

**Half Yearly Financial Report**

Announcement of the half yearly financial report 2016.

Attachments:

1. **Ανακοίνωση**
2. **Management Accounts 30-06/2016**

**Non Regulated**

Publication Date: 30/08/2016

## ΑΝΑΚΟΙΝΩΣΗ

29 Αυγούστου 2016


Χρηματιστήριο Αξιών Κύπρου  
Λευκωσία

Κύριοι,

Σας πληροφορούμε ότι το Διοικητικό Συμβούλιο της NETinfo Plc (η «Εταιρεία») σε συνεδρία του που έγινε στις 29 Αυγούστου 2016 μελέτησε και ενέκρινε τα οικονομικά αποτελέσματα της Εταιρείας και την ενδιάμεση έκθεση διαχείρισης για τα εξαμήνια που έληξε στις 30 Ιουνίου 2016 αντίγραφο των οποίων επισυνάπτεται.

Τα συνοπτικά μη ελεγμένα ενδιάμεσα οικονομικά αποτελέσματα δεν θα αποσταλούν στους μετόχους της Εταιρείας αλλά θα είναι διαθέσιμα στην ιστοσελίδα της Εταιρείας. Το επενδυτικό κοινό μπορεί να προμηθευτεί αντίγραφο ολόκληρου του κειμένου των ενδιάμεσων εξαμηνιαίων οικονομικών καταστάσεων, χωρίς οποιαδήποτε επιβάρυνση, από τα κεντρικά γραφεία της Εταιρείας.

Με εκτίμηση

  
Βάσος Αριστοδήμου  
Εκτελεστικός Διευθυντής  
NETinfo PLC



**NETinfo Plc**  
Interim condensed consolidated  
financial statements  
30 June 2016

# Interim condensed consolidated financial statements

30 June 2016

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## Company information

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<b>Board of Directors:</b>	Vassos Aristodemou Polys Hadjikyriacos Orlando Castellanos Pavlos Iosifides Akis Michaelides (resigned on 24 June 2016) Christiana Stylianou (resigned on 24 June 2016) Iacovos Koumi (appointed on 24 June 2016)
<b>Company Secretary:</b>	Polys Hadjikyriacos
<b>Registered Office:</b>	23 Aglantzias Netinfo Building 2108, Nicosia Cyprus
<b>Registration number:</b>	HE 110368

# Interim report of the Board of Directors

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The Board of Directors presents its report and unaudited interim condensed consolidated financial statements of NETinfo Plc and its subsidiaries (the Group) for the period from 1 January 2016 to 30 June 2016.

## Principal activity

The principal activity of the Group which is unchanged from last year, is the design of banking and mobile banking software programs and web applications.

## Review of financial performance and position

The Group's results for the period are set out on pages 5 and 6. The Group's financial results as presented in the consolidated financial statements are considered satisfactory.

The Group's financial position as presented in the consolidated financial statements is considered satisfactory.

## Future developments and significant risks

The Board of Directors of the Group does not anticipate any significant changes or developments in relation to the activities of the Group in the foreseeable future.

The most significant risks faced by the Group and the steps taken to manage these risks, have not changed significantly during the interim period and remain as described in the latest annual consolidated financial statements.

## Dividends

The Board of Directors does not recommend the payment of a dividend and the net profit for the period is retained.

## Research and development activities

The Company continuously invests in developing and upgrading its IP Codes. This has been achieved by investing in an in-house R&D department of more than 25 people who continuously develop its existing products according to business requirements.

## Share capital

There were no changes in the share capital of the Company during the current period.

## Board of Directors

The members of the Board of Directors of the Company as at 30 June 2016 and as at the date of this report are shown on page 1. Mr. Akis Michaelides and Mrs. Christiana Stylianou resigned on 24 June 2016 and on the same date Mr. Iacovos Koumi was appointed in their place.

## Events after the end of the reporting period

There were no material events after the reporting date, which have a bearing on the understanding of the interim condensed consolidated financial statements.

NETinfo Plc

## Interim report of the Board of Directors

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By order of the Board of Directors,



Vassos Aristodemou  
Director

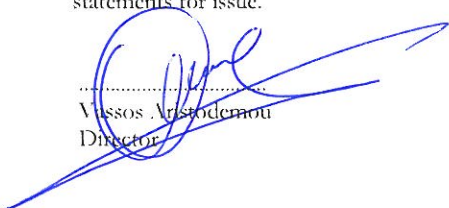
Nicosia, Cyprus, 12/08/ 2016


## Condensed consolidated statement of financial position

30 June 2016

	Note	30 June 30 June 2016 €	31 December 2015 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	3.637.358	3.690.691
Investment properties		482.000	482.000
Intangible assets	5	1.959.753	2.050.643
Investments in associates	7	586.868	500.062
		<u>6.665.979</u>	<u>6.723.396</u>
<b>Current assets</b>			
Unbilled revenue		278.985	270.870
Trade and other receivables	8	1.086.701	877.476
Bank deposits and cash in hand	9	178.448	111.952
		<u>1.544.134</u>	<u>1.260.298</u>
<b>Total assets</b>		<u>8.210.113</u>	<u>7.983.694</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		2.578.767	2.578.767
Other reserves		1.311.859	1.150.401
Accumulated losses		(927.440)	(1.148.725)
<b>Total equity</b>		<u>2.963.186</u>	<u>2.580.443</u>
<b>Non-current liabilities</b>			
Borrowings	10	3.639.937	3.775.021
Deferred tax liabilities		87.635	87.635
Deferred income	12	82.792	85.157
		<u>3.810.364</u>	<u>3.947.813</u>
<b>Current liabilities</b>			
Trade and other payables	11	402.246	428.721
Deferred income	12	4.731	4.731
Borrowings	10	949.578	942.860
Current tax liabilities	13	31.569	30.687
Dividends		48.439	48.439
		<u>1.436.563</u>	<u>1.455.438</u>
<b>Total liabilities</b>		<u>5.246.927</u>	<u>5.403.251</u>
<b>Total equity and liabilities</b>		<u>8.210.113</u>	<u>7.983.694</u>

On ..... 2016 the Board of Directors of NETinfo Plc authorised these interim condensed consolidated financial statements for issue.

  
Vassos Aristodemou  
Director

  
Polya Tadjikyriacos  
Director

The notes on pages 9 to 15 form an integral part of these interim condensed consolidated financial statements.



# Condensed consolidated statement of profit or loss

Period from 1 January 2016 to 30 June 2016

	30 June 2016 (6 months)	31 December 2015 (12 months)
Note	€	€
<b>Revenue</b>	<b>1.843.715</b>	3.276.248
Cost of sales	<u>(517.823)</u>	<u>(868.406)</u>
<b>Gross profit</b>	<b>1.325.892</b>	2.407.842
Other income	<b>13.531</b>	33.975
Administration expenses	<b>(756.579)</b>	(1.333.659)
Selling and distribution expenses	<u>(119.930)</u>	<u>(306.239)</u>
<b>Operating profit</b>	<b>462.914</b>	801.919
Finance income	15 -	59
Finance costs	15 (131.654)	(219.887)
Loss from investing activities	16 -	(162.890)
Share of results of associates	<u>(78.770)</u>	<u>(15.633)</u>
<b>Profit before tax</b>	<b>252.490</b>	403.568
Tax	<u>(31.205)</u>	<u>25.677</u>
<b>Profit for the period</b>	<b><u>221.285</u></b>	<b><u>429.245</u></b>
Attributable to:		
Owners of the parent	<u>221.285</u>	<u>429.245</u>
<b>Earnings per share (cent)</b>	17	
Basic earnings per share	<u>1,89</u>	<u>3,66</u>
Diluted earnings per share	<u>1,89</u>	<u>3,66</u>

The notes on pages 9 to 15 form an integral part of these interim condensed consolidated financial statements.

# Condensed consolidated statement of comprehensive income

Period from 1 January 2016 to 30 June 2016

	Note	2016 €	2015 €
<b>Profit for the period</b>		<u>221.285</u>	<u>429.245</u>
<b>Other comprehensive income</b>			
<u>Items that will not be reclassified to profit or loss</u>			
Revaluation of land and buildings	4	-	(587.950)
Income taxes of items that will not be reclassified to profit or loss		-	(52.606)
		<u>-</u>	<u>(640.556)</u>
<u>Items that may be reclassified subsequently to profit or loss</u>			
Exchange difference on the translation of foreign operations		<u>161.458</u>	<u>(251.168)</u>
		<u>161.458</u>	<u>(251.168)</u>
<b>Other comprehensive income after tax</b>		<u>161.458</u>	<u>(891.724)</u>
<b>Total comprehensive income / (expense) for the period</b>		<u>382.743</u>	<u>(462.479)</u>
Attributable to:			
Owners of the parent		<u>382.743</u>	<u>(462.479)</u>

The notes on pages 9 to 15 form an integral part of these interim condensed consolidated financial statements.

## Condensed consolidated statement of changes in equity

Period from 1 January 2016 to 30 June 2016

	Share capital €	Share premium €	Revaluation reserve €	Translation reserve €	Accumulated losses €	Total €
<b>At 1 January 2015</b>	2,578,767	524,601	1,521,878	(4,354)	(1,577,970)	3,042,922
<b>Comprehensive income</b>						
Profit for the period	-	-	-	-	429,245	429,245
Revaluation of land and buildings	-	-	(587,950)	-	-	(587,950)
Exchange difference on the translation of foreign operations	-	-	-	(251,168)	-	(251,168)
Income taxes of other comprehensive income	-	-	(52,606)	-	-	(52,606)
<b>Total comprehensive losses for the period</b>	-	-	(640,556)	(251,168)	429,245	(462,479)
<b>At 30 June 2015</b>	<b>2,578,767</b>	<b>524,601</b>	<b>881,322</b>	<b>(255,522)</b>	<b>(1,148,725)</b>	<b>2,580,443</b>
<b>At 1 January 2016</b>	2,578,767	524,601	881,322	(255,522)	(1,148,725)	2,580,443
<b>Comprehensive income</b>						
Profit for the period	-	-	-	-	221,285	221,285
Exchange difference on the translation of foreign operations	-	-	-	161,458	-	161,458
<b>Total comprehensive income for the period</b>	-	-	-	161,458	221,285	382,743
<b>At 30 June 2016</b>	<b>2,578,767</b>	<b>524,601</b>	<b>881,322</b>	<b>(94,064)</b>	<b>(927,440)</b>	<b>2,963,186</b>

The notes on pages 9 to 15 form an integral part of these interim condensed consolidated financial statements.

# Condensed consolidated statement of cash flows

Period from 1 January 2016 to 30 June 2016

	Note	2016 €	2015 €
<b>Operating activities</b>			
Profit before tax		252.490	403.568
Adjustments:			
Depreciation of property, plant and equipment	4	81.534	163.049
Amortisation of intangible assets	5	90.890	181.779
Share of results of associates	7	78.770	15.633
Fair value losses on investment property		-	25.000
Loss on reduction of shareholding		-	137.890
Interest income	15	-	(59)
Interest expense	15	111.097	189.784
Amortisation of government grant		2.365	4.731
Exchange differences		(7.119)	-
		<u>610.027</u>	<u>1.121.375</u>
Changes in working capital other than translation differences:			
Trade and other receivables		(217.340)	(195.494)
Trade and other payables		<u>(26.475)</u>	<u>(129.254)</u>
<b>Cash flows from operations</b>		<b>366.212</b>	<b>796.627</b>
Tax paid		<u>(30.323)</u>	<u>(23.462)</u>
<b>Net cash from operating activities</b>		<b><u>335.889</u></b>	<b><u>773.165</u></b>
<b>Investing activities</b>			
Payment for purchase of intangible assets	5	-	(230.125)
Payment for purchase of property, plant and equipment		(28.202)	(137.271)
Interest received		-	59
Deferred income from government grant		-	89.888
<b>Net cash used in investing activities</b>		<b><u>(28.202)</u></b>	<b><u>(277.449)</u></b>
<b>Financing activities</b>			
Repayments of loans		(128.702)	(396.590)
Proceeds from new loans		-	12.480
Interest paid		<u>(111.097)</u>	<u>(9.718)</u>
<b>Net cash from financing activities</b>		<b><u>(239.799)</u></b>	<b><u>(393.828)</u></b>
<b>Net increase in cash and cash equivalents</b>		<b>67.888</b>	<b>101.888</b>
Cash and cash equivalents:			
At beginning of the period	9	(627.759)	(730.741)
Effect of exchange rate fluctuations on cash held		<u>(1.728)</u>	<u>1.094</u>
<b>At end of the period</b>	9	<b><u>(561.599)</u></b>	<b><u>(627.759)</u></b>

The notes on pages 9 to 15 form an integral part of these interim condensed consolidated financial statements.

# Notes to the interim condensed consolidated financial statements

Period from 1 January 2016 to 30 June 2016

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## 1. Unaudited financial statements

These interim condensed consolidated financial statements for the period from 1 January 2016 to 30 June 2016 have not been audited by the external auditors of the Company.

## 2. Incorporation and principal activities

NETinfo Plc (the "Company") was incorporated in Cyprus on 03 April 2000 as a private company with limited liability under the Companies Law, Cap. 113. Its registered office is at 23 Aglantzias, Netinfo Building, 2108, Nicosia, Cyprus.

The principal activity of the Group which is unchanged from last year, is the design of banking and mobile banking software programs and web applications.

## 3. Accounting policies

These interim condensed financial statements, which are presented in Euro, have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union (EU). The interim condensed financial statements do not include all the information and disclosures that are required for the annual financial statements and must be read in conjunction with the annual financial statements for the year ended 31 December 2015.

The Group has adopted all applicable new and revised International Financial Reporting Standards (IFRS) and the Amendments to IFRS as issued by the International Accounting Standards Board and adopted by the EU, as well as the Interpretations as issued by the International Financial Reporting Interpretations Committee and adopted by the EU, that relate to the Group's operations.

The accounting policies and methods used in the preparation of the interim condensed financial statements are in accordance with those used in the annual financial statements for the year ended 31 December 2015.

### 3.1 Accounting estimates and judgement

The preparation of financial statements requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Costs that are incurred during the financial year are anticipated or deferred for interim reporting purposes if, and only if, it is also appropriate to anticipate or defer that type of cost at the end of the financial year.

Corporation tax is calculated based on the expected tax rates for the whole financial year.

# Notes to the interim condensed consolidated financial statements

Period from 1 January 2016 to 30 June 2016

## 4. Property, plant and equipment

The main changes since last year-end are as follows:

	30 June 2016	31 December 2015
	€	€
Additions	28.202	137.271
Revaluation losses	-	(587.950)
Depreciation for the period	81.534	163.049

## 5. Intangible assets

The main changes since last year-end are as follows:

	30 June 2016	31 December 2015
	€	€
Additions	-	230.125
Amortisation for the period	90.890	181.779

## 6. Investments in subsidiaries

### Details of the subsidiaries

<u>Name of subsidiary</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Direct holding<sup>o</sup></u>
NETinfo Services Limited	Cyprus	Development of software	100
The P.R.People Limited	Cyprus	Dormant	100
NETteller Solutions S.A	Costa Rica	Development of software	100
NETinfo Ltd	UK	Development of software	100
Allpay Limited	Cyprus	Dormant	100
Syn-Hi-Tek Internet Services Ltd	Cyprus	Dormant	100
Perapal Inc	Panama	Dormant	100

The holdings for each of the above subsidiaries have not changed during the year.

## 7. Investments in associates

The main changes since last year-end are as follows:

	30 June 2016	31 December 2015
	€	€
Share of results of associates	78.770	15.633

# Notes to the interim condensed consolidated financial statements

Period from 1 January 2016 to 30 June 2016

## 8. Trade and other receivables

	30 June 2016	31 December 2015
	€	€
Trade receivables	1,243,925	1,037,968
Less: Allowance for impairment losses	<u>(178,607)</u>	<u>(178,607)</u>
Trade receivables - net	1,065,318	859,361
Receivables from related companies (Note 18)	228	228
Shareholders' current accounts - debit balances	6,958	-
Deposits and prepayments	5,383	3,946
Loans receivable	4,128	3,896
Other receivables	<u>4,686</u>	<u>10,045</u>
	<u><u>1,086,701</u></u>	<u><u>877,476</u></u>

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

## 9. Cash and cash equivalents

	30 June 2016	2015
	€	€
Cash in hand	31,107	31,776
Bank demand deposits	<u>147,341</u>	<u>80,176</u>
	<u><u>178,448</u></u>	<u><u>111,952</u></u>

### 9.1 Cash and cash equivalents in the statement of cash flows

For the purposes of the statement of cash flows, the cash and cash equivalents include the following:

	2016	2015
	€	€
Bank deposits and cash in hand	178,448	111,952
Bank overdrafts (Note 10)	<u>(740,047)</u>	<u>(739,711)</u>
	<u><u>(561,599)</u></u>	<u><u>(627,759)</u></u>

# Notes to the interim condensed consolidated financial statements

Period from 1 January 2016 to 30 June 2016

## 10. Borrowings

	30 June 2016	31 December 2015
	€	€
<b>Current borrowings</b>		
Bank overdrafts (Note 9)	740.047	739.711
Bank loans	<u>209.531</u>	<u>203.149</u>
	<u>949.578</u>	<u>942.860</u>
<b>Non-current borrowings</b>		
Bank loans	<u>3.639.937</u>	<u>3.775.021</u>
	<u>3.639.937</u>	<u>3.775.021</u>
<b>Total</b>	<u>4.589.515</u>	<u>4.717.881</u>

## 11. Trade and other payables

	30 June 2016	31 December 2015
	€	€
Trade payables	220.802	248.585
Social insurance and other taxes	56.886	68.908
VAT	64.002	15.394
Shareholders' current accounts - credit balances	12.851	35.374
Accruals	9.805	12.560
Other payables	32.156	42.156
Defence tax on payable dividends	<u>5.744</u>	<u>5.744</u>
	<u>402.246</u>	<u>428.721</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

## 12. Deferred income

	30 June 2016	31 December 2015
	€	€
Government grants	<u>87.523</u>	<u>89.888</u>
	87.523	89.888
Deferred income after more than one year	<u>(82.792)</u>	<u>(85.157)</u>
Deferred income within one year	<u>4.731</u>	<u>4.731</u>



# Notes to the interim condensed consolidated financial statements

Period from 1 January 2016 to 30 June 2016

## 13. Current tax liabilities

	30 June 2016	31 December 2015
	€	€
Corporation tax	31.385	30.503
Special contribution for defence	184	184
	<u>31.569</u>	<u>30.687</u>

## 14. Staff costs

	30 June 2016	31 December 2015
	€	€
Wages and salaries	615.771	941.976
Social insurance costs and other funds	60.345	88.393
Social cohesion fund	12.022	16.422
	<u>688.138</u>	<u>1.046.791</u>

## 15. Finance income / cost

	30 June 2016	31 December 2015
	€	€
Interest income	-	59
<b>Finance income</b>	<u>-</u>	<u>59</u>
Net foreign exchange transaction losses	11.312	5.597
Interest expense	111.097	189.784
Other finance expenses	9.245	24.506
<b>Finance costs</b>	<u>131.654</u>	<u>219.887</u>
<b>Net finance costs</b>	<u>(131.654)</u>	<u>(219.828)</u>

## 16. Profit from investing activities

	30 June 2016	31 December 2015
	€	€
Loss on reduction of shareholding in joint venture	-	(137.890)
Fair value losses on investment property	-	(25.000)
	<u>-</u>	<u>(162.890)</u>

# Notes to the interim condensed consolidated financial statements

Period from 1 January 2016 to 30 June 2016

## 17. Earnings per share

	30 June 2016	31 December 2015
<b>Basic earnings per share</b>		
Earnings attributable to shareholders (€)	<u>221.285</u>	<u>429.245</u>
Weighted average number of ordinary shares in issue during the year	<u>11.721.670</u>	11.721.670
Basic earnings per share (cent)	<u><u>1,89</u></u>	<u><u>3,66</u></u>

Basic earnings per share is calculated by dividing the profit for the year attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares in issue during the year.

### Diluted earnings per share

No potentially dilutive shares existed during the current and previous year and therefore for both years the diluted earnings per share equal the basic earnings per share.

## 18. Related parties

The following transactions were carried out with related parties:

### 18.1 Receivables from related parties (Note 8)

	30 June 2016	31 December 2015
<u>Nature of balance</u>	€	€
• <b>Directors and key management</b>		
Polys Hadjikyriacos	6.958	-
• <b>Other related parties</b>		
NETinfo LATAM S.A.S	<u>228</u>	<u>228</u>
	<u><u>7.186</u></u>	<u><u>228</u></u>

The related party balances are interest free, and have no specified repayment date.

# Notes to the interim condensed consolidated financial statements

Period from 1 January 2016 to 30 June 2016

## 18.2 Payables to related parties (Note 11)

		30 June 2016	31 December 2015
	<u>Nature of balance</u>	€	€
• <b>Directors and key management</b>			
Vassos Aristodemou (Shareholder)	Current account	<u>12.851</u>	<u>35.374</u>
		<u>12.851</u>	<u>35.374</u>

The shareholders' current accounts are interest free, and have no specified repayment date.

## 19. Contingent liabilities

The Company is engaged into a litigation since 2009, where the plaintiff (a third party) is asking the defendant (the Company) for a compensation amounting €146.312, plus interest of 8%, plus disbursements and VAT in relation to a liability arising from the purchase of a property by the Company in 2000. The Company claims that this liability was settled via the issue of shares of the Company to the plaintiff, whereas the plaintiff claims that it has signed the contract under duress. The Directors of the Company have assessed that payment of the above mentioned amount is not probable and therefore a provision is not required.

## 20. Commitments

The Group had no capital or other commitments as at 30 June 2016.

## 21. Events after the end of the reporting period

There were no material events after the reporting date, which have a bearing on the understanding of these interim condensed financial statements.