Embargoed release: 07:00hrs Thursday 27 August 2015

SOPHEON PLC

(“Sopheon”, the “Company” or the “Group”)

RESULTS FOR THE 6 MONTHS TO 30 JUNE 2015

Sopheon plc, the international provider of software and services that improve the return from innovation and new product development investments, announces its unaudited interim report for the six months ended 30 June 2015 together with a business review and outlook statement for the remaining part of the current year.

HIGHLIGHTS:

- Revenue: $8.4m (2014: $9.2m)
  EBITDA: $0.9m (2014: $0.6m)
  Cash: $4.7m (2014: $5.2m)

- Fifteen license transactions were closed in the period from new and existing customers. Revenue visibility* for full-year 2015 now stands at almost $15m compared to $12.5m at the time of our AGM on 10 June 2015. This momentum shift is underpinned by intense activity and major enterprise opportunities, with new as well as existing customers; two product releases; and nine mentions in Gartner reports this year alone.
- All operating teams have been reorganized under new leadership, to align with the rapidly evolving commercial environment and our unique product offering.
- Improved bottom line with revenue difference caused largely by foreign exchange movement.

Sopheon’s Chairman, Barry Mence said: *“We believe Sopheon’s actions have positioned us as the leader to beat in the innovation management solutions market, offering a breadth of vision, experience and capability that is unmatched by competitors. We remain confident that Sopheon is on the right path, as reflected by the recent shift in our business momentum.”*

FOR FURTHER INFORMATION CONTACT:

Barry Mence, Chairman	Sopheon plc	+ 44 (0) 1276 919 560
Arif Karimjee, CFO	Sopheon plc	+ 44 (0) 1276 919 560
Ed Frisby / Carl Holmes (corporate finance) Mia Gardener (corporate broking)	finnCap	+ 44 (0) 20 7220 0500
Tim Thompson / Edward Treadwell	Newgate	+ 44 (0) 20 7653 9850

About Sopheon. Sopheon (LSE: SPE) partners with customers to provide complete enterprise innovation management solutions including software, expertise, and best practices, that enable them to achieve exceptional long-term revenue growth and profitability. Sopheon’s Accolade solution provides unique, fully-integrated coverage for the entire innovation management and new product development lifecycle, including strategic innovation planning, roadmapping, idea and concept development, process and project management, portfolio management and resource planning. Sopheon’s solutions have been implemented by over 200 customers with over 60,000 users in over 50 countries. Sopheon is listed on AIM, operated by the London Stock Exchange. For more information, please visit www.sopheon.com.

** Revenue visibility is defined in Note 5.*
Sopheon® and Accolade® are trademarks of Sopheon plc.

CHAIRMAN'S STATEMENT

TRADING PERFORMANCE

Revenues for the first half of 2015 were $8.4m, compared to $9.2m in the equivalent period in 2014. Over half of this difference can be attributed to the sharply higher US dollar exchange rate this year, as compared to Euro and Sterling and this is evidenced by the fact that the bottom line has in fact improved, as further detailed below. A total of 15 license orders were booked in the period compared to 17 during the same period last year; after adjusting for foreign exchange rates, license revenue was roughly comparable. Included in the deal count was our first substantial software as a service ("SaaS") type transaction, a trend which we think is set to continue. Maintenance and hosting revenues rose year on year, reflecting the higher recurring revenue base whereas services revenues were lower. As we have previously noted, our record fourth quarter in 2013 led to a substantial services backlog that carried through into 2014 and contributed to the stronger services performance in that year. The overall revenue mix between license, service and maintenance was 18:35:47 respectively, compared to 19:40:41 in the first half of last year.

The base of recurring maintenance, hosting and rental contracts stands above $8.0m compared to approximately $7.8m at the start of the year. This is an important long term metric and we are pleased to see this continued progress. We continue to emphasize the value of maintenance to the customer base through our regular release program, which has continued at a high pace with two releases (Accolade 9.3 and Accolade 10.0) already issued in 2015.

Revenue visibility has improved to almost $15m compared to $12.5m at the time of our Annual General Meeting on 10 June 2015, representing the shift in momentum that is being felt across the business. As previously announced, a number of large transactions have been under negotiation, with new as well as existing customers. A substantial initial order was received from one such customer in June which will be fully recognized over time as it is implemented. We continue to work on these opportunities and expect a stronger revenue performance in the second half of the year.

Gross margin rose to 69.3 percent, compared to 64.6 percent in 2014, eliminating the bulk of the revenue reduction at the gross profit level. We were able to match our services costs to the lower top line, as well as reducing high OEM costs that were associated with certain license and maintenance elements last year.

Headcount at 30 June was 108, broadly in line with the average for the last two years. Continued investment in staffing underpins our growth strategies. Total overhead costs are modestly below prior year levels, primarily due to the foreign exchange effect noted above.

The overall loss before tax reported for the period improved to $0.5m (2014: $0.7m). This result includes interest, depreciation and amortization costs amounting to $1.4m (2014: $1.3m). The EBITDA result for the first half of 2015, which does not include these elements, was a profit of $0.9m (2014: $0.6m). This is arrived at after deducting exchange losses on cash holdings of $0.08m (2014: $0.01m) primarily due to the sudden drop in the value of the Euro, underlining the improvement in the core operational activities.

BALANCE SHEET AND CORPORATE

Net assets at 30 June 2015 stood at $3.8m (2014: $5.0m). Cash resources at the end of the period amounted to $4.8m (2014: $5.2m). Approximately $2.8m was held in US dollars, $1.6m in Euros and the balance of $0.4m in Sterling. Intangible assets at 30 June 2015 stood at $5.9m (2014: $5.8m). This includes (i) $4.9m being the net book value of capitalized research and development (2014: $4.8m) and (ii) $1.0m (2014: $1.0m) being the net book value of acquired intangible assets.

In recent years the Group has embarked on a series of actions to improve alignment of the Group's corporate structure with the size and scale of Sopheon, and being cognizant of enhancing the Company's attractiveness to the investment community.

Early in 2014, new debt facilities were agreed with Silicon Valley Bank ("SVB"). The SVB facilities comprised a term loan of $0.5m, and a $3m revolving line of credit based on US and UK receivables. The facilities bear interest at rates of 2.75 percent over Wall Street Prime, resulting in a current effective rate of 6.0 percent. The facilities are subject to covenants based on operating performance and working capital ratios. Since taking on this debt we have continued to deepen our relationship with this highly respected, technology focused, banking partner.

In December 2014, we successfully completed the share consolidation and capital reduction process initiated the year before, with a cumulative reduction of very small shareholdings by approximately 10,000 across the UK and the Netherlands. More recently, following Euronext's decision to close its Alternext Amsterdam segment, the board decided to consolidate the Company's listing on AIM, where Sopheon will remain accessible to the Dutch investment community. Accordingly, Sopheon delisted from Amsterdam in early May 2015. During both the share consolidation and the delisting periods through to June 30, board members have stood behind the Company's shares entering into a series of purchases amounting to 833,833 ordinary shares, demonstrating their continued belief in the business.

In 2009 and 2012, the Group had issued a total of £2m of convertible unsecured loan stock (the "Loan Stock") to a group of investors including key members of the Board and senior management team. The Loan Stock is due to mature on 31 January 2017 and has a conversion price of 76.5p per ordinary share.

STRATEGY AND PRODUCT

As initially predicted, we continue to see the Innovation Management market shifting to one that is more operationally critical, with higher exposure to senior management, emulating the historic maturation path of ERP and CRM. We see rising momentum with large customer opportunities, and rising coverage from analysts such as Gartner; with nine report mentions for Sopheon this year alone. This excitement is not without short term drawbacks; a common theme last year was that enterprise solutions, while larger in value, entail a longer sales cycle than our historical business.

Ongoing investment in software development delivered a continued rapid pace of releases, with Accolade 9.1 and 9.2 released in April 2014 and September 2014 respectively, followed this year by Accolade 9.3 in April and a major 10.0 release announced in early June. We continue to bring forward new and unique functionality. In addition to a host of functional enhancements in roadmapping, resource planning and project execution, we have extended security and integration to third-party applications, and have improved cross-functional collaboration bringing increased agility to the customer, while meeting the growing needs of vertical segments.

Further, we have introduced Accolade Express, to shorten time to value for the customer through fast, out-of-the-box implementation of best practice content developed from over a decade of experience with industry leaders. The need for speed to value through digitization is increasing steadily. By way of example; a new Sopheon customer, Vesuvius, announced in May that their 2014 fourth quarter implementation of Accolade Express was rolled out in under three months from purchase order to live software to a 300-strong innovation team across four global sites. This had beaten their rollout timetable and had directly enabled high cross-functional adoption of their Stage-Gate® process across multiple business units, some of which have 100 percent of their projects managed by Sopheon's Accolade system.

As the market develops we are seeing increasing evidence of customers showing appetite for a SaaS offering but not yet being willing to give up control of the software (for example, when and how frequently they upgrade to new product versions) or to accept the security risks inherent in having company-critical innovation and research assets on a shared server with other customers. Sopheon's private-cloud SaaS offering is satisfying this emerging demand while mitigating the related security concerns. We will monitor this trend and develop product and managed service infrastructure to take advantage of this opportunity as it evolves.

OPERATIONS

Recognizing that selling enterprise class, integrated solutions requires different skill sets than selling automation tools, we have made several changes in our distribution model. In the USA, we completed the migration to a hunter/farmer sales model with dual goals and targets for new customer acquisition along with extension and retention of our existing customer base. These changes were led by Sheila Plunkett, appointed in 2014 to lead the North American sales team. Late last year we appointed Pieter Leijten to lead our European sales team. Sheila and Pieter have extensive experience with software companies such as IBM, SAP and Infor, as well as in start-up environments, and they bring us extensive experience in selling enterprise solutions. We have also re-engineered our marketing engine, replacing the website, introducing new branding and implementing a range of social media channels and vertical strategies. Ties with consulting firms and reseller channels are being nurtured, an area we believe will become key to the acceleration of our growth.

We have continued the transformation of our consulting and implementation services teams, embedding standardized methodologies and reporting mechanisms. Our services teams are customer-facing in their activities, relationships and service delivery. Similarly, the support organization is a single global team with people located across time zones to support both local and global customer requests. Both the services and support organizations now report to Don Sarno, who led the transformation of our product development approach to Agile and has now taken on a Chief Operating Officer role.

OUTLOOK

Over recent years, Sopheon has been steadily implementing a program of strategic, operational and corporate changes to transition to the emerging enterprise-class market opportunity, and to enhance our investment profile.

Our product set has been extended and re-engineered with a new platform. A new Agile-based development methodology that is highly responsive to shifting market requirements has been put in place. Our sales, marketing and delivery teams have been restructured, reorganized and expanded under new leadership. On the corporate front, we have focused on our AIM listing, implemented a capital restructuring, brought on new debt facilities, and extended existing long-term facilities with core shareholders and management.

We entered 2014 on the back of the strongest quarter in our history, and having taken the business from under $13m revenues in 2009 to almost $21m in 2013. This advance was coupled with steady improvements in profitability. We also entered 2014 in the middle of a strategic transition from delivering process automation to delivering enterprise class, integrated innovation management solutions. While the transition has taken longer than originally envisaged, we have made substantial progress towards migrating our business model, and we are now seeing real signs of a shift in momentum.

While acknowledging the reality of our financial results, we have stayed the course of our growth strategy. We believe Sopheon's actions have positioned us as the leader to beat in the innovation management solutions market, offering a breadth of vision, experience and capability that is unmatched by competitors. We remain confident that Sopheon is on the right path, as reflected by the recent shift in our business momentum.

Barry Mence
Chairman

26 August 2015

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015 (UNAUDITED)

	2015	*2014*
	$'000	*$'000*
Revenue	**8,425**	**9,230**
Cost of sales	(2,588)	(3,263)
Gross profit	**5,837**	**5,967**
Sales and marketing expense	(2,978)	(3,005)
Research and development expense	(1,948)	(2,112)
Administrative expense	(1,265)	(1,369)
Operating loss	**(354)**	**(519)**
Finance income	3	7
Finance expense	(180)	(190)
Loss for the period before and after tax	**(531)**	**(702)**
Loss per share - basic and diluted in cents	(7.30c)	(9.64c)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2015 (UNAUDITED)

	2015	*2014*
	$'000	*$'000*
Loss for the period	**(531)**	**(702)**
Amounts that may be recycled in future periods		
Exchange differences on translation of foreign operations	22	(171)
Total comprehensive loss for the period	**(509)**	**(873)**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2015 (UNAUDITED)

	30 June 2015 $'000	*31 Dec 2014 $'000*	*30 June 2014 $'000*
Assets			
Non-current assets			
Property, plant and equipment	209	265	313
Intangible assets	5,944	5,889	5,847
Other receivable	19	19	19
	6,172	**6,173**	**6,179**
Current assets			
Trade and other receivables	5,261	6,755	6,596
Cash and cash equivalents	4,755	4,735	5,178
	10,016	**11,490**	**11,774**
Total assets	**16,188**	**17,663**	**17,953**
Liabilities			
Current liabilities			
Borrowings	1,837	2,124	1,660
Deferred revenue	4,911	5,166	5,112
Trade and other payables	2,386	2,842	2,771
	9,134	**10,132**	**9,543**
Non-current liabilities			
Borrowings	3,254	3,288	3,403
Total liabilities	**12,388**	**13,420**	**12,946**
Net assets	**3,800**	**4,243**	**5,007**
Equity			
Share capital	2,354	2,354	2,354
Capital reserves	5,720	5,654	5,577
Translation reserve	(24)	(46)	(20)
Retained earnings	(4,250)	(3,719)	(2,904)
Total equity	**3,800**	**4,243**	**5,007**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015 (UNAUDITED)

	2015 *$'000*	*2014* *$'000*
Operating Activities		
Loss for the period	(531)	(702)
Finance income	(3)	(7)
Finance costs	180	190
Depreciation of property, plant and equipment	104	124
Amortization of intangible assets	1,173	964
Share based payment expense	66	79
Operating cash flows before movement in working capital	989	648
Decrease in receivables	1,445	2,475
Decrease in payables	(534)	(628)
Net cash from operating activities	1,900	2,495
Investing Activities		
Finance income	3	7
Purchases of property, plant and equipment	(55)	(111)
Capitalisation of development costs	(1,228)	(1,215)
Net cash used in investing activities	(1,280)	(1,319)
Financing Activities		
New borrowings	-	500
Repayment of borrowings	(83)	(325)
Movement in lines of credit	(285)	(34)
Finance expense	(180)	(169)
Net cash used in financing activities	(548)	(28)
Net increase in cash and cash equivalents	**72**	**1,148**
Cash and cash equivalents at the beginning of the period	**4,735**	**4,027**
Effect of foreign exchange rate changes	(52)	3
Cash and cash equivalents at the end of the period	**4,755**	**5,178**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2015 (UNAUDITED)

	Share Capital $'000	*Capital Reserves $'000*	*Translation Reserve $'000*	*Retained Losses $'000*	*Total $'000*
At 1 January 2014	**2,354**	**5,498**	**151**	**(2,202)**	**5,801**
Share based payments	-	79	-	-	79
Loss for the period	-	-	-	(702)	(702)
Other comprehensive income	-	-	(171)	-	(171)
At 30 June 2014	**2,354**	**5,577**	**(20)**	**(2,904)**	**5,007**
Share based payments	-	79	-	-	79
Lapsing of share options	-	(2)	-	2	-
Loss for the period	-	-	-	(817)	(817)
Other comprehensive income	-	-	(26)	-	(26)
At 31 December 2014	**2,354**	**5,654**	**(46)**	**(3,719)**	**4,243**
Share based payments	-	66	-	-	66
Loss for the period	-	-	-	(531)	(531)
Other comprehensive income	-	-	22	-	22
At 30 June 2015	**2,354**	**5,720**	**(24)**	**(4,250)**	**3,800**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Sopheon Plc is a company domiciled in England. The condensed consolidated financial statements of the Company for the six months ended 30 June 2015 comprise the Company and its subsidiaries (together referred to as the "Group").

2. Accounting policies

Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”, as adopted by the European Union. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Annual Report and financial statements for the year ended 31 December 2014. The comparative financial information for the year ended 31 December 2014 included within this interim report does not constitute the full statutory accounts for that period. The Annual Report and Financial Statements for 2014 have been filed with the Registrar of Companies. The independent auditors’ report on those financial statements as unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under s498(2) or (3) of the Companies Act 2006. The financial information for the periods ended 30 June 2015 and 30 June 2014 is unaudited but has been reviewed by the Company’s auditors.

Going concern

The condensed consolidated financial statements have been prepared on a going concern basis. In reaching their assessment, the directors have considered a period extending at least 12 months from the date of approval of this financial report. This assessment has included consideration of the forecast performance of the business for the foreseeable future, the cash and financing facilities available to the Group, and the repayment terms in respect of the Group’s borrowings.

In the first half of 2015, the Group achieved revenues of $8.4m and achieved a loss before tax of $0.5m. This represents lower revenue but also a reduced loss compared to the previous year. The time-to-close and the order value of individual sales continues to vary considerably. When combined with the relatively low-volume and high-value nature of the Group’s business, these are factors which constrain the ability to accurately predict revenue performance. However, the Group’s sales pipeline remains active, and the directors remain positive about the prospects for the business. At the date of this report, the Group’s revenue visibility for the current year has risen to almost $15m.

To meet its objectives, the Group has maintained headcount and investment levels. If future sales fall short of expectations, there is a risk that the Group’s facilities may prove insufficient to cover both operating activities and the servicing of its debt facilities. In such circumstances, the Group would be obliged to seek additional funding. The directors have concluded that the circumstances set forth above represent uncertainties, however they believe that taken as a whole, the factors described above enable the Group to continue as a going concern for the foreseeable future. The financial information does not include the adjustments that would be required if the Group were unable to continue as a going concern.

Changes in accounting policies

The same accounting policies, presentation and methods of computation are followed in these condensed consolidated financial statements as were applied in the Group's latest annual audited financial statements. None of the new or amended IFRSs and IFRIC interpretations that have become effective since the last annual report have had a material impact on the Group's reporting.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. Segmental Analysis

All of the Group's revenues in respect of the six month periods ended 30 June 2015 and 2014 derived from the design, development and marketing of software products with associated implementation and consultancy services. For management purposes, the Group is organized across two principal operating segments, which can be expressed geographically. This basis is the same as that used in the Company's last annual financial statements. The first segment is North America, and the second Europe. Information relating to these two segments is given below. All information provides analysis by location of operations and is stated before intra-group charges.

Six months to 30 June 2015	*N America*	*Europe*	*Total*
	$'000	*$'000*	*$'000*
External revenues	6,236	2,189	8,425
Net loss before tax	(132)	(399)	(531)
EBITDA	1,174	(251)	923
Total assets	12,474	3,714	16,188

Six months to 30 June 2014	*N America*	*Europe*	*Total*
	$'000	*$'000*	*$'000*
External revenues	5,856	3,374	9,230
Net profit / (loss) before tax	(961)	259	(702)
EBITDA	135	435	570
Total assets	12,197	5,756	17,953

EBITDA is arrived at after adding back net finance costs, depreciation and amortization amounting to $1,454,000 (2014: $1,272,000) to the net result before tax. Details of these amounts are set out in the consolidated cash flow statement.

4. Loss per share

The calculation of basic loss per ordinary share is based on a loss of $531,000 (2014: $702,000 loss) and on 7,279,000 ordinary shares (2014: 7,279,000) being the effective weighted average number of ordinary shares in issue during the year. The diluted loss per ordinary share for 2015 is the same as the basic loss per ordinary share, because the exercise of conversion rights attaching to the convertible loan stock would have the effect of decreasing the loss per ordinary share by more than the impact of the higher number of shares. All warrants and share options to subscribe for ordinary shares either have a strike price above the average market price for the year, or have an immaterial impact.

5. Visibility

Visibility at any point in time comprises revenue expected from (i) closed license orders, including those which are contracted but conditional on acceptance decisions scheduled later in the year; (ii) contracted services business delivered or expected to be delivered in the year; and (iii) recurring maintenance, hosting and rental streams. The visibility calculation does not include revenues from new sales opportunities expected to close during the remainder of 2015.

6. Intangible Assets

Certain development expenditure is required to be capitalized and amortized based on detailed technical criteria, rather than automatically charging such costs in the income statement as they arise. This has led to the capitalization of $1,228,000 (2014: $1,215,000), and amortization of $1,173,000 (2014: $964,000) during the period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. Related party transactions

£1.0m ($1.6m; 2014: £1.0m) of the Company's Convertible Loan Stock is held by directors and management. In 2014 the holders of the Loan Stock agreed to extend its maturity date by two years, to 31 January 2017, coupled with modification of the conversion price to 76.5p per ordinary share. Except for the foregoing, there were no related party transactions required to be disclosed in any period. Transactions between the Company and its subsidiary undertakings, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

8. Principal Risks and Uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. The directors do not consider that the principal risks and uncertainties have changed since the publication of the annual report for the year ended 31 December 2014, which contains a detailed explanation of the risks relevant to the group on page 19, and is available at www.sopheon.com. Other principal risks and uncertainties of the Group for the remaining six months of the current financial year are disclosed in the Chairman's Statement and the notes to the condensed consolidated financial statements included in this interim report.

9. Cautionary Statement

This Interim Report has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for these strategies to succeed. The Interim Report should not be relied on by any other party or for any other purpose. The Interim Report contains certain forward-looking statements with respect to the financial condition, results of operations and businesses of Sopheon plc. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report. However, such statements should be treated with caution as they involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. The continuing uncertainty in global economic outlook inevitably increases the economic and business risks to which the Group is exposed. Nothing in this announcement should be construed as a profit forecast.

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the interim report for the six months ended 30 June 2015 which comprises the condensed consolidated income statement; condensed consolidated statement of comprehensive income; condensed consolidated statement of financial position; condensed consolidated cash flow statement; condensed consolidated statement of changes in equity; and associated notes.

We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on the AIM, which require that the interim report be presented and prepared in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on AIM and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, ''Review of Interim Financial Information Performed by the Independent Auditor of the Entity'', issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim report for the six months ended 30 June 2015 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

BDO LLP
Chartered Accountants & Registered Auditors, London, United Kingdom 26 August 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).