

Half Yearly Report Ending June 2017

31<sup>st</sup> August 2017

## Improving Margins with Second Acquisition Near Completion Stage

Cognosec AB (Publ) ("Cognosec" or the "Group") is pleased to announce its results for the six months ended 30 June 2017.

### Highlights

Total revenues grew 5.6% to 7.5m EUR (H1 2016: 7.1m EUR). This, combined with lower cost of sales, demonstrated improved margins compared to Half Year 2016. Total Gross Profit for H1 2017 increased 19.36% from 2.6m EUR (H1 2016) to 3.14m EUR (H1 2017). Key contracts that were previously delayed are beginning to be converted into confirmed sales, planned annual increases in Group costs that have been incurred to provide greater synergy across the Group, has led to reductions of costs in Q2 2017 by 250k EUR, compared to Q1 2017. Planned shortfall in revenue stretched the Group's cash position, pending debtor collections and unwinding of deposits. Overall Group loss for H1 2017 -1.6m EUR (2016 H1: loss of 582k EUR). A-tek acquisition has been completed and has now been officially rebranded as Credence UK. Cognosec AB announced the signing of Heads of Terms of Agreement, pursuant to the acquisition of Intact Software Distribution and this acquisition is nearing the completion stage. These acquisitions reflect a planned investment in upscaling our managed service and product offering across the globe.

- Group Revenue of 7.5m EUR (H1 2016: 7.1m EUR), an increase of 5.6%.
- Group loss of -1.6m EUR (H1 2016: loss 0,774m EUR)
- Cognosec UAE increased revenues by 22% to 1.67m EUR for H1 2017. (H1 2016:1.36m EUR).
- Credence SA increased revenues by 507k EUR (181.7%), to 786k EUR, compared to H1 2016 (279k).
- Group Gross Margin for H1 2017 was 41.9% (H1 2016 Gross Margin: 38.4%).
- Quarterly underlying operating loss, excluding new European entities: -516k EUR (Q1 2017 loss -78k EUR).
- The Group's net debt at the end of Q2 2017 was 144k EUR (Q1 2017: net debt 86k EUR).
- Group Q2 operating loss of -1.33m EUR (Q1 2017 YTD: loss 846k EUR).
- The Group employed 139 staff at the end of Q2 2017, up 21% compared to Q2 2016 (114).

<b>COGNOSEC GROUP: Financial key-ratios</b>	<b>Apr-Jun Q2 2017</b>	<b>Apr-Jun Q2 2016</b>	<b>Jan-Jun H1 2017</b>	<b>Jan-Jun H1 2016</b>	<b>Jan-Dec FY 2016</b>
Total Group Income €('000s)	3,745	3,136	7,505	7,118	14,636
Total Group Gross Margin €('000)	1,550	1,316	3,148	2,735	5,785
Total Group Gross Margin (percent)	41%	42%	42%	38%	40%
Cash Flow in the Period €('000s)	-57	2,491	-1,505	1,330	-1,869
Operating Margin €('000s)	-1,264	-699	-2,125	-893	-3,022
Operating Margin (percent)	-34%	-22%	-28%	-13%	-21%
Result after Taxes €('000s)	-1,330	-883	-2,176	-1,071	-3,668
Earnings per share €*	-0.0049	-0.0032	-0.0082	-0.0046	-0.0145

\*Result per share refers to result per share attributable to equity owners of the parent company. There is no dilution of earnings per share. This report is published in English. Average number of shares outstanding for the period 30 June 2017 (Q2 2017) were 257,159,500 (Q2 2016 average number of shares outstanding 247,600,500).

## Contacts

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### **About Cognosec AB (Nasdaq: COGS.ST)**

Cognosec AB (Publ) is engaged in cyber security and conducts its operations in Sweden, South Africa, UK, Kenya, Germany, Austria and the United Arab Emirates. Listed on Nasdaq First North (Nasdaq: COGS.ST), the Group delivers services and technology licences to enhance their clients' protection against unwanted intrusion and to prevent various forms of information theft. Cognosec had revenues of 14.64m EUR in 2016. For further information, please visit [www.cognosec.se](http://www.cognosec.se)

### **Comments by Robert Brown, CEO of Cognosec AB Group**

Dear Shareholders,

I am pleased to present the Half Year Report for 2017. We are delighted that a number of strategic investments within the Group are in the process of being completed. The reported loss had been forecasted at the start of the financial year through continued investments. In Europe, we have identified an opportunity to specialise in Advisory, Assurance and Managed Services. In addition, we are expanding the relationships with vendors that other business units in the Group currently have into other regions. We are confident that this strategic initiative will provide an opportunity to galvanise upon the huge demand in the market from private and public entities.

In the last quarter, we identified a number of potential acquisitions that will add to our overall service and product offering across the Group. Our acquisition of A-tek Distribution, as previously indicated in the Q1 report is complete, with operational integration well underway. The company is a specialist Digital Software Distribution business, focusing on cyber solutions by portal and established by pioneers of digital software distribution. The business is positioned as a New Age Distribution business, enabling global access to the vast Enterprise & SME markets with Pay-as-you-Use and Software-as-a-Service cyber-specific solutions. The technology platform provides significant scalability and global advantages through innovative distribution methodologies.

In addition, we have acquired 100% of INTACT, subject to contract. Intact Software Distribution is a South African registered company with offices in Cape Town and Johannesburg. The Company provides a focused approach to support and technical knowledge transfer in association with the distribution channel. These acquisitions highlight the strong investment that is taking place within Cognosec, which will provide a tangible point of difference when offering our services and products to partners and customers.

Our relationships with our global vendors continue to flourish. Working with Checkpoint, McAfee (formally Intel Security), RSAM and many others, ensures that we can cater to a wide range of customers, in conjunction with our managed services offering. Our intention to move from Nasdaq First North to the Premier market is still a paramount focus for the Group. Discussions with Securities firms in the US to create a dual listing on Nasdaq New York are also making progress.

I would like to thank the board and our dedicated staff, who continue to go above and beyond what is required. Cybersecurity is becoming the top priority for businesses and government. We are ready to provide the necessary services to protect our customers.

Finally, I reserved my most important thanks to the shareholders, for their continued support and commitment shown. The incremental changes within the Group that are being made will ensure we are at the forefront of the cyber industries.

London June 2017

Robert Brown, CEO Cognosec AB Group

## BUSINESS OVERVIEW

### MARKETS

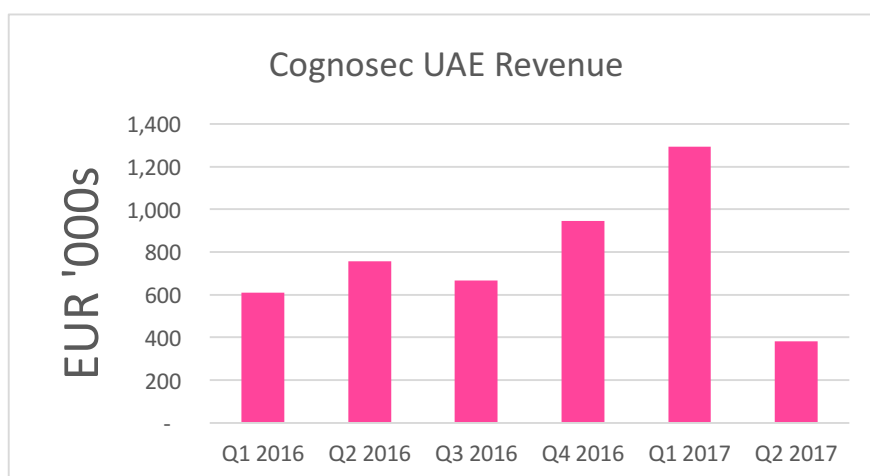
A number of cyber-attacks across the world have increased the need for cyber solutions and services. Across all business and governments, new vulnerabilities are being discovered on a daily basis. The Petya attack, highlighted that some malwares are being created purely to cause disruption, as opposed to generating financial gain. The extent of the attack has hit wide ranging organisations; from the nuclear disaster site in Chernobyl, Real Estate branch of BNP Paribas in France to Russia's Rosneft oil Company. Companies are continuing to invest heavily in their cyber security systems, according to the Centre for Strategic and International Studies (CSIS) the annual cost of cybercrime could cost the global economy upwards of 482 billion EUR annually.

Cognosec's offers an array of assurance and advisory services to potential clients. Our ability to provide a detailed and well performing managed services whilst being able to distribute vendor products, sets us apart from our competitors by offering full service, products, hardware and implementation solutions.

### SUBSIDIARY SALES PERFORMANCE

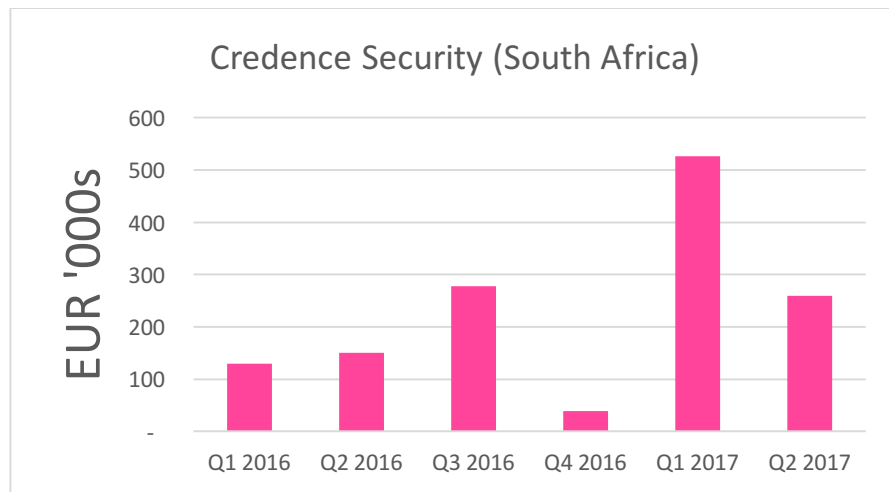
€ '000s	Apr-Jun	Share	Apr-Jun	Share	Jan-Jun	Share	Jan-Jun	Share	Jan-Dec	Share
Overview Sales	Q2 2017	%	Q2 2016	%	H1 2017	%	H1 2016	%	FY 2016	%
Cognosec UAE*	381	10%	756	24%	1,673	22%	1,365	19%	2,977	20%
Credence Security (South Africa)	259	7%	150	5%	786	10%	279	4%	595	4%
Dynamic Recovery services (South Africa)	2,320	62%	2,013	64%	4,051	54%	5,042	71%	9,000	61%
Cognosec (Kenya)	279	7%	188	6%	460	6%	402	6%	875	6%
Cognosec Europe**	505	13%	31	1%	535	7%	31	0%	1,190	8%
<b>Total</b>	<b>3,745</b>	<b>100%</b>	<b>3,137</b>	<b>100%</b>	<b>7,505</b>	<b>100%</b>	<b>7,118</b>	<b>100%</b>	<b>14,636</b>	<b>100%</b>

### Cognosec (UAE)



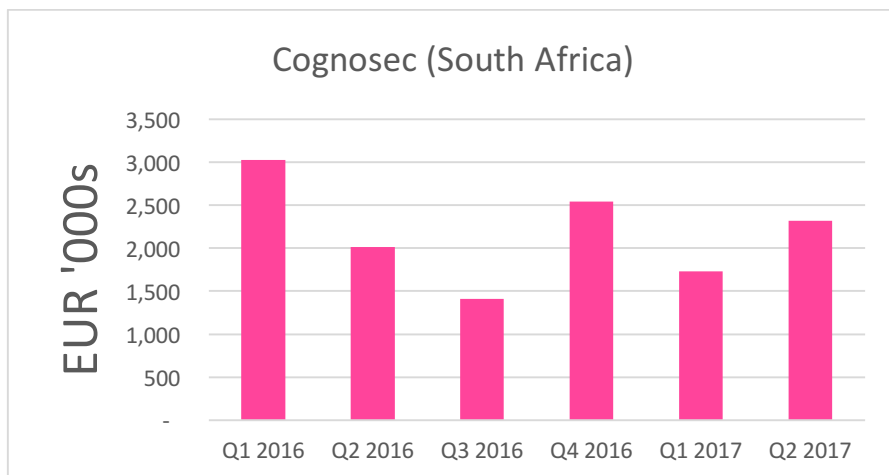
Cognosec UAE continues to demonstrate positive revenues, amidst a competitive space. A number of large pipelined deals have been delayed into Q3, resulting in the drop in revenues compared to Q1. Despite this, there is a year to date increase of 308k EUR (22%), compared to the same period in 2016.

## Credence Security (SA)



Credence SA continued momentum from Q1, demonstrating strong revenues for Q2 2017 of 259k EUR (Q2 2016: 150k EUR). Year to date sales equated to 786k EUR, this is a 507k EUR (181.7%) increase from the YTD 2016 for the same period. Notable clients for the quarter included; Commercial Bank of Zimbabwe, Randwater and Ernst & Young.

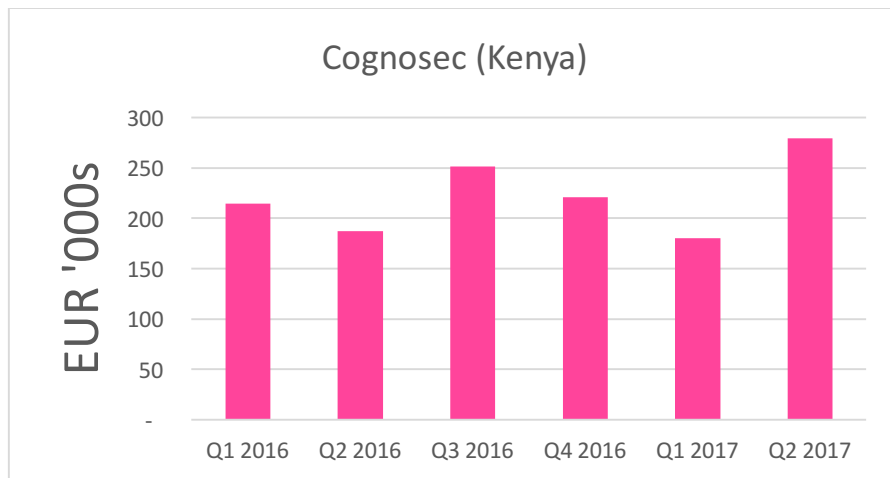
## Cognosec (SA)



Cognosec SA were able to demonstrate a strong Q2, achieving 1.3m EUR in business closed in June alone. This momentum into Q3 is underpinned by a strong pipeline. The solid customer base and key vendor relationships continue to be a strength for Cognosec South Africa. Notable clients for the quarter included; South African Government Pension Administration, Old Mutual (Zimbabwe) and Multichoice.

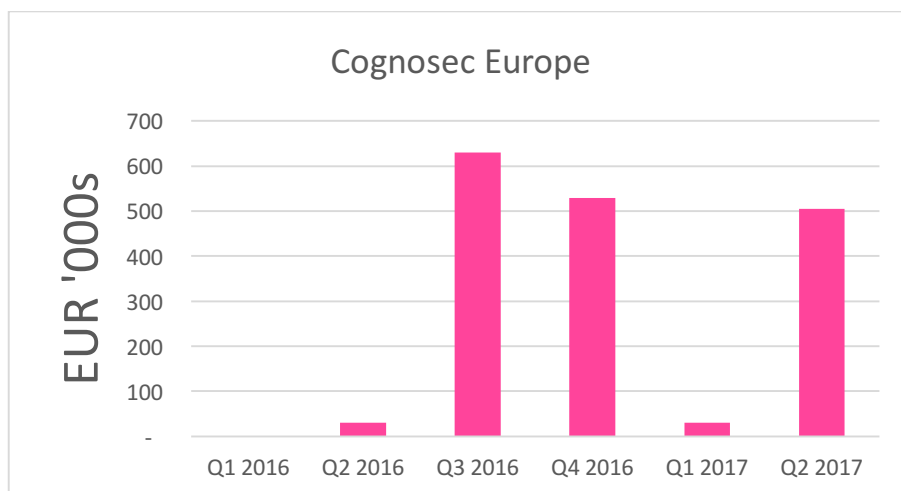


### Cognosec (Kenya)



Cognosec Kenya showed their highest revenue in the last six quarters (279k EUR). Quarterly revenue increase by 99k EUR (55%) and a Half Year 2017 increase of 56k (13.8%) compared to Half Year 2016. Notable clients for Q2 included; United Nations, Diamond Trust Bank (Kenya) and KQ (Kenya Airways).

### Cognosec (Europe)



European subsidiaries in the UK and Germany continue to generate revenue. Cognosec Germany are growing organically from small contracts. The focus of current business has been predominantly within the UK and Germany, however there is increasing demand for managed services in line with new European Union Regulations (GDPR). This has been reflected in a new strategy towards Advisory, GRC (Governance, Risk & Compliance) and Managed Services. A number of European countries are being identified for potential expansion.

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## CUSTOMERS

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Our Customers range from government departments, large-scale industrials to financial institutions as well as smaller SME sector businesses. Long-term exclusive relationships are the norm, especially when it comes to the technology that they are using. Potential new clients are eager to learn about the service and success that we have achieved. A number of partnerships are being established with Government entities.

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## TECHNOLOGY PARTNERS

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The Group continues to expand its partner network and now includes the following technologies; RSAM, Infocyte, Demisto, Access Data, Checkpoint, Digital Guardian, Everbridge, Fidelis, Redseal, Solus, Trustwave and SensorNet amongst others.

We continue to work closely with McAfee (Formerly Intel Security) on an EMEA Strategy around offering services and have recently been appointed as a McAfee Support Partner.

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## CASH FLOW

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Continued expansion in the UK and Germany affected the Q2 Operational Cash Flow negatively. Cognosec SA participated in several large tenders during the First Quarter, for which tender guarantee's (bid bonds) had to be paid.

Cognosec AB is currently in the process of raising additional equity finance. The timing of this payment is being negotiated subject to terms.

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## FOREIGN EXCHANGE

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For H1 2017 versus H1 2016, exchange rates moved favorably, giving us an exchange rate benefit of 860k EUR across the Group. The most notable appreciation was the Rand versus the Euro, at 19% across H1 2016 to H1 2017.

## FINANCIAL INFORMATION

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### INTERIM REPORT: COMPARATIVE FIGURES

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The Half Year 2017 report that Cognosec issued was not reviewed by the Group's auditor.

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### PROFIT FOR THE PERIOD

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#### Group

Half Year revenues amounted to 7.5m EUR (H1 2016 Revenues :7.1m EUR) an increase of 5.4%. Loss after tax for the H1 2017 amounted to 2.2m EUR (Q2 2016 loss: 1.1m EUR). Loss attributable to the minority interest amounts to 68k EUR (H1 2016 Profit attributable to minority: 125k EUR).

Depreciation and amortisation for H1 2017 amounted to 35k EUR (H1 2016 Depreciation and Amortisation: 15k EUR).

Cash flow for H1 2017 amounted to negative 1.5k EUR (H1 2016 positive: 1.3m EUR).

**Parent**

The Parent Company's loss for H1 amounted to 458k EUR (H1 2016: loss 253k EUR).

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**FINANCIAL POSITION**

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**Group**

The Group's cash and cash equivalents as of 30 June 2017 amounted to a net overdraft of 144k EUR (H1 2016: Cash was 4.2m EUR). The equity ratio was 30% for H1 2017 (H1 2016 74%).

The Group's equity for end of Q2 2017 amounted to 3.3m EUR (End of Q2 2016: 9.7m EUR).

Cognosec AB did not pay any dividends to shareholders during H1 2017, 2016 or 2015.

As of 30 June 2017, the Cognosec Group had utilised a short term bank overdraft facility, resulting in an overall negative cash position of 144k EUR.

**Parent**

The equity for the parent company amounted to 3.3m EUR at the end of H1 2017 (End of H1 2016, 5.4m EUR) and 2k EUR cash or cash equivalent (End of H1 2016, 3m EUR).

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**INVESTMENTS**

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The Group seeks to expand by way of profitable M&A activity.

Cognosec AB completed the A-tek Distribution acquisition, a UK-based company specialising in the sale and digital distribution via innovative portal technologies of cybersecurity solutions, products and services. The acquisition is in line with Cognosec's strategy to expand business areas to cover the sale and distribution of software technologies over the internet.

Cognosec AB announced the signing of Heads of Terms of Agreement pursuant to the acquisition of Intact Software Distribution, which is expected to close in Q3, 2017 subject to legal, financial and technology due diligence exercises. Intact Software Distribution is a specialist Digital Software Distribution business, distributing cyber security solutions by portal and established by pioneers of digital software distribution.

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**TAXATION**

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**Group**

No provisional corporation tax was paid in H1 2017.

**Parent**

No current or deferred tax has been recognised in the Profit and Loss for the parent during 2017.

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**TRANSACTIONS WITH RELATED PARTIES**

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UC Group Ltd which is controlled by Cognosec's principal owner, JA Paulsen, currently provides services to Cognosec. This includes from time to time, consultancy services relating to PCI certification. None of these services have been provided for this period.

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## SHARE INFORMATION

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Cognosec AB (Publ) is a public company whose shares are traded on Nasdaq First North (COGS).

The Company's share register is maintained by Euroclear Sweden AB.

Total number of registered shares at 30 June 2017 are: 257,159,500.

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## FINANCIAL CALENDAR

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First Quarter 2017	April 28, 2017
Annual General Meeting 2017	May 31, 2017
Half Year Report	August 31, 2017
Nine Month Report	October 31, 2017

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## ACCOUNTING PRINCIPLES

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The interim report has been issued in accordance with IFRS requirements (IFRS). For further information please see the Cognosec 2016 Annual Report.

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## RISKS AND UNCERTAINTIES

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Inherent risks and uncertainties for Cognosec consists primarily of

Business risks concerning the delivery of contracted projects and payment of these.

Financial risks (such as risks related to currency, interest rates, counter-parties, future capital), market risks (e.g. competition, changes in demand) and risks related to the local conditions in the countries in which the Group conducts its business infrastructure. There are also risks of delays due to various disturbances in the delivery of contracted projects.

Liquidity risk is managed through liquidity forecasting, which ensures sufficient funds are in place to meet the Group's obligations and the overall strategy for the Group.

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## INVESTOR EVENTS

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Cognosec AB presented to fund managers and investors on the 10<sup>th</sup> of May in Amsterdam, The Netherlands.



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## **CERTIFIED ADVISORS**

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Mangold Fondkommission AB is appointed as the Certified Advisor for Cognosec AB.

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## **AUDITORS**

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PwC (Sweden) represented by Martin Johansson act as the auditor for Cognosec AB (Publ) and the Group. This report has not been reviewed by the Company's auditor.

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## **ELECTION COMMITTEE AND ANNUAL GENERAL MEETING**

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The Annual General Meeting took place on the 31st May 2017.

Re-elected to the Board of Cognosec AB were Jacobus Paulsen, Lord David Blunkett, Daniel Holden, Robert Brown, Patrick Boylan and Neira Jones.

We announced that Lord Antony St John Bletso has also joined the Board as a Director.

Lord Antony St John Bletso, born 1957, is a politician, businessman and solicitor, member of the House of Lords and represents the British Government in African affairs. Lord Antony St John Bletso is a Director of African Business Solutions, Non-Executive Director of Albion Ventures LLP and Chairman of the Governing Board of Certification International.

The AGM decided in accordance with the proposal, to authorize the Directors of the Board to issue, at one or more occasions, with or without deviation from shareholders preferential rights, up to 50,000,000 new shares, convertible bonds and / or warrants.

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## **CERTIFICATION AND SIGNATURES**

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The Board of Directors and the CEO certifies that the summarised interim report gives a true and fair view of the financial information in this report.

**The Board of Cognosec AB (Publ), corporate identity number 556135-4811**

London, August 31, 2017

Jacobus Paulsen  
Chairman

Robert Brown  
CEO

Lord David Blunkett  
Ordinary board member

Patrick Boylan  
Ordinary board member

Daniel Holden  
Ordinary board member & CFO

Neira Jones  
Ordinary board member

Lord Antony St John Bletso  
Ordinary board member

## DETAILED FINANCIAL INFORMATION

### GROUP PROFIT AND LOSS

(Thousand Euros )	Group				
	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Net Revenue	3,745	3,136	7,505	7,118	14,636
Cost of Sold Goods	-2,196	-1,820	-4,357	-4,383	-8,851
<b>Gross Profit</b>	<b>1,550</b>	<b>1,316</b>	<b>3,148</b>	<b>2,735</b>	<b>5,785</b>
Sales Costs	-1,559	-1,237	-3,133	-2,005	-4,810
Administration Costs	-1,259	-1,015	-2,106	-1,608	-3,764
Depreciation	5	-40	-35	-15	-234
<b>Total Operating Cost</b>	<b>-2,814</b>	<b>-2,292</b>	<b>-5,274</b>	<b>-3,628</b>	<b>-8,808</b>
<b>Operating Result</b>	<b>-1,264</b>	<b>-976</b>	<b>-2,125</b>	<b>-893</b>	<b>-3,022</b>
<b>EBITDA</b>	<b>-1,269</b>	<b>-936</b>	<b>-2,091</b>	<b>-878</b>	<b>-2,788</b>
<b>Financial income and costs</b>					
Finance income	-	-92	-	-	-
Finance costs	-44	-	-51	-77	-634
<b>Total Finance income and costs - net</b>	<b>-44</b>	<b>-92</b>	<b>-51</b>	<b>-77</b>	<b>-634</b>
<b>Result before tax</b>	<b>-1,308</b>	<b>-1,068</b>	<b>-2,176</b>	<b>-970</b>	<b>-3,656</b>
Tax (Period)	-22	-92	0	-101	-12
<b>Total result for period</b>	<b>-1,330</b>	<b>-1,160</b>	<b>-2,176</b>	<b>-1,071</b>	<b>-3,668</b>
<i>Attributable to Parent</i>	<i>-1,253</i>	<i>-1,199</i>	<i>-2,108</i>	<i>-1,196</i>	<i>-3,737</i>
<i>Minority interest</i>	<i>-77</i>	<i>39</i>	<i>-68</i>	<i>125</i>	<i>69</i>
<i>Earnings per share (€/share) attributable to owners of the parent</i>	<i>-0.0049</i>	<i>-0.0047</i>	<i>-0.0082</i>	<i>-0.0046</i>	<i>-0.0145</i>

**PARENT COMPANY  
PROFIT AND LOSS**

(Thousand Euros)

	<b>Apr-Jun 2017</b>	<b>Apr-Jun 2016</b>	<b>Jan- Jun 2017</b>	<b>Jan- Jun 2016</b>	<b>Jan-Jun 2016</b>
Net Revenue	-	-	-	-	-
Cost of Sales	-	-	-	-8	-
<b>Gross profit</b>	-	-	-	<b>-8</b>	-
Depreciation	-	-18	-	-36	-72
Administration costs	-260	-201	-458	-209	-1,021
<b>Total Costs</b>	<b>-260</b>	<b>-219</b>	<b>-458</b>	<b>-245</b>	<b>-1,093</b>
<b>Operating result</b>	<b>-260</b>	<b>-219</b>	<b>-458</b>	<b>-253</b>	<b>-1,093</b>
Finance costs	-	-	-	-	-
<b>Result before tax</b>	<b>-260</b>	<b>-219</b>	<b>-458</b>	<b>-253</b>	<b>-1,717</b>
Tax	-	-	-	-	-
<b>Result for the period</b>	<b>-260</b>	<b>-219</b>	<b>-458</b>	<b>-253</b>	<b>-1,717</b>

**CASH FLOW ANALYSIS****Group****(Thousand Euro)**

	<b>Apr-Jun 2017</b>	<b>Apr-Jun 2016</b>	<b>Jan-Jun 2017</b>	<b>Jan-Jun 2016</b>	<b>Jan-Dec 2016</b>
Operating Profit	-1,264	-699	-2,125	-404	-3,334
Adjustments non C/F items	-5	35	35	100	234
<b>Operating Cash Flow</b>	<b>-1,269</b>	<b>-664</b>	<b>-2,091</b>	<b>-304</b>	<b>-3,100</b>
Paid Taxes	-102	-58	-172	-58	-123
Recieved finance payments - net	-	-	-	-	-
Changes in Working Capital	785	452	142	-1,070	-802
<b>Cash Flow from Operating Activities</b>	<b>-587</b>	<b>-270</b>	<b>-2,121</b>	<b>-1,432</b>	<b>-4,025</b>
Acquisition of subsidiaries	-	-	-	-	-
Acquisition of Fixed Assets	9	-474	9	-474	-
Payments related to aquisition of subsidiaries	-	-	-	-	-860
<b>Cash Flow from Investment Activities</b>	<b>9</b>	<b>-474</b>	<b>9</b>	<b>-474</b>	<b>-860</b>
New share issues	-	3,283	-	3,284	3,284
Directly related costs to the listing	-	-	-	-	-220
Proceeds from ongoing share issue	-	-	-	-	-
Dividend payment to minority	-	-48	-	-48	-48
Short Term Financing	520	-	607	-	-
<b>Cash Flow from Financing Activities</b>	<b>520</b>	<b>3,235</b>	<b>607</b>	<b>3,236</b>	<b>3,016</b>
<b>Cash Flow from the Period</b>	<b>-57</b>	<b>2,491</b>	<b>-1,505</b>	<b>1,330</b>	<b>-1,869</b>
<b>Opening Cash</b>	<b>-86</b>	<b>1,702</b>	<b>1,362</b>	<b>2,946</b>	<b>2,946</b>
Aquired cash	-	-	-	-	-
FX-diff Period	-	-1	-	-84	285
<b>Closing Cash Position</b>	<b>-144</b>	<b>4,192</b>	<b>-144</b>	<b>4,192</b>	<b>1,362</b>



**CASH FLOW ANALYSIS****(Thousand Euro)****Parent**

	<b>Apr-Jun 2017</b>	<b>Apr-Jun 2016</b>	<b>Jan-Jun 2017</b>	<b>Jan-Jun 2016</b>	<b>Jan-Dec 2016</b>
Operating Profit	-219	-219	-458	-253	-1,093
Adjustments non C/F items	-	18	-	36	-
<b>Operating Cash Flow</b>	<b>-219</b>	<b>-201</b>	<b>-458</b>	<b>-217</b>	<b>-1,093</b>
Paid Taxes	-	-	-	-	-
Changes in Working Capital	220	-276	-903	-554	-510
<b>Cash Flow from Operating Activities</b>	<b>1</b>	<b>-477</b>	<b>-1,361</b>	<b>-771</b>	<b>-1,602</b>
Acquisition of Fixed Assets	-	-	-	-	-
Payments related to acquisition of subsidiaries	-	-474	-	-474	-860
Transfers to subsidiaries	-	-	-	-	-1,614
Sale of Fixed Assets	-	-	-	-	-
<b>Cash Flow from Investment Activities</b>	<b>-</b>	<b>-474</b>	<b>-</b>	<b>-474</b>	<b>-2,474</b>
New share issues	-	3,283	-	3,284	3,284
Directly related costs to the listing	-	-	-	-	-220
Proceeds from ongoing share issue	-	-	-	-	-
Dividend payment to minority	-	-	-	-	-
Amortization of Debt	-	-	-	-	-
<b>Cash Flow from Financing Activities</b>	<b>-</b>	<b>3,283</b>	<b>-</b>	<b>3,284</b>	<b>3,064</b>
<b>Cash Flow from the Period</b>	<b>1</b>	<b>2,332</b>	<b>-1,361</b>	<b>2,039</b>	<b>-1,013</b>
<b>Opening Cash</b>	<b>0</b>	<b>631</b>	<b>12</b>	<b>916</b>	<b>916</b>
FX-diff Period	-	72	-	80	109
<b>Closing Cash Position</b>	<b>2</b>	<b>3,035</b>	<b>2</b>	<b>3,035</b>	<b>12</b>



**BALANCE SHEET**

(Thousand Euros)	Group			Parent		
	30 Jun 2017	30 Jun 2016	31 Dec 2016	30 Jun 2017	30 Jun 2016	31 Dec 2016
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	160	99	57	-	-	-
Intangible Assets	20	34		-	34	-
Investments in subsidiaries	-0			3,572	2,376	3,799
Goodwill	6,152	6,152	6,152	-	-	-
Other Long Term Claims	-			-	-	-
<b>Total Non-current assets</b>	<b>6,332</b>	<b>6,285</b>	<b>6,209</b>	<b>3,572</b>	<b>2,410</b>	<b>3,799</b>
<b>Current Assets</b>						
Inventory (PIP)	267	444	345	-	-	-
Deferred tax asset	217	164	238	-	-	-
Share issue receivable	-	-		-	-	-
Short term receivable	-	900		418	103	526
Trade receivable	3,703	1,057	1,339	-	-	-
Other Claims	596	59		0	-	56
Cash & Bank	-	4,192	1,362	2	3,035	12
<b>Total Current Assets</b>	<b>4,783</b>	<b>6,816</b>	<b>3,284</b>	<b>419</b>	<b>3,138</b>	<b>594</b>
<b>TOTAL ASSETS</b>	<b>11,115</b>	<b>13,101</b>	<b>9,493</b>	<b>3,992</b>	<b>5,549</b>	<b>4,393</b>
<b>DEBT AND EQUITY CAPITAL</b>						
<b>Equity Capital</b>						
Share Capital	70	70	70	27	70	70
Share premium	6,001	5,852	5,852	5,703	1,439	5,703
Ongoing share issue	-			-	-	-
Period result	-2,271	-1,071	-3,668	-651	-253	-1,717
Other reserves	-489	4,852	3,159	-1,801	4,166	-96
<b>Total Equity</b>	<b>3,311</b>	<b>9,703</b>	<b>5,413</b>	<b>3,278</b>	<b>5,421</b>	<b>3,959</b>
<i>Capital and reserves attributable to owners</i>	<i>3,439</i>	<i>5,566</i>	<i>5,266</i>			
<i>Non-controlling interests</i>	<i>-128</i>	<i>360</i>	<i>147</i>			
<b>Long-term Debt</b>						
<b>Short term debt</b>						
Interim Debt	-	76	76	-	-	-
Short term credit facility	144	-				
Intragroup Debt	-	-		12	-	-
Suppliers	6,461	2,926	3,739	745	119	433
Tax Debt	219	397		-43	8	-
Provisions	980		266	-	-	-
<b>Total Short Term Debt</b>	<b>7,804</b>	<b>3,399</b>	<b>4,080</b>	<b>714</b>	<b>127</b>	<b>433</b>
<b>TOTAL DEBT AND EQUITY</b>	<b>11,115</b>	<b>13,101</b>	<b>9,493</b>	<b>3,992</b>	<b>5,549</b>	<b>4,393</b>

**CHANGES IN EQUITY CAPITAL**  
(Thousand Euros)

**Group**

	<b>Apr-Jun 2017</b>	<b>Apr-Jun 2016</b>	<b>Jan-Jun 2017</b>	<b>Jan-Jun 2016</b>	<b>Jan-Dec 2016</b>
<b>Equity - Opening Balance</b>	<b>4,233</b>	<b>10,952</b>	<b>5,413</b>	<b>10,994</b>	<b>10,994</b>
Costs directly related to IPO share issue		-220		-220	-220
Share Issues					
Profit from the Period	-1,330	-1,262	-2,176	-1,071	-5,362
Tax impact from deductible costs for ongoing share issue					
Adjustment related to final acquisition analysis					
Removal of receivable from dividend paid 2014 but approved 2016					
Foreign Exchange-Differential	409	233	75		
<b>Changes in equity during the period</b>	<b>-921</b>	<b>-1,249</b>	<b>-2,101</b>	<b>-1,291</b>	<b>-5,582</b>

<b>Equity - Closing Balance</b>	<b>3,311</b>	<b>9,703</b>	<b>3,311</b>	<b>9,703</b>	<b>5,413</b>
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<i>Opening balance- Equity attributable to non controlling interest</i>	<i>-2</i>	<i>162</i>	<i>147</i>	<i>77</i>	<i>77</i>
<i>Dividend payment to minority</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Currency effect minority</i>	<i>-40</i>	<i>-</i>	<i>-207</i>	<i>-</i>	<i>-</i>
<i>Profit attributable to non controlling interest</i>	<i>-86</i>	<i>35</i>	<i>-68</i>	<i>120</i>	<i>69</i>
<b><i>Closing balance - Equity attributable to non controlling interest</i></b>	<b><i>-128</i></b>	<b><i>197</i></b>	<b><i>-128</i></b>	<b><i>197</i></b>	<b><i>147</i></b>

<b><i>Closing balance - Equity attributable to shareholders of the parent company</i></b>	<b><i>3,439</i></b>	<b><i>9,506</i></b>	<b><i>3,439</i></b>	<b><i>9,506</i></b>	<b><i>5,266</i></b>
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**CHANGES IN EQUITY CAPITAL**

<b>(Thousand Euros)</b>	<b>Parent</b>				
	<b>Apr-Jun 2017</b>	<b>Apr-Jun 2016</b>	<b>Jan-Jun 2017</b>	<b>Jan-Jun 2016</b>	<b>Jan-Dec 2016</b>
<b>Equity - Opening Balance</b>	<b>3,773</b>	<b>5,871</b>	<b>3,959</b>	<b>5,896</b>	<b>5,896</b>
Costs directly related to IPO share issue	-	-220	-	-220	-220
Share Issue- Under registration	-	-	-	-	-
Profit from the Period	-260	-219	-458	-253	-1,717
Foreign Exchange-Differential	-236	-11	-223	-1	-
<b>Changes in equity during the period</b>	<b>-495</b>	<b>-450</b>	<b>-681</b>	<b>-474</b>	<b>-1,937</b>
<b>Equity - Closing Balance</b>	<b>3,278</b>	<b>5,421</b>	<b>3,278</b>	<b>5,421</b>	<b>3,959</b>