INSIGNIA SOLUTIONS PLC
Form 10-Q
August 13, 2004

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

ý	**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
	For the quarterly period ended June 30, 2004
	or,
o	**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 0-27012

Insignia Solutions plc

(Exact name of Registrant as specified in its charter)

England and Wales (State or other jurisdiction of incorporation or organization)	**Not applicable** (I.R.S. employer identification number)
41300 Christy Street **Fremont** **California 94538** **United States of America** **(510) 360-3700**	**The Mercury Centre, Wycombe Lane** **Wooburn Green** **High Wycombe, Bucks HP10 0HH** **United Kingdom** **(44) 1628-539500**

(Address and telephone number of principal executive offices and principal places of business)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ý No o

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act): Yes o No ý

As of August 9, 2004, there were 28,575,189 Ordinary shares of £0.20 each nominal value, outstanding.

INSIGNIA SOLUTIONS PLC

PART 1 - FINANCIAL INFORMATION

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

INSIGNIA SOLUTIONS PLC
CONDENSED CONSOLIDATED BALANCE SHEETS
(amounts in thousands, unaudited)

		June 30, 2004		December 31, 2003
ASSETS				
Current assets:				
Cash and cash equivalents	$	1,950	$	2,212
Restricted cash		50		20
Accounts receivable, net		245		50
Other receivables		235		1,153
Tax receivable		436		391
Prepaid royalties				2,185
Prepaid expenses		349		410
Total current assets		3,265		6,421
Property and equipment, net		159		154
Investment in affiliate		35		
Other assets		226		219
	$	3,685	$	6,794
LIABILITIES, REDEEMABLE WARRANTS AND SHAREHOLDERS EQUITY				
Current liabilities:				
Accounts payable	$	180	$	468
Accrued liabilities		1,120		1,239
Note payable				1,000
Deferred revenue		45		1,460
Total current liabilities		1,345		4,167
Commitments and contingencies (Note 6)				
Redeemable warrants		38		38
Shareholders equity:				
Ordinary shares		9,639		8,111
Additional paid-in capital		63,872		61,898
Common stock subscription				575
Accumulated deficit		(70,748)		(67,534)
Other accumulated comprehensive loss		(461)		(461)
Total shareholders equity		2,302		2,589
	$	3,685	$	6,794

The accompanying notes are an integral part of these condensed consolidated financial statements.

INSIGNIA SOLUTIONS PLC

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(amounts in thousands, except per share amounts, unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2004	2003	2004	2003
Net revenues:				
License	$ 105	$	$ 421	$ 192
Service	2		5	187
Total net revenues	107		426	379
Cost of net revenues:				
License	5	36	28	151
Service				52
Total cost of net revenues	5	36	28	203
Gross profit	102	(36)	398	176
Operating expenses:				
Sales and marketing	529	261	1,345	906
Research and development	661	719	1,472	2,025
General and administrative	670	386	1,261	1,530
Restructuring		173		499
Total operating expenses	1,860	1,539	4,078	4,960
Operating loss	(1,758)	(1,575)	(3,680)	(4,784)
Interest income (expense), net	3	(12)	2	(13)
Other income, net	264	3,529	251	3,542
Income (loss) before income taxes	(1,491)	1,942	(3,427)	(1,255)
Benefit from income taxes	(187)	(331)	(213)	(329)
Net income (loss)	$ (1,304)	$ 2,273	$ (3,214)	$ (926)
Net income (loss) per share:				
Basic	$ (0.04)	$ 0.11	$ (0.11)	$ (0.05)
Diluted	$ (0.04)	$ 0.11	$ (0.11)	$ (0.05)
Weighted average shares and share equivalents:				
Basic	29,240	20,089	28,928	20,089
Diluted	29,240	20,347	28,928	20,089

The accompanying notes are an integral part of these condensed consolidated financial statements.

INSIGNIA SOLUTIONS PLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(amounts in thousands, unaudited)

	Six months ended June 30, 2004	Six months ended June 30, 2003
Cash flows from operating activities:		
Net loss	$ (3,214)	$ (926)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	53	81
Allowance for doubtful accounts		(38)
Non-cash charge for warrant issuance	353	
Equity in net loss of affiliate	40	
Gain on sale of product line	(298)	(3,500)
Net changes in assets and liabilities:		
Accounts receivable	(195)	835
Other receivables	(428)	
Tax receivable	(45)	522
Prepaid royalties	2,185	99
Prepaid expenses	61	86
Other assets	(7)	311
Accounts payable	(251)	134
Accrued liabilities	(106)	(158)
Accrued severance		215
Deferred revenue	(821)	112
Income tax payable		(4)
Net cash used in operating activities	(2,673)	(2,231)
Cash flows from investing activities:		
Purchases of property and equipment	(58)	(15)
Investment in affiliate	(75)	
Proceeds from sale of product line, net		713
Decrease (increase) in restricted cash	(30)	230
Net cash provided by (used in) investing activities	(163)	928
Cash flows from financing activities:		
Proceeds from issuance of shares, net	1,604	
Proceeds from exercise of warrants	389	
Proceeds from note payable		1,000
Proceeds from exercise of stock options and employee stock purchase plan	581	1
Net cash provided by financing activities	2,574	1,001
Net decrease in cash and cash equivalents	(262)	(302)
Cash and cash equivalents at beginning of the period	2,212	726
Cash and cash equivalents at end of the period	$ 1,950	$ 424

The accompanying notes are an integral part of these condensed consolidated financial statements.

INSIGNIA SOLUTIONS PLC

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 1. Basis of presentation

The accompanying unaudited condensed consolidated financial statements of Insignia Solutions plc (Insignia , us or we) have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and pursuant to the instructions to Form 10-Q and Article 10 of Regulation S-X. The unaudited interim financial statements have been prepared on the same basis as the annual financial statements and, in the opinion of management, reflect all adjustments, consisting of normal recurring adjustments, considered necessary for a fair presentation. Interim results are not necessarily indicative of results for a full year. These condensed consolidated financial statements and notes herein should be read in conjunction with Insignia s audited consolidated financial statements for the year ended December 31, 2003, and notes thereto, included in Insignia s Annual Report on Form 10-K.

During the past 24 months, we have incurred an aggregate loss from operations and negative operating cash flows of $17,352,000 and $13,123,000, respectively. In 2003 we undertook measures to reduce operating expenses and redesign our commercial efforts to adapt to new developments in the market place. Assuming we achieve our revenue targets for the SSP product and control operating costs, we believe that we will have sufficient funds to meet our operating and capital requirements through the end of fiscal year 2004. We are currently in the process of exploring financing alternatives including selling additional equity or debt securities. If additional funds are raised through the issuance of equity or debt securities, these securities could have rights, preferences and privileges senior to holders of our shares, and the terms of such securities could impose restrictions on our operations. The sale of additional equity or debt securities could result in additional dilution to our shareholders. We may not be able to obtain additional financing on acceptable terms, or at all. If we are unable to obtain additional financing as and when needed, and on acceptable terms, we may be required to reduce the scope of our planned sales, marketing and product development efforts, which could jeopardize our business. On August 4, 2004 we received a letter from Nasdaq stating that we were not in compliance with the Nasdaq rule that requires us to have, among other possibilities, a minimum of $2.5 million in shareholders equity. We are in the process of developing a plan to achieve and sustain compliance with all the Nasdaq SmallCap listing requirement, including the time frame for completion of the plan.

We follow accounting principles generally accepted in the United States of America. We conduct most of our business in U.S. dollars. All amounts included in the condensed consolidated financial statements and notes herein are denominated in U.S. dollars unless designated £ , in which case they are in British pound sterling. The exchange rates used between the U.S. dollar and the British pound sterling were $1.83 and $1.64 (expressed in U.S. dollars per British pound sterling) at June 30, 2004 and 2003, respectively.

Note 2. Net income (loss) per share

Net income (loss) per share is presented on a basic and diluted basis and is computed by dividing net income (loss) by the weighted average number of ordinary shares and ordinary equivalent shares outstanding during the period. Ordinary equivalent shares consist of warrants and stock options (using the treasury stock method). Under the basic method of calculating net income (loss) per share, ordinary equivalent shares are excluded from the computation. Under the diluted method of calculating net income (loss) per share, ordinary equivalent shares are excluded from the computation only if their effect is anti-dilutive.

Calculation of basic and diluted net income (loss) per share (in thousands, except per share data):

	Three months ended June 30,				Six months ended June 30,			
		2004		2003		2004		2003
Numerator basic and diluted income (loss) per share:								
Net income (loss)	$	(1,304)	$	2,273	$	(3,214)	$	(926)
Denominator basic income (loss) per share:								
Weighted average number of ordinary shares outstanding		29,240		20,089		28,928		20,089
Basic net income (loss) per share	$	(0.04)	$	0.11	$	(0.11)	$	(0.05)
Denominator diluted income (loss) per share:								
Weighted average number of ordinary shares outstanding		29,240		20,089		28,928		20,089
Dilutive ordinary equivalent shares				258				
Weighted average number of ordinary equivalent shares outstanding		29,240		20,347		28,928		20,089
Diluted net income (loss) per share	$	(0.04)	$	0.11	$	(0.11)	$	(0.05)

The following number of options and warrants have not been included in the calculation of diluted net income (loss) per share because their inclusion would have been anti-dilutive:

	Three months ended June 30,		Six months ended June 30,	
	2004	2003	2004	2003
Options	1,422,881	2,938,032	1,664,314	4,570,532
Warrants	144,742	603,834	325,185	4,191,334

Note 3. Stock based compensation

Insignia accounts for stock based employee compensation using the intrinsic value method under Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees and related interpretations, and complies with the disclosure provisions of Statement of Financial Accounting Standards No. 148, Accounting for Stock Based Compensation, Transition and Disclosure an Amendment of FASB Statement No. 123 . The following table illustrates the effect on net income (loss) and net income (loss) per share if we had applied the fair value recognition provisions of Statement of Financial Accounting Standards No. 123, Accounting for Stock Based Compensation (SFAS 123), to stock based compensation:

	Three months ended June 30,		Six months ended June 30,	
	2004	**2003**	**2004**	**2003**
Net income (loss)-as reported	$ (1,304)	$ 2,273	$ (3,214)	$ (926)
Less stock based compensation expense determined under the fair value method	(204)	(261)	(390)	(525)
Net income (loss)-pro forma	$ (1,508)	$ 2,012	$ (3,604)	$ (1,451)
Basic and diluted net income (loss) per share-as reported	$ (0.04)	$ 0.11	$ (0.11)	$ (0.05)
Basic and diluted net income (loss) per share-proforma	$ (0.05)	$ 0.10	$ (0.13)	$ (0.07)

In accordance with the disclosure provisions of SFAS 123, the fair value of employee stock options granted during the three and six months ended June 30, 2004 and 2003 was estimated at the date of grant using the Black-Scholes model and the following weighted average assumptions:

	Three months ended June 30,		Six months ended June 30,	
	2004	**2003**	**2004**	**2003**
Stock Options:				
Volatility range	139% - 140%	142% - 244%	139% - 198%	142% - 244%
Risk-free interest rate range	3.75% - 4.07%	1.25% - 2.79%	1.11% - 4.07%	1.00% - 3.06%
Dividend yield	0%	0%	0%	0%
Expected life (years)	4	4	4	4
Employee Stock Purchase Plan:				
Volatility range	N/A	N/A	198%	59%
Risk-free interest rate range	N/A	N/A	1.13%	1.17%
Dividend yield	0%	0%	0%	0%
Expected life (years)	.5	.5	.5	.5

Note 4. New accounting pronouncements

In January 2003, the Financial Accounting Standards Board (FASB) issued Interpretation No. 46, Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51 (FIN 46), which requires certain variable interest entities to be consolidated by the primary beneficiary of the entity if the equity investors in the entity do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. FIN 46 is effective immediately for all new variable interest entities created or acquired after January 31, 2003. For variable interest entities created or acquired prior to February 1, 2003, the provisions of FIN 46 have been delayed and currently apply to the first fiscal year or interim period beginning after December 15, 2003. We do not have any varible interest entities as of June 30, 2004 that require disclosure or new consolidation as a result of adopting the provisions of FIN 46.

In April 2004, the Emerging Issues Task Force issued Statement No. 03-06, Participating Securities and the Two-Class Method Under FASB Statement No. 128, Earnings Per Share (EITF 03-06), which addresses a number of questions regarding the computation of earnings per share by companies that have issued securities other than common stock that contractually entitle the holder to participate in dividends and earnings of the company when, and if, it declares dividends on its common stock. EITF 03-06 also provides further guidance in applying the two-class method of calculating earnings per share, clarifying what constitutes a participating security and how to apply the two-class method of computing earnings per share once it is determined that a security is participating, including how to allocate undistributed earnings to such a security. EITF 03-06 is effective for fiscal periods beginning after March 31, 2004. The adoption of EITF 03-06 is not expected to have a material effect on Insignia s results of operations or financial position.

Note 5. Esmertec agreements

On February 7, 2003, we entered into a loan agreement with esmertec AG (esmertec) whereby esmertec loaned Insignia $1.0 million at an interest rate of prime plus two percent. The principal amount of $1.0 million was repaid on January 15, 2004 and all remaining accrued interest of $55,161 was repaid on March 15, 2004. Accordingly, there are no outstanding balances or future amounts due to esmertec under the loan agreement as of June 30, 2004.

On March 4, 2003, we entered into several other agreements (the Agreements) with esmertec including a definitive agreement to sell certain assets relating to our Java Virtual Machine (JVM) product line in exchange for $3.5 million, due in installments through April 2004. The transaction closed on April 23, 2003 and was amended on June 30, 2004. The assets sold primarily included the fixed assets, customer agreements and employees related to the JVM product line. Under the terms of the Agreements, esmertec also became the exclusive master distributor of the JVM technology in exchange for $3.4 million in minimum guaranteed royalties payable through October 2004.

Under the original agreements, Insignia could have earned up to an additional $4.0 million over the subsequent three year period from the effective date of the Agreements based on a percentage of esmertec s sales of the JVM product during the period. Additionally, the parties entered into a cooperative agreement whereas esmertec would promote Insignia s Secure System Provisioning (SSP) software product to esmertec s mobile platform customers.

As part of the sale of our JVM product line, we transferred 42 employees to esmertec, of which 31 were development engineers. In addition, as part of the sale, esmertec entered into an agreement with our U.K. building landlord in order to assume the lease on one of the two buildings leased by Insignia.

On February 13, 2004, Insignia and esmertec executed the final purchase agreement upon signing the Limited Assignment of Rights of Technology License and Distribution Agreement. The final purchase agreement transferred the intellectual property of Jeode and the title for Insignia s remaining prepaid royalties to esmertec.

On June 30, 2004, Insignia and esmertec executed a Termination and Waiver Agreement. This Agreement offset esmertec related liabilities and deferred revenue totaling $853,000 against $600,000 of remaining guaranteed royalty payments due from esmertec in exchange for a final cash payment to Insignia of $185,000. The resulting net gain of $298,000 was recorded as other income in the second quarter of 2004 and is net of expenses. The final payment was received from esmertec on July 8, 2004.

The Jeode platform had been our principal product line since the third quarter of 1999. With the completion of the sale of our JVM product line to esmertec in February 2004, Insignia s sole product line currently consists of its SSP products for the mobile handset and wireless carrier industry. We began shipment of our SSP product to customers in the fourth quarter of 2003.

Note 6. Commitments and contingencies

In June 2001, Insignia and Sun Microsystems, Inc. (Sun) entered into an addendum (the Addendum) to the Distribution Agreement (the Distribution Agreement) relating to distribution of products to an Insignia customer. In September 2001, Insignia and Sun entered into Amendment No. 3 (the Amendment) to the Technology License and Distribution Agreement between the two companies. The Addendum and the Amendment each required Insignia to make non-refundable royalty prepayments to Sun which would be forfeited if the prepaid royalties had not been used by the date the Distribution Agreement expired, June 30, 2004. The title to the prepaid royalties was transferred to esmertec under the final asset purchase agreement on February 13, 2004. Sun agreed to the transfer to esmertec effective as of June 14, 2003.

Guarantee Agreements

Insignia, Inc., a Delaware subsidiary of Insignia, as permitted under Delaware law and in accordance with our Bylaws, indemnifies our officers and directors for certain events or occurrences, subject to certain limitations, while the officer is or was serving at our request in such capacity. The term of the indemnification period is for the officer s or director s lifetime. The maximum amount of potential future indemnification is unlimited; however we do have a Director and Officer Insurance Policy that limits our exposure and enables us to recover a portion of any future amounts paid under certain circumstances. As a result of the insurance policy coverage, we believe the fair value of these indemnification agreements is minimal.

In our sales agreements, we typically agree to indemnify our customers for any expenses or liability resulting from claimed infringements of patents, trademarks or copyrights of third parties for the products, as delivered by Insignia. The terms of these indemnification agreements are generally perpetual any time after execution of the agreement. The maximum amount of potential future indemnification is unlimited, however, we normally retain the right to limit the remedies the customer may receive. We have not paid any amounts to settle claims or defend lawsuits.

Insignia, on a limited basis, has granted price protection. The terms of these agreements are generally perpetual. We have not recorded any liabilities for these potential future payments either because they are not probable or we have yet to incur any expense related to price protection.

Insignia typically warrants the binary version and the source code license of its software products against defects in material and workmanship under normal use and service for a period of ninety days. There is no warranty accrual because potential future payments either are not probable or we have yet to incur any warrant expense.

Note 7. Segment information

Insignia operates in a single industry segment providing software technologies that enable mobile operators and phone manufacturers to update the firmware of mobile devices using standard over-the-air data networks.

Sales to customers outside the United States, derived mainly from customers in Europe and Asia, represented approximately 100% and 65% of total revenues in the three and six months ended June 30, 2004 and 0% and 10% of total revenues in the three and six months ended June 30, 2003, respectively.

One customer accounted for 98% and 25% of our total revenues for the three and six months ended June 30, 2004. For the six months ended June 30, 2003, one customer accounted for 35% of total revenue. There were no revenues in the second quarter of 2003.

Note 8. Equity transactions and warrants

On January 5, 2004, we issued 2,262,500 ordinary shares in ADS form at a price of $0.80 to a total of 10 investors. We also issued warrants to purchase 565,625 ADSs to the investors at an exercise price of $1.04. The warrants were exercisable immediately and expire January 5, 2009. We received $1.8 million less offering expenses totaling approximately $0.2 million in this transaction. We also issued warrants to purchase 108,562 ADSs to the two principals of the placement agent, which are exercisable at a price of $1.09 per share. These warrants were exercisable immediately and expire January 5, 2009.

In January 2004, new ordinary shares of 766,667 were issued to Fusion Capital pursuant to a binding commitment to deliver such shares entered into in November 2003.

The following table summarizes the warrant activity during the six months ended June 30, 2004:

	Warrants outstanding and exercisable	**Warrants outstanding exercise price**
Balance, December 31, 2003	739,657	$4.77 - $6.00(1)
Granted	881,187	$1.03 - $2.68
Exercised	(470,000)	$0.85
Balance, June 30, 2004	1,148,844	$1.04-$6.00(1)

(1) The $6.00 warrants are the lesser of $6.00 or 90% of 10-day average market value

Note 9. Related party transaction

On February 13, 2001, we entered into a promissory note with Richard M. Noling, then President and Chief Executive Officer of Insignia whereby Mr. Noling borrowed $150,000 from Insignia. The promissory note was due in three equal installments, on each annual anniversary from the date of the note. Interest accrued on the unpaid principal balance at a rate per annum equal to the prime lending rate of interest as listed in the Wall Street Journal plus 1%. Accrued interest was due and payable monthly in arrears on the last calendar day of each month, beginning March 31, 2001. The note was amended on January 24, 2002 to extend the first and subsequent installments by one year. The first installment became due on February 13, 2003. Mr. Noling s employment was terminated with Insignia effective February 14, 2003. We forgave, effective March 6, 2003, the balance of the loan, $128,154, in lieu of any bonus compensation.

On December 31, 2003, Insignia entered into a joint venture agreement with J Tek Corporation to form Insignia Asia Chusik Hoesa (Insignia Asia). During the six months ended June 30, 2004, Insignia recognized license revenue of $75,000 from Insignia Asia.

Note 10. Restructuring

Statement of Financial Accounting Standards No. 146, Accounting for Exit or Disposal Activities requires restructuring charges to be recorded at the commitment date. On February 11, 2003, we announced a restructuring of the organization to focus on the SSP technology. The restructuring charges for the quarters ended March 31, June 30, September 30 and December 31, 2003 were $326,000, $173,000, ($19,000) and $18,000, respectively, for employee termination benefits. Restructuring charges paid in the four quarters of 2003 were $117,000, $167,000, $109,000 and $115,000, respectively. There were no accrued restructuring charges remaining as of December 31, 2003 or June 30, 2004.

Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto included in Part I - Item 1 of this Form 10-Q and the Management s Discussion and Analysis of Financial Condition and Results of Operations set forth in Insignia s Form 10-K for the year ended December 31, 2003 (the Form 10-K).

Future operating results

This Form 10-Q contains forward-looking statements. Words such as anticipates, believes, expects, future, and intends, and similar expressions are used to identify forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include without limitation those discussed in the section titles Risk Factors . Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management s analysis only as of the date hereof. We assume no obligation to update these forward-looking statements to reflect actual results or changes in factors or assumptions affecting such forward-looking statements.

The following table sets forth the unaudited condensed consolidated results of operations as a percentage of total revenues for the three and six-month periods ended June 30, 2004 and 2003:

	Three months ended June 30,		**Six months ended June 30,**	
	2004	**2003**	**2004**	**2003**
Net revenues:				
License	98.1%	%*	98.8%	50.7%
Service	1.9%	%*	1.2%	49.3%
Total net revenues	100.0%	%*	100.0%	100.0%
Cost of net revenues:				
License	4.7%	%*	6.6%	39.9%
Service	0.0%	%*	0.0%	13.7%
Total cost of net revenues	4.7%	%*	6.6%	53.6%
Gross margin	95.3%	%*	93.4%	46.4%
Operating expenses:				
Sales and marketing	494.4%	%*	315.7%	239.0%
Research and development	617.8%	%*	345.5%	534.3%
General and administrative	626.2%	%*	296.0%	403.7%
Restructuring		%*	%	131.7%
Total operating expenses	1,738.3%	%*	957.3%	1,308.7%
Operating loss	(1,643.0)%	%*	(863.8)%	(1,262.3)%
Interest income (expense), net	2.8%	%*	0.5%	(3.4)%
Other income, net	246.7%	%*	58.9%	934.6%
Income (Loss) before income taxes	(1,393.5)%	%*	(804.5)%	(331.1)%
Benefit from income taxes	(174.8)%	%*	(50.0)%	(86.8)%
Net income (loss)	(1,218.7)%	%*	(754.5)%	(244.3)%

* There were no revenues in the second quarter of 2003 due to the sale of the JVM product line to esmertec.

Overview

We commenced operations in 1986 and currently develop, market and support software technologies that enable mobile operators and phone manufacturers to update the firmware of mobile devices using standard over-the-air data networks. Before 2003, our principal product line was the Jeode platform based on our Embedded Virtual Machine (EVM) technology.

During 2001, we began development of a range of products (Secure System Provisioning or SSP products) for the mobile phone and wireless operator industry. These SSP products are based on our position as a Virtual Mach