

Dissemination of a Regulatory Announcement that contains inside information according to REGULATION (EU) No 596/2014 (MAR).

Concha PLC
("Concha" or "the Company")
Interim Report for the six months ended 31 December 2016

Introduction

Over the course of the last few days there have been a number of developments at Ve Interactive Limited ("Ve"), a business which represents Concha's principal investment in which it invested £4m at a £930m valuation (representing 0.43% of the issued share capital) during March 2016 and so the timing of the release of this interim statement provides an expedient opportunity to provide an update as to the status and performance of this key investment.

As I stated in my previous Chairman's Statement in December 2016, we had been encouraged by the November announcement of the appointment of Stuart Chambers as Chairman designate of Ve and the governance changes which immediately followed provided comfort that the business was being prepared for the next stage of its strategic development, including an anticipated round of institutional funding. We had, as I have previously stated made a number of introductions to global investment banking institutions which by its nature had afforded us closer ties with the company's executive management team and a greater insight in to the company's trading performance.

Over the course of the last six months, the disconnect between Ve's aggressive programme to extend its geographical reach and the required access to working capital has widened. This, coupled with revenue growth which has fallen behind Ve management's near term expectation, has placed significant strain on both Ve's operations and heightened frustrations amongst shareholders and other stakeholders alike. Earlier this month, a consortium of experienced long-term shareholders of Ve, advanced a number of funding proposals which will not only provide Ve with the access to capital required to fund its near-term operations but also to fund its longer-term growth aspirations. Consideration for the initial tranche of funding has largely been satisfied by the transfer of existing Ve equity from management, the effect of which has minimised the dilutive effect on the equity interests of the existing shareholder base. It is anticipated that further funds will be secured by way of a rights issue and that this process is expected to conclude in the near future.

In addition to the provision of funding, the consortium has also sought to introduce a number of experienced executives to steward the business through this period of transition. The introduction of a new CEO and interim Chairman, together with a professional multi-disciplined team will supplement the existing talent present within the business. Over the course of the next three months, this new team intends to commence and conclude a process of re-organisation, rationalisation and revenue growth, the latter resulting from a number of identified revenue opportunities which will allow Ve's portfolio of offerings, including the optimisation of its mobile browsing services to improve both market share and yield. Significant reductions to its operating cost base will see the business exit from smaller markets, centralise its global finance function and drive growth from three core geographical hubs (EMEA, Americas and Asia) which in combination will support the new management team's plans to secure a position of being cash break-even by the end of 2017.

Our initial view of Ve and its potential remain the same. The technology that underpins its business is proven and its vision to use technology to overcome the common challenge faced by all online businesses in respect of expanding and converting customers without flaw. However, in order to scale effectively it must now shed its "start-up" culture, rationalise its operating base and focus on the introduction of a number of identified revenue enhancing "martech" and advertising product initiatives that are intended to drive the business to break even during 2017. Whilst recent events will no doubt impact the perception of the investment opportunity Ve represents, the Board believes that this decisive action will accelerate Ve's timetable to profitability and in turn provide an earlier exit opportunity than would otherwise have been possible. However, the vision proposed is not without its challenges. The business will need to restructure

both its short and long-term liability base as well as secure the support of the shareholders, many of whom will have invested at valuations significantly higher than the implied valuation now placed upon the business.

The current funding proposals are still being negotiated and may therefore be subject to change. We will however, ensure that our shareholders are kept abreast of developments at Ve as it begins a new phase in the development of its business and make further announcements as appropriate.

Unaudited Interim Results

Whilst your Board has closely monitored the developments of Ve outlined above, it has also continued to evaluate the merits of other investment opportunities. Whilst we have not supplemented our investment portfolio during the period, the reported loss before exceptional items of £0.28m for the period (2015: Loss £0.39m) reflects the costs associated with pursuing discussions with target investee opportunities and preserving Concha's status as an AIM quoted entity. In addition, and in the light of recent events at Ve, your Board has also sought to impair the carrying value of its investment in Ve to more fairly reflect the valuation of recent transactions at Ve, which indicates a current valuation of Ve of £300m, the impact of which has been to further increase the loss for the year by £2.71m as a result of impairing the investment via the inter-company loan, resulting in a retained loss of the period of £2.99m (2015: Loss £0.38m).

Your Board will continue its process of review and will update the market further as and when it is appropriate to do so.

Concha PLC

18 Buckingham Gate, London, SW1E 6LB

Enquiries:

Concha PLC

Chris Akers, Chairman

chris.akers@srgplc.com

SPARK Advisory Partners Limited (Nominated Adviser)

020 3368 3550

Sean Wyndham-Quin

Mark Brady

Buchanan
Richard Oldworth

020 7466 5000

CONCHA PLC
INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 JULY 2016 TO 31 DECEMBER 2016

	Notes	Half year to 31.12.2016 (Unaudited) £000's	Half year to 31.12.2015 (Unaudited) £000's	Year Ended 30.06.2016 (Audited) £000's
Revenue	2	8	8	15
Gross profit		8	8	15
General & administrative expenses		(285)	(397)	(1,006)
Loss from operations before exceptional items		(277)	(389)	(991)
Impairment of amounts recoverable from subsidiary		(2,710)	-	-
Loss from operations		(2,987)	(389)	(991)
Investment income		1	5	7
Loss before tax		(2,986)	(384)	(984)
Tax		-	-	-
Retained Loss after tax for the period		(2,986)	(384)	(984)
Retained loss attributable to:				
Owners of the company		(2,986)	(384)	(984)
Loss for period		(2,986)	(384)	(984)
Total comprehensive loss attributable to:				
Owners of the company		(2,986)	(384)	(984)
Total comprehensive loss for the period		(2,986)	(384)	(984)
Loss per share				
Basic and diluted	3	-	-	-

CONCHA PLC
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Notes	As at 31.12.2016 (Unaudited) £000's	As at 31.12.2015 (Unaudited) £000's	As at 30.06.2016 (Audited) £000's
ASSETS				
Non-current assets				
Investments		514	500	514
		<u>514</u>	<u>500</u>	<u>514</u>
Current assets				
Trade and other receivables		1,827	263	4,509
Cash and cash equivalents		940	5,618	1,255
		<u>2,767</u>	<u>5,881</u>	<u>5,764</u>
TOTAL ASSETS		<u><u>3,281</u></u>	<u><u>6,381</u></u>	<u><u>6,278</u></u>
EQUITY				
Share capital	4	1,623	1,553	1,623
Deferred share capital		1,795	1,795	1,795
Share premium reserve		21,563	21,433	21,563
Warrant reserve		583	314	583
Retained loss		(22,353)	(18,767)	(19,367)
TOTAL EQUITY		<u><u>3,211</u></u>	<u><u>6,328</u></u>	<u><u>6,197</u></u>
CURRENT LIABILITIES				
Trade and other payables		70	53	81
TOTAL EQUITY AND LIABILITIES		<u><u>3,281</u></u>	<u><u>6,381</u></u>	<u><u>6,278</u></u>

CONCHA PLC
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 1 JULY 2015 TO 31 DECEMBER 2016

	<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 2016	1,623	1,795	21,563	583	(19,367)	6,197
Loss for the period	-	-	-	-	(2,986)	(2,986)
Total comprehensive income for the period	-	-	-	-	(2,986)	(2,986)
Share capital issued	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-
Balance at 31 December 2016	1,623	1,795	21,563	583	(22,353)	3,211
	<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 year	-	-	-	-	(384)	(384)
Total comprehensive income for the period	-	-	-	-	(384)	(384)
Share capital issued	75	-	390	-	-	465
Share based payments	-	-	-	(42)	42	-
Balance at 31 December 2015	1,553	1,795	21,433	314	(18,767)	6,328

CONCHA PLC
INTERIM STATEMENT OF CASH FLOW
FOR THE PERIOD FROM 1 JULY 2015 TO 31 DECEMBER 2016

	Half Year to 31.12.2016 £000's (Unaudited)	Half Year to 31.12.2015 £000's (Unaudited)	Year Ended 30.06.2016 £000's (Audited)
Cash flow from operating activities			
Loss for the period	(2,986)	(384)	(984)
Share based payment	-	-	269
Impairment of amounts recoverable from subsidiary	2,710	-	-
Investment income	(1)	(5)	(7)
	<u> </u>	<u> </u>	<u> </u>
Operating cash flows before movements in working Capital	(277)	(389)	(722)
Increase in receivables	(3)	(9)	(115)
(Decrease) / increase in payables	(11)	(1)	27
	<u> </u>	<u> </u>	<u> </u>
	(14)	(10)	(88)
Investment income	1	5	7
	<u> </u>	<u> </u>	<u> </u>
Net cash outflow from operating activities	(290)	(394)	(803)
Cash flow from investing activities			
Purchase of investments	-	-	(4,154)
	<u> </u>	<u> </u>	<u> </u>
Net cash outflow from investing activities	-	-	(4,154)
Cash flow from financing activities			
Net proceeds from issue of share capital	-	465	665
Loans advanced	(25)	-	-
	<u> </u>	<u> </u>	<u> </u>
Net cash flow from financing activities	(25)	465	665
Net cash outflow for the period	(315)	71	(4,292)
	<u> </u>	<u> </u>	<u> </u>
Cash and cash equivalents at start of period	1,255	5,547	5,547
	<u> </u>	<u> </u>	<u> </u>
Cash and cash equivalents at end of period	940	5,618	1,255
	<u> </u>	<u> </u>	<u> </u>

CONCHA PLC
NOTES TO THE UNAUDITED INTERIM REPORT
FOR THE PERIOD ENDING 31 DECEMBER 2016

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 2016.

The interim financial statements for the period ended 31 December 2016 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 2016, 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 **16 March 2017**.

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 2016 annual financial statements.

2. TURNOVER AND SEGMENTAL ANALYSIS

All of the Company's activity and income and expenses in the periods ended 31 December 2016 and 31 December 2015 and for the year ended 30 June 2016 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 31.12.2016	Half year to 31.12.2015	Year ended 30.6.2016
Earnings			
Earnings for the purposes of basic earnings per share net loss for the period attributable to equity holders of the company (£000's)	(2,986)	(384)	(984)
Number of shares			
Weighted average number of ordinary shares in issue (millions)	1,623.1	1,547.8	1,573.9
Weighted average number of dilutive shares under options (millions)	160.0	287.0	206.9
Weighted average number of shares incl. dilutive warrants (millions)	1,783.1	1,834.8	1,780.8

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.

CONCHA PLC
 NOTES TO THE UNAUDITED INTERIM REPORT
 FOR THE PERIOD ENDING 31 DECEMBER 2016

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 2016 and 31 December 2016	1,623,056,912	1,623
	<hr/>	<hr/>
b) <u>Deferred shares</u>		
As at 1 July 2016 and 31 December 2016	181,303,419	1,795
	<hr/>	<hr/>

c) Total warrants in issue

During the half year, no warrants were issued (2015: Nil) and none were exercised (2015: 75,000,000) and 95,000,000 were cancelled (2015: Nil).

As at 31 December 2016 the warrants in issue were:

<i>Exercise price</i>	<i>Expiry date</i>	<i>Warrants in Issue 31 December 2016</i>
0.35p	01/03/2018	49,525,702
0.35p	03/06/2018	25,000,000
		<hr/>
		74,525,702
		<hr/>

d) Total options in issue

During the half year, 30,000,000 options were issued (2015: Nil) and none were exercised (2015: Nil) and none were cancelled (2015: Nil).

As at 31 December 2016 the options in issue were:

<i>Exercise price</i>	<i>Expiry date</i>	<i>Options in Issue 31 December 2016</i>
1.18p	07/01/2019	115,000,000
		<hr/>

5. POST BALANCE SHEET EVENTS

As a result of the current financial position of Ve as outlined above, the year-end carrying value of Ve via the inter-company investment has been impaired in these interim results by £2.71m.

6. AVAILABILITY OF INTERIM RESULTS

Copies of the Interim Results for the six months to 31 December 2016 are available from the Company's registered address and will be available on the Company's website, www.concha-plc.com, later today.