Press Release **30 April 2014**

Evocutis plc

("Evocutis", "the Company" or the "Group")

Interim Results for the six months ended 31 January 2014

Evocutis plc (AIM: EVO) is pleased to announce its unaudited interim results for the six months ended 31 January 2014.

Highlights

- Post period end disposal of LabSkinTM and SYN1113 intellectual property and related assets in return for 864,706 shares in Venn Life Sciences Holdings plc and potential further consideration based on future sales of LabSkin^{TM} and SYN1113
- Loss for the period increased to £484,000 (31 January 2013 : £481,000)
- Loss per share from continuing operations of 0.04p (31 January 2013: 0.04p)
- Cash balance of £304,000 at 31 January 2014

Tom Bannatyne, Chairman, commented:

"After a difficult period of trading, I am delighted that we have concluded a deal with Venn Life Sciences Holdings plc in respect of our principal intellectual property portfolio. Evocutis is now positioned to undertake its new Investing Policy from a stable cost platform, whilst retaining an interest in Venn's future development of LabSkin^{TM} and SYN1113".

Enquiries

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James Caithie/Carolyn Sansom, Cairn Financial Advisers LLP — Tel : 020 7148 7900
Nominated Adviser

The interim results will be available electronically on the Group's website: www.evocutis.com.

Evocutis plc

Chairman's and Chief Executive Officer's Report

Introduction

We are pleased to report the interim results for the six months ended 31 January 2014.

As set out in our news announcements published during the period, the Directors have been assessing strategic options for the Group's assets. Trading during the six months ended 31 January 2014 has been difficult and in November 2013, all operational staff were given notice of redundancy. Management have taken the decision to discontinue the Group's provision of research consultancy and LabSkin™ services. Discussions were also initiated with the landlord to agree an exit from the Group's property lease.

Subsequent to the period end, on 25 February 2014, the Company issued a circular to shareholders in which it was proposed to dispose of the Group's LabSkin™ and SYN1113 intellectual property along with related assets. This disposal was subsequently approved at a General Meeting of shareholders held on 13 March 2014 and we announced that the transaction was completed on 19 March 2014. The Group received 864,706 new ordinary shares in Venn Life Sciences Holdings plc ("Venn") as initial consideration for the disposal. The Company will be entitled to the following additional consideration:

- a cash payment of 25 per cent. of any proceeds received by Venn from the future sale or license of SYN1113; and
- a cash payment of 7.5 per cent. of future net sales made by Venn in respect of LabSkin™ in the 36 months following completion (19 March 2014).

On 24 March 2014, the Group secured an agreement with the landlord of the Group's operating property to surrender the lease for that property and consequently operations from that site have ceased.

During the period under review the Directors have reduced the Group's operating cash requirements to ensure that the Group can continue to operate as a going concern.

Income statement

During the period, the Group has discontinued its trading operations. A summary of the Group's results is set out below.

	Six months ended 31 January 2014 £'000	Six months ended 31 January 2013 £'000	Year ended 31 July 2013 £'000
Continuing operations			
Loss for the period	**(66)**	(59)	(212)
Discontinued operations:			
Revenue	**49**	226	395
Loss for the period	**(418)**	(422)	(795)
Loss for the period	**(484)**	(481)	(1,007)

Balance sheet

The Group continues to have a debt free balance sheet. At 31 January 2014, the Group's intangible assets and property, plant and equipment assets were reclassified as assets held for sale as the Directors believed that the value of those assets would be recovered from sale rather than continuing use.

As a result of operating losses, cash balances have decreased by £361,000 in the period, from £665,000 at 31 July 2013 to £304,000 at 31 January 2014 with the main elements of the movement being:

	Six months ended 31 January 2014 £'000	Six months ended 31 January 2013 £'000	Year ended 31 July 2013 £'000
Net cash used in operating activities	**(389)**	(451)	(818)
Net cash from investing activities	**28**	2	4
Movement during the period	**(361)**	(449)	(814)

Outlook

Following the approval of shareholders at a General Meeting held on 13 March 2014 to dispose of substantially all of the Group's assets and to adopt an Investing Policy, the Company is now classified as an Investing Company as defined in the AIM Rules for Companies. The Company is required to make an acquisition or acquisitions which constitute a reverse takeover under the AIM Rules or otherwise implement its Investing Policy within 12 months of the General Meeting, failing which the Company's ordinary shares would be suspended from trading on AIM. If the Company's ordinary shares are suspended, the Directors believe that they would then propose to convene a general meeting of its shareholders to consider whether to continue seeking investment opportunities or to wind up the Company and distribute any surplus cash back to shareholders.

Tom Bannatyne	Dr Gwyn Humphreys
Chairman	Chief Executive Officer

30 April 2014

Evocutis plc

Condensed consolidated statement of comprehensive income - unaudited

For the six months ended 31 January 2014

	Unaudited Six months ended 31 January 2014 £'000	Unaudited Six months ended 31 January 2013 £'000	Audited Year ended 31 July 2013 £'000
Continuing operations			
Administrative costs	**(69)**	(65)	(220)
Finance income	**3**	6	8
Loss before tax	**(66)**	(59)	(212)
Taxation	**-**	-	-
Loss for the period from continuing operations	**(66)**	(59)	(212)
Discontinued operations			
Loss for the period from discontinued operations	**(418)**	(422)	(795)
Loss for the period and total comprehensive loss attributable to equity shareholders	**(484)**	(481)	(1,007)
Loss per ordinary share			
Basic and diluted – continuing operations	**(0.04p)**	(0.03p)	(0.12p)
Basic and diluted – discontinued operations	**(0.24p)**	(0.24p)	(0.46p)

Evocutis plc

Condensed consolidated interim statement of financial position - unaudited

As at 31 January 2014

	Unaudited At 31 January 2014 £'000	Unaudited At 31 January 2013 £'000	Audited At 31 July 2013 £'000
ASSETS			
Non-current assets			
Property, plant and equipment	**-**	139	49
Other intangible assets	**-**	229	215
	-	368	264
Current assets			
Trade and other receivables	**77**	198	154
Current tax recoverable	**95**	40	95
Cash and cash equivalents	**304**	1,030	665
	476	1,268	914
Non-current assets classified as held for sale	**212**	-	-
	688	1,268	914
Total assets	**688**	1,636	1,178
LIABILITIES			
Current liabilities			
Trade and other payables	**(82)**	(83)	(115)
	(82)	(83)	(115)
Non-current liabilities			
Deferred tax liabilities	**(55)**	(71)	(58)
Provisions	**(75)**	-	(50)
	(130)	(71)	(108)
Total liabilities	**(212)**	(154)	(223)
Net assets	**476**	1,482	955

EQUITY

Equity attributable to equity holders of the company

Called up share capital	**1,747**	1,747	1,747
Share premium reserve	**7,634**	7,634	7,634
Merger reserve	**979**	979	979
Share-based payments reserve	**143**	222	138
Retained earnings	**(10,027)**	(9,100)	(9,543)
Total equity	**476**	1,482	955

Evocutis plc

Consolidated statement of changes in equity - unaudited

For the six months ended 31 January 2014

	Share Capital £'000	Share Premium £'000	Merger Reserve £'000	Share Based Payment Reserve £'000	Retained Losses £'000	Total £'000
Unaudited						
At 1 August 2012	1,732	7,632	979	211	(8,619)	1,935
Loss for the six month period ended 31 January 2013	-	-	-	-	(481)	(481)
Total comprehensive loss	-	-	-	-	(481)	(481)
Transactions with owners:						
Issue of shares	15	2	-	-	-	17
Share based payment charge	-	-	-	11	-	11
At 31 January 2013	1,747	7,634	979	222	(9,100)	1,482
Audited						
At 1 August 2012	1,732	7,632	979	211	(8,619)	1,935
Loss for the year ended 31 July 2013	-	-	-	-	(1,007)	(1,007)
Total comprehensive loss	-	-	-	-	(1,007)	(1,007)
Transactions with owners:						
Issue of shares	15	2	-	-	-	17
Shares options lapsed	-	-	-	(83)	83	-
Share option charge in the year	-	-	-	10	-	10
At 31 July 2013	1,747	7,634	979	138	(9,543)	955
Unaudited						
At 1 August 2013	1,747	7,634	979	138	(9,543)	955
Loss for the six month period ended 31 January 2014	-	-	-	-	(484)	(484)
Total comprehensive loss	-	-	-	-	(484)	(484)
Transactions with owners:						
Share option charge in the period	-	-	-	5	-	5
At 31 January 2014	1,747	7,634	979	143	(10,027)	476

Evocutis plc
Condensed consolidated interim statement of cash flows - unaudited

for the six months ended 31 January 2014

	Unaudited Six months ended 31 January 2014 £'000	Unaudited Six months ended 31 January 2013 £'000	Audited Year ended 31 July 2013 £'000
Cash flows from operating activities			
Loss after tax	**(484)**	(481)	(1,007)
Taxation	**(3)**	(44)	(111)
Finance income	**(3)**	(6)	(8)
Depreciation	**16**	31	54
Amortisation of intangible assets	**13**	13	27
Profit on disposal of property, plant and equipment	**(2)**	-	-
Impairment losses	**-**	-	67
Share-based remuneration	**-**	17	17
Share–based payment charges	**5**	11	10
Operating cash outflow before changes in working capital	**(458)**	(459)	(951)
Movement in trade and other receivables	**77**	(69)	(25)
Movement in trade and other payables	**(33)**	(34)	(2)
Movement in provisions	**25**	-	50
Cash flow from operations	**(389)**	(562)	(928)
Tax received	**-**	111	110
Net cash flows used in operating activities	**(389)**	(451)	(818)
Cash flow from investing activities			
Purchase of property, plant and equipment	**-**	(4)	(4)
Disposals of property, plant and equipment	**25**	-	-
Finance income	**3**	6	8
Net cash outflow from investing activities	**28**	2	4
Net decrease in cash and cash equivalents	**(361)**	(449)	(814)
Cash and cash equivalents at start of period	**665**	1,479	1,479
Cash and cash equivalents at end of period	**304**	1,030	665

Notes to the consolidated interim report

For the six months ended 31 January 2014

1 Basis of preparation

Evocutis plc (the "Company") is a company domiciled in England. The condensed consolidated interim financial report of the Company as at and for the six months ended 31 January 2014 comprises the Company and its subsidiaries (together referred to as the "Group"). The principal activity of the Group for the period was the provision of research consultancy services.

The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 July 2013, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The interim financial information for each of the six month periods ended 31 January 2014 and 31 January 2013 has neither been reviewed nor audited pursuant to guidance issued by the Auditing Practices Board within the meaning of Section 435 of the Companies Act 2006. The information for the year ended 31 July 2013 does not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006, but is based on the statutory accounts for that year, on which the Group's auditors issued an unqualified audit report and which have been filed with the Registrar of Companies.

Their audit report for the year ended 31 July 2013 was unqualified and did not contain a statement under Section 498 (2) or (3) Companies Act 2006. Their report for the year ended 31 July 2013 included reference to the material uncertainties in respect of the Group's ability to reach an agreement with the landlord to surrender the property lease and in respect of the Group's ability to generate sufficient income from the sale and licensing of intellectual property to ensure that the Group can continue to operate as a going concern, which they drew attention to by way of emphasis of matter without qualifying their report.

The principal risks and uncertainties, which were set out on page 7 of the Annual Report and Accounts for the year ended 31 July 2013, are summarised below:

- the risk that the board will not be able to realise sufficient future income from the sale or licensing of its intellectual property to ensure that the Group will be able to remain as a going concern for the foreseeable future.

- The risk that the board will not be able to negotiate a satisfactory exit from its property lease commitment.

Subsequent to 31 January 2014, as set out in the Chairman's and Chief Executive Officer's Report, the Group has disposed of its LabSkinTM and SYN1113 intellectual property and related assets in return for consideration in the form of ordinary shares in Venn Life Sciences Holdings plc ("Venn"). The agreement with the purchaser includes a right to further additional consideration dependent upon the revenues generated by Venn using the assets sold to them.

Additionally, the Company has agreed a surrender of the property lease with its landlord and this was completed on 24 March 2014.

Consequently, the principal risk for the forthcoming financial period is:

- The Company is required to make an acquisition or acquisitions which constitute a reverse takeover under the AIM Rules for Companies or otherwise implement its Investing Policy within 12 months of the General Meeting, failing which the Ordinary Shares would then be suspended from trading on AIM.

The condensed consolidated interim financial information was approved for issue on 30 April 2014.

2 Accounting Policies

The accounting policies applied by the Group in these interim financial statements are the same as those applied by the Group in its audited consolidated financial statements for the year ended 31 July 2013 and which will form the basis of the 2014 Annual Report, other than as required from changes in accounting standards as discussed in note 3. The basis of consolidation is set out in the Group's accounting policies in those financial statements.

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors, such as expectations of future events and are believed to be reasonable under the circumstances. Actual results may differ from these estimates. In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited consolidated financial statements for the year ended 31 July 2013.

3 Changes in accounting policies

The following amendments to financial reporting standards were adopted from 1 August 2013, the start of the new financial year. None of them have had a significant impact on the Group:

- Amendment to IFRS 7: Financial Instrument Disclosures – Offsetting Financial Assets and Financial Liabilities
- IFRS 10: Consolidated Financial Statements
- IFRS 11: Joint Arrangements
- IFRS 12: Disclosure of Interests in Other Entities
- IFRS 13: Fair Value Measurement
- Amendment to IAS 1: Presentation of financial statements – comparative periods
- Amendment to IAS 16: Property, plant and equipment – servicing equipment
- Amendment to IAS 19: Employee Benefits – post employment benefits and termination benefits projects
- IAS 27: Separate Financial Statements
- IAS 28: Investments in Associates and Joint Ventures
- Amendment to IAS 32: Financial Instruments Presentation – tax effect of equity dividends
- Amendment to IAS 34: Interim Financial Reporting – interim reporting of segments

4 Discontinued operations

An analysis of the revenue and expenses relating to operations discontinued in the period ended 31 January 2014 is as follows:

	Six months ended 31 January 2014 £000	Six months ended 31 January 2013 £000	Year ended 31 July 2013 £000
Revenue	**49**	226	395
Cost of sales	**(20)**	(102)	(176)
Gross profit	**29**	124	219
Administrative expenses	**(450)**	(590)	(1,125)
Loss before tax	**(421)**	(466)	(906)
Taxation	**3**	44	111
Loss from discontinued operations	**(418)**	(422)	(795)

5 Segment information

The Group's revenue and loss was derived from its principal activity during the period which was the provision of contract microbiology research services and clinical evaluation studies using its proprietary advanced living skin equivalent model, LabSkin™ and from sales of LabSkin™ units following the launch of this product in September 2012.

Operating segment information is reported in accordance with IFRS 8 'Operating Segments' based on the financial information provided to the Board of Directors, which is regarded as the 'Chief Operating Decision Maker' (CODM) as all key strategic and operating decisions are made by the Board.

Operating segments are determined based on the internal reporting information and management structure within the Group. The CODM considers that the Group operates as a single operating segment and internal management information is presented on that basis. Due to the small size and low complexity of the business, profitability is not analysed in further detail beyond the operating segment level and is not allocated by revenue stream.

An analysis of revenue streams is presented to the CODM on a monthly basis and as such, this information has been provided below.

Geographical information

The UK is the Group's country of domicile.

	Six months ended 31 January 2014 £000	Six months ended 31 January 2013 £000	Year ended 31 July 2013 £000
Revenue – discontinued operations			
LabSkin™ and microbiology services	**43**	208	356
LabSkin™ product sales	**6**	18	38
Clinical evaluation services	**-**	-	1
Total revenue	**49**	226	395

Geographical information

The UK is the Group's country of domicile.

Revenue by location of customer	**Six months ended 31 January 2014 £000**	Six months ended 31 January 2013 £000	Year ended 31 July 2013 £000
UK	**13**	87	126
USA	**36**	19	105
Belgium	**-**	10	17
France	**-**	97	126
Italy	**-**	-	4
Sweden	**-**	-	1
Denmark	**-**	-	3
Spain	**-**	13	13
Total revenue	**49**	226	395

Revenue by location of group entity	**Six months ended 31 January 2014 £000**	Six months ended 31 January 2013 £000	Year ended 31 July 2013 £000
UK	**49**	226	395
Total revenue	**49**	226	395

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

Information regarding the results of the reportable segment is included below. Performance is based on segment operating profit or loss before share-based payment charges, depreciation, amortisation and acquisition costs, as reported in the internal management reports that are reviewed by the CODM. The segment operating profit or loss is used to measure performance. Revenues disclosed below represent revenues to external customers.

	Six months ended 31 January 2014 £000	Six months ended 31 January 2013 £000	Year ended 31 July 2013 £000
Revenues			
Total revenue for reportable segments	**49**	226	395
Consolidated revenue	**49**	226	395
Loss			
Total loss for reportable segments	**(456)**	(476)	(967)
Loss before share-based payment charges, depreciation, amortisation, impairment losses and acquisition costs	**(456)**	(476)	(967)

	As at 31 January 2014 £000	As at 31 January 2013 £000	As at 31 July 2013 £000
Assets			
Total assets for reportable segments	**688**	1,636	1,178
Consolidated total assets	**688**	1,636	1,178
Liabilities			
Total liabilities for reportable segments	**157**	83	165
Unallocated liabilities:			
Deferred tax	**55**	71	58
Consolidated total liabilities	**212**	154	223

Other information

Revenue for both the current and previous financial periods was generated from the rendering of research services. Additionally, during the current financial year, revenue was also generated from sales of LabSkin™ units.

For the six months ended 31 January 2014, three customers each generated revenues over 10% of total revenues, being 69%, 15% and 12% respectively.

For the six months ended 31 January 2013, two customers each generated revenues over 10% of total revenues, being 43% and 22% respectively.

For the year ended 31 July 2013, our three largest customers accounted for approximately 32%, 17% and 17% of total revenues respectively.

Non-current assets all relate to the Group's single operating segment.

5 Loss per share

The calculation of basic and diluted loss per share for the Half Year to 31 January 2014 was based upon the loss attributable to ordinary shareholders of £484,000 (Half Year to 31 January 2013: £481,000, Year ended 31 July 2013: £1,007,000) and a weighted average number of ordinary shares in issue of 174,676,000 (Half Year to 31 January 2013: 174,225,000, Year ended 31 July 2013: 174,449,000), calculated as follows:

Weighted average number of ordinary shares
In thousands of shares

	Six months ended 31 January 2014	Six months ended 31 January 2013	Year ended 31 July 2013
Issued ordinary shares at start of period	**174,676**	173,180	173,180
Effect of shares issued in lieu of directors' remuneration	**-**	1,045	1,269
Weighted average number of shares at end of period	**174,676**	174,225	174,449

Due to the losses incurred there is no dilutive effect from the issue of share options. At 31 January 2014 there were 2,650,840 share options granted but not yet exercised (31 January 2013: 11,552,310; 31 July 2013: 7,790,940).

6 Related party transactions

The following transactions took place during the year with other related parties:

	Purchases of goods and services			**Amounts owed to related parties**		
Group	**H1 2014**	H1 2013	FY 2013	**H1 2014**	H1 2013	FY 2013
	£000	£000	£000	**£000**	£000	£000
Atraxa Consulting Limited	**34**	30	58	**-**	-	12

Atraxa Consulting Limited provides accountancy services to the Group. One of the Company's directors, Darren Bamforth, is a director and non-controlling shareholder of Atraxa Consulting Limited. Transactions are undertaking on an arm's length, market value basis.

7 Post balance sheet events

Subsequent to the period end, on 25 February 2014, the Company issued a circular to shareholders in which it was proposed to dispose of the Group's LabSkin™ and SYN1113 intellectual property along with related assets. This disposal was subsequently approved at a General Meeting of shareholders held on 13 March 2014 and we announced that the transaction was completed on 19 March 2014. The Group received 864,706 new ordinary shares in Venn Life Sciences Holdings plc ("Venn") as initial consideration for the disposal. The Company will be entitled to the following additional consideration:

- a cash payment of 25 per cent. of any proceeds received by Venn from the future sale or license of SYN1113; and
- a cash payment of 7.5 per cent. of future net sales made by Venn in respect of LabSkin™ in the 36 months following completion (19 March 2014).

On 24 March 2014, the Group secured an agreement with the landlord of the Group's operating property to surrender the lease for that property and consequently operations from that site have ceased.

Statement of Directors' Responsibilities

The Directors confirm to the best of their knowledge that:

i) The condensed consolidated interim financial information has been prepared in accordance with IAS 34 as adopted by the European Union; and

ii) The interim management report includes a fair review of the information required by the FCA's Disclosure and Transparency Rules (4.2.7 R and 4.2.8 R).

Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The Directors of Evocutis plc and their functions are listed below.

Further information for Shareholders

Company number:	05656604
Registered office:	24 Cornhill London EC3V 3ND
Directors:	Tom Bannatyne (Chairman) Dr Gwyn Humphreys (Chief Executive Officer)

Darren Bamforth (Group Finance Director)
Michael Townend (Non-Executive Director)

Company Secretary: Darren Bamforth