

Gate Ventures PLC
Preliminary Annual Results
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Press Release

Friday, September 28, 2018

Gate Ventures PLC
("Gate Ventures" or "Gate" or the "Company")

Unaudited Preliminary Consolidated Results for the period from July 1, 2017 to June 30, 2018

The Board of Gate Ventures PLC («The Company») is pleased to announce its unaudited annual results for The Company's fiscal year 2017/2018, dated July 1, 2017 to June 30, 2018 («The Period»). The report is attached to this release.

»The Board of Gate Ventures is pleased to publish the Company's unaudited annual results for the financial period from July 1, 2017 to June 30, 2018. The Company has decreased investments yet increased intake of new capital in The Period, which will be used towards expanding the investment portfolio«, says Chairman Lord Michael Grade.

As The Company is still in the early phase of a longer-term strategy, it continues to generate losses, which is in line with the Directors' expectations. Financially, The Company saw a loss of GBP9,828,061 after taxation in The Period (2017: GBP5,087,133), with the earnings per share (basic and diluted) showing a loss of 2.2 pence. The carrying value of The Company's investments on the balance sheet has decreased to GBP7,559,249 (2017: GBP10,231,628).

A total of GBP6,385,000 in equity has been raised in The Period from investors and GBP2,500,000 in loans with The Board having signed a further subscription letter for a GBP2,500,000 investment due in November, which will allow The Company to maintain and continue making its strategic investments.

The Directors are not proposing the payment of a dividend.

The Company expects to publish its audited Report and Accounts on 14 October 2018.

-END-

Further Enquiries:

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Notes to Editors:

Gate Ventures PLC, a global media and entertainment operating company, was founded in 2015 to exercise active ownership of various production platforms within film, lifestyle and theatre. Managed by senior investment profiles and prominent persons within the British entertainment sector, the board has raised over €28 million worldwide to date.

Since 2017, Gate Ventures PLC has been listed with NASDAQ First North in Copenhagen. Positions include Rise Art Ltd. (14%) *Fagara in Mara*, 2018 (10%), *Theory of Ambitions*, 2019 (2.5%), Gate Reality (100%), Bink (4%), Ensygnia (7%), Infinity Creative Media (14.41%) and *42nd Street* (53%).

The board of Gate Ventures PLC is comprised of Lord Michael Ian Grade, Baron of Yarmouth (Chairman, CBE), Sarah, Duchess of York (Executive Director), Mr. Geoffrey Stanton Morrow (CEO), Mr. Michael Sidney Linnit (CSO), Mr. Richard James Carter (CFO, ACMA, CGMA) and Mrs. Anita Luu (COO).

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GATE VENTURES PLC

(Company Number: 9376114)

UNAUDITED PRELIMINARY CONSOLIDATED RESULTS

For the financial period from 1 July 2017 to 30 June 2018

Consolidated Statement of Profit and Loss and Other Comprehensive Income
for the year ended 30 June 2018
(Company Number: 9376114)

	For the year ended 30 June 2018 (unaudited) £	For the year ended 30 June 2017 £
Revenue		
- Interest income from theatre production investments	(103,332)	171,630
- Interest income from movie production investments	104,550	-
- Income from virtual reality content production	165,459	136,243
- Fair value losses on investments	(4,259,603)	(1,153,534)
- Other revenue	-	256,887
	<hr/>	<hr/>
	(4,092,926)	(588,774)
Cost of sales	(138,784)	(300,972)
	<hr/>	<hr/>
Gross (loss)/profit	(4,231,710)	(889,746)
Administrative expenses	(5,400,416)	(3,909,329)
Impairment losses	(205,850)	(794,550)
	<hr/>	<hr/>
Operating loss	(9,837,976)	(5,593,625)
Gain on sale of business operations	-	491,397
Financial income	9,915	15,095
	<hr/>	<hr/>
Loss before tax	(9,828,061)	(5,087,133)
Taxation	-	-
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Loss for the period	(9,828,061)	(5,087,133)
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Available-for-sale financial assets – net change in fair value	(388,162)	793,686
	<hr/>	<hr/>
Total comprehensive loss	(10,216,223)	(4,293,447)
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Loss for the period attributable to:		
Equity holders of the parent	(9,828,061)	(5,087,133)
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Total comprehensive loss attributable to:		
Equity holders of the parent	(10,216,223)	(4,293,447)
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Earnings per share – Basic	Loss of 2.2 pence	Loss of 1.2 pence
Earnings per share – Diluted	Loss of 2.2 pence	Loss of 1.2 pence

Consolidated Balance Sheet

at 30 June 2018

(Company Number: 9376114)

	At 30 June 2018 (unaudited) £	At 30 June 2017 £
Non-current assets		
Property, plant and equipment	114,038	206,291
Other financial assets	7,559,249	10,231,628
Trade and other receivables	19,200	-
	<hr/>	<hr/>
	7,692,487	10,437,919
Current assets		
Trade and other receivables	970,540	1,213,811
Cash and cash equivalents	282,807	272,964
	<hr/>	<hr/>
	1,253,347	1,486,775
Total assets	<hr/> <hr/>	<hr/> <hr/>
	8,945,834	11,924,694
Current liabilities		
Trade and other payables	240,166	453,355
Loans and borrowings	2,523,732	1,144,303
Deferred income	-	13,877
	<hr/>	<hr/>
Total liabilities	2,763,898	1,611,535
Net assets	<hr/> <hr/>	<hr/> <hr/>
	6,181,936	10,313,159
Equity attributable to equity holders of the parent		
Share capital	365,507	350,071
Share premium	22,654,088	16,284,524
Prepaid share reserve	-	300,000
Revaluation reserve	405,524	793,686
Retained earnings	(17,243,183)	(7,415,122)
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Total equity	6,181,936	10,313,159

Consolidated Statement of Changes in Equity
for year ended 30 June 2018 (unaudited)

	Share capital £	Share premium £	Prepaid share reserve	Revaluation Reserve £	Retained earnings £	Total Equity £
Balance at 1 July 2017	350,071	16,284,524	300,000	793,686	(7,415,122)	10,313,159
Total comprehensive income for the period						
Profit or loss	-	-	-	-	(9,828,061)	(9,828,061)
Other comprehensive income	-	-	-	(388,162)	-	(388,162)
Total comprehensive income for the period	350,071	16,284,524	300,000	405,524	(17,243,183)	96,936
Transactions with owners of the Group						
Contribution and distributions						
Issue of shares	15,436	6,369,564	(300,000)	-	-	6,085,000
Total contributions by and distributions to owners	15,436	6,369,564	(300,000)	-	-	6,085,000
Balance at 30 June 2018	365,507	22,654,088	-	405,524	(17,243,183)	6,181,936

Consolidated Statement of Cash Flows
for year ended 30 June 2018

	For the year ended 30 June 2018 (unaudited) £	For the year ended 30 June 2017 £
Cash flows from operating activities		
Loss for the period	(9,828,061)	(5,087,133)
<i>Adjustments for:</i>		
Depreciation	109,378	102,546
Financial income	(9,915)	(15,095)
Accrued loan interest	22,732	-
Changes in fair value of other financial assets	4,353,725	1,021,739
Return of capital from theatre shows	174,700	311,535
Deferred income	-	13,877
Gain on sale of business operations	-	(491,397)
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	(5,177,441)	(4,143,928)
 (Increase)/decrease in trade and other receivables	 224,071	 763,717
Increase/(decrease) in trade and other payables	(227,066)	359,064
	<hr/>	<hr/>
Net cash used in operating activities	(5,180,436)	(3,021,147)
 Cash flows from investing activities		
Interest received	9,915	15,095
Disposal of business operations, net of cash disposed	-	(224,216)
Acquisition of property, plant and equipment	(17,125)	(177,253)
Acquisition of other financial assets	(5,788,797)	-
Disposal of other financial assets	3,544,589	(4,230,511)
	<hr/>	<hr/>
Net cash used in investing activities	(2,251,418)	(4,616,885)
 Cash flows from financing activities		
Proceeds from the issue of share capital	6,085,000	4,357,744
Prepaid share capital	-	300,000
Proceeds from borrowings	1,356,697	1,144,303
	<hr/>	<hr/>
Net cash from financing activities	7,441,697	5,802,047
 Net increase/(decrease) in cash and cash equivalents	 9,843	 (1,835,985)
Cash and cash equivalents at the beginning of the period	272,964	2,108,949
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Cash and cash equivalents at the end of the period	282,807	272,964
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Notes to the unaudited consolidated financial information

1. The consolidated net loss per share for the 12-month period ended 30 June 2018 was £0.022 per share.
2. 456,884,359 shares were outstanding at the close of the financial period ended 30 June 2018.
3. The Group's operating expenses are in line with budget for the period. The increased administration costs from £3.9m to £5.4m are due to an increase in business development costs related to future projects. The administration costs also reflect 12 months of costs for Gate Reality, compared to 7 months in the same period last year. We have also incurred development and production costs relating to the performances of 'Legendary Romance' at the Williamstown Film Festival in August 2017 which resulted in additional administration expenses of £315k. The board expects to make a return on this initial outlay over the medium term when the production is staged either on Broadway or in London's West End.

Revenue and fair value losses of (£4,092k) generated from investments, less the administrative costs of £5,400k have driven an operating loss of £9,838k and a loss before tax of £9,828k.

Other financial assets have decreased to £7,559k (June 2017: £10,231k) reflecting additional investments of £5,684k, disposals of £3,545k and net valuation losses of £4,647k. Loans and borrowings of £2,500k were raised, and cash and cash equivalents have increased to £282k (June 2017: £273k) reflecting additional investments made and the cash outflow from operating activities noted above, offset by £6,385k of funds raised in the period.

4. The Audited Consolidated Annual Report and Accounts for the 12-month period ended 30 June 2018 is expected to be published on 14 October 2018.

The unaudited interim results for the 6-month period ending 31 December 2018 are expected to be published on 27 February 2019.

5. The Company is not in a position to allocate profits as a loss was recorded for the Financial Period.
6. The Group's consolidated net assets were positive at 30 June 2018, as a result of its investments, however the early stage nature of the Group's activities mean that the underlying business is still loss making and a fund-raise is expected by the Company within the next 12 months. As a result, the Directors anticipate an Emphasis of Matter statement being included in the Independent Auditor's Report within the Group's 2018 Audited Report and Accounts.
7. The planned date of the annual general meeting of the shareholders is 11th December 2018
8. The Audited Consolidated Annual Report for the period ended 30 June 2018 is expected to be published on 14 October 2018 and will be available on the Company Website at www.gateplc.com or from the Company upon request by the shareholders.

9. The Board of Directors of the Company hereby approves this announcement of the Unaudited Preliminary Consolidated Results for the 12-month period ended 30 June 2018.

By order of the Board

Richard Carter

Director

28 September 2018