



Interim report

Six months to 30 June 2019

Directors, Secretary and Advisers

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Highlights for the 6 months ended 30 June 2019

GROUP RESULTS 1H 2019 versus 1H 2018

Group Net Profit/(Loss) for the year	(\$2.3m) vs. \$4.4m
Group Earnings Per Share (basic and diluted)* ¹	(\$0.13)/(£0.10) vs. \$0.23/£0.18
Reported Book value per share* ²	\$1.60/£1.26 vs. \$1.53/£1.16
Proforma Book value per share* ³	\$1.73/£1.37 vs. \$1.53/£1.16
Cash	\$28.4m vs. \$20.6m
Debt	\$16.1m vs. \$nil

*1 based on weighted average number of shares in issue of 17,361,071 (1H18: 19,275,546)

*2 based on actual number of shares in issue as at 30 June 2019 of 17,175,275

*3 based on LSR proforma book value and actual number of shares in issue as at 30 June 2019 of 17,175,275

Continuing Operations

Operating Profit/(Loss) before depreciation (EBITDA)	(\$2.1m) vs. \$5.0m
Group Profit/(Loss) from continuing operations	(\$2.3m) vs. \$4.4m

1H19 HIGHLIGHTS

Associated entity LSR

- THAL offer for LSR rejected; LSR announces buy back as per THAL's original proposal to LSR Board

ARL

- Successful "Proof of Concept" of autonomous flying node
- Potential interest from E&P and seismic survey operators in participating in the development of the nodes
- Participation in several grant funding opportunities

Miscellaneous

- Cancellation of all outstanding preference shares following the lapse of the offer for The Local Shopping Reit plc on 3 May 2019

Subsequent Events

- Wholly owned subsidiary, Apeiron Holdings A.G. exchanged contracts for the acquisition of id4 A.G. a Regulatory Technology company registered in Switzerland
- Second earn out payment from sale of WGP of \$4.8 million due by 11 September 2019

Chairman's Statement

I am happy to present the unaudited interim accounts for the six months to 30 June 2019.

The first half of 2019 highlighted by slowing global economic growth, in large part caused by US tariffs on Chinese and European goods, increased political conflict domestically in the US, the EU, UK, Hong Kong and internationally between the US and practically everyone else but in particular with China, the EU and Iran.

For most of the first half of the year under review, Financial Markets ignored increased Political and Economic risks and focused on decreasing interest rates...in the misguided belief that negative interest rates are a sign of a healthy economy! It is my belief that third and, unless something changes very soon, fourth quarter earnings will disappoint and that a substantial correction in the markets is on the cards.

Based on our relatively negative view on the outlook for global economic growth and the impact it could well have on inflated asset valuations, your board has taken a very cautious approach to reinvesting the Company's cash, and whilst the Company recently completed the previously announced acquisition of id4 and is reviewing further potential acquisitions, we are not willing to overpay, a position we share with none other than Berkshire Hathaway where cash at the end of June 2019 exceeded \$122 billion!

As a result of our increased concerns regarding valuations in both the Private and Public Markets, we increased the size of our market hedges in the second quarter, which negatively impacted our first half results (showing a loss of \$30,000) but which have since turned substantially positive and are now showing a profit of ±\$50,000, a \$80,000 swing.

Thalassa's current Holdings include:

ANEMOI

Anemoi is a Luxembourg registered Company set up, as a cash shell, to acquire an operating company. The process is ongoing and we will keep the market apprised of developments.

APEIRON

Apeiron is a Swiss registered Company set up to acquire partial or full control of FinTech/RegTech companies. The Company's first transaction was the recently announced acquisition of id4.

AUTONOMOUS ROBOTICS (ARL)

As announced on 19 June 2019 ARL has successfully completed the initial "Proof of Concept" stage in the development of its autonomous flying node which

followed the review of the Concept of Operations and redesign of the system.

During the period three trials were successfully completed and we have now demonstrated successful autonomous navigation, landing and take-off from the seabed as well as successful seismic data recording.

ARL has submitted several applications for grant funding opportunities to progress different elements of the ongoing development of the flying node and is currently awaiting their outcomes.

Members of the ARL team attended the 2019 European Association of Geophysical Engineers conference in June and met with several major E&P companies and seismic survey operators, some of whom expressed a potential interest in participating in the further development of the nodes.

Along with a number of other Defence sector companies ARL has signed a partnering agreement with the Royal Navy (RN) for the forthcoming Defence & Security Equipment International (DSEI) Exhibition taking place from 10 to 13 September in London. ARL will display, market and promote the flying node capability on the RN stand during the exhibition.

LOCAL SHOPPING REIT (LSR)

LSR has announced a Share Buy Back. As we have been categorised as the Offeror, we are unable to comment beyond what is currently in the Public Domain.

Share Buy back

Since the beginning of 2019 the Company has bought back a further 747,000 shares at a cost of £591,225 (ca. \$718,000) or 79p per share (as at 16 August 2019).

The Board considers these purchases to be in the best interest of shareholders as these purchases are being made at a substantial discount to Book Value.

Outlook

The THAL Board is firmly of the view that current Stock Market Prices do not reflect either current corporate fundamentals nor the risk of a substantial correction caused by worsening economic conditions or the possibility of conflict in the Gulf, the South China Sea or even Kashmir; with this in mind the Board is of the opinion that a substantial dose of caution is warranted until Political and Economic stability are reinstated...which we do not anticipate in the near future.

Responsibility Statement

We confirm that to the best of our knowledge:

- (a) the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting';
- (b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- (c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

Cautionary statement

This Interim Management Report (IMR) has been prepared solely to provide additional information to shareholders to assess the Company's strategies and the potential for those strategies to succeed. The IMR should not be relied on by any other party or for any other purpose.

Duncan Soukup
Chairman
Thalassa Holdings Ltd
27 August 2019

Financial Review

Continuing Operations

Total revenue from continuing operations for the period to 30 June 2019 was nil (1H18: \$0.003m).

Cost of Sales on continuing operations of \$0.002m (1H18: credit \$0.006m) comprising development costs (net of capitalised costs) at ARL, resulting in a Gross Loss of \$0.002m (1H18: gross profit \$0.009m).

Administration expenses excluding exceptional costs were \$1.5m (1H18: \$2.4m). Depreciation costs were \$0.02m (1H18: \$0.03m).

Exceptional administration costs were \$0.6m (1H18: nil) and were all in connection with the Lapsed Offer to acquire The Local Shopping REIT plc.

Operating Loss was therefore \$2.1m (1H18: operating profit \$5.0m).

Net financial expense was \$0.03m (1H18: gain \$0.4m). The net expense comprised \$0.07m unrealised loss on investments and a net \$0.04m exchange rate gain and interest income as at 30 June 2019. Currencies have moved in our favour during July & August and as at 21 August 2019 we are now showing a net currency gain of \$0.05m since the period end.

Share of profits less losses of associated entities was a loss of \$0.61m (1H18: \$0.96m) relating to the 25.48% equity interest in The Local Shopping REIT plc ("LSR").

However the carrying value of the investment in LSR in our accounts is now at £0.215 per share compared to the published net asset per share in the LSR Interim Report as at 31 March 2019 of £0.3133.

Loss before tax was \$2.9m (1H18: profit \$4.3m) with a net tax receipt in the period of \$0.6m (1H18: \$0.1m) resulting from the resolution with the Norwegian tax authorities of a subsidiary's tax liability.

Loss after tax from continuing operations was therefore \$2.3m (1H18: profit \$4.4m).

Net assets at 30 June 2019 amounted to \$27.5m (1H18: \$29.1m) resulting in net assets per share of \$1.60/£1.26 based on 17,175,275 shares in issue versus \$1.53/£1.16 in 1H18 (based on 19,044,775 shares in issue) and \$1.54/£1.01 in 2018 (based on 19,812,640 shares in issue). Included is \$28.4m of cash, equivalent to \$1.65/£1.30 per share (1H18: cash \$20.6m equivalent to \$1.08/£0.82 per share).

The investment in LSR is now shown with a book value of £0.215 per share compared with the last published net asset per share of £0.3133 as at 31 March 2019.

The Company had no **net debt** (cash less borrowings) at the period end (1H18: \$nil).

Net cash outflow from operating activities amounted to \$2.9m compared to an outflow of \$5.1m in 1H18.

Net cash outflow from investing activities amounted to \$2.5m compared to a net cash inflow in 1H18 of \$18.5m relating to the sale of the WGP business and its assets.

Net cash inflow from financing activities amounted to \$15.5m which related to a short-term loan facility net of the purchase of a further 677,000 Treasury shares (1H2018: outflow \$0.9m). The loan facility was repaid in August 2019.

Net increase in cash and cash equivalents was \$11.0m resulting in Cash and Cash Equivalents of \$28.4m as at 30 June 2019 (1H18: \$20.6m, Y/E 2018: \$17.4m).

Interim Condensed Consolidated Statement of Income

For the six months ended 30 June 2019

	Note	<i>Proforma Six months ended 30 Jun 19 Unaudited</i>	Reported Six months ended 30 Jun 19 Unaudited \$	Six months ended 30 Jun 18 Unaudited \$	Year ended 31 Dec 18 Audited \$
Continuing Operations					
Revenue		-	-	3,286	3,188
Cost of sales		(1,989)	(1,989)	5,593	(109,027)
Gross profit		(1,989)	(1,989)	8,879	(105,839)
Gain on disposal of WGP assets		-	-	7,419,475	-
Administration expenses excluding exceptional costs		(1,472,616)	(1,472,616)	(2,387,015)	(4,428,743)
Exceptional administration costs		(615,527)	(615,527)	-	-
Total Administrative expenses		(2,088,143)	(2,088,143)	(2,387,015)	(4,428,743)
Operating profit/(loss) before depreciation		(2,090,132)	(2,090,132)	5,041,339	(4,534,582)
Depreciation		(18,205)	(18,205)	(27,713)	(41,919)
Operating profit/(loss)		(2,108,337)	(2,108,337)	5,013,626	(4,576,501)
Net financial income/(expense)		(30,345)	(30,345)	426,718	470,050
Interest Expense		(145,648)	(145,648)	(190,453)	-
Share of profits less losses of associated entities		1,628,038	(614,763)	(961,774)	(2,353,182)
Profit/(Loss) before taxation		(656,292)	(2,899,093)	4,288,117	(6,459,633)
Taxation		618,595	618,595	133,064	68,015
Profit/(loss) for the financial period		(37,697)	(2,280,498)	4,421,181	(6,391,618)
Discontinued Operations					
Gain on disposal of WGP assets		-	-	-	13,419,475
Profit/(loss) for the year		(37,697)	(2,280,498)	4,421,181	7,027,857
Earnings per share - US\$ (using weighted average number of shares)					
Basic and Diluted	3	(0.002)	(0.13)	0.23	0.37

Proforma column illustrates the effect of the revaluation of LSR associated entity using the NAV share valuation as announced in their 31 March Interim statement and their share buy-back Proposal dated 18 June 2019.

The notes on pages 13 to 18 form an integral part of this consolidated interim financial information.

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2019

	Six months ended 30 Jun 19 Unaudited \$	Six months ended 30 Jun 18 Unaudited \$	Year ended 31 Dec 18 Audited \$
Profit/(loss) for the financial period	(2,280,498)	4,421,181	7,027,857
Other comprehensive income:			
Exchange differences on re-translating foreign operations	(12,722)	(59,833)	109,344
Total comprehensive income	(2,293,220)	4,361,348	7,137,201

The notes on pages 13 to 18 form an integral part of this consolidated interim financial information.

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2019

	<i>Proforma As at 30 Jun 19 Unaudited</i>	Reported As at 30 Jun 19 Unaudited \$	As at 30 Jun 18 Unaudited \$	As at 31 Dec 18 Audited \$
Assets				
Non-current assets				
Property, plant and equipment	69,265	69,265	27,976	16,803
Available for sale financial assets	2,966,209	2,966,209	1,120,407	787,518
Intangible assets	229,808	229,808	-	-
Loans	1,670,094	1,670,094	1,620,796	1,645,260
Investments in associated entities	8,355,707	6,112,907	8,104,114	6,727,670
Total non-current assets	13,291,083	11,048,283	10,873,293	9,177,251
Current assets				
Trade and other receivables	5,342,214	5,342,214	394,473	6,095,202
Cash and cash equivalents	28,369,569	28,369,569	20,554,400	17,370,372
Total current assets	33,711,783	33,711,783	20,948,873	23,465,574
Liabilities				
Current liabilities				
Borrowings	16,128,792	16,128,792	-	-
Trade and other payables	1,082,585	1,082,585	2,695,099	2,156,692
Total current liabilities	17,211,377	17,211,377	2,695,099	2,156,692
Net current assets	16,500,406	16,500,406	18,253,774	21,308,882
Net assets	29,791,489	27,548,689	29,127,067	30,486,133
Shareholders equity				
Share capital	255,675	255,675	255,675	255,675
Share premium	45,416,298	45,416,298	45,416,298	45,416,298
Treasury shares	(7,982,183)	(7,982,183)	(5,921,172)	(7,337,959)
Other reserves	(151,804)	(151,804)	(347,510)	(139,082)
Accumulated deficit	(7,746,497)	(9,989,297)	(10,276,224)	(7,708,799)
Total shareholders equity	29,791,489	27,548,689	29,127,067	30,486,133
Total equity	29,791,489	27,548,689	29,127,067	30,486,133

Proforma column illustrates the effect of the revaluation of LSR associated entity using the NAV share valuation as announced in their 31 March Interim statement and their share buy-back Proposal dated 18 June 2019.

The notes on pages 13 to 18 form an integral part of this consolidated interim financial information. These financial statements were approved by the board on 27 August 2019.

Signed on behalf of the board by:

Duncan Soukup

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2019

	Six months ended 30 Jun 19 Unaudited \$	Six months ended 30 Jun 18 Unaudited \$	Year ended 31 Dec 18 Audited \$
Cash flows from operating activities			
Profit/(Loss) for the period before taxation	(2,899,093)	4,327,369	6,959,842
Decrease/(increase) in trade and other receivables	752,988	745,686	(185,787)
Decrease in trade and other payables	(1,074,107)	(2,876,150)	(3,359,710)
Gain on disposal of PPE	-	(7,419,475)	(13,419,475)
(Gain)/loss on disposal of AFS investments	92,641	-	(207,509)
Net foreign exchange gain	(30,092)	(425,285)	(32,875)
Accrued interest income	(24,834)	-	(48,565)
Taxation	618,595	133,064	68,015
Share of losses of associate	614,763	-	2,338,218
Fair value movement on AFS financial assets	(25,833)	-	(25,516)
Cash used in operations	(1,974,972)	(5,514,791)	(7,913,362)
Depreciation	18,205	27,713	41,919
Net cash flow used in operating activities	(1,956,767)	(5,487,078)	(7,871,443)
Investing activities			
Proceeds from the disposal of WGP assets	-	17,906,548	-
Investments in associated entities	-	961,774	-
Net Sale / (Purchase) of AFS financial assets	(2,245,498)	(379,717)	186,197
Purchase of property, plant and equipment	(300,475)	(605)	(3,638)
Net cash flow (used in)/from investing activities - continuing operations	(2,545,973)	18,488,000	182,559
Proceeds from the disposal of WGP assets	-	-	19,106,548
Net cash flow from investing activities - discontinued operations	-	-	19,106,548
Financing activities			
Purchase of treasury shares	(644,224)	(864,011)	(2,280,798)
Proceeds from borrowings	16,128,792	-	-
Net cash flow from/(used in) financing activities	15,484,568	(864,011)	(2,280,798)
Net increase in cash and cash equivalents	10,981,828	12,136,911	9,136,866
Cash and cash equivalents at the start of the period	17,370,372	8,091,288	8,091,288
Effects of exchange rate changes on cash and cash equivalents	17,369	326,201	142,218
Cash and cash equivalents at the end of the period	28,369,569	20,554,400	17,370,372

The notes on pages 13 to 18 form an integral part of this consolidated interim financial information.

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2019

	Share Capital \$	Share Premium \$	Treasury Shares \$	Other Reserves \$	Retained Earnings \$	Total Equity \$
Balance as at 30 June 2018	255,675	45,416,298	(5,921,172)	(347,510)	(10,276,224)	29,127,067
Purchase of treasury shares	-	-	(1,416,787)	-	-	(1,416,787)
Total comprehensive income for the period	-	-	-	208,428	2,567,425	2,775,853
Balance as at 31 December 2018	255,675	45,416,298	(7,337,959)	(139,082)	(7,708,799)	30,486,133
Purchase of treasury shares	-	-	(644,224)	-	-	(644,224)
Total comprehensive income for the period	-	-	-	(12,722)	(2,280,498)	(2,293,220)
Balance as at 30 June 2019	255,675	45,416,298	(7,982,183)	(151,804)	(9,989,297)	27,548,689

The notes on pages 13 to 18 form an integral part of this consolidated interim financial information.

Notes to the Interim Condensed Consolidated Financial Information

1. General information

Thalassa Holdings Ltd (the "Company") is a British Virgin Island ("BVI") International business company ("IBC"), incorporated and registered in the BVI on 26 September 2007. The Company was established as a holding company, and currently has five directly owned subsidiaries, DOA Alpha Ltd ("WGP" - formerly WGP Group Ltd), Autonomous Holdings Ltd ("AHL" – formerly GO Science Group Ltd), WGP Geosolutions Limited, Apeiron Holdings A.G. and Anemoi S.A. (together with Thalassa Holdings Ltd, the "Group").

Autonomous Holdings Ltd is a wholly owned subsidiary of Thalassa and is an Autonomous Underwater Vehicle ("AUV") research and development company with one subsidiary Autonomous Robotics Limited ("ARL" – formerly GO Science 2013 Ltd)

WGP Geosolutions Limited is a wholly owned subsidiary of Thalassa which has an additional subsidiary, WGP Group AT GmbH, both currently non-operational.

Apeiron Holdings Ltd is a company incorporated in Switzerland.

Anemoi S.A. is a company incorporated in Luxembourg.

The Group's interest in each of the subsidiaries is 100%.

2. Significant Accounting policies

The Group prepares its accounts in accordance with applicable International Financial Reporting Standards ("IFRS") as adopted by the EU.

The accounting policies applied by the Company in this unaudited consolidated interim financial information are the same as those applied by the Company in its consolidated financial statements as at and for the period ended 31 December 2018 except as detailed below.

In the current year, the Group, for the first time, has applied IFRS 16 Leases. IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The impact of the adoption of IFRS 16 on the Group's consolidated financial statements is described below. The Group has applied IFRS 16 using the Modified retrospective approach.

Impact on assets, liabilities and equity as at 30 June 2019	As if IAS 17 still applied	IFRS 16 adjustments	As presented
	\$	\$	\$
Property, plant and equipment* ¹	4,592	64,673	69,265
Net impact on total assets		64,673	
Lease liabilities* ¹	(6,350)	(65,068)	(71,418)
Retained earnings	(9,989,692)	395	(9,989,297)
Total impact on total liabilities and equity		(64,673)	

*¹ The application of IFRS 16 to leases previously classified as operating leases under IAS 17 resulted in the recognition of right-of-use assets and leases liabilities. It resulted in a decrease in other expense and an increase in depreciation and amortisation expense and in interest expense.

The financial information has been prepared under the historical cost convention, as modified by the accounting standard for financial instruments at fair value.

Notes to the Interim Condensed Consolidated Financial Information Continued

2.1. Basis of preparation

The condensed consolidated interim financial information for the six months ended 30 June 2019 has been prepared in accordance with International Accounting Standard No. 34, 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended 31 December 2018.

These condensed interim financial statements for the six months ended 30 June 2019 and 30 June 2018 are unaudited and do not constitute full accounts. The comparative figures for the period ended 31 December 2018 are extracted from the 2018 audited financial statements. The independent auditor's report on the 2018 financial statements was not qualified.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

2.2. Going concern

The financial information has been prepared on the going concern basis as management consider that the Group has sufficient cash to fund its current commitments for the foreseeable future.

3.1 Profit and loss information

Exceptional administration costs classified detail all expenses associated with the LSR bid.

Adjusted columns on Interim Condensed Consolidated Statement of Income and Statement of Financial Position illustrate LSR valuation following the announcement of the share buy back, subject to change.

3.2 Income Tax Expense

During the period DOA Group Ltd won an appeal on tax paid and payable in Norway and has received a rebate of \$81k from the Norwegian Tax Authorities. During the period final payments of \$427k were made and accruals of \$824k were released.

Autonomous Robotics Ltd has accrued \$141k R&D tax credits which were submitted in May 2019.

4. Earnings per share

	Six months ended 30 Jun 2019 Unaudited	Six months ended 30 Jun 2018 Unaudited	Year ended 31 Dec 2018 Audited
The calculation of earnings per share is based on the following loss and number of shares:			
Profit/(loss) for the period (\$)	(2,280,498)	4,421,181	7,027,857
Weighted average number of shares of the Company	17,361,071	19,275,546	18,919,049
Earnings per share:			
Basic and Diluted (US\$)	(0.13)	0.23	0.37

Notes to the Interim Condensed Consolidated Financial Information Continued

5. Loans

	As at 30 Jun 19 Unaudited \$	As at 30 Jun 18 Unaudited \$	As at 31 Dec 18 Audited \$
Loans	1,670,094	1,620,796	1,645,260

The loan of \$1,670,094, which includes accrued interest of \$166,270, is to the THAL Discretionary Trust. Interest is payable at 3% per annum (reviewed periodically).

The THAL Discretionary Trust is a trust, independent of Thalassa, established for the benefit of individuals or parties to whom the Trustees wish to make awards at their discretion.

6. Borrowings

In May 2019 the group entered into a fixed-term advance GBP currency denominated credit facility to finance the offer of LSR. The total available amount under the facility is US\$18m of which £12.716m was drawn down as at 7 May 2019. The facility was fully repaid on 5 August 2019 and included facility fees and interest p.a. of 1.72%.

7. Related party balances and transactions

Under the consultancy and administrative services agreement entered into on 30 August 2014 with a company in which the Chairman has a beneficial interest, the Group was invoiced \$348,000 for consultancy and administrative services provided to the Group. At 30 June 2019 the amount owed to this company was \$62,682 (1H18: \$143,139).

8. Intangible assets

	Development costs \$	Patents \$	Total \$
Half-year ended 30 June 2019			
Opening net book amount	-	-	-
Additions	211,487	18,321	229,808
Closing net book amount	211,487	18,321	229,808

The intangible assets held by the Group increased as a result of capitalising the development costs and patent fees of Autonomous Robotics Ltd ("ARL"). ARL announced on 19 June 2019 the successful autonomous navigation, landing and take-off from the seabed as well as successful data recording of its autonomous flying node.

9. Investments - Available For Sale Financial Assets

The Group classifies the following financial assets at fair value through profit or loss (FVPL):-
Equity investments that are held for trading

	As at 30 Jun 2019 Unaudited \$	As at 30 Jun 2018 Unaudited \$	As at 31 Dec 2018 Audited \$
Available for sale investments			
At the beginning of the period	787,518	740,691	740,691
Additions	2,929,865	973,395	2,834,106
Unrealised losses	(69,492)	(3,372)	(97,607)
Disposals	(681,682)	(590,307)	(2,689,672)
At 31 December	2,966,209	1,120,407	787,518

AFS investments have been valued incorporating Level 1 inputs in accordance with IFRS7.

10. Financial Assets at Fair Value Through Profit or Loss

Financial assets mandatorily measured at FVPL include the following:-

	As at 30 Jun 2019 Unaudited \$	As at 30 Jun 2018 Unaudited \$	As at 31 Dec 2018 Audited \$
Non-current assets			
Available for sale financial assets	2,966,209	1,120,407	787,518
Investments in associated entities	6,112,907	8,104,114	6,727,670
At 31 December	9,079,116	9,224,521	7,515,188

Amounts recognised in profit or loss:-

Available for sale financial assets	(66,807)	(134,204)	233,025
Investments in associated entities	(614,763)	(961,774)	(2,353,182)
	(681,570)	(1,095,978)	(2,120,157)

Prior to the adoption of IFRS 9 unrealised gains on Assets for Sale (AFS) investments were recognised in other comprehensive income. As a result of the adoption of IFRS 9, AFS investments are measured at FVPL. The adoption of IFRS 9 has had no impact on the carrying amounts of AFS investments.

11. Associated Entities

Details of the Group's associated entities at 30 June 2019 are as follows:

Name of associated entity	Country of incorporation (registration)	Ownership %	Voting Rights %	Principal Activity
The Local Shopping REIT plc	UK	25.48%	25.48%	Real Estate Investment Trust

Movement on interests in associates can be summarised as follows:

	As at 30 Jun 2019 Unaudited \$	As at 30 Jun 2018 Unaudited \$	As at 31 Dec 2018 Audited \$
Cost of investment	6,727,670	9,065,888	9,065,888
Additions	-	-	14,964
Share of post acquisition profits less losses	(614,763)	(961,774)	(2,353,182)
	6,112,907	8,104,114	6,727,670

Notes to the Interim Condensed Consolidated Financial Information Continued

The following summarises the financial information relating to associates, not adjusted for the proportion of ownership:

	Six months ended 30 Jun 2019 Unaudited £000	Six months ended 30 Jun 2018 Unaudited £000	Year ended 31 Dec 2018 Audited £000
Assets - non-current	-	25,236	-
Assets - current	27,255	18,892	29,950
Total	27,255	44,128	29,950
Liabilities - non-current	-	(9,782)	-
Liabilities - current	(1,402)	(2,378)	(2,217)
Total	(1,402)	(12,160)	(2,217)
Revenue	459	2,250	3,381
Expenses	(2,359)	(5,120)	(10,535)
Loss for the period	(1,900)	(2,870)	(7,154)

There are no other entities in which the Group holds 20% or more of the equity, or otherwise exercises significant influence over the affairs of the entity.

LSR has a reporting date of 30 September, with 2018 results outlined above. Share of post-acquisition profits is based on the movement from the audited accounts as at 30 September 2018 to the unaudited interim accounts as at 31 March 2019.

Adjusted columns on Interim Condensed Consolidated Statement of Income and Statement of Financial Position illustrate LSR valuation following the announcement of the share buy back, subject to change.

The Group achieved a holding of greater than 20%, and therefore significant influence, on 9 Sep 2016.

The Directors have evaluated the investment for potential impairment as at 30 June 2019. The recently disclosed net asset value of £0.3133 per share in the unaudited interim accounts as at 31 March 2019 and of £0.336 per share in the audited financial statements as at 30 September 2018, supports the assessment that there is no impairment charge to be taken in the period.

The fair value of the investment as at 23 August 2019 determined using Level 1 inputs in accordance with IFRS7 amounts to \$8.2m.

12. Share capital

	As at 30 Jun 19 Unaudited \$	As at 31 Dec 18 Audited \$
Authorised share capital: 100,000,000 ordinary shares of \$0.01 each	1,000,000	1,000,000
Allotted, issued and fully paid	255,675	255,675

	Number of shares	Number of Treasury shares	Treasury Shares \$
Number of shares outstanding at the period end:			
Balance as 31 December 2018	17,852,275	7,715,247	7,337,959
Shares purchased	(677,000)	677,000	644,224
Balance as 30 June 2019	17,175,275	8,392,247	7,982,183

As announced on 8 July 2019, the company purchased 15,000 of its shares at a price of 80.50 pence per share.

As announced on 9 July 2019, the company purchased 55,000 of its shares at a price of 80.50 pence per share.

On 30 September 2018 the Company issued one preference share for each ordinary share held at that date. The terms of each preference share were they were of nil value, unquoted, non-transferable and without any shareholder rights other than so as to provide the shareholder holding such preference shares with 10 votes per share in addition to their existing one vote per ordinary share. The board announced on 10 May 2019 the cancellation of all outstanding preference shares in the Company following the lapse of the offer for The Local Shopping REIT plc on 3 May 2019.

13. Subsequent events

On 25 July 2019 LSR announced a share buy back at a price of 31.33 pence per share. Thalassa has undertaken not to take part in the share buy back. Assuming that valid tenders are received by LSR of at least 49.04 per cent of the issued ordinary share capital of LSR, Thalassa will then exercise more than 50 per cent of the voting rights in LSR.

As announced on 31 July 2019 the Company's wholly owned subsidiary, Apeiron Holdings A.G. has exchanged contracts which are expected to complete by the end of September 2019, for the acquisition of id4 A.G. a Regulatory Technology company registered in the Swiss Canton of Luzern. id4 has developed technology, which it is starting to commercialise, to assist financial institutions and other regulated entities to comply, in particular, with Know Your Client, Anti-Money Laundering and client onboarding compliance obligations.

The borrowing facility mentioned in Note 6 was fully repaid on 5 August 2019.

14. Copies of the Interim Report

The interim report is available on the Company's website: www.thalassaholdingsltd.com.

www.thalassaholdingsltd.com



www.autonomousroboticsltd.com