INSIDE Secure – First half of 2015 results

- **Q2 2015 revenue of $18.6 million is up 14% compared with low point reached in Q1 leading to a total of $35.0 million in H1 2015**
- **Adjusted gross margin[1] of $16.4 million (47.0% revenue) in H1 2015**
- **Adjusted operating loss of $10.8 million in H1 2015 (versus +$3.2 million in H1 2014)**
- **EBITDA at -$8.6 million in H1 2015 (versus +$5.6 million in H1 2014)**
- **Proactive cost structure management (closed agreement with Presto Engineering)**
- **First significant contracts in software protection products as core to the company's strategy**

Aix-en-Provence, France, July 31, 2015 – INSIDE Secure (Euronext Paris: INSD), a leader in embedded security solutions for mobile and connected devices, today reported its consolidated results[2] for the six-month period ending June 30, 2015.

Financial results for the first half of 2015 - key figures (unaudited)

	Adjusted		IFRS	
(in thousands of US$)	**H1 2015**	**H1 2014**	H1 2015	H1 2014
Revenue	**34 966**	**64 247**	34 966	64 247
Gross profit	**16 420**	**37 822**	11 535	31 860
As a % of revenue	***47,0%***	***58,9%***	*33,0%*	*49,6%*
Operating income	**(10 813)**	**3 240**	(21 089)	(5 699)
Net income	**(9 954)**	**3 462**	(19 723)	(5 477)
EBITDA	**(8 602)**	**5 627**	-	-

Commenting on these results, Rémy de Tonnac, President and Chief Executive Officer of INSIDE Secure, said:
"After the low point reached in the first quarter of 2015, INSIDE Secure returned to growth in the second quarter. However, business levels remained below our expectations in the first half of 2015 as a whole, as the build-up of our embedded security offer has not yet offset the expected decline in part of our semiconductor business. However, we have had our new commercial successes and we continue to expect our business to grow in the second half of the year, thereby validating the shift in our business model that has been underway for several months now. With regards to innovation and R&D – which account for 63% of the company's staff – INSIDE Secure continues to focus its efforts on its growth drivers, namely, mobile platform security, security for the Internet of Things and brand protection."

[1]Some financial measures and performance indicators are presented on an adjusted basis as defined in Appendix 2. They should be considered additional information, which cannot replace any other strictly accounting-based operating or financial performance measure as presented in the consolidated financial statements in Appendix 1.
[2]The consolidated first-half financial statements have been prepared by the management board and reviewed by the supervisory board, and have also been subject to a limited scope audit by the statutory auditors.

Financial information for the second quarter and first half of 2015

Revenue for the second quarter and first half of 2015

Revenue by segment:

(in thousands of US$)	Q2-2015	Q2-2014	Q1-2015	Q2-2015 vs. Q2-2014	Q2-2015 vs. Q1-2015	H1-2015	H1-2014	Year on Year %
Mobile Security	6 138	25 677	5 014	-76%	22%	11 152	32 750	-66%
Secure Transactions	12 499	13 658	10 665	-8%	17%	23 163	29 984	-23%
Unallocated	0	1 513	650	-	-	650	1 513	-
Total	**18 637**	**40 848**	**16 329**	**-54%**	**14%**	**34 966**	**64 247**	**-46%**

Revenue by category:

(in thousands of US$)	Q2-2015	Q2-2014	Q1-2015	Q2-2015 vs. Q2-2014	Q2-2015 vs. Q1-2015	H1-2015	H1-2014	Year on Year %
Revenue from sale of products	12 081	15 343	11 399	-21%	6%	23 480	32 161	-27%
Revenue from development and license agreements, royalties, maintenance and others services	6 555	25 505	4 930	-74%	33%	11 485	32 086	-64%
Total	**18 637**	**40 848**	**16 329**	**-54%**	**14%**	**34 966**	**64 247**	**-46%**

Consolidated revenue in the second quarter of 2015 amounted to $18.6 million, an increase of 14% compared with Q1 2015 but a reduction compared to Q2 2014, which included $16.2 million of revenue from licensing INSIDE Secure's NFC technology and patents to Intel.

In the first half of 2015, the expected decline in revenue from INSIDE Secure's legacy businesses was not offset by the gradual build-up of its embedded security solutions for mobile applications and connected devices. However, in the second quarter, the company decisively won some new contracts for its software and intellectual property (IP) solutions which should -- as previously announced -- result in effective business growth in the second half of the year.

Adjusted operating income

(in thousands of US$)	H1 2015	H1 2014
Revenue	34 966	64 247
Adjusted gross profit	**16 420**	**37 822**
As a % of revenue	*47,0%*	*58,9%*
Research and development expenses	(12 375)	(18 133)
Selling and marketing expenses	(8 377)	(10 569)
General and administrative expenses	(5 036)	(6 363)
Other gains / (losses), net	(1 445)	482
Total adjusted operating expenses	**(27 233)**	**(34 582)**
Adjusted operating income / (loss)	**(10 813)**	**3 240**

Note: Sums may not equal totals due to rounding.

Adjusted gross profit was $16.4 million (47% of revenue) in the first half of 2015, as opposed to $37.8 million in the first half of 2014 which benefited from a high-margin agreement to license INSIDE Secure's NFC technology and patents to Intel.

Adjusted operating expenses amounted to $27.2 million in the first half of 2015, down 21% year-on-year and down 14% compared with the second half of 2014. The decrease in expenses is partly due to the company's shift to a business model more focused on high-value-added security activities, as exemplified by the licensing agreement formed with Intel in June 2014. As part of that agreement, an R&D team was transferred to Intel in June 2014.

Lower expenses also resulted from the US dollar's rise against the euro[3] which, as expected, reduced the company's adjusted operating expenses by an estimated $3.4 million. Taking into account movements in the exchange rate and INSIDE Secure's currency hedging policy, the company expects this positive impact on its adjusted operating expenses to continue in the second half of 2015.

(in thousands of US$)	H1 2015	H1 2014	2015 vs. 2014
EBITDA	**(8 602)**	**5 627**	**(14 229)**
Amortization and depreciation of assets (*)	2 210	(2 387)	4 597
Adjusted operating income	**(10 813)**	**3 240**	**(14 053)**
Business combinations (**)	(5 815)	(8 729)	2 914
Other non recurring costs (***)	(4 172)	28	(4 200)
Share based payments	(289)	(239)	(50)
Operating income	**(21 089)**	**(5 699)**	**(15 390)**
Finance income / (losses), net	1 321	538	783
Income tax expense	45	(315)	361
Net income	**(19 723)**	**(5 476)**	**(14 246)**

(*) excluding amortization and depreciation of assets acquired through business combinations.

(**) amortization and depreciation of assets acquired through business combinations and acquisition related external expenses.

(***) Restructuring expenses and, for 2015, impact of the transfer of a business

Sums may not equal totals due to rounding.

EBITDA

In the first half of 2015, the company reported an EBITDA loss of $8.6 million as opposed to income of $5.6 million in the first half of 2014.

Net financial income / (expense)

Net financial income totalled $1.3 million as of June 30, 2015 ($0.5 million as of June 30, 2014) mostly generated by the impact of EUR/USD exchange rate evolution and the reversal of an unused provision on a license agreement.

Consolidated net income / (loss)

The consolidated net loss (IFRS) in the first half of 2015 was $19.7 million compared with a $5.5 million loss in the first half of 2014. Consolidated net income was negatively impacted by the company's weak operational performance, but also by:

- A high level of residual amortization charges on assets (with no cash impact) resulting from the Group's acquisitions in recent years (SMS in 2010, ESS in 2012, and Metaforic in 2014). This amounted to $5.8 million in the first half of 2015[4] compared with $8.4 million in the first half of 2014;

- A $4 million non-recurring charge (with no cash impact) in relation with the partnership arrangement formed on June 30, 2015 under which INSIDE Secure outsourced its semiconductor engineering and supply-chain management services to Presto Engineering Inc.

[3] The company adopted the US dollar as the reporting currency for its consolidated financial statements; the US dollar is the currency in which the majority of its transactions are denominated, contributing almost all of its revenue. The majority of its operating expenses are denominated in euros. This leaves the company with exposure to trends in the euro against the US dollar.

[4] In 2016, amortization charges resulting from acquisitions should be reduced significantly, barring any impairment, since the amortization of assets transferred through the acquisitions of SMS (2010) and ESS (2012) will be mostly complete.

Outsourcing to Presto Engineering will mainly benefit INSIDE Secure's Secure Transactions segment. This will structurally reduce the cost of sales of its products while positively impacting INSIDE Secure's gross margin and operating income beginning in the second half of 2015. This will bring an estimated saving of $0.4 million in the second half of 2015.

Business segment analysis

as at June 30, 2015

(in thousands of US$)	Mobile Security	Secure Transactions	Unallocated (*)	Total 2015
Revenue	11 152	23 163	650	34 966
Contribution to revenue	*31,9%*	*66,2%*	-	*100%*
Adjusted gross profit	9 999	5 771	650	16 420
As a % of revenue	*89,7%*	*24,9%*	-	*47,0%*
Adjusted operating income	(5 493)	(4 525)	(794)	(10 813)
As a % of revenue	*-49,3%*	*-19,5%*	-	*-30,9%*
EBITDA	(5 074)	(2 734)	(794)	(8 602)
As a % of revenue	*-45,5%*	*-11,8%*	-	*-24,6%*

as at June 30, 2014

(in thousands of US$)	Mobile Security	Secure Transactions	Unallocated (**)	Total 2014
Revenue	32 750	29 984	1 513	64 247
Contribution to revenue	*51,0%*	*46,7%*	-	*100%*
Adjusted gross profit	28 444	7 865	1 513	37 822
As a % of revenue	*86,9%*	*26,2%*	-	*58,9%*
Adjusted operating income	6 749	(5 504)	1 995	3 240
As a % of revenue	*20,6%*	*-18,4%*	-	*5,0%*
EBITDA	7 201	(3 570)	1 995	5 627
As a % of revenue	*22,0%*	*-11,9%*	-	*8,8%*

(*) unallocated amounts correspond mainly to non-recurring revenue.

(**) unallocated expenses correspond mainly to unused capacity not allocated to business segments.

Sums may not equal totals due to rounding.

Mobile Security

Segment revenue amounted to $11.2 million in the first half of 2015. Embedded security solutions performance was disappointing, although the outlook for the rest of 2015 is better as a result of contract wins which will bring revenue in the second half of 2015. In the first half of this year, the company did not record revenue from the licensing program of INSIDE Secure's NFC patents managed by France Brevets but remains confident about its ability to continue generating significant revenue from the program.

Software protection products based on technology acquired from Metaforic continue to see very firm business activity. In the second quarter, the Group signed a significant licensing agreement with a leading US health insurer to enhance the security of its mobile apps used by its customers. In addition, INSIDE Secure is actively marketing its HCE mobile payment solution[5] to banks and an expanding ecosystem of major specification drivers and integrators. In this context, initial distribution and licensing contracts have been signed, including one with a world leader in digital security. These contracts will generate revenue – mainly in the form of royalties – by the beginning of 2016 when customers will deploy solutions incorporating INSIDE Secure's technology.

[5] Host Card Emulation. Introduced on Android 4.4 (KitKat) and recently supported by major payment brands, HCE allows for contactless payments (and other services including loyalty programs, building access and transit passes) to be made directly between the mobile application of consumers' banks and retailers' point-of-sale terminals using NFC technology. It allows sensitive data used to facilitate transactions to be securely stored on, and accessed from, cloud servers rather than a mobile device and without the use of a secure element or a SIM card.

The segment's adjusted gross margin was at 89.7% of revenue in the first half of 2015. This reflects the favourable product mix consisting mainly of licences, royalties and maintenance revenue.

The Mobile Security segment reported an adjusted operating loss of $5.5 million in the first half of 2015 despite a 29% reduction in operating expenses. It had reported an adjusted operating income of $6.7 million in the first half of 2014 thanks to revenue and margin that was boosted by the Intel licensing agreement

The segment reported an EBITDA loss of $5.1 million in the first half of 2015 (as opposed to positive EBITDA of $7.2 million in the first half of 2014).

Secure Transactions

Revenue in the Secure Transactions segment amounted to $23.2 million in the first half of 2015. This is substantially lower than the previous year despite firm business levels in secure access products and secure modules. INSIDE Secure's EMV chip and module sales in the US remained well below expectations, and therefore failed to offset the expected decline in the company's legacy EMV chip and identification business in Europe.

Although new agreements and design-ins won in the first half of 2015 did not materially contribute to revenue, they are promising in terms of the company's future growth, particularly in the Internet of Things, brand protection and anti-counterfeiting solutions. This is illustrated by INSIDE Secure's partnership with Selinko to launch the first 100%-secure connected spirits bottle marketed by the Rémy Martin group.

Segment adjusted gross margin fell from 26.2% in the first half of 2014 to 24.9% in the first half of 2015 because of a provision on excess inventories of $1.8 million resulting from the Group's slower-than-expected growth in the US EMV card market. Excluding that provision, gross margin in the first half of 2015 rose significantly thanks to the improved product mix.

The segment reduced its adjusted operating loss to $4.5 million from $5.5 million in 2014 through lower operating expenses and despite a lower gross profit. The segment reported an EBITDA loss of $2.7 million in the first half of 2015 compared with a $3.6 million loss in 2014.

Cash and other key figures

As of June 30, 2015, the Group's available cash was $23.8 million, as opposed to $36.3 million on December 31, 2014 and $38.8 million on June 30, 2014.

Net cash[6] amounted to $22.5 million on June 30, 2015, compared with $28.6 million on December 31, 2014 and $38.1 million on June 30, 2014.

The main movements in cash during the first half of 2015 were as follows:

- Ongoing operations[7] absorbed $6.9 million;
- An increase in the working capital requirement (net from financing in June 2015 of the 2014 research tax credit) absorbed $4.9 million mostly due to an increase in inventories;
- Capital expenditure and expenditure on intangible assets remained low in the first half of 2015, amounting to $0.8 million (as opposed to $1 million in the first half of 2014).

The company maintained a solid financial position with consolidated equity at $71.8 million on June 30, 2015.

[6] Net cash consists of cash on hand, cash equivalents and short-term investments and the net amount of derivatives, less obligations under finance leases, bank overdrafts, bank loans, and any earnout payments due in connection with business combinations. Debt related to the financing of research tax credit claims with a maturity equivalent to that of the research tax credit they finance is not taken into account because it will be extinguished when the research tax credit claims are repaid by the French government.

[7] Cash generated by operating activities before changes in working capital.

In April 2015, INSIDE Secure announced the arrangement of an equity line of financing with Kepler Cheuvreux. This funding mechanism combines flexibility and security complementing the other financing sources already in place and the existing cash position. Under its agreement with INSIDE Secure, Kepler Cheuvreux has undertaken to subscribe for new shares, over a period of two years, up to a maximum 3,400,000 shares, subject to compliance with the terms defined by both parties. In April and May 2015, 400,000 new shares were issued under this agreement. The company retains the ability to issue a further 3,000,000 shares through April 2017.

Outlook for 2015

The software protection and HCE mobile payment product lines benefit from a favourable momentum. In July 2015, INSIDE Secure executed a multi-million dollar software protection licensing agreement with one of the three largest banks in the US to increase the security of the mobile apps provided by the bank to its customers. Also in July, Visa granted the Visa Ready status to INSIDE Secure MatrixHCE product. This status will ease the Visa HCE payment certification process for banks and card issuers, thereby reducing their development efforts and time-to-market.

As announced in the first quarter, INSIDE Secure expects an increase in sales relating to its embedded security offering for mobile platforms and connected devices in the second half of the year, although visibility regarding sequential quarterly performance remains limited.

Conference call

The company will hold a conference call at 10 a.m. (Paris time) on August 3, 2015 regarding the release of its half-year 2015 results. The call can be accessed by dialling one of the following numbers: +33 (0)1 70 77 09 40 (France), +44 20 7107 1613 (United Kingdom), or + 1 855 402 77 61 (USA). The presentation will be available on our website: www.insidesecure.com. An audio webcast of the presentation and the Q&A session will be available on the INSIDE Secure website approximately three hours after the end of the call and will remain posted there for one year.

Financial calendar

Publication of third-quarter 2015 revenue: October 22, 2015 (after market close).

INSIDE Secure also announces that it has made available to the public and submitted to the AMF its **interim financial report as of June 30, 2015** ("rapport financier semestriel"). The report can be viewed on the Company's website: http://www.insidesecure-finance.com/en.

Press and investor contacts

INSIDE Secure
Corporate communication
Géraldine Saunière
Marcom Director
+33 (0) 4 42 905 905
gsauniere@insidefr.com

Brunswick
Financial communication
Jérôme Biscay, Candice Baudet
+33 (0) 1 53 96 83 83
INSIDE@brunswickgroup.com

INSIDE Secure
Investor relations
Richard Vacher Detournière
General manager & CFO
+33 (0) 4 42 905 905
rvacherdetourniere@insidefr.com

About INSIDE Secure

INSIDE Secure (Euronext Paris FR0010291245 – INSD) provides comprehensive embedded security solutions. World-leading companies rely on INSIDE Secure's mobile security and secure transaction offerings to protect critical assets including connected devices, content, services, identity and transactions. Unmatched security expertise combined with a comprehensive range of IP, semiconductors, software and associated services gives INSIDE Secure customers a single source for advanced solutions and superior investment protection. For more information, visit www.insidesecure.com.

Forward-looking statements

This press release contains certain forward-looking statements concerning INSIDE Secure. Although INSIDE Secure believes its expectations to be based on reasonable assumptions, they do not constitute guarantees of future performance. The Group's actual results may differ materially from those anticipated in these statements owing to a number of risks and uncertainties. For a more detailed description of these risks and uncertainties, please refer to the "Risk Factors" section of the registration document dated April 30, 2015 (R15-030), available on www.insidesecure.com.

Appendix 1 - Consolidated income statement, balance sheet and cash flow statement (IFRS)

The following tables form part of the interim consolidated financial statements prepared in accordance with IFRS which are available on the Company's website.

Consolidated income statement

(In thousands of US$)		**as at June 30,**
	2014	**2015**
Revenue	64 247	34 966
Cost of sales	(32 386)	(23 430)
Gross profit	**31 860**	**11 535**
Research and development expenses	(18 961)	(13 392)
Selling and marketing expenses	(10 659)	(8 495)
General and administrative expenses	(6 422)	(5 096)
Other gains / (losses), net	(1 517)	(5 640)
Operating loss	**(5 699)**	**(21 089)**
Finance income / (loss), net	538	1 321
Loss before income tax	**(5 162)**	**(19 768)**
Income tax expense	(315)	45
Loss for the period	**(5 477)**	**(19 723)**
Attributable to:		
Equity holders of the Company	(5 477)	(19 723)
Non-controlling interests	-	-
Earnings per share:		
Basic earnings per share	(0,16)	(0,57)
Diluted earnings per share	(0,16)	(0,57)

Consolidated balance sheet

Assets

In thousands of US$	December 31, 2014	June 30, 2015
Goodwill	24 623	24 080
Intangible assets	28 453	21 760
Property and equipment	6 001	4 481
Other receivables	23 437	24 668
Non-current assets	**82 514**	**74 989**
Inventories	9 919	11 949
Trade receivables	13 580	6 776
Other receivables	12 893	15 657
Derivative financial instruments	93	141
Cash and cash equivalents	36 315	23 770
Current assets	**72 801**	**58 293**
Total assets	**155 315**	**133 282**

Equity and liabilities

In thousands of US$	December 31, 2014	June 30, 2015
Ordinary shares	18 020	18 195
Share premium	225 820	226 522
Other reserves	13 494	13 410
Retained earnings	(161 613)	(166 635)
Income / (loss) for the period	(5 022)	(19 723)
Equity attributable to equity holders of the Company	**90 698**	**71 768**
Non-controlling interests	-	-
Total equity	**90 698**	**71 768**
License agreement liabilities and transferred activities - long term portion	3 460	4 049
Financial debt - long term portion	6 472	18 271
Repayable advances	5 820	5 056
Retirement benefit obligations	1 503	1 213
Non-current liabilities	**17 255**	**28 589**
License agreement liabilities and transferred activities - short term portion	1 076	2 373
Financial debt - short term portion	12 572	5 559
Derivative instruments	1 055	797
Trade and other payables	29 756	20 076
Provisions for other liabilities and charges	273	353
Deferred income	2 630	3 768
Current liabilities	**47 362**	**32 925**
Total liabilities	**64 617**	**61 514**
Total equity and liabilities	**155 315**	**133 282**

Consolidated cash flow statement

In thousands of US$	6-month period ended	
	June 30, 2014	June 30, 2015
Loss for the period	**(5 477)**	**(19 723)**
Adjustments for:		
Depreciation of tangible assets	2 010	1 470
Amortization of intangible assets	7 079	6 176
Impairment of assets	1 684	444
Reversal of unused provision on intangible asset - SMS	(399)	(1 814)
Transfer of activities to Presto Engineering - Portion with no impact on cash	-	4 084
Impairment of receivables	(754)	(220)
Impairment of inventories	(291)	2 038
Financial result	(910)	544
(Profit) / loss on disposal of assets	-	(39)
Share-based payments	239	289
Change in retirement benefit obligation	(136)	(247)
Income tax	315	115
Variation in provisions for risks	(1 463)	80
Cash generated by / (used in) operations before changes in working capital	**1 898**	**(6 803)**
Changes in working capital		
Inventories	4 265	(4 067)
Trade receivables	8 274	7 789
Trade receivables transferred or derecognized	(603)	(698)
Other receivables	(1 117)	(3 285)
Research tax credit and grants	(3 389)	(2 232)
Trade and other payables	1 078	(4 866)
Non refundable advance on order backlog	(2 683)	-
Other payables	(3 797)	(3 246)
Cash generated by / (used in) changes in working capital	**2 028**	**(10 607)**
Cash generated by / (used in) operations	**3 926**	**(17 409)**
Interest received, net	(252)	(12)
Income tax paid	(584)	(115)
Net cash used in operating activities	**3 090**	**(17 536)**
Cash flows from investing activities		
Acquisition of Metaforic, net of cash acquired	(13 036)	-
Acquisition d'ESS, complément de prix	-	-
Acquisition of equity investments accounted for under the equity method	(952)	-
Purchases of property and equipment	(506)	(693)
Purchases of intangible assets	(523)	(59)
Capitalized development costs	55	-
Net cash used in investing activities	**(14 962)**	**(752)**
Cash flows from financing activities		
Proceeds from issuance of ordinary shares, net of issuance costs	130	878
Repayable advance	2 756	(262)
Financing of the research tax credit	7 606	5 700
Principal repayment under finance lease	(245)	(226)
Treasury shares	36	(156)
Net cash generated by / (used in) financing activities	**10 283**	**5 934**
Net decrease in cash and cash equivalents	**(1 589)**	**(12 354)**
Cash and cash equivalents at beginning of the year	40 213	36 315
Effect of exchange rate fluctuations	147	(191)
Cash, cash equivalents at end of the period	**38 771**	**23 770**

Appendix 2 - Non-GAAP measures -- Reconciliation of IFRS results with adjusted results

The performance indicators presented in this press release that are not strictly accounting measures are defined below. These indicators are not defined under IFRS and do not constitute accounting elements used to measure the Group's financial performance. They should be considered as additional information, which cannot replace any other strictly accounting-based operating or financial performance measure, as presented in the Group's consolidated financial statements and their related notes. The Group uses these indicators because it believes they are useful measures of its recurring operating performance and its operating cash flows. Although they are widely used by companies operating in the same industry around the world, these indicators are not necessarily directly comparable to those of other companies, which may have defined or calculated their indicators differently than the Group, even though they use similar terms.

Adjusted gross profit is defined as gross profit before (i) the amortization of intangible assets and masks related to business combinations, (ii) any potential goodwill impairment, (iii) share-based payment expense and (iv) non-recurring costs in relation to restructuring and business combinations carried out by the Group.

Adjusted operating income/(loss) is defined as operating income/(loss) before (i) the amortization of intangible assets and masks related to business combinations, (ii) any potential goodwill impairment, (iii) share-based payment expense and (iv) non-recurring costs associated with restructuring and business combinations carried out by the Group.

EBITDA is defined as adjusted operating income before depreciation, amortization and impairment losses not related to business combinations.

The following tables show the reconciliation between adjusted financial measures, as defined above, and consolidated income statements for the half-year periods ending June 30, 2015 and June 30, 2014.

(in thousands of US$)	**2015 adjusted**	**Business combinations**	**Share-based payment**	**Other non-recurring costs (*)**	**2015 IFRS**
Revenue	34 966	-	-	-	34 966
Cost of sales	(18 546)	(4 881)	(3)	-	(23 430)
Gross profit	**16 420**	**(4 881)**	**(3)**	**-**	**11 535**
As a % of revenue	*47,0%*				*33,0%*
R&D expenses	(12 375)	(910)	(106)	-	(13 392)
Selling & marketing expenses	(8 377)	-	(119)	-	(8 495)
General & administrative expenses	(5 036)	-	(61)	-	(5 096)
Other gains/(losses), net	(1 445)	(23)	-	(4 172)	(5 640)
Operating income / (loss)	**(10 813)**	**(5 815)**	**(289)**	**(4 172)**	**(21 089)**
Amortization and depreciation of assets (**)	2 210	-	-	-	
EBITDA	**(8 602)**				

(in thousands of US$)	**2014 adjusted**	**Business combinations**	**Share-based payment**	**Other non-recurring costs (*)**	**2014 IFRS**
Revenue	64 247	-	-	-	64 247
Cost of sales	(26 425)	(5 924)	(38)	-	(32 386)
Gross profit	**37 822**	**(5 924)**	**(38)**	**-**	**31 860**
As a % of revenue	*58,9%*				*49,6%*
R&D expenses	(18 133)	(777)	(51)	-	(18 961)
Selling & marketing expenses	(10 569)	-	(91)	-	(10 659)
General & administrative expenses	(6 363)	-	(59)	-	(6 422)
Other gains/(losses), net	482	(2 028)		28	(1 517)
Operating income / (loss)	**3 240**	**(8 729)**	**(239)**	**28**	**(5 699)**
Amortization and depreciation of assets (**)	2 386	-	-	-	
EBITDA	**5 627**				

(*) the amounts correspond mainly to restructuring expenses and, for 2015, the impact of the transfer of a business.

(**) excluding amortization and depreciation of assets acquired through business combinations.

Sums may not equal totals due to rounding.