



ONLINE BLOCKCHAIN PLC
Unaudited Interim Results for the Six Months
Ended 31 December 2020

Registered Number: 3203042 (England and Wales)

Online Blockchain PLC ("Online" or the "Group")

Unaudited Interim Results for the Six Months Ended 31 December 2020

Online today announces unaudited interim results for the six months ended 31 December 2020 (the "Period").

CEO's Statement

We are pleased to report that since the last update, the blockchain ecosystem has experienced revitalised interest, driven largely by the recovery and increase in the value of Bitcoin, Ethereum and various other crypto projects and assets.

We were approached at the end of 2020, and again earlier this year, to raise capital to support our development and we took the opportunity to secure sufficient funds to meet our needs over the medium term and provide additional resources to broaden our development efforts. The funding enables us to continue our development and we believe that we have a small group of highly skilled staff capable of delivering innovative work.

In addition to our previously reported projects that continue to make progress, we believe that the Umbria decentralised finance ("DeFi") development is our most promising project. DeFi itself is a disruptive segment of blockchain and there is the potential for OBC and Umbria to make an impact.

We do remain however, cautious with our cash resources as crypto is a volatile asset segment and it is possible at any time that blockchain may be about to enter another cycle of boom, bubble and bust. The potential upside we expect will be delivered in the medium to long term rather in the shorter time frame that so many new entrants and investors in this field expect. While impossible to accurately predict the short-term outlook for blockchain based assets and businesses, we continue to believe that the blockchain technologies we are working with are part of a development as potentially fundamentally promising as computing in the 1970's and the internet in the 1990s.

There remains, nevertheless, a significant challenge from institutional resistance and scepticism to emerging blockchain technology businesses. At times, it is hard to come to any conclusion other than that blockchain is not yet welcome reflecting the position of established 'gatekeepers' whose commercial position is threatened by blockchain. The disintermediation of gatekeepers is blockchain's great power as it enables efficiencies by digitising business processes and opening up markets to new entrants by removing the need for the extensive overheads that support legacy business. As illustration, neither NYSE or Nasdaq currently enable the exchange of crypto assets and the regulations have not yet permitted the listing of a Bitcoin ETF while, as I write, Coinbase a major crypto exchange, plans to list on Nasdaq at a market valuation which is expected to exceed the combined market value of Intercontinental Exchange Inc (the parent of the NYSE Stock Exchange) and Nasdaq Inc, demonstrating the potential challenge to legacy exchanges' supremacy.

Whilst being wary of these institutional and regulatory challenges, we are hopeful of continuing progress for our existing products in the months ahead and for new developments. We remain excited at the prospects for blockchain, irrespective of the value of bitcoin in 2021, and our plans to develop a potentially major blockchain protocol.

Our investment in ADVFN Plc remains our largest asset and we show below an extract from the ADVFN Plc interim financial statements:

ADVFN PLC - Chief Executive's Statement

These are very uncertain times, but as I have often alluded to, times of uncertainty are good for ADVFN. People become more engaged with their investments when the future looks difficult and the rolling confinements and the new work-from-home environments ("WFH") have provided impetus to our audience's desire to trade and invest. Market volatility has also helped. Counter-intuitively it is not necessarily a bullish period that has helped drive ADVFN revenue, because it turns out that solid profits for investors only fuels complacency and complacency is not good for our sales.

Advertising and subscriptions have been growing and so revenue, which sees us producing a solid bottom-line profit. At the end of 2019 and the beginning of 2020, a sudden and unexpected drop in advertising sales, coupled with a lack of subscription growth, caused us to re-evaluate our processes and reorganise the business from top to bottom.

With great good fortune, we decided to become a fully 'WFH' enterprise with a new, much reduced cost base and re-engineered business processes around the turn of that year. This dramatic change was almost complete when the pandemic started, which by good fortune we were then pre-prepared for.

This intersection of events has meant we have made good progress across 2020 with the end of the first half showing a profit of £264,000. At this stage there seems no end in sight to the disruption of the pandemic and even with an end of the pandemic itself, be it hopefully soon, the global economic aftermath will, we believe, be with us for years to come. We will therefore remain an important destination for those wishing to actively navigate the trying times ahead and we feel a period of investor complacency is not a prospect for the foreseeable future. As such we believe that we will continue to grow for the foreseeable future.

While we expect growth at a similar pace in the coming half, our strategy is to be very conservative and we will expend our energies growing our platform's capacity rather than looking to broaden our audience. We are very optimistic about our near and medium-term prospects, but it seems foolish to contemplate anything but a conservative risk profile to at least the year end.

While we cannot take credit for fate suddenly providing us with a strong hand, we can lay claim to having reshaped ADVFN during the pandemic's disruption into a profitable business that looks set for a strong performance in 2021.

ADVFN Plc - Financial performance for the six months ended 31 December 2020

Key financial performance for the period has been summarised as follows:

	Six Months ended 31 December 2020	Six Months ended 31 December 2019
	£'000	£'000
Revenue	4,233	3,748
Profit / (loss) for the period	264	(399)
Operating profit / (loss)	277	(397)
Loss per share – basic (see note 3)	1.03 p	(1.56 p)

Clement Chambers
CEO

**Consolidated income statement
for the six months ended 31 December 2020**

		Six months ended 31 December 2020 Unaudited £'000	Six months ended 31 December 2019 Unaudited £'000	Year ended 30 June 2020 Audited £'000
	Note			
Revenue		56	44	109
Share based payment		(5)	-	-
Other administrative expenses		(173)	(116)	(250)
Total administrative expenses		(178)	(116)	(250)
Operating loss		(122)	(72)	(141)
Finance expense		(1)	(1)	(2)
Impairment of investment in Encryptid Gaming		-	-	(18)
Share of post-tax profit/(loss) of equity accounted associate		47	(71)	(40)
Loss before taxation		(76)	(144)	(201)
Taxation		-	-	-
Loss for the period attributable to shareholders of the parent		(76)	(144)	(201)
Loss per share				
Basic loss per ordinary share	3	(0.86 p)	(1.66 p)	(2.32 p)
Diluted loss per ordinary share	3	(0.86 p)	(1.66 p)	(2.32 p)

**Consolidated statement of comprehensive income
for the six months ended 31 December 2020**

		Six months ended 31 December 2020 Unaudited £'000	Six months ended 31 December 2019 Unaudited £'000	Year ended 30 June 2020 Audited £'000
Loss for the period		(76)	(144)	(201)
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations		(4)	-	1
Total other comprehensive income		(4)	-	1
Total comprehensive income for the year attributable to shareholders of the parent		(80)	(144)	(200)

**Consolidated balance sheet
at 31 December 2020**

		31 December 2020 Unaudited £'000	31 December 2019 Unaudited £'000	30 June 2020 Audited £'000
Assets	Note			
Non-current assets				
Property, plant and equipment		11	46	30
Intangibles		-	3	-
Other receivables		6	6	6
Investment accounted for using the equity method	4	1,183	1,104	1,137
Other equity investments		18	36	18
		1,218	1,195	1,191
Current assets				
Trade and other receivables		16	117	114
Cash and cash equivalents		384	35	17
		400	152	131
Total assets		1,618	1,347	1,322
Equity and liabilities				
Equity				
Issued capital		3,383	3,292	3,292
Share premium		3,464	3,155	3,155
Share based payment reserve		69	64	64
Foreign exchange reserve		(3)	-	1
Retained earnings		(5,346)	(5,210)	(5,269)
		1,567	1,301	1,243
Current liabilities				
Borrowings – bank overdraft		-	-	27
Borrowings – lease liabilities		5	-	13
Trade and other payables		46	46	39
		51	46	79
Total equity and liabilities		1,618	1,347	1,322

**Statement of changes in equity
at 31 December 2020**

	Share capital £'000	Share premium £'000	Share based payment reserve £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total equity £'000
At 1 July 2019	3,292	3,155	64	-	(5,072)	1,439
Net asset movements of associate	-	-	-	-	6	6
Total comprehensive loss for the period	-	-	-	-	(144)	(144)
At 31 December 2019	3,292	3,155	64	-	(5,210)	1,301
Net asset movements of associate	-	-	-	-	(2)	(2)
Loss for the period	-	-	-	-	(57)	(57)
Other comprehensive income Exchange differences on translation of foreign operations	-	-	-	1	-	1
Total other comprehensive income	-	-	-	1	-	1
Total comprehensive loss for the period	-	-	-	1	(57)	(56)
At 30 June 2020	3,292	3,155	64	1	(5,269)	1,243
Issue of shares	91	309	-	-	-	400
Equity settled share options	-	-	5	-	-	5
Transactions with owners	91	309	5	-	-	405
Net asset movements of associate	-	-	-	-	(1)	(1)
Loss for the period	-	-	-	-	(76)	(76)
Other comprehensive income Exchange differences on translation of foreign operations	-	-	-	(4)	-	(4)
Total other comprehensive income	-	-	-	(4)	(76)	(80)
Total comprehensive loss for the period	-	-	-	(4)	(76)	(80)
At 31 December 2020	3,383	3,464	69	(3)	(5,346)	1,567

**Consolidated cash flow statement
for the six months ended 31 December 2020**

	Six months ended 31 December 2020 Unaudited £'000	Six months ended 31 December 2019 Unaudited £'000	Year ended 30 June 2020 Audited £'000
Cash flows from operating activities			
Loss for the period	(76)	(144)	(201)
Add back (profit)/loss from equity accounted associate	(47)	75	40
Net finance charge in the income statement	1	-	2
Depreciation of property, plant & equipment	19	11	20
Share based payments	5	-	-
Impairment of investment in Encryptid Gaming	-	-	18
Decrease/(increase) in trade and other receivables	98	(22)	(19)
Increase/(decrease) in trade and other payables	7	(15)	(22)
Net cash used by operating activities	7	(95)	(162)
Income tax receivable	-	-	-
Net cash used by operating activities	7	(95)	(162)
Cash flows from financing activities			
Draw down bank overdraft	-	-	27
Issue equity shares	400	-	-
Interest paid	(1)	-	(2)
Net cash generated/(used) by financing activities	399	-	25
Cash flows from investing activities			
Overdraft repaid	(27)	-	-
Lease liability repaid	(8)	-	-
Payments for property plant and equipment	-	(21)	(1)
Payments for intangible assets	-	(3)	-
Net cash used by investing activities	(35)	(24)	(1)
Decrease in cash and cash equivalents	371	(119)	(138)
Foreign exchange differences	(4)	-	1
Cash and cash equivalents at the start of the period	17	154	154
Cash and cash equivalents at the end of the period	384	35	17

Notes to the interim statements

1. Legal status and activities

Online Blockchain Plc is principally acting as an incubator and developer of businesses in internet and information-based technologies including developers, administrators and custodians of blockchains and cryptocurrencies.

Online Blockchain Plc is a public limited liability company incorporated and domiciled in England and Wales. The address of its registered office is Suite 28, Ongar Business Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA.

Online Blockchain Plc is quoted on the Alternative Investment Market ("AIM") of the London Stock Exchange.

2. Basis of preparation

The unaudited consolidated financial information is for the six month period ended 31 December 2020. The financial information does not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2020, which were prepared under IFRS as adopted by the European Union (EU).

The accounting policies adopted in this report are consistent with those of the annual financial statements for the year to 30 June 2020 except as described below.

The financial statements are presented in Sterling (£) rounded to the nearest thousand except where specified.

Going concern

The interim financial information has been prepared on the going concern basis which assumes the Group will continue in existence for the foreseeable future. The Directors have prepared a detailed forecast of future trading and, as our products continue to build as planned, the Directors believe that trading will gradually improve. This improvement in trading and the resulting increased income over the next 12 months will mean that the current bank balance will stabilize and then increase. In addition, a placing was made in December 2020 resulting in cash subscriptions of £362,000 net of commission and other costs.

Our reaction to the onset of Covid-19 has been to examine the potential impact of the virus on our operations and our market. We need to ensure that the welfare of our staff and the continued provision of our service is our priority. We are already a company of home-based staff and we have looked at reasonable worst-case scenarios and discussed potential mitigating strategies to ensure the continuity of our service. In addition to the placing mentioned above, the Group has access to an overdraft facility amounting to £50,000 and, if necessary, the option is available to raise further funds on the market or, ultimately, to sell shares in ADVFN Plc. Accordingly, the Directors have prepared these financial statements on the going concern basis.

The interim financial information has not been audited nor has it been reviewed under ISRE 2410 of the Auditing Practices Board. The financial information presented does not constitute statutory accounts as defined by section 434 of the Companies Act 2006. The Group's statutory accounts for the year to 30 June 2020 have been filed with the Registrar of Companies. The auditors, Saffery Champness LLP reported on those accounts and their report was unqualified and did not contain a statement under section 498(2) or Section 498(3) of the Companies Act 2006.

Risks and uncertainties

the Group continuously assesses and monitors the key risks of the business. The risks identified in the financial statements dated 30 June 2020 have not substantially changed.

Notes to the interim statements

3. Loss per ordinary share

	Six months to 31 Dec 2020 £'000	Six months to 31 Dec 2019 £'000	Year to 30 June 2020 £'000
Loss for the period	(76)	(144)	(201)
Weighted average number of Ordinary shares	Shares 8,800,688	Shares 8,662,348	Shares 8,662,348
Dilutive effect of options	-	-	-
Weighted average Ordinary shares for diluted earnings per share	8,800,688	8,662,348	8,662,348
Loss per share			
Basic earnings per share (pence)	(0.86 p)	(1.66 p)	(2.32 p)
Diluted earnings per share (pence)	(0.86 p)	(1.66 p)	(2.32 p)

Where a loss is reported for the period 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.

In addition, where a profit has been recorded but the average share price for the period remains under the exercise price of a specific grant of options, the existence of those options is not dilutive.

4. Investments in associate undertakings

	Six months ended 31 December 2020 £'000	Six months ended 31 December 2019 £'000	Year ended 30 June 2020 £'000
Listed investments at cost	868	868	868
Listed investments at market value	875	874	737
Total net assets of ADVFN Plc	1,759	1,319	1,500
Percentage ownership interest held by the group	17.92%	17.92%	17.92%
Share of net assets of ADVFN Plc	315	236	269
Cost of investment in ADVFN Plc	868	868	868
	1,183	1,104	1,137

The investment in ADVFN plc is treated for the purposes of financial reporting as an associate due to the common directorships held between ADVFN plc and Online Blockchain plc and the resulting level of significant influence over the associate. It is an investment accounted for using the equity method.

Online Blockchain Plc owns 17.92% (2019: 17.92%) of ADVFN plc which is incorporated in England and Wales and whose principal activity is the development and provision of financial information, primarily via the internet, research services and the development and exploitation of ancillary internet sites.

The carrying value of the associate in the balance sheet of Online Blockchain Plc is £1,183,000 and is based on the share of the balance sheet of the associate company.

Notes to the interim statements

5. Events after the balance sheet date

On 2 February 2021 the Company announced a placing of 2,717,391 Ordinary 5.0p shares at a price of 36.8p per share. This resulted in subscriptions of £950,000 net of commission and other costs. In addition warrants have been issued to participants in the placing at the rate of 1 warrant for every 2 placing shares.

There are no other events of significance occurring after the balance sheet date to report.

6. Dividends

The directors do not recommend the payment of a dividend.

7. Financial statements

Copies of these accounts are available from Online Blockchain Plc's registered office at Suite 28, Ongar Business Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA or from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

www.companieshouse.gov.uk

and from the Online Blockchain plc website:

www.onlineblockchain.io