

Online Blockchain PLC Final Results

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12 November 2018

Online Blockchain Plc

(formerly On-Line Plc)

('Online' or 'the Company')

Audited Results for the Year Ended 30 June 2018

Online today announces audited results for the year ended 30 June 2018.

CEO'S STATEMENT

Earlier in the financial year we changed our name to Online Blockchain to reflect our focus on developing Blockchain projects.

In 2018, the Blockchain bubble burst and the market price for Crypto-assets has fallen back a long way. While this is undoubtedly disappointing in the short term, we firmly believe Blockchain technology has a huge future.

The recent market development in crypto-assets is in many ways reminiscent of the internet boom of the late 1990s, and bust in the early 2000s, which some third-party commentators find as a cause for concern, yet today some of those first dotcom companies developing products at that time, such as Amazon, are now the giants of the technology and stock market world of today. As such we feel this is a chance to be at the forefront of a new technological revolution which offers a chance to develop something with exciting potential.

Blockchain development is where our current focus lies and will be for the foreseeable future. We believe that if we can create a "hit product" early-on in the development of the Blockchain industry, then that creates the potential to make a high return. This is of course not a foregone conclusion as our products are at an early stage of commercialisation and other than some very small crypto mining activities, we have not yet earned our first revenue, but we believe that the projects we have in development have the potential in an emerging market that has many growth cycles ahead of it.

We think that eventually Blockchain will be a giant industry and we are building a business to grow into this "once-in-a-generation" opportunity.

Since the beginning of the year we have announced and developed several coins, PlusOne, Brazio, Buenos, Manila and Veggi. These coins form the basis for development of various cryptocurrency projects. We have also developed Happypool, a cloud mining pool which is part of the ecosystem Online Blockchain is building.

PlusOne Coin, Online Blockchain's initial project, is a cryptocurrency that financially rewards social media community activity, and was first launched on ADVFN and IHub (InvestorsHub). PlusOne Coin is a marketing tool rewarding audience retention with coins. PlusOne Coin has

helped increase ADVFN advertising revenue and PlusOne Coin's price has risen from a low of 2c a coin in May to 9c a coin in November and is one of the few cryptocurrencies that has seen an uptrend in price over the last 6 months. While still in its early stages, PlusOne Coin has generated Online Blockchain a small amount of fiat income from amounts it has circulated in the market.

Online Blockchain has also built a small mining facility which we primarily consider as a laboratory for research and development. While providing a useful testbed for our projects, our facility has also generated some revenue from mining activities. While these revenues are barely material for now, it is nice to earn revenue as a spin-off from what is essentially an overhead for building-out and supporting our emerging products.

Our coins are currently listed on the following exchanges:

PlusOne: Cryptobridge and Tradesatoshi

Brazio: Southexchange and Bigbitex

Buenos: Southexchange

Veggi: Crex24, Cryptobridge, Southexchange

Manila: Unlisted

The focus on involvement in crypto and blockchain projects has required investment of both money and management time. This has meant an increase in costs which has, this year, resulted in Online Blockchain making a loss. However, we expect that in the foreseeable future, we will see this reversed and look forward to the company being at the centre of a blossoming blockchain industry in the future

The Group's turnover for the year was GBP56,000 (2017: GBP98,000) giving a loss before tax of GBP188,000 (2017: profit of GBP62,000).

CHANGE OF COMPANY NAME

On 26 October 2017 it was announced that the Board intended to change the name of the Company to Online Blockchain Plc. This was proposed and passed at the Annual General Meeting on 15 December 2017.

CHANGE OF NOMINATED ADVISOR

On 26 October 2017 a new Nominated Advisor was appointed; Beaumont Cornish Limited.

EVENTS AFTER THE BALANCE SHEET DATE

As we announced in August 2018, we have agreed to invest in Encrypted Gaming Inc, a talented development group building games on the Ethereum Blockchain.

More information on this project is available on the company website:

www.onlineblockchain.io

EXTRACT FROM THE ADVFN plc CHIEF EXECUTIVE'S STATEMENT

The financial year 2017/18 was a very interesting and challenging year, one that has seen us add significant upside potential to ADVFN. 2017 was the year of Bitcoin, which saw Cryptocurrency and blockchains explode on to centre stage of the financial markets. While even

at the peak around Xmas of 2017 the Cryptocurrency market was a tiny market in comparison with forex and equities markets, it is of huge interest to the global private investor.

This year we took advantage of these opportunities and have positioned ourselves in the US and UK market with a strong cryptocurrency information offering which has since become stronger since the year end.

We have an operating profit of GBP384,000 (GBP47,000 in 2017), a solid improvement. Sales are up to GBP9,201,000 (GBP8,186,000 in 2017) and this is a strong result in the circumstances.

The timing of the Bitcoin bubble was fortunate as private investor interest in equities has been at an all-time low. It is perverse but our business in equities flourishes best when the market crashes and our customers are hurt by corrections and crashes. In strong markets investor complacency is not good for our business and we rely on the diversified nature of our sales to maintain revenue.

Happily, we were able to sail past these equity doldrums powered by a compensating tailwind of Cryptocurrency information traffic. Cryptocurrency information for the likes of Bitcoin and Ethereum is a new category of financial information and one we are excited about.

We are very bullish about the potential of future demand for Cryptocurrency information and feel this can be a business multiplier for us in the next 3-5 years. As you will see from the figures, we have made the investment in technology and skills to master and provide this information, without the costs materially affecting our bottom line and you can see for yourself the quality of our offering on the ADVFN and Investorshub website. This is the platform from which we are building out our Blockchain information offerings which we believe can be as lucrative as our equity offerings.

Equities and Blockchain have distinct audiences and we find the combination exciting. We believe our market potential just grew significantly and that we can grow to fill it.

EXTRACT FROM THE ADVFN plc STRATEGIC REPORT

Our product, which is our website, can be seen at www.advfn.com. Operating our websites is very technically challenging and is subject to constant maintenance and engineering.

With the advent of the Blockchain and Cryptocurrencies we have now added a new segment to the website to cater for the need of the global cryptocurrency audience for timely and accurate data. We expect this to expand the audience and traffic of our sites.

For our UK audience Brexit will be on most people's agenda over the next year and perhaps several years. We believe this market stressing event could create increased interest in the markets in the UK which is a very important market for us. ADVFN's information sites are important windows onto world markets that private investors around the world use to help manage their investing and trading and we see opportunities for growth in providing these sites.

Turnover has grown substantially in the last year and, as has happened in previous years, the growth in the headcount has been in parallel. This underlines the importance of having the talented staff available in the company when there are opportunities to expand. Our registered users go on increasing and provide us with a ready market for the new products we are able to offer.

SUMMARY OF ADVFN'S KEY PERFORMANCE INDICATORS

2018 Actual	2018 Target	2017 Actual	2017 Target
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Turnover	GBP9.2M	GBP8.5M	GBP8.2M	GBP8.0M
Average head count	46	40	32	35
ADVFN registered users	4.5M	4.2M	4.0M	3.8M

Clement Chambers

CEO

9 November 2018

The annual report and accounts will shortly be sent to shareholders and will be available on the Company's website, www.onlineblockchain.io

Enquiries:

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The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. The person who arranged for the release of this announcement on behalf of the Company was Clem Chambers, Director.

Online Blockchain Plc's STRATEGIC REPORT

The Directors present their Strategic Report for the year ended 30 June 2018.

The strategy for the Group is that of an incubator and developer of businesses in internet and information-based technologies including developers, administrators and custodians of blockchains and cryptocurrencies.

We created ADVFN www.advfn.com and today we still have a holding of 17.98% in ADVFN plc.

Online Blockchain plc continues to consider new related opportunities and particularly crypto currencies and blockchain opportunities.

Principal risks and uncertainties

The management of the Company and the nature of the Company's strategy are subject to a number of risks. The directors have set out on page 5 and below, the principal risks facing the business. The directors are of the opinion that a thorough risk management process is adopted which involves the formal review of all the risks identified below. Where possible, processes are in place to monitor and mitigate such risks.

The principal risks and uncertainties around our involvement in crypto-currency are that it remains an unregulated market which means that it will be unpredictable. In addition, the market

is not liquid except in the case of the big players such as Bitcoin which means that, for the smaller players, transfer between crypto and fiat currencies may be difficult.

As has been demonstrated in the recent past, the relationship between crypto currencies and fiat currencies has been extremely volatile. It is also uncertain where the current interest in crypto currencies will take the market. It may be that it will become a major industry central to the economies of the world or the interest we currently see may not develop as we had hoped.

Economic downturn

The success of the world's stock markets might affect the business given the sector ADVFN operates in. Many things around the world can affect a stock market from war to human error. As far as the UK is concerned Brexit will be at the forefront of most people's thoughts for the next year at least. This could create market upsets and turmoil. All things that in the past have been good for ADVFN as its customers want to know what is happening in the market.

However, the US Dollar and Euro exchange rates could be affected in aftermath of Brexit, there is still a lack of confidence and a risk of volatility.

High proportion of fixed overheads

A large proportion of the Company's overheads are fixed. There is the risk that any significant changes in revenue may lead to the inability to cover such costs. We closely monitor fixed overheads against budget on a monthly basis and cost saving exercises are implemented on a constant review basis.

Performance

The performance of the Company is closely linked to ADVFN plc. The Company supplies management services and makes advertising recharges to ADVFN which forms the turnover of the Company. As a result of this reliance the extract of the ADVFN accounts on page 4 will give necessary information and background on the factors affecting the performance of the Company. For the future we will look forward to our investments in Blockchain bearing fruit.

The following financial KPIs may prove helpful:

	2018 Actual	2018 Target	2017 Actual	2017 Target
	-----	-----	-----	-----
Turnover (GBP'000)	56	90	98	90
Operating (loss)/profit (GBP'000)	(258)	12	20	12
Basic (loss)/earnings per share (pence)	(2.32 p)	0.16 p	0.81 p	0.16 p
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The financial indicators are designed to offer a dashboard check of the significant measures of the company's operations. The change in focus during the current year has meant a short-term downturn in these Key Performance measures.

The company does not currently monitor non-financial KPI's and will do so when they can offer additional clarity to the financial performance measures.

STRATEGIC REPORT (continued)

Operating costs

Our costs remain reasonably fixed and predictable and we do not see that changing in the immediate future. They are firmly under control.

Fund raising

On 10 January 2018 the Company raised GBP1,000,000 following the placement of 1,000,000 new Ordinary Shares of 5p each at 100p. The proceeds of the placing will be used to provide general working capital for the Company and to provide additional resources to invest further in the development of block-chain projects.

Research and development

We believe in trying to get the best from all areas that we work in. It is very important that Online Blockchain and ADVFN continue to invest in the quality and design of our products. We believe continued investment in our research and development is fundamental to the continuing growth of the business.

Environmental policy

This has always been important to the Company and as a whole we continue to look for ways to develop our environmental policy. We have a very small footprint and try to reduce any waste we create; we are a small team which makes this task easier. Most of our communications are electronic which again cuts our use of non-environmentally friendly products.

Future developments for the business

We feel that there will be opportunities with the Blockchain and with Crypto currencies and as a result we have made the significant move to add two subsidiaries to our group to enable us to grasp these opportunities to the best effect. This investment has given rise to expenditure in assets (computer equipment) and in management time and our results, in the short term, will reflect this.

It is also right that we continue to work with our investment in ADVFN and assist it with its growth as well. The prospect of ADVFN continuing to grow in the medium term provides the incentive to go on concentrating on this business in the immediate future.

Should other investment opportunities present themselves the Directors will investigate them appropriately.

Approved and signed on behalf of the Board of Directors

Clement Chambers

CEO

9 November 2018

Consolidated income statement incorporating the statement of comprehensive income

June	30 June	30
2017		2018

GBP'000	Notes	GBP'000
Revenue		56
98		
Cost of sales		(2)
-		
---		-----
Gross profit		54
98		
Share based payment		(15)
-		
Other administrative expenses		(297)
(78)		
---		-----
Total administrative expenses		(312)
(78)		
Operating (loss)/profit		(258)
20		
Finance income and expense		(1)
(2)		
Share of post-tax profits of equity accounted associate		71
44		
(Loss)/profit before tax		(188)
62		
Taxation		-
-		
---		-----
Total (loss)/profit for the period attributable to shareholders of the parent		(188)
62		
(Loss)/profit per share		
Basic	1	(2.32 p)
0.81 p		
Diluted	1	(2.32 p)
0.81 p		

There is no other comprehensive income for either the current or prior year.

Consolidated balance sheet

	30 June 2018 GBP'000	30 June 2017 GBP'000	1 July 2016 GBP'000
Assets			
Non-current assets			
Property, plant and equipment	65	-	-

Other receivables	6	-	-
Investment in associate	1,243	1,174	1,161
	1,314	1,174	1,161
Current assets			
Trade and other receivables	183	125	159
Cash and cash equivalents	652	2	-
	835	127	159
Total assets	2,149	1,301	1,320
Equity and liabilities			
Equity			
Issued capital	3,292	3,242	3,242
Share premium	3,155	2,205	2,205
Share based payment reserve	51	36	36
Retained earnings	(4,409)	(4,219)	(4,250)
	2,089	1,264	1,233
Current liabilities			
Trade and other payables	60	37	32
Borrowings (bank overdraft)	-	-	55
	60	37	87
Total liabilities	60	37	87
Total equity and liabilities	2,149	1,301	1,320

Consolidated statement of changes in equity

Retained earnings	Total equity	Share capital	Share premium	Share based payment reserve
GBP'000	GBP'000	GBP'000	GBP'000	GBP'000
At 1 July 2016 (4,250)	1,233	3,242	2,205	36
Net asset movements of associate (31)	(31)	-	-	-
Total comprehensive income for the year 62	62	-	-	-
At 30 June 2017 (4,219)	1,264	3,242	2,205	36

Share based payment	-	-	15
- 15			
Issue of shares	50	950	-
- 1,000			
-----	-----	-----	-----

Transactions with shareholders	50	950	15
- 1,015			
Net asset movements of associate	-	-	-
(2) (2)			
Total comprehensive income for			
the year	-	-	-
(188) (188)			
-----	-----	-----	-----

At 30 June 2018	3,292	3,155	51
(4,409) 2,089			
=====	=====	=====	=====
=====			

Consolidated cash flow statement

	12 months to 30 June 2018 GBP'000	12 months to 30 June 2017 GBP'000
Cash flows from operating activities		
(Loss)/profit for the year	(188)	62
Profit from equity accounted associate	(71)	(44)
Net finance income in the income statement	1	2
Depreciation of property, plant & equipment	5	-
Share based payments - options	15	-
(Increase)/decrease in trade and other receivables	(64)	34
Increase in trade and other payables	23	5
Net cash generated by continuing operations	(279)	59
Income tax receivable	-	-
	-----	-----
Net cash generated by operating activities	(279)	59
Cash flows from financing activities		
Issue of share capital	1,000	-
Interest paid	(1)	(2)
Net cash generated/(used) by financing activities	999	(2)
Cash flows from investing activities		
Payments for property plant and equipment	(70)	-
Net cash used by investing activities	(70)	-

Net increase in cash and cash equivalents	650	57
Cash and cash equivalents at the start of the period	2	(55)
	-----	-----
Cash and cash equivalents at the end of the period	652	2
	=====	=====

1. Loss per share

	12 months to 30 June 2018 GBP'000	12 months to 30 June 2017 GBP'000
(Loss)/profit for the year attributable to equity shareholders	(188)	62
Total (loss)/profit per share - basic and diluted		
Basic	(2.32 p)	0.81 p
Diluted	(2.32 p)	0.81 p
	Shares	Shares
Weighted average number of Ordinary shares in issue for the year	8,130,841	7,662,348
Dilutive effect of options	227,049	-
	-----	-----
Weighted average shares for diluted earnings per share	8,357,890	7,662,348
	=====	=====

Where a loss has been recorded for the year the diluted loss per share does not differ from the basic loss per share as the exercise of share options would have the effect of reducing the loss per share and is therefore not dilutive under the terms of IAS 33. Where a profit has been recorded but the average share price for the year remains under the exercise price the existence of options is likewise not dilutive.

2. Transition to IFRS

This is the first time that the Group has presented its financial information for the three years ended 30 June 2018 under IFRS, issued by the IASB as adopted by the EU. Online Blockchain Plc prepared its last statutory accounts for the year ended 30 June 2017 under FRS 102 (new UK GAAP). The new companies forming the group were incorporated during the current year. For the purposes of these financial statements, the date of transition to IFRS was 1 July 2016 as the year from 1 July 2016 to 30 June 2017 is the earliest period for which the Group has adopted International Financial Reporting Standards (IFRS) in the preparation of its financial statements.

Transitional provisions under IFRS 1

IFRS 1, First-time adoption of International Financial Reporting Standards, allows a number of transitional provisions, primarily exemptions and exceptions, when applying IFRS for the first time. The Group has elected not to utilise any of these exemptions.

IFRS Impact

The transition from reporting under FRS 102 to reporting under IFRS as adopted by the EU resulting from the incorporation of two subsidiaries does not result in any transition adjustments which affect the Group. However, within the Online Blockchain Plc company it has meant that the disclosure of the associate entity ADVFN Plc has moved from a carrying value at cost to being equity accounted. The reconciliation to the disclosures presented previously is as follows:

Reconciliation of equity at transition date 1 July 2016:

2016	UK GAAP (FRS 102)	Equity accounted associate	IFRS
	GBP'000	GBP'000	GBP'000
Equity			
Issued capital	3,242	-	3,242
Share premium	2,205	-	2,205
Share based payment reserve	36	-	36
Retained earnings	(4,543)	293	(4,250)
	-----	-----	-----
	940	293	1,233
	=====	=====	=====

Reconciliation of equity at 30 June 2017

2017	UK GAAP (FRS 102)	Equity accounted associate	IFRS
	GBP'000	GBP'000	GBP'000
Equity			
Issued capital	3,242		3,242
Share premium	2,205		2,205
Share based payment reserve	36		36
Retained earnings	(4,525)	306	(4,219)
	-----	-----	-----
	958	306	1,264
	=====	=====	=====

Reconciliation of total comprehensive income for the year ended 30 June 2017

2017 IFRS	UK GAAP (FRS 102)	Equity accounted associate
	GBP'000	GBP'000
Revenue	98	-
98		
Other administrative expenses (78)	(78)	-
Operating (loss)/profit	20	-
20		

Finance income and expense (2)	(2)	-
Share of post-tax profits of equity accounted associate	-	44
44	-----	-----

(Loss)/profit before tax	18	44
62		
Taxation	-	-
-----	-----	-----

Total loss for the period	18	44
62	=====	=====
=====		

3. Events after the balance sheet date

As we announced in August 2018, we have agreed to invest in Encrypted Gaming Inc, a talented development group building games on the Ethereum Blockchain.

More information on this project is available on the company website:

www.onlineblockchain.io

4. Publication of Non-Statutory Accounts

The financial information set out in this preliminary announcement does not constitute statutory accounts as defined in section 435 of the Companies Act 2006.

The balance sheet at 30 June 2018 and the income statement, statement of changes in equity, the statement of cashflows and associated notes for the year then ended have been extracted from the Company's 2018 statutory financial statements upon which the auditors' opinion is unqualified and does not include any statement under Section 498(2) or (3) of the Companies Act 2006.

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