



INCREASE OF SALES TURNOVER AND RECOVERY OF DOLPHIN INTEGRATION'S POSTURE ON THE SECOND SEMESTER OF THE FISCAL YEAR CLOSED ON MARCH 31, 2017

Grenoble, June 20, 2017. The Board of Directors has performed today the final examination of corporate and consolidated financial statements, for the fiscal year closed on March 31.

Results on March 31, 2017

Revenues increased to € 15 million, up 4% over the previous year, with + 5% growth in sales of "silicon IP" products and + 15% in sales of ASIC / SoC Design (Integrated Circuits).

In k€ - consolidated accounts	Year ended on 31/03/17 12 months (*)	Year ended on 31/03/16 12 months (audited)
Consolidated Sales Turnover	15,098	14,581
Operating Earnings.....	(2,104)	(1,591)
Financial earnings	(219)	(52)
Current Earnings of integrated subsidiaries	(2,322)	(1,643)
Exceptional Earnings.....	(683)	102
Taxes on Profits	(426)	(401)
Research Tax Credit.....	2,143	2,387
Net Earnings (part of the Group).....	(1,289)	444
Total Capital.....	13,965	15,224
Net Gearing.....	33.1%	39.4%
Cash position	142	(109)
Consolidated Net Margin	(8.5%)	3.0%
Gross Cash Flow (1).....	(245)	213
Net base Earnings per share (en €).....	(0.96)	0.33

(*) The audit procedures of the statutory auditors are carried out except for the audits of the schedule notes and of the management report, which are currently being finalized. The auditors' report will include observations drawing the reader's attention to the information contained in the appendix about the uncertainty related to business continuity and to the valuation, amortization and depreciation methods of immobilized production for software and virtual components developed internally.

(1) Cash flow from operations is computed on the basis of net income adjusted for capitalized production, provisions and amortization.

For complete information on the financial statements and for the final certified annexes, the report of the board with its annexes shall be available on the web-site of the company www.dolphin-integration.com and on that of Euronext www.euronext.com for the next general assembly of shareholders on August 8, 2017.



Sales of real components have decreased by 35% as a result of the halt of orders for the oil seismic research sector. The company has developed new circuits for other applications, the effects of which on turnover are expected from 2018 on. It should be noted that the second half of the year was marked by an upturn in activity, with a net half-year +0.6 M € and an operating profit of +0.4 M €, in comparison with -2.5 M € in the first half of this year.

Financial situation and perspectives

Cash flow from operations was negative at -0.25 M€ (compared with +0.2 M€ last year), but was offset in cash by pre-financing the research tax credit claim at the level of 1.7 M€. As of March 31, 2017, the Company had obtained the pre-financing of its 2016 receivable, whereas it had previously only received it in July of the following year.

Changes in net income for the year (M€ -1.7) were mainly due to an increase in subcontracting costs corresponding to the development of the circuits over the year (M€ -0.9) and exceptional items (M€ -0.8), consisting of penalties for late payment and provisions for litigation.

As a result, cash declined in FY-17 to a low in May 2017, leading the company to shift and / or renegotiate the maturity of certain debts. This situation could be adjusted in June 2017, thanks in particular to advance payments on an ASIC design contract to be executed in F18 and initially budgeted at the end of the calendar year 2017.

At the date of the balance sheet, the maturity of trade payables and social payables amounted to M€ 1.5 and M€ 1.8 (M€ 0.4 and M€ 0.9 respectively, at the closing date of the 2016 accounts). At the level of suppliers, M€ 1.1 have agreed maturities over the next 4 months and M€ 1.6 of social debts related to moratoria granted and current, including a moratorium with the URSSAF (for Social Security) covering M€ 1.2 and extending over 11 months from May 2017.

At 12 months, the realization of the budget must allow the company to absorb the previous debts and devote its resources to growth. The continuity of operations remains of course dependent on the execution of the budget, and the priority is the achievement by the company of a plan to improve profitability during the transition period, with a view to launching its business plan for growth.

Indeed the holding company - Sarl Fontclair - has chosen to start a transition period with an adhoc organization to accompany the recovery, to prepare a capital increase, and to contribute the means for accelerating the corporate growth, but without disengaging itself. In this context, the renewal of the board of directors continues with the resignation of a director and that of his mandate as General Manager by the Technical Director.

For the current fiscal year F-18 (ending March 31, 2018), the portfolio of orders already taken accounts for 47% of the budgeted turnover, i.e. about 47% growth compared to the previous year at the same period, and in particular 96% of budgeted revenue on our design and supply activities of ASICs, where the sales cycle is the longest.

**For the Board of Directors,
The Chairman**



About DolphIN Integration

Founded in 1985, the company is a technological leader acknowledged in the industry of design in microelectronics for products with low power consumption.

It has experienced 30 years of R&D, protected by a score of patents and by proprietary EDA solutions, so as to offer within a short deadline new standard or custom products, for both consumer applications and markets of industry and aeronautics.

Its headquarters are in Meylan in the region of Grenoble, in Laval, Québec and in Netanya, Israel. It today counts 196 employees including 160 engineers and scientists.

DolphIN Integration confirms its respect of the eligibility criteria of Saving Plans for SBEs, as specified by the application decree of March 4, 2014 (# 2014-283).

Listed on Alternext since 2007, Euronext Growth since June 19, 2017

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