Primorus Investments plc

("Primorus" or the "Company")

Interim Results for the six months ended 30 June 2018

Primorus Investments plc announces its interim results for the six months ended 30 June 2018.

Overview

Primorus Investments plc ("Primorus") has a strong balance sheet with no debt and with total assets (including cash of £274,000) as at 30 June 2018 amounting to £4.94 million. (30 June 2017 - £2.47 million).

2018 has been a successful period for the Company with the addition of several further investments as detailed below in "Investments".

Highlights for the period were as follows:

- Horse Hill Developments Limited's ("HHDL") Extended Flow Test of the HH-1 oil discovery has commenced. Relevant updates as they are received from HHDL will be released to shareholders.

- In recent days we invested a further £250,000 at £22 per share in Engage Technology Partners, taking our total investment in this £22 per share round to £750,000. Engage have recently added a very high-profile global fast-food chain to its customer list and now has 55 corporate users, up from 24 last quarter. Engage now discussing investment entry points with several large technology investors in advance of planned IPO in 2019.

- WeShop appointed Andrew Lawley, former Group Director of Strategy at Dixons Carphone Warehouse PLC as Managing Director. Early-stage IPO preparations underway.

- Sport:80 have nearly completed IPO documentation and we have been advised that, subject to successful completion and capital raise, admission to AIM is expected to occur in Q3 or Q4 2018.

- SOA Energy final approvals from the Israeli Government for a farm-in/funding deal may be imminent. Should this approval be granted we understand the Company will target a UK listing late in Q1 2019.

- Fresho continues to grow strongly and we are informed by management that gross order value run rate is over A$200m per year. The number of new businesses waiting to be "onboarded" to the platform is now quite significant and points to impressive product take-up.

- TruSpine have been informed the FaciLOK patent is ready to be granted and have also received an R&D Tax Credit Rebate of approximately £425,000. Strategic partnerships and FDA approvals progressing well.

- StreamTV continues commercial negations with key international investor groups. We await their successful conclusion.

- A sale of 5% stake in HHDL for consideration of £1m.

- Nomad Energy continued to negotiate a gas sales agreement with the Government of Ivory Coast to commercialise its gas reserves.

- FOMO full investment returned to Primorus treasury following FOMO's inability to secure debt on terms acceptable to shareholders.

Investments

Horse Hill Developments Limited

The Company currently owns a 5% direct interest in Horse Hill Developments Limited ("HHDL"), which is a special purpose company that owns a 65% participating interest and operatorship of Licence PEDL137 and the adjacent Licence PEDL246 in the UK Weald Basin.

As announced on 28 February 2018, the Company disposed of half of its original 10% stake in HHDL for a total consideration of £1m. This sale was designed to increase existing cash reserves, rebalance the portfolio make-up and reduce the expected cash calls resulting from the recently commenced 150 day extended flow test ("EWT") of the HH-1 discovery well. As a result of this transaction, Primorus retains a 5% direct shareholding in HHDL. We remain optimistic that the EWT will return substantial flow-rates.

On 18 July 2018, HHDL advised the following:

- Initial Portland well "clean-up" phase completed successfully
- Light sweet crude oil (36 API) and associated solution gas flowed sustainably via pump and natural flow to surface over a 4-day period to date. Oil contains no metered water content (i.e. "dry oil")
- Metered daily oil rates to date equal to or exceed 2016 values. Highest observed hourly rate equivalent to an implied daily rate of 352 barrels of oil per day ("bopd"). Corresponding metered solution gas volumes are up to an implied rate of 30,000 cu ft per day.
- Flow has not yet been optimised for maximum sustainable flow rates
- First tanker containing 214 barrels of dry oil exported to BP's Hamble oil terminal
- Initial analysis indicates well productivity unaffected by 2 year shut-in period since 2016
- Following a planned 24-hour shut in (i.e. pressure build-up test) the first of three planned Portland test sequences will commence

SOA Energy

SOA Energy final approvals from the Israeli Government for a farm-in/funding deal may be imminent. Should this approval be granted we understand the Company will target a UK listing late in Q1 2019.

Fresho Pty Ltd

Shareholders will recall that Fresho provides seamless middleware to allow large national and global food suppliers to interact directly with a myriad of small and medium-sized businesses. Uptake of the platform by industry continues to grow so fast that the backlog of prospective users requiring onboarding to the Fresho platform is now very large. As a result, the key technology spend at Fresho involves improving an automating the onboarding process for new users. As this technology enhancement evolves we expect the new user backlog reduce and unleash the full potential of the platform.

We are informed by management that gross order value run rate is over A$200m per year. We will be likely to give shareholders a further, more detailed update on Fresho once we meet management in mid-September but as it stands we still hope to see a liquidity event on this investment in 2019.

Engage Technology Partners Limited

As outlined above in the highlights we invested a further £250,000 at £22 per share in Engage Technology Partners, taking our total investment in this £22 per share round to £750,000. We have also invested £400,000 in an earlier £15 share round back in 2017 taking our total investment to £1,150,000 representing circa 3% of the equity in Engage.

The growth and sales at Engage has been particularly pleasing. Notably Engage have recently added a very high-profile global fast-food chain to its customer list and now has 55 corporate users in the UK, up from 24 last quarter and its sales pipeline is extensive. On the corporate side we are informed by management that Engage is now discussing investment entry points with several large and noteworthy technology investors and is working closely with a City broker to close a large investment in the coming months as a pathway to the planned 2019 IPO. We are aware that two global players in the HR/Payroll technology industry are already seeking negotiations with Engage to discuss options. Management have told us they believe it is still too early to contemplate any deals just yet and we tend to agree with them.

In the coming months we are likely to dedicate a larger and more detailed shareholder update on Engage as we hope that several key sales, product and corporate discussions understood to be in train come to a conclusion.

WeShop Limited

WeShop is one of our larger investments with £875,000 invested in two tranches. Our initial investment of £200,000 was at £5.36 per share and our later £675,000 at £5.98 per share. On the 9 July 2018, we were pleased to read that another AIM-listed investment company, Two Shields Investments Plc (TSI.L) invested £150,000 at £5.98 per share. Furthermore, the already impressive Board of WeShop was significantly bolstered by the appointment of Andrew Lawley, former group director of strategy at Dixons Carphone Warehouse PLC, to the role of Managing Director.

Subsequently we have been informed by WeShop that they have commenced the IPO documentation process with the goal of listing on the main market (Standard Segment) of the LSE by Q1 2019.

We look forward to keeping shareholders abreast of progress towards a WeShop IPO as it progresses, especially given the relative size of our investment in this company

Stream TV

In recent discussions with management, we are told that StreamTV continues commercial negations with key international investor groups. If any funding deal is contractually concluded we will update shareholders as appropriate.

Nomad Energy

NOMAD energy continues to negotiate with the Ivorian Government regarding an off-take for its domestic gas reserves in conjunction with its project partner VITOL. We look forward to updating shareholders if/when these negotiations reach a conclusion.

TruSpine Technologies Limited

We have £500,000 invested in TruSpine and it is one of our earlier investments. TruSpine is an example of a company that has been hamstrung by lack of funding in the past. As reported in our Q1 Quarterly review we believed that the appointment of Simon Stephens as the new CEO would help unlock funding and we are pleased to report we were largely correct.

Recently TruSpine secured additional investment funding from a private investor as well as a circa £425,000 R&D Tax Credit rebate from HM Treasury allowing the patent and FDA processes to get moving again. As a result, the TruSpine has been now been informed that its pending patent for its FaciLOK product is now ready to be granted. On top of this, the additional funding has allowed TruSpine to keep its first FDA clearance moving.

In terms of bigger picture funding to complete the FDA approvals process and commence the IPO, we have been informed by management that TruSpine has been involved in detailed talks with two separate groups, both of which involve a potential significant investment, and assistance with product commercialisation and manufacturing. Whilst successful outcomes of these discussions are not guaranteed we believe these overtures illustrate the value in the company's products and potential.

Given the mature nature of the discussions with both funding groups above, we expect in the coming weeks and months to be above to be able to update shareholders further on progress at TruSpine if/when contractual negotiations on any of the above complete.

Sport:80 plc

Sport:80 has now largely completed its IPO documentation following the appointment of both a broker and NOMAD to support admission to the AIM market. In a recent meeting with management we were informed that they have received encouraging marketing responses from potential investors in the IPO and once the traditionally slow summer period draws to a close, Sport:80 intends to raise the IPO funds and, subject to this, gain admission to the AIM market in Q3 or Q4 2018.

Whilst we only have a £100,000 investment in Sport:80 we expect this to be our first investment to go through to IPO. In that respect it will be pleasing for us as management to demonstrate the investment model in action.

FOMO

FOMO Money is an online lending business which was to offer personal loans and, in time, brokered home loans that will target the millennial market. The full investment of approximately £240,000 in FOMO was returned to Primorus treasury following FOMO's inability to secure debt on terms acceptable to shareholders. As such, it was agreed jointly between Primorus and FOMO that we would effectively cancel the binding obligation to invest, and our total investment monies would be freed to invest elsewhere.

Financial Results

The operating loss was £48,000 (30 June 2017 - £88,000 loss). The net loss after tax was £48,000 (30 June 2017: £108,000).

Current assets, including cash of £274,000, at 30 June 2018 amounted to £916,000 (30 June 2017: £1,208,000).

Outlook

During 2018 the portfolio continues to evolve and mature over time. Key to our central strategy of investing in Pre-IPO is being able to demonstrate tangible IPO results and pleasingly two of our investments, Sport:80 and WeShop are undergoing the formal IPO process and are proposing to gain admission in Q3/Q4 2018 and Q1 2019 respectively.

We continue to invest heavily in Engage Technology as it grows and develops its business and may look to invest further should the opportunity arise. Our oil and gas investments are dominated by our interest in HHDL and the ongoing EWT at the HH-1 oil discovery. We are however hopeful that further news regarding SOA Energy and NOMAD will be forthcoming in Q3.

We will continue to seek out further investments in line with the Company's investing strategy.

Lastly we would like to thank our shareholders for their continued support and I look forward to keeping all stakeholders updated with news regarding our portfolio as it occurs.

Jeremy Taylor-Firth
Chairman
20 July 2018

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Unaudited Condensed Company Statement of Comprehensive Income
for the six months ended 30 June 2018

	Notes	6 months to 30 June 2018 Unaudited £'000	6 months to 30 June 2017 Unaudited £'000	Year to 31 December 2017 Audited £'000
Continuing operations				
Revenue				
Realised gain on disposal of AFS investments		267	57	12
Unrealised (loss)/gain on market value movement of AFS investments		(57)	(45)	29
Total gains on AFS investments		**210**	**12**	**41**
Impairment provision on AFS investments		-	-	-
Share based payments		-	-	(311)
Administrative costs		(258)	(100)	(433)
Operating (loss)		**(48)**	**(88)**	**(703)**
Provision on associate loan		-	-	-
Share of (loss) of associate		-	(20)	(45)
Net (loss) on disposal of associate		-	-	(199)
(Loss) before tax		**(48)**	**(108)**	**(947)**
Taxation		-	-	-
(Loss) for the period		**(48)**	**(108)**	**(947)**
Other comprehensive income				
Transfer to income statement of available for sale reserve		**-**	**-**	-
Total Comprehensive Income for the year attributable to the owners of the parent company		**(48)**	**(108)**	(947)
(Loss) per share:				
Basic and diluted (loss) per share (pence)	**2**	**(0.002)**	**(0.009)**	(0.050)

Unaudited Condensed Company Statement of Financial Position
as at 30 June 2018

	Notes	30 June 2018 Unaudited £'000	30 June 2017 Unaudited £'000	31 December 2017 Audited £'000
ASSETS				
Non-current assets				
Investment in associate		-	135	-
Available for sale assets		4,023	1,126	3,761
		4,023	**1,261**	**3,761**
Current assets				
Trade and other receivables		642	1,082	725
Cash and cash equivalents		274	126	561
		916	**1,208**	**1,286**
Total assets		**4,939**	**2,469**	**5,047**
EQUITY				
Equity attributable to equity holders of the parent				
Share capital		15,391	15,238	15,391
Share premium account		35,296	32,426	35,296
Share based payment reserve		471	160	471
Retained earnings		(46,256)	(45,369)	(46,208)
Total equity		**4,902**	**2,455**	**4,950**
LIABILITIES				
Current liabilities				
Trade and other payables		37	14	97
Total liabilities		**37**	**14**	**97**
Total equity and liabilities		**4,939**	**2,469**	**5,047**

Unaudited Condensed Company Statement of Changes in Equity
for the six months ended 30 June 2018

Unaudited	Share capital	Share premium	Share based payment reserve	Retained earnings	Total attributable to owners of parent
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Balance at 31 December 2016	**15,223**	**32,205**	**160**	**(45,261)**	**2,327**
Loss for the period	-	-	-	(947)	(947)
Total comprehensive income for the period	-	-	-	(947)	(947)
Shares issued	168	3,219		-	**3,387**
Share Issue costs	-	(128)		-	**(128)**
Share options issued	-	-	311	-	**311**
Transactions with owners of the company	**168**	**3,091**	**311**	**-**	**3,570**
Balance at 31 December 2017	**15,391**	**35,296**	**471**	**(46,208)**	**4,950**
Loss for the period	-	-	-	(48)	**(48)**
Total comprehensive income for the period	**-**	**-**	**-**	**(48)**	**(48)**
Shares issued	-	-	-	-	**-**
Share Issue costs	-	-	-	-	**-**
Share options issued	-	-	-	-	**-**
Transactions with owners of the company	**-**	**-**	**-**	**-**	**-**
Balance at 30 June 2018	**15,391**	**35,296**	**471**	**(46.256)**	**4,902**

Unaudited Condensed Company Statement of Cash Flows
for the six months ended 30 June 2018

	6 months to 30-Jun-18 Unaudited £'000	6 months to 30-Jun-17 Unaudited £'000	Year to 31-Dec-17 Audited £'000
Cash flows from operating activities			
Operating (loss)	(48)	(100)	(703)
Adjustments for:			
Share based payment charge	-	-	311
Decrease/(increase) in trade and other receivables	83	(8)	(26)
Increase/(decrease) in trade and other payables	60	(24)	59
Change in AFS Investments	192	-	(2,530)
Taxation (paid)	-	-	-
Net cash used in operating activities	**287**	**(132)**	**(2,889)**
Cash flows from investing activities			
Purchase of available for sale assets	-	(346)	-
Proceeds from sales of available for sale assets	-	147	-
Loan advanced to associate	-	-	(5)
Loan advanced to related party	-	-	(25)
Net cash (used in) investing activities	**-**	**(199)**	**(30)**
Cash flows from financing activities			
Proceeds from share issues	-	236	3,387
Share issue costs	-	-	(128)
Net cash from financing activities	**-**	**236**	**3,259**
Net change in cash and cash equivalents	**287**	**(95)**	**340**
Cash and cash equivalents at beginning of period	561	221	221
Cash and cash equivalents at end of period	**274**	**126**	**561**

Notes to the condensed interim financial statements

1. General Information

The condensed interim financial information for the 6 months to 30 June 2018 does not constitute statutory accounts for the purposes of Section 434 of the Companies Act 2006 and has not been audited or reviewed. No statutory accounts for the period have been delivered to the Registrar of Companies.

The condensed interim financial information in respect of the year ended 31 December 2017 has been produced using extracts from the statutory accounts for that period. Consequently, this does not constitute the statutory information (as defined in section 434 of the Companies Act 2006) for the year ended 31 December 2017, which was audited. The statutory accounts for this period have been filed with the Registrar of Companies. The auditors' report was unqualified and did not contain a statement under Sections 498 (2) or 498 (3) of the Companies Act 2006.

The Report was approved by the Directors on 19 July 2018 and is available on the Company's website at www.primorusinvestments.com .

Basis of preparation and accounting

The financial information has been prepared on the historical cost basis. The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement. This statement also includes a summary of the Company's financial position and its cash flows.
These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union with the exception of International Accounting Standard ('IAS') 34 – Interim Financial Reporting. 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 2017 annual financial statements.

2. Earnings per share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year. The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares and the post-tax effect of dividends and/or interest, on the assumed conversion of all dilutive options and other dilutive potential ordinary shares.

Reconciliations of the earnings and weighted average number of shares used are set out below.

	Six months to 30 June 2017 (Unaudited) (£'000)	**Six months to 30 June 2017 (Unaudited)** (£'000)	**Year ended 31 December 2017 (Audited)** (£'000)
Net loss attributable to equity holders of the company	(47)	(108)	(947)
Weighted average number of shares	2,796,619,344	1,220,538,117	1.743.253.998
Basic and diluted loss per share (pence)	(0.002)	(0.009)	(0.050)

3. Events after the reporting date

None