

Quarterly Report Ending March 2017

Stockholm, 28<sup>th</sup> April 2017

## Improving Margins with an acquisition at completion stage

Total revenues of 3.76m EUR (Q1 2016: 3.98m EUR) reflected positive traction in key markets, but delays of key contracts in others, where ongoing tenders have not been closed. Increased group costs were incurred to harmonise operations and drive future margin. These effects stretched the Group's cash position, pending debtor collections and unwinding of deposits. Overall Group loss for Q1 2017 was 0,846m EUR (Q1 2016: 0,192m EUR). A-tek acquisition identified and at completion stage.

- Group Revenue of 3.76m EUR (Q1 2016: 3.98m EUR).
- Group loss of -0,846m EUR (Q1 2016: 0,192m EUR)
- Credence Security SA increased revenues by 24.5m ZAR (309%) for Q1 2017, compared to Q1 2016.
- Cognosec UAE revenues increased by 2.4m AED for Q1 2017 (112%), compared to Q1 2016.
- Group gross margin for the quarter increased to 43% (Q1 2016 Gross Margin: 36%).
- Operating Margins reduced, as investment in staff and resources are implemented.
- Quarterly underlying operating loss, excluding new European entities: EUR 86k (Q1 2016 profit EUR 390 k).
- The Group's net debt for Q1 2017 was EUR 86k (Q4 2016: EUR 1.36m in cash and equivalents).
- Group operating margin of EUR 0.86m (Q1 2016 ytd operating profit: EUR 0.29m).
- The Group employed 136 staff at the end of Q1 2017, up 44% compared to Q1 2016 (95).
- New website launched; [www.cognosec.com](http://www.cognosec.com). This site provides extensive information on our complete service solutions and products available to the market.

COGNOSEC GROUP: Financial key-ratios	Jan-Mar	Jan-Mar	Jan-Dec	Jan-Dec
	Q1 2017	Q1 2016	FY 2016	FY 2015
Total Group Income €('000s)	3 760	3 981	14 636	16 791
Total Group Gross Margin €('000)	1 599	1 419	5 785	5 848
Total Group Gross Margin (percent)	43%	36%	40%	35%
Cash Flow in the Period €('000s)	1 449	-1 162	-1 869	2 108
Operating Margin €('000s)	-861	295	-2 713	1 857
Operating Margin (percent)	-23%	7%	-19%	11%
Result after Taxes €('000s)	-846	192	-3 334	1 450
Earnings per share €*	-0,0034	0,0004	-0,0132	0,0059

\*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 only and going forward Cognosec AB will publish all of its quarterly reports in English. Average number of shares outstanding for the period were 257,179,500 (Q1 2016 average number of shares outstanding 247,600,000 ).

### 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 EUR 14.64m in 2016. For further information, please visit [www.cognosec.se](http://www.cognosec.se)

## Comments by Robert Brown, Chief Executive Officer of Cognosec AB Group

Dear Shareholders,

I am pleased to present the first quarterly report for 2017.

As seen within the financials, we are committed to growing our business with substantial investment. This has been evident particularly within our European subsidiaries, leading to a planned shortfall in underlying profit. There are strong expectations that further investment will demonstrate significant return for the rest of the year.

Several subsidiaries have created strong pipelines and in some cases a number of revenue streams have moved from Q1 into Q2. Increases in administration and salary costs have contributed to lower profit margins.

Other regions of the business have continued to demonstrate underlying growth for Q1 2017. One of our subsidiaries in the Middle East (Credence) has doubled their revenues from 2016, amidst political and economic uncertainty in the region. We have seen strong results across Africa and the Middle East, with this trend set to continue into Q2, for example our South African subsidiary has already confirmed 50% of the forecast revenue for the coming quarter. It is an illustration of our unique position in the market; by maintaining a list of global technical partners whilst sustaining a strong relationship with our customers.

The scope for development within the regions that we operate in reflect the changing nature of cybersecurity. Market exposure within the Middle East continues to gain momentum, our Credence Security UAE subsidiary continues to improve rapidly moving into Q2.

We look forward the same strength shown in our African and Middle Eastern subsidiaries within the European region also. We are confident that Cognosec North will demonstrate the same growth and strength as shown in our African and Middle Eastern businesses.

We continue to collaborate with a number of key global vendors, such as in Intel, HP and many others to ensure that the right products are implemented for our customers. The newly formed collaboration with CensorNet in Q1 has increased our global coverage and commitment in providing a bespoke, 360 degree cybersecurity service.

As previously announced, we are nearing the conclusion of our first acquisition to bolster our service and product offering to the SME market (Small to Medium size Enterprises). We aim to further expand the acquisitions around the globe. We are preparing our application to move from Nasdaq First North to the premier market on Nasdaq Sweden and have also entered into discussion with several US Securities firms, to create a dual listing on Nasdaq New York.

A thank you to the board and the members of staff who continue to push the business forward at an exciting time for Cognosec AB. Cybersecurity is growing rapidly and our commitment to provide solutions that will protect our customers is unwavering.

As ever, I am thankful to our shareholders for their continued support and commitment shown. I look forward to updating you on the next quarter's results, building on the hard work and investment that has been achieved in the first quarter for 2017.

London April 2017

Robert Brown, Chief Executive Officer

## BUSINESS OVERVIEW

### MARKETS

Moving into 2017, the topic of cybersecurity continued to form a substantial part of the global business agenda. The return of the online Shamoon virus (considered in 2012 as the most disruptive cyberattack on private businesses) and accusations of cyberattacks being widespread within national elections, it is clear that cybersecurity continues to be a prevalent issue.

The potential threat from cyberattacks transcend all industries and national borders, yet businesses still have significant room for improvement in protecting their information and data. According to a Deloitte survey of seventy seven large financial institutions (each with total assets of 100 bn USD or more), only 43% of respondents believed that their company was 'very effective', or 'extremely effective' at managing cyber risk. With the expected cost of cybersecurity set to rise to USD 2.1 tn globally by 2019 (Juniper Research), the market opportunity is evident.

Cognosec's unique of offering combining full service, products, hardware and implementation solutions addresses this market, targeting primarily preventative measures, but remediates appropriately.

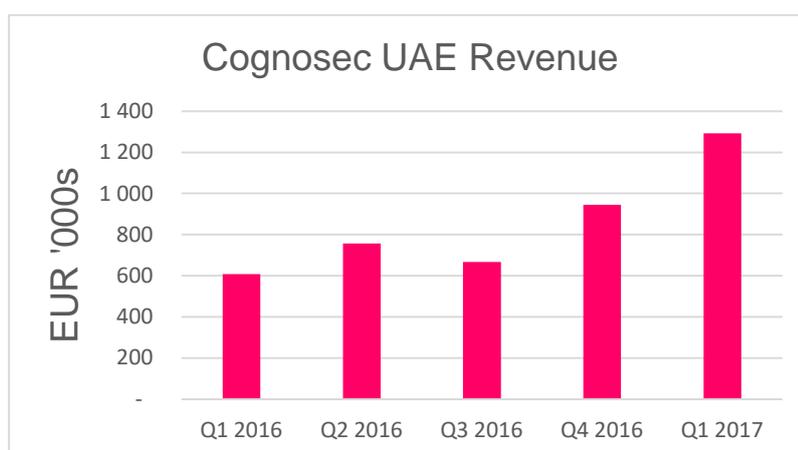
### SUBSIDIARY SALES PERFORMANCE

€ '000s	Jan-Mar	Share	Apr-Jun	Share	Jul-Sep	Share	Oct-Dec	Share	Jan-Mar	Share	Jan-Dec	Share
Overview Sales	Q1 2016	%	Q2 2016	%	Q3 2016	%	Q4 2016	%	Q1 2017	%	FY 2016	%
Cognosec UAE*	609	15%	756	15%	667	2%	946	22%	1,292	34%	2,977	20%
Credence Security (South Africa)	129	3%	150	14%	278	27%	38	1%	527	14%	595	4%
Cognosec (SA)	3,029	76%	2,013	64%	1,412	44%	2,546	59%	1,730	46%	9,000	61%
Cognosec (Kenya)	215	5%	188	6%	252	8%	221	5%	180	5%	875	6%
Cognosec Europe**	-	0%	31	1%	630	19%	529	12%	30	1%	1,190	8%
<b>Total</b>	<b>3,981</b>	<b>100%</b>	<b>3,137</b>	<b>100%</b>	<b>3,238</b>	<b>100%</b>	<b>4,280</b>	<b>100%</b>	<b>3,760</b>	<b>100%</b>	<b>14,636</b>	<b>100%</b>

\*Cognosec UAE consists of Credence Security DMCC (Dubai) and Cognosec DMCC (Dubai)

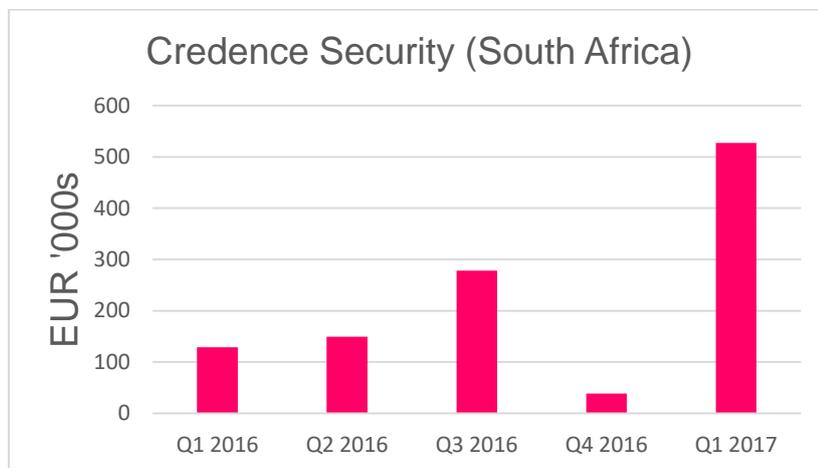
\*\*Cognosec Europe consists of Cognosec Ltd (UK) Cognosec GmbH (Germany) and Cognosec Nordic AB (Sweden)

### Cognosec (UAE)



April 2017 will be the anniversary of Cognosec's entry into the region and despite the competitive space, continue to build customer relations through professional service delivery. Gross Profit for the period equated to EUR19k, with the pipeline building well.

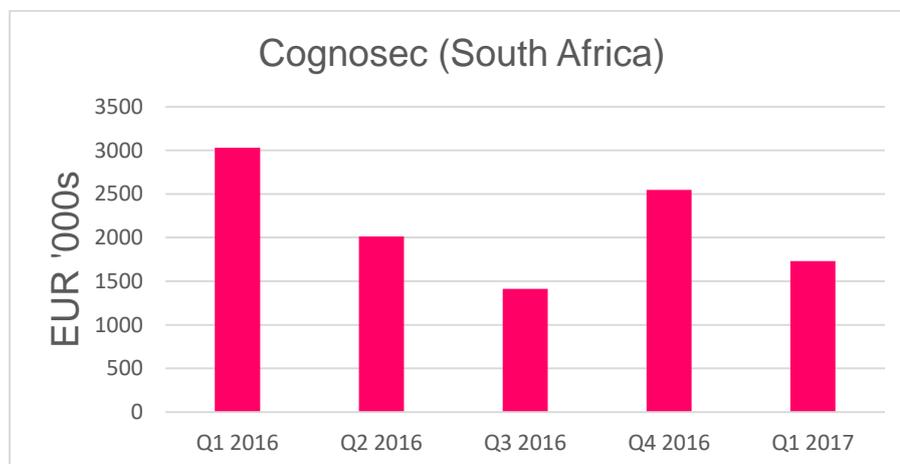
## Credence Security (SA)



Credence SA as a whole had a very positive start to 2017, securing its first Fidelis deal in South Africa at the end of February in Eskom (South Africa's largest power supplier).

Credence SA have more than doubled their revenue on 2016, due to selling more of the enterprise products like Fidelis and Digital Guardian. Year to date sales equated to 580k EUR, with Gross Profit at 54k EUR.

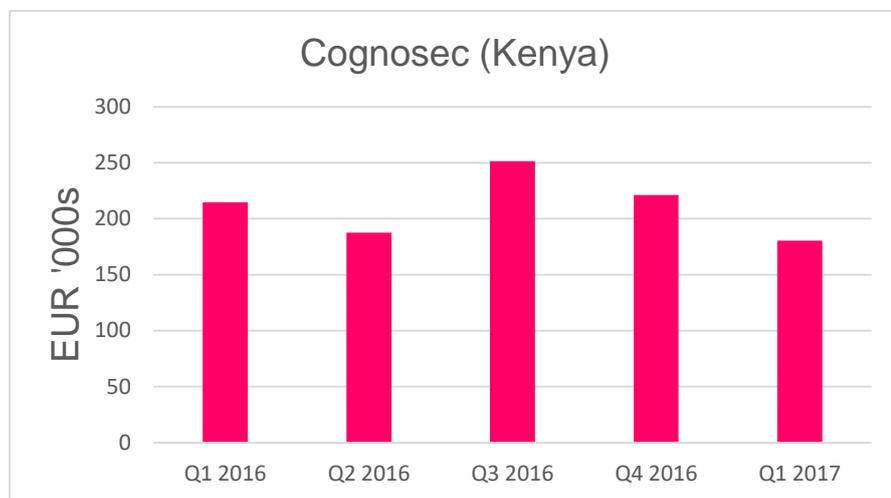
## Cognosec (SA)



Cognosec SA had a strong close to the quarter. A notable deal with African Bank ensured that total revenue achieved was 1.73m EUR. This sale in particular highlighted the engagement levels and benefits of strong project management. Breakdown of sales equated to 56% being new business, 12% renewal and services accounting for 32%.

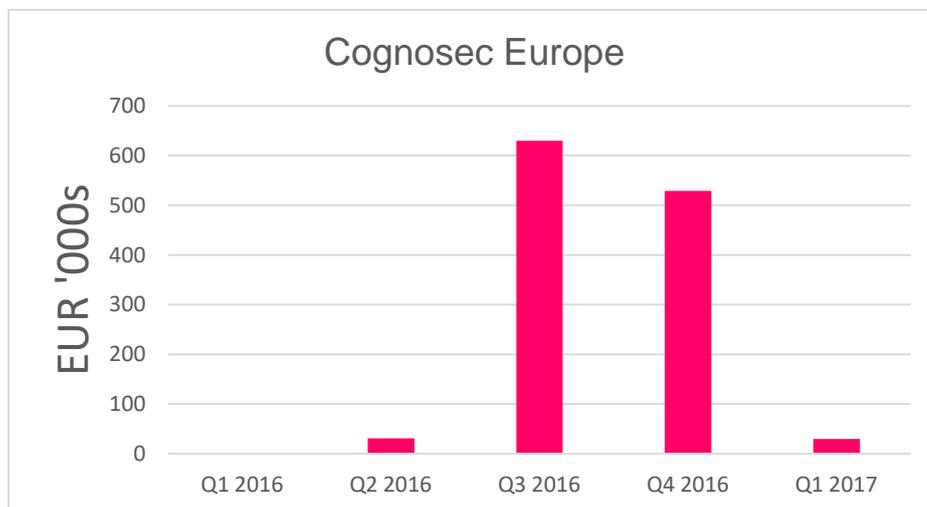
Tenders that were submitted in Q1 for Cognosec SA amounted to 710k EUR. In terms of planned revenue 418 k EUR of sales have moved into Q2.

### Cognosec (Kenya)



Q1 sales for 2017 were 21.6m KES (196k EUR). Lengthy procurement procedures pushed revenue into future periods. Despite turnover being slightly down on Q1 2016, gross profit was higher than 2016 at 8k EUR.

### Cognosec (Europe)



Formed in 2016, the first three European subsidiaries, UK, Germany and Sweden, are all now revenue-generating. Cognosec Germany are growing organically from small contracts. The European business focus is on the 2 main markets of the UK and Germany.

Revenues in Q1 2017 are down due to seasonality and pipeline generation for the rest of the year.

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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.

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## **TECHNOLOGY PARTNERS**

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The Group has expanded its partner network to now include technologies Access Data, Beachhead, Digital Guardian, eSentire, Everbridge, Fidelis, Redseal, Risk Vision, Solus amongst others.

We are working closely with Intel on an EMEA Strategy around offering services.

CensorNet has selected Credence Security as its value added distributor during Q1 2017. CensorNet cover regions including the Middle East, Africa, India and Pakistan.

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## **CASH FLOW**

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Continued expansion in the UK and Germany affected the Q1 Operational Cash Flow negatively. Payments related to the European expansion amounted to 344k EUR during Q1.

Operations in United Arab Emirates generated record sales during the First Quarter, however the Cash Flows' associated with these sales will occur in the Second Quarter.

Cognosec SA participated in several large tenders during the First Quarter, for which tender guarantee's (bid bonds) had to be paid. Outstanding tender guarantee payments made during Q1 amounted to 232k EUR.

Cognosec AB is currently reviewing opportunities to raise capital.

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## **FOREIGN EXCHANGE**

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Q1 2017 local currency sales translated to Euro at the exchange rates for Q1 2016 result in an unfavorable foreign exchange variance of 396k EUR.

The unfavorable variance is caused from the appreciation of the South African rand against the Euro. Comparing exchanges rates for Q1 2017 to Q1 2016, the most notable appreciation is the South African rand which appreciated 17% against the Euro.

## FINANCIAL INFORMATION

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### INTERIM REPORT: COMPARATIVE FIGURES

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The First Quarter 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

First Quarter revenues amounted to EUR 3.76m (*Q1 2016 Revenues: EUR 3.98m*). Loss after tax for the First Quarter amounted to EUR 846k (*Q1 2016 Profit: EUR 192k*). Profit attributable to the minority interest amounts to EUR 18k (*Q1 2016 Profit attributable to minority: EUR 92k*).

Depreciation and amortisation for the First Quarter 2017 amounted to EUR 39k (*Q1 2016 Depreciation and Amortisation: EUR 50k*).

Cash flow for the First Quarter amounted to negative EUR 1.45m (*Q1 2016 negative: EUR1.16m*).

#### Parent

The Parent Company's loss for the First Quarter amounted to EUR 199k (*Q1 2016: loss EUR 35k*).

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### FINANCIAL POSITION

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#### Group

The Group had cash and cash equivalents as of 30<sup>th</sup> March, with net overdraft of EUR 86k (*Q4 2016: EUR 1.36m*). The equity ratio was 18% (*Q4 2016 36%*).

The Group's equity amounted to EUR 1.09m (*Q4 2016: EUR 2.28m*), or 0.0042 EUR/share (*Q4 2016: 0.0088 EUR/share*).

Cognosec AB did not pay any dividends to shareholders under Q1 2017, 2016 or 2015.

At 30 March 2017 the Cognosec Group had utilised a short term bank overdraft facility, resulting in an overall negative cash position of EUR 86k.

#### Parent

The equity for the parent company amounted to 3.77m EUR (*Q4 2016, 3.96m EUR*) and no cash or cash equivalent (*Q4 2016, 12k EUR*).

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## INVESTMENTS

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### Group

Goodwill is subject to amortisation of 10% per annum. The Group seeks to expand by way of profitable M&A activity.

Cognosec AB has signed an exclusive agreement with A-tek Distribution, 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. The acquisition is expected to close at the end Q2, 2017 subject to legal, financial and technology due diligence exercises.

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## TAXATION

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### Group

No Provisional corporation tax was paid in the First Quarter of 2016 (Q1 2016 Provisional Tax: nil).

The tax charge in the Profit & Loss is a net of EUR 20k, current tax charge on subsidiaries profits before tax, taxed at the local rate of corporation tax.

EUR 41k deferred tax income on losses in Credence Security DMCC (Dubai).

### Parent

No current or deferred tax has been recognised in the Profit and Loss for the parent during 2016.

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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. The cost amounts up to and including 30 March 2017 to nil.

The Groups subsidiaries in South Africa paid EUR 23k for office premises rented via a company that is controlled by the Group's CEO. The Board of Directors considers that the rental charge is in line with market conditions.

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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 (ticker: COGS).

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

Total number of registered shares at 30 March 2017 are: 257,179,500.

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## FINANCIAL CALENDER

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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 for the Group has been prepared in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board BFNAR 2012: 1 on Annual report, and consolidated financial statements (K3) as well as the Swedish Securities Market Act.

The K3 financial reporting framework is comparable to International Financial Reporting Standard's (IFRS) for Small and Medium enterprises. The parent company has in preparation of this interim report applied the same accounting and valuation principles as the Group. The Group will change accounting standard to IFRS shortly. The first financial report expected to be issued in accordance with IFRS is the Q1 2017 report.

For further details of the Group and the parents accounting principles refer to detailed accounting principles described in the annual accounts for 2015.

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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 presented at an Aktiespararna event (Swedish Shareholders Association) on 6<sup>th</sup> March 2017 in Stockholm.

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## CERTIFIED ADVISORS

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Mangold Fondkommission AB is appointed as the certified advisor for Cognosec AB.

Contact information

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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 will commence on the 31 May 2017.

The Annual report will be published at the latest on the 9<sup>th</sup> May 2017.

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## **CERTIFICATION AND SIGNATURES**

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The Board of Directors and the CEO certifies that the summarized 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**

Stockholm, April 28th, 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

Magnus Stuart  
Ordinary board member

Anna Petre  
Ordinary board member

Björn Elowsson  
Ordinary board member

Dusyant Patel  
Alternative Director

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**DETAILED FINANCIAL INFORMATION**


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GROUP PROFIT AND LOSS (Thousand Euros )	Group			
	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016	Jan-Dec 2015
Net Revenue	3 760	3 982	14 636	16 791
Cost of Sold Goods	-2 162	-2 162	-8 851	-10 943
<b>Gross Profit</b>	<b>1 599</b>	<b>1 419</b>	<b>5 785</b>	<b>5 848</b>
Sales Costs	-1 573	-659	-4 810	-2 432
Administration Costs	-847	-416	-3 454	-1 474
Depreciation	-39	-50	-234	-85
<b>Total Operating Cost</b>	<b>-2 459</b>	<b>-1 125</b>	<b>-8 498</b>	<b>-3 991</b>
<b>Operating Result</b>	<b>-861</b>	<b>295</b>	<b>-2 713</b>	<b>1 857</b>
<b>EBITDA</b>	<b>-821</b>	<b>345</b>	<b>-2 479</b>	<b>1 942</b>
<b>Financial income and costs</b>				
Finance income	-	16	-	51
Finance costs	-7	-	-610	-
<b>Total Finance income and costs - net</b>	<b>-7</b>	<b>16</b>	<b>-610</b>	<b>51</b>
	-	-		
<b>Result before tax</b>	<b>-868</b>	<b>311</b>	<b>-3 322</b>	<b>1 908</b>
Tax (Period)	22	-119	-12	-458
<b>Total result for period</b>	<b>-846</b>	<b>192</b>	<b>-3 334</b>	<b>1 450</b>
<i>Attributable to Parent</i>	<i>-864</i>	<i>107</i>	<i>-3 404</i>	<i>1 242</i>
<i>Minority interest</i>	<i>18</i>	<i>85</i>	<i>69</i>	<i>207</i>
<i>Earnings per share (€/share) attributable to owners of the parent</i>	<i>-0,0034</i>	<i>0,0004</i>	<i>-0,0132</i>	<i>0,0059</i>

**PARENT COMPANY  
PROFIT AND LOSS  
(Thousand Euros)**

	<b>Jan-Mar 2017</b>	<b>Jan-Mar 2016</b>	<b>Jan-Dec 2016</b>
Net Revenue	-	-	-
Operating	-	-	-
<b>Gross profit</b>	-	-	-
Depreciation	-	-18	-72
Administration costs	-199	-16	-1 021
<b>Total Costs</b>	<b>-199</b>	<b>-35</b>	<b>-1 093</b>
<b>Operating result</b>	<b>-199</b>	<b>-35</b>	<b>-1 093</b>
Finance costs	-	-	-624
<b>Result before tax</b>	<b>-199</b>	<b>-35</b>	<b>-1 717</b>
Tax	-	-	-
<b>Result for the period</b>	<b>-199</b>	<b>-35</b>	<b>-1 717</b>

**CASH FLOW ANALYSIS**

(Thousand Euro)	Group		
	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
Operating Profit	-861	310	-3 334
Adjustments non C/F items	39	50	234
<b>Operating Cash Flow</b>	<b>-821</b>	<b>360</b>	<b>-3 101</b>
Paid Taxes	-70	-	-123
Received finance payments - net	-	-	-
Changes in Working Capital	-643	-1 024	-802
<b>Cash Flow from Operating Activities</b>	<b>-1 534</b>	<b>-664</b>	<b>-4 025</b>
Acquisition of subsidiaries	-	-	-
Acquisition of Fixed Assets	-	-	-
Payments related to acquisition of subsidiaries	-	-319	-860
<b>Cash Flow from Investment Activities</b>	<b>-</b>	<b>-319</b>	<b>-860</b>
New share issues	-	1	3 284
Directly related costs to the listing	-	-180	-220
Dividend payment to minority	-	-	-48
Short term financing	86	-	-
<b>Cash Flow from Financing Activities</b>	<b>86</b>	<b>-179</b>	<b>3 016</b>
<b>Cash Flow from the Period</b>	<b>-1 448</b>	<b>-1 162</b>	<b>-1 869</b>
<b>Opening Cash</b>	<b>1 362</b>	<b>2 946</b>	<b>2 946</b>
FX-diff Period	-	-83	285
<b>Closing Cash Position</b>	<b>-86</b>	<b>1 702</b>	<b>1 362</b>

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

	<b>Parent</b>		
	<b>Jan-Mar 2017</b>	<b>Jan-Mar 2016</b>	<b>Jan-Dec 2016</b>
Operating Profit	-199	-35	-1 093
Adjustments non C/F items	-	18	-
<b>Operating Cash Flow</b>	<b>-199</b>	<b>-16</b>	<b>-1 093</b>
Paid Taxes	-	-	-
Changes in Working Capital	187	-91	-510
<b>Cash Flow from Operating Activities</b>	<b>-12</b>	<b>-107</b>	<b>-1 602</b>
Payments related to acquisition of subsidiaries	-	-	-860
Transfers to subsidiaries	-	-	-1 614
Sale of Fixed Assets	-	-	-
<b>Cash Flow from Investment Activities</b>	<b>-</b>	<b>-</b>	<b>-2 474</b>
New share issues	-	1	3 284
Directly related costs to the listing	-	-180	-220
Proceeds from ongoing share issue	-	-	-
Dividend payment to minority	-	-	-
Amortization of Debt	-	-	-
<b>Cash Flow from Financing Activities</b>	<b>-</b>	<b>-179</b>	<b>3 064</b>
<b>Cash Flow from the Period</b>	<b>-12</b>	<b>-287</b>	<b>-1 013</b>
<b>Opening Cash</b>	<b>12</b>	<b>916</b>	<b>916</b>
FX-diff Period	0	2	109
<b>Closing Cash Position</b>	<b>0</b>	<b>631</b>	<b>12</b>

## BALANCE SHEET

(Thousand Euros)	Group			Parent		
	30 Mar 2017	30 Mar 2016	31 Dec 2016	30 Mar 2017	30 Mar 2016	30 Dec 2016
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	171	99	57	-	55	-
Intangible Assets	-	55	-	-	-	-
Investments in subsidiaries	-	-	-	4 143	1 817	3 799
Goodwill	1 244	912	1 269	-	-	-
Other Long Term Claims	-	-	1	-	-	-
<b>Total Non-current assets</b>	<b>1 415</b>	<b>1 066</b>	<b>1 327</b>	<b>4 143</b>	<b>1 871</b>	<b>3 799</b>
<b>Current Assets</b>						
Inventory (PIP)	264	258	345	-	-	-
Deferred tax asset	147	199	238	-	198	-
Share issue receivable	-	3 702	-	-	3 702	-
Short term receivable	-	305	-	218	316	526
Trade receivable	4 158	4 090	3 476	-	-	-
Other Claims	280	-	-390	-	-	56
Cash & Bank	-	1 702	1 362	0	631	12
<b>Total Current Assets</b>	<b>4 849</b>	<b>10 254</b>	<b>5 031</b>	<b>218</b>	<b>4 848</b>	<b>594</b>
<b>TOTAL ASSETS</b>	<b>6 265</b>	<b>11 320</b>	<b>6 358</b>	<b>4 361</b>	<b>6 719</b>	<b>4 393</b>
<b>DEBT AND EQUITY CAPITAL</b>						
<b>Equity Capital</b>						
Share Capital	70	67	70	70	67	70
Share premium	5 703	1 439	5 703	5 703	1 400	5 703
Ongoing share issue	-	4 584	-	-	4 584	-
Period result	-846	192	-3 334	-199	-35	-1 717
Other reserves	-3 829	-341	-161	-1 801	-145	-96
<b>Total Equity</b>	<b>1 097</b>	<b>5 941</b>	<b>2 277</b>	<b>3 773</b>	<b>5 871</b>	<b>3 959</b>
<i>Capital and reserves attributable to owners</i>	854	5 533	1 885			
<i>Non-controlling interests</i>	243	408	392			
<b>Long-term Debt</b>						
<b>Short term debt</b>						
Interim Debt	-	-	76	-	-	-
Short term credit facility	86	-	-	-	-	-
Intragroup Debt	-	4 831	-	-	-	-
Suppliers	4 624	405	3 739	588	673	433
Tax Debt	251	-	-	-	175	-
Provisions	206	144	266	-	-	-
<b>Total Short Term Debt</b>	<b>5 167</b>	<b>5 380</b>	<b>4 080</b>	<b>588</b>	<b>848</b>	<b>433</b>
<b>TOTAL DEBT AND EQUITY</b>	<b>6 265</b>	<b>11 321</b>	<b>6 358</b>	<b>4 361</b>	<b>6 719</b>	<b>4 393</b>

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

	<b>Group</b>		
	<b>Jan-Mar 2017</b>	<b>Jan-Mar 2016</b>	<b>Jan-Dec 2016</b>
<b>Equity - Opening Balance</b>	<b>2 277</b>	<b>7 383</b>	<b>7 383</b>
Costs directly related to IPO share issue	-	-	-220
Profit from the Period	-846	191	-3 334
Removal of receivable from dividend paid 2014 approved 2016	-	-1 400	-1 400
Foreign Exchange-Differential	-334	-233	-152
<b>Changes in equity during the period</b>	<b>-1 180</b>	<b>-1 442</b>	<b>-5 106</b>
<b>Equity - Closing Balance</b>	<b>1 097</b>	<b>5 941</b>	<b>2 277</b>
<b>Opening balance- Equity attributable to non controlling interest</b>	<b>392</b>	<b>323</b>	<b>323</b>
Dividend payment to minority	-	-	-48
Currency effect minority	-167	-	48
Profit attributable to non controlling interest	18	85	69
<b>Closing balance - Equity attributable to non controlling interest</b>	<b>243</b>	<b>408</b>	<b>392</b>
<b>Closing balance - Equity attributable to shareholders of the parent company</b>	<b>854</b>	<b>5 533</b>	<b>1 885</b>

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

	<b>Parent</b>		
	<b>Jan-Mar 2017</b>	<b>Jan-Mar 2016</b>	<b>Jan-Dec 2016</b>
<b>Equity - Opening Balance</b>	<b>3 959</b>	<b>5 896</b>	<b>5 896</b>
Costs directly related to IPO share issue	-	-	-220
Share Issue- Under registration	-	-	-
Profit from the Period	-199	-35	-1 717
Foreign Exchange-Differential	12	10	-
<b>Changes in equity during the period</b>	<b>-187</b>	<b>-25</b>	<b>-1 937</b>
<b>Equity - Closing Balance</b>	<b>3 773</b>	<b>5 871</b>	<b>3 959</b>