GLOBAL GRAPHICS®

Global Graphics SE

Unaudited condensed consolidated interim financial statements for the six months ended 30 June 2015

Company registration number: SE000077

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INTERIM MANAGEMENT REPORT

STRATEGY AND BUSINESS MODEL

Global Graphics is a leading developer of software used in printing, publishing, and electronic document systems. An expert in interpreting Page Description Languages (PDLs), notably PostScript®, PCL, the Portable Document Format (PDF) and Microsoft's XPS (XML Paper Specification), Global Graphics has a broad technology portfolio that includes Raster Image Processors (RIPs) that convert text and images into printable form, software for document conversion and manipulation and components for digital workflow and colour management. The Group is active in the graphic arts and commercial print, digital print, and digital document markets and has a long history of providing its customers with cross-platform, high-performance technology for the creation, distribution, printing and viewing of documents.

Revenue is principally derived by directly licensing technology to original equipment manufacturers (OEMs) of pre-press equipment, digital printers and copiers, developers of applications that create, manipulate and manage electronic documents and system integrators. Consequently, Global Graphics' technology lies at the heart of industry leading brands of digital pre-press systems, professional colour proofing devices, wide-format colour printers, digital production presses, digital multi-function copiers and printers for the office as well as a wide variety of software applications.

Global Graphics plays an active role on industry standards committees, and through its sustained program of research and development has a patent portfolio touching many areas of printing technology.

To date the Group has focussed our printing software mostly on publishing, commercial printing and wide-format printing. These are mature segments. We have focussed our digital document technology on document handling applications and enterprise productivity tools. OEMs licence our technology because it is reliable, helps them respond to emerging technical challenges and adds value to their product offerings. Independent Software Vendors (ISVs) licence our technology to accelerate their time to market and to add new product features quickly.

Our strategy is to expand the use of Global Graphics technology into growth segments of the digital document and printing market where we have established our credentials, namely high-speed digital printing, light production printing and office printing.

BUSINESS REVIEW

Operational highlights

There has been no change to the structure of the Group since the year ended 31 December 2014.

On 23 March 2015, the Group acquired the trade and assets of RTI Global, Inc. and RIPMall Technologies, Inc. (together "RTI"), both located in Sarasota, Florida, USA.

RTI provides and supports custom-branded versions of the Harlequin RIP direct to print service providers and printing equipment manufacturers, mostly in the North American market, and is a long-standing customer of the Group. RTI has grown a successful on-line sales operation over the past 20 years, selling the RTI Harlequin RIP for use with a wide variety of printing equipment and workflows.

This acquisition gives the Group a direct route to market in one of its strategic growth segments at the light production end of the digital printing market where RTI's understanding of the end-customer will be invaluable. It also gives the Group access to a very successful on-line sales operation which will allow the Group to receive a higher margin on sales to end users.

Outcome of the Annual General Meeting

All of the proposed resolutions were unanimously passed by the shareholders at the Company's Annual General Meeting ("AGM") on 28 April 2015.

At the meeting, the Company's Administrative Organ ("the board of directors" or "board") was appointed as follows:

- Guido Van der Schueren, Chairman
- Gary Fry, Chief Executive Officer
- Johan Volckaerts, Non-Executive Director
- Alain Pronost, Non-Executive Director

Under the Company's statutes, all directors must retire at every AGM.

More information about the resolutions passed at the AGM can be found on the investor's section of the Company's website at http://www.globalgraphics.com/investors/annual-shareholders-meeting/.

INTERIM MANAGEMENT REPORT (CONTINUED)

Sales

Sales for the period were €8.39 million, compared with €5.34 million for the same period in 2014. This is an increase of €3.05 million (57.1%). On a like for like basis, i.e. at 2014 exchange rates, sales during the period would have been approximately €1.33 million lower and totalled €7.06 million.

The net increase of €3.05 million in revenue during the period was due to:

- revenue from new customers of €0.02 million;
- an increase of €1.33 million due to the movement in exchange rates; and
- an increase of €1.70 million due to net higher volumes from existing customers.

License fees accounted for 88.7% (2014: 89.1%) of revenue, maintenance and support accounted for 7.8% (2014: 10.8%) hardware and consumables accounted for 2.0% (2014: nil), engineering services accounted for 1.4% (2014: nil) and other items accounted for 0.1% (2014: 0.1%).

On 4 March 2014, the Company announced that it had signed a contract to license its Harlequin technology to a global manufacturer of office printing devices to drive their single function, multi-function and production printers. The total revenue resulting from this contract is expected to be up to US$9 million during the term of the multi-year contract. During the period under review, US$4.01 million (€3.47 million) has been recognised as revenue, taking the total revenue recognised to 30 June 2015 under this contract to US$7.72 million (€6.19 million).

During the reporting period, the ten largest customers represented 82.2% (2014: 80.8%) of the Group's revenue, the five largest customers represented 71.1% (2014: 70.3%) of the Group's revenue and the single largest customer represented 41.4% (2014: 44.3%) of the Group's revenue. One customer in the Print segment and one customer in the eDoc segment (2014: one in Print, none in eDoc) represented more than 10% of the Group's revenue for the period.

The Group's sales are made in a number of different currencies, and during the reporting period 86.0% (2014: 91.5%) were denominated in US dollars, 0.8% (2014: 1.0%) were in pounds sterling, 12.5% (2014: 6.0%) were in Japanese yen and 0.7% (2014: 1.5%) were in euros. This means that the Group's revenues can be affected significantly by currency fluctuations against the reporting currency of euro.

Management has identified four strategic markets in which the Group operates in. They are:

- High-speed: for the increasing trend in the industry to move to high-speed inkjet printing, where the Group already provides its software technology to some of the market leaders;
- In-house: for the emerging trend of in-house production printing devices that allow staff to print low volume jobs on varying media in-house rather than sending out to a print service provider;
- Office: where existing office printer manufacturers are looking to reduce the costs of their hardware devices while at the same time creating new digital document software applications to build new revenue streams and differentiate their solutions from their competitors; and
- Traditional: for the Group's traditional graphics art printing business.

The following table shows the revenue attributable to each of the four markets for the six months ended 30 June 2015 and 30 June 2014.

In thousands of euros *(unaudited)*	**2015**	**2014**
High-speed	1,110	771
In-house	30	14
Office	4,813	2,872
Traditional	2,434	1,680
Total revenue	**8,387**	**5,337**

Pre-tax result

The pre-tax result was a profit of €2.08 million for the period, compared with a profit of €0.61 million for the same period in 2014.

The increase in profitability of €1.47 million is due to:

- the increase in revenue of €3.05 million as explained above;
- an increase in cost of sales of €0.27 million;
- an increase in selling, general and administrative expenses of €0.51 million;
- an increase in research and development expenses of €0.57 million;
- an increase in other operating expenses of €0.13 million; and
- an increase in foreign exchange losses of €0.10 million.

On a like for like basis, i.e. at 2014 exchange rates, cost of sales and operating expenses during the period would have been approximately €0.65 million lower.

INTERIM MANAGEMENT REPORT (CONTINUED)

Pre-tax result (continued)

Included in research and development expenses is the capitalisation and amortisation of internally generated intangible assets. During the period there was a net expense of €0.52 million (2014: €0.29 million) related to these assets. The net expense was made up of €1.43 million (2014: €1.14 million) in amortisation expense offset by €0.91 million (2014: 0.85 million) in capitalisation of development expenses.

The exchange rate losses are primarily due to the revaluation of currency balances held at the balance sheet date and the change in exchange rates during the period.

Cashflow

The period generated a reduction in cash of €0.64 million, ending with cash balances valued at €3.52 million (31 December 2014: €4.16 million).

The Group continues to generate sufficient cash to fund its day to day operational expenditures and capital expenditure on property, plant and equipment. Capital expenditure in the period was €0.23 million (2014: €0.05 million).

A proportion of the cash flow from the aforementioned new contract lags behind the recognition of revenue from that contract. As a result, some of the cash receipts for the license fee element of the contract are not due until up to 24 months after the balance of the license revenue has been recognised. During the period under review, US$0.47 million cash has been received against revenue recognised of US$4.01 million. In total, receipts of US$4.81 million have been received against the total US$7.72 million of revenue recognised.

The Company recognises the benefit from the UK research & development tax credit when it is certain that the repayment will be received from HM Revenue & Customs. The payment for the year ended 31 December 2014 was received on 9 July 2015, so the benefit of €0.48 million has been included in these interim financial statements, but the cash receipt has not been included in the Group's cash balance at 30 June 2015, instead it is included in trade and other receivables.

Adjusted financial results

Management believes that evaluating the Group's ongoing results may not be as useful if it is limited to reviewing only IFRS financial measures, particularly because management uses adjusted financial information to evaluate its ongoing operations and for internal planning and forecasting purposes.

Management does not suggest that investors should consider these adjusted financial results in isolation from, or as a substitute for, financial information prepared in accordance with IFRSs. The Group presents adjusted financial results in reporting its financial results to provide investors with an additional tool to evaluate the Group's results in a manner that focuses on what the Group believes to be its underlying business operations. The Group's management believes that the inclusion of adjusted financial results provides consistency and comparability with past reports and comparability to similar companies in the Group's industry, many of which present the same or similar adjusted financial information to investors. As a result, investors are encouraged to review the related IFRS financial measures and the reconciliation of these adjusted results.

Reported operating profit is adjusted as follows:

	For the six months ended 30 June	
In thousands of euros *(unaudited)*	**2015**	**2014**
Reported operating profit	2,238	668
Add share based remuneration expense (see note 13)	60	35
Deduct capitalised development expense	(913)	(846)
Add amortisation and impairment of capitalised development	1,429	1,141
Add other operating expenses (see note 6)	154	17
Add amortisation of purchased intangibles	25	-
Deduct other income	(16)	(14)
Total adjustments to reported operating profit	739	333
Adjusted operating profit	**2,977**	**1,001**

Reported net profit is adjusted as follows:

	For the six months ended 30 June	
In thousands of euros, except per share data in euro *(unaudited)*	**2015**	**2014**
Reported net profit	2,664	656
Adjustments to operating result above	739	333
Tax effect of abovementioned adjustments	(105)	(65)
Total adjustments to reported net profit	634	268
Adjusted net profit	**3,298**	**924**
Adjusted net basic earnings per share (see note 14)	0.32	0.09

INTERIM MANAGEMENT REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties to the Group can be found on pages 6 and 7 of the Company's annual report for the year ended 31 December 2014. For the remaining six months of this financial year, the principal risks are foreign exchange risk on the conversion of surplus currencies to functional currencies of subsidiaries, primarily US dollars to pounds sterling, and credit risk from trade receivables.

RESPONSIBILITY STATEMENTS UNDER THE DISCLOSURE AND TRANSPARENCY RULES

Each of the appointed directors listed on page 1 of this report confirm that to the best of their knowledge that:

- the condensed consolidated interim financial statements, prepared in accordance with IAS 34 Interim Financial Reporting and applicable law, give a true and fair view of the assets, liabilities, financial position and results of the Company and the undertakings included in the consolidation taken as a whole; and
- the interim management report contains a fair review of the important events and major transactions between affiliated parties which have occurred during the first six months of the current financial year and of their impact on the summary of the financial statements as well as a description of the principal risks and uncertainties for the remaining six months of the current financial year.

By order of the board,

2030 Cambourne Business Park
Cambourne, CB23 6DW, UK
27 July 2015

Gary Fry
Director

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the six months ended 30 June	
In thousands of euros, except per share data in euro *(unaudited)*	**Note**	**2015**	2014
Revenue	5	**8,387**	5,337
Cost of sales		**(410)**	(139)
Gross profit		**7,977**	5,198
Other income		**16**	14
Selling, general and administrative expenses		**(2,438)**	(1,929)
Research and development expenses		**(3,163)**	(2,598)
Other operating expenses	6	**(154)**	(17)
Operating profit		**2,238**	668
Finance income	7	**2**	-
Net finance income		**2**	-
Foreign currency exchange losses	7	**(164)**	(57)
Profit before tax		**2,076**	611
Tax	11	**588**	45
Profit for the period attributable to equity holders		**2,664**	656
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		**1,755**	627
Other comprehensive income for the period, net of tax		**1,755**	627
Total comprehensive income for the period attributable to equity holders		**4,419**	1,283
Earnings per ordinary share			
Basic earnings per share	14	**0.26**	0.07
Diluted earnings per share	14	**0.26**	0.06

All activities of the Group in the current and comparative period are classed as continuing.

The notes on pages 9 to 16 are an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of euros	Note	30 June 2015 *(unaudited)*	31 December 2014
ASSETS			
Non-current assets			
Property, plant and equipment	8	**484**	349
Other intangible assets	9	**3,939**	3,938
Goodwill	10	**8,174**	7,328
Financial assets		**134**	122
Deferred tax assets	11	**475**	298
Trade receivables due after more than one year		**1,342**	-
Total non-current assets		**14,548**	12,035
Current assets			
Inventories		**29**	15
Current tax assets		**53**	41
Trade and other receivables		**3,479**	1,635
Other current assets		**91**	58
Prepayments		**628**	413
Cash and cash equivalents		**3,521**	4,161
Total current assets		**7,801**	6,323
TOTAL ASSETS		**22,349**	18,358
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	12	**4,116**	4,116
Share premium		**249**	249
Share-based payments reserve	13	**3,440**	3,380
Treasury shares	12	**(353)**	(883)
Accumulated profit		**21,514**	19,280
Foreign currency translation reserve		**(8,633)**	(10,388)
Total equity		**20,333**	15,754
Liabilities			
Current liabilities			
Current tax liabilities		**63**	36
Trade and other payables		**298**	360
Other current liabilities		**796**	976
Customer advances and deferred revenue		**859**	1,232
Total current liabilities		**2,016**	2,604
Total liabilities		**2,016**	2,604
TOTAL EQUITY AND LIABILITIES		**22,349**	18,358

The notes on pages 9 to 16 are an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In thousands of euros *(unaudited)*	**Note**	**Share capital**	**Share premium**	**Share-based payments reserve**	**Treasury shares**	**Accumul-ated profit/ (deficit)**	**Foreign currency translation adjustment**	**Total equity**
Balance at 1 January 2014		**4,116**	**249**	**3,334**	**(1,017)**	**17,885**	**(11,490)**	**13,077**
Total comprehensive income								
Net profit for the period		-	-	-	-	656	-	656
Total other comprehensive income		-	-	-	-	-	627	627
Total comprehensive loss		**-**	**-**	**-**	**-**	**656**	**627**	**1,283**
Transactions with owners								
Share option plans related expenses	13	-	-	35	-	-	-	35
Own share grants (repurchases)	12	-	-	-	(105)	-	-	(105)
Total transactions with owners		**-**	**-**	**35**	**(105)**	**-**	**-**	**70**
Balance at 30 June 2014		**4,116**	**249**	**3,369**	**(1,122)**	**18,541**	**(10,863)**	**14,290**
Balance at 1 January 2015		**4,116**	**249**	**3,380**	**(883)**	**19,280**	**(10,388)**	**15,754**
Total comprehensive income								
Net profit for the period		-	-	-	-	2,664	-	2,664
Total other comprehensive income		-	-	-	-	-	1,755	1,755
Total comprehensive income		**-**	**-**	**-**	**-**	**2,664**	**1,755**	**4,419**
Transactions with owners								
Share option plans related expenses	13	-	-	60	-	-	-	60
Own share grants (repurchases)	12	-	-	-	530	(430)	-	100
Total transactions with owners		**-**	**-**	**60**	**530**	**(430)**	**-**	**160**
Balance at 30 June 2015		**4,116**	**249**	**3,440**	**(353)**	**21,514**	**(8,633)**	**20,333**

The notes on pages 9 to 16 are an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		For the six months ended 30 June	
In thousands of euros *(unaudited)*	**Note**	**2015**	**2014**
Cash flows from operating activities			
Net profit for the period		**2,664**	656
Adjustments to reconcile net profit to net cash:			
- Depreciation of property, plant and equipment	8	**136**	99
- Amortisation and impairment of other intangible assets	9	**1,483**	1,145
- Share-based remuneration expenses	13	**60**	35
- Net interest income	7	**(2)**	-
- Net foreign currency exchange losses	7	**164**	57
- Tax benefit	11	**(588)**	(45)
Other items		**(38)**	(3)
Change in operating assets and liabilities :			
- Financial assets		**-**	(23)
- Inventories		**(14)**	-
- Trade and other receivables		**(3,186)**	(239)
- Current tax assets		**(12)**	-
- Other current assets		**(33)**	13
- Prepayments		**(215)**	(17)
- Trade and other payables		**(62)**	127
- Current tax liabilities		**27**	-
- Other current liabilities		**(180)**	(336)
- Customer advances and deferred revenue		**(373)**	5
Cash received for interest income during the period		**2**	-
Cash received/(paid) during the period for current tax		**435**	(21)
Net cash flow from operating activities		**268**	1,453
Cash flows from investing activities			
Capital expenditures on property, plant & equipment	8	**(226)**	(47)
Capital expenditures on other intangible assets		**(113)**	-
Capitalisation of development expenses		**(913)**	(846)
Net cash flow used in investing activities		**(1,252)**	(893)
Cash flows from financing activities			
Own share repurchases	12	**-**	(105)
Net cash flow used in financing activities		**-**	(105)
Net (decrease)/increase in cash and cash equivalents		**(984)**	455
Cash and cash equivalents at 1 January		**4,161**	1,286
Effect of exchange rate fluctuations on cash held at 1 January		**344**	29
Cash and cash equivalents at 30 June		**3,521**	1,770

The notes on pages 9 to 16 are an integral part of these condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. REPORTING ENTITY

Global Graphics SE (the "Company") and its subsidiaries (together the "Group") is a leading developer of software platforms on which our partners create solutions for digital printing, digital document and PDF applications.

The Company is a European Company, or 'Societas Europaea' (SE), registered in England and Wales, domiciled in the United Kingdom and is quoted on Euronext in Brussels. The Company's registered office address is 2030, Cambourne Business Park, Cambourne, Cambridge, CB23 6DW.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2014.

The accounting policies and methods of computation adopted are consistent with those as described in the Company's consolidated financial statements for the year ended 31 December 2014.

There are no new or amended interpretations or standards effective for the financial year commencing 1 January 2015 that have had a material impact on the Group.

These condensed consolidated interim financial statements are unaudited and were authorised for issue by the Company's board of directors on 27 July 2015.

Basis of measurement

These condensed consolidated interim financial statements have been prepared on the historical cost basis, except, if applicable, for the revaluation of derivative instruments at fair value through profit or loss.

Non-current assets are stated at the lower of amortized cost and fair value less disposal costs when applicable. The methods used to measure fair value are discussed in note 4 of the Company's annual report for the year ended 31 December 2014.

Functional and presentation currency

These condensed consolidated interim financial statements are presented in euros, which is the Company's functional and presentation currency.

All information which is presented in the following notes has been rounded to the nearest thousand, unless otherwise specified.

Use of accounting estimates

The preparation of the condensed consolidated financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2014.

Going concern

On the date these condensed consolidated interim financial statements were approved, based on their review of cash flow projections prepared by management for the years ending 31 December 2015 and 2016, the members of the Company's board of directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern, primarily because of the cash position of €3.52 million as at 30 June 2015 (31 December 2014: €4.16 million), the absence of any outstanding debt and the additional cash inflows generated by the new contract announced on 4 March 2014.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

3. OPERATING SEGMENTS

Identification of reportable segments

Management has determined the operating segments based on the reports reviewed by the Group's Chief Executive Officer ("CEO") that are used for deciding how to allocate resources and also in assessing both operating and financial performance of each segment.

Two segments were identified: the Print segment, for printing software activities, and the eDoc segment, for electronic document technology activities.

Performance of operating segments is assessed by the Company's CEO based on their respective gross margin contribution.

The following table provides information on sales, costs and gross profit for each of the Group's operating segments for the six months ended 30 June 2015 and 30 June 2014:

In thousands of euros *(unaudited)*	**Print**	**eDoc**	**Unallocated**	**Total**
Six months ended 30 June 2015:				
Revenue from external customers	7,115	1,272	-	8,387
Cost of sales	(333)	(43)	(34)	(410)
Segment gross profit/(loss)	**6,782**	**1,229**	**(34)**	**7,977**
Six months ended 30 June 2014:				
Revenue from external customers	4,894	443	-	5,337
Cost of sales	(89)	(22)	(28)	(139)
Segment gross profit/(loss)	**4,805**	**421**	**(28)**	**5,198**

There are no inter-segment revenues. Operating costs are not allocated to a segment due to the cross-segment nature of the work performed by staff.

Reconciliation of reportable segments' measure of profit or loss to profit/(loss) before tax for the six months ended 30 June:

In thousands of euros *(unaudited)*	**2015**	**2014**
Gross profit from above	7,977	5,198
Other income	16	14
Selling, general and administrative expenses	(2,438)	(1,929)
Research and development expenses	(3,163)	(2,598)
Other operating expenses (see note 6)	(154)	(17)
Financial expenses, net of financial income (see note 7)	(162)	(57)
Profit/(loss) before tax	**2,076**	**611**

The following table provides information on assets and liabilities allocated to each of the Group's operating segments as at 30 June 2015 and 31 December 2014:

In thousands of euros	**Print**	**eDoc**	**Unallocated**	**Total**
30 June 2015:				
Non-current assets	12,371	898	1,279	14,548
Current assets	2,830	199	4,772	7,801
Total assets *(unaudited)*	**15,201**	**1,097**	**6,051**	**22,349**
Current liabilities	815	44	1,157	2,016
Total liabilities *(unaudited)*	**815**	**44**	**1,157**	**2,016**
31 December 2014:				
Non-current assets	10,225	937	873	12,035
Current assets	1,410	240	4,673	6,323
Total assets	**11,635**	**1,177**	**5,546**	**18,358**
Current liabilities	1,183	49	1,372	2,604
Total liabilities	**1,183**	**49**	**1,372**	**2,604**

Unallocated assets and liabilities include cash and cash equivalents, deferred tax balances, current tax, VAT, prepaid expenses and trade payables.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

4. ACQUISITION OF RTI

On 23 March 2015, the Group acquired the trade and assets of RTI Global, Inc. and RIPMall Technologies, Inc. (together "RTI"), both located in Sarasota, Florida, USA.

RTI provides and supports custom-branded versions of the Harlequin RIP direct to print service providers and printing equipment manufacturers, mostly in the North American market, and is a long-standing customer of the Group. RTI has grown a successful on-line sales operation over the past 20 years, selling the RTI Harlequin RIP for use with a wide variety of printing equipment and workflows. Both of the RTI employees have become employees of the Group.

This acquisition gives the Group a direct route to market in one of its strategic growth segments at the light production end of the digital printing market where RTI's understanding of the end-customer will be invaluable. It also gives the Group access to a very successful on-line sales operation which will allow the Group to receive a higher margin on sales to end users.

In the period from 23 March 2015 to 30 June 2015, RTI contributed revenue of €297 thousand and profit before tax and amortisation of €54 thousand to the Group's results. If the acquisition had occurred on 1 January 2015, management estimates that consolidated revenue during the reporting period would have been €8,690 thousand and consolidated profit for the reporting period would have been €2,681 thousand, including amortisation of €51 thousand. Management have assumed that the fair value adjustments, determined provisionally, that arose on the acquisition date would have been the same if the acquisition had occurred on 1 January 2015.

Total consideration transferred was made up of:

In thousands of euros *(unaudited)*	
Cash	28
Equity instruments (50,000 ordinary shares)	117
Forgiveness of debt	109
Total consideration	**254**

The equity instruments element of the consideration relates to the grant of shares to the owner of RTI, who became an employee of the Group. This grant of shares was made out of existing treasury shares and is included in the Grant of shares to employees in Note 12.

The fair value of ordinary shares was based on the closing share price of the Company's share at market close on 20 March 2015, the trading day prior to the acquisition date. The value was €2.33 per share.

The identifiable assets acquired and liabilities assumed were:

In thousands of euros *(unaudited)*	
Customer base	104
Domain names	-
Computer hardware	13
Total identifiable net assets	**117**

If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above amounts, or any additional provisions that existed at the acquisition date, then the acquisition accounting will be revised.

Goodwill was recognised as a result of the acquisition as follows:

In thousands of euros *(unaudited)*	
Total consideration transferred	254
Fair value of identifiable net assets	(117)
Total Goodwill	**137**

The goodwill is mainly attributable to the relationships with customers and the skill and technical talent of the RTI workforce, and the synergies expected to be achieved from integrating the business into the Groups infrastructure. All of the goodwill recognised is expected to be deductible for tax purposes.

The Group incurred acquisition-related costs of €8,611 for external legal fees. These costs have been included in 'Selling, general and administrative expenses' in the consolidated statement of comprehensive income.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

5. REVENUE

The Group typically sells its software through multi-year license and distribution agreements which provide for the periodic payment of license royalties and the provision of maintenance and after-sale support services over the duration of the agreement. Following the acquisition of RTI, the Group now has revenue from associated hardware and consumables sales. An analysis of sales by revenue type and geographical location of the Group's customers is shown below.

	For the six months ended 30 June	
In thousands of euros *(unaudited)*	**2015**	**2014**
License royalties	7,441	4,756
Maintenance and after-sale support services	655	574
Engineering services	117	-
Printer hardware and consumables	166	-
Other items	8	7
Total sales	**8,387**	**5,337**

	For the six months ended 30 June	
In thousands of euros *(unaudited)*	**2015**	**2014**
United Kingdom	74	58
Europe, excluding United Kingdom	161	155
North America (United States and Canada)	3,253	2,216
Asia (including Japan)	4,899	2,908
Total sales	**8,387**	**5,337**

6. OTHER OPERATING EXPENSES

Non-recurring expenses incurred during the six months ending 30 June were:

	For the six months ended 30 June	
In thousands of euros *(unaudited)*	**2015**	**2014**
Legal expenses (see below)	154	-
Redundancy expenses	-	17
Total other operating expenses	**154**	**17**

During the reporting period one of the Group's customers was involved in an alleged patent infringement involving the Group's technology. For commercial reasons, rather than defend the alleged infringement, management agreed to settle the alleged patent infringement in return for protection for all of its customers, past, present and future. No further expenses are expected in relation to this matter.

7. FINANCE INCOME AND FINANCE COSTS

	For the six months ended 30 June	
In thousands of euros *(unaudited)*	**2015**	**2014**
Interest income	2	-
Finance income	**2**	**-**
Foreign currency exchange losses on transactions and revaluations	(164)	(57)
Foreign currency exchange losses	**(164)**	**(57)**
Net finance costs	**(162)**	**(57)**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

8. PROPERTY, PLANT AND EQUIPMENT

In thousands of euros	Leasehold improvements	Computer equipment	Office equipment	Office furniture	Other items	Total
Cost						
At 1 January 2014	609	1,425	20	304	790	3,148
Additions	-	152	-	1	10	163
Disposals	-	(2)	-	-	-	(2)
Effect of movement in exchange rates	44	129	6	25	59	263
At 31 December 2014	**653**	**1,704**	**26**	**330**	**859**	**3,572**
At 1 January 2015	653	1,704	26	330	859	3,572
Additions	-	159	-	5	62	226
Effect of movement in exchange rates	63	170	2	31	86	352
At 30 June 2015 *(unaudited)*	**716**	**2,033**	**28**	**366**	**1,007**	**4,150**
Accumulated depreciation						
At 1 January 2014	428	1,272	18	303	761	2,782
Charge for the year	76	104	1	1	21	203
Disposals	-	(1)	-	-	-	(1)
Effect of movement in exchange rates	29	121	6	25	58	239
At 31 December 2014	**533**	**1,496**	**25**	**329**	**840**	**3,223**
At 1 January 2015	533	1,496	25	329	840	3,223
Charge for the period	42	79	1	1	13	136
Effect of movement in exchange rates	53	140	2	31	81	307
At 30 June 2015 *(unaudited)*	**628**	**1,715**	**28**	**361**	**934**	**3,666**
Net book value						
At 31 December 2014	120	208	1	1	19	349
At 30 June 2015 *(unaudited)*	**88**	**318**	**-**	**5**	**73**	**484**

9. OTHER INTANGIBLE ASSETS

In thousands of euros	Software technology	Customer contracts	Patents	Trademarks	Know-how	Total
Cost						
At 1 January 2014	31,149	14,460	2,727	621	151	49,108
Additions	1,786	-	-	-	-	1,786
Effect of movement in exchange rates	2,254	1,019	192	44	11	3,520
At 31 December 2014	**35,189**	**15,479**	**2,919**	**665**	**162**	**54,414**
At 1 January 2015	35,189	15,479	2,919	665	162	54,414
Additions	1,010	104	-	-	-	1,114
Effect of movement in exchange rates	3,463	1,506	284	65	16	5,334
At 30 June 2015 *(unaudited)*	**39,662**	**17,089**	**3,203**	**730**	**178**	**60,862**
Accumulated amortisation and impairment						
At 1 January 2014	26,963	14,460	2,680	621	151	44,875
Charge for the year	2,351	-	8	-	-	2,359
Effect of movement in exchange rates	1,979	1,019	189	44	11	3,242
At 31 December 2014	**31,293**	**15,479**	**2,877**	**665**	**162**	**50,476**
At 1 January 2015	31,293	15,479	2,877	665	162	50,476
Charge for the year	1,453	25	5	-	-	1,483
Effect of movement in exchange rates	3,094	1,509	280	65	16	4,964
At 30 June 2015 *(unaudited)*	**35,840**	**17,013**	**3,162**	**730**	**178**	**56,923**
Net book value						
At 31 December 2014	3,896	-	42	-	-	3,938
At 30 June 2015 *(unaudited)*	**3,822**	**76**	**41**	**-**	**-**	**3,939**

Software technology is internally generated from the capitalisation of development costs.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

9. OTHER INTANGIBLE ASSETS (CONTINUED)

The amortisation of patents is included in cost of sales and the amortisation charge for software technology which has been capitalised in accordance with IAS 38 is included in research and development expenses. The amortisation of customer contracts is included in Selling, general and administrative expenses.

Intangible assets that are subject to amortisation (i.e. those arising from the capitalisation of development costs in accordance with criteria set in IAS 38 Intangible Assets) are reviewed for impairment whenever events or changes in accounting estimates indicate that the carrying amount may not be recoverable.

There was no significant change during the period to the calculations and assumptions used at 31 December 2014 to identify any requirement to impair any of these intangible assets. It was concluded that no impairment was required for the six months ended 30 June 2015 (2014: €nil).

The software technology is allocated to the following technology and segments and has the following net book value and remaining amortisation periods:

In thousands of euros	Remaining amortisation period	30 June 2015 *(unaudited)*	31 December 2014
Harlequin RIP	Between 1.1 years and 3.6 years	2,299	2,376
Jaws RIP	1.7 years	480	521
Total Print segment		**2,779**	**2,897**
EDL	2.0 years	444	504
gDoc applications	2.6 years	599	495
Total eDoc segment		**1,043**	**999**
Total software technology		**3,822**	**3,896**

10. GOODWILL

In thousands of euros	Harlequin asset purchase	Ansyr asset purchase	RTI asset purchase	Total
Cost				
At 1 January 2014	12,920	13	-	12,933
Effect of movement in exchange rates	911	2	-	913
At 31 December 2014	**13,831**	**15**	**-**	**13,846**
At 1 January 2015	13,831	15	-	13,846
Additions	-	-	137	137
Effect of movement in exchange rates	1,348	1	(5)	1,344
At 30 June 2015 *(unaudited)*	**15,179**	**16**	**132**	**15,327**
Accumulated amortisation or impairment				
At 1 January 2014	6,075	13	-	6,088
Effect of movement in exchange rates	428	2	-	430
At 31 December 2014	**6,503**	**15**	**-**	**6,518**
At 1 January 2015	6,503	15	-	6,518
Effect of movement in exchange rates	634	1	-	635
At 30 June 2015 *(unaudited)*	**7,137**	**16**	**-**	**7,153**
Net book value				
At 31 December 2014	7,328	-	-	7,328
At 30 June 2015 *(unaudited)*	**8,042**	**-**	**132**	**8,174**

The Group is required to test annually, or more frequently if facts and circumstances warrant a review, whether goodwill and other intangible assets with indefinite useful lives have suffered any impairment during the year.

Having reviewed the revenue and operating result for the six months ended 30 June 2015 against the forecast used for the impairment review at 31 December 2014, management concluded that no impairment review was necessary for this interim reporting period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

11. TAX

Corporation tax

Analysis of the tax (benefit)/expense in the period:

In thousands of euros *(unaudited)*	For the six months ended 30 June 2015	2014
Current tax		
Benefit arising from the repayment of R&D tax credits in the UK	(479)	-
Expense arising from other items	35	94
Total current tax (benefit)/expense	**(444)**	**94**
Deferred tax		
Arising from the capitalisation and amortisation of development expenses	(105)	(65)
Effect of change in tax rate	(39)	(87)
Other items	-	13
Total deferred tax benefit	**(144)**	**(139)**
Total tax benefit	**(588)**	**(45)**

The Company recognises the benefit from the UK research & development tax credit when it is certain that the repayment will be received from HM Revenue & Customs. The payment for the year ended 31 December 2014 was received on 9 July 2015, so the benefit has been included in these interim financial statements, but the cash receipt has not been included in the Group's cash balance at 30 June 2015, instead it is included in trade and other receivables.

Deferred tax

The Group had recognised deferred tax as follows:

In thousands of euros	30 June 2015 *(unaudited)*	31 December 2014
Capital allowances	1,193	1,087
Other items	18	16
Total deferred tax assets	**1,211**	**1,103**
Capitalised development expenses	(736)	(805)
Total deferred tax liabilities	**(736)**	**(805)**
Total recognised deferred tax assets	**475**	**298**

Deferred tax assets are recognised for tax losses available for carrying forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. Deferred tax is measured at the tax rates that are expected to apply to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. The tax rate used to calculate the deferred tax asset at 30 June 2015 was 20%.

12. SHARE CAPITAL AND TREASURY SHARES

Ordinary shares issued:

In thousands of euros	30 June 2015 *(unaudited)*	31 December 2014
Allotted, called up and fully paid		
10,289,781 ordinary shares of €0.40 each	4,116	4,116

The Company's investment in its own shares in treasury is as follows:

	For the six months ended 30 June 2015 *(unaudited)*		For the year ended 31 December 2014	
In thousands of euros, except number of shares	**Number**	**Value**	**Number**	**Value**
At the start of the period	180,519	883	155,428	1,017
Grant of shares to employees	(110,000)	(530)	(33,369)	(239)
Purchase of own shares	-	-	58,460	105
At the end of the period	**70,519**	**353**	**180,519**	**883**

As part of the legal reorganisation to transfer the Company's place of registration from France to the UK in 2013, 58,460 of the Company's shares were purchased for €105,228 in the six months ended 30 June 2014 from shareholders that opposed the transfer and requested that their shares be purchased by the Company.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

13. SHARE BASED PAYMENTS

Share option plan

No share options were granted, were exercised or lapsed during the six months ended 30 June 2015.

A total of 560,000 options were outstanding as at 30 June 2015, of which 150,000 were exercisable at that date.

Free shares

During the six months ended 30 June 2015, 1,102 Share Incentive Plan Matching Shares were granted and 1,106 lapsed. As at 30 June 2015 the total number of outstanding free shares granted to employees of the Group was 43,513.

Share-based payment expense

For the six months ended 30 June 2015, the Group has recognised €59,758 (2014: €35,125) of share-based payment expense in these financial statements.

14. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding those held in treasury.

For diluted earnings per share, the weighted average number of ordinary shares in issue during the year, excluding those held in treasury, is adjusted to assume conversion of all dilutive potential ordinary shares. At the period end, those share options where the exercise price is less than the average market price of the Company's ordinary shares were the only dilutive potential ordinary shares.

	As at 30 June	
In thousands of euros unless otherwise stated *(unaudited)*	**2015**	**2014**
Weighted average number of shares (basic), in thousands of shares	10,275	10,079
Add the effect of dilutive potential ordinary shares, in thousands of shares	140	93
Weighted average number of shares (diluted), in thousands of shares	10,415	10,172
Profit attributable to ordinary shareholders	2,664	656
Basic earnings per share, in euros	**0.26**	**0.07**
Diluted earnings per share, in euros	**0.26**	**0.06**
Adjusted profit attributable to ordinary shareholders (see Interim Management Report)	3,298	924
Basic adjusted earnings per share, in euros	0.32	0.09

15. RELATED PARTY TRANSACTIONS

Existing related parties

Key personnel

There has been no significant change in the remuneration of key personnel to that previously disclosed in the annual report for the year ended 31 December 2014.

All of the directors receive board fees of €5,000 each per annum and Gary Fry remains the only director with an employment contract that entitles him to salary, bonus and other benefits in addition to the board fees.

Andlinger & Co. CVBA

During the period there were no transactions between the Group and Andlinger & Co. CVBA ("Andlinger"). At the date of these financial statements no amount was owed between the Group and Andlinger.

Hybrid Software Inc.

During the period the Group recognised revenue from Hybrid Software Inc. ("Hybrid") of €15,688 (2014: €nil).

At the date of these financial statements, Hybrid owed the Group €30,196.