

30 March 2023

For immediate release

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

Unaudited Interim Results for the Six Months Ended 31 December 2022

Online today announces unaudited interim results for the six months ended 31 December 2022 (the "Period").

CEO's Statement

While the crypto asset market has continued to be depressed over the Period, with moments of significant price volatility, we have not been caught up and have continued to focus on the development of our two main projects, advisors to Umbria and the Rocky Horror NFT.

Umbria (see www.umbria.network) enables token transfers between independent blockchain platforms, such as Ethereum to Polygon. Liquidity for exchange of tokens from one blockchain to another using the bridge is provided by Umbria users staking Umbria tokens in a pool thereby earning a share of all fees generated by the bridge. After high levels of activity during early 2022, Umbria has settled into a lower but consistent pattern of transactions and amounts staked on the platform.

Seasoning of decentralised finance products (DeFi) is key and the longer a protocol goes without incident the more it is trusted by the market audience and the more it is potentially worth and used. Umbria is now well seasoned and provides a relatively fast and cheap bridge solution compared to other offerings. If and when crypto assets move back into favour, we believe that Umbria is potentially well positioned to benefit from increased trading volumes. In the Period, total revenue from Umbria amounted to £14k (2022: £24k).

Our principal focus in the Period has been the development of The Rocky Horror Show non-fungible token ("NFT"), based on The Rocky Horror Show and we continue to be pleased with its development. As we announced earlier this year, we have entered into a worldwide licence with Interfishnet Limited, rights holders of The Rocky Horror Show intellectual property, to create and market a range of character NFTs. Non-fungible tokens (NFTs) are cryptographic assets on a blockchain, with unique identification codes and metadata that distinguish them from each other and are directly linked to one blockchain address. Non-fungible tokens comprise a smart contract which can digitally represent any asset, including online-only assets like digital artwork and collectibles.

Our developers have created a number of collectible character-based NFTs from The Rocky Horror Show and, under the terms of the licence agreement (for an unlimited period), Online will receive a revenue share from sales of the NFTs. The artwork for the NFTs has been completed, and initial soft marketing has commenced to begin to create market awareness. We intend to release the NFTs for sale to coincide with an expected one-off performance of The Rocky Horror Show celebrating its 50th anniversary, which we believe is likely to be over the Summer.

As we have previously explained, the commercial development of The Rocky Horror Show NFTs is at an early stage and there is no certainty at this time how, following the hard launch in the Summer, it may develop or to what extent any income will be derived. We are however excited with the prospect of bringing these NFTs to market at this time and with strong expected media and social platform interest in The Rocky Horror Show as a market background.

Finally, we have retained our interest in ADVFN plc, which following the recent Open Offer has been diluted to 10 per cent. Based on the current market price per ADVFN plc share of 35.5 pence, this interest has a current market value of £1.6m and remains of importance to the Company. As explained in our last Report and Accounts, the Company no longer has significant influence over ADVFN plc and therefore it is treated as an arm's length investment.

While the crypto market is volatile, current asset prices and trading seem to have stabilised at multiples of the previous all-time lows, and although we expect continued turbulence over the next six months, this hopefully sets a potential platform for the next cycle of general interest in the sector.

Clement Chambers

CEO

30th March 2023

**Condensed interim consolidated income statement
for the six months ended 31 December 2022**

		Six months ended 31 December 2022	Six months ended 31 December 2021	Year ended 30 June 2022
		Unaudited £'000	Unaudited £'000	Audited £'000
	Note			
Revenue		14	24	107
Cost of sales		-	-	-
Gross profit		14	24	107
Other administrative expenses		(445)	(528)	(948)
Other operating income		-	-	-
Operating loss		(431)	(504)	(841)
Share of post-tax profit/(loss) of equity accounted associate		-	36	(214)
Revaluation of ADVFN investment on ceasing as associate		932	-	-
Profit / (loss) before taxation		501	(468)	(1,055)
Taxation		5	38	37
Profit / (loss) for the period attributable to shareholders of the parent		506	(430)	(1,018)
Earnings per share				
Basic earnings / (loss) per ordinary share	3	3.53	(3.01)	(8.91)
Diluted earnings / (loss) per ordinary share	3	3.23	(3.05)	(8.91)

**Condensed interim consolidated statement of comprehensive income
for the six months ended 31 December 2022**

		Six months ended 31 December 2022	Six months ended 31 December 2021	Year ended 30 June 2022
		Unaudited £'000	Unaudited £'000	Audited £'000
Profit/(loss) for the period		506	(430)	(1,018)
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations		-	-	2
Total other comprehensive income		-	-	2
Total comprehensive income for the year attributable to shareholders of the parent		506	(430)	(1,016)

All items in the above statement derive from continuing operations.

**Condensed interim consolidated balance sheet
at 31 December 2022**

		31 December 2022 Unaudited £'000	31 December 2021 Unaudited £'000	30 June 2022 Audited £'000
Assets	Note			
Non-current assets				
Intangible assets		53	-	36
Property, plant and equipment		3	3	4
Other receivables		-	-	1
Investment accounted for using the equity method	4	-	1,463	1,101
Other investments	5	2,034	-	-
		<hr/>	<hr/>	<hr/>
		2,090	1,466	1,142
Current assets				
Trade and other receivables		25	36	22
Corporation tax receivable		-	-	4
Cash and cash equivalents		366	1,060	765
		<hr/>	<hr/>	<hr/>
		391	1,096	791
		<hr/>	<hr/>	<hr/>
Total assets		2,481	2,562	1,933
		<hr/>	<hr/>	<hr/>
Equity and liabilities				
Equity				
Issued capital		3,574	3,574	3,574
Share premium		4,484	4,484	4,484
Share based payment reserve		65	65	65
Foreign exchange reserve		(3)	(3)	(3)
Retained earnings		(5,711)	(5,621)	(6,217)
		<hr/>	<hr/>	<hr/>
		2,409	2,499	1,903
Current liabilities				
Trade and other payables		72	63	30
		<hr/>	<hr/>	<hr/>
		72	63	30
		<hr/>	<hr/>	<hr/>
Total equity and liabilities		2,481	2,562	1,933
		<hr/>	<hr/>	<hr/>

**Condensed interim statement of changes in equity
at 31 December 2022**

	Share capital	Share premium	Share based payment reserve	Foreign exchange reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 July 2021	3,574	4,484	65	(5)	(5,199)	2,919
Net asset movements of associate	-	-	-	-	8	8
Loss for the period	-	-	-	-	(430)	(430)
Other comprehensive income Exchange differences on translation of foreign operations	-	-	-	2	-	2
Total other comprehensive income	-	-	-	2	-	2
Total comprehensive loss for the period	-	-	-	2	(422)	(420)
At 31 December 2021	3,574	4,484	65	(3)	(5,621)	2,499
Loss for the period	-	-	-	-	(596)	(596)
Total comprehensive loss for the period	-	-	-	-	(596)	(596)
At 30 June 2022	3,574	4,484	65	(3)	(6,217)	1,903
Profit for the period	-	-	-	-	506	506
Total comprehensive profit for the period	-	-	-	-	506	506
At 31 December 2022	3,574	4,484	65	(3)	(5,711)	2,409

**Condensed interim consolidated cash flow statement
for the six months ended 31 December 2022**

	Six months ended 31 December 2022 Unaudited £'000	Six months ended 31 December 2021 Unaudited £'000	Year ended 30 June 2022 Audited £'000
Cash flows from operating activities			
Profit/(loss) for the period from continuing operations	506	(430)	(1,018)
Add back (profit)/loss from equity accounted associate	-	(36)	214
Intangible crypto assets received from Umbria Bridge	(17)	-	(36)
Net finance charge in the income statement	-	-	-
Depreciation of property, plant & equipment	1	1	2
Gain on derecognition of associate	(933)	-	-
Decrease/(increase) in trade and other receivables	2	(3)	7
Increase/(decrease) in trade and other payables	45	32	(2)
Net cash used by operating activities	(396)	(436)	(833)
Cash flows from financing activities			
Interest paid	-	(1)	-
Net cash used by financing activities	-	(1)	-
Cash flows from investing activities			
Payments for property plant and equipment	-	(2)	(5)
Payments for intangible assets	-	-	104
Net cash (used) / generated by investing activities	-	(2)	99
Decrease in cash and cash equivalents	(396)	(439)	(734)
Foreign exchange differences	(3)	2	2
Cash and cash equivalents at the start of the period	765	1,497	1,497
Cash and cash equivalents at the end of the period	366	1,060	765

Notes to the interim statements

1. General information

The principal activity of Online Blockchain Plc (“the Company”) and its subsidiaries (together “the Group”) is that of an incubator and investor in internet and information businesses, developers, administrators and custodians of blockchains and cryptocurrencies.

The principal trading subsidiaries are Awesome Animation Limited and Online Development Inc.

The Company is a public limited company which is quoted on the AIM of the London Stock Exchange and is incorporated in England and Wales and domiciled in the UK. The address of the registered office is 85 Great Portland Street, First Floor, London, W1W 7LT.

The registered number of the company is 03203042.

2. Basis of preparation

These condensed interim financial statements have been prepared in accordance with IAS 34, “Interim Financial Reporting”.

The financial information does not include all the information required for full annual financial statements.

The same accounting policies and methods of computation have been followed in the interim financial statements as compared with the full audited financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2022, which were prepared under applicable law and in accordance with UK-adopted international accounting standards.

The unaudited consolidated interim financial information is for the six-month period ended 31 December 2022.

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

The interim financial information has been prepared on the going concern basis which assumes the Group will continue in existence for the foreseeable future.

No material uncertainties that cast significant doubt about the ability of the Group to continue as a going concern have been identified by the directors. Accordingly, the directors believe it is appropriate for the interim financial statement to be prepared on the going concern basis.

The principal risks and uncertainties of the Company remain the same as those reported in the consolidated financial statements of the Group for the year ended 30 June 2022.

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 2022 have been filed with the Registrar of Companies. The Group’s auditor, Saffery Champness LLP reported on these accounts and their report was qualified as follows:

“Qualified opinion

We have audited the financial statements of Online Blockchain Plc (the ‘parent company’) and its subsidiaries (the ‘group’) for the year ended 30 June 2022 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement, Company Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- *give a true and fair view of the state of affairs of the group and of the parent company as at 30 June 2022 and of the group’s loss for the period then ended;*
- *have been properly prepared in accordance with UK-adopted international accounting standards; and*

- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

We have been unable to satisfy ourselves over the initial recognition of Umbria crypto coins together with income that the Company has earned when trading on the Umbria Bridge. The directors have concluded that the coins were gifted from a related party but that no initial accounting entry was required due to the coins having no active market and at the year end the value of the coins should be shown as £Nil for the years ended 30 June 2021 and 30 June 2022. Due to the lack of information available regarding the nature of the initial investment we have been unable to determine whether the accounting treatment is appropriate and in accordance with accounting standards and therefore whether any adjustment is required to the income statement or equity in respect of this.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion."

3. Earnings / (loss) per ordinary share

	Six months to 31 Dec 2022 £'000	Six months to 31 Dec 2021 £'000	Year to 30 June 2022 £'000
Profit/(loss) for the year attributable to equity shareholders	506	(430)	(1,018)
Weighted average number of Ordinary shares	14,311,709	14,311,709	11,423,439
Dilutive effect of options	1,358,695	(192,979)	-
Weighted average Ordinary shares for diluted earnings per share	<u>15,670,404</u>	<u>14,118,730</u>	<u>11,423,439</u>
Total loss per share			
Basic earnings / (loss) per share (pence)	3.53	(3.01)	(8.91)
Diluted earnings / (loss) per share (pence)	<u>3.23</u>	<u>(3.05)</u>	<u>(8.91)</u>

Where a loss has been recorded for the year the diluted loss per share usually does not differ from the basic loss per share. However in the six months to 31 December 2021, there were some options where the exercise price was below the average share price. Under these circumstances those options where the exercise price is below the average share price are treated as dilutive.

Where a profit has been recorded but the average share price for the year remains under the exercise price the existence of options is not normally dilutive.

Notes to the interim statements (continued)

4. Investments in associate undertakings

	Six months ended 31 December 2022 £'000	Six months ended 31 December 2021 £'000	Year Ended 30 June 2022 £'000
Listed investments at cost	-	868	868
Listed investments at market value	-	3,316	2,367
Total net assets of ADVFN Plc	-	3,375	1,322
Percentage ownership interest held by the group	-	17.64%	17.64%
Share of net assets of ADVFN Plc	-	595	233
Cost of investment in ADVFN Plc	-	868	868
	-	1,463	1,101

Online Blockchain Plc owns 10% (2022 17.64%) 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.

Prior to August 2022, the investment in ADVFN plc was treated as an associate for the purposes of financial reporting due to the common directorships held between ADVFN plc and Online Blockchain plc and the resulting level of significant influence over the associate. It was therefore accounted for under the equity method of accounting.

The carrying value of the associate in the balance sheet of Online Blockchain Plc was £1,101,000 at the end of the financial year, based on the share of the balance sheet of the associate company.

From August 2022, the number of common directors between the companies decreased to 1 (2022: 3) and therefore there was no longer significant influence. As such, at this date, ADVFN ceased to be an associate.

5. Investments

	Six months ended 31 December 2022 £'000	Six months ended 31 December 2021 £'000	Year Ended 30 June 2022 £'000
Investment in ADVFN plc	2,034	-	-

Prior to August 2022 the investment in ADVFN plc was treated as an associate as the 2 companies had common directors. On 23rd February 2022 Clem Chambers resigned as a director and on 8th August 2022 Michael Hodges resigned. New directors were brought into ADVFN plc and therefore from 8th August 2022 OBC no longer had significant influence over ADVFN plc and ADVFN plc should no longer be classed as an associate.

In accordance with IAS 28 the carrying amount of the investment at the date the equity method was discontinued was recognised as an investment and the difference has been recognised in the income statement as a gain.

6. Events after the balance sheet date

There were no events after the balance sheet date.

7. Dividends

The directors do not recommend the payment of a dividend.

Notes to the interim statements (continued)

8. Financial statements

Copies of these accounts are available from Online Blockchain Plc's registered office 85 Great Portland Street, First Floor, London, W1W 7LT or from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

www.companieshouse.gov.uk

and from the Online Blockchain plc website:

www.onlineblockchain.io

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