

**Vela Technologies plc**  
**("Vela" or the "Company")**

**Unaudited interim results for the six months ended 30 September 2016**

chairman's statement

**Half-Yearly Report for the six months ended 30 September 2016**

The first six months of the financial year proved to be another active period for Vela Technologies with both follow on fundings being completed for certain of our investee companies and a long overdue restructuring of the Company's share capital resulting in a reduction in the number of shareholders from over 900 to around 175. In addition, the Company raised additional funds by way of an investment from one of our major shareholders, Scott Fletcher, as well as your CEO.

In April, Vela announced that Portr, the owner of the on-demand airport luggage transfer service, AirPortr, had completed its £3 million fund raise in which Vela participated increasing its holding to 3.9% and valuing our holding at £1.079 million. This compares to our cost of investment of £251,343.

During May, Vela subscribed an additional C\$25,000 for shares in BTL Group Ltd, a Canadian listed blockchain technology company, increasing Vela's holding to 741,666 shares. Vela also received warrants as part of this funding allowing it to subscribe for a further 41,666 BTL shares at C\$1.00. These warrants have subsequently been exercised resulting in a current shareholding of 783,332 shares. This represents approximately 4.6% of BTL's share capital.

In June, Vela agreed to enter into an early loan conversion of the \$100,000 Convertible Promissory Notes in StreamTV Networks plus \$43,693.16 of interest (including an early conversion bonus of \$7,500) into new Class A Common Shares. Vela now holds 47,898 Class A Common Shares in StreamTV equal to 0.14% of the Stream TV equity and with a value of \$143,694 at the conversion price of \$3.00 per share.

In September we announced a proposed issue of convertible unsecured loan notes which is a departure from the traditional manner in which we have previously funded the future development of Vela. The transaction completed in early October raising a gross and net £400,000 for Vela. The loan notes are repayable on 30 September 2018 and carry an annual interest rate of 8%. This more innovative method of funding provided by highly supportive and long term shareholders allowed Vela to avoid raising capital by way of an equity issue. Going forward, it is likely that Vela will continue with this type of strategy until the market value of Vela is better aligned with the sum of the value of its investment portfolio as shown in the attached unaudited balance sheet. The balance sheet has been further boosted by this recent loan note fund raise. As previously stated, investments are held in the balance sheet either at cost, market value or latest valuation event.

Finally, following the latest fund raise, Vela was presented with an exciting early stage and highly disruptive investment proposition which led to the announcement on 4 October of an investment of £200,000 into THEVIBE Ltd (trading as Vibe Tickets), a transparent fan-to-fan ethical ticketing platform that allows fans to exchange tickets at face value or less. Following the investment Vela owns 3.6% of the equity capital of THE VIBE Ltd.

Our other investments continue to develop broadly in line with expectations and we look forward to 2017 with interest as our portfolio develops further.

N Brent Fitzpatrick MBE  
Chairman  
Vela Technologies PLC

For further information please contact:

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unaudited statement of comprehensive income  
for the six months ended 30 September 2016

	<b>6 months ended 30 September 2016 £'000</b>	6 months ended 30 September 2015 £'000	year ended 31 March 2016 £'000
<b>Revenue</b>	<b>12</b>	4	9
Gross profit	<b>12</b>	4	9
<b>Administrative expenses</b>			
share based payments	-	-	(23)
other administrative expenses	<b>(62)</b>	(96)	(181)
loss on disposal of available-	-	-	(13)

for-sale assets			
impairment of available-for-sale assets		-	(143)
<b>Total administrative expenses and loss from operations</b>		<b>(62)</b>	(96) (360)
<b>(Loss) before tax</b>		<b>(62)</b>	(92) (351)
Income tax		-	-
<b>(Loss)</b>		<b>(50)</b>	(92) (351)
<b>Other comprehensive income:</b>			
<b>Items that will or may be reclassified to profit/loss:</b>			
Fair value movement on available for sale investments		-	- 449
Reclassification of changes in fair value of available-for-sale investments to profit or loss		-	- 106
<b>Other comprehensive income for the year</b>		<b>-</b>	- 555
<b>Total comprehensive income</b>		<b>(50)</b>	(92) 204
<b>Attributable to:</b>			
Equity holders of the company		<b>(50)</b>	(92) 204
<b>Earnings per share</b>			
<b>Basic and diluted earnings/(loss) per share (pence)</b>	<b>5</b>	<b>(0.01)</b>	(0.04) (0.07)

**unaudited balance sheet**  
as at 30 September 2016

	<b>Notes</b>	<b>30 September 2016</b> <b>£'000</b>	30 September 2015 £'000	31 March 2016 £'000
<b>Assets</b>				
Investments	<b>6</b>	<b>1,900</b>	1,297	1,918
<b>Current assets</b>				
Trade and other receivables	<b>7</b>	<b>62</b>	29	36
Cash and cash equivalents		<b>350</b>	138	200
<b>Total current assets</b>		<b>369</b>	167	236
Non current assets held for sale		-	-	-
<b>Total assets</b>		<b>2,312</b>	1,464	2,154
<b>Equity and liabilities</b>				
<b>Equity</b>				

Called up share capital	<b>8</b>	<b>722</b>	584	722
Share premium reserve		<b>1,117</b>	1,061	1,117
Available for sale reserve		<b>808</b>	253	808
Share-based payment reserve		<b>130</b>	107	130
Retained earnings		<b>(851)</b>	(542)	(801)
<b>Total equity</b>		<b>1,926</b>	1,463	1,976
<b>Current liabilities</b>				
Trade and other payables	9	<b>386</b>	1	178
<b>Total liabilities</b>		<b>386</b>	1	178
<b>Total equity and liabilities</b>		<b>2,312</b>	1,464	2,154

### unaudited cashflow statement

for the six months ended 30 September 2016

	Notes	6 months ended 30 September 2016 £'000	6 months ended 30 September 2015 £'000	year ended 31 March 2016 £'000
<b>Operating activities</b>				
(Loss)/profit before tax		<b>(50)</b>	(92)	(351)
Loss on disposal of available-for-sale assets				13
Impairment of available-for-sale assets				143
Share-based charge		-		23
Issue of shares in lieu of services		-	-	-
(Increase)/Decrease in receivables		<b>(26)</b>	2	(5)
Increase/(Decrease) in payables		<b>208</b>	(28)	(2)
<b>Total cash flow from operating activities</b>		<b>132</b>	(118)	(179)
<b>Investing activities</b>				
Consideration for disposal of investment		<b>53</b>	-	14
Consideration for purchase of investment		<b>(35)</b>	(150)	(235)
<b>Total cash flow from investing activities</b>		<b>18</b>	(150)	(221)
<b>Financing activities</b>				
Issue of ordinary share capital		-	250	444
Share premium on the issue of ordinary share				
<b>Total cash flow from financing activities</b>		<b>-</b>	250	444

Net (decrease)/increase in cash and cash equivalents	<b>150</b>	(18)	44
Cash and cash equivalents at start of year/period	<b>200</b>	156	156
<b>Cash and cash equivalents at the end of the year/period</b>	<b>350</b>	138	200
<b>Cash and cash equivalents comprise:</b>			
Cash and cash in bank	<b>350</b>	138	200
<b>Cash and cash equivalents at end of year/period</b>	<b>350</b>	138	200

**unaudited statement of changes in equity  
for the six months ended 30 September 2016**

	<b>Share capital</b>	<b>Share Premium</b>	<b>Share Option Reserve</b>	<b>Available for sale reserve</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Balance at 1 April 2016</b>	<b>722</b>	<b>1,117</b>	<b>130</b>	<b>808</b>	<b>(801)</b>	<b>1,976</b>
<b>Loss for the period and total comprehensive income for the period</b>					<b>(50)</b>	<b>(50)</b>
<b>Issue of shares in lieu of services</b>						
<b>Issue of shares</b>	-	-				-
<b>Balance at 30 September 2016</b>	<b>722</b>	<b>1,117</b>	<b>130</b>	<b>808</b>	<b>(851)</b>	<b>1,926</b>
Balance at 1 April 2015	459	936	107	253	(450)	1,305
Issue of shares in lieu of services						(92)
Issue of share capital	125	125	-	-	-	125

Loss for the year	-	-	-	-	(92)	(92)
Balance at 30 September 2015	584	584	107	-	(542)	1,463
Balance at 1 April 2015	459	936	107	253	(450)	1,305
Issue of share options	-	-	23	-	-	23
Issue of share capital	263	181	-	-	-	444
Transactions with owners	263	181	130	-	-	467
Loss for the year	-	-	-	-	(351)	(351)
Other comprehensive income	-	-	-	555	-	555
Total comprehensive income	-	-	-	555	(351)	204
Balance at 31 March 2016	722	1,117	130	808	(801)	1,976

**notes to the interim accounts  
for the six months ended 30 September 2016**

**1. General information**

Vela Technologies Plc is a company incorporated in the United Kingdom.

These unaudited condensed interim financial statements for the six months ended 30 September 2015 have been prepared in accordance with International Financial Reporting Standards (IFRS) and IAS 34 "Interim Financial Reporting" as adopted by the European Union and do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. This condensed set of financial statements has been prepared applying the accounting policies that were applied in the preparation of the Company's published financial statements for the year ended 31 March 2016 and are presented in pounds sterling.

The comparative figures for the financial year ended 31 March 2016 have been extracted from the Company's statutory accounts which have been delivered to the Registrar of Companies and reported on by the company's Auditors. Their report was unqualified and contained no statement under section 298 (2) or (3) of the Companies Act 2006.

**2. Changes in accounting policy**

The assessment of new standards, amendments and interpretations issued but not effective, are not anticipated to have a material impact on the interim financial statements.

### 3. Going concern

The company's activities, together with the factors likely to affect its future development and performance, the financial position of the company, its cash flows and liquidity position have been considered by the Directors, taking account of the current market conditions which demonstrate that the company shall continue to operate within its own resources.

The Directors believe that the company is well placed to manage its business risks successfully, and that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they consider it appropriate to adopt the going concern basis in preparing these condensed financial statements.

### 4. Investments

Fixed asset investments are stated at fair value.

### 5. Earnings per share

Earnings per share has been calculated on a loss after tax of £50,000 (period to 30 September 2015: £92,000 loss; year to 31 March 2016: £351,000 loss) and the weighted number of average shares in issue for the year of 360,794,010 weighted (30 September 2015: 241,872,777 weighted; 31 March 2015: 533,749,896).

Reconciliation of the profit and weighted average number of shares used in the calculations are set out below:

	<b>6 months ended 30 September 2016</b>	6 months ended 30 September 2015	Year ended 31 March 2016
Profit/(loss) (£'000)	<b>(50)</b>	(92)	(351)
Earnings per share (pence)	<b>(0.01)</b>	(0.04)	(0.07)

### 6. Investments

	<b>Other investments</b>
Fair value at 1 April 2016	1,918
Purchased in the period	35
Disposed of in the year	(53)
<b>Fair value at 30 September 2016</b>	<b>1,900</b>

#### *Investment in StreamTV Networks*

On 23 June 2016, the Company entered a conversion notice agreeing to an early conversion of its \$100,000 Stream TV CPN's, along with accrued interest of \$43,693, into new Class A common shares in Stream TV at a price of \$3.00 per share. The accrued interest includes a bonus of \$7,500 as a consequence of early conversion. Following the conversion, the Company has an interest of 0.14% in the Class A common share capital of Stream TV.

*Shares in SalvaRx group*

Between April 2016 and August 2016, the Company disposed of a significant proportion of the shares held in SalvaRx for an aggregate consideration of £53,161.

**7. Trade and other receivables**

	<b>30 September 2016 £'000</b>	30 September 2015 £'000	31 March 2016 £'000
Trade and other receivables	<b>62</b>	29	13
Prepayments and accrued income	-	-	23
	<b>62</b>	29	36

**8. Share capital**

	<b>30 September 2016 £'000</b>	30 September 2015 £'000	31 March 2016 £'000
<b>Authorised capital</b>			
9,999,520,000 ordinary shares of 0.1 pence each	<b>10,000</b>	10,000	10,000
	<b>10,000</b>	10,000	10,000
<b>Allotted, called up and fully paid capital</b>			
721,588,500 (30 September 2015: 584,087,020 31 March 2016: 721,588,500) ordinary shares of 0.1 pence each	<b>722</b>	584	722
	<b>722</b>	584	722

**Allotments during the period**

The Company allotted the following ordinary shares during the period:

	<b>6 months ended 30 September 2016</b>
<b>Shares in issue at 1 April 2016</b>	<b>721,588,020</b>
<b>Shares issued during the year</b>	<b>480</b>
<b>Shares in issue at 30 September 2016</b>	<b>721,588,500</b>
	<b>6 months ended 30 September 2015</b>
Shares in issue at 1 April 2015	459,088,021
Shares issued during the period	125,000,000
Shares in issue at 30 September 2015	584,088,021
	<b>Year ended 31 March 2015</b>
Shares in issue at 1 April 2015	459,088,021



Shares issued during the period	262,500,000
Shares in issue at 31 March 2016	721,588,020

## 9. Payables

On 9 September 2016 the Company announced a loan note fundraising to raise £400,000. Resolutions to approve the loan note fundraising were passed by shareholders at a general meeting held on 26 September 2016. The funds were received in full in early October 2016. An amount totally £385,000 was received on or before 30 September 2016 and is therefore treated as a payable in the balance sheet as at 30 September 2016.

## 10. Related party transactions

During the period the Company entered into the following related party transactions. All transactions were made on an arm's length basis:

### ***Ocean Park Developments Limited***

Nigel Brent Fitzpatrick, Non-Executive director, is also a director of Ocean Park Developments Limited. During the period the Company paid £12,000 (30 September 2015: £15,000; 31 March 2016: £32,000) in respect of his director's fees to the Company. The balance due to Ocean Park Developments at the period end was £nil (30 September 2015 £nil; 31 March 2016: £nil).

### ***Risk Alliance Insurance Brokers Limited***

Nigel Brent Fitzpatrick, Non-Executive director, is also a director of Risk Alliance Insurance Brokers Limited. During the period the Company paid £5,510 (Six months ended 30 September 2015: £5,510; Year ended 31 March 2015: £5,510) in respect of insurance services for the Company. The balance due to Risk Alliance Insurance Brokers Limited at the period end was £nil (30 September 2014 £nil; 31 March 2015: £nil)

### ***Widdington Limited***

Antony Laiker, director, is also a director of Widdington Limited. During the period the Company paid £18,000 (Six months ended 30 September 2015: £23,000; Year ended 31 March 2016: £46,000) in respect of his director's fees to the Company. The balance due to Widdington Limited at the period end was £nil (30 September 2015 £nil; 31 March 2016: £nil).

## 11. Principal risks and uncertainties

Principal risks and uncertainties are set out in the annual financial statements within the directors' report and also in note 13 and are reviewed on an on-going basis.

The Board will provide leadership within a framework of appropriate and effective controls. The Board will set up, operate and monitor the corporate governance values of the company, and will have overall responsibility for setting the company's strategic aims, defining the business objective, managing the financial and operational resources of the Company and reviewing the performance of the officers and management of the company's business both prior to and following an acquisition.

There have been no significant changes in the first six months of the financial year to the principle risks and uncertainties as set out in the 31 March 2015 Annual Report and Accounts.

## **12. Board Approval**

These interim results were approved by the Board of Vela Technologies Plc on 22 December 2016.

### **DIRECTORS RESPONSIBILITY STATEMENT AND REPORT ON PRINCIPAL RISKS AND UNCERTANTIES**

Responsibility statement

We confirm to the best of our knowledge:

- (a) The condensed set of financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU;
- (b) The interim management report includes a fair review of the information required by:
  - (1) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - (2) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during the period; and any changes in the related party described in the last annual report that could do so.

N Brent Fitzpatrick MBE  
Chairman