

Note to the reader: This English version is a free translation from the original press release in French and is available on the company's corporate website (logic-instrument.com). In the event of inconsistencies between the original French language version and this English translation, the French version will take precedence.

LOGIC INSTRUMENT announces strong growth in its half-year results

- Increase of revenue in 2nd quarter 2018 (+ 8% versus Q2 2017)
- Increase in gross margin (+ 19%)
- EBITDA of + € 0.8 M over 6 months

Summarized P&L statement in €K	H1 2018	H1 2017	VAR° in €K	VAR ° in %
Revenue	5 549	6 319	-770	-12,2%
Cost of goods sold	3 461	4 569	-1 108	-24,2%
Gross Margin	2 088	1 750	338	19,3%
<i>Gross margin rate</i>	<i>37,6%</i>	<i>27,7%</i>		
Other income	99	2	97	NS
OPEX	1 520	1 601	-81	-5,1%
Operating Income	667	152	516	NS
Net financial income	-6,188	-16	10	NS
Current income	661	136	525	NS
Exceptional income & taxes	-109	-55	-53	NS
Consolidated net income	552	80	472	NS

The consolidated financial statements were approved by the Board of Directors on August 3, 2018

The consolidated turnover of LOGIC INSTRUMENT is down 12% compared to the first half of 2017 but up 10% compared to the second half of 2017.

Revenues for the second quarter of 2018 (€ 3.1 million) grew by 8% compared to the second quarter of 2017 (€ 2.9 million) and also increased (+ 30%) compared to the first quarter of 2018 (€ 2.4 M).

This first half of the year was notably marked by the start of the distribution of LOGIC INSTRUMENT solutions in the United Kingdom (agreement with CI Distribution), by the tablet deliveries to Arkea and Groupama as well as the deployment of smartphones for Carglass and providing solutions for monitoring the energy consumption of houses.

The Group's gross margin increased by € 0.34 million with a margin rate increasing to 37,6%. This trend was already visible in the second half of 2017 (+ 34%) and is mainly due to the improvement of purchase prices for certain ranges and the increase in sales of small quantities and accessories.

Operating expenses are slightly down. Operating income amounted to + € 0.7 million compared to + € 0.15 million in the first half of 2017.

The consolidated net income of the Group thus amounted to + € 0.55 million, a net improvement of + € 0.47 million compared to the first half of 2017. It includes a deferred tax charge of € 0.17 million.

Consolidated EBITDA¹ was positive at + € 0.78 million, demonstrating the real improvement in the Group's performance.

EBITDA in K€	H1 2018	H1 2017
Consolidated operating income	667	152
Depreciation and amortization	-113	-122
EBITDA in K€	780	273

Financial and balance sheet positions

The main items of the consolidated balance sheet are as follows :

Assets in k€	June 30, 2018	Dec 31, 2017	VAR°
Fixed assets	408	422	-14
Inventories	2 581	2 543	37
Advances	817	219	599
Account receivables	2 578	1 638	940
Other receivables	1 027	1 041	-15
Cash & cash equivalents	2 391	1 922	469
Total Assets	9 802	7 785	2 016

Liabilities in k€	June 30, 2017	Dec 31, 2017	VAR°
Other receivables	4 991	4 647	345
Consolidated net income	552	345	208
Prov° Risques & Charges	138	123	15
Loans and overdrafts	516	527	-12
Accounts payable	1 157	802	354
Other liabilities	2 448	1 341	1 106
Total liabilities	9 802	7 785	2 016

The main changes in the balance sheet relates to

- trade receivables related to significant billings over the last 2 months.
- other receivables and payables and liabilities increased due to balances related to factors and advances and down payments received and paid on a large order delivered early July.

Net cash amounted to € 2.4 million at 30/06/2018, an increase of € 0.46 million, resulting mainly from the impact of the cash flow of the period (+ € 0.76 million) and the increase in the WCR (- € 0.27 million).

¹ EBITDA - Operating income before depreciation and amortization - is an indicator used by management to measure operating and financial performance and to make investment decisions and allocate resource. The EBITDA subtotal is not necessarily comparable to indicators with similar names presented by other companies

Outlook 2018

LOGIC INSTRUMENT's growth strategy is based on the continuation of the three years of development and the following elements:

1. Geographic expansion

- LOGIC INSTRUMENT has opened an office in England and entered into a partnership with CI Distribution, leader in mobile solutions early 2018
- New contracts have been signed in Eastern Europe and an office opening is planned for 2018.

2. Structuring the value proposition for large accounts

- LOGIC INSTRUMENT is now able to design custom products with new technologies. After developing a tablet for seniors for the Post Office and a remote support console for Groupama and Crédit Mutuel, new demands are being made around NFC technology and also in home automation management.

LOGIC INSTRUMENT also acts as a design office and integrator for large accounts by customizing operating systems and offering fleet management and different levels of product configuration

The skills of the Group and these various projects make it possible to expect for 2018 a growth of the turnover and a good profitability.

About Logic Instrument

Established 1987 and labeled as "Innovative Enterprise", Logic Instrument develops and markets tablets, Smartphones and laptops for hostile environments and the business world, with Android™ and Microsoft operating systems. LOGIC INSTRUMENT operates on all continents through its subsidiaries and partners. Since January 2014 LOGIC INSTRUMENT belongs to the ARCHOS Group. LOGIC INSTRUMENT is listed on NYSE-Alternext Paris (ALLOG).

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