

Concha PLC
("Concha" or "the Company")
Interim Report for the period ended 31 December 2015

Introduction

As you will have been aware, the Board has sought to supplement its capabilities via the addition of a number of experienced appointees over the course of the last 18 months. Despite the disappointment of having to terminate discussions with an identified opportunity after such a lengthy period of negotiation, this breadth of resource has allowed the Board to pursue a number of parallel opportunities. Having adopted this approach, I was therefore pleased to announce the recent investment in Ve Interactive ("Ve"), the multi-award-winning global technology company founded in 2009 which offers a suite of apps across one platform, which help online businesses successfully drive new traffic, reduce bounce rate, increase customer engagement and minimise website abandonment.

With over 850 staff in 33 offices worldwide, Ve supports over 10,000 domestic and multi-national online businesses and retailers in the delivery of real-time marketing communications at key points within each of their customers' journeys. Having topped the Sunday Times Tech Track 100 in 2015, following an average growth rate in sales of c.305% per year between 2012 and 2014, Ve is now a global player, tracking c.2 million data points each minute, (an equivalent of 3 billion a day), by monitoring over c.650 million connected devices used by over 400 million unique users per month. Not only was your Board attracted by Ve's depth and breadth of data capabilities, but given its scale as a global player believes Ve is now well positioned to create substantial revenue and capital growth.

During the diligence process we were able to meet with the Board and senior management of Ve on several occasions and via rigorous third party reviews of the business, we have been reassured by the continuing exponential growth, technology platform and aspirations for the short to medium term. Despite topping the Sunday Times Tech Track 100, following an average growth rate in sales of c305% per year between 2012 and 2014, the business has yet to secure development funding from either venture capital or private equity markets. As such we see Ve as being ideally suited to public markets at some point either subsequent to or simultaneously with a more traditional equity backed fundraising led by an established banking institution. The Board, having met with certain of its key supportive shareholders such as Andrew Black and Nigel Wray are therefore delighted that Concha has been able to secure an early engagement in what it believes will be an exciting chapter in V's development.

We firmly believe that this is an opportunity that in the short to medium term will not only attract significant institutional interest but will also provide your Company with the ability to benefit from a substantial value uplift as Ve further establishes itself as a European "unicorn".

Interim Results

The activities of the last 18 months have enabled the Company to strengthen its balance sheet via multiple issues of placing shares and warrant exercises. Whilst the Board has sought to mitigate its losses and conserve its cash reserves, the results for this interim period to 31 December 2015 inevitably reflect the costs of evaluating certain investment opportunities regardless as to whether or not they result in a positive conclusion. Whilst the various regulatory, commercial and legal costs associated with pursuing the global opportunity, which the Company had referenced during the course of 2015 were not significant, they are reflected within the Company's reported loss of £384k for this 6 month period to 31 December 2015 (2014 : loss £278k). At 31 December 2015, prior to its investment in Ve, the Company was pleased to report cash reserves of £5.6m compared with £5.7m at the corresponding date last year.

On 9 October 2015, the Company announced the appointment of Richard Tray as part of the management team. Having now concluded discussions with the identified global opportunity and completed its investment in Ve, Richard has now left the team. Furthermore, in the absence of having required the services of Zeus

Capital since their appointment in February 2014, they have now resigned as joint broker to the Company. With a now normalized administrative overhead base and cash reserves more than sufficient to meet the Company's short to medium term operating needs, your Board will now focus on the evaluation of further investment opportunities.

Outlook

The Board continues to review a number of potential investment opportunities that are in line with our stated strategy and will update the market further as and when it is appropriate to do so.

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**INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 JULY 2015 TO 31 DECEMBER 2015**

	Notes	Half year to 31.12.2015 (Unaudited) £000's	Half year to 31.12.2014 (Unaudited) £000's	Year Ended 30.06.2015 (Audited) £000's
Revenue	2	8	8	15
Gross profit		8	8	15
General & administrative expenses		(397)	(286)	(755)
Loss from operations before exceptional items		(389)	(278)	(740)
Exceptional items		-	-	108
Loss from operations		(389)	(278)	(632)
Investment income		5	-	4
Loss before tax		(384)	(278)	(628)
Tax		-	-	-
Retained Loss after tax for the period		(384)	(278)	(628)
Retained loss attributable to:				
Owners of the company		(384)	(278)	(628)
Loss for period		(384)	(278)	(628)
Total comprehensive loss attributable to:				
Owners of the company		(384)	(278)	(628)
Total comprehensive loss for the period		(384)	(278)	(628)
Loss per share				
Basic and diluted	3	-	-	-

**INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**

	Notes	As at 31.12.2015 (Unaudited) £000's	As at 31.12.2014 (Unaudited) £000's	As at 30.06.2015 (Audited) £000's
ASSETS				
Non-current assets				
Investments		500	500	500
		<u>500</u>	<u>500</u>	<u>500</u>
Current assets				
Trade and other receivables		263	348	254
Cash and cash equivalents		5,618	5,741	5,547
		<u>5,881</u>	<u>6,089</u>	<u>5,801</u>
TOTAL ASSETS		<u><u>6,381</u></u>	<u><u>6,589</u></u>	<u><u>6,301</u></u>
EQUITY				
Share capital	4	1,553	1,478	1,478
Deferred share capital		1,795	1,795	1,795
Share premium reserve		21,433	21,063	21,043
Warrant reserve		314	190	314
Retained loss		(18,767)	(17,991)	(18,383)
TOTAL EQUITY		<u><u>6,328</u></u>	<u><u>6,535</u></u>	<u><u>6,247</u></u>
CURRENT LIABILITIES				
Trade and other payables		53	54	54
TOTAL EQUITY AND LIABILITIES		<u><u>6,381</u></u>	<u><u>6,589</u></u>	<u><u>6,301</u></u>

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 1 JULY 2015 TO 31 DECEMBER 2015

	<i>Share capital</i>	<i>Deferred share capital</i>	<i>Share premium account</i>	<i>Warrant reserve</i>	<i>Retained loss</i>	<i>Total</i>
	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>
Balance at 1 July 2015	1,478	1,795	21,043	314	(18,383)	6,247
Loss for the period	-	-	-	-	(384)	(384)
Total comprehensive income for the period	-	-	-	-	(384)	(384)
Share capital issued	75	-	390	-	-	465
Share based payments	-	-	-	-	-	-
Balance at 31 December 2015	1,553	1,795	21,433	314	(18,767)	6,328
	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>
Balance at 1 July 2014	1,323	1,795	16,831	232	(17,755)	2,426
Loss for the year	-	-	-	-	(278)	(278)
Total comprehensive income for the period	-	-	-	-	(278)	(278)
Share capital issued	155	-	4,232	-	-	4,387
Share based payments	-	-	-	(42)	42	-
Balance at 31 December 2014	1,478	1,795	21,063	190	(17,991)	6,535

**INTERIM STATEMENT OF CASH FLOW
FOR THE PERIOD FROM 1 JULY 2015 TO 31 DECEMBER 2015**

	Half Year to 31.12.2015 £000's (Unaudited)	Half Year to 31.12.2014 £000's (Unaudited)	Year Ended 30.06.2015 £000's (Audited)
Cash flow from operating activities			
Loss for the period	(384)	(278)	(628)
Share based payment	-	-	82
	<hr/>	<hr/>	<hr/>
Operating cash flows before movements in working Capital	(384)	(278)	(546)
Increase in receivables	(14)	(189)	(95)
(Decrease) / increase in payables	(1)	(85)	17
	<hr/>	<hr/>	<hr/>
	(15)	(274)	(78)
Investment income	5	-	4
	<hr/>	<hr/>	<hr/>
Net cash outflow from operating activities	(394)	(552)	(620)
Cash flow from financing activities			
Net proceeds from issue of share capital	465	4,499	4,363
Loans advanced	-	(10)	-
	<hr/>	<hr/>	<hr/>
Net cash flow from financing activities	465	4,489	4,363
Net cash inflow for the period	71	3,937	3,743
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at start of period	5,547	1,804	1,804
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Cash and cash equivalents at end of period	5,618	5,741	5,547
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NOTES TO THE UNAUDITED INTERIM REPORT FOR THE PERIOD ENDING 31 DECEMBER 2015

1. BASIS OF PREPARATION

The interim financial statements have been prepared on a going concern basis and in accordance with the recognition and measurement principles of International Financial Reporting Standards adopted for use in the European Union ("IFRS"). The accounting policies are unchanged from the financial statements for the year ended 30 June 2015.

The interim financial statements for the period ended 31 December 2015 have not been audited and do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 30 June 2015, prepared in accordance with IFRS, have been filed with the Registrar of Companies. The Auditors' report on these accounts was unmodified, did not include any matters to which the Auditors drew attention by way of emphasis of matter without qualifying their report and did not contain any statements under section 498 of the Companies Act 2006.

This Interim Financial Report was approved by the Board of Directors on **21 March 2015**.

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard ('IAS') 34 - Interim Financial Reporting as adopted by the European Union. Accordingly the interim financial statements do not include all of the information or disclosures required in the annual financial statements and should be read in conjunction with the Company's 2015 annual financial statements.

2. TURNOVER AND SEGMENTAL ANALYSIS

All of the Company's activity and income and expenses in the periods ended 31 December 2015 and 31 December 2014 and for the year ended 30 June 2015 were incurred in the United Kingdom, and relate to Concha's ongoing investment activities.

3. LOSS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	Half year to 31.12.2015	Half year to 31.12.2014	Year ended 30.6.2015
Earnings			
Earnings for the purposes of basic earnings per share net loss for the period attributable to equity holders of the company (£000's)	(384)	(278)	(628)
Number of shares			
Weighted average number of ordinary shares in issue (millions)	1,547.8	1,364.9	1,441.7
Number of dilutive shares under options (millions)	287.0	357.0	331.9
Weighted average number of shares incl. dilutive warrants (millions)	1,834.8	1,721.9	1,773.6

The denominator for the purpose of calculating the basic earnings per share has been adjusted to reflect all capital raisings. Due to the loss incurred in the period, there is no dilutive effect resulting from the issue of share options, warrants and shares to be issued.

**NOTES TO THE UNAUDITED INTERIM REPORT
FOR THE PERIOD ENDING 31 DECEMBER 2015**

4. SHARE CAPITAL	<i>Number of shares</i>	<i>Nominal value £000's</i>
a) <u>Issued and Fully Paid:</u>		
As at 1 July 2015	1,477,739,685	1,478
2 July 2015 - for cash at 8.00 pence per share	5,000,000	5
14 July 2015 - for cash at 0.20 pence per share	20,000,000	20
14 July 2015 - for cash at 0.25 pence per share	50,000,000	50
	<hr/>	<hr/>
As at 31 December 2015	1,552,739,685	1,553
b) <u>Deferred shares</u>		
As at 1 July 2015 and 31 December 2015	181,303,419	1,795
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c) Total warrants in issue

During the half year, no warrants were issued (2014: 102,000,000) and 75,000,000 were exercised (2014: 54,848,997) and none were cancelled (2014: 2,000,000).

As at 31 December 2015 the warrants in issue were:

<i>Exercise price</i>	<i>Expiry date</i>	<i>Warrants in Issue 31 December 2015</i>
0.35p	07/06/2016	65,317,227
0.35p	01/03/2018	49,525,698
0.20p	14/02/2017	30,000,000
1.20p	30/04/2016	42,166,667
8.00p	04/11/2016	95,000,000
		<hr/>
		282,009,592
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5. POST BALANCE SHEET EVENTS

On 7 January 2016, options were granted to the directors over an aggregate of 85,000,000 Ordinary 0.10 shares at an exercise price of 1.18p. At the date of grant, these options were to become exercisable at any time after the Company's next substantial investment. Having recently completed the investment in Ve Interactive Limited these options can now be exercised by the directors and will lapse a maximum of 3 years after the date of grant. On the same day, warrants were exercised for a total of 15,317,227 Ordinary 0.1p shares for a cash consideration of £53,610.

On 20 January 2016, options were exercised for a total of 30,000,000 ordinary 0.1p shares for a cash consideration of £60,000.

On 15 March 2016, the Company made a cash investment of £4.0m in Ve Interactive Limited, representing a 0.43% interest in that Company.

6. AVAILABILITY OF INTERIM RESULTS

Copies of the Interim Results for the six months to 31 December 2015 are available from the Company's registered address and will be available on the Company's website, www.concha-plc.com, later today.