

Gate Ventures PLC
Preliminary Annual Results
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Gate Ventures PLC
Press Release
September 30, 2019

Gate Ventures PLC
(»Gate Ventures« or »Gate« or the »Company«)

***Unaudited Preliminary Consolidated Results for the period from July 1, 2018
to June 30, 2019***

The Board of Gate Ventures PLC (the »Company«) is pleased to announce its unaudited annual results for the Company's fiscal year 2018/2019 dated July 1, 2018 to June 30, 2019 (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, 2018 to June 30, 2019. The Company has maintained its investments from the prior period and is still in a strong net asset position«, 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 GBP2,719,955 after taxation in The Period (2018: GBP9,828,061) with the earnings per share (basic and diluted) showing a loss of 0.6 pence. The carrying value of the Company's investments on the balance sheet has decreased to GBP7,324,620 (2018: GBP7,559,249).

A total of GBP1,546,830 in equity has been raised in the Period from investors. The Directors are not proposing the payment of a dividend.

The Company expects to publish its audited Report and Accounts by December 31, 2019.

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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. Governed by senior investment profiles and prominent personas 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. (15%) *Fagara in Mara*, 2018 (10%), *Theory of Ambitions*, 2018 (2.5%), Bink (4%), Ensygnia (7%), Infinity Creative Media (16%) and Gate Reality (100%).

As of 2019, the executive 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) and Mr. Richard James Carter (CFO, ACMA, CGMA).

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GATE VENTURES PLC

(Company Number: 9376114)

UNAUDITED PRELIMINARY CONSOLIDATED RESULTS

For the financial period from 1 July 2018 to 30 June 2019

Consolidated Statement of Profit and Loss and Other Comprehensive Income
for the year ended 30 June 2019
(Company Number: 9376114)

	For the year ended 30 June 2019	For the year ended 30 June 2018
	(unaudited)	
	£	£
Revenue		
- Interest income from theatre production investments	(92,073)	(103,332)
- Interest income from movie production investments	250,919	104,550
- Income from virtual reality content production	40,873	165,459
- Fair value gains and losses on investments	(480,835)	(4,259,603)
- Other revenue	6,250	-
	<hr/>	<hr/>
	(274,866)	(4,092,926)
Cost of sales	(187,830)	(138,784)
	<hr/>	<hr/>
Gross profit	(462,696)	(4,231,710)
Administrative expenses	(2,158,842)	(5,400,416)
Impairment Losses	(42,024)	(205,850)
Loss on sale of fixed assets	(60,000)	-
	<hr/>	<hr/>
Operating loss	(2,723,562)	(9,837,976)
Financial income	3,607	9,915
	<hr/>	<hr/>
Loss before tax	(2,719,955)	(9,828,061)
Taxation	-	-
	<hr/>	<hr/>
Loss for the period	(2,719,955)	(9,828,061)
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)
	<hr/>	<hr/>
Total comprehensive loss	(2,719,955)	(10,216,223)
	<hr/>	<hr/>
Loss for the period attributable to:		
Equity holders of the parent	(2,719,955)	(9,828,061)
	<hr/>	<hr/>
Total comprehensive loss attributable to:		
Equity holders of the parent	(2,719,955)	(10,216,223)
	<hr/>	<hr/>
Earnings per share – Basic	Loss of 0.6 pence	Loss of 2.2 pence
Earnings per share – Diluted	Loss of 0.6 pence	Loss of 2.2 pence

Consolidated Balance Sheet
at 30 June 2019
(Company Number: 9376114)

	At 30 June 2019	At 30 June 2018
	(unaudited)	
	£	£
Non-current assets		
Property, plant and equipment	11,626	114,038
Other financial assets	7,324,620	7,559,249
Trade and other receivables	-	19,200
	<hr/> 7,336,246	<hr/> 7,692,487
Current assets		
Trade and other receivables	832,096	970,540
Cash and cash equivalents	1,328	282,807
	<hr/> 833,424	<hr/> 1,253,347
Total assets	<hr/> 8,169,670	<hr/> 8,945,834
Current liabilities		
Trade and other payables	480,216	240,166
Loans and borrowings	2,680,643	2,523,732
Total liabilities	<hr/> 3,160,859	<hr/> 2,763,898
Net assets	<hr/> 5,008,811	<hr/> 6,181,936
Equity attributable to equity holders of the parent		
Share capital	379,515	365,507
Share premium	24,186,910	22,654,088
Revaluation reserve	405,524	405,524
Retained earnings	(19,963,138)	(17,243,183)
Total equity	<hr/> 5,008,811	<hr/> 6,181,936

**Consolidated Statement of Changes in Equity
for year ended 30 June 2019 (unaudited)**

	Share capital	Share premium	Revaluation Reserve	Retained earnings	Total Equity
	£	£	£	£	£
Balance at 1 July 2018	365,507	22,654,088	405,524	(17,243,183)	6,181,936
Total comprehensive income for the period					
Profit or loss	-	-	-	(2,719,955)	(2,719,955)
Other comprehensive income	-	-		-	-
Total comprehensive income for the period	365,507	22,654,088	405,524	(19,963,138)	3,461,981
Transactions with owners of the Group					
Contribution and distributions					
Issue of shares	14,008	1,532,822	-	-	1,546,830
Total contributions by and distributions to owners	14,008	1,532,822	-	-	1,546,830
Balance at 30 June 2019 (unaudited)	379,515	24,186,910	-	-	5,008,811

Consolidated Statement of Cash Flows
for year ended 30 June 2019

	For the year ended 30 June 2019	For the year ended 30 June 2018
	(unaudited)	
	£	£
Cash flows from operating activities		
Loss for the period	(2,719,955)	(9,828,061)
<i>Adjustments for:</i>		
Depreciation	38,373	109,378
Financial income	(3,607)	(9,915)
Accrued loan interest	102,931	22,732
Changes in fair value of other financial assets	322,097	4,353,725
Return of capital from theatre shows	12,532	174,700
Loss on sale of fixed assets	60,000	-
	<hr/>	<hr/>
	(2,187,629)	(5,177,441)
(Increase)/decrease in trade and other receivables	157,644	224,071
Increase/(decrease) in trade and other payables	240,051	(227,066)
	<hr/>	<hr/>
Net cash used in operating activities	(1,789,934)	(5,180,436)
Cash flows from investing activities		
Interest received	3,607	9,915
Acquisition of property, plant and equipment	4,039	(17,125)
Acquisition of other financial assets	(100,000)	(5,788,797)
Disposal of other financial assets	-	3,544,589
	<hr/>	<hr/>
Net cash used in investing activities	(92,354)	(2,251,418)
Cash flows from financing activities		
Proceeds from the issue of share capital	1,546,830	6,085,000
Prepaid share capital	-	-
Proceeds from borrowings	53,980	1,356,697
	<hr/>	<hr/>
Net cash from financing activities	1,600,810	7,441,697
Net decrease in cash and cash equivalents	(281,479)	9,843
Cash and cash equivalents at the beginning of the period	282,807	272,964
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	1,328	282,807
	<hr/>	<hr/>

Notes to the unaudited consolidated financial information

1. The consolidated net loss per share for the 12-month period ended 30 June 201 was £0.006 per share.
2. 474,394,459 shares were outstanding at the close of the financial period ended 30 June 2019.
3. The Group's operating expenses are in line with budget for the period. The decreases administration costs from £5.4m to £2.2m is due to the ongoing exercise of reducing the running costs of the business.

Revenue and fair value losses of (£275k) generated from investments, less the administrative costs of £2,200k have driven an operating loss of £2,723k and a loss before tax of £2,720k.

Other financial assets have decreased to £7,325k (June 2018: £7,559k) reflecting additional investments of £100k and net valuation losses of £322k. Loans and borrowings of £55k were raised, and cash and cash equivalents have decreased to £1k (June 2017: £273k) reflecting additional investment made and the cash outflow from operating activities noted above, offset by £1,547k of funds raised in the period.

4. The Audited Consolidated Annual Report and Accounts for the 12-month period ended 30 June 2019 is expected to be published by 31 December 2019.

The unaudited interim results for the 6-month period ending 31 December 2019 are expected to be published on 28 February 2020.

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 2019, 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 2019 Audited Report and Accounts.
7. The planned date of the annual general meeting of the shareholders is 18th December 2019.
8. The Audited Consolidated Annual Report for the period ended 30 June 2019 is expected to be published by 31 December 2019 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 2019.

By order of the Board
Richard Carter
Director
September 30, 2019