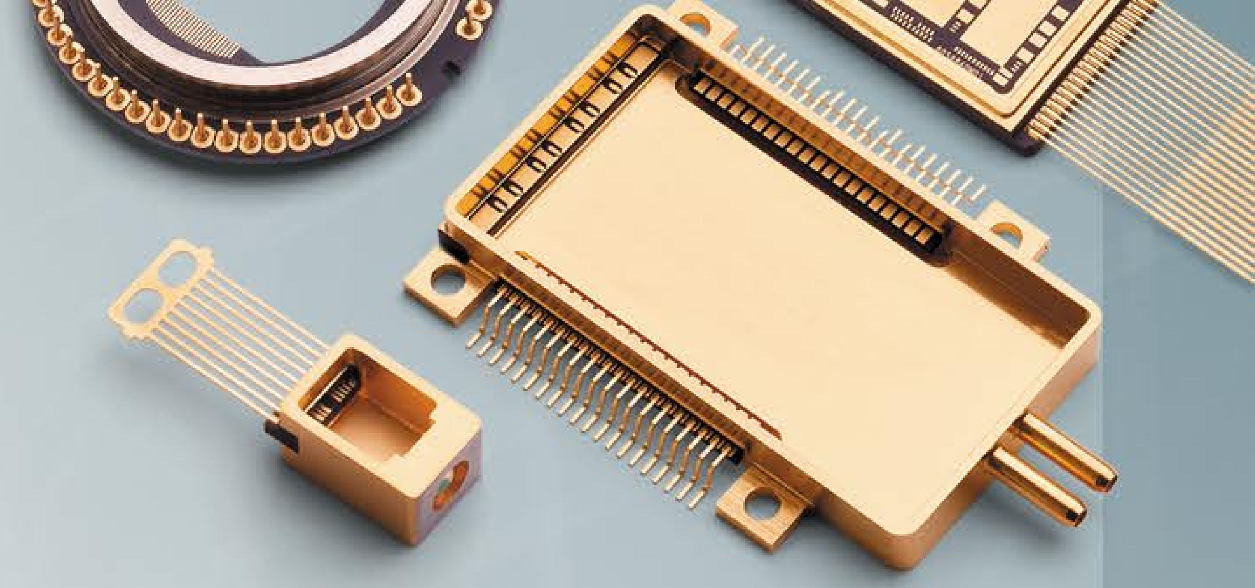
EGIDE

2016 RESULTS



Trappes, March 31, 2017 - 7:00 am (CET) - Results here presented are based on consolidated financial statements for 2016 as of yet unaudited though reviewed by the Audit Committee on March 29, 2017. While the annual closure-of-accounts is still in progress, no changes to the figures presented above are expected.

IFRS (€m)	2015	2016 *
Revenue	20.59	22.17
Gross operating profit (EBITDA)	(1.09)	+ 0.11
Operating profit/(loss)	(1.48)	(0.60)
Net financial income (expense)	+ 0.11	(0.13)
Net income/(loss)	(1.38)	(0.73)

** unaudited*

Commenting these 2016 financial highlights, James (Jim) F. Collins, Chairman of the Egide Group, stated: *"Revenue growth in 2016 combined with the work of our teams contributed to improved performances. On that basis, operating results increased by 60% and gross operating profit was positive. We will continue our efforts in 2017."*

2016 CONSOLIDATED FINANCIAL HIGHLIGHTS

Revenue: Egide Group had consolidated revenue (unaudited) in 2016 of €22.2 million, up from €20.6 million in 2015. The change in the Euro/US Dollar exchange rate had no impact in 2016. The breakdown of revenue by business application is as follows:

(€m)	2015	2016*	Change 2016 vs. 2015
Thermal imaging	9.25	9.97	+ 7.78 %
Power units	5.86	5.62	- 4.10 %
Optronics	2.54	2.48	- 2.36 %
Microwave	1.74	2.55	+ 46.55 %
Other	1.20	1.55	+ 29.17 %
Total	**20.59**	**22.17**	**+ 7.67 %**

** unaudited*

Operating profit (loss): 2016 showed an operating loss of €0.60 million (down from a loss of €1.48 million in 2015). This result includes a Research Tax Credit of €0.28 million compared to €0.24 million in 2015. R&D expenditures amounting to €0.9 million (compared to €1 million 2015) were fully expensed in the period. The rate of consumption of raw materials and supplies improved in the period, declining from 44% in 2015 to 41% in 2016, as staff costs (43% compared to 41%). Fixed costs remained stable whereas allowances for depreciation and amortization increased by €0.2 million in 2016, with the beginning of depreciation of HTCC ceramic equipment in October 2015.

Net financial expense and net income: The net financial loss in 2016 of €0.13 million corresponds primarily to financing costs associated with use of the factor and borrowings (€0.21 million in 2015, as in 2016). The foreign exchange result was marginally positive in 2016 (+ €0.07 million) compared with the significant gain in 2015 (+ €0.31 million). These results were not impacted by the marginal fluctuation in the US dollar between 2015 and 2016 (with average exchange rates of 1.1096 vs. 1.1066 respectively).

For 2016, a net loss was recorded of €0.73 million, representing a significant improvement from the prior year with a loss of €1.38 million.

Balance sheet highlights: At December 31, 2016, current cash amounted to €1.08 million, compared to €2.78 million at year-end 2015. Capital expenditures in the period amounted to €1.02 million and working capital corresponded to 77 days of sales. Group debt, excluding factoring amounted to €2.38 million (€1.88 million long-term and €0.73 million short term) and factoring commitments to €2.81 million. Shareholders' equity stood at €6.22 million.

Outlook: The capital increase carried out at the beginning of the year was a big success generating proceeds of €8.2 million. These funds made it possible to finance the full acquisition of the operating assets and liabilities of the US company Santier LLC, based in San Diego, California. This company is specialized in the manufacture of thermal management materials for eliminating heat produced by electronic components and addressing primarily the US defense market.

Operating and commercial synergies between Santier and the rest of the group will be gradually implemented while Egide's sales department will be organized into two regional divisions: North America and Europe/Rest of the World in order to address the specific characteristics of each of these regions.

Jim Collins concluded: *"Based on a book-to-bill ratio above 1 at the end of 2016 and the increase in our backlog of orders, we anticipate further improvements in 2017. Our recent ceramic production line in Cambridge (Maryland, USA) has met with success and we foresee contracts amounting to US$500,000 this year. In addition, the qualification of our 40 and 100 Gb/s TOSA/ROSA packages for optoelectronic applications will also support growth in sales. These developments, combined with the acquisition of Santier, will contribute to continuing improvements in Group results."*

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