



# HALF-YEARLY FINANCIAL REPORT

30 June 2020



[www.actia.com](http://www.actia.com)

ACTIA Group  
Limited Liability Company with a Management Board and Supervisory Board  
with Share Capital of €15,074,955.75  
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We present herein the interim financial report covering the six-month period ended 30 June 2020, 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 and 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](http://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, and a description of the principal risks and areas of uncertainty for the remaining six months of the financial year.

21 September 2020

**Jean-Louis Pech**

Chairman of the Management Board

## 2 HALF-YEARLY MANAGEMENT REPORT

### 2.1 The figures

#### 2.1.1 Turnover

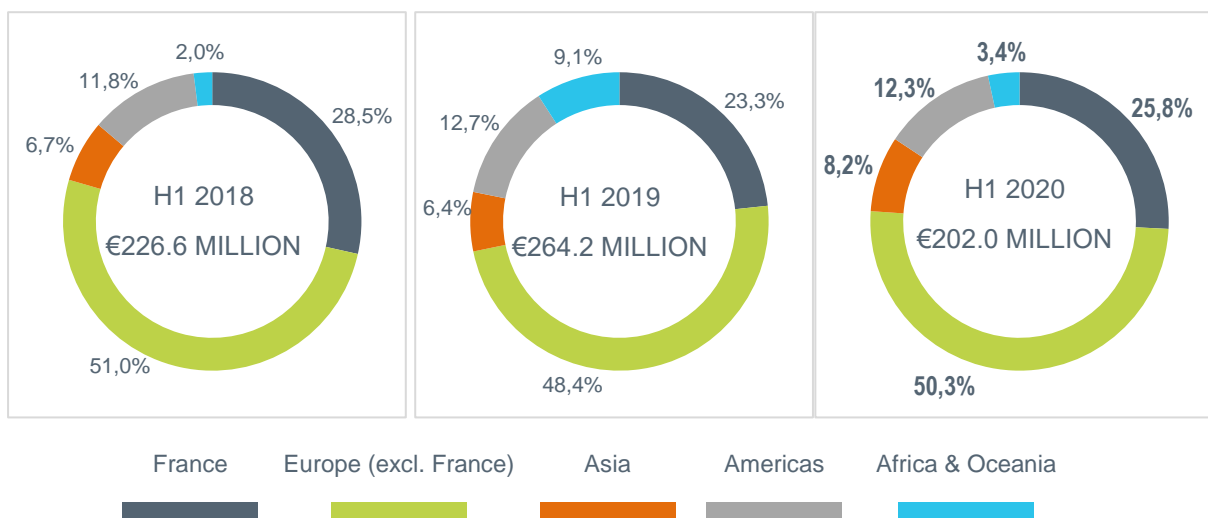
The Group's consolidated financial statements show turnover for the first half of 2020 of €202.0 million, down by 23.5%.

In € millions:	2020			2019			% variance		
	Q1	Q2	H1	Q1	Q2	H1	Q1	Q2	H1
Automotive	108.5	76.6	185.1	114.6	117.7	232.3	(5.3%)	(34.9%)	(20.3%)
Telecommunications	8.7	8.3	16.9	19.8	12.1	31.9	(56.1%)	(31.6%)	(46.8%)
<b>Total</b>	<b>117.1</b>	<b>84.9</b>	<b>202.0</b>	<b>134.4</b>	<b>129.8</b>	<b>264.2</b>	<b>(12.8%)</b>	<b>(34.6%)</b>	<b>(23.5%)</b>

In the context of the Covid-19 global health crisis, turnover for the first half of 2020 amounted to €202.0 million, down by 23.5%. The low point of the period was reached in April and the gradual recovery that began in May continued in June.

As the pandemic spread, firstly affecting Asia, then Europe, before reaching the Americas, all of the Group's subsidiaries were impacted, with reduced international transport impeding deliveries and production being halted at both customer and Group facilities, despite the partial implementation of working from home. No contract was terminated or suspended; sales volume is only impacted by the drop in customer activity.

Thus, in the first half of the year, turnover of the French companies amounted to €80.7 million, down by 32.3%, or 40.0% of sales. Exports from France fell back below domestic sales, with the unfavourable base effect of the Telecommunications export contract. Sales by the international subsidiaries amounted to €121.3 million, or 60.0% of Group turnover, down by 16.3%. Sales to international customers accounted for 74.2% of the Group's business compared to 76.6% in the first half of 2019, a decline of 25.7%, which was particularly affected by the blocking of SatCom deliveries towards Egypt. ACTIA is actively developing business by participating in tenders that correspond to its long-term growth objectives, while seeking out short-term opportunities to mitigate the effects of the crisis. We have successfully won new contracts, notably in the area of vehicle electrification, but it will take another two years or so for this to be visible in our sales figures.



## 2. Half-yearly management report

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 almost four years now, achieving a large number of successes and giving it confidence in the future. At the same time, this has meant a major investment programme, particularly in Research & Development and real estate.

In 2018 and 2019, with several new buildings completed in France and Tunisia, renovations and extensions to existing sites, and the inauguration of the new circuit board production facility on the outskirts of Detroit (United States), the Group had almost completed its programme. Only the integration plant in Tunisia was scheduled for completion in 2020. However, works have been suspended due to the health crisis. Concerning R&D, priority is given to programmes corresponding to tenders we have won.

The **Automotive Division** generated 91.6% of the Group's first-half turnover and experienced a 20.3% decline.

The **Telecommunications Division** generated 8.4% of the Group's first-half turnover with a 46.8% decline.

Operating segment (in € thousands)	H1 2020	H1 2019 <sup>(2)</sup>	H1 2018 <sup>(2)</sup>
OEM	143,342	184,842	160,046
Aftermarket	20,499	21,917	22,685
MDS	21,223	25,515	25,749
<b>Total Automotive</b>	<b>185,064</b>	<b>232,274</b>	<b>208,481</b>
SatCom	8,291	22,611	6,283
Energy <sup>(1)</sup>	3,213	4,701	7,880
Rail	5,431	4,547	3,840
<b>Total Telecom</b>	<b>16,935</b>	<b>31,859</b>	<b>18,003</b>
<b>TOTAL</b>	<b>201,988</b>	<b>264,181</b>	<b>226,551</b>

<sup>(1)</sup> The former Infrastructure - Networks - Telecommunications activity has been grouped under Energy since 1 January 2020.

<sup>(2)</sup> Data restated to re-adjust revenue to market segments

### 2.1.2 Results

The consolidated results were as follows:

In € thousands	H1 2020	H1 2019	H1 2018
Turnover	201,988	264,181	226,551
Operating income	(14,332)	8,504	957
Financial result	(1,726)	(1,438)	3,760
Income for the period	(16,277)	5,763	2,052
attributable to Group shareholders	(15,636)	5,515	1,928
Non-controlling interests	(641)	248	124

The Group had an operating income of -€14.3 million, compared to +€8.5 million for the first half of 2019.

Since the first quarter of 2020, the Covid-19 health crisis has greatly impacted the global economy. ACTIA has endured the effects of the virus in all countries where the Group operates, hindering its own operations as well as those of its customers and suppliers. After operations coming to a virtual standstill during the month of April, the various Group companies have gradually resumed their on-site activities, while maintaining working from home on an ad-hoc basis to comply with local health regulations. Presently, all our sites are up and running, albeit not at the level of activity forecast prior to the crisis.

## 2. Half-yearly management report

While the Group is maintaining a large number of products under development following the commercial successes of the preceding months, it is limiting its investments to reduce the impact on its balance sheet. R&D financing by customers in the early stages of contracts amounts to 30.9% of the committed expenditure, compared to 22.6% in the first half of 2019, showing a prioritisation of programmes giving commitments for the future and a decrease in overall expenses (-8.0%) to €38.5 million as opposed to €41.8 million at 30 June 2019. This effect is also seen in the drop in external costs (-11.0%), due to immediate action taken to greatly limit the outsourcing of R&D and the use of temporary labour. Likewise, the activity stoppage resulted in a sharp decline in transport costs (-43.2%) and travel expenses (-48.8%).

Headcount decreased from 3,854 at the end of 2019 to 3,810 at 30 June 2020 (-1.2%) reflecting the first adjustments made to adapt to this crisis, by implementing a freeze on hiring, non-replacement of employees leaving due to natural attrition and, in certain cases, redundancies. ACTIA may occasionally recruit employees that are essential for serving current and future customers, and to secure its development in Africa and the United States, where sales efforts have been particularly focused in recent months. Lastly, the start-up of the new industrial facility for the production of circuit boards in the United States since the second half of 2019 generates fixed costs that have not yet been absorbed by the level of production (impact on net income at 30/06/20: -€2.3 million) with the crisis further delaying profit prospects for this site. The other industrial sites producing electronic circuit boards (France and Tunisia) are also affected by the crisis, and the sharp decrease in volumes no longer allowing to absorb the fixed costs generated by the use of automated means of production.

Meanwhile, the government aid put in place does not compensate for the drop in activity, resulting in losses for this first half of the year. The aid, amounting to €4.7 million, absorbed part of the costs of maintaining our headcount during the activity stoppage. With the resumption of deliveries as well as resumption of activity by employees, the aid will not be continued during the second half of the year.

Regarding component supply, after two difficult years, this market has not returned to its normal functioning expected for 2020. As indicated in previous publications since the end of 2017, the electronic components market remains under strain with supply not fully meeting international demand, even though there has been a marked improvement meaning that there are no longer any quotas on components. However, lead times continue to exceed 45 weeks on average, leading to difficulties in stock management in the event of a market turnaround, like this year. Work in progress corresponds neither to forecasts, nor to materials and supplies currently being received, and there is a lack of reliable forecasts from customers concerning orders to be produced.

Due to an unfavourable base effect (robust activity for SatCom in the first half of 2019) and goods being blocked with the closure of borders, the **Telecommunications** Division reported a 46.8% decline in the first half with turnover of €16.9 million, causing operating margin to plummet to -10.8% with an operating income of -€1.8 million, the level of turnover having a heavy impact on this structure with a fixed cost base. Materials and supplies represented 34.4% of turnover, compared to 40.9% at 31 December 2019.

The **Automotive** Division saw its activity drop by 20.3% with orders drying up in many markets. Although the product mix continues to be dominated by long production runs, the truck sector's contribution to this division's turnover is declining in favour of rail and vehicle inspection. Diversification of the division is allowing it to curb the fall in its sales, at a time when some of its customers are recording sharp declines. As the plants did not have sufficient business to absorb fixed costs, particularly those relating to recent investments in production tools, the Automotive Division recorded an operating income of -€12.4 million compared to +€4.6 million at 30 June 2019.

Concerning the impact of the dollar, fluctuations in the EUR/USD exchange rate and the use of hedging tools by the Group made it possible to reduce the cost of our purchases of components by about €1.7 million. In fact, thanks to its hedging strategy, the Group was able to purchase dollars at an average rate over the period of 1.1476 as compared to 1.1741 for the first half of 2019. In this way, the Group outperformed the cash market, where the average exchange rate over the period was 1.1015, compared to 1.1298 in the first half of 2019. However, in comparison with the valuation of hedging instruments at 30 June 2019, the change in fair value had a negative impact on the financial result (-€0.8 million).

Despite the increase in net debt, financial interest fell by 9.2% to €1.7 million, as a result of lesser use of short-term financing lines (overdraft and mobilisation of trade receivables) due to the implementation of subsidised financing (interest-free and guarantee-free sovereign loans in France, the Paycheck Protection Program in the United States) for €32.1 million and the deferral of bank repayments in France for €9.5 million. In this way, the average interest rate fell to 1.36% compared to 1.59% at 30/06/19, due to 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 2019. The financial result thus stood at -€1.7 million.



## 2. Half-yearly management report

The change in net debt is +€2.6 million compared to 30 June 2019, reflecting the end of the heavy investment period (2017–2019: real estate investments including the construction, renovation and modernisation of a large number of sites and the opening of a new production site in the United States). The drop in activity led to a change in Working Capital Requirements, which stood at -€0.3 million for the first half of 2020 compared to -€12.3 million. Business generated €3.7 million in cash, compared to €6.6 million for the first half of 2019.

Whereas usually, medium-term financing, used in particular for R&D, is mainly put in place in the third quarter, the health crisis and the new forms of state financing that were set up allowed cash to be injected from the second quarter. ACTIA requested only 45% of the amount authorised in France (25% of turnover) and obtained the agreement of all the partners. Implementation continued in the third quarter. Regarding R&D financing, exceptionally, it should be put in place in the fourth quarter this year.

The losses generated in the first half of the year cannot possibly be offset by the resumption of activity in the second half of the year and the Group's financial ratios will be severely impacted, with the health crisis generating additional debt over the year. Initial discussions with Actia's financial partners show a good understanding of the situation and a willingness to provide support during these exceptional times.

With a reduction in the tax charge to €0.3 million, compared to €1.4 million in the first half of last year, net income stood at a loss of €16.3 million, down by €22.0 million.

The impacts of the health crisis are clearly reflected in gearing, which stood at 176.0%, compared to 152.6% at 30 June 2019, and 138.1% at 31 December 2019. Gearing, excluding the mobilisation of receivables, grew from 118.1% at 31 December 2019 (129.8% at 30 June 2019) to 167.1%, with a weak mobilisation of trade receivables at 30/06/20 due to sovereign loans being made available.

EBITDA deteriorated sharply over the period to €0.2 million, compared to €21.6 million at 30 June 2019.

The calculation method is detailed below:

In € thousands	H1 2020	H1 2019	H1 2018
Income	(16,277)	5,763	2,052
Taxation	302	1,359	2,551
Interest and financial costs	1,719	1,894	1,334
Provisions for depreciation	14,351	13,270	9,312
Impairment of goodwill	0	0	0
Financial instruments	(121)	672	5,104
<b>Total EBITDA</b>	<b>215</b>	<b>21,614</b>	<b>10,144</b>

## 2.2 Business activity

### 2.2.1 Automotive Division

The automotive activity generated €185.1 million, i.e. 91.6% of Group turnover. It recorded a decline of 20.3%. Despite the health crisis, the sales dynamic for the first half was sustained by the rise in new multi-year contracts and by responding to a large number of invitations to tender. Without losing any product lines, the decline in activity is mainly due to stoppages at our customers' plants, which have not seen their activity resume normally post-lockdown. Depending on the sector, the decline in activity varies between -36.4% for the Heavy Vehicle Manufacturers sector and +32.4% for Vehicle Inspection.

The division generated 79.0% of its sales from foreign customers as at 30 June 2020, the health crisis caused by the global pandemic not impacting this geographical distribution of sales.

Europe, which accounts for 54.6% of the division's consolidated turnover, recorded a net decline of €25.1 million, or -19.9%, mainly due to Sweden, the country recording the steepest drop (-€15.3 million) – although it remains the leading country for invoicing – and also Belgium.

The Americas were down by 27.1% with contrasting environments depending on the local economic situation and market cycles. The Group thus recorded a sharp decline in the United States (-27.7%) where the economy grounded to a halt, and in Mexico (-66.5%) where travel suspensions lead to the freezing of investments from bus fleet operators. Due to our latest successful sales drives in Brazil, South America is up by 34.5%, where progress continues to be made on the initial (product development) phase of new contracts by our teams working from home.

Asia, for its part, only fell by 2.1% mainly due to the deployment of Vehicle Inspection equipment in the Philippines. The ever-competitive Chinese market, which was the first to head into the crisis, saw its sales pick up again in the second quarter, recording a fall of 13.5% over the period compared to the first half of 2019.

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 is not linear over the fiscal year.

The significant events of the first half of 2020 in the division's 3 business segments are as follows:

### ❖ Original Equipment Manufacturer (OEM) Business Unit

The OEM business unit generated turnover of €143.3 million (-22.5%), accounting for 71.0% of the Group's business.

The global Automotive sector has slowed down dramatically with the crisis. Our manufacturer customer's sales continue to outperform its competitors, recording a less severe decline. On the other hand, the Heavy Vehicle sector, which was already showing signs of slowing down at the end of 2019, recorded a much steeper downturn. Thus, for ACTIA, telematics sales, which are sensitive to customer volumes, fell by 23.5% over the first half of 2020 to €67.9 million, and were only offset by Special Vehicles, which ramped up over the period.

With less volume-sensitive activities, such as the Diagnostics business, in which the Group continues to have recognised expertise enabling it to generate sales on a regular basis, automobile manufacturers account for 36.3% of the Automotive Division's sales compared to 34.0% at the end of June 2019, maintaining a historically significant share of consolidated turnover.

Having recorded one of the sharpest declines (-€13.2 million), heavy vehicle manufacturers now only account for 12.5% of the division's turnover, whereas they reached 15.7% in the first half of 2019. This interim situation caused by the crisis could be perpetuated over time with the progress of other segments.

Drawing on its lasting relationships with its customers, the "Bus & Coach" segment is more specifically affected by the freezing of fleet operator investments for inter-city travel, particularly in Latin America. It recorded a decline of 18.5% compared to the first half of 2019, now representing 13.1% of the division. Off Highway (construction and agricultural machinery, etc.) stabilised at 8.7% compared to 8.3% at 30 June 2019.

One of the rare sectors to progress for the Group, the rail sector, saw its turnover increase by 23.4%, confirming its role as a growth driver. It still only represents 3.9% of the Automotive Division's business compared to 2.5% at 30 June 2019. While our customers shut their factories during lockdown, activity has resumed at the expected pace, yet it will not be possible to make up for lost time.

Lastly, the electric vehicle segment fell by 55.2%, suffering both from an unfavourable base effect with the first half of 2019, representing 57.3% of the year, and from the decline in sales in Bus & Coach sector. Sales efforts were successful during the period, however, with tenders being won from an Australian bus manufacturer and an American manufacturer to support the electrification of their vehicles.

### ❖ Aftermarket Business Unit

Its turnover amounted to €20.5 million at 30 June 2020, down €1.5 million (-6.5%), accounting for 10.1% of the Group's consolidated turnover.

While activity has grounded to a halt in garages and among fleet operators due to the health crisis, resulting in a freeze on customer investments and a decline in ACTIA's turnover of 29.7% and 9.9% respectively, Vehicle Inspection recorded sales growth of 32.4%.

Vehicle Inspection benefited from both the export market to the Philippines, where the majority of deliveries got through before the borders were closed, and from a French government decision to continue this activity despite lockdown and grant extensions to deadlines for conducting inspections, making it possible to maintain a robust level of business despite the constraints relating to the health crisis. As a result, this sector will not benefit from a "catch-up effect" in the second half of the year.

### ❖ Manufacturing-Design & Services Business Unit

This business unit's activity brought in €21.2 million, down 16.8%, corresponding to 10.5% of the Group's consolidated turnover. Maintaining a diversified customer portfolio for its manufacturing plants, both in France and Tunisia, the Group has ramped up sales efforts, in a context of lower manufacturing volumes at the Group's plants, which is having a particularly negative impact in terms of absorbing the costs of our high-quality, latest-generation production tools. International competition remains fierce, but the Group's size, as well as the diversity of its production and expertise, continue to be strengths. One of the sectors where the Group diversified, aeronautics, has enabled us to get through many past crises, but has been particularly affected by the health crisis, hence business from our leading customer fell by 19.9% in the first half of the year.

Over the period, the impact of fluctuations in the EUR/USD exchange rate on our purchases was mitigated through the use of hedging tools. They provide a tunnel for purchasing dollars, thus offsetting the impact of financial market turbulence. Contrary to 30 June 2019, when hedging instruments showed an increase in valuation of €0.7 million compared to 31 December 2018, the variation is -€ 0.2 million compared to 31 December 2019. In fact, through its hedging strategy, the Automotive division was able to purchase dollars at an average exchange rate over the period of 1.1687 compared to 1.1820 in the first half of 2019, outperforming the cash market where the average exchange rate over the period was 1.1015, compared to 1.1298 in the first half of 2019.

Wiping out efforts made to improve profitability, the health crisis has affected sales volumes, production organisation, and stock management. Indeed, the electronic components market remains under strain with supply not fully meeting international demand, even though there has been a marked improvement meaning that there are no longer any quotas on components in 2020. However, lead times continue to exceed 45 weeks on average, leading to difficulties in stock management in the event of a market turnaround, like this year. Work in progress corresponds neither to forecasts, nor to materials and supplies being received currently, and there is a lack of reliable forecasts from customers concerning orders to be produced.

Since 30 June 2019, headcount dropped by 5 to 3,498 employees (-0.2%), which does not directly correspond to the decrease in personnel costs (-3.1%) due to the impact of government aid (€3.9 million) to maintain employment, particularly in France and Germany. Without this aid, personnel costs would rise by 4.2% in line with the growth of the workforce in the second half of 2019, and with the increase in salaries, which was significant in certain countries, at a time when the Group is under strong pressure to retain its talents. The need to adapt to the crisis led to an immediate freeze on hiring, non-replacement of employees leaving due to natural attrition and also reductions in headcount at structures that do not have immediate prospects for recovery and where the legislation allows action to be taken quickly. R&D activity over the period, which could generate significant variances in capitalised production from one situation to another, fell to €6.2 million from € 6.8 million (-8.6%).

Maintaining the development of new contracts and strengthening its commercial activity on growth drivers, spending on R&D reached €32.1 million over the first half, i.e. -€2.7 million, reflecting efforts to reduce such costs without creating difficulties for the future, but representing 17.3% of turnover in this context of market meltdown. With a slightly lower level of capitalisation, down by €0.6 million compared to 30/06/19, and other contributions that remained stable (research tax credit and subsidies: + € 0.2m), R&D costs in the income statement decreased by €3.9 million compared to the first half of 2019. This intense activity was also reflected in the external charges where the use of outside subcontractors has been greatly reduced.

The halting of employee travel and the sharp decline in the flow of goods resulted in a significant reduction in transport costs and travel expenses (-€3.4 million).

In anticipation of difficulties recovering debts, due to the situation of certain international customers, ACTIA recorded a provision of €4.0 million for bad debts.

With the investments made in previous years, provisions for depreciation increased by 6.6% to €13.2 million.

In the first half of the year, these elements were reflected in the operating income of the Automotive division, which came to -€12.4 million, or -6.7% of turnover compared to 2.0% at 30 June 2019, thus recording a sharp decline compared to the first half of 2019, the division being doubly impacted by the drop in sales and by the heavy cost of its production tool. The contribution to Group net income was -€13.8 million.

It should be noted that the division's stocks were stable in relation to 31/12/19. However, WIP stocks and raw materials stocks reciprocally increased by €2.0 million, in connection with customer product development, and by €2.3 million, due to the difficulty of reducing the level of materials received considering that procurement lead times are over 45 weeks on average.

### 2.2.2 Telecommunications Division

With a contribution of €16.9 million to consolidated turnover, down by 46.8%, the Telecommunications Division represented 8.4% of the Group's business. Beyond the base effect, which would have generated a decline, the division saw its activities halted by its customers' stoppages and the closing of borders. Unlike the Automotive Division, which is sensitive to customer sales volumes, the Telecommunications Division is involved in long-term programmes relating to the deployment of infrastructures, which are therefore deferred with no real possibility of making up for lost time, but without any impact on the overall volume of these multi-annual programmes. Whereas international sales represented 60.4% of the total at 30 June 2019, this figure fell to 21.3% at 30 June 2020.

The significant events of the first half of 2020 in the division's 3 business segments are as follows:

#### ❖ SatCom

With half-yearly turnover of €8.3 million, compared to €22.6 million in the same period 2019, this operational entity fell sharply due to the contract in Egypt, which had recorded a very high level of invoicing in the first half of 2019, particularly in the first quarter and which was due to end in the first half of 2020 for its land component. Deliveries, expected to decrease over the period, have been deferred to the second half of 2020, with a risk of the last invoices stretching into 2021, due to closure of the borders with Egypt from mid-March to mid-July, pushing back all delivery milestones.

Apart from the time lags caused by the health crisis, business generated by its multi-year contracts remained in line with expectations.

Commercially, business activity remained brisk, allowing business volume to be consolidated over time, beyond the Egyptian contract.

#### ❖ Energy

It should be noted that on 1 January 2020, the Infrastructure - Networks - Telecommunications (IRT) and Energy activities were grouped together, due to the decline of IRT business with the scheduled end of deployment of 4G and also the extension and renovation of the Le Puy-Sainte-Réparade site, which can accommodate these activities in better operational conditions.

Turnover at 30 June reached €3.2 million, down by €1.5 million compared to the first half of 2019, due to both the decline in IRT business, which represented €0.8 million at 30/06/19, and our customers' stoppages during the lockdown. Programmes have thus fallen behind at the end-of-development / industrialisation phase, thereby delaying an upswing in this sector.

#### ❖ Rail

This operational business unit continued to see growth with an increase in turnover of €0.9 million, up 19.4% compared to the first half of 2019, thanks to the ramping-up of programmes acquired in previous years as part of the growth drivers developed by the Group. Although it was disrupted by the health crisis and progressed less quickly than expected, the continued successes of its commercial development and the first deliveries demonstrate the relevance of this long-term strategic choice.

With the level of business significantly down in comparison to the first half of 2019, operating income fell to -€1.8 million as opposed to +€3.4 million at 30 June 2019. It was impacted by the efforts made to support the beginning of major programmes requiring R&D expertise. Headcount remained stable compared to 30 June 2019 (+ 4 employees), with a drop in personnel costs of 8.5% being recorded, thanks to French state aid. Spending on R&D recorded in the income statement was € 2.9 million (-22.3%), reflecting efforts to control costs, while at the same time developing the products of the future. External charges decreased by 8.2% compared to the first half of 2019. Thus, for this mainly fixed-charge structure, operating margin was -10.8% compared to 10.5% in the first half of 2019. However, deliveries over the next few quarters will lead to recovery of the traditional profitability levels of the Telecommunications business.

### 2.3 Outlook

The Covid-19 global epidemic severely restricted Group operations. Some sectors, such as the aeronautics sector, are announcing long-term impacts while others, such as the rail sector, are only slightly affected. The work that has been carried out for several years now to replace certain markets, such as automotive telematics, is enabling the Group to better absorb the shock of the health crisis. After operations came to a virtual standstill during the month of April, the various Group companies gradually resumed their on-site activities to date, the decrease in turnover is estimated at around 15% compared to 2019. It should be noted that, prior to the pandemic, the Group had forecast moderate growth.

## 2. Half-yearly management report

Adjustments have been made to the commercial strategy and cost-saving measures have been implemented, particularly in R&D where priority is being given to customers' development programmes. Outsourcing is being limited insofar as possible. The Group is studying different scenarios to adapt to current and future changes; the situation of each entity is assessed on a case-by-case basis, taking into account changes made to order books by customers, the capacity to generate new business opportunities, and trends forecasts in target markets.

With a broadly diversified portfolio and strong international presence, the Group is endeavouring to make progress on signed contracts and those in the final stages of negotiations, and on the most promising R&D projects, to prepare for post-crisis recovery in the best conditions and benefit from its positioning in the mobility and telecommunications markets, where long-term prospects remain intact.

### 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 2020.

### 3 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

#### 3.1 Consolidated balance sheet

Consolidated assets in € thousands	Notes	30/06/2020	31/12/2019
Goodwill	Note 4	24,148	24,148
Development costs	Note 4	60,349	59,496
Other intangible assets	Note 4	1,574	1,386
<b>Total intangible assets</b>	<b>Note 4</b>	<b>86,071</b>	<b>85,030</b>
Land	Note 5	3,678	3,690
Buildings	Note 5	38,552	37,662
Technical equipment	Note 5	22,787	23,241
Other tangible assets	Note 5	17,595	19,275
<b>Total tangible fixed assets</b>	<b>Note 5</b>	<b>82,612</b>	<b>83,867</b>
Equity method investments		753	672
Non-current financial assets	Note 11	1,153	1,276
Deferred taxation	Note 10	12,100	11,769
Non-current tax credit	Note 11	10,260	11,808
<b>TOTAL NON-CURRENT ASSETS</b>		<b>192,950</b>	<b>194,421</b>
Stocks and work in progress	Note 6	164,798	161,135
Trade receivables	Note 7	116,230	140,223
Other current receivables from operations	Note 7	9,467	10,830
Current tax credit	Note 7	11,730	10,785
Other miscellaneous current receivables	Note 7	1,713	1,576
Current financial assets	Note 9.2	1,095	1,216
<b>Total current receivables</b>		<b>305,032</b>	<b>325,766</b>
Cash equivalents	Note 9.1	75	98
Cash	Note 9.1	41,399	46,507
<b>Total cash and cash equivalents</b>	<b>Note 9.1</b>	<b>41,474</b>	<b>46,604</b>
<b>TOTAL CURRENT ASSETS</b>		<b>346,506</b>	<b>372,370</b>
<b>TOTAL ASSETS</b>		<b>539,457</b>	<b>566,791</b>



### 3. Condensed consolidated interim financial statements

Equity and consolidated liabilities in € thousands	Notes	30/06/2020	31/12/2019
Capital	Note 13	15,075	15,075
Premiums	Note 13	17,561	17,561
Reserves	Note 13	95,572	89,758
Retained earnings	Note 13	11,074	11,351
Translation reserve	Note 13	(3,870)	(2,597)
Treasury shares	Note 13	(162)	(162)
Income for the period	Note 13	(15,636)	8,604
<b>Group common shareholders' equity</b>	<b>Note 13</b>	<b>119,613</b>	<b>139,589</b>
Income from non-controlling interests	Note 13	(641)	120
Reserves from non-controlling interests	Note 13	789	679
<b>Non-controlling interests</b>	<b>Note 13</b>	<b>147</b>	<b>799</b>
<b>EQUITY</b>	<b>Note 13</b>	<b>119,760</b>	<b>140,388</b>
Borrowings from credit institutions	Note 12	123,449	117,619
Miscellaneous debt	Note 12	1,328	1,465
Debt – lease financing	Note 12	15,252	14,820
<b>Total non-current debt</b>	<b>Note 12</b>	<b>140,029</b>	<b>133,904</b>
Deferred tax liabilities	Note 10	3,858	3,931
Provision for pensions and other long-term benefits	Note 15	11,307	11,083
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>155,194</b>	<b>148,918</b>
<b>Other provisions</b>	<b>Note 15</b>	<b>9,395</b>	<b>8,059</b>
Short-term debt	Note 12	112,274	106,632
Financial instruments	Note 9.2		
<b>Total current debt</b>		<b>112,274</b>	<b>106,632</b>
Accounts payable	Note 16	63,616	85,282
Other operating liabilities	Note 16	59,433	61,060
Corporate taxes (IS)	Note 16	1,374	1,342
Other miscellaneous liabilities	Note 16	3,497	941
Deferred income		14,913	14,170
<b>TOTAL CURRENT LIABILITIES</b>		<b>264,503</b>	<b>277,485</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>539,457</b>	<b>566,791</b>

### 3. Condensed consolidated interim financial statements

#### 3.2 Consolidated income statement

Consolidated income statement in € thousands	Notes	H1 2020	H1 2019
<b>Revenue from operations (Turnover)</b>	<b>Note 17</b>	<b>201,988</b>	<b>264,181</b>
- Materials and supplies	Note 17	(110,744)	(144,560)
- Personnel costs	Note 17	(60,753)	(63,029)
- External charges	Note 17	(34,023)	(38,232)
- Taxes		(3,219)	(3,577)
- Provisions for depreciation	Note 17	(14,351)	(13,270)
+/- Changes in stocks of finished goods and work in progress		2,590	2,311
+/- Exchange gains / losses on operating activities		1,310	2,001
+ Research tax credit		2,870	2,406
<b>Current Operating Income</b>	<b>Note 17</b>	<b>(14,331)</b>	<b>8,231</b>
- Other operating income and expenses		54	310
+/- Profit / loss on disposal of assets		(54)	(36)
- Impairment of goodwill	Note 4		
<b>Operating income</b>	<b>Note 17</b>	<b>(14,332)</b>	<b>8,504</b>
+ Income from cash and cash equivalents		94	6
- Interest and financial costs	Note 17	(1,719)	(1,894)
+ Other financial income / (costs)		(101)	449
<b>Financial Result</b>	<b>Note 20</b>	<b>(1,726)</b>	<b>(1,438)</b>
+ Net income Group share equity method consolidated companies		82	56
+ Taxation	Note 17	(302)	(1,359)
<b>Income for the period</b>	<b>Note 17</b>	<b>(16,277)</b>	<b>5,763</b>
* attributable to Group shareholders		(15,636)	5,515
* Non-controlling interests		(641)	248
<b>Basic and diluted earnings per share (in €) - Group share</b>	<b>Note 14</b>	<b>(0.78)</b>	<b>0.27</b>

#### 3.3 Statement of comprehensive income

Statement of comprehensive income in € thousands	H1 2020	H1 2019
<b>Income for the period</b>	<b>(16,277)</b>	<b>5,763</b>
<b>Items that will not be reclassified to profit or loss</b>		
Defined benefit pension plans – Actuarial differences	200	(432)
Deferred taxation on defined benefit pension plans – Actuarial differences	(93)	134
<b>Items that may subsequently be reclassified to profit or loss</b>		
Translation differences	1,452	299
<b>Other comprehensive income, net of tax</b>	<b>1,559</b>	<b>1</b>
<b>Comprehensive income for the period</b>	<b>(14,718)</b>	<b>5,764</b>
* attributable to Group shareholders	(14,285)	5,401
* non-controlling interests	(433)	364



### 3. Condensed consolidated interim financial statements

#### 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
<b>At 01/01/2019</b>	15,075	(162)	17,561	103,468	(3,840)	132,102	716	132,817
<b>Comprehensive income</b>								
Consolidated income				5,515		5,515	248	5,763
Other comprehensive income				(298)	184	(115)	116	1
<b>Comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,217</b>	<b>184</b>	<b>5,401</b>	<b>364</b>	<b>5,764</b>
<b>Transactions with shareholders</b>								
Distributions to shareholders				(2,009)		(2,009)	(182)	(2,191)
Changes in scope						0	(60)	(60)
Other				135		135	(16)	119
<b>At 30/06/2019</b>	<b>15,075</b>	<b>(162)</b>	<b>17,561</b>	<b>106,812</b>	<b>(3,657)</b>	<b>135,629</b>	<b>821</b>	<b>136,450</b>
<b>At 01/01/2020</b>	<b>15,075</b>	<b>(162)</b>	<b>17,561</b>	<b>109,713</b>	<b>(2,597)</b>	<b>139,589</b>	<b>799</b>	<b>140,388</b>
<b>Comprehensive income</b>								
Consolidated income				(15,636)		(15,636)	(641)	(16,277)
Other comprehensive income				108	(1,273)	(1,166)	(6)	(1,172)
<b>Comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(15,528)</b>	<b>(1,273)</b>	<b>(16,801)</b>	<b>(648)</b>	<b>(17,449)</b>
<b>Transactions with shareholders</b>								
Distributions to shareholders				(3,015)		(3,015)	(0)	(3,015)
Other				(160)		(160)	(3)	(164)
<b>At 30/06/2020</b>	<b>15,075</b>	<b>(162)</b>	<b>17,561</b>	<b>91,010</b>	<b>(3,870)</b>	<b>119,612</b>	<b>147</b>	<b>119,760</b>

### 3. Condensed consolidated interim financial statements

#### 3.5 Consolidated cash flow statement

Consolidated cash flow statement in € thousands	Notes	H1 2020	H1 2019
<b>Income for the period</b>	<b>3.2</b>	<b>(16,277)</b>	<b>5,763</b>
<i>Adjustments for:</i>			
Depreciation and provisions	3.2	16,320	13,771
Profit / loss from disposal of assets	3.2	(62)	35
Interest charges	3.2	1,719	1,894
Current tax charge (excl. research tax credit)	3.2	810	2,006
Changes to deferred taxation	3.2	(508)	(647)
Research tax credit	3.2	(2,741)	(2,406)
Other income / expense	3.2	1,804	479
Share of the profit / loss of associates	3.2	(82)	(56)
<b>Operating cash flow before changes to working capital requirements</b>		<b>983</b>	<b>20,838</b>
Changes to working capital requirements related to the business	Note 24.1	(327)	(12,282)
<b>Cash flow from operating activities</b>		<b>655</b>	<b>8,556</b>
Income tax paid (excluding research tax credit)		(777)	(1,983)
Research tax credit collected		3,859	
<b>Net cash flow from operating activities</b>		<b>3,738</b>	<b>6,573</b>
Capital purchases	Note 4	(12,332)	(22,594)
Dividends received from associates			12
Income from disposal of assets	3.2	70	24
Changes in loans and advances		120	118
Acquisitions during the period under net of cash acquired			(60)
<b>Net cash flow from investing activities</b>		<b>(12,143)</b>	<b>(22,499)</b>
Dividends paid to the owners of the parent company		(3,015)	(2,009)
Dividends paid to non-controlling interests in consolidated companies		(0)	(182)
New borrowings	Note 12	40,015	23,714
Repayment of borrowings	Note 12	(12,676)	(23,904)
Interest paid	Note 20	(1,719)	(1,894)
<b>Net cash flow from financing activities</b>		<b>22,606</b>	<b>(4,274)</b>
Effect of exchange rate changes		(486)	130
Cash and cash equivalents - opening balance	Note 9.1	(13,801)	(9,991)
Cash and cash equivalents - closing balance	Note 9.1	(86)	(30,061)
<b>Changes in cash and cash equivalents</b>		<b>13,715</b>	<b>(20,070)</b>

#### 3.6 Notes to the consolidated financial statements

##### Note 1. Information about the Group - Entity presenting the financial statements

ACTIA Group S.A. 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 (jointly referred to 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 2020 were approved by the Management Board on 21 September 2020.

##### 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.

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

### 3. Condensed consolidated interim financial statements

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 the 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 2019.

#### 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 it only affects 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 10, "Deferred taxation"), goodwill (see Note 4 "Intangible assets"), capitalised development costs (see Note 4 "Intangible assets"), and provisions (see Note 15, "Provisions").

#### Note 2.3 Changes to IFRS

The new IAS/IFRS texts and interpretations that became effective on 1 January 2020 and have been **applied by the Group** when preparing these consolidated financial statements at 30 June 2020 are as follows:

	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	29/11/2019	01/01/2020
Amendments to IAS 1 and IAS 8: definition of the term "material"	01/01/2020	29/11/2019	01/01/2020
Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest rate benchmark reform	01/01/2020	15/01/2020	01/01/2020
Amendments to IFRS 3: definition of a business	01/01/2020	21/04/2020	01/01/2020

New standards, interpretations and amendments to IFRS published and **applied early** by the Group as of 1 January 2020: none.

#### Note 3. Consolidated companies

During the first half of 2020, ACTIA NL left the scope of the consolidation. Its liquidation was ordered on 2 June 2020. The impact on the financial statements is not significant.

**Note 4. Intangible assets**

During the first half of 2020, capitalised development costs amounted to €7.1 million compared to €8.2 million for the same period of 2019.

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

In € thousands	30/06/2020	30/06/2019
<b>Development costs</b>		
Automotive Division	6,442	7,078
Telecommunications Division	624	1,105
<b>Total</b>	<b>7,066</b>	<b>8,182</b>
<b>Other intangible assets</b>		
Automotive Division	286	225
Telecommunications Division	26	45
Other (incl. Holding company)		
<b>Total</b>	<b>312</b>	<b>270</b>

In view of the decline in business activity, the Group conducted an analysis of the value of its assets as at 30 June 2020. No decrease in value was observed.

The value of goodwill did not change from 31 December 2019. Impairment tests are conducted each year at closing on 31 December, or in the event of indications of loss of value (15% drop in turnover or 30% drop in operating income of the CGU at constant scope).

However, the Covid-19 health crisis triggered a downturn in markets in certain regions where ACTIA is active (business interruptions in many countries, reduced turnover and revision of short-term forecasts), which led the Group to re-examine the value in use of its assets.

Despite this decline in activity, the long-term prospects of the mobility and telecommunications markets remain intact, and specific time-frame business plans (5 years) do not incorporate an impairment of goodwill at 30 June 2020.

Analyses of the sensitivity of the value of goodwill to changes in assumptions about forecast operating flows and the discount rate indicate that the possibility of a loss in value would arise for the Telecom division from one of the following adverse assumptions:

- normalised EBITDA/Turnover ratio below that used to estimate the terminal cash flows,
- discount rate above the central rate of 6.8%.

**Note 5. Tangible fixed assets**

During the first half of 2020, acquisitions of tangible fixed assets amounted to €6.6 million (compared to €19.1 million for the same period of 2019), of which €1.9 million from leases; all were acquired from outside suppliers.

The details are given in the following table:

In € thousands	30/06/2020	30/06/2019
<b>Land</b>		
Automotive Division	-	-
Telecommunications Division	-	-
<b>Sub-total</b>		
<b>Buildings</b>		
Automotive Division	886	4,397
<i>of which Leases</i>	357	2,325
Telecommunications Division	615	93
<i>of which Leases</i>	8	-
Other (incl. Holding company)	-	-
<b>Sub-total</b>	<b>1,501</b>	<b>4,489</b>
<b>Technical equipment</b>		
Automotive Division	2,171	6,732
<i>of which Leases</i>	1,180	2,043
Telecommunications Division	89	202
<b>Sub-total</b>	<b>2,260</b>	<b>6,934</b>

### 3. Condensed consolidated interim financial statements

In € thousands	30/06/2020	30/06/2019
<b>Other tangible assets</b>		
Automotive Division	2,637	5,497
<i>of which Leases</i>	364	556
Telecommunications Division	210	2,144
<i>of which Leases</i>	41	-
Other (incl. Holding company)	-	12
<i>of which Leases</i>	-	12
<b>Sub-total</b>	<b>2,847</b>	<b>7,653</b>
<b>Total</b>	<b>6,607</b>	<b>19,077</b>
<i>of which Leases</i>	<b>1,950</b>	<b>4,935</b>

In view of the decline in business activity, the Group conducted an analysis of the value of its assets as at 30 June 2020. No decrease in value was observed.

#### Note 6. Stocks and work in progress

The net realisable value of stocks was as follows:

In € thousands	30/06/2020	31/12/2019	30/06/2019	31/12/2018
Raw materials	75,679	72,399	71,289	61,906
R&D costs pursuant to the execution of contracts	38,135	35,056	32,522	27,150
Intermediate and finished products	38,933	39,801	32,518	35,755
Goods	12,051	13,879	12,455	11,240
<b>Total</b>	<b>164,798</b>	<b>161,135</b>	<b>148,785</b>	<b>136,051</b>

During the first half of 2020, stocks grew overall by €3.7 million as opposed to an increase of €12.7 million in the first half 2019. Details of these **half-yearly changes** are given in the following table:

In € thousands	Gross	Depreciation	Net
<b>At 31/12/2018</b>	<b>147,044</b>	<b>(10,992)</b>	<b>136,051</b>
Change over the period	13,474		13,474
Net depreciation		(744)	(744)
Changes in scope			0
Effect of exchange rates	(0)	4	3
<b>At 30/06/2019</b>	<b>160,518</b>	<b>(11,733)</b>	<b>148,785</b>
Change over the period	12,048		12,048
Net depreciation		118	118
Changes in scope	0		0
Effect of exchange rates	199	(14)	185
<b>At 31/12/2019</b>	<b>172,764</b>	<b>(11,630)</b>	<b>161,135</b>
Change over the period	6,110		6,110
Net depreciation		(1,169)	(1,169)
Changes in scope	(184)	184	0
Effect of exchange rates	(1,290)	11	(1,279)
<b>At 30/06/2020</b>	<b>177,401</b>	<b>(12,603)</b>	<b>164,798</b>

In view of the decline in business activity, the Group conducted an analysis of the value of its assets as at 30 June 2020. No decrease in value was observed.

Assignments of stocks are listed under Note 23 "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 31/12/2019	Changes over the period	Depreciation / reversals	Changes in scope	Effect of exchange rates	Net value at 30/06/2020
<b>Trade receivables</b>	140,223	(20,858)	(3,606)	1,124	(654)	116,230
Pre-payments	3,055	469			(27)	3,497
Social security receivables	606	142			(61)	686
VAT claims	4,873	(1,992)			(1)	2,880
Accruals	2,297	113			(5)	2,405
<b>Other current receivables from operations</b>	10,830	(1,269)			(94)	9,467
Tax receivables	2,185	1,051			(303)	2,932
Research tax credit	8,600	198				8,798
<b>Current tax credit</b>	10,785	1,248			(303)	11,730
<b>Other miscellaneous current receivables</b>	1,576	163			(27)	1,713
<b>Total</b>	<b>163,415</b>	<b>(20,715)</b>	<b>(3,606)</b>	<b>1,124</b>	<b>(1,078)</b>	<b>139,140</b>

At 30 June 2020, 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)
<b>Gross at 30/06/2020</b>	100,148	4,249	3,131	3,907	11,615	<b>123,050</b>
<b>Gross at 31/12/2019</b>	116,101	9,497	4,470	1,531	12,043	<b>143,643</b>

No significant uncollectable debt was recognised at 30 June 2020 or at 30 June 2019.

In anticipation of difficulties recovering debts, due to the situation of certain international customers, ACTIA recorded a provision of €4.0 million for bad debts.

### 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 risks and charges.

In € thousands	At 30/06/2020	At 31/12/2019	At 30/06/2019
<b>Contractual assets</b>	42,715	31,166	28,697
<b>Contractual liabilities</b>	(3,901)	(2,258)	(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	30/06/2020	31/12/2019	Change
Cash equivalents	75	98	(22)
Cash	41,399	46,507	(5,108)
<b>Cash and cash equivalents</b>	<b>41,474</b>	<b>46,604</b>	<b>(5,130)</b>
<b>(Short-term bank borrowings)</b>	<b>(41,560)</b>	<b>(60,405)</b>	<b>18,845</b>
<b>Total</b>	<b>(86)</b>	<b>(13,801)</b>	<b>13,715</b>

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 30/06/2020	Fair value at 31/12/2019	Impact
Marketable securities	75	98	(22)

## Note 9.2 Financial instruments at fair value through profit and loss

These include:

- ❖ Interest rate hedging instruments

At 30 June 2020, 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 30/06/2020	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	1,000	0.34%	01/06/2016	01/06/2021	quarterly
SWAP 3	5,000	1,250	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
<b>Total</b>	<b>20,000</b>	<b>12,250</b>				

These hedging instruments are not linked to specific finance contracts but they cover the Group's indebtedness to a level of €12.3 million at 30 June 2020.

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	30/06/2020		31/12/2019		30/06/2019	
	Fair value	Impact	Fair value	Impact	Fair value	Impact
<b>ASSET / (LIABILITY) Financial instruments</b>						
SWAP	(114)	47	(161)	58	(238)	(19)
<b>Total</b>	<b>(114)</b>	<b>47</b>	<b>(161)</b>	<b>58</b>	<b>(238)</b>	<b>(19)</b>

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



### 3. Condensed consolidated interim financial statements

#### ❖ Currency hedging instruments

At 30 June 2020, ACTIA Automotive, ACTIA Systems 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 30/06/2020	Minimum threshold	Strike	Start date	End date
<b>Currency purchases</b>						
EUR/USD Swap	\$1,350,000	\$1,350,000	N/A	1.1729	30/06/2020	01/07/2020
EUR/USD Tunnel	\$3,000,000	\$3,000,000	1.0690	1.1510	02/03/2020	20/07/2020
EUR/USD Accumulator	\$7,800,000	\$1,800,000	1.0990	1.1900	08/08/2019	12/08/2020
EUR/USD Accumulator	\$5,200,000	\$1,600,000	1.0900	1.2250	20/02/2019	21/08/2020
EUR/USD Accumulator	\$1,960,000	\$770,000	1.0880	1.1690	26/09/2019	27/11/2020
EUR/USD Accumulator	\$37,200,000	\$14,400,000	1.0920	1.1776	09/10/2019	07/12/2020
EUR/USD Tunnel	\$4,000,000	\$4,000,000	1.0890	1.1690	09/10/2019	13/12/2020
EUR/USD Accumulator	\$15,000,000	\$6,000,000	1.0890	1.1690	09/10/2019	13/12/2020
EUR/USD Option	\$3,000,000	\$3,000,000	1.1860	1.1860	24/09/2019	14/12/2020
EUR/USD Accumulator	\$15,000,000	\$6,000,000	1.0880	1.1860	24/09/2019	16/12/2020
EUR/USD Accumulator	\$25,000,000	\$12,000,000	1.0940	1.1800	13/09/2019	17/12/2020
EUR/USD Accumulator	\$18,000,000	\$7,200,000	1.0920	1.1720	03/10/2019	17/12/2020
EUR/USD Accumulator	\$25,000,000	\$12,000,000	1.0850	1.1756	13/09/2019	21/12/2020
EUR/USD Accumulator	\$9,750,000	\$6,500,000	1.0790	1.1650	27/09/2019	30/12/2020
EUR/USD Tunnel	\$6,000,000	\$6,000,000	1.1090	1.1650	27/09/2019	30/12/2020
EUR/USD Accumulator	\$7,800,000	\$7,800,000	1.1090	1.2100	08/08/2019	12/02/2021
EUR/USD Accumulator	\$5,200,000	\$5,200,000	1.0900	1.2450	20/02/2019	22/02/2021
EUR/USD Accumulator	\$1,160,000	\$700,000	1.0985	1.1700	23/01/2020	01/03/2021
EUR/USD Accumulator	\$1,152,000	\$864,000	1.0925	1.1710	16/12/2019	09/03/2021
EUR/USD Accumulator	\$1,152,000	\$888,000	1.0800	1.1740	26/09/2019	10/03/2021
EUR/USD Option	\$6,000,000	\$6,000,000	1.0990	1.1475	02/03/2020	25/03/2021
EUR/USD Accumulator	\$6,500,000	\$6,500,000	1.0840	1.1810	10/06/2020	10/06/2021
EUR/USD Accumulator	\$7,800,000	\$7,800,000	1.1090	1.2300	08/08/2019	13/08/2021
EUR/USD Accumulator	\$24,000,000	\$24,000,000	1.0980	1.1540	11/06/2020	17/09/2021
EUR/USD Accumulator	\$6,500,000	\$6,500,000	1.0840	1.1960	10/06/2020	09/12/2021
EUR/USD Option	\$4,000,000	\$4,000,000	N/A	1.1740	19/05/2020	15/12/2021
EUR/USD Accumulator	\$18,000,000	\$18,000,000	1.0840	1.1740	19/05/2020	17/12/2021
EUR/USD Accumulator	\$27,000,000	\$27,000,000	1.0690	1.1835	02/03/2020	29/12/2021
EUR/USD Accumulator	\$12,000,000	\$12,000,000	1.0840	1.1775	27/05/2020	31/12/2021
EUR/USD Accumulator	\$9,999,990	\$9,999,990	1.0820	1.1762	28/05/2020	04/01/2022
EUR/USD Tunnel	\$4,000,000	\$4,000,000	N/A	1.1762	28/05/2020	28/02/2022
EUR/USD Accumulator	\$7,200,000	\$7,200,000	1.0735	1.2060	11/06/2020	11/03/2022
EUR/USD Tunnel	\$5,000,000	\$5,000,000	N/A	1.2060	11/06/2020	15/03/2022
EUR/USD Option	\$6,000,000	\$6,000,000	N/A	1.1775	27/05/2020	31/03/2022
EUR/USD Accumulator	\$6,500,000	\$6,500,000	1.0840	1.2110	10/06/2020	09/06/2022
<b>Currency sales</b>						
EUR/USD Swap	-\$3,200,000	-\$3,200,000	N/A	1.0861	11/05/2020	30/10/2020

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



### 3. Condensed consolidated interim financial statements

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

In € thousands	30/06/2020		31/12/2019		30/06/2019	
	Fair value	Impact	Fair value	Impact	Fair value	Impact
<b>ASSET / (LIABILITY) Financial instruments</b>						
EUR/USD Hedges	1,209	(168)	1,377	(51)	2,119	691
EUR/JPY Hedges	0	0	0	0	0	0
<b>Total</b>	<b>1,209</b>	<b>(168)</b>	<b>1,377</b>	<b>(51)</b>	<b>2,119</b>	<b>691</b>

#### Note 10. Deferred taxation

In € thousands	30/06/2020	31/12/2019
<b>Tax assets recognised under:</b>		
Timing differences	7,413	6,486
<i>Of which provision for pension benefits</i>	2,097	2,317
<i>Of which profits on stocks</i>	492	658
<i>Of which other adjustments</i>	4,824	3,511
Losses carried forward	4,687	5,283
<b>Net total tax assets</b>	<b>12,100</b>	<b>11,769</b>
<b>Tax liabilities recognised under:</b>		
Deferred tax liabilities	3,858	3,931
<b>Net total tax liabilities</b>	<b>3,858</b>	<b>3,931</b>
<b>Net total deferred tax assets and liabilities</b>	<b>8,242</b>	<b>7,837</b>

#### Note 11. Financial assets and liabilities

Financial assets and liabilities are carried at amortised cost with the exception of financial instruments, cash equivalents, and repayable advances, recorded at fair value.

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”.

### 3. Condensed consolidated interim financial statements

#### Note 11.1 Financial assets

In € thousands	30/06/2020				31/12/2019			
	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 (*)
<b>Non-current assets</b>								
Non-current financial assets	89		1,064	1,153	87		1,189	1,276
Non-current research tax credit			10,260	10,260			11,808	11,808
<b>Current assets</b>								
Trade receivables			116,230	116,230			140,223	140,223
Current tax credit			11,730	11,730			10,785	10,785
Other miscellaneous current receivables			1,713	1,713			1,576	1,576
Financial instruments		1,095		1,095		1,216		1,216
Cash equivalents		75		75		98		98
Cash			41,399	41,399			46,507	46,507
<b>Total</b>	<b>89</b>	<b>1,171</b>	<b>182,396</b>	<b>183,655</b>	<b>87</b>	<b>1,314</b>	<b>212,088</b>	<b>213,489</b>

(\*) 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		1,095	
Cash equivalents	75		
<b>Total</b>	<b>75</b>	<b>1,095</b>	<b>-</b>

#### Note 11.2 Financial liabilities

In € thousands	30/06/2020			31/12/2019		
	Financial liabilities at amortised cost	Financial liabilities 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 (*)
<b>Non-current liabilities</b>						
Bond issues	20,000		20,000	20,000		20,000
Borrowings from credit institutions	103,449		103,449	97,619		97,619
Miscellaneous debt	413	915	1,328	130	1,335	1,465
Debt – lease financing	15,252		15,252	14,820		14,820
<b>Current liabilities</b>						
Short-term debt	111,110	1,165	112,274	105,658	973	106,632
Financial instruments		0	0		0	0
Accounts payable	63,616		63,616	85,282		85,282
Other miscellaneous liabilities	3,497		3,497	941		941
<b>Total</b>	<b>317,337</b>	<b>2,080</b>	<b>319,416</b>	<b>324,450</b>	<b>2,308</b>	<b>326,758</b>

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

### 3. Condensed consolidated interim financial statements

In € thousands	Level 1 Market value	Level 2 With observable inputs	Level 3 With unobservable inputs
<b>Non-current liabilities</b>			
Miscellaneous debt	915		
<b>Current liabilities</b>			
Short-term debt	1,165		
Financial instruments			
<b>Total</b>	<b>2,080</b>	-	-

#### Note 12. Financial debt

To surmount the health crisis and shutdown of part of its business activity, the Group requested sovereign loans (PGE) from its various banking partners, for its French subsidiaries. The total amount requested corresponds to €42 million, or 45% of the maximum possible amount. At 30 June 2020, the first sovereign loans put in place correspond to €30.6 million.

Repayment deferrals were also requested from our banking partners, and at 30 June 2020 they amounted to €9.5 million for borrowings from credit institutions, and €0.4 million for leasing debts.

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

In € thousands	30/06/2020				31/12/2019			
	<30/06/21	>01/07/21 <30/06/25	<01/07/25	Total	<31/12/20	>01/01/21 <31/12/24	<01/01/25	Total
Bond issues		15,000	5,000	<b>20,000</b>		15,000	5,000	<b>20,000</b>
Borrowings from credit institutions	63,493	85,125	18,324	<b>166,942</b>	39,023	81,271	16,348	<b>136,642</b>
Miscellaneous debt	1,600	1,208	120	<b>2,928</b>	1,625	1,345	120	<b>3,090</b>
Debt – lease financing	5,621	12,447	2,805	<b>20,873</b>	5,578	11,671	3,148	<b>20,398</b>
Short-term bank borrowings and overdrafts	41,560			<b>41,560</b>	60,405			<b>60,405</b>
<b>Total</b>	<b>112,274</b>	<b>113,780</b>	<b>26,249</b>	<b>252,303</b>	<b>106,632</b>	<b>109,287</b>	<b>24,616</b>	<b>240,536</b>

During the first half 2020, financial debt changed as follows:

In € thousands	At 01/01/2020	Monetary changes		Non-monetary changes					At 30/06/2020
		New borrowings	Repayments of borrowings	Changes of scope	IFRS 16	Changes in fair value	Translation differences	Other	
Bond issues	<b>20,000</b>								<b>20,000</b>
Borrowings from credit institutions	<b>136,642</b>	40,015	(9,802)				(12)	99	<b>166,942</b>
Miscellaneous debt	<b>3,091</b>		(137)				(25)		<b>2,928</b>
Debt – lease financing (*)	<b>20,398</b>		(2,736)		3,257		(46)		<b>20,873</b>
Short-term bank borrowings and overdrafts	<b>60,405</b>	(18,787)					(58)		<b>41,560</b>
<b>Total</b>	<b>240,536</b>	<b>21,228</b>	<b>(12,675)</b>	<b>0</b>	<b>3,257</b>	<b>0</b>	<b>(141)</b>	<b>99</b>	<b>252,303</b>

(\*) see the "Tangible fixed assets" paragraph

### 3. Condensed consolidated interim financial statements

At 30 June 2020, the schedule for financial debt, including interest not yet accrued, breaks down as follows:

In € thousands	<30/06/21		>01/07/21 <30/06/25		<01/07/25		Total		
	Nominal	Interest	Nominal	Interest	Nominal	Interest	Nominal	Interest	Nominal + Interest
Bond issues	0	628	15,000	2,500	5,000	175	20,000	3,303	23,303
Borrowings from credit institutions	63,493	1,490	85,125	2,870	18,324	244	166,942	4,603	171,545
Miscellaneous debt	1,600		1,208		120		2,928	0	2,928
Debt – lease financing	5,621	454	12,447	876	2,805	61	20,873	1,392	22,264
Short-term bank borrowings and overdrafts	41,560	532					41,560	532	42,092
<b>Total</b>	<b>112,274</b>	<b>3,104</b>	<b>113,780</b>	<b>6,246</b>	<b>26,249</b>	<b>480</b>	<b>252,303</b>	<b>9,830</b>	<b>262,133</b>

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	161,972	4,970	0	166,942
Miscellaneous debt	2,475	0	453	2,928
Debt – lease financing	17,691	26	3,155	20,873
Short-term bank borrowings and overdrafts	31,619	9,927	14	41,560
<b>Total</b>	<b>233,757</b>	<b>14,924</b>	<b>3,622</b>	<b>252,303</b>

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

In € thousands	30/06/2020	31/12/2019
Bond issues	20,000	20,000
Borrowings from credit institutions	166,942	136,642
Miscellaneous debt	2,928	3,090
Debt – lease financing	20,873	20,398
Short-term bank borrowings and overdrafts	41,560	60,405
<b>Sub-total A</b>	<b>252,303</b>	<b>240,536</b>
Cash equivalents	75	98
Cash	41,399	46,507
<b>Sub-total B</b>	<b>41,474</b>	<b>46,604</b>
<b>Total net debt = A - B</b>	<b>210,829</b>	<b>193,931</b>
<b>Total equity</b>	<b>119,760</b>	<b>140,388</b>
<b>Gearing ratio</b>	<b>176.0%</b>	<b>138.1%</b>

### 3. Condensed consolidated interim financial statements

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

In € thousands	30/06/2020	31/12/2019
Bond issues	20,000	20,000
Borrowings from credit institutions	166,942	136,642
Miscellaneous debt	2,928	3,090
Debt – lease financing	20,873	20,398
Short-term bank borrowings and overdrafts	41,560	60,405
- Financing of trade receivables	(2,176)	(16,401)
- CIR	(6,584)	(9,030)
- CICE	(1,992)	(2,655)
<b>Sub-total A</b>	<b>241,551</b>	<b>212,450</b>
Cash equivalents	75	98
Cash	41,399	46,507
<b>Sub-total B</b>	<b>41,474</b>	<b>46,604</b>
<b>Total net debt = A - B</b>	<b>200,077</b>	<b>165,846</b>
<b>Total equity</b>	<b>119,760</b>	<b>140,388</b>
<b>Gearing ratio</b>	<b>167.1%</b>	<b>118.1%</b>

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

In € thousands	30/06/2020			31/12/2019		
	Fixed rate	Variable rate	Total	Fixed rate	Variable rate	Total
Bond issues	20,000	0	20,000	20,000	0	20,000
Borrowings from credit institutions	158,905	8,037	166,942	127,495	9,147	136,642
Miscellaneous debt	2,928	0	2,928	3,090	0	3,090
Debt – lease financing	20,873	0	20,873	20,398	0	20,398
Short-term bank borrowings and overdrafts	6,051	35,510	41,560	6,139	54,266	60,405
<b>Total</b>	<b>208,756</b>	<b>43,547</b>	<b>252,303</b>	<b>177,123</b>	<b>63,413</b>	<b>240,536</b>
<b>Percentage breakdown</b>	<b>82.7%</b>	<b>17.3%</b>	<b>100.0%</b>	<b>73.6%</b>	<b>26.4%</b>	<b>100.0%</b>

All debt covenants and short-term borrowings must be checked on an annual basis at year end. At 30 June 2020, they applied to 19.1% of debt.

At 31 December 2019, the Group complied with the financial ratios for all of its borrowings. As a result, no request was made for a waiver or reclassification.

The health crisis is generating additional debt and the aid will not be able to compensate for the losses caused by the decline in business activity. The double impact on the balance sheet of equity being affected by the 2020 result and the increase in net debt and the fall in EBITDA will result in breach of covenants at 31 December 2020. Initial discussions with Actia's financial partners show a good understanding of the situation and a willingness to provide support.

The guarantees given for borrowings and financial debts 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 2020, changes in Group equity were primarily related to income for the period and distribution of the dividend for 2019 earnings (Shareholders' Meeting of 27/05/2020).

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

In units	31/12/2019	Capital increase	30/06/2020
<b>ACTIA Group shares - ISIN FR 0000076655</b>	<b>20,099,941</b>	<b>None</b>	<b>20,099,941</b>

### 3. Condensed consolidated interim financial statements

At 30 June 2020, the share capital consisted of 7,969,098 shares with single voting rights, 12,119,986 shares with double voting rights and 10,857 treasury shares with no voting rights.

There are 12,354,008 registered shares and 7,745,933 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 2020, changes to Group equity were related to:

- ❖ The distribution of dividends in the amount of €3,015 thousand, approved by the Shareholders' Meeting of the holding company ACTIA Group SA. The amount of the dividend paid per share was €0.15. The dividend will be paid on 23 September 2020 after suspending trading on 21 September;
- ❖ Income for the period of (€15,636 thousand).

#### Note 14. Earnings per share

##### Note 14.1 Basic earnings per share

The calculation of basic earnings per share at 30 June 2020 was conducted on the basis of the income attributable to the Group, the details of which are given in the following table:

	30/06/2020	31/12/2019
<b>Consolidated income attributable to Group shareholders (in €)</b>	<b>(15,635,873)</b>	<b>8,604,196</b>
<b>Weighted average number of shares</b>		
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)
<b>Weighted average number of shares</b>	<b>20,096,613</b>	<b>20,096,613</b>
<b>Basic earnings per share (in €)</b>	<b>(0.78)</b>	<b>0.43</b>

##### Note 14.2 Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2020 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:

	30/06/2020	31/12/2019
<b>Diluted earnings (in €)</b>	<b>(15,635,873)</b>	<b>8,604,196</b>
<b>Weighted average number of potential shares</b>		
Weighted average number of ordinary shares	20,096,613	20,096,613
Effect of stock option plans	0	0
<b>Diluted weighted average number</b>	<b>20,096,613</b>	<b>20,096,613</b>
<b>Diluted earnings per share (in €)</b>	<b>(0.78)</b>	<b>0.43</b>

#### Note 15. Provisions

During the first half 2020, provisions for pension and other long-term benefits increased by €224 thousand to €11,307 thousand at 30 June 2020. The actuarial difference recognised under other comprehensive income corresponds to a provision of €200 thousand. The assumptions underlying the calculation at 30 June 2020 changed as follows:

- ❖ Discount rate of 0.74% (0.77% at 31/12/19) for the French companies, 9.84% (9.80% at 31/12/19) for the Tunisian companies,

The other assumptions underlying the calculation did not change. They may be adjusted on the basis of internal analyses of the payroll.

The other provisions for risks and charges rose by a total of €1,336 thousand.

## Note 16. Other current liabilities

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

In € thousands	Net value at 31/12/2019	Changes over the period	Changes in scope	Effect of exchange rates	Net value at 30/06/2020
<b>Suppliers of goods and services</b>	85,282	(21,095)	3	(573)	63,616
Prepayments received	28,166	27		(23)	28,170
Social security liabilities	24,888	(494)		(10)	24,384
Corporate taxes (IS)	8,006	(1,075)		(52)	6,879
<b>Other operating liabilities</b>	61,060	(1,542)	0	(84)	59,433
<b>Corporate taxes (IS)</b>	1,342	54		(21)	1,374
Fixed asset liabilities	340	(297)		0	44
Advances payable	375	2,838		(52)	3,162
Miscellaneous liabilities	225	(83)	57	92	291
<b>Other miscellaneous liabilities</b>	941	2,459	57	40	3,497
<b>Total</b>	<b>148,624</b>	<b>(20,125)</b>	<b>60</b>	<b>(639)</b>	<b>127,921</b>

## 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 Management Board 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, and Rail 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 2020, the key indicators by operating segment were as follows:

In € thousands	30/06/2020			Consolidated Group accounts
	Automotive	Telecommunications	Other	
<b>Revenue from ordinary activities</b>				
(Turnover)	185,064	16,935	(11)	201,988
Materials and supplies	(104,357)	(5,832)	(555)	(110,744)
Personnel costs	(51,494)	(8,488)	(771)	(60,753)
External charges	(28,717)	(4,060)	(1,246)	(34,023)
Provisions for depreciation (A)	(13,203)	(1,128)	(20)	(14,351)
<b>Current operating income</b>	<b>(12,482)</b>	<b>(1,856)</b>	<b>7</b>	<b>(14,331)</b>
Impairment of goodwill (C)	0	0	0	0
<b>Operating income</b>	<b>(12,385)</b>	<b>(1,836)</b>	<b>(110)</b>	<b>(14,332)</b>
Interest and financial costs (B)	(1,175)	(118)	(426)	(1,719)
Fair value of hedging instruments (E)	(212)	91	0	(121)
Taxes (D)	(70)	(216)	(16)	(302)
<b>NET INCOME (F)</b>	<b>(13,821)</b>	<b>(2,078)</b>	<b>(378)</b>	<b>(16,277)</b>
<b>EBITDA (G) = (F)-(A)-(B)-(C)-(D)-(E)</b>	<b>839</b>	<b>(708)</b>	<b>84</b>	<b>215</b>



### 3. Condensed consolidated interim financial statements

In € thousands	30/06/2020			Consolidated Group accounts
	Automotive	Telecommunications	Other	
<b>SEGMENT ASSETS</b>				
Non-current assets	162,318	29,688	944	192,950
Stocks	138,456	26,342	0	164,798
Trade receivables	76,020	40,183	26	116,230
Other current receivables	19,180	4,655	170	24,005
Cash and cash equivalents	37,749	3,150	575	41,474
<b>TOTAL SEGMENT ASSETS</b>	<b>433,723</b>	<b>104,018</b>	<b>1,716</b>	<b>539,457</b>
<b>INVESTMENTS</b>				
Intangible	6,729	649	0	7,378
Tangible	5,990	914	(0)	6,904
Financial	0	0	0	0
<b>TOTAL INVESTMENTS</b>	<b>12,718</b>	<b>1,563</b>	<b>0</b>	<b>14,282</b>
<b>SEGMENT LIABILITIES</b>				
Non-current liabilities	113,026	15,986	26,181	155,194
Short-term debt	90,181	20,672	1,422	112,274
Accounts payable	55,629	7,103	884	63,616
Other current liabilities	64,649	19,969	3,994	88,613
<b>TOTAL SEGMENT LIABILITIES</b>	<b>323,485</b>	<b>63,731</b>	<b>32,481</b>	<b>419,697</b>

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

In € thousands	30/06/2019			Consolidated Group accounts
	Automotive	Telecommunications	Other	
<b>Revenue from ordinary activities</b>				
<i>(Turnover)</i>	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)
<b>Current operating income</b>	<b>4,371</b>	<b>3,330</b>	<b>530</b>	<b>8,231</b>
Impairment of goodwill (C)	0	0	0	0
<b>Operating income</b>	<b>4,623</b>	<b>3,353</b>	<b>528</b>	<b>8,504</b>
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)
<b>NET INCOME (F)</b>	<b>1,971</b>	<b>3,640</b>	<b>153</b>	<b>5,763</b>
<b>EBITDA (G) = (F)-(A)-(B)-(C)-(D)-(E)</b>	<b>16,773</b>	<b>4,218</b>	<b>623</b>	<b>21,614</b>
<b>SEGMENT ASSETS</b>				
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
<b>TOTAL SEGMENT ASSETS</b>	<b>455,285</b>	<b>95,685</b>	<b>7,485</b>	<b>558,455</b>
<b>INVESTMENTS</b>				
Intangible	7,302	1,150	0	8,452
Tangible	16,626	2,439	12	19,077
Financial	8	14	0	22
<b>TOTAL INVESTMENTS</b>	<b>23,936</b>	<b>3,603</b>	<b>12</b>	<b>27,551</b>



### 3. Condensed consolidated interim financial statements

In € thousands	30/06/2019			Consolidated Group accounts
	Automotive	Telecommunications	Other	
<b>SEGMENT LIABILITIES</b>				
Non-current liabilities	102,599	12,227	4,265	<b>119,091</b>
Short-term debt	91,730	13,313	28,067	<b>133,110</b>
Accounts payable	74,657	8,774	979	<b>84,410</b>
Other current liabilities	67,287	17,302	806	<b>85,394</b>
<b>TOTAL SEGMENT LIABILITIES</b>	<b>336,273</b>	<b>51,615</b>	<b>34,117</b>	<b>422,005</b>

#### 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 €374,268 thousand at 30 June 2020, of which 75.5% was expected to generate revenues within one year.

In € thousands	At 30/06/2020	At 30/06/2019
<b>Order book</b>	<b>374,268</b>	303,058

#### Note 19. Income taxes

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

In € thousands	30/06/2020	30/06/2019
Income from consolidated companies	(16,359)	5,707
Current taxation (credit)	810	2,006
Deferred taxation (credit)	(508)	(647)
<i>Of which</i> <i>Deferred taxation on temporary differences</i>	<i>(1,528)</i>	<i>(1,324)</i>
<i>Deferred taxation on changes in tax rates</i>	<i>1,020</i>	<i>677</i>
<b>Income from consolidated companies before tax</b>	<b>(16,057)</b>	<b>7,066</b>

At 30 June 2020, 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	30/06/2020	30/06/2019
Income from cash and equivalents	94	6
Interest and financial costs	(1,719)	(1,894)
<i>Of which</i> <i>Interest on debt</i>	<i>(1,719)</i>	<i>(1,894)</i>
Other financial income	2,574	833
<i>Of which</i> <i>Interest received</i>	<i>2,436</i>	<i>124</i>
<i>Dividends received</i>	<i>0</i>	<i>0</i>
<i>Income from financial instruments</i>	<i>138</i>	<i>709</i>
Other financial costs	(2,675)	(384)
<i>Of which</i> <i>Costs on financial instruments</i>	<i>(259)</i>	<i>(37)</i>
<b>Financial result</b>	<b>(1,726)</b>	<b>(1,438)</b>

#### Note 21. Transactions with related parties

Related party transactions with ACTIA Group that occurred during the first half 2020 are presented below.

### 3. Condensed consolidated interim financial statements

#### 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 Group Companies 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 2020	H1 2019
<b>Net amount of the transaction (expense)</b>	<b>(738)</b>	<b>(777)</b>
<i>Of which</i>		
<i>Ongoing services</i>	(759)	(804)
<i>Ad hoc services to the holding company</i>	21	27
<b>Net balance sheet entry (liability)</b>	<b>(2,228)</b>	<b>(285)</b>
<i>Of which</i>		
<i>Current accounts</i>	(1,503)	0
<i>Accounts payable</i>	(743)	(303)
<i>Trade receivables</i>	18	18
<b>Invoicing terms</b>	Quarterly	Quarterly
<b>Payment terms</b>	Cash	Cash
<b>Provisions for bad debt</b>	<b>0</b>	<b>0</b>

#### 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 specialised in urban carpooling, in 2016.

### 3. Condensed consolidated interim financial statements

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

In € thousands	H1 2020	H1 2019
<b>Net amount of the transaction (expense)</b>	<b>(88)</b>	<b>(88)</b>
<i>Of which</i>		
<i>Invoicing of rents</i>	(88)	(88)
<i>Interest and financial costs</i>	0	0
<b>Net balance sheet entry (liability)</b>	<b>313</b>	<b>299</b>
<i>Of which</i>		
<i>Current accounts</i>	313	299
<i>Accounts payable</i>	0	0
<i>Trade receivables</i>	0	0
<b>Invoicing terms</b>	Monthly	Monthly
<b>Payment terms</b>	Cash	Cash
<b>Provisions for bad debt</b>	<b>0</b>	<b>0</b>

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

In € thousands	H1 2020	H1 2019
<b>Net amount of the transaction (expense)</b>	<b>(508)</b>	<b>(439)</b>
<i>Of which</i>		
<i>Invoicing of rents</i>	(479)	(468)
<i>Reinvoicing of misc. costs</i>	(28)	29
<b>Net balance sheet entry (liability)</b>	<b>9</b>	<b>35</b>
<i>Of which</i>		
<i>Current accounts</i>	0	12
<i>Accounts payable</i>	0	(0)
<i>Trade receivables</i>	9	23
<b>Invoicing terms</b>	Quarterly	Quarterly
<b>Payment terms</b>	Cash	Cash
<b>Provisions for bad debt</b>	<b>0</b>	<b>0</b>

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

In € thousands	H1 2020	H1 2019
<b>Net amount of the transaction (expense)</b>	<b>0</b>	<b>0</b>
<i>Of which</i>		
<i>Interest and financial costs</i>	0	0
<b>Net balance sheet entry (liability)</b>	<b>0</b>	<b>0</b>
<i>Of which</i>		
<i>Current accounts</i>	0	0
<i>Accounts payable</i>	0	0
<i>Trade receivables</i>	0	0
<b>Invoicing terms</b>	N/A	N/A
<b>Payment terms</b>	N/A	N/A
<b>Provisions for bad debt</b>	<b>0</b>	<b>0</b>

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 the companies included in the scope of consolidation of the Group (see Note 3 - Consolidated companies of the 2019 Universal Registration Document).

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,

### 3. Condensed consolidated interim financial statements

- ❖ 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 Management Board and Supervisory Board,
- ❖ LP2C, the controlling company: members of the Management Board 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 2020	H1 2019
<b>Compensation of corporate officers</b>	<b>238</b>	<b>198</b>
Of which		
<i>Fixed</i>	234	193
<i>Variable</i>	0	0
<i>Exceptional</i>	0	0
<i>Benefits in kind</i>	4	5
<b>Other compensation for non-executive directors</b>	<b>80</b>	<b>85</b>
<b>Attendance fees</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>318</b>	<b>283</b>

#### 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 2020	H1 2019
Amount of the transaction (expense)	660	586
Balance sheet entry (liability)	393	401
Payment terms	Cash	Cash
Provisions for bad debt	0	0

The financial information concerning GIE PERENEO is as follows:

In € thousands	H1 2020	H1 2019
Total Assets	1,214	966
Debt	1,253	1,001
Turnover	1,625	1,181
Income	(10)	(62)

**Note 22. Off-balance sheet commitments**

The off-balance sheet commitments break down as follows:

In € thousands	30/06/2020	31/12/2019
<b>Commitments received</b>		
Bank guarantees	16,734	21,745
<b>Total commitments received</b>	<b>16,734</b>	<b>21,745</b>

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	30/06/2020				31/12/2019			
	Automotive Division	Telecommunications Division	Other subsidiaries	Total	Automotive Division	Telecommunications Division	Other subsidiaries	Total
Interests in consolidated companies (*)	0	3,607	0	<b>3,607</b>	0	3,607	0	<b>3,607</b>
<i>Secured debt balance</i>	<i>0</i>	<i>1,773</i>	<i>0</i>	<i><b>1,773</b></i>	<i>0</i>	<i>2,022</i>	<i>0</i>	<i><b>2,022</b></i>
Assignment of trade receivables	4,294	339	0	<b>4,634</b>	15,913	4,167	0	<b>20,080</b>
<i>Of which: Dailly secured</i>	<i>1,698</i>	<i>0</i>	<i>0</i>	<i><b>1,698</b></i>	<i>7,334</i>	<i>0</i>	<i>0</i>	<i><b>7,334</b></i>
<i>Dailly with recourse</i>	<i>2,597</i>	<i>339</i>	<i>0</i>	<i><b>2,936</b></i>	<i>8,579</i>	<i>4,167</i>	<i>0</i>	<i><b>12,745</b></i>
<i>Discounted notes not yet matured</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i><b>0</b></i>	<i>0</i>	<i>0</i>	<i>0</i>	<i><b>0</b></i>
Assignment of CIR & CICE	8,576	0	0	<b>8,576</b>	11,685	0	0	<b>11,685</b>
Assignment of stocks	12	0	0	<b>12</b>	14	0	0	<b>14</b>
Assignment of other receivables	0	0	0	<b>0</b>	0	0	0	<b>0</b>
Assignment of equipment	1,937	0	0	<b>1,937</b>	1,537	0	0	<b>1,537</b>
Mortgages/Security (land & buildings)	19,740	4,495	0	<b>24,235</b>	20,103	4,579	0	<b>24,681</b>
<b>Total</b>	<b>34,559</b>	<b>8,441</b>	<b>0</b>	<b>43,000</b>	<b>49,251</b>	<b>12,352</b>	<b>0</b>	<b>61,603</b>

(\*) 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, its 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 2019 Registration Document (section 6).

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.

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#### 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".

As usual, the half-yearly accounts do not allow for the presentation of the medium-term financing required for investments in R&D because these will mainly be put in place during the second half. The financing budget for 2020 stands at €35 million and mostly concerns support for a part of the R&D programmes, which amounts to €27 million, and production facilities and digitisation for €8 million.

The health crisis and its economic consequences completely overhauled financing needs:

- Inversion of WCR with the recession;
- R&D projects revised and ranked according to priority to reduce the associated costs;
- Limitation of production investments to what is strictly necessary for the maintenance of our means of production, a substantial part of which was replaced in the last 5 years.

Only the Digitisation plan has been maintained at the initial level.

By putting in place sovereign loans in France and other local support measures for our subsidiaries, the Group has the means to get through the year 2020. A request has been made to financial partners to support R&D development. Some have already given their approval, while others wish to position themselves at the end of the year, to see whether trend forecasts are confirmed.

As ACTIA only requested 45% of the maximum amount under the rules for availing of the sovereign loans, if the current crisis prevents it from raising traditional financing for R&D, then an additional amount will be requested to maintain funding of R&D teams in France, as the remaining balance of the maximum amount would largely cover requirements.

A detailed review of financial assets and liabilities is provided in Note 11 "Financial assets and liabilities" and is shown again in the following tables:

At 30 June 2020:

In € thousands	<30/06/21	>01/07/21 <30/06/25	<01/07/25	Total
Total financial assets	172,242	10,260	1,153	<b>183,655</b>
Total financial liabilities	(179,388)	(113,780)	(26,249)	<b>(319,416)</b>
<b>Net position before management</b>	<b>(7,146)</b>	<b>(103,519)</b>	<b>(25,096)</b>	<b>(135,761)</b>
Off-balance sheet commitments	(16,734)			<b>(16,734)</b>
<b>Net position after management</b>	<b>(23,880)</b>	<b>(103,519)</b>	<b>(25,096)</b>	<b>(152,495)</b>

At 31 December 2019:

In € thousands	<31/12/20	>01/01/21 <31/12/24	<01/01/25	Total
Total financial assets	200,405	11,808	1,276	<b>213,489</b>
Total financial liabilities	(192,854)	(109,287)	(24,616)	<b>(326,758)</b>
<b>Net position before management</b>	<b>7,550</b>	<b>(97,479)</b>	<b>(23,341)</b>	<b>(113,270)</b>
Off-balance sheet commitments	(21,745)			<b>(21,745)</b>
<b>Net position after management</b>	<b>(14,194)</b>	<b>(97,479)</b>	<b>(23,341)</b>	<b>(135,015)</b>

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.).

### 3. Condensed consolidated interim financial statements

Finally, as the Group may at times have excess cash within some subsidiaries, it has set up bilateral cash management agreements that are activated as and when needed.

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 2020, 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 2020.

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

Interest rate fluctuations pose a risk for the Group that could have an impact on its financial costs.

The analysis conducted by the Group yielded the figures 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 rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate
< 1 year	172,242		141,603	37,784	30,638	(37,784)	12,250	(12,250)	18,388	(25,534)
1 to 5 years	10,260		110,833	2,947	(100,572)	(2,947)			(100,572)	(2,947)
> 5 years	1,153		23,433	2,816	(22,280)	(2,816)			(22,280)	(2,816)
<b>Total</b>	<b>183,655</b>	<b>0</b>	<b>275,869</b>	<b>43,547</b>	<b>(92,214)</b>	<b>(43,547)</b>	<b>12,250</b>	<b>(12,250)</b>	<b>(104,464)</b>	<b>(31,297)</b>

\* Details of financial assets and liabilities are given in Note 11 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 in light of 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 13.7%. 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 figures resulting from this analysis are given below:

In € thousands	30/06/2020	
	Impact on pre-tax income	Impact on pre-tax equity
Impact of a variance of + 1% in interest rates	(313)	(313)
Impact of a variance of - 1% in interest rates	313	313

##### ❖ 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 or sales 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 2020, the companies ACTIA Automotive, ACTIA Systems and ACTIA Telecom held foreign exchange hedging contracts, the details of which are given in Note 9.2 under the sub-heading "Currency hedging instruments".



### 3. Condensed consolidated interim financial statements

The Group was thus able to purchase dollars at an average rate over the period of 1.1476 as compared to 1.1741 for the first half of 2019. As the average rate on the financial markets was 1.1015 for the first half 2020, the Group was able to reduce the impact by almost €1.7 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)	Accounts payable (b)	Off-balance sheet commitments (c)	Net exposure before hedging (d)=(a)+(b)+(c)	Financial hedging instruments (e)	Net position after hedging (f)=(d)+(e)
EUR	80,791	(45,895)	5,465	40,361		40,361
USD	30,823	(10,323)	11,261	31,761	6,557	38,318
Other currencies	11,436	(7,399)	8	4,045	0	4,045
<b>Total</b>	<b>123,050</b>	<b>(63,616)</b>	<b>16,734</b>	<b>76,167</b>	<b>6,557</b>	<b>82,724</b>

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 above 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	38,318	38,318	38,318	38,318
USD	0.89302	0.90195	0.88409	0.88409
<b>Estimated risk</b>	<b>+ 342</b>	<b>-342</b>	<b>+ 342</b>	<b>-342</b>

#### Note 25. Post-balance sheet events

No other significant events have occurred since 30 June 2020.



## 4 STATUTORY AUDITORS' REPORT

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

Statutory Auditors' Report on the interim financial statements 2020  
Period from 1 January 2020 to 30 June 2020

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 2020 to 30 June 2020, as attached to this report,
- a verification of the information provided in the half-yearly management report.

These condensed consolidated interim financial statements were compiled under the responsibility of the Management Board on 21 September 2020, on the basis of the information available at that date in the evolving context of the Covid-19 crisis and difficulties foreseeing its impacts and future prospects. 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.

### II – Specific verification

We have also carried out a verification of the information provided in the half-yearly management report compiled on 21 September 2020, 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, 21 septembre 2020

KPMG Audit  
Department of KPMG S.A.

Mathieu Leruste  
Associate

Paris, 21 September 2020

BM&A

Eric Seyvos  
Associate