility arranged in May 2017) and Egide SA (on the bond issue at 2017 year-end). To these financial expenses were added in 2017 foreign exchange losses associated with the current account balance between Egide SA and Egide USA. Pursuant to Egide SA's waiver of this current account balance at December 31, 2017, there was no significant currency effect in 2018 first half.

Income before tax for the 2018 first half represented a profit of €0.22 million compared with a loss of €0.90 million in the 2017 first half. Growth in sales combined with improved production performances and tight control over fixed costs enabled the Group to register its first profits. After tax, net income at June 30, 2018 came to €0.09 million.

CONSOLIDATED BALANCE SHEET HIGHLIGHTS AT JUNE 30, 2018

ASSETS	
Non-current assets	9.45
Inventory, trade and other receivables	14.26
Cash	2.77
TOTAL	**26.48**

EQUITY & LIABILITIES	
Shareholders' equity	13.15
Financial debt and provisions	8.07
Trade and other payables	5.26
TOTAL	**26.48**

Non-current assets include €1.26 million in intangible assets (Santier trademarks, customer relationships and technologies), €6.44 million in property, plant and equipment (the Egide USA building, production equipment at manufacturing sites) and €0.48 million in financial assets (building rental deposit guarantees). Also included are deferred taxes (€1.04 million) that were recognized as assets in 2017, to which was applied the estimated tax charge at June 30, 2018 of €0.12 million. The cost of tangible fixed assets acquired in the first half amounted to €0.59 million, including €0.13 million by Egide SA financed from equity and €0.46 million by Santier, financed in the period by a credit facility that was granted and undrawn in 2017.

Working capital requirements (inventory + trade receivables + other current assets - trade payables - other current liabilities) represented 89 days of sales, and remained stable in relation to prior six-month periods.

Shareholders' equity amounted to €13.15 million or 50 % of total assets. Financial debt consists primarily of the bond issue, the Sofired loan, Egide SA factoring debt, the Santier bank loan and the Egide USA revolving credit.

The 2018 first half generated positive cash flow (+ €0.69 million) which strengthened the cash position since beginning of the year, which was €2.99 million. Cash outflows represented working capital requirements (€0.60 million), capital expenditures (€0.59 million) and the repayment of financial debt (€0.25 million). The drawdown of an equipment credit line (+€0.53 million) at Santier contributed to financing capital expenditures in the first half.

BUILDING NEW BUSINESS MOMENTUM

In June, Vincent Courty joined the Group as Vice President of Worldwide Sales with the mission of expanding our global commercial presence. The North American sales organization was furthermore strengthened in the summer with the appointment of Kevin Cotner as Vice President of North American Sales and Gabriel J. Vitorla as North American Midwest Regional Sales Director. The focus of this new business momentum is to maximize the benefits of synergies from the Group's three manufacturing sites in order to address its customers technical requirements.

OUTLOOK

The HTCC ceramic project of Egide USA is continuing to make progress, as highlighted by approximately US $1 million in revenues expected for 2018. Similar growth is expected in the future as the Cambridge site continues to identify and qualify new customers. The Bollène site is seeking to supplement its thermal imaging market by working on other technologies such as light amplification that could offer potential for generating additional revenue streams in future years. Santier is modernizing its production base by adding new equipment in order to reduce costs and better position itself within a competitive market environment. In addition, Santier is seeking to develop its markets in Asia and Africa.

For the end of 2018, one of its top 10 customers in terms of sales was required to modify its export policy in response to regulatory changes, which subsequently is expected to adversely impact Group revenue on a temporary basis in the 2018 second half compared to the same period in 2017. Despite this, revenue growth is expected to remain positive for the full year and performances should continue to improve over the course of 2019, notably in response to organizational changes and the new expertise added to the Group.

FINANCIAL CALENDAR

2018 third-quarter sales: October 10, 2018 (after close of trading)

To find out more about Egide:
www.egide-group.com

ABOUT EGIDE
Egide is a group with an international dimension, specialized in the manufacture of hermetic packages and heat dissipation solutions for sensitive electronic components. It operates in cutting edge markets with strong technology barriers to entry in all critical industry segments (Thermal Imaging, Optronics, High-Frequency, Power Units…). Egide is the only pure player in this market niche with manufacturing bases in France and the United States.

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Egide's eligibility for tax efficient French innovation-focused mutual funds (FCPI) was renewed on May 14, 2018 its.