

19 September 2016

Defenx PLC
("Defenx" or the "Group")

Unaudited Interim Results for the six months ended 30 June 2016

Defenx PLC (AIM:DFX), the mobile security software solutions company, announces its unaudited interim results for the six months ended 30 June 2016.

Financial Highlights

- Revenue up 73% to €2.32m (1H15: €1.34m) reflecting the positive impact of new product launches and channel partner wins
- Mobile platform focus continues with 69% of revenues derived from software for mobile devices
- Strong control of overheads with operating expenses (excluding marketing contributions) of €0.71m (1H15: €0.39m) 39% below 2H15 predominantly due to lower staff and administrative costs
- EBITDA before exceptional costs of €0.11m (1H15: €0.29m) reflects the front-loading of full year marketing contributions into the first half of the year to drive sales that are seasonally weighted into the second half of the year
- The unaudited interim financial results are in line with management expectations.

Operating Highlights

- Defenx has now sold over 3.8 million licences with over 1 million active licensed users at 30 June 2016
- Significant progress made since AIM IPO in December 2015 launching new products, including Defenx Mobile Security Suite for Windows 10 Phone and Defenx Cloud Backup for mobile, PC and NAS drives
- Eight new channel partners signed up, more than doubling the number at IPO, significantly extending reach across the UK, Continental Europe and the Middle East.

Post Period End

- On 2 August 2016, Defenx acquired 95.2% of Memopal, a cloud backup and sync company. The acquisition secures Memopal's advanced technology, adding cloud backup & sync to the Group's existing product portfolio, key channel partners as well as cross selling opportunities
- New debt facilities of, in aggregate, €1.20m provide additional working capital and allow the Group to narrow the working capital gap between the extended debtor terms customary in its overseas markets and the shorter credit terms in the UK.

Commenting on the results, Andrea Stecconi, Chief Executive Officer, said:

"We are pleased with the strong progress in the first half of 2016 and have delivered against our stated strategy with the addition of new channel partners and products. The acquisition of Memopal in August brings a significant opportunity and we look forward to integrating it fully into our existing business to improve and extend our offering. Based on our performance to date and strong confirmed order book, we are confident of continuing to deliver significant growth in revenues and profits this year in line with market expectations."

This announcement contains inside information.

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About Defenx

Founded in 2009, Defenx is a fast-growing and profitable security software company that offers a range of products for the mobile, PC and network security markets. Defenx security software is priced competitively, fully featured and efficient (reduced use of memory, processing capacity and therefore power).

A flexible marketing strategy, focused on white-label and profit-share arrangements with distributors, telecoms companies and hardware manufacturers, enables Defenx to compete with established industry incumbents. Since inception, Defenx has sold over 3.8 million security software licenses, primarily in Europe, the Middle East and Africa.

Defenx's global distribution partners currently include 3Italia, Seagate Technology, Türk Telecom and Western Digital, amongst others including telecoms operators, systems integrators and original equipment manufacturers. Defenx was admitted to trading on AIM on 3 December 2015, raising £2.1 million to accelerate its growth through new channel partners and product development.

Website

www.defenx.com/company/investors

Chairman's Statement

Since releasing the 2015 annual results in April this year, Defenx has continued to grow the business organically with the launch of new products and by winning new channel partners.

Already in the year we have announced the following product launches and updates:

- Defenx Mobile Security Suite for Windows 10 Phone
- Defenx Cloud Backup for mobile, PC and Network Attached Storage ("NAS") drives
- New Android features: webcam protection & mic capture
- Privacy Advisor for Android.

We have a strong pipeline of new products and enhancements aimed at further broadening the appeal of Defenx to channel partners and end-users.

Our new channel partners include:

- Brigantia Partners Limited, the largest subscription partner services club in the UK
- Itway SpA (MIL:ITW), a specialist digital solutions provider that operates in six European countries and Dubai with reported revenues of €101 million in 2015
- Ringo.com, a Mobile Virtual Network Operator offering high quality, innovative mobile services to consumers and small business customers
- MCR Media Group, a European leader in mobile value-added services to more than 30 carriers around the world
- Dylog Italia SpA and its subsidiary, Gruppo Buffetti SpA, which are Italian leaders in the distribution of digital products, services and solutions for the professional market, SMEs, and recently, an increasing number of homeworkers through a franchise network of more than 650 points of sale throughout Italy
- Mandarin SpA, provider of telecommunications services in Sicily, Italy, which has been traditionally underserved by incumbent players, aiming to bridge the digital divide with the best technology and infrastructure
- InfoCert SpA, a European leader in high-tech solutions for the dematerialisation of document processing, providing document management and digital preservation solutions, digital signatures and registered e-mails
- Bizmatica SpA, a subsidiary of Econocom Group SA (EBR:ECONB), the listed provider of B2B digital transformation services active in various European countries, including Belgium, France, Italy, the Netherlands, Spain and the UK.

The acquisition of Memopal Srl ("Memopal"), which completed on 2 August 2016, is a transformational deal for Defenx. The board considers the acquisition multiple of between 5.5x and 6.6x EBITDA (depending on the performance of the enlarged group) to represent good value in this sector. In addition, the acquisition:

- Broadens the Group's owned product portfolio with the addition of proprietary cloud backup and synchronisation technology
- Doubles the Group's headcount, significantly increasing internal development and customer support capacity that it would otherwise have needed to recruit
- Adds 700,000 end-users
- Adds reference channel partners, notably Türk Telecom and Western Digital
- Adds profit with the integration of Memopal expected to be earnings enhancing after sales and cost synergies in the first full financial year
- Improves our short term working capital position by internalising the perpetual license that would otherwise have cost the Group €900,000.

Since completion we have made good progress integrating the business to bring the benefits of integrated solutions to end-users and shareholders alike.

To improve retail investor support, we are pleased to announce that Beaufort Securities has been appointed to act as joint broker alongside WH Ireland.

Financial Review

Group revenue grew 73% to €2.32m (1H15: €1.34m) driven by the new product launches and channel partner wins. Mobile revenues continued to account for around 70% of our business with the balance from PC and Server segments. It was pleasing to see a modest increase in average revenue per user of almost 10%.

The gross profit margin was 81.5% (1H15: 85.8%) reflecting the increase in amortisation, charged on a straight line basis independent of sales seasonality. Amortisation of €0.41m (1H15: €0.17m) reflects a full period's charge for our Enterprise NAS product plus customer integration costs and the launch of Defenx Mobile Security Suite for Windows 10 in March 2016. As in previous years, we expect gross profit margins to increase in the second half of the year.

Marketing contributions, staff costs and the costs of maintaining our AIM listing account for the majority of expenses. Strong control of overheads resulted in operating expenses excluding marketing contributions falling 39% compared to 2H15 to €0.71m (1H15: €0.39m).

While sales seasonality results in a majority of Group revenue falling into the second half, the opposite is true for marketing contributions which are incurred in the first half to front-load the benefit over the whole year. Marketing contributions were €1.48m (1H15: €0.67m) reflecting the planned post-IPO investment in developing the Defenx brand.

There has been no recruitment in the first half with staff and consultant costs of €0.39m (1H15: €0.23m) reflecting a 32% reduction on 2H15. The operating loss before exceptional expenses for the Group was €0.30m (1H15: €0.12m profit).

Non-recurring expenses of €0.15m for legal & professional fees in respect of the acquisition of Memopal incurred during the period have been disclosed as exceptional.

Balance sheet and cash flow

The net book value of capitalised software development costs increased to €2.93m (1H15: €2.32m) with the addition of Defenx Mobile Security Suite for Windows 10 and Privacy Advisor for Android and new Android features: webcam protection & mic capture.

Working capital increased by €0.45m through the period, from a surplus of €1.87m at 31 December 2015 to a surplus of €2.32m at 30 June 2016. A fall in trade receivables of €0.38m was offset by an increase in software development payments on account of €0.81m and modest reductions in other receivables of €0.10m and payables of €0.12m.

The Group generated cash of €0.36m (1H15: €0.36m outflow) before its investment in software development of €1.54m (1H15: €0.42m) of which €0.73m has been capitalised in intangible assets with the balance held in other debtors as work in progress. Cash for the period declined by €1.18m to €0.16m. There was no debt at the period end.

Since the period end, new facilities of, in aggregate, €1.20m have been agreed of which €0.90m has been entered into and €0.30m has been approved subject to certain customary conditions being satisfied. At the time of the Memopal acquisition a €0.40m term loan was secured together with an overdraft of €0.10m that has been approved subject to security being provided; around €0.25m of this will be used to accelerate shareholder loan repayments reducing the interest charge to the Group with the €0.25m balance used to provide working capital to the Group.

An invoice discounting facility, initially for €0.20m, has also been approved subject to signing, which together with a new supply chain finance facility of €0.50m, will allow the Group to narrow the working capital gap between the extended debtor terms customary in its overseas markets and its shorter credit terms.

Outlook

Trading conditions for the Group remain positive driven by the launch of new products and the added market reach from the expanding channel partner relationships. Consequently, the board is confident that 2016 will show continued growth in revenue and profit in line with market expectations.

The acquisition of Memopal represents a major milestone for the Group. I remain confident that the Group is on track and that we will see significant profitable growth in the short, medium and longer term.

Anthony Reeves

Chairman

19 September 2016

Unaudited Interim Condensed Consolidated Statement of Comprehensive Income

		6 months to 30 June 2016 Unaudited	6 months to 30 June 2015 Unaudited	Year ended 31 December 2015 Audited
	Note	€	€	€
Revenue	4	2,320,483	1,343,719	4,489,557
Cost of sales	6	(428,329)	(190,140)	(512,168)
Gross profit		1,892,154	1,153,579	3,977,389
Sales, marketing and administrative expenses	6	(2,188,543)	(1,036,272)	(2,998,190)
Operating (loss)/profit before exceptional expenses		(296,389)	117,307	979,199
Exceptional expenses	6	(153,792)	-	(614,192)
(Loss)/profit from operations		(450,181)	117,307	365,007
Finance income		-	35	37
Finance expense		(960)	(2,092)	(2,787)
(Loss)/profit before tax		(451,141)	115,250	362,257
Tax expense		(7,157)	(8,810)	(170,339)
(Loss)/profit for the period		(458,298)	106,440	191,918
Exchange gains arising on the translation of foreign subsidiaries		-	-	-
Total comprehensive (loss)/profit for the period		(458,298)	106,440	191,918
(Loss)/earnings per share				
Basic	7	(€0.075)	€0.027	€0.042
Diluted	7	(€0.066)	€0.025	€0.039

Unaudited Interim Condensed Consolidated Statement of Financial Position

	Note	6 months ended 30 June 2016 Unaudited €	6 months ended 30 June 2015 Unaudited €	31 December 2015 Audited €
Non-current assets				
Intangible assets	8	2,929,449	2,322,683	2,607,400
Current assets				
Trade and other receivables	9	3,628,996	1,749,044	3,305,604
Cash and cash equivalents		154,855	143,542	1,333,869
		3,783,851	1,892,586	4,639,473
Total assets		6,713,300	4,215,269	7,246,873
Current liabilities				
Trade and other payables		(1,313,124)	(1,344,546)	(1,434,431)
Total liabilities		(1,368,299)	(1,344,546)	(1,434,431)
Net assets		5,400,176	2,870,723	5,812,442
Capital and reserves				
Called up share capital		145,004	106,372	145,004
Share premium		4,051,322	1,294,056	4,051,322
Merger reserve		695,212	695,212	695,212
Share based payment reserve		106,375	-	60,343
Retained earnings		402,263	775,083	860,561
Foreign exchange reserve		-	-	-
Total equity attributable to equity holders of the parent company		5,400,176	2,870,723	5,812,442

Unaudited Interim Condensed Consolidated Statement of Changes in Equity

	Share capital €	Share premium account €	Merger reserve €	Share based payment reserve €	Retained earnings €	Foreign exchange reserve €	Total €
As at 1 January 2016	145,004	4,051,322	695,212	60,343	860,561	-	5,812,442
Share based payments	-	-	-	46,032	-	-	46,032
Loss for the period					(458,298)		(458,298)
As at 30 June 2016 (unaudited)	145,004	4,051,322	695,212	106,375	402,263	-	5,400,176
<i>As at 1 January 2015 (restated)</i>	<i>90,903</i>	<i>580,373</i>	<i>678,610</i>	-	<i>660,144</i>	<i>38,179</i>	<i>2,048,209</i>
<i>Change in functional currency</i>	<i>1,465</i>	<i>11,613</i>	<i>16,602</i>	-	<i>8,499</i>	<i>(38,179)</i>	-
<i>Profit for the period</i>	-	-	-	-	<i>106,440</i>	-	<i>106,440</i>
<i>Shares issued</i>	<i>14,004</i>	<i>702,070</i>	-	-	-	-	<i>716,074</i>
<i>As at 30 June 2015 (unaudited)</i>	<i>106,372</i>	<i>1,294,056</i>	<i>695,212</i>	-	<i>775,083</i>	-	<i>2,870,723</i>
As at 1 January 2015 (restated)	90,903	580,373	678,610	-	660,144	38,179	2,048,209
<i>Change in functional currency</i>	<i>1,465</i>	<i>11,613</i>	<i>16,602</i>	-	<i>8,499</i>	<i>(38,179)</i>	-
<i>Profit for the year</i>	-	-	-	-	<i>191,918</i>	-	<i>191,918</i>
<i>Shares issued</i>	<i>52,636</i>	<i>3,459,336</i>	-	-	-	-	<i>3,511,972</i>
<i>Share based payments</i>	-	-	-	<i>60,343</i>	-	-	<i>60,343</i>
As at 31 December 2015 (audited)	145,004	4,051,322	695,212	60,343	860,561	-	5,812,442

Unaudited Interim Condensed Consolidated Cash Flow Statement

	6 months ended 30 June 2016 Unaudited €	6 months ended 30 June 2015 Unaudited €	Year ended 31 December 2015 Audited €
Cash flows from operating activities			
Loss for the period after taxation	(458,298)	106,440	191,918
<i>Adjustments for:</i>			
Income tax	7,157	8,810	170,339
Net interest expense	960	-	2,750
Amortisation of intangible assets	407,949	173,535	476,623
Share based payments expense	46,032	-	60,343
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Operating cash flows before movements in working capital	3,800	288,785	901,973
(Increase)/decrease in trade receivables	378,158	(709,506)	(1,809,552)
(Increase)/decrease in other receivables	(701,550)	-	(456,513)
Increase/(decrease) in trade and other payables	(113,343)	(2,173)	177,521
Increase/(decrease) in deferred revenue	(14,156)	65,500	169,138
	<hr/>	<hr/>	<hr/>
	(450,891)	(646,179)	(1,919,406)
Interest paid	(960)	-	(2,787)
Tax paid	(963)	-	(1,295)
	<hr/>	<hr/>	<hr/>
Net cash flow from operating activities	(449,014)	(357,394)	(1,021,515)
Investing activities			
Investment in intangible assets	(730,000)	(421,133)	(1,351,000)
Interest received	-	-	37
	<hr/>	<hr/>	<hr/>
Net cash used in investing activities	(730,000)	(421,133)	(1,350,963)
Financing activities			
Net proceeds from issue of share capital	-	716,073	3,511,972
	<hr/>	<hr/>	<hr/>
Net cash from financing activities	-	716,073	3,511,972
	<hr/>	<hr/>	<hr/>
Net increase in cash and cash equivalents	(1,179,014)	(62,454)	1,139,494
Cash and cash equivalents at beginning of period	1,333,869	205,996	205,995
Effect of foreign exchange translation on cash and cash equivalents	-	-	(11,620)
	<hr/>	<hr/>	<hr/>
Cash and net cash equivalents at end of period	154,855	143,542	1,333,869
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Notes to the Unaudited Interim Condensed Consolidated Financial Statements

1. General information

Defenx PLC is a public limited company incorporated in England and Wales, registration number 08993398, which is quoted on AIM. Its principal activity is the design and sale of software solutions for the mobile, PC and network that provide privacy and security for an online world. Management and control is exercised from the UK and its main countries of operation are Italy and Switzerland.

2. Basis of preparation

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2016 have been prepared in accordance with IAS 34 Interim Financial Reporting and do not constitute statutory financial statements. The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required for a complete set of IFRS financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2015. 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 financial statements.

These unaudited interim financial statements were authorised for issue by Defenx's Board of Directors on 16 September 2016.

3. Accounting policies

There have been no changes to the accounting policies and methods of computation in the unaudited interim condensed consolidated financial statements for the six months ended 30 June 2016 as compared with the Group's most recent annual financial statements as at 31 December 2015.

4. Segmental analysis

The Group currently has three reportable product segments: Mobile, PC and NAS, which reflect the three separate product categories for which software is developed and sold. The Group does not analyse costs or assets other than intangible assets by segment. The Group does not analyse costs or assets by geographical region.

Revenue by product segment and geographic market (based on customer location) for the Group is as follows:

	6 months ended 30 June 2016 Unaudited €	6 months ended 30 June 2015 Unaudited €	Year ended 31 December 2015 Audited €
<i>Revenue by product category</i>			
Mobile	1,608,621	982,662	3,197,934
PC	644,000	331,630	1,252,544
NAS	16,291	14,439	25,145
Other	51,571	14,988	13,934
	<u>2,320,483</u>	<u>1,343,719</u>	<u>4,489,557</u>
<i>Revenue by geographic market (customer location)</i>			
Europe (EU including the UK)	1,890,044	1,098,774	3,725,222
Europe (Non-EU)	413,113	230,506	739,190

Other	17,326	14,439	25,145
	<u>2,320,483</u>	<u>1,343,719</u>	<u>4,489,557</u>

Non-current assets (capitalised development costs) by product segment for the Group are as follows:

	6 months ended 30 June 2016 Unaudited	6 months ended 30 June 2015 Unaudited	Year ended 31 December 2015 Audited
	€	€	€
Non-current assets			
Mobile	1,009,226	703,214	394,311
PC	-	-	-
NAS	1,537,723	1,618,828	1,747,256
Other	382,500	-	465,833
	<u>2,929,449</u>	<u>2,322,042</u>	<u>2,607,400</u>

5. Seasonality

The Group's revenue generated by and marketing contributions paid to channel partners are subject to seasonal trends.

The larger proportion of the annual marketing contributions arise in the first half of the year to support channel partners who in turn generate higher sales in the second half of the year driven by the back-to-school market, annual hardware release cycles and Christmas trading. This will typically lower revenues and profits for the first half of the year. The Group seeks to mitigate the seasonal impact by incentivising sales in the first half of the year.

For the 12 months ended 30 June 2016, Group revenue was €5.47m (12 months ended 30 June 2015: €2.87m) and marketing contributions were €2.13m (12 months ended 30 June 2015: €1.18m).

6. Loss/profit from operations

	6 months ended 30 June 2016 Unaudited	6 months ended 30 June 2015 Unaudited	Year ended 31 December 2015 Audited
	€	€	€
The operating loss is stated after charging:			
Cost of sales			
Amortisation of intangible assets	407,949	173,535	476,623
	<u>407,949</u>	<u>173,535</u>	<u>476,623</u>
Sales, marketing and administrative expenses			
Marketing contributions	1,483,423	646,391	1,451,965
Staff costs	327,424	162,018	691,358
Auditors' remuneration – audit services	20,100	5,456	29,237
Auditors' remuneration – non-audit Services	1,915	-	145,709

Share based payment expense	46,032	-	60,343
Bad debt expense	753	-	69,485
Lease payments – land and buildings	17,451	13,950	29,588
Net foreign exchange (gains)/losses	23,313	(2,381)	34,443
	<u> </u>	<u> </u>	<u> </u>
Exceptional expenses			
Costs in respect of the AIM admission	-	-	614,192
Legal & professional fees in respect of the acquisition of Memopal Srl	153,792	-	-
	<u> </u>	<u> </u>	<u> </u>

7. Loss/earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the period attributable to ordinary equity holders of Defenx by the weighted average number of Ordinary Shares outstanding during the period.

Diluted EPS amounts are calculated by dividing the profit attributable to ordinary equity holders of Defenx by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of Ordinary Shares that would be issued on conversion of all the dilutive deferred shares, options and warrants into Ordinary Shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	6 months ended 30 June 2016 Unaudited	6 months ended 30 June 2015 Unaudited	Year ended 31 December 2015 Audited
	€	€	€
(Loss)/profit attributable to ordinary equity holders of the Defenx for basic earnings and as adjusted for the effects of dilution	(458,298)	106,440	191,918
	<u> </u>	<u> </u>	<u> </u>
Weighted average number of Ordinary Shares for basic earnings per share	6,098,912	3,898,282	4,549,653
Effect of dilution from deferred shares	300,000	300,000	300,000
Effect of dilution from share options and warrants	526,614	-	86,571
	<u> </u>	<u> </u>	<u> </u>
Weighted average number of Ordinary Shares for basic earnings per share adjusted for the effect of dilution	6,925,526	4,198,282	4,936,224
	<u> </u>	<u> </u>	<u> </u>

There have been no other relevant transactions involving ordinary shares or potential Ordinary Shares since 31 December 2015 other than in respect of the post period end acquisition of Memopal Srl as disclosed in note 10 below.

8. Intangible Assets

The Group's intangible assets all relate to capitalised software development costs. There were no Intangible assets in the statement of financial position of Defenx.

Group	Mobile €	NAS €	Other €	Total €
Cost				
At 1 January 2016	648,979	2,095,351	500,000	3,244,330
Additions	730,000	-	-	730,000
At 30 June 2016	1,378,979	2,095,351	500,000	3,974,330
At 1 January 2015	298,501	1,583,210	-	1,881,711
Change in functional currency	10,979	641	-	11,620
Additions	545,154	218,040	-	763,194
At 30 June 2015	854,634	1,801,891	-	2,656,525
At 1 January 2015	298,501	1,583,210	-	1,881,711
Change in functional currency	10,979	641	-	11,620
Additions	339,500	511,500	500,000	1,351,000
At 31 December 2015	648,979	2,095,351	500,000	3,244,331
Accumulated depreciation				
At 1 January 2016	254,672	348,093	34,167	636,932
Charge for the period	115,081	209,535	83,333	407,949
At 30 June 2016 (unaudited)	369,753	557,628	117,500	1,044,881
At 1 January 2015	99,500	60,807	-	160,307
Charge for the period	51,920	121,615	-	173,535
At 30 June 2015 (unaudited)	151,420	182,422	-	333,842
Net book value				
At 30 June 2016 (unaudited)	1,009,226	1,537,723	382,500	2,929,449
At 30 June 2015 (unaudited)	703,214	1,619,469	-	2,322,683
At 31 December 2015 (audited)	394,307	1,747,258	465,835	2,607,400

The intangible assets booked represent qualifying expenditure on the development of software for resale less accumulated amortisation and impairment costs. The carrying value of these intangible assets is tested for impairment on a half yearly basis, or when there are indications that the value of the assets might be impaired.

The directors have assessed development projects' individual net present value against forecasts of future sales of the related products, unit sales prices and costs over a five-year period. No sales beyond five years have been included in the calculations. The impairment tests are sensitive to changes in these

forecasts and changes could result in impairment; however, the varying bases indicate a net present value in excess of the carrying value of the intangible assets at the balance sheet date.

9. Trade and other receivables

	6 months ended 30 June 2016 Unaudited	<i>6 months ended</i> <i>30 June 2015</i> <i>Unaudited</i>	<i>Year ended</i> <i>31 December</i> <i>2015</i> <i>Audited</i>
	€	€	€
Gross trade receivables	2,722,292	1,663,670	3,099,697
Provision for impairment	(271,113)	(219,787)	(270,360)
Net trade receivables	2,451,179	1,443,883	2,829,337
Prepayments and accrued income	49,741	289,344	162,191
Payments on account	1,128,076	15,817	314,076
Total receivables	3,628,996	1,749,044	3,305,604
Provisions for impairment			
Opening balance	(270,360)	(417,510)	(417,354)
Utilised during the period	-	197,723	200,193
Net increase during the period	(753)	-	(53,199)
Closing balance	(271,113)	(219,787)	(270,360)

10. Events after the reporting date

On 2 August 2016, Defenx acquired 95.2% of Memopal Srl, a cloud backup and sync company for a total consideration of up to €1.78m, of which €0.38m is deferred. The initial consideration of €1.40m was satisfied by €0.44m in cash plus interest charged at 8% per annum payable to the sellers in equal instalments over a period of 24 months and the issue of 621,394 new ordinary shares of 1.8p in Defenx. The deferred consideration of up to €0.38m will be satisfied by the issue of up to an additional 238,035 new ordinary shares, subject to certain performance thresholds of the enlarged group being met for the year ended 31 December 2017.