



Half-Year Financial Statements at 30 June 2019

FIDIA GROUP

**Board of Directors
13 September 2019**

Fidia S.p.A.

Registered office in San Mauro Torinese, Corso Lombardia, 11

Capital paid in €5,123,000.00

Turin Register of Companies

Taxpayer's Code 05787820017

Website: <http://www.fidia.it> - <http://www.fidia.com>

e-mail: info@fidia.it

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Issue date: 13/09/2019

**This Report is also available at:
www.fidia.com**

ADMINISTRATIVE AND SUPERVISORY BODIES

Board of Directors

Chairman and Chief Executive Officer	Giuseppe Morfino (a)
Deputy Chairman	Carlos Maidagan (b)
Directors	Luigino Azzolin (c) (1) Anna Ferrero (c) (1) (2) Guido Giovando (c) (2) Paola Savarino (c) (1) Laura Morgagni (d) (2)

(a) Appointed Chairman at the Shareholders' Meeting on 28 April 2017 until the approval of the financial statements for FY2019; appointed Managing Director by the Board of Directors on 28 April 2017 and General Manager by the Board of Directors on 14 July 2017.

(b) Appointed at the Shareholders' Meeting on 28 April 2017 until the approval of the financial statements for FY2019; appointed Deputy Chairman by the Board of Directors on 28 April 2017.

(c) Appointed at the Shareholders' Meeting on 28 April 2017 until the approval of the financial statements for FY2019.

(d) Appointed at the Shareholders' Meeting on 27 April 2018 up to the approval of the 2019 Financial Statements

(1) Member of the Internal Control and Risk Committee

(2) Member of the Remuneration Committee.

Board of Statutory Auditors (*)

Statutory Auditors	Maurizio Ferrero – Chairman Marcello Rabbia Chiara Olliveri Siccardi (e)
Alternate Auditors	Andrea Giammello Roberto Panero

(*) Appointed at the Shareholders' Meeting on 28 April 2017 until the approval of the financial statements for FY2019.

(e) Substitute as auditor after the resignation of Marina Scandurra on 10 May 2019, until the approval of the 2019 financial statements;

Independent Auditors (**)

EY S.p.A.

(**) Appointed at the Shareholders' Meeting on 27 April 2012 for the nine-year period 2012-2020.

POWERS OF THE CHAIRMAN, CHIEF EXECUTIVE OFFICER AND DEPUTY CHAIRMAN

Chairman of the Board of Directors and Chief Executive Officer: Mr. Giuseppe Morfino

He is the legal representative of the company with regard to third parties and courts of law, with separate signature, to exercise any and all, and the amplest powers of ordinary and extraordinary administration; he is entitled to appoint and revoke special attorneys for specific transactions, with the sole exclusion of the powers and rights expressly reserved to the Board of Directors, under the law or the company By-laws. The Board of the Directors retains the following powers:

- purchase, disposal and conferment of equity investments;
- disposal, conferment and/or lease of the company or any units thereof;
- purchase of companies or units of companies;
- purchase and/or disposal of real estate and/or tangible rights and/or rights of way thereto;
- registration of mortgages on corporate property;
- definition of company strategies relating to the purchase and sale of equity interests, company branches and real estate.

In his position of Chairman, he also vested with the capacity of "employer" as well as person in charge of the plants, emissions and wastes.

Deputy Chairman of the Board of Directors: Mr. Carlos Maidagan.

Organization of the FIDIA GROUP



INTERIM REPORT

SHAREHOLDERS AND TREND OF FIDIA STOCK

FIDIA S.p.A. is listed at the Italian Stock Exchange under the STAR - High Requirement Securities Segment - Index. The following chart shows share price performance from 1 January 2019 to 11 September 2019.



In the first half of 2019 the number of ordinary shares, equal to 5,123,000, was unchanged compared to 31 December 2018.

The holders of ordinary shares at 3 September 2019 are:

Giuseppe Morfino 2,665,516 shares, equal to 52.03%;

Market 2,447,484 shares, equal to 47.77%;

Own shares 10,000, equal to 0.20%.

No categories of stock other than ordinary shares or bonds were issued.

ECONOMIC AND FINANCIAL PERFORMANCE OF THE GROUP

The first half of 2019 was characterised by revenues of €20,884 thousand, down (-13.5%) from the result recorded at the end of the first half of 2018 (€24,136 thousand).

Operating margins in the second quarter of the year improved compared to the first quarter, though leaving the half-year with a negative result.

In the second quarter, sales performance was rather weak, and overall in the first half of the year new orders were substantially lower than the performance recorded in the same period of 2018, totaling €18,401 thousand compared to €24,233 thousand in the first half of 2018 (-24.1%).

More specifically, the reclassified income statement of the first half del 2019 compared with that of the first half of 2018 is as follows:

(€thousand)	1st Half 2019	%	1st Half 2018	%
Net revenue	20,884	83.8%	24,136	90.9%
Change in inventories of finished goods and work in progress	2,453	9.8%	1,336	5.0%
Other revenues and income	1,598	6.4%	1,086	4.1%
Value of production	24,935	100.0%	26,558	100.0%
Raw materials and consumables	(10,681)	-42.8%	(10,887)	-41.0%
Commissions	(333)	-1.3%	(222)	-0.8%
Transport	(883)	-3.5%	(823)	-3.1%
Contractors	(1,460)	-5.9%	(1,289)	-4.9%
Other services and operating costs	(4,378)	-17.6%	(5,155)	-19.4%
Added value	7,201	28.9%	8,182	30.9%
Personnel costs	(9,286)	-37.2%	(8,877)	-33.4%
EBITDA	(2,085)	-8.4%	(695)	-2.7%
Bad debts provision	(53)	-0.2%	(172)	-0.6%
Depreciation	(1,173)	-4.7%	(563)	-2.1%
Operating profit from ordinary business	(3,311)	-13.3%	(1,431)	-5.4%
Non-recurring (expenses)/revenue	-	0.0%	(595)	-2.2%
EBIT	(3,311)	-13.3%	(2,026)	-7.7%
Net finance income and costs	(297)	-1.2%	(239)	-0.9%
Profit/(Loss) on exchange rates	(25)	-0.1%	(218)	-0.8%
Earnings before tax (EBT)	(3,633)	-14.6%	(2,483)	-9.4%
Income taxes (current, paid and deferred)	(61)	-0.2%	100	0.4%
Net profit (loss) for the period	(3,695)	-14.8%	(2,383)	-9.0%
- (Profit)/Loss of non-controlling interests	(189)	-0.7%	(94)	-0.4%
- Profit/(Loss) of Group	(3,505)	-14.1%	(2,289)	-8.7%

ANALYSIS OF ECONOMIC TRENDS

Revenues

The first half of the period reported revenues of €20,884 thousand, down 13.5% YOY.

The trend is due to the mechanics segment (HSM) which recorded revenue of €13,877 thousand compared to €16,690 thousand of the first half of the previous year (-16.9%), to the Service segment which reported negative results compared to the first half of 2018 with revenue at €5,858 thousand (-4.5% compared to €6,136 thousand at 30 June 2018), and the electronics segment (CNC) stood at €1,149 thousand (-12.3% compared to €1,310 thousand at 30 June 2018).

The revenues trend per business line is shown in the table below:

(€thousand)	1st Half 2019	%	1st Half 2018	%	% Chg
Numerical controls, drives and software	1,149	5.5%	1,310	5.4%	-12.3%
High-speed milling systems	13,877	66.4%	16,690	69.1%	-16.9%
After-sales service	5,858	28.1%	6,136	25.4%	-4.5%
Grand total	20,884	100%	24,136	100%	-13.5%

The revenues by geographical region is illustrated in the following tables:

(€thousand) GEOGRAPHICAL AREA	TOTAL REVENUES 1st Half 2019	%	TOTAL REVENUES 1st Half 2018	%	% Chg
ITALY	1,741	8.3%	5,561	23.0%	-68.7%
EUROPE	4,712	22.6%	5,576	23.1%	-15.5%
ASIA	11,367	54.4%	7,710	31.9%	47.4%
NORTH and SOUTH AMERICA	3,064	14.7%	5,286	21.9%	-42.0%
REST OF THE WORLD	0	0.0%	3	0.0%	-100.0%
TOTAL	20,884	100%	24,136	100%	-13.5%

Numerical Control and Software

The revenues of the electronic segment are down by 12.3% compared to the 1st half of 2018 at €1,149 thousand versus €1,310 thousand in the same period of last year.

High-Speed Milling Systems

The high-speed milling systems revenue (HSM) showed decreased revenues compared with those recorded the previous year, reaching a total value of €13,877 thousand compared to €16,690 thousand of the first half of 2018 (-16.9%).

After-sales service

Revenues of the Service segment, which comprise revenues from the after-sales service, from the sale of spare parts and from scheduled maintenance recorded a decrease (-4.5%) compared to the same period of last year, amounting to €5,858 thousand (€6,136 thousand at 30 June 2018).

Sales and marketing activity

Business in the first half was less than the same period of the previous period; the following tables show the trend in the backlog orders and in the new orders in the two periods under consideration.

With reference to the Service segment the commercial data (new orders and order backlog) will not be shown because they almost match with the revenues as the time to fulfill the intervention requests is very short.

(€thousand)	TOTAL 06/30/2019	TOTAL 06/30/2018	Chg. %
Order backlog at 1/1	22,872	31,367	-27.1%
New orders	18,401	24,233	-24.1%
Revenues	-15,026	-18,000	-16.5%
Order backlog at 30/6	26,247	37,601	-30.2%

Other revenues and income

Other revenues and earnings in the first half of 2019 were equal to €1,598 thousand (€1,086 thousand in the same period of 2018).

This item includes €262 thousand (€167 thousand at 30 June 2018) relating to grants for research projects recognized by year of accrual in profit or loss of the parent company Fidia S.p.A. at 30 June 2019 and allocated by the European Union and the Italian Ministry of University and Research. Applied and basic research and development activities are a structural component and are carried out on an ongoing basis by Fidia S.p.A.

Other revenue and income mainly includes the capitalisation of product development costs (€312 thousand in the first half of 2019, €489 thousand in the first half of 2018).

Value of production

In the first half, the value of production (consisting of net revenues, changes in inventories of finished goods and WIP and other revenues and earnings) decreased compared to the same period of 2018 (€24,935 thousand versus €26,558 thousand of 30 June 2018) due to decreased revenue.

Commissions and transport

These items amounted to €1,216 thousand in the first half of the year, up from €1,045 thousand in the same period of 2018, due to the different geographical mix of sales, although the volume of sales decreased.

Contractors

This item totalled €1,460 thousand in the first half, slightly up compared to €1,289 thousand in the same period of 2018, also in percentage terms on revenues (5.9% compared to 4.9% in the first half of 2018), considering their changed mix.

Other services and operating costs

This item amounts in the first half to €4,378 thousand and is down compared with the €5,155 thousand in the same period of 2018.

Added value

Added value decreased in absolute terms (from €8,182 thousand at 30 June 2018 to €7,201 thousand at 30 June 2019), mainly due to lower revenues and as a percentage (28.9% compared with 30.8% in the same period of 2018) due to the lower absorption of fixed costs (such as other operating costs).

Personnel

The following tables show the workforce average trend and cost of labour.

	1st Half 2019	1st Half 2018	Abs. change	% Chg
Executives	13	10	3	30.0%
Clerks and cadres	260	271	-11	-4.1%
Workers	51	53	-2	-3.8%
Total employees	324	334	-10	-3.0%
Total average number of employees in the first half	332.5	333.5	-1	-0.3%

	1st Half 2019	1st Half 2018	Abs. change	% Chg
Labor cost (€thousand)	9,286	8,877	409	4.60%

Personnel costs increased by €409 thousand compared to the first half of 2018 (+4.60%), mainly due to the third tranche of the renewal of the national collective labour agreement. The percentage of personnel costs compared with value of production increased from 33.4% at 30 June 2018 to 37.2% at 30 June 2019 due to decreased value of production realized.

EBITDA

EBITDA was negative and amounted to -€2,085 thousand (-€695 thousand at 30 June 2018). Performance therefore worsened, due to the decrease in revenues, which caused a lower absorption of fixed overheads.

Operating profit from ordinary business

The operating result of ordinary operations at 30 June 2019 was negative, amounting to -€3,311 thousand, compared to a negative result of -€1,431 thousand at 30 June 2018.

This result shows the higher depreciation of fixed assets compared to the first half of 2018 (+€610 thousand), mainly due to the application of IFRS 16, which worsens the item depreciation instead of the lease instalments allocated to the item Other Operating Costs.

Non-recurring income and charges

In the first half of 2019 there were no non-recurring charges, while in the same period of the previous year there were charges of €595 thousand, due to the loss recorded by the US subsidiary Fidia Co, which was the victim of computer fraud.

EBIT

EBIT at 30 June 2019 was negative at €3,311 thousand (at 30 June 2018 it was negative at €2,026 thousand).

Finance charges and revenue - Net exchange rate differences

Charges for financing activities worsened compared to the first half del 2018 (net charges of €297 thousand at 30 June 2019 versus €239 thousand of the same period of the previous year). Net exchange differences, realised or resulting from valuation in the financial statements, generated net charges of €25 thousand compared with net charges of €218 thousand at 30 June 2018.

Earnings before tax (EBT)

EBT resulted in a loss of €3,633 thousand versus a loss of €2,483 thousand at 30 June 2018.

Profit (loss) of Group

Group loss for the period after taxes of €61 thousand and after losses of NCIs (€189 thousand) amounted to €3,505 thousand versus a loss of €2,289 thousand in the first half of 2018.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The Group reclassified statement of financial position was as follows:

(€thousand)	06/30/2019	12/31/2018	06/30/2018
Net tangible assets	12,844	11,313	11,108
Intangible fixed assets	2,506	2,342	2,134
Non-current financial assets	16	16	16
Deferred tax assets	986	958	1,001
Other financial assets	266	274	786
Capital assets – (A)	16,618	14,903	15,045
Net trade receivables from customers	14,394	18,061	13,979
Closing inventories	20,441	18,419	20,423
Other current assets	2,769	1,789	1,338
Short-term (current) assets – (B)	37,604	38,269	35,739
Trade payables to suppliers	(14,097)	(16,394)	(13,482)
Other current liabilities	(12,184)	(10,579)	(14,497)
Short-term (current) liabilities – (C)	(26,281)	(26,973)	(27,979)
Net working capital (D) = (B+C)	11,323	11,296	7,760
Termination benefits (E)	(2,237)	(2,189)	(2,223)
Other long-term liabilities (F)	(580)	(688)	(447)
Net invested capital (G) = (A+D+E+F)	25,125	23,321	20,135
Financial position			
Available-for-sale financial assets			
Cash on hand, bank deposits	(3,186)	(6,561)	(8,834)
Current financial liabilities	11,773	8,952	7,310
(Assets)/liabilities for current derivatives	-	-	-
Other current financial payables	-	-	-
Short-term financial position (receivable)/payable	8,587	2,391	(1,524)
Non-current financial liabilities, net of current portion	8,105	8,881	10,476
(Assets)/liabilities for long-term derivatives	251	88	75
Other non-current financial payables	-	-	-
Net financial position (receivable)/payable (H)	16,943	11,361	9,026
Share capital	5,123	5,123	5,123
Provisions	5,104	6,516	6,464
Net profit (loss) for the period	(3,505)	(1,314)	(2,289)
Total shareholders' equity of Group	6,722	10,325	9,298
Total equity of non-controlling interests	1,460	1,636	1,811
Total shareholders' equity (I)	8,182	11,961	11,109
Shareholders' equity and net financial position (L) = (H+I)	25,125	23,321	20,135

Net financial position

The trend in net financial position is shown below.

(€thousand)	06/30/2019	12/31/2018	06/30/2018
Financial position			
Available-for-sale financial assets	-	-	-
Cash on hand, bank deposits	(3,186)	(6,561)	(8,834)
Overdrawn bank accounts and short-term advances	3,886	3,369	2,082
Current financial liabilities	7,887	5,583	5,228
(Assets)/liabilities for current derivatives	-	-	-
Other current financial payables	-	-	-
Short-term financial position - (receivable)/payable	8,587	2,391	(1,524)
Non-current financial liabilities, net of current portion	8,105	8,881	10,476
(Assets)/liabilities for long-term derivatives	251	88	75
Other non-current financial payables	-	-	-
Net financial position - (receivable)/payable	16,943	11,361	9,026

The detail of assets and liabilities inside the net financial position follows in the table below:

(€thousand)	06/30/2019	12/31/2018	06/30/2018
Cash on hand, bank deposits			
Fidia S.p.A.	942	3,475	4,786
Fidia Co.	439	1,108	430
Fidia GmbH	200	224	761
Fidia Iberica S.A.	369	402	724
Fidia S.a.r.l.	331	167	127
Beijing Fidias Machinery & Electronics Co.,Ltd	780	783	947
Fidia do Brasil Ltda.	45	78	452
Shenyang Fidias NC & M Co., Ltd	80	325	607
Total cash and cash equivalents	3,186	6,561	8,834

(€thousand)	06/30/2019	12/31/2018	06/30/2018
Current financial liabilities			
Fidia S.p.A.	(10,481)	(8,325)	(7,237)
Fidia GmbH	(499)	(216)	(60)
Fidia Iberica S.A.	(25)	(18)	(19)
Fidia S.a.r.l.	(49)	-	-
Beijing Fidias Machinery & Electronics Co.,Ltd	(52)	-	-
Fidia do Brasil Ltda.	(610)	-	-
Shenyang Fidias NC & M Co. Ltd.	(57)	(392)	-
	(11,773)	(8,952)	(7,310)
Other current financial payables			
Fidia S.p.A.	-	-	-
	-	-	-
Non-current financial liabilities, net of current portion			
Fidia S.p.A.	(7,949)	(8,525)	(10,385)
Fidia GmbH	(41)	(342)	(68)
Fidia Iberica S.A.	(34)	-	-
Fidia S.a.r.l.	(68)	-	-
Fidia do Brasil Ltda	(13)	(14)	(23)
	(8,105)	(8,881)	(10,476)
Assets/(liabilities) for long-term derivatives			
Fidia S.p.A.	(251)	(88)	(75)
	(251)	(88)	(75)
Other non-current financial payables			
Fidia S.p.A.	-	-	-
	-	-	-
Total financial payables	(20,129)	(17,922)	(17,861)

At 30 June 2019, the net financial position was negative by €16,943 thousand; the change compared with 31 December 2018 was negatively affected by cash, driven by the lower level of receipts and advances on orders, linked to the dynamics of installation and delivery, and the lower revenues historically achieved in the first half of the period, as well as the effect due to the introduction of IFRS 16, which weighs negatively by €1,895 thousand.

The following table contains a condensed statement of cash flows at 30 June 2019 showing the cash flows composing the net financial position.

SHORT CONSOLIDATED CASH FLOW STATEMENT

(€thousand)	1st Half 2019	FY2018	1st Half 2018
A) Cash and cash equivalents at beginning of period	3,192	11,273	11,273
B) Cash from/(used in) operating activities	(2,651)	(3,590)	(2,255)
C) Cash from/(used in) investing activities	(416)	(1,732)	(733)
D) Cash from/(used in) financing activities	(897)	(2,949)	(1,733)
Currency translation differences	72	190	200
E) Net change in cash and cash equivalents	(3,892)	(8,081)	(4,521)
F) Cash and cash equivalents at end of period	(700)	3,192	(6,752)
Breakdown of cash and cash equivalents:			
Cash and cash equivalents	3,186	6,561	8,834
Overdrawn bank accounts	(3,886)	(3,369)	(2,082)
	(700)	3,192	6,752

ALTERNATIVE PERFORMANCE INDICATORS

In this report, in addition to the conventional IFRS financial indicators, a number of alternative performance indicators have been provided in order to allow for a better assessment of the economic and financial trends.

Said indicators, which are also found in the Directors' Report of other periodic reports, do not replace in any way whatsoever the mandatory IFRS indicators.

Below are the alternative performance indicators used by the Group, accompanied by an explanation that reflects their content and calculation basis:

- EBIT,
- Operating income from ordinary business, which is obtained by adding any extraordinary cost items not falling under EBIT,
- EBITDA ("Earnings before interest, taxes and amortisation and depreciation") is determined by adding the item "Amortisation, depreciation and write-downs of fixed assets", the item "Provisions for bad debts" and the item "Non-recurring income/expenses" to the "Operating Income" in the financial statements;
- EBT (Earnings before tax);
- Adjusted EBITDA, EBIT and EBT: with reference to the above figures, a table showing the impact of Adjustments on the periods 2019 and 2018 is provided below.
-

€thousand	30/06/2019	Adjustments	30/06/2019 (adjusted)	30/06/2018	Adjustments	30/06/2018 (adjusted)
EBITDA	(2,085)	-	(2,085)	(695)		(696)
Allocations to provisions	(53)	-	(53)	(172)		(172)
Depreciation	(1,173)	-	(1,173)	(563)	-	(563)
Non-recurring income/(expenses)	-	-	-	(595)	595	-
EBIT	(3,311)	-	(3,311)	(2,026)	595	(1,431)
Net finance revenue/(expenses)	(297)	-	(297)	(239)	-	(238)
Profit/(loss) on exchange rates	(25)	-	(25)	(218)	-	(218)
EBT	(3,633)	-	(3,633)	(2,483)	595	(1,888)

With regard to Adjustments in 2018, they were of a non-recurring nature, linked to the loss, recorded by the US subsidiary Fidia Co, caused by computer fraud;

Other parameters mentioned:

- "Value of production", which is given by the algebraic addition of the items "Net revenues", "Other revenue", and "Changes in inventories of finished goods and work in progress";
- "Value added", which is the result of the algebraic addition of the items "Value of production", "Raw materials and consumables used", "Commissions, shipping and outsourced work" and "Other services and overheads".

For comments on the alternative performance indicators mentioned above, reference should be made to the paragraphs above.

The following table also shows the indicators of financial structure and financial and economic situation:

FINANCIAL RATIOS

INVESTMENT MIX RATIOS

RATIOS	30 June 2019	31 December 2018
1) Weight of fixed assets		
$\frac{\text{Capital assets}}{\text{Total assets}}$	$\frac{16,618}{57,408} = 28.95\%$	$\frac{14,902}{59,732} = 24.90\%$
2) Weight of working capital		
$\frac{\text{Current assets}}{\text{Total assets}}$	$\frac{40,790}{57,408} = 71.10\%$	$\frac{44,830}{59,732} = 75.10\%$

LOAN MIX RATIOS

RATIOS	30 June 2019	31 December 2018
1) Weight of current liabilities		
$\frac{\text{Current liabilities}}{\text{Total liabilities (except net equity)}}$	$\frac{38,053}{49,226} = 77.30\%$	$\frac{35,925}{47,772} = 75.20\%$
2) Weight of non-current liabilities		
$\frac{\text{Non-current liabilities}}{\text{Total liabilities (except net equity)}}$	$\frac{11,173}{49,226} = 22.70\%$	$\frac{11,846}{47,772} = 24.80\%$
3) Weight of own capital		
$\frac{\text{Own capital}}{\text{Net invested capital}}$	$\frac{8,182}{25,125} = 32.60\%$	$\frac{11,961}{23,321} = 51.29\%$

The analysis of the invested capital mix indicators shows a prevalence of short-term net assets in the total assets. This result is basically consistent with that of previous years.

- the loan mix ratio shows a prevalence of short-term loans, which is consistent with the level of investing activities;
- a reduction in the hedging of net invested capital with equity, due to the loss in the first half of 2019.

FINANCIAL POSITION RATIOS

LIQUIDITY RATIOS

INDICATOR	30 June 2019	31 December 2018
$\frac{\text{Current assets}}{\text{Current liabilities}}$	$\frac{40,790}{38,053} = 1.07$	$\frac{44,830}{35,925} = 1.25$

CAPITAL ASSETS COVERAGE RATIO

INDICATOR	30 June 2019	31 December 2018
$\frac{\text{Own capital}}{\text{Capital assets}}$	$\frac{8,182}{16,618} = 0.49$	$\frac{11,961}{14,902} = 0.80$

CASH RATIO

INDICATOR	30 June 2019	31 December 2018
$\frac{\text{Short-term assets}}{\text{Short-term liabilities}}$	$\frac{37,604}{26,281} = 1.43$	$\frac{38,269}{26,973} = 1.42$

The analysis of the financial ratios shows a substantial balance between sources and releases in line with the previous fiscal year.

In particular, the liquidity ratio shows the Group's ability to meet short-term financial obligations, considering the prevalence of current assets over current liabilities.

The capital assets coverage ratio shows adequate coverage of capital assets with own funds.

Finally, the cash ratio shows a short-term prevalence of current assets over current liabilities of the fiscal year.

ECONOMIC POSITION RATIOS

ROE

	30 June 2019		30 June 2018			
$\frac{\text{Net income pertaining to Group}}{\text{Equity of Group}}$	$\frac{-3,505}{6,722}$	=	-52.14%	$\frac{-2,289}{9,298}$	=	-24.60%

ROI

	30 June 2019		30 June 2018			
$\frac{\text{Operating income from ordinary business}}{\text{Invested capital}}$	$\frac{-3,311}{54,222}$	=	-6.11%	$\frac{-1,431}{48,960}$	=	-2.90%

ROS

	30 June 2019		30 June 2018			
$\frac{\text{Operating income from ordinary business}}{\text{Sales}}$	$\frac{-3,311}{20,884}$	=	-15.85%	$\frac{-1,431}{24,136}$	=	-5.90%

ROE, which measures the profitability of equity is negative due to the loss accrued in the first of 2019.

ROI, which measures profitability from operations, shows a negative value given the operating loss registered by the Group in the first half of 2019.

ROS, which represents average operating income per unit of revenue; in this case as well, the operating loss negatively affected the value of this ratio, which is negative.

SEGMENT REPORTING

Economic performance by business sector

The following table shows earning performance broken down by business segment. The data of the Group are presented with a breakdown into three segments (Numerical Controls - CNC -, High Speed Milling Systems - HSM -, and Service).

The last columns show those items that cannot be classified; these items are mainly general and administrative costs and costs for advertising, promotion and trade fairs incurred for all three business lines.

Inter-segment revenues consist of numerical controls, electrical control panels, drives and systems transferred from the electronics segment to the milling systems segment and of mechanical components and milling heads provided to the electronics segment for specific applications.

Progressive data at June (€thousand)	CNC 2019	%	HSM 2019	%	SERVICE 2019	%	N/A 2019	TOTAL 2019
Revenues	1.149	48,1%	13.877	100,0%	5.858	99,8%	-	20.884
Cross-sector revenues	1.237	51,9%	-	0,0%	14	0,2%		
Total reclassified revenues	2.386	100,0%	13.877	100,0%	5.872	100,0%		
Changes in inventories of finished goods and W.I.P.	248	10,4%	2.183	15,7%	22	0,4%	-	2.453
Raw materials and consumables	(705)	-29,6%	(9.347)	-67,4%	(574)	-9,8%	(55)	(10.681)
Cross-sector expenses	113	4,7%	(1.466)	-10,6%	104	1,8%	(2)	
Commissions, transport and contractors	(260)	-10,9%	(2.147)	-15,5%	(267)	-4,5%	(2)	(2.676)
Sales margin	1.781	74,7%	3.100	22,3%	5.157	87,8%	(59)	9.980
Other operating revenue	358	15,0%	611	4,4%	186	3,2%	444	1.598
Other operating costs	(220)	-9,2%	(1.296)	-9,3%	(1.137)	-19,4%	(1.724)	(4.378)
Personnel costs	(1.302)	-54,6%	(3.290)	-23,7%	(2.776)	-47,3%	(1.917)	(9.286)
Depreciation, amortization and writedowns	(124)	-5,2%	(415)	-3,0%	(91)	-1,6%	(595)	(1.226)
Operating profit/(loss)	492	20,6%	(1.291)	-9,3%	1.337	22,8%	(3.851)	(3.311)

Progressive data at June (€thousand)	CNC 2018	%	HSM 2018	%	SERVICE 2018	%	N/A 2018	TOTAL 2018
Revenues	1.310	57,5%	16.690	100,0%	6.136	100,0%	-	24.136
Cross-sector revenues	967	42,5%		0,0%	-	0,0%		
Total reclassified revenues	2.277	100,0%	16.690	100,0%	6.136	100,0%		
Changes in inventories of finished goods and W.I.P.	79	3,5%	1.085	6,5%	171	2,8%	-	1.335
Raw materials and consumables	(733)	-32,2%	(9.298)	-55,7%	(790)	-12,9%	(66)	(10.887)
Cross-sector expenses	117	5,1%	(1.576)	-9,4%	453	7,4%	39	
Commissions, transport and contractors	(301)	-13,2%	(1.779)	-10,7%	(240)	-3,9%	(13)	(2.334)
Sales margin	1.439	63,2%	5.122	30,7%	5.729	93,4%	(39)	12.251
Other operating revenue	396	17,4%	332	2,0%	247	4,0%	112	1.086
Other operating costs	(211)	-9,3%	(1.329)	-8,0%	(1.227)	-20,0%	(2.984)	(5.750)
Personnel costs	(1.373)	-60,3%	(2.885)	-17,3%	(2.812)	-45,8%	(1.808)	(8.877)
Depreciation, amortization and writedowns	(77)	-3,4%	(322)	-1,9%	(140)	-2,3%	(196)	(735)
Operating profit/(loss)	175	7,7%	919	5,5%	1.797	29,3%	(4.916)	(2.026)

RESEARCH & DEVELOPMENT

R&D activities have always been one of the strengths of the Group and received substantial investment over the years. A team of 39 people, also supported by specialized consultants, is currently dedicated to R&D activities.

The costs incurred by the Group in the first half of 2019 amounted to about €1.1 million, equal to about 5.4% of revenues (€1.2 million in the first half of 2018 equal to about 4.9% of revenues), and were recorded mainly by the parent Fidia S.p.A.

Since the R&D activities are mainly carried out with internal resources, the costs are almost entirely represented by personnel expenses.

The costs capitalised amounted to approximately €312 thousand (€476 thousand in the first half of 2018).

Through its R&D activities, the Group pursues the objective of constantly adapting its products to the needs of its customers, of always being at the forefront of technological innovation in the reference product sector and of enhancing its knowledge not only in order to protect market sectors that are considered driving forces and have greater potential, but also with the objective of opening up new areas. Investment in research and development made in recent years has enabled the Group to consolidate its presence in the aerospace industry and to acquire major orders both in the field of machinery for machining moulds and equipment for the automotive sector and in the field of machinery for processing innovative and non-ferrous materials (for example, carbon fibre, titanium or clay used for modelling cars). Research covers both business lines of the Group.

In the **numerical controls and drives** sectors, the main R&D activities that characterized activities during the first half of 2019 were:

- **ViMill® – Look-ahead Virtual Milling** – The development of new releases is underway with additional functions that increasingly respond to customers' needs to interface and integrate ViMill within production process management systems. In particular, the development of a version of ViMill dedicated to the protection of machine structures and all its equipment was completed. ViMill "Machine Protection" was created to respond precisely to this need of Fidia customers who can thus rely on a simple and effective collision avoidance tool that is completely integrated with the numerical control.
- **Axis Control and CNC Functions** - During the first half of 2019, the axis control logic was improved with the aim of improving machining times of the parts produced and usability by those who schedule and manage production, as well as the quality and accuracy of the details processed.
- **CPU-Z** – The project aims to develop a new CPU board (called CPU10) in single board computer format based on a new concept of System On Chip (SoC) that integrates both multiple computing units based on ARM architecture and programmable logic.
CPU10 represents a change of pace in the design of FIDIA products and is the new architectural solution that meets the growing demands of the market. The solution takes advantage of the high integration present in the new SoC families to provide better performance and products that are flexible/adaptable to the growing demands of the market.
- **Automatic Pallet Change** - The growing demand for increasingly complex and modular FMS cells has led to the creation of a new tool dedicated to the management of machining cells with automatic pallet change. The synchronisation of loading and unloading operations, the start of machining programmes and the complete management of pallets will be centralised in a single tool that will allow a single operator to manage the entire cell from a single location.
- **HiMonitor** - SW suite designed to monitor the details of operations performed on machines equipped with FIDIA numerical control. It analyses actual machining times, downtime and key events during machining in order to monitor and identify issues and determine the

maintenance required to achieve maximum efficiency. HiMonitor is FIDIA's answer to the demand for an integrated machine monitoring tool capable of improving workshop control and managing maintenance operations more carefully and effectively. It features remote machine status control via phone, tablet and PC.

The first half of 2019 saw the introduction of new releases to improve data security and introduce user-level access control.

HiMonitor is one of the solutions in line with the Industry 4.0 criteria that equip FIDIA numerical controls.

In the **high-speed milling systems** sector, the Group has continued along the path pursuing an R&D strategy centered, on the one hand, on broadening its range of machines and on searching cutting-edge solutions for processing new materials and gaining access to new sectors and fields of application and, on the other, on the consolidation of cooperation with industry partners and customers through the co-development of new production technologies.

The main projects that characterised the first half of 2019 were:

- **New serie HTF (Horizontal Type FIDIA) series** – The success of the GTF series has led us to enrich the portfolio of solutions by introducing the development of a new family of horizontal machines both for the machining of aeronautical parts in aluminium and titanium, and for the machining of style models.
- **Ti/Al HTF horizontal machine pallet changing and loading system** - The HTF series for machining aluminium and titanium aeronautical parts can be equipped with an ad-hoc pallet changing system specially developed to make workpiece loading and unloading operations by the horizontal table simple, efficient and fully automatic. Suitable for medium and large production volumes, the high level of automation means that it is also efficient for small batches.
- **V4 milling head platform** - The strong and continuous evolution of HSC (high speed cutting) technology requires machine tools with high dynamic performance of both feed axes and tool holders. There is a strong demand for multi-functional machines (multitasking) that are able to be modular and reconfigurable, i.e., to satisfy the complex and articulated problems of machining processes. In particular, the need for the market to carry out roughing and finishing operations using the same machines but equipped with different operating heads and in line with the current state of the art has been identified. The configurability and modularity of the five-axis machining systems is strongly conditioned by the morphology of the C polar axis, which therefore must be able to allow automatic coupling of a series of operating heads that are at the same time powerful, fast and reliable. The project has developed and rolled out a polar C axis architecture capable of satisfying the many requests coming from the reference technological sectors by exploiting a mechanical platform for the automatic "in-process" replacement of the milling heads capable of supporting both different types of electrospindles and mechanical drive.

Finally, in the first half of 2019 the Group continued its activities in the field of collaborative research. The first half of 2019 saw the participation of Fidia as a partner in 4 projects co-financed by the European Commission under Horizon 2020 and in a fifth project co-financed by the Piedmont Region. Furthermore, Fidia is engaged as coordinator in a sixth project, it too co-financed by the European Commission within Horizon 2020.

FIDIA is also continuing the activity of preparing new project proposals with the objective to support and consolidate the level of product and process innovation that distinguishes the Group.

An overview follows below of the areas of intervention of the 6 main projects funded in the first half of 2019.

- **ZDMP** - Zero Defects Manufacturing Platform, a project launched on 1 January 2019 thanks to an investment of €19 million covered 30% by 30 partners (companies, universities and research centres) and 70% by the European Commission, with the aim of strengthening Europe's position in the production of high quality products. The project covers 48 months and the mission is to develop and establish a digital platform for the Smart Factory to support new Zero Defect production processes for the smart and connected factories of the future, including SMEs.
- **MMTECH** - New aerospace advanced cost-effective materials and rapid manufacturing technologies: development of technologies and methodologies aimed at reducing time and costs over the whole life cycle of aircraft (design, production, maintenance, overhaul, repair and retrofit).
- **PROGRAMS** - PROGNostics based Reliability Analysis for Maintenance Scheduling: development of a distributed and cloud-based system for machine prognostics. The objective is to reduce the overall cost of the life cycle of a machine by predicting its wear and tear conditions and by predicting and optimising the scheduling of maintenance operations.
- **HOME - Hierarchical Open Manufacturing Europe:** The HOME project wants to make available to people at the factory, in real-time, all the information needed to govern the processes while they unfold. Using the technologies linked to the Cyber Physical Systems, the Home system will serve as a support to the factory management because it will produce: real-time support for decisions, tools for interfacing with the machines and automation of the operation of the factory subsystems that do not require human intervention.
- **LaVA** - Large Volume Metrology Applications: part of the EMPIR financing framework, LaVA aims to develop a range of accurate and traceable measurement systems for use in Large Volume Metrology (LVM). In addition, the project aims to integrate these tools within a factory network and/or as a permanent part of a production system such as large machine tools, industrial robots, etc.
- **SHERLOCK** - The project aims to develop technologies for human-robot collaboration. In particular, the partners aim to combine artificial intelligence and cognitive systems for the development of exoskeletons that can improve the quality of workers and manual assembly operations that require both the high flexibility of human beings and a high dose of strength and physical endurance.

The results of these projects have significantly contributed to the definition of the Group's main lines of product development in the medium and long term.

INTRA-GROUP RELATIONS AND RELATIONS WITH RELATED PARTIES

Relations among the Group's companies are governed at market conditions, considering the nature of the goods and services provided. These relations are basically of a commercial nature.

The Meeting of the Board of Directors on 11 November 2010 drew up and approved specific internal procedures called "Guidelines and rules of conduct on "extremely significant, atypical or unusual" transactions and with "related parties" ("Guidelines"). These procedures implement both the criteria of the Self-Discipline Code and the Regulation on related parties adopted by Consob Resolution No. 17221 of 12 March 2010 as amended by the following Consob Resolution No. 17389 of 23 June 2010.

These procedures can be found at the company website, www.fidia.com, under corporate governance in the Investor Relations section.

The manufacturing of milling systems, mechanical components and electrical systems is carried out entirely by Fidia S.p.A. following the mergers in previous fiscal years.

The foreign subsidiaries of Fidia deal with the sales and service of the Group's products in the relevant markets and for this purpose they purchase these in general directly from the Parent Company. Intra-group sales relations are carried out based on transfer pricing applied in a continuous and uniform manner between companies. Supply relations are carried out based on normal market prices.

Supply relations are carried out based on normal market prices. With regard to the joint-venture Shenyang Fidia NC & M Co. Ltd., it manufactures and sells numerical controls and milling systems designed by Fidia for the Chinese market. The strategic components are purchased from the parent company Fidia S.p.A. at normal market conditions and the remaining parts from local suppliers.

The economic and financial relations in the fiscal year between the parent company Fidia S.p.A. and its subsidiaries and associates are illustrated in Note 33 of the Notes to the Financial Statements.

Information on relations with related parties whose definition was extended according to Accounting Standard IAS 24, as required by Consob Resolution of 28 July 2006, is illustrated in the Note to the Consolidated Financial Statements and the Note to the Financial Statements respectively.

Based on the information received from the Group companies, there were no atypical or unusual transactions as defined by Consob.

Under Article 7.2, item c) of the above-mentioned "Guidelines", it is hereby stated that in 2018 there were no transactions with related parties that can be defined as having "major relevance".

In the first half of 2019, Fidia S.p.A. signed no supply contract falling among ordinary contracts and concluded at arm's length exceeding the materiality threshold set out pursuant to Annex 3 of CONSOB Regulation 17221.

TRENDS IN GROUP COMPANIES

A brief overview of the performance of the Group companies during the first half is provided below. Data refers to the financial statements drawn up according to IAS/IFRS international accounting standards and all companies are consolidated with the line-by-line method.

	Fidia S.p.A.	Fidia GmbH	Fidia Co.	Fidia S.a.r.l.	Fidia Iberica S.A.
Accounting currency	KEUR	KEUR	KUSD	KEUR	KEUR
Period of reference of balance-sheet information	06.30.2019	06.30.2019	06.30.2019	06.30.2019	06.30.2019
ASSETS					
Non-current assets					
- Property, plant and equipment	10,290	646	1,576	118	306
- Intangible assets	2,500	1	4	0	1
- Investments	11,845	23	0	0	3
- Other non-current financial assets	0	0	0	0	0
- Trade receivables and other long-term receivables	199	0	67	7	1
- Pre-paid tax assets	449	12	235	27	0
Total non-current assets	25,283	682	1,882	152	311
Current assets					
- Inventory	14,236	758	2,534	81	436
- Trade receivables and other current receivables	13,833	1,395	4,025	1,853	556
- Cash and cash equivalents	860	200	499	331	369
Total current assets	28,928	2,354	7,058	2,265	1,362
Total assets	54,211	3,036	8,940	2,418	1,674
LIABILITIES					
Shareholders' equity					
- Share capital	5,123	520	400	300	180
- Other reserves	2,583	1,136	7,222	75	291
- Profit (loss) of the period	(3,089)	(268)	39	104	(7)
TOTAL SHAREHOLDERS' EQUITY	4,617	1,388	7,660	478	464
Non-current liabilities					
- Other non-current payables and liabilities	397	38	0	93	0
- Termination benefits	2,237	0	0	0	0
- Deferred tax liabilities	0	0	0	0	32
- Other non-current financial liabilities	251	0	13	0	6
- Non-current financial liabilities	7,949	41	0	68	34
Total non-current liabilities	10,834	80	13	161	71
Current liabilities					
- Current financial liabilities	12,932	499	0	49	25
- Trade payables and other current payables	24,531	1,044	1,133	1,701	1,080
- Short-term provisions	1,297	25	134	28	33
Total current liabilities	38,760	1,568	1,267	1,778	1,138
Total liabilities	54,211	3,036	8,940	2,418	1,674

	Fidia S.p.A.	Fidia GmbH	Fidia Co.	Fidia S.a.r.l.	Fidia Iberica S.A.
Accounting currency	KEUR	KEUR	KUSD	KEUR	KEUR
Period of reference of balance-sheet information	06.30.2019	06.30.2019	06.30.2019	06.30.2019	06.30.2019
<u>INCOME STATEMENT</u>					
- Net sales	16,207	1,337	2,846	1,721	529
- Other revenues	908	207	742	2	113
Total revenue	17,115	1,544	3,588	1,723	643
- Changes in inventories of finished goods and Work in Progress	2,466	29	(73)	(1)	(4)
- Raw materials and consumables	9,876	382	1,180	1,068	156
- Personnel costs	5,743	960	1,078	230	302
- Other operating costs	6,059	321	1,096	241	147
- Depreciation, amortization and writedowns	664	184	123	46	42
Operating profit from ordinary business	-2,761	-274	38	136	-7
- Non-recurring income/(expenses)	0	0	0	0	0
Operating profit/(loss)	-2,761	-274	38	136	-7
- Finance revenue (expenses)	-327	-7	26	-2	-1
Profit (loss) before taxes	-3,088	-281	64	134	-9
Income tax	2	13	25	30	-2
Net profit (loss) for the period	-3,089	-268	39	104	-7

	Fidia do Brasil Ltda	Beijing Fidia M.&E. Co. Ltd.	Shenyang Fidia NC&M Company Ltd
Accounting currency	KREAIS	KRMB	KRMB
Period of reference of balance-sheet information	06.30.2019	06.30.2019	06.30.2019
<u>ASSETS</u>			
Non-current assets			
- Property, plant and equipment	79	230	146
- Intangible assets	108	355	390
- Investments	-	-	-
- Other non-current financial assets	-	-	-
- Trade receivables and other long-term receivables	111	1,323	105
- Pre-paid tax assets	-	-	-
Total non-current assets	298	1,909	640
Current assets			
- Inventory	2,504	9,419	20,077
- Trade receivables and other current receivables	4,282	42,260	3,831
- Cash and cash equivalents	196	6,101	624
Total current assets	6,982	57,780	24,532
Total assets	7,280	59,689	25,172
<u>LIABILITIES</u>			
Shareholders' equity			
- Share capital	400	12,814	42,518
- Other reserves	(645)	24,080	(23,516)
- Profit (loss) of the period	(441)	(260)	(2,935)
TOTAL SHAREHOLDERS' EQUITY	(686)	36,635	16,066
Non-current liabilities			
- Other non-current payables and liabilities	-	-	-
- Termination benefits	-	-	-
- Deferred tax liabilities	-	20	-
- Other non-current financial liabilities	-	-	-
- Non-current financial liabilities	56	-	-
Total non-current liabilities	56	20	-
Current liabilities			
- Current financial liabilities	2,652	410	450
- Trade payables and other current payables	5,218	22,624	8,656
- Short-term provisions	41	-	0
Total current liabilities	7,910	23,034	9,106
Total liabilities	7,280	59,689	25,172

	Fidia do Brasil Ltda	Beijing Fidias M.&E. Co. Ltd.	Shenyang Fidias NC&M Company Ltd
Accounting currency	KREAIS	KRMB	KRMB
Period of reference of balance-sheet information	06.30.2019	06.30.2019	06.30.2019
<u>INCOME STATEMENT</u>			
- Net sales	2,400	16,578	257
- Other revenues	20	248	1
Total revenue	2,420	16,826	258
- Changes in inventories of finished goods and Work in Progress	(53)	(3,674)	3,518
- Raw materials and consumables	1,223	2,132	3,517
- Personnel costs	557	5,278	2,144
- Other operating costs	1,052	4,771	571
- Depreciation, amortization and writedowns	51	951	477
Operating profit from ordinary business	(515)	20	(2,933)
- Non-recurring income/(expenses)	-	-	-
Operating profit/(loss)	(515)	20	(2,933)
Finance revenue (expenses)	66	(254)	3
Profit (loss) before taxes	(449)	(234)	(2,930)
Income tax	8	(26)	(5)
Net profit (loss) for the period	(441)	(260)	(2,935)

SIGNIFICANT EVENTS OCCURRING AFTER THE FIRST HALF AND BUSINESS OUTLOOK FOR THE CURRENT PERIOD

Significant events occurring after the first half

On 31 July, the Company signed an agreement with the company's workers' representatives and the representatives of the Turin territorial trade unions concerning the activation of the solidarity contract for the San Mauro Torinese headquarters, which began on 2 September, for a duration of 12 months.

Business outlook

The first half of the year showed a consolidated loss of €3,695 thousand and net financial debt of €16,943 thousand. The economic and financial performance of the first half of the year mainly reflected the reduction in the volume of business across all business lines, partly due to the drop in demand in some of the markets in which the Group operates.

On the commercial front, in fact, there was a slowdown in all the main markets in which the Group operates, with the exception of Brazil and Turkey.

The second quarter of the period, however, showed a better performance than the first, while maintaining a negative result.

The Group reacted promptly to the drop in revenue recorded during the period, also taking into account the expectations contained in the short-to-medium-term forecasts, with appropriate measures, initiating both cost rationalisation projects and social security schemes.

Based on the order backlog at the current date, management expects an improvement in economic performance in the second half of the year with consequent benefits on financial debt.

In view of the above, the condensed consolidated half-year financial statements at 30 June 2019 have been prepared on a going concern basis.

FIDIA GROUP

**Condensed consolidated half-year financial statements at 30
June 2019**

CONSOLIDATED INCOME STATEMENT (*)

(€thousand)	Notes	1st Half 2019	1st Half 2018
- Net sales	1	20.884	24.136
- Other revenues	2	1.598	1.086
Total revenues		22.482	25.222
- Changes in inventories of finished goods and W.I.P.		2.453	1.336
- Raw materials and consumables	3	(10.681)	(10.887)
- Personnel costs	4	(9.286)	(8.877)
- Other operating costs	5	(7.054)	(7.489)
- Depreciation, amortization and writedowns	6	(1.226)	(735)
- Operating profit/(loss) from ordinary business		(3.311)	(1.431)
- Non-recurring income/(expenses)	7	0	(595)
Operating profit/(loss)		(3.311)	(2.026)
- Finance revenue/(expenses)	8	(322)	(457)
- Profit/(loss) before tax		(3.633)	(2.483)
- Income tax	9	(61)	100
Profit/(loss) for continuing operations		(3.695)	(2.383)
- Profit/(loss) for discontinued operations		-	-
Profit (loss) for the period		(3.695)	(2.383)
Profit/(loss) attributable to:			
- Shareholders of parent company		(3.505)	(2.289)
- Non-controlling interests		(189)	(94)

(EUR)

Earning per share	10	(0,68)	(0,45)
Diluted earnings per ordinary share	10	(0,68)	(0,45)

(*) According to Consob Resolution No. 15519 of July 27, 2006, the effects of relations with related parties on the Consolidated Statement of Comprehensive Income are posted in the relevant Statement of Comprehensive Income Schedule illustrated below and are further defined in Note No. 33.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€thousand)	Notes	1st Half 2019	1st Half 2018
Profit (loss) for the period (A)		(3,695)	(2,383)
Other comprehensive profit/(loss) that may subsequently be reclassified in profit or loss:			
Profit/(loss) on cash flow hedges	20	(164)	(9)
Profit/(loss) on translation of financial statements of foreign companies	20	100	256
Tax effect pertaining to Other comprehensive profit/(loss) that may be reclassified in profit or loss	20	39	2
Total Other comprehensive profit/(loss) that may subsequently be reclassified in profit or loss, net of tax effect (B1)		(25)	249
Other comprehensive profit/(loss) that may not subsequently be reclassified in profit or loss:			
Net actuarial gains/(losses) on defined benefit plans	20	(81)	24
Tax effect pertaining to Other comprehensive profit/(loss) that may not be reclassified in profit or loss	20	19	(4)
Total Other comprehensive profit/(loss) that may not subsequently be reclassified in profit or loss, net of tax effect (B2)		(62)	20
Total Other comprehensive profit/(loss), net of tax effect (B)=(B1)+(B2)		(87)	269
Total comprehensive profit/(loss) for the period (A)+(B)		(3,782)	(2,114)
Total comprehensive profit/(loss) due to:			
Shareholders of the parent company		(3,607)	(2,038)
Non-controlling interests		(175)	(75)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*)

(€thousand)	Notes	06/30/2019	12/31/2018
ASSETS			
NON-CURRENT ASSETS			
- Property, plant and equipment	11	12.844	11.313
- Intangible assets	12	2.506	2.342
- Investments	13	16	16
- Other non-current receivables and assets	14	266	274
- Pre-paid tax assets	9	986	957
TOTAL NON-CURRENT ASSETS		16.618	14.902
CURRENT ASSETS			
- Inventory	15	20.441	18.419
- Trade receivables	16	14.394	18.061
- Current tax receivables	17	1.503	1.017
- Other current receivables and assets	17	1.266	772
- Other current financial receivables	18	-	-
- Cash and cash equivalents	19	3.186	6.561
TOTAL CURRENT ASSETS		40.790	44.830
TOTAL ASSETS		57.408	59.732
LIABILITIES			
SHAREHOLDERS' EQUITY			
- Share capital and reserves attributable to shareholders of parent company		6.722	10.325
- Non-controlling interests		1.460	1.636
TOTAL CONSOLIDATED EQUITY	20	8.182	11.961
NON-CURRENT LIABILITIES			
- Other non-current payables and liabilities	21	528	624
- Termination benefits	22	2.237	2.189
- Deferred tax liabilities	9	34	47
- Provisions for risks and charges	28	17	16
- Other non-current financial liabilities	23	251	88
- Non-current financial liabilities	24	8.105	8.881
TOTAL NON-CURRENT LIABILITIES		11.173	11.845
CURRENT LIABILITIES			
- Current financial liabilities	24	11.773	8.952
- Other current financial liabilities	25		
- Trade payables	26	14.097	16.394
- Current tax payables	27	875	984
- Other current payables and liabilities:	27	9.799	7.716
- Provisions for risks and expenses	28	1.511	1.880
TOTAL CURRENT LIABILITIES		38.053	35.926
TOTAL LIABILITIES		57.408	59.732

(*) According to Consob Resolution No. 15519 of 27 July 2006, the effects of related party transactions on the Consolidated Statement of Financial Position are posted in the relevant schedule of Statement of Financial Position illustrated below and are further defined in Note No. 33.

CONSOLIDATED STATEMENT OF CASH FLOW (*)

(€thousand)	1st Half 2019	1st Half 2018
A) Cash and cash equivalents at beginning of period	3.192	11.273
B) Cash from/(used in) operating activities during the period		
- Profit/(loss) of Group and NCIs	(3.695)	(2.383)
- Depreciation, amortization and write-downs of tangible fixed assets	1.173	563
- Net loss (gain) on disposal of tangible assets	(22)	(9)
- Net change in provision for employee severance pay	48	(69)
- Net change in provisions for risks and charges	(369)	13
- Net change (assets) liabilities for (pre-paid) deferred taxes	(41)	(271)
Net change in working capital:		
- Receivables	2.696	258
- inventory	(2.022)	(2.577)
- payables (**)	(419)	2.220
	(2.651)	(2.255)
C) Cash from/(used in) investing activities		
- Investments in		
property, plant and equipment	(247)	(259)
intangible fixed assets	(275)	(487)
- Proceeds from the sale of:		
property, plant and equipment	106	13
non-current financial assets		
	(416)	(733)
D) Cash from/(used in) financing activities		
- Net change in loans (***)	(368)	(1.672)
- Loan repayments	-	
- Dividends paid	-	
- Changes in capital and reserves	(169)	(69)
- Net change in other current and non-current financial assets and liabilities	(360)	8
	(897)	(1.733)
Currency translation differences	72	200
E) Net change in cash and cash equivalents	(3.892)	(4.521)
F) Cash and cash equivalents at end of period	(700)	6.752
Breakdown of cash and cash equivalents:		
Cash and cash equivalents	3.186	8.834
Overdrawn bank accounts	(3.886)	(2.082)
	(700)	6.752

(*) According to Consob Resolution No. 15519 of 27 July 2006, the effects of relations with related parties on the Consolidated Cash Flow Statement are posted in the relevant Cash Flow Statement Schedule illustrated below.

(**) of which €80 thousand in taxes paid

(***) of which €224 thousand in interest paid

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(€thousand)	Share capital	Own shares	Capital reserves	Retained earnings	Cash flow hedge reserve	Translation reserve	Reserve for actuarial profit/loss	Other reserves	Result for the period	Total Group Shareholders' Equity	Non-controlling interests	Total Shareholders' Equity
Balance at 31 December 2017	5,123	(45)	1,240	6,706	(46)	1,421	(127)	213	(3,066)	11,419	1,905	13,324
Impact of adopting IFRS 15	-	-	-	(19)	-	-	-	-	-	(19)	-	(19)
Balance at 1 January 2018	5,123	(45)	1,240	6,687	(46)	1,421	(127)	213	(3,066)	11,400	1,905	13,305
Allocation of profit	-	-	-	(3,066)	-	-	-	-	3,066	-	-	-
Distribution of dividends	-	-	-	-	-	-	-	-	-	-	(19)	(19)
Comprehensive result for the period	-	-	-	-	(7)	237	20	-	(2,289)	(2,039)	(75)	(2,114)
Other changes	-	-	-	(63)	-	-	-	-	-	(63)	-	(63)
Balance at 30 June 2018	5,123	(45)	1,240	3,558	(53)	1,658	(107)	213	(2,289)	9,298	1,811	11,109

Balance at 1 January 2019	5,123	(45)	1,240	3,609	(63)	1,668	(106)	213	(1,314)	10,325	1,636	11,961
Allocation of profit	-	-	-	(1,314)	-	-	-	-	1,314	-	-	-
Distribution of dividends	-	-	-	-	-	-	-	-	-	-	-	-
Comprehensive result for the period	-	-	-	-	(125)	86	(62)	-	(3,505)	(3,607)	(175)	(3,782)
Other changes	-	-	-	4	-	-	-	-	-	4	(1)	3
Balance at 30 June 2019	5,123	(45)	1,240	2,299	(188)	1,754	(168)	213	(3,505)	6,722	1,460	8,182

The figures for the first half of 2019 consider the application of the new accounting standard IFRS16 "Leases"; since the Group has applied the modified retrospective method, this first adoption has not led to changes in shareholders' equity at 01/01/2019.

CONSOLIDATED INCOME STATEMENT

pursuant to CONSOB Resolution No. 15519 of 27 July 2006

(€thousand)	Notes	1st Half 2019	of which related parties	1st Half 2018	of which related parties
- Net sales	1	20.884		24.136	
- Other revenues	2	1.598		1.086	
Total revenues		22.482		25.222	
- Changes in inventories of finished goods and W.I.P.		2.453		1.336	
- Raw materials and consumables	3	(10.681)		(10.887)	
- Personnel costs	4	(9.286)	(442)	(8.877)	(422)
- Other operating costs	5	(7.054)	(93)	(7.489)	(82)
- Depreciation, amortization and writedowns	6	(1.226)		(735)	
- Operating profit/(loss) from ordinary business		(3.311)		(1.431)	
- Non-recurring income/(expenses)	7	-		(595)	
Operating profit/(loss)		(3.311)		(2.026)	
- Finance revenue/(expenses)	8	(322)		(457)	
- Profit/(loss) before tax		(3.633)		(2.483)	
- Income tax	9	(62)		100	
Profit/(loss) for continuing operations		(3.695)		(2.383)	
- Profit/(loss) for discontinued operations		-		-	
Profit (loss) for the period		(3.695)		(2.383)	
Profit/(loss) attributable to:					
- Shareholders of parent company		(3.506)		(2.289)	
- Non-controlling interests		(189)		(94)	

(EUR)

Earning per share	10	(0,68)		(0,45)	
Diluted earnings per ordinary share	10	(0,68)		(0,45)	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

pursuant to CONSOB Resolution No. 15519 of 27 July 2006

(€thousand)	Notes	30 June 2019	Of which related parties	31 December 2018	Of which related parties
ASSETS					
NON-CURRENT ASSETS					
- Property, plant and equipment	11	12.844		11.313	
- Intangible assets	12	2.506		2.342	
- Investments	13	16		16	
- Other non-current receivables and assets	14	266		274	
- Pre-paid tax assets	9	986		958	
TOTAL NON-CURRENT ASSETS		16.618		14.902	
CURRENT ASSETS					
- Inventory	15	20.441		18.419	
- Trade receivables	16	14.394	-	18.061	-
- Current tax receivables	17	1.503		1.017	
- Other current receivables and assets	17	1.266	2	772	15
- Other current financial receivables	18	-		-	
- Cash and cash equivalents	19	3.186		6.561	
TOTAL CURRENT ASSETS		40.790		44.830	
TOTAL ASSETS		57.408		59.732	
LIABILITIES					
SHAREHOLDERS' EQUITY					
- Share capital and reserves attributable to shareholders of parent company		6.722		10.325	
- Non-controlling interests		1.460		1.636	
TOTAL CONSOLIDATED EQUITY	20	8.182		11.961	
NON-CURRENT LIABILITIES					
- Other non-current payables and liabilities	21	528		624	
- Termination benefits	22	2.237		2.189	
- Deferred tax liabilities	9	34		47	
- Provisions for risks and expenses	28	17		16	
- Other non-current financial liabilities	23	251		88	
- Non-current financial liabilities	24	8.105		8.881	
TOTAL NON-CURRENT LIABILITIES		11.173		11.846	
CURRENT LIABILITIES					
- Current financial liabilities	24	11.773		8.952	
- Other current financial liabilities	25			-	
- Trade payables	26	14.097	2	16.394	2
- Current tax payables	27	875		984	
- Other current payables and liabilities:	27	9.799	93	7.716	113
- Provisions for risks and expenses	28	1.511		1.880	
TOTAL CURRENT LIABILITIES		38.053		35.925	
TOTAL LIABILITIES		57.408		59.732	

CONSOLIDATED STATEMENT OF CASH FLOWS
pursuant to CONSOB Resolution No. 15519 of 27 July 2006

(€thousand)	1st Half 2019	of which related parties	1st Half 2018	of which related parties
A) Cash and cash equivalents at beginning of period	3.192		11.273	
B) Cash from/(used in) operating activities during the period				
- Profit/(loss) of Group and NClS	(3.695)		(2.383)	
- Depreciation, amortization and write-downs of tangible fixed assets	1.173		563	
- Net losses (gains) on transfers of tangible fixed assets	(22)		(9)	
- Net change in provision for employee severance pay	48		(69)	
- Net change in provisions for risks and charges	(369)		13	
- Net change (assets) liabilities for (pre-paid) deferred taxes	(41)		(271)	
Net change in working capital:				
- Receivables	2.696	13	258	3
- inventory	(2.022)		(2.577)	
- payables	(419)	(20)	2.220	(33)
	(2.651)		(2.255)	
C) Cash from/(used in) investing activities				
- Investments in				
property, plant and equipment	(247)		(259)	
intangible fixed assets	(275)		(487)	
- Proceeds from the sale of:				
property, plant and equipment	106		13	
non-current financial assets				
	(416)		(733)	
D) Cash from/(used in) financing activities				
- Net change in loans	(368)		(1.672)	
- Dividends paid				
- Change in capital and reserves	(169)		(69)	
- Net change in other current and non-current financial assets and liabilities	(360)		8	
	(897)		(1.733)	
Currency translation differences	72		200	
E) Net change in cash and cash equivalents	(3.892)		(4.521)	
F) Cash and cash equivalents at end of period	(700)		6.752	
Breakdown of cash and cash equivalents:				
Cash and cash equivalents	3.186		8.834	
Overdrawn bank accounts	(3.886)		(2.082)	
	(700)		6.752	

(*) of which €80 thousand in taxes paid

(**) of which €224 thousand in interest paid

Notes

SIGNIFICANT ACCOUNTING STANDARDS

These Condensed Half-Year Consolidated Financial Statements at 30 June 2019 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union. The designation "IFRS" also includes all currently valid International Accounting Standards ("IAS"), as well as all interpretations of the International Accounting Reporting Interpretations Committee ("IFRIC"), formerly the Standing Interpretations Committee ("SIC").

These Half-Year Consolidated Financial Statements have been prepared in accordance with IAS 34 – Interim Financial Reporting, applying the same accounting standards used in the preparation of the Consolidated Financial Statements at 31 December 2018, except for the adoption of the new standards and amendments effective from 1 January 2019. The Group has not early adopted any new standard, interpretation or amendment published but not yet in force.

The preparation of the interim financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent assets and liabilities at the date of the interim financial statements.

If in the future such estimates and assumptions, which are based on management's best judgment at the date of this condensed Half-Year Report, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change. For a more detailed description of the most significant valuation processes for the Group, reference should be made to the section "Use of estimates" in the consolidated financial statements at 31 December 2018.

It should also be noted that certain valuation processes, in particular the more complex ones, such as the determination of any impairment losses on non-current assets, are carried out in full only when the annual financial statements are drawn up, when all the information that may be necessary is available, except in cases where there are indications of impairment that require an immediate assessment of any impairment losses.

The Group carries out activities that historically show changes in total sales during the year and usually generate higher revenues in the second half than in the first half of the year. Taxes have been determined on the basis of the best estimate of the best tax rate estimate expected for the whole financial year by each company included in the scope of consolidation. The Group is exposed to financial risks associated with its operations: credit risk, liquidity risk, market risk (mainly foreign exchange and interest rate risks).

These Condensed Half-Year Consolidated Financial Statements do not include all the information and explanatory notes on financial risk management required in the preparation of the annual financial statements. For a detailed description of this information, refer to the consolidated financial statements of the Fidia Group at 31 December 2018, section of the Notes entitled "Risk Management", as well as to Note 31 of the Notes to the Financial Statements, entitled "Information on financial risks."

Financial Statements

The Group presents the statement of comprehensive income by nature of expenditure, which is deemed more representative compared to so-called presentation by function. The form chosen complies with the internal reporting and business management methods. Within said statement of comprehensive income by nature, under the profit/(loss), a specific distinction has been made between profit/(loss) of ordinary business and those charges and earnings that are the result of non-recurrent transactions in ordinary business management, such as the restructuring expenses

and any other atypical revenues/(charges), as these can be treated like the former. It is deemed that this allows for a better measurement of the actual performance of the normal business management, it being understood that any atypical expenses and earnings are specified in detail

The definition of atypical adopted by the Group differs from the one set by Consob Notice of 28 July 2006, by which atypical and/or unusual transactions are all those transactions whose significance/relevance, nature of the counterparts, subject-matter of the transaction, transfer pricing method and timing of the event (near year end) can give rise to doubts on: correctness/completeness of information posted, conflict of interests, safeguard of company equity, safeguard of minority interests.

With reference to the statement of financial position, the "non-current and current" format of presentation has been adopted according to the provisions of IAS 1. The cash flow statement was drawn up by applying the indirect method. Finally, please be noted that with reference to Consob Resolution n° 15519 of July 27, 2006 on financial statements, supplementary schedules for the statement of comprehensive income, statement of financial position and statement of cash flows were added in order to underscore significant relations with related parties and not to impair the overall readability of the financial statements.

Accounting principles, amendments and interpretations adopted from 1 January 2019

Pursuant to IAS 8 - *Accounting Policies, Changes in Accounting Estimates and Errors*, the nature and impact of each change are indicated and briefly illustrated below:

IFRS16 – Leasing

With effect from 1 January 2019, the new accounting standard IFRS 16 "Leases" came into force, which defines a single model for the recognition of lease contracts. IFRS 16 was issued in January 2016 and replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases using a single accounting model in the financial statements similar to the accounting for finance leases that were governed by IAS 17.

The method of accounting for the lessor in accordance with IFRS 16 remains substantially unchanged from that required by IAS 17. Lessors will continue to classify all leases using the same classification principle as set out in IAS 17 and distinguishing between two types of lease: operating leases and finance leases.

The standard includes two exceptions to recognition for lessees - leasing of "low value" assets (e.g., personal computers) and short-term leases (i.e., leases with a lease period of less than or equal to 12 months). At the inception date of a lease, the lessee will recognise a lease liability (i.e., the lease liability) and an asset that represents the right to use the underlying asset during the lease term (i.e., the right to use). Lessees are required to recognise separately interest expense on the lease liability and depreciation on the right of use.

Lessees are also required to reconsider the amount of the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or in the rate used to determine those payments). In general, the lessee recognises the difference from re-measuring the amount of the lease liability as an adjustment to the right of use.

The Group has adopted the new standard from the mandatory date of adoption, using the modified method. This method consists in accounting for the cumulative effect of the initial application of the new standard on opening initial equity, without restating comparative data.

The application of the new standard resulted in the recognition at 1 January 2019 of rights of use and the related financial debt for an amount of approximately €1.8 million.

The following table shows the impact of the adoption of IFRS 16 on the consolidated financial statements:

€ thousand	Published 12/31/2018	Effects of adoption of IFRS 16	Restated 01/01/2019
Non-current assets	14,902	1,840	16,742
Current assets	44,830	0	44,830
Total assets	59,732	1,840	61,572
Shareholders' equity	(11,961)	0	(11,961)
Non-current liabilities	(11,845)	(1,069)	(12,914)
Current liabilities	(35,926)	(771)	(36,697)
Total shareholders' equity and liabilities	(59,732)	(1,840)	(61,572)

The table below reconciles future obligations for operating leases at 31 December 2018 with financial liabilities for leases (both operating and financial) at 1 January 2019:

(€thousand)	01/01/2019
Future obligations for operating leases at 31 December 2018	2,136
Practical expedients adopted:	
- "short-term" leases	(144)
- leases classified as low-value assets	(75)
Operating leases at 1 January 2019	1,917
Operating leases discounted to 1 January 2019	1,840
Financial leases at 31 December 2018	5,940
Total liabilities for leases at 1 January 2019	7,780

In addition to the above with reference to IFRS 16, the following amendments and interpretations are applicable from 1 January 2019, as they have been endorsed by the EU:

IFRIC Interpretation 23 - Uncertainty over Income Tax Treatments

The interpretation clarifies how to reflect the effects of uncertainty in accounting for income taxes when the tax treatment of a specific transaction is unclear. The interpretation requires that uncertainties in the determination of tax liabilities or assets are reflected in the financial statements only when it is probable that the entity will pay or recover the amount in question. These amendments had no impact on the Group's consolidated financial statements.

Amendments to IFRS 9: Prepayments Features with Negative Compensation

In accordance with IFRS 9, a debt instrument may be measured at amortised cost or at fair value in the statement of comprehensive income, provided that the contractual cash flows are "exclusively principal and interest payments on the reference amount" (the SPPI criterion) and the instrument is classified in the appropriate business model. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes early termination of the contract and regardless of which party pays or receives reasonable compensation for early termination of the contract. These amendments had no impact on the Group's consolidated financial statements.

Amendments to IAS 19: Plan Amendment, Curtailment or Settlement.

The amendments to IAS 19 set out the accounting rules in the event that, during the reporting period, there is a plan amendment, curtailment or settlement. The amendments specify that when a plan amendment, curtailment or settlement occurs during the period, an entity is required to determine the cost of service for the remainder of the period following the amendment, curtailment or settlement of the plan, using key actuarial assumptions to remeasure the net defined benefit liability (asset) so that it reflects the benefits provided by the plan and the plan assets after that event. An entity must also determine net interest for the period remaining after the plan amendment, curtailment or settlement: the net defined benefit liability (asset) that reflects the benefits offered by the plan and the plan assets after that event; and the discount rate used to settle the net defined benefit liability (asset).

These changes did not have any impact on the consolidated financial statements as the Group did not record any plan amendments, curtailments or settlements during the period under review.

Amendments to IAS 28: Long-term interests in associates and joint venture

The amendments specify that an entity applies IFRS 9 for long-term investments in an associate or joint venture, for which the equity method is not applied but which, in substance, form part of the net investment in the associate or joint venture (long-term interests).

This clarification is relevant because it implies that the expected credit loss model of IFRS 9 applies to such long-term investments.

These amendments had no impact on the consolidated financial statements.

Annual improvements 2015-2017 Cycle

IFRS 3 Business Combination

The amendments explain that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination that has taken place in several stages, including a review at fair value of the investment previously held in the assets and liabilities of the joint operation. In doing so, the acquirer shall revalue the previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date coincides with or is subsequent to the first annual period beginning on or after 1 January 2019, with early application permitted.

This amendment did not have any impact on the Group consolidated financial statements as there was no business combination in which joint control was obtained.

IFRS 11 Joint Arrangements

An entity that participates in a joint operation, without having joint control, could obtain joint control of the joint operation if its activity constitutes a business as defined in IFRS 3.

The amendments clarify that investments previously held in this joint operation are not remeasured. An entity applies those amendments to transactions in which it has joint control from the beginning of the period beginning on or after 1 January 2019, with early application permitted.

This amendment did not have any impact on the Group consolidated financial statements as there was no business combination in which joint control was obtained.

IAS 12 Income Taxes

The amendments clarify that the effects of taxes on dividends are related to past transactions or events that generated distributable profits rather than to distributions to shareholders. Therefore, an entity recognises the effects of income taxes deriving from dividends in profit or loss, other comprehensive income or equity consistently with the way in which the entity has previously recognised such past transactions or events.

An entity applies those amendments for annual periods beginning on or after 1 January 2019, and early application is permitted. When an entity first applies those amendments, it applies them to the effects that taxes on dividends recognised from the beginning of the first annual reporting period have had. Since the Group's current practice is in line with these amendments, the Group has not recorded any impact resulting from these changes on its consolidated financial statements.

IAS 23 Borrowing Costs

The amendments clarify that an entity treats as non-specific loans any loan made that from the outset was intended to develop an asset, when all the actions necessary to prepare that asset for use or sale are completed.

An entity applies those amendments to borrowing costs incurred from the beginning of the period in which the entity first applies those amendments. An entity applies those amendments for annual periods beginning on or after 1 January 2019, and early application is permitted. Since the Group's current practice is in line with these amendments, the Group has not recorded any impact resulting from these changes on its consolidated financial statements.

Accounting standards and interpretations issued by the IASB and not yet applicable

At the date of preparation of these condensed half-year financial statements, the following new international accounting standards and interpretations were issued by the IASB, but are not yet applicable:

- Amendments to IFRS 3: the amendments are intended to clarify the definition of "business" from a practical point of view, in order to facilitate the entity in determining whether it has acquired an asset or a group of assets. These amendments are applicable from 1 January 2020.
- Amendments to IAS 1 and IAS 8: the amendments are aimed at clarifying the definition of materiality and aligning the definition used in the conceptual framework with that used in the standards themselves. These amendments are applicable from 1 January 2020.
- Modification of references to the IFRS Conceptual Framework in current standards in order to align quotations and references to the document itself in an updated version. These amendments are applicable from 1 January 2020.
- IFRS 17 "Insurance Contracts," issued on 18 May 2017, the standard, applicable as from 1 January 2021, regulates the accounting treatment of insurance contracts issued and reinsurance contracts held.

Any impact of the new standards/interpretations on the Group's consolidated financial statements is still being assessed.

Scope of consolidation

The Group Consolidated Financial Statements at 30 June 2019 include Fidia S.p.A. and 8 consolidated subsidiaries, of which Fidia S.p.A. directly holds the majority of votes and over which it has control.

The companies included in the scope of consolidation, compared with those resulting at the end of 2018 and at the end of the same period of last year, are listed below:

Name / Registered office	Currency	Share capital	Equity interest held at 06/30/2019	Equity interest held at 12/31/2018	Equity interest held at 06/30/2018
Fidia SpA, S. Mauro T.se - Italy	EUR	5,123,000	100%	100%	100%
Fidia GmbH, Dreiech - Germany	EUR	520,000	100%	100%	100%
Fidia Co, Rochester Hills (USA)	USD	400,000	100%	100%	100%
Fidia Sarl, Emerainville – France	EUR	300,000	100%	100%	100%
Fidia Iberica S.A., Zamudio - Spain	EUR	180,300	99.993%	99.993%	99.993%
Fidia do Brasil Ltda, Sao Paulo – Brazil	Reals	400,843	99.75%	99.75%	99.75%
Beijing Fidia M&E Co Ltd., Beijing - China	USD	1,500,000	96%	96%	96%
Shenyang Fidia NC & Machine Company Ltd., Shenyang – China	Rmb	42,517,648	51%	51%	51%
OOO Fidia, Mosca – Russian Federation	Rouble	3,599,790	100%	100%	100%

There was no change in the consolidation area compared to the consolidated financial statements at 31 December 2018.

OTHER INFORMATION

The condensed consolidated half-year financial statements at 30 June 2019 were approved by the Board of Directors on 13 September 2019, which authorized their publication on the same date.

COMPOSITION AND MAIN CHANGES

INCOME STATEMENT

1. NET SALES

The breakdown by segment of net revenues from third parties (net of intragroup items) is shown in the following table:

(€thousand)	1st Half 2019	%	1st Half 2018	%	% Chg
Numerical controls, drives and software	1,149	5.5%	1,310	5.4%	-12.3%
High-speed milling systems	13,877	66.4%	16,690	69.1%	-16.9%
After-sales service	5,858	28.1%	6,136	25.4%	-4.5%
Grand total	20,884	100%	24,136	100%	-13.5%

2. OTHER REVENUES AND INCOME

Other revenues and earnings in the first half of 2019 were equal to €1,598 thousand (€1,086 thousand in the same period of 2018).

This item includes €262 thousand (€167 thousand at 30 June 2018) relating to grants for research projects recognized by year of accrual in profit or loss of the parent company Fidia S.p.A. at 30 June 2019 and allocated by the European Union and the Italian Ministry of University and Research. Applied and basic research and development activities are a structural component and are carried out on an ongoing basis by Fidia S.p.A.

Other revenue and income mainly includes the capitalisation of product development costs (€312 thousand in the first half of 2019 compared with €489 thousand in the first half of 2018).

3. RAW MATERIALS AND OTHER CONSUMABLES

These are:

(€thousand)	1st half 2019	1st half 2018
Production materials	9.173	10.733
Service materials	727	819
Consumables	45	60
Equipment and software	11	43
Packaging	328	230
Others	35	63
Change in inventory raw materials and consumables	362	(1.061)
Total	10.681	10.887

In the first half of 2019, consumption of raw materials and other consumables, amounting to €10,681 thousand, decreased slightly compared with the same period of the previous year (€10,887 thousand), due to lower revenues realised. The reduction is however not proportional to the decrease in revenues, due to the change in the sales mix with machines with a higher incidence of materials and to some installations of machines that required higher material consumption.

4. PERSONNEL COSTS

Personnel costs show an increase of €409 thousand compared to the first half of 2018 (+4.60%) and amounted to €9,286 thousand versus €8,877 thousand in the corresponding period of 2018. These amounts are influenced by the contractual increases provided for by the national labour agreement and by the different staff mix.

From an analytical point of view, they are composed as follows:

(€thousand)	1st half 2019	1st half 2018
Wages and salaries	7.080	6.724
Social security charges	1.843	1.830
TFR	226	219
Other personnel expenses	137	104
Total	9.286	8.877

Changes in the headcount during the first half of 2019, broken down by category, are shown below:

	06/30/2018	12/31/2018	Inbound	Outbound	Change	06/30/2019	Period average
Executives	10	11	1	-	1	13	12,0
Clerks and cadres	271	272	5	(16)	(1)	260	268,5
Workers	53	53	-	(2)		51	52,0
Total	334	336	6	(18)	0	324	332,5

5. OTHER OPERATING COSTS

Other operating costs are detailed as follows:

(€thousand)	1st half 2019	1st half 2018
Contractors	1.460	1.289
Bonuses and commissions	333	222
Production costs	2.521	2.458
Commercial expenses	488	434
Research & Development	150	268
Overheads and administrative expenses	2.102	2.818
Total	7.054	7.489

Other operating costs amounted to €7,054 thousand and are therefore down by approximately €435 thousand compared to the first half of 2018. This trend was mainly due to lower overheads and administrative expenses, partially offset by higher production expenses.

6. DEPRECIATION, AMORTIZATION AND WRITEDOWNS

(€thousand)	1st half 2019	1st half 2018
Amortization of property, plant and equipment	1.021	452
Amortization of intangible fixed assets	152	111
Bad debts provision	53	172
Total	1.226	735

During the first half, approximately €53 thousand of trade receivables were written down by the parent company and its subsidiaries.

Amortisation and depreciation of tangible and intangible fixed assets increased by approximately €610 thousand; this trend is to be seen in relation to the adoption of IFRS 16 and the start at the end of 2018 of the amortisation and depreciation of five R&D projects that have become operational.

7. NON-RECURRING REVENUE AND CHARGES

In the first half of 2019 there were no non-recurring revenue and charges; in the same period of last year there were expenses for €595 thousand, due to the loss, recorded by the US subsidiary Fidia Co, which was the victim of computer fraud.

8. FINANCE REVENUE (EXPENSES)

Finance revenue and expenses consist of:

(€thousand)	1st half 2019	1st half 2018
Finance revenue	19	30
Borrowing costs	(316)	(270)
Net profit (loss) on derivatives	0	1
Profit (loss) from foreign currency transactions	(25)	(218)
Total	(322)	(457)

Finance revenue consists of:

(€thousand)	1st half 2019	1st half 2018
Interests received from banks	4	4
Interests and commercial discounts	1	1
Other financial revenue	14	26
Total	19	30

Finance expenses consist of:

(€thousand)	1st half 2019	1st half 2018
Interests paid on short-term borrowings from banks	(55)	(15)
Interests paid on medium/long-term borrowings from banks	(47)	(70)
Interests paid on payables to leasing companies	(161)	(142)
Borrowing costs on termination benefits	(11)	(10)
Other borrowing costs	(44)	(33)
Total	(316)	(270)

Interest paid to leasing companies increased due to the application of the new IFRS 16 standard.

Net profit (loss) on derivatives consist of:

(€thousand)	1st half 2019	1st half 2018
Loss on derivatives due to fair value adjustment		
- fair value adjustment on IRS and IRC contracts	0	0
- fair value adjustment on forward contracts	0	0
Profit on derivatives due to fair value adjustment		
- fair value adjustment on IRS and IRC contracts	0	1
- fair value adjustment on forward contracts	0	0
Total	0	1

Expenses and income from derivative instruments include the fair value measurement of five interest rate swaps entered into by the parent company Fidia S.p.A. to hedge the risk of interest rate fluctuations on five medium/long-term loans.

Profit (loss) on foreign currency transactions consists of:

(€thousand)	1st half 2019	1st half 2018
Realised exchange gains	128	139
Unrealised exchange gains	8	14
Realised exchange losses	(142)	(341)
Unrealised exchange losses	(18)	(30)
Total	(25)	(218)

9. INCOME TAX

The following table shows the taxes allocated in the Consolidated Income Statement:

(€thousand)	1st half 2019	1st half 2018
Current taxes		
IRES (Italian Corporate Income Tax)	-	-
IRAP (Italian Regional Tax on Production Activities)	-	-
Income tax of foreign subsidiaries	79	280
Total current taxes	79	280
Pre-paid taxes absorbed	-	-
Prepaid taxes	(19)	(379)
Deferred taxes	1	3
Deferred taxes absorbed	-	(4)
Total	61	(100)

Current taxes at 30 June 2019 were zero for the parent company, which reported a tax loss for both IRES and IRAP purposes, and €79 thousand for foreign subsidiaries.

At 30 June 2019, the net balance between prepaid taxes and deferred tax liabilities incurred by the individual consolidated companies is made up as follows:

(€thousand)	30 giugno 2019	31 dicembre 2018
Deferred tax assets	986	957
Deferred tax liabilities	(34)	(47)
Total	952	910

Deferred tax assets totaled €986 thousand and increased compared to year-end. For these assets, mainly generated by temporary differences in assets and liabilities, tax losses and consolidation adjustments, recovery on the basis of the budget and forecasts for the following years is considered probable.

10. EARNING PER SHARE

At 30 June 2019, the share capital of Fidia S.p.A. consisted of 5,123,000 ordinary shares with the same rights at the time of distribution of profits and is unchanged with respect to paragraph 20 of the Consolidated Financial Statements at 31 December 2018.

The calculation of the earnings per share is based on the following data:

		1st half 2019	1st half 2018
Net earnings pertaining to Group	€thousand	(3.505)	(2.289)
Profit/(loss) of ordinary shares	€thousand	(3.505)	(2.289)
Number of circulating ordinary shares	number	5.113.000	5.113.000
Base earnings per share	EUR	(0,69)	(0,45)
Diluted earnings per share	EUR	(0,69)	(0,45)

No difference has been recorded between the base earnings per share and diluted result per share as Fidia S.p.A. does not have any equity instruments with dilutive effects.

STATEMENT OF FINANCIAL POSITION

11. PROPERTY, PLANT AND EQUIPMENT

The table below shows the changes in property, plant and equipment during the first half of 2019:

(€thousand)	Land and buildings	Total plant, machinery and equipment	Other assets	Assets under construction and advances	Total
Net carrying amount at 31/12/2018	9.530	1.024	756	3	11.313
First-time adoption of IFRS 16	1.595	-	245	-	1.840
Net carrying amount at 01/01/2019	11.125	1.024	1.001	3	13.153
Increases and acquisitions	1.268	54	364	-	1.686
Reclassifications/transfers	-	-	0	-	-
Decreases and disposals	(902)	-	(84)	-	(986)
Depreciation	(648)	(167)	(206)	-	(1.021)
(Write-downs)/Write-backs	-	0	-	-	-
Currency gain/(loss)	11	0	2	(1)	12
Net carrying amount at 30/6/2019	10.854	911	1.077	2	12.844
<i>Of which rights of use:</i>					
<i>Lease pursuant to IAS 17 at 31.12.2018</i>	8.182	426	158	-	8.766
<i>First-time adoption IFRS 16</i>	1.595	-	245	-	1.840
<i>Increases</i>	1.268	-	170	-	1.438
<i>Decreases</i>	(902)	-	-	-	(902)
<i>Depreciation</i>	(605)	(48)	(113)	-	(766)
<i>Currency gain/(loss)</i>	4	-	-	-	4
<i>Net carrying amount at 30/6/2019</i>	9.542	378	460	-	10.380

Capital expenditure made in the first half of 2019 amounted to approximately €248 thousand. The remaining part of the item Increases mainly consists of rights of use following the renewal of commitments relating to real estate, with the consequent stipulation of new lease contracts, and to some vehicle lease contracts.

The value of land and buildings includes an industrial building that became ready for use in 2017 and has been depreciated from that date.

At 30 June 2019, there were no assets encumbered by guarantees or other constraints that could limit their full availability.

12. INTANGIBLE FIXED ASSETS

The table below shows the changes in intangible fixed assets during the first half of 2019:

(€thousand)	Development costs	Licenses	Software	Assets under development	Total
Net carrying amount at 31/12/2018	1.154	13	37	1.138	2.342
Increases	-	-	4	312	316
Reclassifications/transfers					-
Depreciation	(139)	(3)	(9)		(151)
Currency gain/(loss)					0
Closing net carrying amount at 30/6/2019	1.015	10	32	1.449	2.507

Increases in the first half of 2019 amounted to €316 thousand and mainly refer to development costs incurred and capitalized (€312 thousand) not yet amortized as not yet completed and therefore the projects to which they refer have not started yet to produce the related benefits.

All costs of research (both basic and applied) are instead charged to profit or loss in the year they are incurred.

Based on the recovery forecasts expected in the second half of the year, no impairment indicators have been identified in relation to the value of development costs.

13. EQUITY INVESTMENTS

This item, amounting to €16 thousand and unchanged compared to 31 December 2018, is made up of investments in associated companies valued at equity and investments in other companies valued at cost.

14. OTHER NON-CURRENT RECEIVABLES AND ASSETS

The other non current receivables and assets are detailed below:

(€thousand)	Balance 06/30/2019	Balance 12/31/2018
Grants for research projects	1	-
Security deposits	93	98
Non-recurring trade receivables	-	-
Receivables for foreign VAT	11	9
Withholding tax on foreign income	134	128
Multi-year pre-paid expenses	27	34
Other non-current receivables	-	5
Total	266	274

The decrease of €8 thousand compared to the balance at 31 December 2018 is due to normal transactions related to the business.

Withholding tax receivables on foreign income consist of receivables claimed by Fidìa S.p.A. with tax authorities for final withholding tax on wages for technical training activities carried out by the parent company on behalf of the subsidiary Shenyang Fidìa NC&M Co. Ltd. in prior fiscal years. These receivables are recoverable through the realisation of taxable income such as to allow an excess of Italian tax over foreign tax within a maximum of eight years.

As for deferred tax assets, it is considered probable that these receivables will be recovered based on the budget and forecasts for subsequent years.

15. INVENTORY

The breakdown of the item is illustrated in the following table:

(€thousand)	Balance 06/30/2019	Balance 12/31/2018
Raw materials	11.344	11.533
Provisions for raw materials depreciation	(2.306)	(2.151)
	9.038	9.382
Semi-finished products and work in progress	7.084	4.228
Finished products and goods for resale	4.665	5.055
Provisions for depreciation finished products	(565)	(586)
	4.100	4.469
Advances	218	340
Net value	20.441	18.419

Inventory at the end of the first half of the year was approximately €2,022 thousand higher than at 31 December 2018. The increase is mainly due to the higher stock of work in progress resulting from a different state of production progress compared to the end of last year; on the other hand, the stock of raw materials decreased instead, in line with production needs.

The provisions for depreciation equivalent to €2,871 thousand (€2,737 thousand at 31 December 2018) were reported to hedge the non-utilisation of some components in period under consideration; these phenomena result, in particular, from the need to ensure customers that spare parts are available for servicing even beyond the period of ordinary marketability of the components.

Below follows the detail of the changes in the provisions for raw materials and finished products depreciation in the first half of the year:

(€thousand)	Balance 31 December 2018	Accrual/ (utilization)	Exchange rate effect	Balance 30 June 2019
Provisions for raw materials depreciation	2.151	152	3	2.306
Provisions for depreciation finished products	586	(24)	3	565
Total	2.737	128	6	2.871

16. TRADE RECEIVABLES

(€thousand)	Balance 06/30/2019	Balance 12/31/2018
Trade receivables from customers	15.027	18.729
Provision for bad debts	(633)	(668)
Total	14.394	18.061

Gross trade receivables decreased by approximately €2,702 thousand compared to 31 December 2018; this change is mainly due to the different trend of revenues in the two periods under comparison.

In application of IFRS 9, the Group assesses trade receivables using an expected loss approach; the Group has therefore adopted a simplified approach, whereby the provision for bad debts reflects expected losses based on the life of the receivable; in determining the provision, the Group has relied on historical experience, external indicators and prospective information.

The changes in the bad debt provision (€ thousand) are illustrated below:

Balance at 31 December 2018	668
Accrual	53
Utilizations/write-backs	(90)
Currency gain/(loss)	2
Balance at 30 June 2019	633

17. TAX RECEIVABLES AND OTHER CURRENT RECEIVABLES AND ASSETS

(€thousand)	Balance 06/30/2019	Balance 12/31/2018
Tax receivables for VAT	1.041	596
Receivables for income tax and IRAP	215	158
Receivables for short-term foreign VAT	9	12
Others	238	251
Total current tax assets	1.503	1.017
Research grants	156	121
Sundry prepayments	360	244
Pre-paid expenses	12	14
Receivables from employees	247	234
Advances from suppliers	367	101
Others	123	58
Total other current receivables	1.266	772
Total	2.769	1.789

The item Other pre-paid expenses is mainly due to costs relating to future commercial exposures, amounting to approximately €360 thousand.

The change in VAT receivables is due to the change in the geographical mix of sales, with a significant decrease in Italy.

There are no receivables due beyond five years.

18. OTHER CURRENT FINANCIAL ASSETS

There are no values for this item at 30 June 2019, as at 31 December 2018.

19. CASH AND CASH EQUIVALENTS

The overall amount of cash of the Group amounted to €3,186 thousand (€6,561 thousand at 31 December 2018) and consisted of temporary cash in bank deposits pending future use. It is deemed that their carrying amount is aligned to the fair value at the reporting date.

The related credit risk is not material too, because the Group operates with primary national and international banks.

20. SHAREHOLDERS' EQUITY

Consolidated shareholders' equity amounted to €8,182 thousand and decreased by €3,779 thousand compared to 31 December 2018, due to the combined effect of net loss for the period (-€3,694 thousand), the recognition of actuarial losses on Employee Termination Indemnities (TFR) (-€62 thousand, net of the tax effect valued at approximately €19 thousand), the fair value measurement of hedging derivatives allocated to the cash flow hedge reserve (-€125 thousand, net of the tax effect valued at approximately €39 thousand), the effect of exchange rate fluctuations from the translation of financial statements of subsidiaries denominated in currencies other than the euro (€100 thousand) and other minor changes (€3 thousand).

Tax effect pertaining to Other profit/(loss) consisted of:

(€thousand)	Balance at 30 June 2019			Balance at 30 June 2018		
	Gross value	Tax (expense)/benefit	Net value	Gross value	Tax (expense)/benefit	Net value
Profit/(loss) on cash flow hedge instruments	(164)	39	(125)	(9)	2	(7)
Profit/(loss) on translation of financial statements of foreign companies	100		100	256		256
Actuarial gains/(losses) on defined benefit plans	(81)	19	(62)	24	(4)	20
Total other profit/(loss)	(145)	58	(87)	271	(2)	269

At 30 June 2019, the fully paid share capital was unchanged compared to 31 December 2018 and consisted of 5,123,000 ordinary shares with a nominal value of €1 each, totaling €5,123,000.

For more complete disclosure on the Company's share capital, see Note 20 to the consolidated financial statements at 31 December 2018.

Own shares consisted of 10,000 ordinary shares issued by Fidia S.p.A. for a value of €45 thousand (unchanged from 31 December 2018).

21. OTHER NON-CURRENT PAYABLES AND LIABILITIES

This item totaled €528 thousand (€624 thousand at 31 December 2018) and consisted of advances received from the European Union and the Italian Ministry of University and Research for grants approved for funded projects, which are expected to be completed after the end of the next period (€233 thousand).

Payables to personnel amount to €93 thousand and relate to medium/long-term payables to personnel of the subsidiary Fidia Sarl.

Multi-year deferred income amount to €151 thousand and is linked to the application of the accounting standard IFRS 15.

There are other minor items.

22. EMPLOYEE SEVERANCE INDEMNITIES

Employee severance indemnities reflects the residual obligation of Fidia S.p.A., the only Italian company in the Group, relating to the indemnity paid to employees and settled upon termination of employment. Under certain conditions, employees may receive a partial advance on those benefits while they are still in the Company's employ. It is an unfunded defined benefit plan.

Changes in the termination benefits are illustrated in the table below (€ thousand):

Balance at 31 December 2018	2.189
Amount accrued and allocated in period	226
Benefits paid out in period	(44)
Amount transferred to State Fund and complementary pension scheme	(222)
Substitute tax	(4)
Borrowing costs on termination benefits	11
Accounting of actuarial losses	81
Balance at 30 June 2019	2.237

The interest on charges relating to the defined benefits plans for employees are comprised under finance costs, hence leading to an increase in finance costs for the period in the amount of about €11 thousand.

Termination benefits are calculated based on the following actuarial assumptions:

	At 30 June 2019	At 31 December 2018
Discount rate (*)	-0.29%	-0.18%
Future inflation rate	1.5%	1.5%
Frequency of request for advances	3.0%	3.0%
Relative frequency of resignation/dismissal cadres, employees, and workers	3.0%	3.0%
Relative frequency of resignations/dismissals managers	5.0%	5.0%

The discount rate on future benefits is determined, according to the provisions of IAS 19, at market yields; The structure in interest rates used refers to the EUR Composite rates having an AA rating. The rate used was the one with an average financial duration equal to the average financial duration of benefits for the communities under consideration.

23. OTHER NON-CURRENT FINANCIAL LIABILITIES

This item, which is equal to €251 thousand (88 thousand at 31 December 2018) includes the fair value of interest rate swap contracts entered into to hedge (cash flow hedge) the risk of variability in interest expense flows on four medium/long-term loans and on one property lease contract entered into by the parent company Fidia S.p.A.

24. CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Financial liabilities amounted to €19,878 thousand as per the schedule.

(€thousand)	Balance 06/30/2019	Balance 12/31/2018
Overdrawn bank accounts and short-term advances	3.887	3.369
Financial accruals and deferrals	36	57
UNICREDIT loan (short term)	423	
BNL loan (short term)	1.240	
MPS loan (short term)	499	
MPS "1000" loan (short term)	-	333
ISP "3.500" loan (part medium/long term and part short term)	698	1.047
BNL loan (part medium/long term and part short term)	786	1.047
ISP "3.000" loan (part medium/long term and part short term)	1.427	1.777
UNICREDIT loan (part medium/long term and part short term)	382	570
MPS loan (part medium/long term and part short term)	125	375
BPM loan (part medium/long term and part short term)	863	1.074
UNICREDIT loan (Plafond Supercash Rotativo)	646	733
ISP "1.500" loan (part medium/long term and part short term)	874	1.120
EUMACH loan	396	392
LOANS AND FINANCIAL LIABILITIES TO BANKS	12.283	11.894
Real estate lease - Mediocredito Italiano	5.229	5.349
LEASE - SAN MAURO PROPERTY (IFRS16)	1.093	
LEASE - SAN SECONDO DI PINEROLO PROPERTY (IFRS16)	151	
LEASE - FIDIA GMBH PROPERTY (IFRS16)	92	
LEASE - FIDIA SARL PROPERTY (IFRS16)	75	
LEASE - BEIJING FIDIA PROPERTY (IFRS16)	52	
LEASE - SHENJANG FIDIA PROPERTY (IFRS16)	58	
LEASE - FIDIA DO BRASIL PROPERTY (IFRS16)	31	
CAR LEASES ITALY (IFRS16)	265	
CAR LEASES ABROAD (IFRS16)	77	
Lease - Volkswagen Bank	34	46
Lease - Skoda Bank	61	80
Lease - Banco Popular Espanol	23	32
Commerz Real	354	433
LIABILITIES FOR LEASES	7.595	5.940
Total	19.878	17.834

The allocation of the financial liabilities by due date was as follows:

(€thousand)	By 1 year	By 5 years	Beyond 5 years	Total
Overdrawn bank accounts and short-term advances	3.923			3.923
M/L-term bank loans	3.361	1.794		5.156
Short-term bank loans	2.808			2.808
EUMACH loan	396			396
Liabilities to banks	10.489	1.794	-	12.283
Real estate lease - Mediocredito Italiano	247	1.418	3.564	5.229
LEASE - SAN MAURO PROPERTY (IFRS16)	174	919		1.093
LEASE - SAN SECONDO DI PINEROLO PROPERTY (IFRS16)	30	122		151
LEASE - FIDIA GMBH PROPERTY (IFRS16)	92			92
LEASE - FIDIA SARL PROPERTY (IFRS16)	22	53		75
LEASE - FIDIA BEIJING PROPERTY (IFRS16)	52			52
LEASE - SHENJANG PROPERTY (IFRS16)	58			58
LEASE - FIDIA DO BRASIL PROPERTY (IFRS16)	19	13		31
CAR LEASES ITALY (IFRS16)	133	131		265
CAR LEASES ABROAD (IFRS16)	39	38		77
Lease - Volkswagen Bank	20	13		34
Lease - Skoda Bank	32	28		61
Lease - Banco Popular Espanol	12	11		23
Commerz Real	354			354
Liabilities for leases	1.285	2.747	3.564	7.595
Total	11.773	4.541	3.564	19.878

The current loans have the following characteristics:

UNICREDIT loan (short term)

Original amount	€500 thousand
Residual amount	€423 thousand
Date of loan	29/04/2019
Term	Loan due date 31/05/2020
Grace Period	Not provided
Repayment	12 monthly instalments (from 31/05/2019 to 31/05/2020)
Interest rate	3-month Euribor, base 360 + 1.75% spread

BNL loan (short-term)

Original amount	€1,250 thousand
Residual amount	€1,240 thousand
Date of loan	30/05/2019
Term	Loan due date 31/05/2020
Grace Period	Not provided
Repayment	12 monthly instalments (from 30/06/2019 to 30/05/2020)
Interest rate	Fixed rate 2%

MPS loan (short term)

Original amount	€500 thousand
Residual amount	€499 thousand
Date of loan	28/06/2019
Term	Loan due date 31/12/2019
Grace Period	Not provided
Repayment	6 monthly instalments (from 30/06/2019 to 31/12/2019)
Interest rate	Fixed rate 0.800%

ISP "3.500" loan (part medium/long term and part short term)

Original amount	€3,500 thousand
Residual amount	€698 thousand
Date of loan	20/04/2015
Term	Loan due date 01/04/2020
Grace Period	Not provided
Repayment	20 quarterly installments (01/07/2015 to 01/04/2020)
Interest rate	3-month Euribor, base 360 + 2.00% spread

In order to hedge the interest rate risk, an interest rate swap hedging contract has been entered into.

Loan - BNL (part medium/long term and part short term)

Original amount	€2,500 thousand
Residual amount	€786 thousand
Date of loan	28/01/2016
Term	Loan due date 31/12/2020
Grace period	1 quarterly installment (31/03/2016)
Repayment	19 quarterly installments (30/06/2016 to 31/12/2020)
Interest rate	3-month Euribor, base 360 + 1.35% spread

This loan is guaranteed at 50% by Sace S.p.A. In order to hedge the interest rate risk, an interest rate swap hedging contract has been entered into.

ISP "3.000" loan (part medium/long term and part short term)

Original amount	€3,000 thousand
Residual amount	€1,427 thousand
Date of loan	17/05/2016
Term	Loan due date 01/04/2021
Grace period	3 quarterly installments at 01/07/2016, 01/10/2016 and 01/01/2017
Repayment	17 quarterly installments (01/04/2017 to 01/04/2021)
Interest rate	3-month Euribor, base 360 + 1.5% spread

In order to hedge the interest rate risk, an interest rate swap hedging contract has been entered into.

UNICREDIT loan (part medium/long term and part short term)

Original amount	€1,500 thousand
Residual amount	€382 thousand
Date of loan	16/05/2016
Term	Loan due date 31/05/2020
Grace Period	Not provided
Repayment	16 quarterly installments (31/08/2016 to 31/05/2020)
Interest rate	3-month Euribor, base 360 + 1.35% spread

MPS loan (part medium/long term and part short term)

Original amount	€1,500 thousand
Residual amount	€125 thousand
Date of loan	24/08/2016
Term	Loan due date 30/09/2019
Grace period	1 monthly installment at 30/09/2016
Repayment	12 quarterly installments (31/12/2016 to 30/09/2019)
Interest rate	6-month Euribor, base 360 + 1.10% spread

BPM loan (part medium/long term and part short term)

Original amount	€1,500 thousand
Residual amount	€863 thousand
Date of loan	27/04/2017
Term	Loan due date 30/06/2021
Grace period	3 quarterly installments at 30/06/2017, 30/09/2017 and 31/12/2017
Repayment	14 quarterly installments (31/03/2018 to 30/06/2021)
Interest rate	3-month Euribor, base 360 + 1.40% spread

In order to hedge the interest rate risk, an interest rate swap hedging contract has been entered into.

Loan - UNICREDIT "MUTUO PLAFOND SUPERCASH ROTATIVO"

Original ceiling	€1500 thousand
Residual ceiling	€646 thousand
Date authorised	26/04/2017
Term	Due dates 10/2019, 11/2019
Repayment	Every four months
Interest rate	Fixed rate equal to 1.50%.

Loan - ISP "1.500" (part medium/long term and part short term)

Original amount	€1,500 thousand
Residual amount	€874 thousand
Date of loan	31/01/2018
Term	Loan due date 31/01/2021
Grace Period	Not provided
Repayment	12 quarterly instalments (30/04/2018 to 31/01/2021)
Interest rate	3-month Euribor, base 360 + 1.2% spread

Eumach loan

Original amount	€392 thousand
Residual amount	€392 thousand
Date of loan	07/09/2018
Term	Loan due date 20/09/2019
Repayment	Single repayment at due date.
Interest rate	not foreseen

Property lease - Mediocredito Italiano - line 1

Original amount	€5,598 thousand
Major instalment	€1,260 thousand
Residual amount	€3,694 thousand
Date of loan	25/06/2014
Term	179 monthly instalments (01/12/2017 to 01/10/2032)
Current leasing rate	3.48%
Set redemption	€558 thousand

Property lease - Mediocredito Italiano - line 2

Original amount	€1,000 thousand
Major instalment	€400 thousand
Residual amount	€545 thousand
Date of loan	28/05/2015
Term	179 monthly instalments (01/12/2017 to 01/10/2032)
Current leasing rate	2.42%
Set redemption	€100 thousand

Property lease - Mediocredito Italiano - line 3

Original amount	€1,802 thousand
Major instalment	€722 thousand
Residual amount	€990 thousand
Date of loan	30/11/2017
Term	179 monthly instalments (01/12/2017 to 01/10/2032)
Current leasing rate	2.73%
Set redemption	€179 thousand

In order to hedge interest rate risk, an interest rate swap contract was entered into to hedge a portion (€3,500 thousand) of the three contracts mentioned above.

IFRS16 - S.Mauro T.se property

Original amount	€1,122 thousand
Residual amount	€1,094 thousand
Date of first adoption	01/01/2019

IFRS16 - S.Secondo Pinerolo property

Original amount	€166 thousand
Residual amount	€151 thousand
Date of first adoption	01/01/2019

IFRS16 - Fidia GmbH property

Original amount	€169 thousand
Residual amount	€92 thousand
Date of first adoption	01/01/2019

IFRS16 - Fidia Sarl property

Original amount	€86 thousand
Residual amount	€75 thousand
Date of first adoption	01/01/2019

IFRS16 - Beijing Fidia building

Original amount	€171 thousand
Residual amount	€52 thousand
Date of first adoption	01/01/2019

IFRS16 - Shenyang Fidia property

Original amount	€114 thousand
Residual amount	€58 thousand
Date of first adoption	01/01/2019

IFRS16 - Fidia do Brasil property

Original amount	€41 thousand
Residual amount	€31 thousand
Date of first adoption	01/01/2019

IFRS16 - S.Mauro T.se Vehicles

Original amount	€318 thousand
Residual amount	€265 thousand
Date of first adoption	01/01/2019

IFRS16 - Fidia Sarl Vehicles

Original amount	€55 thousand
Residual amount	€42 thousand
Date of first adoption	01/01/2019

IFRS16 - Fidia Iberica Vehicles

Original amount	€41 thousand
Residual amount	€35 thousand
Date of first adoption	01/01/2019

Lease No. 5 - Volkswagen Bank Germany

Original amount	€34 thousand
Residual amount	€16 thousand
Date of loan	12/12/2017
Term	Loan due date 9/11/2020
Repayment	36 monthly instalments (13/12/2017 to 9/11/2020)
Interest rate	1.97%

Lease No. 6 - Volkswagen Bank Germany

Original amount	€28 thousand
Residual amount	€18 thousand
Date of loan	15/6/2018
Term	Loan due date 15/5/2021
Repayment	36 monthly instalments (15/6/2018 to 15/5/2021)
Interest rate	1.99%

Lease no. 1 - Banco Popular Espanol

Original amount	€48 thousand
Residual amount	€5 thousand
Date of loan	27/11/2015
Term	Loan due date 27/10/2019
Repayment	48 monthly installments (27/11/2015 to 27/10/2019)
Interest rate	2.79%

Lease No. 3 - Skoda Bank Germany

Original amount	€29 thousand
Residual amount	€13 thousand
Date of loan	9/12/2017
Term	Loan due date 09/11/2020
Repayment	36 monthly instalments (9/12/2017 to 9/11/2020)
Interest rate	1.97%

Lease No. 4 - Skoda Bank Germany

Original amount	€35 thousand
Residual amount	€21 thousand
Date of loan	15/03/2018
Term	Loan due date 14/03/2021
Repayment	36 monthly instalments (15/03/2018 to 14/03/2021)
Interest rate	1.99%

Skoda Bank Germany lease No. 5

Original amount	€38 thousand
Residual amount	€26 thousand
Date of loan	21/12/2018
Term	Loan due date 21/11/2021
Repayment	36 monthly instalments (21/12/2018 to 21/11/2021)
Interest rate	3.92%

Lease no. 2 - Banco Popular Espanol

Original amount	€32 thousand
Residual amount	€18 thousand
Date of loan	10/01/2018
Term	Loan due date 10/12/2021
Repayment	36 monthly instalments (10/1/2018 to 10/12/2021)
Interest rate	2.98%

Commerz Real loan

Original amount	€472 thousand
Residual amount	€354 thousand
Date of loan	01/07/2018
Term	Loan due date 01/06//2020
Repayment	24 monthly instalments (01/07/2018 to 01/06/2020)
Interest rate	2.5%

It is deemed that the book value of fixed and floating rate financial liabilities at the reporting date is a reasonable estimate of their fair value.

25. OTHER CURRENT FINANCIAL LIABILITIES

In the first half of 2019 there were no other current financial liabilities.

26. TRADE PAYABLES

(€thousand)	Balance 06/30/2019	Balance 12/31/2018
Payables to suppliers	14.095	16.392
Payables to subsidiaries	2	2
Total trade payables	14.097	16.394

Trade payables, amounting to €14,095 thousand at 30 June 2019, show a decrease of €2,297 thousand compared to 31 December 2018 due to lower purchase volumes.

27. TAX LIABILITIES AND OTHER CURRENT PAYABLES AND LIABILITIES

(€thousand)	Balance 06/30/2019	Balance 12/31/2018
Payables to employees	1.710	1.397
Social security payables	592	782
Advance from customers	6.447	4.086
Payables for emoluments	86	109
Payables to State Fund and other funds	13	15
Payables for dividends to be distributed	98	98
Accrued trade payables	67	137
Sundry accruals and deferrals	373	587
Sundry payables to the SMTCL company	-	-
Miscellaneous payables	412	505
Total other payables	9.799	7.716
Withholding tax	252	370
Tax payables for income tax and IRAP	164	252
Tax payables for VAT	352	235
Other short-term tax payables	107	127
Total tax payables	875	984
Total	10.673	8.700

Payables to personnel refer mainly to accrued holiday pay and deferred payment of wages and salaries; the change compared to 31 December 2018 is due to the accrual during the year of indemnities (typically 13th month's salary) which are paid at the end of the period.

Down payments from customers include advances from customers for orders yet to be processed and for sales of milling systems already delivered but still in course of acceptance, which according to IFRS 15 – Revenue, cannot be stated in the revenue. This item increased compared to 31 December 2018 due to the change in the mix of orders acquired, which on average have a higher percentage of advance payments.

Deferred income from sales includes the adoption of IFRS 15 for a value of €67 thousand.

28. PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges amounted to €1,528 thousand, of which €1,511 thousand (€1,880 thousand at 31 December 2018) for the short term, and €17 thousand for the long term (€16 thousand at 31 December 2018). This item refers to:

- €1,367 thousand for the warranty provision, which represents the best estimate of the commitments undertaken by the Group by contract, by law or custom, in relation to charges related to the warranty on its products for the period of one year starting from their sale to the end customer,
- €161 thousand for a provision set aside to cover the results of an inspection by the Istituto Nazionale Assicurazione Infortuni sul Lavoro at the parent company.

(€thousand)	Balance at 31 December 2018	Accrual	Utilisations/writ e-backs	Exchang e rate effect	Balance at 30 June 2019
Warranty provision	16	3	(3)	1	17
Total other provisions for non-current risks and expenses	16	3	(3)	1	17
Provisions for legal risks	54	-	(54)	-	-
Warranty provision	1,665	41	(361)	5	1,350
Other provisions	161	-	-	-	161
Total short-term provisions	1,880	41	(415)	5	1,511
Provisions for risks and charges	1,896	44	(418)	6	1,528

29. GUARANTEES GRANTED AND OTHER CONTINGENT LIABILITIES

Sureties issued on behalf of others

At 30 June 2019, sureties issued on behalf to third parties totalled €692 thousand (€2,715 thousand at 30 June 2018).

This item consists primarily of performance bonds for commercial transactions with the Parent Company's foreign customers for advances received on future supplies and for the correct fulfillment of contractual obligations during the warranty period.

Contingent liabilities

At 30 June 2019, Fidia Group, although it is exposed to various risks (product liability, legal and fiscal risks), is not aware of circumstances that might generate foreseeable contingent liabilities or contingent liabilities the amount of which may be estimated and therefore does not believe it necessary to make any further allocations.

If it is probable that an outlay is due to meet obligations and said amount can be reliably estimated, the Group has made specific provisions for risks and expenses.

30. OTHER INFORMATION

The following table shows the exchange rates used to translate the values of companies outside of the euro area into euro:

Currency	1st Half 2019		At 31 December 2018		1st Half 2018	
	Average	At 30 June	Average	At 30 June	Average	At 30 June
Dollar - USA	1.1298	1.1380	1.1810	1.145	1.21035	1.1658
Real - Brazil	4.3417	4.3511	4.3085	4.444	4.14146	4.4876
RMB - China	7.6678	7.8185	7.8081	7.8751	7.70859	7.717
Rouble - Russia	73.7444	71.5975	74.0416	79.7153	71.96008	73.1582

31. SEGMENT REPORTING

Within the Fidia Group, three main areas of business were identified: i) high-speed milling systems (HSM), ii) numerical controls, drives, and software (CNC) and iii) after-sales services.

Below follow the consolidated economic results broken down by sector at 30 June 2019 and 30 June 2018.

Progressive data at June (€thousand)	CNC 2019	%	HSM 2019	%	SERVICE 2019	%	N/A 2019	TOTAL 2019
Revenues	1.149	48,1%	13.877	100,0%	5.858	99,8%	-	20.884
Cross-sector revenues	1.237	51,9%	-	0,0%	14	0,2%		
Total reclassified revenues	2.386	100,0%	13.877	100,0%	5.872	100,0%		
Changes in inventories of finished goods and W.I.P.	248	10,4%	2.183	15,7%	22	0,4%	-	2.453
Raw materials and consumables	(705)	-29,6%	(9.347)	-67,4%	(574)	-9,8%	(55)	(10.681)
Cross-sector expenses	113	4,7%	(1.466)	-10,6%	104	1,8%	(2)	
Commissions, transport and contractors	(260)	-10,9%	(2.147)	-15,5%	(267)	-4,5%	(2)	(2.676)
Sales margin	1.781	74,7%	3.100	22,3%	5.157	87,8%	(59)	9.980
Other operating revenue	358	15,0%	611	4,4%	186	3,2%	444	1.598
Other operating costs	(220)	-9,2%	(1.296)	-9,3%	(1.137)	-19,4%	(1.724)	(4.378)
Personnel costs	(1.302)	-54,6%	(3.290)	-23,7%	(2.776)	-47,3%	(1.917)	(9.286)
Depreciation, amortization and writedowns	(124)	-5,2%	(415)	-3,0%	(91)	-1,6%	(595)	(1.226)
Operating profit/(loss)	492	20,6%	(1.291)	-9,3%	1.337	22,8%	(3.851)	(3.311)

Progressive data at June (€thousand)	CNC 2018	%	HSM 2018	%	SERVICE 2018	%	N/A 2018	TOTAL 2018
Revenues	1.310	57,5%	16.690	100,0%	6.136	100,0%	-	24.136
Cross-sector revenues	967	42,5%		0,0%	-	0,0%		
Total reclassified revenues	2.277	100,0%	16.690	100,0%	6.136	100,0%		
Changes in inventories of finished goods and W.I.P.	79	3,5%	1.085	6,5%	171	2,8%	-	1.335
Raw materials and consumables	(733)	-32,2%	(9.298)	-55,7%	(790)	-12,9%	(66)	(10.887)
Cross-sector expenses	117	5,1%	(1.576)	-9,4%	453	7,4%	39	
Commissions, transport and contractors	(301)	-13,2%	(1.779)	-10,7%	(240)	-3,9%	(13)	(2.334)
Sales margin	1.439	63,2%	5.122	30,7%	5.729	93,4%	(39)	12.251
Other operating revenue	396	17,4%	332	2,0%	247	4,0%	112	1.086
Other operating costs	(211)	-9,3%	(1.329)	-8,0%	(1.227)	-20,0%	(2.984)	(5.750)
Personnel costs	(1.373)	-60,3%	(2.885)	-17,3%	(2.812)	-45,8%	(1.808)	(8.877)
Depreciation, amortization and writedowns	(77)	-3,4%	(322)	-1,9%	(140)	-2,3%	(196)	(735)
Operating profit/(loss)	175	7,7%	919	5,5%	1.797	29,3%	(4.916)	(2.026)

The last columns show those items that cannot be classified; these items are mainly general and administrative costs and costs for advertising, promotion and trade fairs incurred for all three business lines.

Inter-segment revenues consist of numerical controls, electrical control panels, drives and systems transferred from the electronics segment to the milling systems segment and of mechanical components and milling heads provided to the electronics segment for specific applications.

Segment assets consist of operating assets that are used by the segment in the performance of its operations and are directly attributable or reasonably allocable to the segment. These assets do not include income tax assets.

Segment liabilities consist of operating liabilities that arise from the performance of the segment's operations and are directly attributable or reasonably allocable to the segment. These liabilities do not include income tax liabilities.

Below follow the consolidated statements of financial position by segment at 30 June 2019 and 31 December 2018.

At 30 June 2019	CNC	HSM	SERVICE	Non allocable	Total
(€thousand)					
Property, plant and equipment	48	9.066	324	3.406	12.844
Intangible fixed assets	1.419	1.046	-	42	2.506
Equity investments	-	-	-	16	16
Deferred tax assets	-	-	-	986	986
Other non-current receivables and assets	1	2	-	263	267
Total non-current assets	1.468	10.114	324	4.713	16.618
Inventory	2.166	11.775	6.500	-	20.441
Trade receivables and other receivables	1.245	10.870	2.926	618	15.660
Current taxes receivable	-	-	-	1.503	1.503
Other current financial assets	-	-	-	0	0
Cash and cash equivalents	-	-	-	3.186	3.186
Total current assets	3.411	22.645	9.426	5.307	40.790
Total assets	4.879	32.760	9.750	10.020	57.408
Other non-current payables and liabilities	62	384	41	40	528
Employee severance indemnities	-	6	11	-	17
Long-term provisions	643	1.062	313	219	2.237
Deferred tax liabilities	-	-	-	34	34
Other non-current financial liabilities	-	-	-	251	251
Non-current financial liabilities	7	5.140	81	2.878	8.106
Total non-current liabilities	711	6.594	446	3.422	11.173
Current financial liabilities	15	698	77	10.982	11.773
Other current financial liabilities	-	-	-	-	-
Trade payables and other current payables	2.281	17.156	1.310	3.148	23.895
Current taxes payable	-	-	-	875	875
Short-term provisions	3	668	679	161	1.511
Total current liabilities	2.299	18.522	2.066	15.167	38.053
Total liabilities	3.010	25.116	2.512	18.588	49.226
Shareholders' equity	-	-	-	8.182	8.182
Total liabilities	3.010	25.116	2.512	26.770	57.408

At 31 December 2018	CNC	HSM	SERVICE	Non allocable	Total
(€thousand)					
Property, plant and equipment	42	9.131	185	1.955	11.312
Intangible fixed assets	1.324	967	-	50	2.341
Equity investments	-	-	-	16	16
Deferred tax assets	-	-	-	958	958
Other non-current receivables and assets	-	2	-	272	274
Total non-current assets	1.366	10.100	185	3.251	14.902
Inventory	2.079	9.962	6.377	-	18.418
Trade receivables and other receivables	1.556	13.402	3.469	406	18.833
Current taxes receivable	-	-	-	1.017	1.017
Other current financial assets	-	-	-	-	-
Cash and cash equivalents	-	-	-	6.561	6.561
Total current assets	3.635	23.364	9.846	7.984	44.830
Total assets	5.001	33.464	10.031	11.235	59.732
Other non-current payables and liabilities	138	273	142	72	625
Employee severance indemnities	-	-	-	47	47
Long-term provisions	626	1.038	314	211	2.189
Deferred tax liabilities	-	3	14	-	17
Other non-current financial liabilities	-	-	-	88	88
Non-current financial liabilities	-	5.223	-	3.658	8.881
Total non-current liabilities	764	6.538	470	4.075	11.847
Current financial liabilities	-	400	-	8.552	8.952
Other current financial liabilities	-	-	-	-	-
Trade payables and other current payables	2.600	17.886	1.334	2.289	24.109
Current taxes payable	-	-	-	984	984
Short-term provisions	43	1.135	541	161	1.880
Total current liabilities	2.643	19.421	1.875	11.986	35.925
Total liabilities	3.407	25.959	2.345	16.061	47.772
Shareholders' equity	-	-	-	11.961	11.961
Total liabilities	3.407	25.959	2.345	28.022	59.732

32. FAIR VALUE HIERARCHIES

In relation to financial instruments recognized in the Statement of Financial Position at fair value, IFRS 7 requires that these values are classified on the basis of a hierarchy that reflects the significance of the inputs used in determining fair value.

The levels are as follows:

Level 1 – quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices);

Level 3 – inputs that are not based on observable market data.

At 30 June 2019, the Group held financial liabilities measured at fair value represented by derivative financial instruments to hedge interest rate risk, for an amount of €251 thousand, classified within Level 2 of the hierarchical assessment of fair value.

33. RELATED-PARTY TRANSACTIONS

The Group is engaged in transaction with associated companies and other related parties on commercial terms that are normal in the respective markets considering the characteristics of the goods and services involved.

In particular, these relations regarded:

- compensation for services rendered by Mr. Luca Morfino, an employee of Fidia S.p.A., and Mr. Carlos Maidagan, an employee of Fidia Iberica.
- compensation to the Board of Directors and Board of Auditors.

The impact of said transactions on the single items was stated in the relevant supplementary schedules of the statement of comprehensive income, statement of financial situation and cash flow statement and detailed in the tables below.

Counterparty (€ thousand)	Other operating costs	Personnel costs	Revenues
Compensation Board of Directors	-	310	-
Compensation Board of Statutory Auditors	33	-	-
Other related parties	60	132	-
Total related parties	93	442	-
Total item	7,054	9,286	-
As % of financial statements items	1.3%	4.8%	-

Counterparty (€ thousand)	Trade receivables	Other current receivables	Trade payables	Other current payables
Payables to BoD members of Fidia SpA	-	-	-	55
Payables to members of the Board of Statutory Auditors of Fidia S.p.A.	-	-	-	33
Other related parties	-	2	2	5
Total related parties	-	2	2	93
Total item	-	1,266	14,097	9,977
As % of financial statements items	-	0.19%	0.01%	0.95%

34. NET FINANCIAL POSITION

Pursuant to the Consob Communication issued on 28 July 2006 and according to the CESR recommendation dated 10 February 2005 for the consistent implementation of the European Commission's Regulation on Prospectuses, the net financial position of Fidia Group at 30 June 2019 was the following:

(€thousand)	06/30/2019	12/31/2019
Cash	21	12
Bank deposits	3.165	6.549
Other cash	-	-
Liquidity (A+B+C)	3.186	6.561
Current financial receivables	-	-
Current bank payables	6.731	4.492
Current part of non-current bank borrowings	3.361	3.593
Other current financial payables	1.681	867
Current financial debt (F+G+H)	11.773	8.952
Net current financial position (receivables)/payables (I-E-D)	8.587	2.391
Non-current bank payables	1.794	3.417
Bonds issued	-	-
Other non-current financial payables	6.563	5.552
Non-current financial debt (K+L+M)	8.356	8.969
Net financial position (receivable)/payable (J+N)	16.943	11.360

35. Significant non-recurring events and transactions

In the first half of 2019, the Group did not undertake any significant non-recurring transactions as defined by Consob Communication of 28 July 2006.

36. Positions or transactions arising from atypical and/or unusual operations

In accordance with the CONSOB Communication dated 28 July 2006, it is hereby stated that no atypical and/or unusual transactions were undertaken during the first half of 2019. As defined by said Communication, atypical and/or unusual transactions are those that, due to their significance, the nature of the counterparts, the object of the transaction, the methods of determination of the price of transfer, and timing (proximity to year-end) may give rise to doubts as to the accuracy/completeness of the information in the financial statements, conflicts of interest, the safeguarding of an entity's assets or the protection of minority shareholders.

FIDIA GROUP COMPANIES AT 30 June 2019

In accordance with Consob Regulation 11971 of 14 May 1999, as subsequently amended, a complete list of Group companies and significant investments is provided below.

The list includes companies broken down by type of control and method of consolidation.

The following are also shown for each company: name, registered office, country and share capital stated in original currency. Additionally, the percentage consolidated and the percentage interest held directly by Fidia S.p.A. is also shown.

ENTITIES CONSOLIDATED ON A LINE-BY-LINE BASIS				
Name / Registered office	Currency	Share capital	Size of consolidated investment 30 June 2019	Percentage held by parent company 30 June 2019
Parent Company:				
Fidia S.p.A., San Mauro Torinese (TO)	EUR	5.123.000		
Foreign subsidiaries:				
Fidia GmbH, Dreiech, Germany	EUR	520.000	100%	100%
Fidia Co, Rochester Hills, U.S.A.	USD	400.000	100%	100%
Fidia Sarl, Emerainville, France	EUR	300.000	100%	93,19%
Fidia Iberica S.A., Zamudio, Spain	EUR	180.300	99,993%	99,993%
Fidia do Brasil Ltda, Sao Paulo, Brazil	Reals	400.843	99,75%	99,75%
Beijing Fidia M&E Co Ltd., Beijing, China	USD	1.500.000	96%	96%
Shenyang Fidia NC & Machine Co Ltd, Shenyang, China	Rmb	42.517.648	51%	51%
OOO Fidia, Moscow, Russian Federation	Rouble	3.599.790	100%	100,00%

ENTITIES CONSOLIDATED WITH THE EQUITY METHOD				
Name / Registered office	Currency	Share capital	Size of investment	
			30 June 2019	31 December 2018
Consorzio Prometec - Bruzolo di Susa (TO)	EUR	10.329	20%	20%

San Mauro Torinese, 13 September 2019

On behalf of the Board of Directors

The Chairman and CEO

Mr. Giuseppe Morfino