

**Interim Accounts
For the Six Months Ended**

31 December 2015

Eurovestech plc

EUROVESTECH PLC

INTERIM ACCOUNTS

FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2015

Information

Company registration number

3913197

Registered office

29 Curzon Street

London

W1J 7TL

Executive Director

Richard Philip Bernstein (Chief Executive)

Non-Executive Directors

Richard Henry Grogan (Chairman)

Quentin-Colin Maxwell Solt

Secretary

EPS Secretaries Limited

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Last year, we set out to focus on the realization of a number of our investments and the subsequent return of cash to shareholders. This was not an indication of a retreat from the business, but an assessment that this was the right thing to do at this time.

Those objectives came up against the cruel realities of the operating performance and in one case the share price performance, of a number of major investments. This led to the past year being one of hard work to help strengthen these businesses.

When I wrote to you last in February, I noted that the decisive action taken by your board was resulting in improved results. It pleases me greatly to be able to inform you that further progress – significant further progress -- has been made. I believe you will see evidence in the company-by-company descriptions below.

Kalibrate

Kalibrate is the market leader in the design and supply of software and systems that help service station (petrol stations) and their related convenience stores establish prices for their products. At one time, Eurovestech owned all of the share capital of Kalibrate.

Kalibrate was the petrol pricing business within the KSS group. Investors may recall that Eurovestech acquired KSS -- a company with a quoted market capitalisation at one time of some £300 million, for £1 million in 2003. Half of the acquired assets were sold within several years for some £11 million. The petrol pricing business was kept and received our attention. Its management team was bolstered. Its development efforts were supported. The business was floated on the AIM market in the autumn of 2014 for more than £25 million.

Kalibrate, the business that emerged, had another year of increased revenues and operating profits. Although it would be accurate to also say that in share price terms, the Company has not enjoyed its second year of public quotation. The share price, which rose from its 69p IPO price in December 2013 to 130p declined further during the period, from 102p to 86p. Indeed, in recent months, the trend continued: bafflingly, on 24 June 2016, the day of the Brexit result, the share price fell by 15% on negligible volume, despite Kalibrate reporting in US dollars. However, despite this, which we are addressing with management, we should retain some perspective. Since our £1 million investment, we have banked £28 million and still retain £2 million of shares.

Continued good financial performance, with seven straight periods of increased sales and operating profit, have been 'rewarded', however and regrettably, with a series of share price markdowns. Let us not just complain. Let us try to understand what has been and remains a great Eurovestech story. It drives off a great Kalibrate story.

It is a quite natural thing for the consumer to believe that the price of a petroleum product -- on display as you drive into a petrol station -- will have been there for some time. But that is not at all the case. In fact, the price may have changed several times that day already, and may be changed several more. The applicable equation for setting price for the thousands of products for sale at convenience stores, is different. Here, identified complex patterns of purchasing and bundling of products help determine, and are then affected by, adjusted prices. Sophisticated management of price can be immensely powerful in driving a company's financial performance.

Kalibrate is the noted supplier to approximately 50% of the North American petroleum market. It serves virtually all of the market's largest customers, doing so from offices in Cleveland, Ohio and Tulsa, Oklahoma. Notably, Kalibrate has never lost a single one of its major North American customers. Some of our investors were able see and hear the talk that one of these customers gave to an investor group in London several months ago. Mr. Carl Ricker, owner of some fifty-five petrol and convenience stores in the state of Indiana, came to London to address the gathering. His was a powerful message -- of Kalibrate's critical role in their enhanced management of his business.

Off this powerful US presence and from its U.K. office in Manchester, Kalibrate has been at work for some time developing an international business of equivalent strength. Europe was, quite naturally, first: a strong market presence and market share has been successfully developed in Europe. But Asia, too, has been an objective. This past year has seen initial success in Asia with the establishment of a joint venture in India and the Company's first sale in China!

An evolving and continually enhanced management team under the strong leadership of Bob Stein has produced these results. That team has maintained Kalibrate's long-standing customer relationships, developed Kalibrate's strong market presence and managed Kalibrate's high relative market share to produce on-target results and a seventh straight period of increased sales and operating profit.

The very strength of the Company's market position strength has become an ironic burden during its pursuit of another year of record performance. The 'big fish' in this market can become harder to find in a sea where we have fished so successfully. The fact that some are swimming in international waters make them harder to catch! That is to say that the bureaucratic complexities of some international markets and customers can act to slow progress, even as those same complexities can serve to make the customer relationships ultimately stronger and more sustainable.

When we combine this with a shift to SAAS (software as a service)-based business -- increasingly though not wholly our focus -- given the way SAAS accounting can impact short-term profit reporting even while leading to an increase in longer-term growth in value, we have our share of challenges. Of these we are well aware. However, we are encouraged by the fact that the markets in which we compete are large and most accessible to us. And we are pleased that the securing of that we would consider to be our 'rightful share' -- the levels of penetrations and share we expect to garner because we have garnered them elsewhere - would provide for Kalibrate and its owners a company of continued growth and performance.

Toluna

One thing is very clear: the value of Eurovestech's total portfolio is dominated by our holding in Toluna, or ITWP. This is not the outcome of an imbalanced pattern of investment. Rather, it is the consequence of extraordinary success of the Toluna investment. The very existence, much less the performance, of Toluna represents another great Eurovestech story.

Our £2 million investment in this on-line market research company -- a disruptive pioneer in its field -- was the founding investment in the business. We supported the entrepreneurial vision and what we expected would be the dynamic leadership of Frederic-Charles Petit. We made our initial investment in 2000. Since that time, Eurovestech has sold shares worth £40 million. Eurovestech continues to hold a 15% interest in the company and the value of that position stands at £24 million.

Of course, this extraordinary performance has been offset by other investments that have not performed as well. But we should not forget that we funded the start of the company; that we financed and helped guide its development; that we supported its several, critical strategic moves; that we brought in other, powerful investors to share some of the financial burden of the company's relentless forward march, as well as to make a contribution to the intellectual process behind its march..

We were patient and supportive when the company experienced that all-too normal bout of indigestion after its large acquisition of Harris. Integration began immediately, but success in this endeavour came very slowly. The last half of the 2015 calendar year was a time of tight operational management and a riveted focus on cost control and the management of cash. The end of the 2015 did not see an end to this programme, but evidenced clear signs of its success.

Well, we were patient. As often happens, the resolution of operating issues is quickly followed by major strategic breakthroughs. A major and recent 'strategic' development of the business: a joint venture with a major customer that should lead to a material increase in revenues and profits for Toluna. We salute Toluna's Chief Executive for his endurance.

Accordingly, and obviously, our earlier efforts to dispose of our holding in ITWP have been halted. We are working with management and the company's other shareholders to maximize the impact of this development both for the company and for all of you.

VizEat

We have been committed, as I said above, to the making of selected new investments. Husbanding resource, we have wanted to spend neither a great deal of time nor money in a search for them. VizEat fits the bill. VizEat approached us. Founded by Eurovestech's previous Director of Investments (and brother of the Chief Executive of Toluna), Jean-Michel Petit. Our intimate understanding of Jean-Michel, combined with our belief in the VizEat concept, allowed us to do what we do best – we supported this latently high value proposition whilst others were still dithering.

VizEat, simply but evocatively described, is 'airbnb for dinner'. Let me quote extensively from a recent article in the Daily Telegraph, to better convey the concept of VizEat:

Daily Telegraph

by Hannah Meltzer and Teresa Machan, 5 August 2016

Paris

When I told friends that I was paying 25 euro to have dinner in the house of Parisian strangers, their reactions were a mix of raised eyebrows, titters and incredulity: “you're actually choosing to do this?”; “what if they're weirdos?”; “what if they're perverts?”, and worst of all: “what if the food is terrible?”.

A frequent user of Airbnb and Uber, I found their reactions to my “sharing community” jaunt vaguely quaint – unenlightened, even. “It will be a laugh!”, I beamed. But on the following Friday night, as Google Maps told me I'd reached my destination – a back road in the shadow of Notre Dame – I suddenly realised they could be right. Why on earth was I putting myself through this? I felt like a contestant on *Come Dine With Me*, without the prospect of a £1000 cash prize.

I was about to enter my first VizEat experience. VizEat, founded in France in 2014, is the fast-growing supper club website that bills itself as “an Airbnb for food”.

As with Airbnb, hosts and users set up a login and profile on the site. The host adds a photo and information about themselves and their meal. Potential guests may search their chosen town (drilling down to areas within that town) and meal preferences, and they can then choose their host based on their reviews.

The company was set up by intergenerational cousins, former venture capital firm director Jean-Michel Petit and business graduate Camille Rumani, both hailing from France but with experience of a more international lifestyle. They piloted the idea amongst their friends in Paris and now, two years on, the service has 90,000 members and 17,000 hosts in more than 100 countries....

However, my experience confirms to me that VizEat has little in common with a typical restaurant. I know no French restaurants where, for example, the chef's dog jumps up on you as you walk in and the meal starts with a comprehensive tour of his home.

Conviviality was the overriding atmosphere of the evening, helped along by the flowing kìa that made an appearance on arrival. The food was the

kind of simple, hearty, delicious meal you might find served at innumerable French family tables on a Friday night: baked camembert and salad plus the obligatory excellent vinaigrette, a hearty slab of tuna quiche, and cooked pear covered in gooey chocolate to finish.

Hosts Philippe and Dzianis told that they had only had positive experiences with hosting, with the exception of their very first guest – a single man who thought that the evening might end in more than dessert! Any risk factor is also somewhat mitigated by the peer-to-peer reviews and, as the founders pointed out to me, strangers have always welcomed strangers on their travels – VizEat simply facilitates this age-old process.

London

While my colleague Hannah was sauntering along the rues of Paris, I was getting lost in Lambeth. City tower blocks are like buses: everywhere, until you want one.

“You can't miss it,” said my host. “It's the tallest building around.”

But with a spent phone battery and only a token map picked up at the tube I had come completely unstuck. "Is this Ridley Tower?" I asked a couple on their way in to the entrance porch of a tower block somewhere off the Wandsworth Road, where I had ducked in to shelter from the rain...

I arrived at 7.30pm just as the other VizEaters were finishing their aperitifs and sitting down to dinner. I threw my coat on the bed with the others and went to join what felt like a very informal dinner party – with strangers. The flat, 60 floors up, is a South London eyrie.

I went to greet our host, food-blogger Alla, busy with starters at her six-pan Hob. "Keep calm and press snooze," read the sparkles on her lipstick-pink slippers. I counted her herbs and spices – there were 14.

Our Latvian chef had prepared an Eastern European menu that included one of her grandmother's recipes, a 'baked aubergine and tomato tower'. The alternative was khachapuri, a cheese-filled pastry (we had pre-selected from a menu emailed a couple of days earlier). I opted for grandma's recipe – a layered stack of tomatoes, aubergine and cheese that flew through the bridge-of-strings test.

With over 91,000 Facebook followers, and 37,000 on YouTube, Alla takes the spirit of go-getting social-media entrepreneurship to new heights. The daily upkeep of her Facebook page, Instagram account AllasYummyFood (9,338 followers) and YouTube channel has to fit around her day job, of cooking for a wealthy Russian family. Her YouTube tutorials are in demand: one of her biggest successes was a potato-cake recipe that went viral and clocked up 30-million views.

"Hosting parties is a good way to earn a bit of money," she said, clearing the starter plates. As one of VizEat's top-performing hosts she has to change the menu to keep returning visitors happy. So much for snoozing.....

Wine (it's BYO) and conversation flow. VizEat says the concept is

becoming popular with business travelers and I can see why. I love that I'm eating home-cooked food in a local's home, in a city that is far from foreign, and yet I feel like I've gone 'travelling' for the night....

A restaurant in the sky, great company and a doggy bag of dessert for £20 a head? Hard to beat. But make sure you charge your phone.

A full tale, and only a fledgling company. But VizEat has helped create a market, and that market appears to have significant potential. VizEat has every chance to move with it. Consistent with this assertion: VizEat has closed, as of this writing, a £3.2 million funding at a £12.5 million valuation. Eurovestech has seen its original seed investment multiplied. We have happily participated in this current round of funding.

Other portfolio companies

I have already described the weighting of ITWP/Toluna on our net asset value. Let me briefly share developments at some other portfolio companies. Our modest £250,000 carrying value investment in board pack software provider Board Intelligence was increased by 40% last June. Continued progress has been made. Speaking of continued progress, Audionamix has enjoyed a substantial increase in revenues. Yet frustratingly, operating issues have resulting in slower progress than we would like. We are therefore currently working more closely with management. At Cxense, after the period end, we took advantage of some liquidity to substantially realise our investment-redeploying these funds into VizEat has proven to be a wise course. Magenta continues to make solid progress.

Summary

Our balance sheet has £44 million of net assets: a minor £0.2 million reduction over the period, principally reflecting our operating expenses and some investment gains. This equates to more than 13p a share.

The company continues to offer a facility to purchase shares from investors and acquired £31,000 of shares over the period.

2015 was a year where the major companies in the Eurovestech portfolio required operational focus, or required patience to allow the fruits of past operational focus to be recognized. It was not a year when asset sales could have, or should have, been made.

Importantly, we believe that this may change in the coming year. The operations and expected financial performance of several companies have made excellent progress. Eurovestech owns assets whose attractiveness to strategic buyers has increased materially and this now enables us to initiate contact with potential purchasers.

We will work in the coming months to capitalize on this progress and capture increases in values for you, our shareholders.

Richard Grogan

Chairman

6 September 2016

EUROVESTTECH PLC

UNAUDITED PROFIT AND LOSS STATEMENT

FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2015

	Notes	6 month period to 31 Dec 2015 (unaudited) £'000	6 month period to 31 Dec 2014 (unaudited) £'000	Year ended 30 June 2015 (audited) £'000
Investment income				
Turnover		18	27	63
Administration expenses		(650)	(553)	2,845
		(632)	(526)	2,908
Other operating income		474	(3,147)	(4,138)
Operating loss		(158)	(3,673)	(1,230)
Net interest	3	(3)	(2)	(3)
Foreign exchange movements		(7)	(5)	(11)
Loss on ordinary activities before taxation		(168)	(3,680)	(1,244)
Tax on loss on ordinary activities		-	-	-
Loss for the year		(168)	(3,680)	(1,244)

EUROVESTTECH PLC

UNAUDITED BALANCE SHEET

AS AT 31 December 2015

	Notes	At 31 Dec 2015 (unaudited) £'000	At 31 Dec 2014 (unaudited) £'000	At 30 June 2015 (audited) £'000
Fixed assets				
Tangible assets		19	2	1
Investments	2	35,578	34,895	36,520
		35,597	34,897	36,521
Current assets				
Debtors		6,148	1,207	5,686
Investments		1,937	2,648	1,860
Cash at cash equivalents		1,038	3,821	766
		9,123	7,676	8,312
Creditors: amounts falling due within one year		(755)	(732)	(669)
Net current assets		8,368	6,944	7,643
Net Assets		43,965	41,841	44,164
Capital and reserves				
Called up share capital		3,383	3,404	3,387
Share premium account		347	471	374
Revaluation reserve		4,458	4,438	4,454
Other reserves		100	100	100
Profit and loss account		35,677	33,428	35,849
Shareholders' funds		43,965	41,841	44,164

EUROVESTECH PLC

UNAUDITED CASH FLOW STATEMENT

FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2015

	Note	6 month period to 31 Dec 2015 (unaudited) £'000	6 month period to 31 Dec 2014 (unaudited) £'000	Year ended 30 June 2015 (audited) £'000
Net cash (outflow) from operating activities	4	(967)	(3,237)	(6,167)
Returns on investments and servicing of finance				
Net interest (paid)/ received		(3)	(2)	(3)
Foreign exchange movements		(7)	(5)	(10)
Dividends received/(paid)		-	-	-
Net cash inflow from returns on investments and servicing of finance		(977)	(3,244)	(6,180)
Taxation paid		-	-	-
Capital expenditure and financial investment				
Purchase of tangible fixed assets		(20)	-	(1)
Purchase of fixed asset investments		(280)	(2,456)	(3,468)
Receipts from sale of fixed asset investments		1,078	3,241	2,854
Net cash inflow/(outflow) from capital expenditure and financial investment		778	785	(615)
Management of liquid resources				
Purchase of current asset investments		(9,664)	(13,899)	(15,238)
Sale of current asset investments		10,166	17,158	19,817
Net cash inflow/(outflow) from management of liquid resources		502	3,259	4,579
Net cash inflow/(outflow) before financing		303	800	(2,216)
Financing				
Share buy back		(31)	-	(114)
Amounts introduced by directors		-	-	75
Net cash inflow/(outflow) from financing		(31)	-	(39)
Increase/(decrease) in cash		272	800	(2,255)

1 LEGAL STATUS, ACTIVITIES AND BASIS OF PREPARATION

Eurovestech Plc and its associate companies make investments in technology businesses.

Eurovestech Plc is a public limited company and is incorporated and domiciled in the UK. The address of the registered office is 29 Curzon Street, London, W1J 7TL.

This interim report for the six-month period ended 31 December 2015 has been prepared in compliance with UK accounting standards under UK GAAP for Interim financial reporting. It does not include all the information required for full annual financial statements and should be read in conjunction with the financial statements of the company for the year ended 30 June 2015, which were prepared under UK GAAP.

Eurovestech Plc no longer has any subsidiaries. It only has associate companies that it has invested in and hence there is no obligation to produce consolidated financial statements. The interim financial statements only show information for Eurovestech Plc.

The interim financial statements have been prepared on a basis that is consistent with the accounting policies adopted by Eurovestech Plc for the last financial statements for the year ended 30 June 2015 and in compliance with UK GAAP.

The financial information presented does not constitute statutory accounts as defined by section 434 of the Companies Act 2006. Statutory accounts for Eurovestech Plc in respect of the year ended 30 June 2015 have been filed with the Registrar of Companies. The auditors, PricewaterhouseCoopers LLP, reported on these accounts and their report was unqualified and did not contain a statement under section 498 of the Companies Act 2006.

Comparative figures for the company are given for the six months ended 31 December 2014 and the year ended 30 June 2015.

2 INVESTMENT IN ASSOCIATES

Eurovestech's investments in associated companies at 31 December 2015 were as follows:

Name of associate	Percentage holding of voting rights %	Fair value at 31 December 2015 £'000
Magenta Corporation Limited	49.60	2,515
Audionamix SA	45.50	875
Maxifier (Cxense)	44.90	1,972
Lognet Information Systems Plc	21.60	1,400
Kalibrate Technologies Plc	8.30	2,594
ITWP (Formerly Toluna Plc)	14.90	24,200
VizEat Limited	13.30	760
Ecodata Limited	0.20	50
Tute Genomics Inc.	8.10	639
Board Intelligence Limited	3.00	350
Supponor Limited	-	223
		35,578

All investments are held at market value in accordance with UK GAAP and in accordance with Eurovestech Plc's normal policy on valuation.

The movement on non-current investments is as follows:

	Equity investments £'000
At 1 July 2014	36,520
Additions	280
Disposals	(1,222)
Revaluations	-
At 31 December 2015	<u>35,578</u>

3 NET INTEREST

	6 month period to 31 Dec 2015 (unaudited) £'000	6 month period to 31 Dec 2014 (unaudited) £'000	Year ended 30 June 2015 (audited) £'000
Other interests receivable and similar income	1	-	-
Interest payable	(4)	(2)	(3)
	(3)	(2)	(3)

4 NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	6 month period to 31 Dec 2015 (unaudited) £'000	6 month period to 31 Dec 2014 (unaudited) £'000	Year ended 30 June 2015 (audited) £'000
Operating profit/(loss)	(158)	(3,673)	(1,231)
(Gains)/losses on investments	(435)	3,342	(2,656)
Depreciation of tangible assets	2	-	1
Decrease/(increase) in debtors	(462)	(884)	(196)
(Decrease)/increase in creditors	86	(2,022)	(2,085)
Net cash (outflow)/inflow from operating activities	(967)	(3,237)	(6,167)

5 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	6 month period to 31 Dec 2015 (unaudited) £'000	6 month period to 31 Dec 2014 (unaudited) £'000	Year ended 30 June 2015 (audited) £'000
Increase/(decrease) in cash in the period	272	800	(2,255)
Cash (inflow)/outflow from (decrease)/increase in liquid resources	77	(3,583)	(4,372)
Change in net funds resulting from cash flows	349	(2,783)	(6,627)
Net funds at 1 July 2015	2,626	9,252	9,252
Net funds at 31 December 2015	2,975	6,469	2,626

6 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 July 2015 £'000	Cash flow £'000	At 31 December 2015 £'000
Net Cash:			
Cash at bank and in hand	766	272	1,038
Liquid Resources:			
Current asset investments	1,860	77	1,937
	2,626	349	2,975

7 DIVIDENDS

No dividends are proposed for the six months ended 31 December 2015.

8 FORWARD LOOKING STATEMENTS

Certain statements in these interim results are forward-looking. Although Eurovestech Plc believes that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by those forward-looking statements.

We undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

9 COPIES OF THE INTERIM FINANCIAL STATEMENTS

Copies of the interim financial statements are available on request from Eurovestech Plc's registered office at 29 Curzon Street, London W1J 7TL.

Visit our investor relations website www.eurovestech.com for full up-to-date investor relations information including recent annual and interim reports, results, presentations and financial news.