

EMV Capital PLC (formerly NetScientific PLC)

("EMV Capital" or "EMVC" or the "Company" or the "Group")

Interim Results for the six months ended 30 June 2024

EMV Capital plc (AIM: EMVC), the deeptech and life sciences VC investment group, is pleased to announce its interim results for the six months ended 30 June 2024.

Investor Presentation

The Company will hold a live online presentation for investors on Tuesday 1 October 2024 at 11.00 a.m. on the Investor Meet Company platform. Investors can join the live presentation via:
<https://www.investormeetcompany.com/emv-capital-plc/register-investor>.

Financial and Operational Highlights

Assets Under Management:

- Total AUM (both direct and indirect) increased by 44% to £106.7m (2023: £74.0m, H1 2023: £61.6m).

This comprises:

- Fair Value of direct holdings increased to £41.0m (2023: £35.6m), including balance sheet investments of £16.8m, subsidiaries and associates at directors' valuations of £24.2m, with the private unlisted portfolio valued at £38.5m (2023: £31.1m).
- Fair Value of managed and third-party holdings rose by approximately 71% to £65.7m (2023: £38.4m), including:
 - £24.1m from the newly added Martlet Capital portfolio, where EMV Capital Partners Limited (formerly EMV Capital Limited) was appointed as investment manager in May 2024.
 - A further net £3.2m increase from the managed portfolio.

Portfolio Size and Performance:

- The portfolio has expanded to over 70 companies, following the mandate in May 2024 to manage the Martlet Capital portfolio.
- EMV Capital Partners syndicated investors contributed £6.4m across 11 portfolio companies.

Group Performance:

- The Group's performance includes the operational core of EMV Capital plc (formerly NetScientific plc) and EMV Capital Partners, alongside portfolio companies where the Group holds over 50% shareholding.
- Total assets increased to £23.4m (2023: £22.5m), with net assets growing to £18.5m (2023: £17.1m).
- Group Income increased marginally to £1.17m (H1 2023: £1.15m):
 - EMV Capital Partners revenue grew strongly by 43% to £1.0m (H1 2023: £0.7m), recording a profit of £0.1m (2022: £Nil).
 - Additional subsidiary income of £0.1m (ProAxis).
- Group loss for the half-year was £1.8m (H1 2023: £1.6m):
 - Core Company and EMV Capital Partners losses amounted to £0.6m (H1 2023: £0.4m), the difference mainly due to non-recurring gains on sale in the prior year, the underlying cost base is unchanged from prior year.
 - Losses at subsidiary portfolio companies, Glycotest and ProAxis, have reduced.
- There were no divestments during the period.
- Cash at 30 June 2024 stood at £0.3m (2023: £0.2m).

Fund Management:

- EMV Capital Partners took over the management of Martlet Capital, a renowned Cambridge-based early-stage VC fund with a Fair Value of £24.1m (30 June 2024), focusing on life sciences and deeptech.
 - This appointment brings substantial recurring fund management fees and exposure to carried interest.
 - Additionally, the EMV Capital Evergreen EIS Fund was relaunched, with expectations for further growth.

turner growth.

Value Creation Services:

- Retained contracts are in place to accelerate several portfolio companies towards key value inflection points.
- These companies show strong prospects for significant fair value increases over the next 12-18 months, with potential for future exits.

Outlook

Commenting on outlook Dr. Ilian Iliev, CEO, added:

"The first half of this year has seen us surpass the significant milestone of £100m in AUM, alongside the launch of our Fund Management practice. Despite challenging market conditions, we have protected shareholder value and bolstered our portfolio through £6.4m in syndicated fundraisings, proactive management, and our hands-on value creation services. The Martlet Capital mandate is a landmark achievement, and we continue to focus on expanding our Funds practice to deliver sustained growth."

"We also announced last week our rebrand and name change. Since acquiring EMV Capital in 2020, we have consolidated our operations, significantly grown our portfolio, and expanded our strategic focus. This new identity for our Group reflects our business today-an agile, multi-sector venture capital firm committed to delivering superior returns from innovative, high-growth companies."

"The Group is now squarely focused on the next three years of its strategic roadmap, positioning EMV Capital as a leading VC in the deeptech and life sciences sectors. We aim to drive shareholder value by investing in companies with transformative technologies both in the UK and internationally."

Summary

The rebranding to EMV Capital represents a defining moment in the evolution of our business. Since 2020, when we managed £11.8m in AUM across eight companies, we have expanded significantly. Today, with over £100m in AUM and a portfolio of 70 companies, we are generating substantial recurring revenues and are well-positioned for meaningful capital returns.

We are confident in the Group's future, underpinned by a strong and resilient investment model. Despite challenging market conditions and limited capital availability, we have continued to support our portfolio companies through strategic capital deployment. Our focus on smaller, carefully targeted investment rounds is expected to deliver long-term value as these companies grow and the broader VC market stabilises.

The Group's strategy is to generate capital returns through profitable exits of selected portfolio companies and carried interest from our expanding Funds practice. Additionally, we aim to cover most or all core operational costs through a combination of recurring fund management fees, value creation services, corporate finance, and other income streams. As we scale our fund management practice alongside ongoing investment syndication and selective balance sheet investments, we expect a diversified mix of capital returns from both direct investments and carried interest.

The person responsible for arranging the release of this announcement on behalf of the Company is Ilian Iliev, Chief Executive Officer of the Company.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE UK VERSION OF REGULATION (EU) NO 596/2014 WHICH IS PART OF UK LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018, AS AMENDED. UPON THE PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

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CHIEF EXECUTIVE OFFICER'S STATEMENT

Overview

I am delighted to present an update on EMV Capital's (formerly NetScientific's) progress during the first half of 2024. Our commitment to becoming a prominent deeptech venture capital investor in the life sciences, sustainability, and industrials sectors, both in the UK and internationally, continues to drive strong results across our business and portfolio companies.

Operational Highlights

We have made significant progress within our business, achieving a number of key milestones:

- **Rebrand and Name Change:** Last week, we announced our rebrand and name change to EMV Capital Plc. Since acquiring EMV Capital in 2020, we have consolidated our operations, significantly grown our portfolio, and expanded our strategic focus. This new identity reflects our evolution into an agile, multi-sector venture capital firm, committed to delivering superior returns from innovative, high-growth companies.
- **Sustainable Investment Strategy** We have successfully executed our 'evergreen' sustainable investment strategy. This approach covers a substantial part of our core operating costs through a combination of recurring fund management and monitoring fees, as well as fees from corporate finance and value creation services.
- **Revenue Growth:** The Group's core operations have shown a c.43% increase in revenues, reaching £1.0m. While there has been a modest increase in losses reflecting PLC operations, EMV Capital Partners Limited (formerly EMV Capital Limited) itself has remained profitable.
- **Expansion of Funds Practice** We achieved substantial operational progress in our Funds practice by securing the fund management mandate for Cambridge-based Martlet Capital. This non-dilutive transaction represents a key milestone for the Group, integrating a respected brand from the world-class Cambridge high-tech investment cluster. It also boosts fee income and critical mass for our Funds practice, while creating opportunities for the launch of two additional funds under the Martlet brand, backed by its supportive investor base.
- **EMVC Evergreen EIS Fund Relaunch** We have relaunched the EMVC Evergreen EIS Fund, now directly managed by EMV Capital Partners, further strengthening our venture capital capabilities.

Portfolio Highlights

- **Syndicated Investments:** Syndicated investments have played a pivotal role in supporting our portfolio companies. EMV Capital Partners syndicated investors contributed £6.4m in third-party syndicated investments across 11 portfolio companies, of which £3.2m was added to our Assets Under Management (AUM) post-acquisition of our direct stake in Wanda Health.
- **Fundraising Support** EMV Capital Partners' ongoing fundraising efforts have secured crucial funding for our portfolio companies, enabling them to execute their growth strategies and prepare for upcoming scale-up investment rounds. These efforts have also enhanced the fair value of the Group's direct holdings.
- **Key Portfolio Transactions Supported by EMV Capital Partners:**
 - EMV Capital Partners led a £3.2m fundraising into Sofant Technologies.
 - EMV Capital Partners led a £2.1m fundraising into Deeptech Recycling.
 - Further syndicated investments facilitated by EMV Capital Partners were made into Ventive and DName-iT.
 - EMV Capital Partners led and advised on the restructuring of Wanda, resulting in a 30% direct holding by the Group and subsequent advanced subscriptions by syndicated investors.
 - EMV Capital Partners advised on investments of £1.4m in ProAxis.

- Further investment was made into Glycotest by Fosun Pharma and EMV Capital Partners syndicated investors.
- Post-balance sheet date, EMV Capital Partners led a £1.5m investment in Q-Bot.
- **Valuation Gains:** We have seen strong valuation gains in several portfolio companies where we have been actively engaged, including Deeptech Recycling, Ventive, DName-iT, and ProAxis.
- **PDS Biotech:** The company has made further progress towards a planned Phase 3 study for one of its drug programmes, advancing its strategic development.
- **ProAxis:** The company has streamlined its operations, reducing operating costs by over 30%, while achieving a modest increase in sales and strengthening its pipeline. In April 2024, ProAxis completed a fundraising round that crystallised an uplift of £4.5m to the fair value of our direct interest, which is £8.0m.
- **Glycotest:** Glycotest has advanced its commercialisation strategy for its liver cancer diagnostic test, with a post-balance sheet date partnership with the University of Georgia Complex Carbohydrate Research Center to develop novel glycomic assays.
- **Value Creation Programmes:** We continue to implement value creation programmes aimed at accelerating the progress of a cohort of our portfolio companies towards key value inflection points. These efforts are expected to drive further fair value increases in the next 12-18 months and enhance the prospects for profitable exits.

Financial Highlights

Reflecting our venture capital model, we report on both the 'core' operations of our Group (comprising EMV Capital plc and EMV Capital Partners Limited) and our 'portfolio subsidiaries' (Glycotest and ProAxis). The subsidiaries are treated as separately managed portfolio companies, each supported by external investors.

- **Assets Under Management (AUM)** Total AUM (both direct and indirect) increased by 44% to £106.7m (2023: £74.0m, H1 2023: £61.6m). This comprises:
 - Fair Value of direct holdings increased to £41.0m (2023: £35.6m), including balance sheet investments of £16.8m, subsidiaries and associates at directors' valuations of £24.2m, with the private unlisted portfolio valued at £38.5m (2023: £31.1m).
 - The fair value of our holding in NASDAQ-listed PDS Biotechnology declined by £1.8m to £2.5m.
 - This decline was offset by the following significant changes in AUM:
 - Martlet Capital portfolio fair value increased by approximately £0.9m compared to the previous period.
 - ProAxis increased from £3.5m to £8.0m, a 129% rise.
 - DeepTech Recycling increased from nil to £1.8m.
 - DName-iT Holdings increased from £1.2m to £1.6m, a 33% increase.
 - Fair Value of managed and third-party holdings rose by approximately 71% to £65.7m (2023: £38.4m), including:
 - £24.1m from the newly added Martlet Capital portfolio, where EMV Capital Partners Limited (formerly EMV Capital Limited) was appointed as investment manager in May 2024.
 - A further net £3.2m increase from the managed portfolio.
- **Portfolio Size and Performance:**
 - The portfolio has expanded to over 70 companies, following the mandate in May 2024 to manage the Martlet Capital portfolio.
 - EMV Capital Partners syndicated investors contributed £6.4m across 11 portfolio companies.

- **Total Income:** £1.17m, representing a slight increase of 2% (H1 2023: £1.15m).
 - Income from the 'core' operations increased by approximately 43% to £1m (H1 2023: £0.7m), driven primarily by a near doubling of revenues from EMV Capital Partners.
 - No divestments occurred during the period.
- **Group Losses:** Losses from operations increased slightly to £1.8m (H1 2023: £1.6m).
 - Core operations losses rose to £0.6m (H1 2023: £0.4m), although EMV Capital Partners achieved a modest profit uplift compared to H1 2023.
 - Losses at both Glycotest and ProAxis decreased, reflecting cost reductions and cash savings. While these losses are consolidated at Group level, the companies are funded by third-party sources and thus do not require further financial support from the Group's core operations.
- **Working Capital:** Working capital management remains prudent. The Group ended the period with a cash balance of £0.3m and an existing £0.2m bank overdraft facility. In addition, the Group holds approximately £2.7m in readily realisable quoted securities as of 31 August 2024.

Operating Model

Our strategic focus includes the advancement of our sustainable business model and boosting the Net Asset Value and Fair Value of our portfolio companies. This creates the potential for substantial investment returns from our maturing portfolio through targeted growth and profitable exits. In particular, our objectives include:

- **Capital Efficient Investment Strategy:** Using a combination of funding sources to gain (and increase) direct and indirect stakes in our portfolio companies, including syndicated investments, selective balance sheet investments to gain deeper stakes, as well as deploying funds from our Funds practice.
- **Funds Practice:** Having launched our fund practice with the Martlet Capital fund and EMV Capital Evergreen EIS Fund mandates, we are exploring further fund opportunities that would add to our AUM, recurring fund management fees and carried interest exposure.
- **External Funding of Portfolio:** We are facilitating and syndicating external funding for our portfolio companies, to accelerate growth and development.
- **Proactive Portfolio Management:** We believe proactive management is key to obtaining superior returns and protecting the value of our holdings. Our approach involves taking Board positions, working closely with management and maintaining strong relationships with co-investors to coordinate strategies and objectives. We are an active, engaged investor deploying our expertise.
- **Value Creation:** We concentrate on a select cohort of companies at a time, driving growth and investment realisations through fundraising support and value creation services. Our in-house operational team, venture partners, and panel of expert service providers offer support across functions including investment readiness, exit readiness, IP strategy, corporate collaborations, financial functions, and senior executive placements.
- **Operational Income Generation** Our objective is to eventually cover all operational costs through operational income fees. Starting from nil in 2020, the Group now has multiple sources for ongoing income including fees in connection with corporate finance and advisory, board seats, annual management, Value Creation Services (VCS), and (most recently) recurring Fund management fees through EMV Capital Partners.
- **Capital realisation channels / 'routes to exit':** We target the realisation of venture-type/outsized investment returns through strategic partial or full exits from our directly owned positions (direct cash) and carried interest from Fund management exits. These exits can be realised through M&A, IPOs, or sales to PE and other financial investors.
- **Deepening direct stakes:** Our proactive investment approach enables us to selectively build stakes in portfolio companies through a mixture of modest balance sheet investments, accepting fees as equity (e.g. Ventive), co-founding businesses (e.g. Deeptech Recycling), and making selective paper acquisitions (e.g. Cetromed).

Portfolio Highlights

Summary

Since its holding of a portfolio of eight companies in 2020, the Company has significantly expanded its reach, now managing a portfolio of approximately 70 companies. This includes a mix of direct (on balance sheet) holdings and third-party stakes, for which we have established carried interest fee arrangements. Collectively, we refer to these holdings as Assets Under Management (AUM).

This diverse portfolio offers a broad spectrum of potential returns and presents opportunities to take larger stakes in select companies while generating additional advisory revenue.

Measuring Assets Under Management (AUM): AUM is a commonly used measure in the VC and PE industry to denote the Fair Value of stakes owned in public and private companies, on balance sheet (i.e. owned by the company), and as part of third-party funds under management with carried interest.

As outlined in our 2023 annual accounts, historically we have reported the value of directly owned (on balance sheet) stakes based on directors' fair value, whilst indirect advised stakes were recorded at cost. To enhance comparability and transparency, beginning with our 2023 accounts, both direct (on balance sheet) and indirect (third-party managed) stakes will now be measured at directors' fair value. Collectively, these holdings will be referred to as Assets Under Management (AUM).

It is important to note that investments in early-stage private companies are inherently challenging to value. To ensure consistency and rigor in our valuation process, we have applied the British Venture Capital Association (BVCA) valuation principles when determining fair value.

Total assets under management (both direct and indirect) is £106.7m (2023: £74.0m), an increase of £32.7m as described above.

More details on the individual companies' developments are provided in the Portfolio Update section below.

1 Table 1: Fair Value of Directly Held Portfolio Holdings

Fair Value of Direct stakes							
Portfolio Company	Country	Sector	Stage	Group Stake (%)	Fair Value (m)		
					H1 2024	YE 2023	H1 2023
Q-Bot	UK	Robotics	Sales	15.6%	£4.0	£3.8	£4.1
Vortex Biotech Holdings Ltd	UK/US	Liquid biopsy oncology	Sales	22.1%	£3.5	£3.5	£2.8
PDS Biotechnology - Nasdaq Listed	US	Immuno-oncology	Phase II clinical	3.0%	£2.5	£4.3	£5.3
Deeptech Recycling Limited	UK	Recycling	Industrial	21.2%	£1.8	£0.0	£0.0
EpiBone	US	Regenerative medicine	Early clinical	1.3%	£1.1	£1.1	£1.1
SageTech Medical Equipment	UK	Waste anaesthetic	Commercial	5.1%	£0.9	£0.9	£0.9
Ventive	UK	Heat pumps and passive ventilation	Sales	11.1%	£0.9	£0.9	£0.1
Sofant Technologies	UK	Semiconductors satellite coms	Early sales	1.3%	£0.5	£0.5	£0.5
FOx Biosystems	BEL	Research equipment	Sales	3.9%	£0.5	£0.4	£0.4
G - Tech Medical	US	Wearable gut monitor	Early clinical	3.8%	£0.3	£0.3	£0.3
CytoVale	US	Medical biomarker	Late clinical	1.0%	£0.3	£0.3	£0.3
Martlet Capital	UK	Venture capital	Sales	1.4%	£0.2	£0.2	£0.2
PointGrab	IL	Smart building automation	Sales	0.5%	£0.1	£0.1	£0.1
Wanda Health	UK/US	Digital health monitoring	Sales	30.0%	£0.1	£0.0	£0.0
QuantalX Neuroscience	IL	Medical diagnostics	Late clinical	0.4%	£0.1	£0.1	£0.1
TOTAL					£16.8	£16.4	£16.2

2 Table 2: Directors' Valuations of Subsidiaries & Associates

Directors' Valuations of Subsidiaries & Associates							
Portfolio Company	Country	Sector	Stage	Group Stake (%)	Fair Value (m)		
					H1 2024	YE 2023	H1 2023
EMV Capital	UK	Venture capital	Sales	100%	£3.6	£3.5	£3.5
Glycotest	US	Liver cancer diagnostics	Late clinical	52.7%	£11.0	£11.0	£11.0
ProAxis	UK	Respiratory diagnostics	Sales	88.5%	£8.0	£3.5	£3.5
DName-iT	UK/BEL	Lab technology	Presales	31.4%	£1.6	£1.2	£1.0
TOTAL					£24.2	£19.2	£19.0

Third-Party Stakes: Funds and Syndicated Investment to which the Group has carried interest exposure

Carried interest or profit share agreements typically range from 15% to 20% of profits earned for investors above a minimum return hurdle rate of c.10%. Third party Assets Under Management are expected to grow through further syndicated investments in existing and new portfolio companies and the expansion of our Funds practice. The Consolidated Statement of Financial Position reflects the owned portfolio as equity investments classified as fair value through other comprehensive income (FVTOCI) and financial assets classified as fair value through profit and loss (FVTPL), adhering to the British Venture Capital Association guidelines widely accepted in the VC community. The fair value of the below third-party stakes is not included within the group's audited financial statements.

Table 3: Fair Value of Third-Party Portfolio Holdings and Managed Funds (estimates)

Portfolio Company	Country	Sector	Stage	AUM (%)	AUM Fair Value (m)		
					H1 2024	YE 2023	H1 2023
Martlet Capital Portfolio	UK	Life Sciences/ DeepTech	Sales	-	£24.1	£0.0	£0.0
Q-Bot	UK	Robotics	Sales	31.5%	£9.4	£8.6	£4.5
Sofant Technologies	UK	Semiconductors satellite coms	Early sales	25.4%	£8.8	£8.5	£5.3
SageTech Medical Equipment	UK	Waste anaesthetic	Commercial	24.8%	£4.4	£4.4	£3.9
PointGrab	IL	Smart building automation	Sales	20.8%	£4.2	£3.5	£4.1
Ventive	UK	Heat pumps and passive ventilation	Sales	30.2%	£2.7	£2.2	£0.1
Deeptech Recycling Limited	UK	Recycling	Industrial	29.3%	£2.5	£1.3	£0.0
Vortex Biotech Holdings Ltd	UK/US	Liquid biopsy oncology	Sales	15.4%	£2.2	£2.2	£1.6
Martlet Capital	UK	Venture capital	Sales	5.9%	£1.6	£1.5	£1.3
Glycotest	US	Liver cancer diagnostics	Late clinical	5.8%	£1.5	£0.6	£0.3
EMV Capital Evergreen EIS Fund	UK	Life Sciences/ DeepTech	Sales	-	£1.1	£0.0	£0.0
DName-iT	UK/BEL	Lab technology	Presales	17.5%	£0.9	£0.5	£0.4
ProAxis	UK	Respiratory diagnostics	Sales	9.0%	£0.8	£0.4	£0.0
Nanotech Industrial Solutions	US	Material science	Sales	-	£0.8	£0.8	£0.8
Wanda Health	UK/US	Digital health monitoring	Sales	-	£0.4	£3.6	£3.6
EpiBone	US	Regenerative	Early	0.3%	£0.3	£0.3	£0.2

		medicine	clinical				
TOTAL					£65.7	£38.4	£26.1

Selected portfolio company highlights

Glycotest, Inc. ("Glycotest") - Subsidiary

- **Location:** Merion, PA, US
- **Website:** <https://www.glycotest.com/>
- **Direct Equity Holding 52.7%, other assets under management 5.8%**

Overview:

Glycotest Inc. is a liver disease diagnostics company commercialising new and unique blood tests for liver cancers and fibrosis-cirrhosis. The Company is a spin-out from the Baruch S. Blumberg Institute and Drexel University College of Medicine, backed by EMV Capital Partners and Fosun Pharma.

Glycotest's lead product is its hepatocellular carcinoma (HCC) panel, a biomarker panel, driven by a proprietary algorithm, for curable early-stage HCC, the most common form of primary liver cancer. This has outperformed current standard tests in preliminary clinical studies. Glycotest has also developed tests for the second most prevalent form of liver cancer.

Glycotest believes the liver cancer early detection market presents a > 800m opportunity in the US alone, and 4bn globally.

Crucially, the Company has successfully completed patient enrolment and sample collection for its HCC Panel clinical validation study, carried out across 20 major medical centres under the leadership of key opinion leaders. This effort has resulted in the creation of a world-leading biobank, now one of the largest collections of blood samples globally for HCC test validation.

Key developments:

To advance commercialisation of the HCC Panel program, the Company has: (1) completed enrolment and is advancing toward database lock for the HCC Panel clinical validation study; and (2) executed an agreement with the University of Georgia Complex Carbohydrate Research Center (CCRC) for the development of new glycomic assays to revise and strengthen the performance of the HCC Panel test.

Following a careful assessment of multiple technology and partnership options, Glycotest has entered into a partnership with the CCRC with the objective of developing superior glycomic assays for deployment in the HCC Panel test. The CCRC is a long-standing center of excellence in glycosciences and a world renowned innovator in testing methodology relevant to the HCC Panel. With expertise and resources in a rich array of sophisticated instrumental techniques, the CCRC is uniquely positioned to collaborate with Glycotest on this important project focusing on the development of high-performance mass spectroscopy-based assays.

As announced on 23 January 2024, Glycotest received an additional 1m of investment from Fosun Pharma, and converted into equity syndicated convertible loan agreement investments of 848,474 (including accrued interest) from EMV Capital Partners.

Q-Bot Limited ("Q-Bot")

- **Location:** London
- **Website:** <https://q-bot.co/>
- **Direct Equity Holding 15.6%, other assets under management 31.5%**

Overview:

Q-Bot is an award-winning robotics developer for construction retrofit. Its AI-powered robotic tools are used to inspect, monitor, and retrofit insulation for residential buildings. Q-Bot's robots have been used for 5,000+ installs in the UK and internationally, primarily for retrofit underfloor insulation applications. The company is now seeking to extend the application of its technology to the US, Australia and EU, and to explore other uses of the technology such as in crawlspace, wall and attic insulation (with over 800,000 homes manually spray foam insulated every year in the US alone).

Key developments 2024:

To maximise value, Q-Bot's board adopted a revised business plan which includes rationalising its business into two separate divisions, an installations business and a technology focused business. The planned restructuring allows the installations business to attract investment to reach break-even and accelerate growth, and the technologies business to operate on a standalone basis and exploit multiple existing and new US and EU growth opportunities to create further value.

To enable this strategy (post-balance sheet date, in July), EMV Capital Partners led and syndicated a fundraising of £1.5m (as announced on 30 July 2024). Reflecting the challenging market conditions, this investment was at a discount of the previous valuation.

In the UK, Q-Bot is focused on consolidating growth through a focus on retrofit robot-based installations of underfloor insulation in both private homeowner and social housing markets. In the UK alone, Q-Bot believes there are 6m+ homes where its application is relevant, and the company continues exploring opportunities both in the EU and the US. In the UK, Q-Bot launched an underfloor insulation grant programme in partnership with E-On, focused on the privately owned market.

Internationally, Q-Bot is exploring other uses of its technology through JVs and JDAs, including a major opportunity identified in the loft insulation market in the USA.

EMVC Interest:

Direct equity holding of 14.3% (2022: 17.6%), and assets under management from syndicated investors representing 32.4% (2022: 30.9%). Post-balance sheet date direct equity holding of 17.0%, and other assets under management of 37.4%.

ProAxis Ltd ("ProAxis") - Subsidiary

- **Location:** Belfast
- **Website:** <https://proaxis.com/>
- **Direct Equity Holding 88.6%, other assets under management 9.0%**

Overview:

ProAxis Limited is a respiratory diagnostics company and a spin-out from Queens University Belfast. The company has commercialised activity-based immunoassays targeting Neutrophil Elastase (NE) and Proteinase 3, as biomarkers of lung infection and inflammation in chronic respiratory diseases such as COPD, cystic fibrosis and bronchiectasis.

This technology has been translated into a point-of-care test (NEATstik®), to enable ongoing monitoring of active NE levels. The company has a revenue generating clinical services business line, providing Pharma and CROs with NEATstik for clinical trials. In addition, the company is exploring a Point of Care offering, including through a second generation NEATstik.

Key developments 2024:

The company implemented a restructuring programme, whereby operational and staff costs were reduced by 34% and 40% respectively, leading to a reduced cashburn. Clinical services sales have increased, with a stronger pipeline for 2024/25 and a potential route to breakeven.

In April 2024 the company closed a c.£1.8m investment led by EMV Capital Partners, including conversions into equity of £777k of Group intercompany balances at a valuation of £8m. This round represented a 100% increase in fair value for the Group. The company also won an InnovateUK SMART R&D grant to be executed jointly with the Center for Process Innovation.

In Q1 2024, the Board initiated the launch of a project with an M&A consultancy to explore the potential for M&A and strategic investments. The search indicated that in the current market environment, a substantive M&A is unlikely, but several parties showed interest in the Company and provided valuable feedback on the COPD technology currently under development. The search also identified potential partners and has resulted in an MoU with a Southern African-based assay kit manufacturer.

The company is now focused on achieving breakeven in its core commercial offering, while exploring options for its Point of Care programme.

EMVC Interest:

EMVC Interest:

Direct equity holding of 88.6%, other assets under management of 9.0%. The fair value of the Company's stake in ProAxis is estimated to be £8.0m (2023: £3.5m). Other assets under management fair value of £0.8m (2023: £0.4m).

Sofant Technologies Limited ("Sofant")

- **Location:** Edinburgh
- **Website:** <http://www.sofant.com/>
- **Direct Equity Holding 1.3%, other assets under management 25.4%**

Overview:

Sofant has developed a highly energy efficient, modular phased array antenna platform for satellite and terrestrial communications. Its platform is highly scalable and Sofant believes that the satellite communications (SatCom) terminal it is launching next year leads the industry in terms of Size, Weight, Power consumption, and Cost (SWaP-C). Their SatCom terminals enable mobile connectivity across a wide range of airborne, land, and sea applications. Including in-flight connectivity (IFC), maritime communications, and communications on the move (COTM) for military and commercial applications. Its low-power passively cooled terminal delivers unparalleled performance supporting multi-orbit connectivity across LEO, MEO, and GEO satellite networks.

Key developments 2024:

After signing a development and advanced order contract with Viasat in 2023, Sofant has seen significant growth in customer interest from other industry players. Sofant's internal testing indicates that all system level components are working as anticipated and is now in advanced testing and validation of the SatCom terminal with an expected commercial launch in 2025. The company is now set to execute its go-to-market strategy to deliver satellite terminals to SatCom operators and their clients in aerospace, defence and commercial applications. Sofant is finalising the development of its first commercial product, and is now engaged with a wide range of potential customers. The strong level of interest they are experiencing reflects the broader market's transition to Low and Mid earth orbit satellite communications.

In May 2024, EMV Capital Partners led a c.£3m investment round, with the participation of Scottish Enterprise and Kelvin Capital.

EMVC Interest:

Direct equity holding of 1.3% and other assets under management of 25.4%, direct fair value of £0.5m (2023: £0.5m). Other assets under management fair value of £8.8m (2023: £8.5m). The Company, through its direct and indirect holdings is the largest shareholder of Sofant.

Martlet Capital Limited ("Martlet")

- **Location:** Cambridge
- **Website:** <http://martletcap.com/>
- **Direct Equity Holding 1.4%, other assets under management 5.9%**

Overview:

Martlet Capital is an early-stage VC Fund in Cambridge, providing patient capital to IP-rich, deep tech and life sciences B2B startups with high growth potential.

Martlet Capital (and its predecessor entity that was part of Marshall Group) has invested in more than 65 startups since its launch in 2011. In 2021, Martlet successfully raised additional capital to scale its investment activity.

Over the past decade, Martlet has achieved several significant exits from its portfolio through trade sales to global technology companies and IPOs; including the 'unicorn' Abcam (IPO), Audio Analytic, Cambridge CMOS Sensors (acquired by AMS), Arachnys (acquired by AML RightSource).

Key developments 2024:

In May 2024, EMV Capital Partners was appointed as investment manager to Martlet Capital Limited to manage, on a discretionary basis, portfolio of investments. In addition, the Group acquired the operational venture capital business of Martlet Capital.

Following the transaction, Martlet reported an increase in Fair Value to £24.1m (30 June 2024).

Fund management arrangements

The management agreement between Martlet Capital and EMV Capital Partners provides EMV Capital Partners with recurring investment management fees (in the mid-high six figures per annum) for a minimum period of four years, and carried interest fees based on the increase in fair value of each company within the Martlet Capital portfolio between the fair value on appointment of EMV Capital Partners and the values received on each exit.

Group Interest:

At the time of spin-out of Martlet Capital from Marshall Group, the Company invested in the initial fundraising rounds of Martlet Capital in 2021. Fair value of direct investment: £275,000 (2023: £275,000). Total syndicated amount as assets under management by EMV Capital Partners: £1.48m. Total direct and syndicated amount represents 9.6% of issued share capital. Convertible Loan Notes: £0.52m (£0.075m direct holding and £0.445m advised).

Wanda Health ("Wanda")

- **Location:** US and UK
- **Website:** <https://www.wandahealth.com/>
- **Direct Equity Holding 30.0%, £0.4m advance assurance agreement, indirect (advised)**

Overview:

Wanda Health has commercialised an intelligent platform for remote patient monitoring and virtual care. The platform empowers healthcare providers and payers with early detection of exacerbations in patients with acute, chronic, and specialty diseases, helping them speed interventions, prevent adverse events, and improve patient adherence. Wanda's platform enables the control and reduction of hospitalisation and readmission rates through a Remote Patient Monitoring System that collects data from patients' homes or community settings, and provides it to clinicians, highlighting high risks cohorts.

Key developments 2024:

In May 2024 a balance sheet restructuring resulted in the Company's direct holding increasing from *nil* to 30%. Wanda has achieved ISO 13485 and ISO 27001 certification. Wanda is now working towards securing regulatory position as an FDA-approved device, as well as achieving UKCA and CE Marks which allow for the platform to be sold in the UK and the EU respectively. It has seen significant growth in sales with several Primary Care Providers in the US.

Wanda is also exploring partnerships with various organisations in the COPD and heart health areas, to support further product development, and entry into the US.

EMVC Interest:

30.0% direct equity holding, £0.4m advance assurance agreement, indirect (advised), direct fair value of £0.1m (2023: £Nil).

Ventive Limited ("Ventive")

1. **Location:** London
2. **Website:** <https://ventive.co.uk/>
3. **Direct Equity Holding 11.1%, other assets under management 30.2%**

Overview:

Ventive designs and manufactures intelligent heating and ventilation solutions to make buildings healthy, comfortable, efficient and affordable. Its early innovation (Windhive®) has already secured a position in the commercial HVAC market delivering passive ventilation with heat recovery to school buildings, with near zero running costs. Its all-in-one HOME heat pump for domestic dwellings provides ventilation, heating and hot water via an intelligent exhaust-air heat pump with whole-house air handling system. The heat pump is designed to address the challenges of the Energy Transition, reducing installation complexity and moving people to clean-running, super-efficient heating and cooling solutions.

The company has two product lines - passive ventilation with heat recovery (in sales) and a novel all-in-one heatpump system. Its ventilation systems have now been delivered to over 30 schools and 5 leisure centres with excellent air quality results being achieved. With a recent sales hire, the pipeline is increasing and this side of the company is targeting breakeven next year.

Key developments 2024:

In May 2024, closed a c.£400,000 investment, led by EMV Capital Partners, to support the completion of the design and test phase and factory build for Ventive's modular heat pumps and further enhancements to its passive air ventilation product range. The equity round enabled further access non-dilutive funding from the £1.5m DESNZ grant and a £100,000 UK Government grant focused on 'net zero HVAC' systems.

Ventive has delivered early heat pump prototypes for testing in the UK and EU. Early indications show excellent performance from the system with CE marking targeted for H1 2025, and market launch in H2 2025.

EMVC Interest:

11.1% direct equity holding, other assets under management 30.2%, direct fair value of £0.9m (2023: £0.9m). Other assets under management fair value of £2.7m (2023: £2.2m).

Deeptech Recycling Technologies Limited ("DeepTech Recycling")

- **Location:** Oxfordshire
- **Website:** <https://www.deeptech-recycling.co.uk>
- **Direct Equity Holding 21.2%, other assets under management 29.3%**

Overview:

DeepTech Recycling is a plastic waste chemical recycling company, operating in the growing global multi-billion market for plastic waste management. Its mission is to make the use of plastic sustainable and support the critical global drive towards a circular economy for plastics. The technology converts currently unrecyclable plastic waste, that would normally be landfilled or incinerated, into oil that can be used by the petrochemical industry as the feedstock for producing virgin quality plastic.

Key developments 2024:

Deeptech Recycling has consolidated all assets and relaunched a streamlined business focused on target plastic waste streams and capital efficient strategy. After securing the initial investment in Q4 2023, DeepTech Recycling successfully launched a streamlined business, focused on target plastic waste streams and with a capital efficient strategy. The company has made good commercial progress in 2024, transitioning into new technology development premises in Oxfordshire and making key strategic hires. DeepTech has secured its first commercial project, with an MoU signed and Purchase Order received from a major packaging producer in the UK and EU markets for the development of a recycling facility. The first stage of the first commercial project has been successfully completed. DeepTech has signed Heads of Terms with an EU based strategic partner for development and construction of a second commercial project in Norway, with feasibility studies underway. The company is also progressing discussions with a customer for a third commercial project in one of its target plastic waste markets, and re-establishing relationships with several multinationals.

The company believes it has a strong position in a massive market, amidst a growing recognition that chemical recycling is going to be an essential route for dealing with the environmental challenges of plastic waste and ensuring sustainable and circular polymer production. In May 2024, the company secured a further £0.8m to expand the team to execute on current customer-driven opportunities and projects. The company is working towards re-establishing a demonstration scale plant in a commercial environment in the UK by 2025 and on developing construction ready, financially attractive commercial projects.

EMVC Interest:

21.2% direct ownership stake, other assets under management of 17.5%, direct fair value of £1.8m (2023: £Nil). Other assets under management fair value of £2.5m (2023: £1.3m).

DName-iT Ltd ("DName-iT")

- **Location:** UK and Belgium
- **Website:** <https://www.dnameit.com/>
- **Direct Equity Holding 31.4%, other assets under management 17.5%**

Overview:

DName-iT is a spin-out from the world-renowned Katholieke Universiteit Leuven and is developing a platform to improve the identification and elimination of handling and process errors in genetic testing in high-priority areas such as cancer diagnostics, precision medicine and non-invasive prenatal testing (NIPT). To spot specimen handling errors and to identify specimen contamination in Next Generation Sequencing tests, DName-iT has created a proprietary molecular barcoding system, called DName® - that allows the detection of swaps and contamination of blood, saliva and extracted DNA specimens, as well as reagent contamination.

through the contamination of already captured and extracted DNA specimens, as well as reagent contamination, from sample capture to completed NGS reporting.

Key developments 2024:

DName-iT has identified priority market segments for service launch - NIPT, an important use of genomics in women's reproductive health; and the fast-growing market for cancer diagnostics using NGS. The company is exploring various near-term revenue opportunities in the UK and the EU, including potential go-to-market partnerships, license opportunities and further clinical validation pilots.

The company's product platform development work has progressed its regulatory pathway in the UK and EU; successfully completed a proof-of-concept pilot study with an independent European testing laboratory; in collaboration with ProAxis has planned and prepared DNames® for a 24-month shelf-life testing programme; and completed market research to identify a priority market segment for DNames® - Non-invasive Prenatal Testing (NIPT), an important use of genomics in women's reproductive health.

In addition the company is exploring a patent licensing programme in the genomic sequencing industry space.

EMVC Interest:

31.4% direct ownership effective stake, other assets under management of 17.5%, direct fair value of £1.6m (2023: £1.2m). Other assets under management fair value of £0.9m (2023: £0.5m).

PDS Biotechnology Corporation ("PDS")

- **Location:** Princeton, NJ, US
- **Website:** [PDS Biotech](#)
- **Stock symbol:** PDSB (NASDAQ)
- **Direct Equity Holding 3.0%**

Overview:

PDS Biotechnology is a Phase 2/Phase 3 stage immunotherapy company focused on transforming how the immune system targets and kills cancers and the development of infectious disease vaccines. Its key focus is on advanced head and neck squamous cell cancers (HNSCC). PDS Biotech's lead program is a proprietary dual-acting combination of IL-12 fused antibody drug conjugate (ADC) PDS01ADC and T-cell activator Versamune® HPV in regimen with a standard-of-care immune checkpoint inhibitor.

The Company backed PDS as its first institutional investor in 2014, and has continued its support over the years, including by anchoring a NASDAQ placement in 2020, and supporting a subsequent placement in 2021.

Key developments:

PDS has announced an updated clinical strategy with a two-part registrational trial focused on the triple combination of Versamune® HPV; PDS01ADC; and pembrolizumab as a first line treatment in HPV16-positive recurrent/metastatic HNSCC.

EMVC interest:

EMV Capital currently owns 3.0% of the undiluted share capital (2023: 3.5%). The current value of the Company's stake as of 31 August 2024 at a share price of 3.20 per share is worth £2.7m, with a company market capitalisation of 118m.

Strategic Focus

Our strategic focus includes the advancement of our sustainable business model and boosting the Net Asset Value and Fair Value of our portfolio companies. This creates the potential for substantial investment returns from our maturing portfolio through targeted growth and profitable exits. In particular, our objectives include:

- **Value Creation:** We are actively progressing a cohort of our portfolio companies through value creation stages, ensuring they achieve their full potential.
- **External Funding of Portfolio:** We are facilitating and syndicating external funding for our portfolio companies, to accelerate growth and development. This also generates advisory, commission and performance fee opportunities.
- **Proactive Portfolio Management:** We maintain a proactive approach to portfolio management, protecting our positions while supporting management in their business plan execution.

- **Increased Fee Generation:** We are actively working to enhance our fee generation capabilities, ensuring a sustainable revenue stream to support our growth objectives.
- **Selective Group Divestments** We are strategically evaluating our portfolio to identify opportunities for selective divestments, allowing us to optimise our holdings and obtain investment returns.
- **Funds Practice:** We will continue to grow our Fund practice and are exploring new fund opportunities in line with our growth strategy.

Summary and Outlook

The first half of this year has seen us surpass the significant milestone of £100m in AUM, alongside the launch of our Fund Management practice. Despite challenging market conditions, we have protected shareholder value and bolstered our portfolio through £6.4m in syndicated fundraisings, proactive management, and our hands-on value creation services. The Martlet Capital mandate is a landmark achievement, and we continue to focus on expanding our Funds practice to deliver sustained growth.

The Group is now squarely focused on the next three years of its strategic roadmap, positioning EMV Capital as a leading VC in the deeptech and life sciences sectors. We aim to drive shareholder value by investing in companies with transformative technologies both in the UK and internationally.

The rebranding to EMV Capital represents a defining moment in the evolution of our business. Since 2020, when we managed £12.2m in AUM across eight companies, we have expanded significantly. Today, with over £100m in AUM and a portfolio of 70 companies, we are generating substantial recurring revenues and are well-positioned for meaningful capital returns.

We are confident in the Group's future, underpinned by a strong and resilient investment model. Despite challenging market conditions and limited capital availability, we have continued to support our portfolio companies through strategic capital deployment. Our focus on smaller, carefully targeted investment rounds is expected to deliver long-term value as these companies grow and the broader VC market stabilises.

The Group's strategy is to generate capital returns through profitable exits of selected portfolio companies and carried interest from our expanding Funds practice. Additionally, we aim to cover most or all core operational costs through a combination of recurring fund management fees, value creation services, corporate finance, and other income streams. As we scale our fund management practice alongside ongoing investment syndication and selective balance sheet investments, we expect a diversified mix of capital returns from both direct investments and carried interest.

Dr. Ilian Iliev
Chief Executive Officer

30 September 2024

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

EMV Capital plc (formerly NetScientific plc)		Unaudited Six months ended 30 June 2024 £000s	Unaudited Six months ended 30 June 2023 £000s
Continuing Operations	Notes		
Total Income		1,171	1,154
Revenue	4	1,134	770
Cost of sales		(208)	(53)
Gross profit		926	717

Other operating income	5	37	384
Research and development costs		(920)	(808)
Selling, general and administrative costs		(1,656)	(1,840)
Other costs		(53)	(67)
Loss from operations		(1,666)	(1,614)
Share of loss of equity accounted associate		(71)	-
Finance income		23	22
Finance expense		(97)	(45)
Loss before taxation		(1,811)	(1,637)
Income Tax		-	17
Total loss for the period from continuing operations		(1,811)	(1,620)
Loss attributable to:			
Owners of the parent	6	(1,692)	(1,364)
Non-controlling interests		(119)	(256)
		(1,811)	(1,620)
Basic and diluted loss per share attributable to owners of the parent during the period:	6		
Total loss for the period from continuing operations		(7.1p)	(5.8p)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

	Notes	Unaudited Six months ended 30 June 2024 £000s	Unaudited Six months ended 30 June 2023 £000s
Loss for the period		(1,811)	(1,620)
Items that may be subsequently reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		26	(272)
Change in fair value of investments classified as fair value through other comprehensive income		874	(5,698)
Total comprehensive loss for the period		(911)	(7,590)
Attributable to:			
Owners of the parent		(782)	(7,376)
Non-controlling interests		(129)	(214)
		(911)	(7,590)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

	Notes	Unaudited 30 June 2024 £000s	Audited 31 December 2023 £000s
Assets			
Non-current assets			
Property, plant and equipment		156	139
Right-of-use assets		173	255
Intangible assets		2,756	2,757
Investments in equity-accounted associates		2,012	1,283
Equity investments classified as FVTOCI*		16,781	16,441
Financial assets classified as FVTPL**		234	232
Total non-current assets		22,112	21,107
Current assets			
Inventories		28	52
Trade and other receivables		960	934
Cash and cash equivalents		325	365
Total current assets		1,313	1,351
Total assets		23,425	22,458
Liabilities			
Current liabilities			
Bank overdraft		-	(165)
Trade and other payables		(3,612)	(2,814)
Lease liabilities		(93)	(141)
Loans and borrowings		(459)	(464)
Total current liabilities		(4,164)	(3,584)
Non-current liabilities			
Lease liabilities		(89)	(127)
Loans and borrowings		(662)	(1,635)
Total non-current liabilities		(751)	(1,762)
Total liabilities		(4,915)	(5,346)
Net assets		18,510	17,112
Issued capital and reserves			
Attributable to the parent			
Called up share capital	7	1,197	1,179
Warrants		42	42
Share premium account		74,354	74,217
Capital reserve account		237	237
Equity investment reserve		8,382	7,508
Foreign exchange and capital reserve		1,381	1,351
Retained earnings		(66,666)	(66,702)
Equity attributable to the owners of the parent		18,927	17,832
Non-controlling interests		(417)	(720)
Total equity		18,510	17,112

* Fair value through other comprehensive income

** Fair value through profit and loss

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

	Share capital £000s	Warrants £000s	Share premium £000s	Capital reserve £000s	Equity investment reserve £000s	Retained earnings £000s	Shareholders' equity Foreign exchange and capital reserve £000s	Total £000s	Non- controlling interests £000s	Total equity £000s
1 January 2023	1,174	42	74,175	237	13,277	(64,486)	1,421	25,840	(598)	25,242
Loss for the period	-	-	-	-	-	(1,364)	-	(1,364)	(256)	(1,620)
Other comprehensive income -										
Foreign exchange differences	-	-	-	-	-	-	(314)	(314)	42	(272)
Change in fair value during the period	-	-	-	-	(5,698)	-	-	(5,698)	-	(5,698)
Total comprehensive income	-	-	-	-	(5,698)	(1,364)	(314)	(7,376)	(214)	(7,590)
Change in proportion of equity by non-controlling interest	-	-	-	-	-	26	-	26	380	406
Share-based payments	-	-	-	-	-	37	-	37	-	37
30 June 2023	1,174	42	74,175	237	7,579	(65,787)	1,107	18,527	(432)	18,095
Loss for the period	-	-	-	-	-	(1,279)	-	(1,279)	(2)	(1,281)
Other comprehensive income -										
Foreign exchange differences	-	-	-	-	-	-	244	244	6	250
Change in fair value during the period	-	-	-	-	(71)	-	-	(71)	-	(71)
Total comprehensive income	-	-	-	-	(71)	(1,279)	244	(1,106)	4	(1,102)
Issue of share capital	5	-	42	-	-	-	-	47	-	47
Change in proportion of equity by non-controlling interest	-	-	-	-	-	327	-	327	(292)	35
Share-based payments	-	-	-	-	-	37	-	37	-	37
31 December 2023	1,179	42	74,217	237	7,508	(66,702)	1,351	17,832	(720)	17,112
Loss for the period	-	-	-	-	-	(1,692)	-	(1,692)	(119)	(1,811)
Other comprehensive income -										
Foreign exchange differences	-	-	-	-	-	-	30	30	(10)	20
Change in fair value during the period	-	-	-	-	874	-	-	874	-	874
Total comprehensive income	-	-	-	-	874	(1,692)	30	(788)	(129)	(917)
Issue of share capital	18	-	137	-	-	-	-	155	-	155
Change in proportion of equity by non-controlling interest	-	-	-	-	-	1,696	-	1,696	432	2,128
Share-based payments	-	-	-	-	-	32	-	32	-	32
30 June 2024	1,197	42	74,354	237	8,382	(66,666)	1,381	18,927	(417)	18,510

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

	Notes	Unaudited Six months ended 30 June 2024 £000s	Unaudited Six months ended 30 June 2023 £000s
Cash flows from operating activities			

Loss after income tax	(1,811)	(1,620)
Adjustments for:		
Depreciation of property, plant and equipment	25	25
Depreciation of right to use assets	82	82
Amortisation of intangibles	114	124
Estimated credit losses on trade receivables	22	18
Change in fair value of financial assets classified as FVTPL	-	(342)
Share-based payments	32	37
R&D tax credit	(23)	(17)
Foreign exchange loss/(gain)	23	(205)
Share of associate loss	71	8
Finance income	(23)	(22)
Finance costs	97	38
	(1,391)	(1,874)
Changes in working capital		
Decrease/(Increase) in inventories	24	(6)
(Increase) in trade and other receivables	(105)	(177)
Increase in trade and other payables	648	629
Cash used in operations	(824)	(1,428)
Income tax received	75	-
Net cash used in operating activities	(749)	(1,428)
Cash flows from investing activities		
Purchase of property, plant and equipment	(42)	(41)
Purchase of equity investments classified as FVTOCI	-	(4)
Purchase of derivative financial assets classified as FVTPL	-	(43)
Capitalisation of development costs	(113)	(180)
Disposal of subsidiary stake, net of cash disposed of	-	123
Disposal of equity investments classified as FVTOCI	-	117
Net cash used in investing activities	(155)	(28)
Cash flows from financing activities		
Lease payments	(94)	(94)
Repayment of borrowings	(32)	(44)
Proceeds from issue of equity instruments by subsidiaries	1,039	-
Proceeds of loan	-	659
Proceeds from share issue	116	-
Net cash from financing activities	1,029	521
Increase/(decrease) in cash and cash equivalents	125	(935)
Cash and cash equivalents at beginning of the period	200	852
Exchange differences on cash and cash equivalents	-	(10)
Cash equivalents/(bank overdraft) at end of the period	325	(93)

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024

1. ACCOUNTING POLICIES

Basis of preparation

The interim financial information, which is unaudited, has been prepared on the basis of the accounting policies expected to apply for the financial year to 31 December 2024 and in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. Policies have been consistently applied to all periods presented apart from where new standards have been adopted during the period, see below for changes in accounting policies.

The financial information for the period ended 30 June 2024 does not constitute the full statutory accounts for that period. The Annual Report and Financial Statements for the year ended 31 December 2023 have been filed with the Registrar of Companies.

The Independent Auditor's Report on the Report and Financial Statements for the year ended 31 December 2023 was qualified as Directors did not perform year end valuations for some of the hard to value investments worth c.£1.1m for the year ended 31 December 2023.

Going Concern

The 2023 Annual Report audit report drew attention to the material uncertainty relating to going concern as follows:

"We draw attention to note 2 to the financial statements, which indicates the Directors' consideration over going concern. The going concern of the Group and Parent Company is dependent on additional funding being raised which has not yet been executed. As stated in note 2, these events or conditions, along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate."

In the 2023 Annual Report we set out the various options underpinning the going concern assumptions.

The Directors are confident that the Company remains a going concern, and it is appropriate to prepare the financial statements on this basis. Accordingly, the financial statements do not include any adjustments that would be necessary if the Group and Company were unable to continue as a going concern.

Business Combinations

The Group recognises identifiable assets acquired and liabilities assumed in a business combination, regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values. Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of: a) fair value of consideration transferred; b) the recognised amount of any non-controlling interest in the acquiree; and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

Change in accounting policies

The Group has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2023 annual financial statements. We do not expect accounting rule changes would impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

The Group does not expect any standards issued by the IASB, but not yet effective, to have a material impact on the group.

Use of estimates and judgements

There have been no material revisions to the nature and estimate assumptions as reported

in prior periods, including:

- (a) Impairment of goodwill;
- (b) The valuation of intangibles;
- (c) The valuation of equity investments; and
- (d) The capitalisation of development costs

2. SIGNIFICANT EVENTS AND TRANSACTIONS

Global Environment

The Group is operating in an increasingly uncertain macroeconomic environment. The after-effects of the pandemic, significant turmoil in the tech and capital sectors, the geopolitical concerns, most notably the conflict in Ukraine, and the more recent economic pressures are causing additional market volatility and uncertainty.

The carrying value of the Group's assets have been assessed in light of current events and the long-term impacts that these may have on the investments of the Group. Overall, we believe that the sectors the Group is active in are in a strong position and it was not seen as necessary to impair the carrying value of any assets further. The recoverable amount was determined based on values in use, which utilises current budgets/reforecasts and cash flow projections. We are closely monitoring and managing the events, and will take further actions if required, as the situation continues to evolve. Cash planning and management is in place for all businesses, which have been stress tested based on a number of scenarios. Importantly, as a result of the various factors, the Company and several of its portfolio companies are seeing new sustainable opportunities, offering potential for future growth.

3. SEGMENTAL REPORTING

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, for which separate financial information is available and whose operating results are evaluated and as identified by Board of Directors.

The Board of Directors assess the performance of the operating segment using financial information which is measured and presented in a manner consistent with that in the financial statements.

Revenue from contracts with customers by segment

30 June 2024	Delivered Goods £000s	Service Fees £000s	Total £000s
EMV Capital	-	988	988
ProAxis	146	-	146
	146	988	1,134
30 June 2023	Delivered Goods £000s	Service Fees £000s	Total £000s
EMV Capital	-	699	699
ProAxis	30	41	71
	30	740	770

Total Loss for the period by segment

Unaudited Six months ended 30 June 2024	Unaudited Six months ended 30 June 2023
2024	2023

	£000s	£000s
NetScientific	(699)	(403)
EMV Capital	61	9
ProAxis	(437)	(559)
Glycotest	(648)	(712)
Cetromed	(88)	45
	(1,811)	(1,620)

The above losses reflect investment in R&D by Glycotest and ProAxis, which add value for the future through new product and clinical trials. ProAxis has seen further investment through proportional Grant funding.

4. OTHER OPERATING INCOME

	Unaudited Six months ended 30 June 2024 £000s	Unaudited Six months ended 30 June 2023 £000s
Gain on available for sale investments	-	64
Gain on sale of subsidiary stake	-	276
R&D tax credit above the line	23	-
Miscellaneous income	14	44
	37	384

5. LOSS PER SHARE

The basic and diluted loss per share is calculated by dividing the loss for the financial period by the weighted average number of ordinary shares in issue during the period. Potential ordinary shares from vested outstanding options at 30 June 2024 of 1,435,610 (30 June 2023: 1,669,540; 31 December 2023: 1,462,353) are not treated as dilutive as the group is loss making.

	Unaudited Six months ended 30 June 2024 £000s	Unaudited Six months ended 30 June 2023 £000s
Loss attributable to equity holders of the Company		
Continuing operations	(1,692)	(1,364)
Total Loss attributable to equity holders of the Company	(1,692)	(1,364)
Number of shares		
Weighted average number of ordinary shares in issue	23,874,381	23,488,148

6. CALLED UP SHARE CAPITAL

The total number of voting rights in the Company and issued capital at 30 June 2024 is 23,945,828 5p ordinary shares (30 June 2023: 23,488,148, 31 December 2023: 23,574,303).

On 5 February 2024 the Company announced the exercise by John Clarkson (the Company's former Chair) of options over 254,977 ordinary shares in the capital of the Company for an aggregate exercise price of £116,015 and the subscription for 116,548 new ordinary shares in the capital of the Company at a price of £0.626 per share by John Clarkson and two other service providers to the Company in settlement of services provided by them to the Company to such value.

7. RELATED PARTY DISCLOSURES

Beckman Group and Melvin Lawson, who is interested in 16.08% (31 December 2023: 16.36%) of the issued share capital of the Company, is also considered and presumed to be acting in concert with Dr Ilian Iliev, as defined by The City Code on Takeovers and Mergers.

During 2023 ProAxis entered into a 6-month unsecured £365k loan facility with AB Group part of the Beckman Group and Melvin Lawson. Interest is currently charged at 12%. The loan is repayable on demand and remains unpaid at the date of issue.

EMV Capital provides corporate finance, consulting and management services to Vortex Biosciences Inc. and Vortex Biotech Holdings Limited a related party by common substantial shareholders. During the period revenue was booked totalling £54k (H1 2023: £50k). The balance outstanding at 30 June 2024 is £85k (31 December 2023: £31k).

EMV Capital also provided corporate finance, consulting and management services to Wanda Inc. and Wanda Connected Health Systems Limited a related party by common substantial shareholders. During the period revenue was booked totalling £162k (H1 2023: £55k). The balance outstanding at 30 June 2024 is £165k (31 December 2023: £129k).

A Director of ProAxis had provided an unsecured loan in the form of convertible loan notes to ProAxis for £25k during 2023, which converted to equity on 12 April 2024.

Except as noted above, there are no additional related party transactions that could have a material effect on the financial position or performance of the Group and of the Company during this financial period under review.

8. EVENTS AFTER THE REPORTING PERIOD

Q-Bot Fundraising: The Company announced on 30 July 2024 that portfolio company Q-Bot, a robotics-as-a-service construction tech company, successfully closed a fundraising of £1.5m. The Fundraising was led and syndicated by EMV Capital Partners and includes a subscription for £1.25m of new shares in the capital of Q-Bot and a loan facility of £250,000 (such loan facility amount being part of a re-financed loan of c.£785,000).

The Company participated directly in the Q-Bot Fundraising, including:

- a £349,968.22 subscription for Q-Bot shares, such amount settled by the Company issuing to Q-Bot 411,727 new ordinary shares in the capital of the Company (Consideration Shares) at a price of £0.85 per Consideration Share, a 35.0 per cent. premium to the closing price of the Company's ordinary shares on 29 July 2024; and
- a £198,143.92 advance subscription pursuant to an ASA, converting outstanding fees due to EMV Capital into Q-Bot shares.

The post-balance sheet date fair value is £2.7m, a decrease of 28.3 per cent. from the £3.8m reported as at 31 December 2023. In addition, other assets under management equate to a post-balance sheet date fair value of £6.0m, a decrease of 30.3 per cent. from the £8.6m reported as at 31 December 2023.

Rebrand: The Company announced on 26 September 2024 the rebrand and name change to EMV Capital Plc. The rebranding marks the culmination of NetScientific's strategic evolution since acquiring EMV Capital in 2020.

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