

28 December 2018

PCG Entertainment Plc  
("PCGE", the "Company" or the "Group")  
PCG Entertainment Plc / Indices: AIM / Epic: PCGE – NEX: PCGE

Financial results for the six months to 30 September 2018

PCG Entertainment Plc (AIM: PCGE, NEX: PCGE) announces its financial results for the six months ending 30 September 2018.

### Interim results' highlights

- 1 Group cash balances at 30 September 2018 of US\$912,845 (30 September 2017: US\$1,969,336)
- 2 The operational loss for the Group for the 6 months to 30 September 2018 was US\$1,291,347 (30 September 2017: US\$704,992)

### Chairman's statement

In the period under review we continued to assess opportunities to develop the Company's business. We have two main focuses at present and intend to conclude a transaction in the near future.

In June we terminated the equity sharing facility with D-Beta One EQ Ltd which had not worked to the Company's advantage. The original reason for entering into this facility was as part of a larger financing, which in the end was never pursued. The termination involved a fundraising of £303,000 completed by SVS Securities who were appointed as joint broker at the same time.

In August in the announcement of our year end results I mentioned our continuing interest in ChainZy and Fortune Environmental. It is unfortunate that making small investments in these companies would have significant additional costs from a regulatory perspective which we cannot currently justify. Both have moved on substantially since then. I hope to be able to update you early in 2019 on these opportunities for the Company and other transactions.

During the second half of the year we have received notifications of various shareholdings in the Company from three shareholders totalling 28.5% of the outstanding shares and a further 4% holder. There are additional unsubstantiated statements from others claiming substantial shareholdings but these have not been notified to the Company. As always, the board will discuss anything permitted with our shareholders and seek to provide value to all.

On 17<sup>th</sup> December 2018 we announced the acquisition of the Deferred Shares in the Company under the powers granted at the EGM held on 15<sup>th</sup> January 2018. The authorised capital of the Company remains unchanged but as stated in the RNS: "the unissued share capital increases from £1,935,559.49 to a total available of £4,755,511.90. This means that the authorised unissued shares by number increases from 1,935,559,489 to 4,755,511,897." There is a video describing the transaction at: <https://www.youtube.com/watch?v=KpywetdJnfU>.

We are holding the AGM for the Company as is usual, in Gibraltar, at 10:00am on 3rd January 2019. The AGM is being held at Suite 16, Watergardens 5, Waterport Wharf, Gibraltar GX11 1AA. In order to make it easy for those who wish to attend the meeting there will be a conference call facility set

up with a UK dial in of +44 330 998 1320 with access code 956090#. Other international dial ins can be found at [https://fccdl.in/i/christal\\_enriquez](https://fccdl.in/i/christal_enriquez).

During the Period, the company had a net operational loss of US\$749,188 with an additional cost of \$542,159 relating to the finalization of the RiverFort deal. The comparisons set out below are with the interim results for the half year to 30 September 2017 and full year to 31 March 2018.

**Richard Poulден**  
Chairman

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**PCG Entertainment Plc**  
**Consolidated Statement of Total Comprehensive**  
**Income**  
**for the six months ended 30 September 2018**

|   | <b>Unaudited<br/>Six Months<br/>Ended<br/>30 September<br/>2018<br/>US\$</b> | <b>Unaudited<br/>Six Months<br/>Ended<br/>30 September<br/>2017<br/>US\$</b> | <b>Audited<br/>Year ended<br/>31 March<br/>2018<br/>US\$</b> |
|---|--|--|--|
| Cost of sales   | -  | -  | -  |
| <b>Gross profit</b>   | -  | -  | -  |
| Administration expenses                                     | (673,009)  | (678,722)  | (1,846,951)  |
| Other operating income                                      | -  | -  | 231,025  |
| Costs associated with termination of financing arrangements | (542,160)  | -  | -  |
| <b>Operating loss</b>                                       | (1,215,169)  | (678,722)  | (1,615,926)  |
| Foreign exchange gain/(loss)                                | (76,178)   | (26,270)   | 245,863  |
| Interest payable  | -  | -  | -  |
| <b>Loss on ordinary activities before taxation</b>          | (1,291,347)  | (704,992)  | (1,370,063)  |
| Tax on loss on ordinary activities                          | -  | -  | -  |
| <b>Loss for the financial period</b>                        | (1,291,347)  | (704,992)  | (1,370,063)  |
| <b>Retained loss for the financial period</b>               | (1,291,347)  | (704,992)  | (1,370,063)  |
| Change in foreign currency                                  | 3,800  | 116,660  | 17,058   |
| <b>Total comprehensive loss for the financial period</b>    | (1,287,547)  | (588,332)  | (1,353,005)  |

**PCG Entertainment Plc**

**Consolidated Statement of Financial Position  
as at 30 September 2018**

|  | <b>Unaudited<br/>Six Months<br/>Ended<br/>30 September<br/>2018<br/>US\$</b> | <b>Unaudited<br/>Six Months<br/>Ended<br/>30 September<br/>2017<br/>US\$</b> | <b>Audited<br/>Year ended<br/>31 March 2018<br/>US\$</b> |
|--|--|--|--|
| <b>Current assets</b>                            |  |  |  |
| Trade and other receivables                      | 81,480   | -  | 593,979  |
| Cash and cash equivalents                        | 912,845  | 1,969,336  | 1,404,260  |
|  | <u>994,324</u>   | <u>1,969,336</u>   | <u>1,998,239</u>   |
| <b>Non-current assets</b>                        |  |  |  |
| Equity Share Account                             | -  | 676,578  | -  |
| Intangible assets                                | 25,000   | -  | 25,000   |
| Property, plant and equipment                    | 44   | -  | 48   |
|  | <u>25,044</u>  | <u>676,578</u>   | <u>25,048</u>  |
| <b>Total assets</b>                              | <u>1,019,368</u>   | <u>2,645,914</u>   | <u>2,023,287</u>   |
| <b>Current liabilities</b>                       | 201,425  | 1,055,772  | 316,010  |
| <b>Capital and reserves</b>                      |  |  |  |
| Share capital                                    | 5,775,145  | 4,908,503  | 5,376,934  |
| Share premium                                    | 24,955,969   | 24,487,537   | 24,955,968   |
| Foreign exchange reserve                         | 91,636   | 125,830  | 87,835   |
| Share based payment reserve                      | 309,408  | 309,408  | 309,408  |
| Retained earnings                                | (30,314,215)   | (28,241,137)   | (29,022,868)   |
|  | <u>817,943</u>   | <u>1,590,142</u>   | <u>1,707,277</u>   |
| <b>Total liabilities and shareholders' funds</b> | <u>1,019,368</u>   | <u>2,645,914</u>   | <u>2,023,287</u>   |

**Consolidated Statement of Cash Flows  
for the six months ended 30 September 2018**

|  | <b>Unaudited<br/>Six Months<br/>Ended<br/>30 September<br/>2018<br/>US\$</b> | <b>Unaudited<br/>Six Months<br/>Ended<br/>30 September<br/>2017<br/>US\$</b> | <b>Audited<br/>Year ended<br/>31 March<br/>2018<br/>US\$</b> |
|--|--|--|--|
| <b>Cash flows from operating activities</b>                    |  |  |  |
| Loss before tax  | (1,291,347)  | (562,632)  | (1,370,063)  |
| Reconciliation to cash generated from operations:              |  |  |  |
| Depreciation   | 4  | -  | 652  |
| Foreign exchange (gain)/loss                                   | 76,178   | -  | (208,175)  |
| Loss on disposal of Subsidiary/assets                          | -  | -  | -  |
| Amortisation/impairment of intangibles                         | -  | -  | -  |
| <i>Operating cash flow before changes in working capital</i>   | (1,215,164)  | (562,632)  | (1,577,586)  |
| Decrease/(increase) in receivables                             | 412,499  | 427,260  | (113,240)  |
| Increase/(decrease) in payables                                | (114,585)  | (368,500)  | (1,117,096)  |
| Decrease/(Increase) in Equity Share Account                    | -  | (676,578)  | -  |
| <i>Cash outflow from operations</i>                            | (817,249)  | (1,180,450)  | (2,807,922)  |
| <b>Cash flows from investing activities</b>                    |  |  |  |
| Net proceeds from disposal of subsidiaries                     | -  | -  | -  |
| <i>Net cash flow from investing activities</i>                 | -  | -  | -  |
| <b>Cash flows from financing activities</b>                    |  |  |  |
| Issue of shares for cash                                       | 398,212  | 1,806,768  | 2,743,630  |
| Share issue expenses capitalised against share premium account | -  | -  | -  |
| <i>Net cash flow from financing activities</i>                 | 398,212  | 1,806,768  | 2,743,630  |
| <b>Net increase/(decrease) in cash</b>                         | (419,038)  | 626,318  | (64,292)   |
| Effects of exchange rates on cash and cash equivalents         | (72,377)   | 55,054   | 180,588  |
|  | (491,415)  | 681,372  | 116,296  |
| Cash at bank at beginning of period                            | 1,404,260  | 1,287,964  | 1,287,964  |
| Cash at bank at period end                                     | 912,845  | 1,969,336  | 1,404,260  |