Cellcast plc
("**Cellcast**" or the "**Company**")

Interim results for the six months ended 30 June 2018

The Board of Cellcast plc (AIM: CLTV) announces the group's interims results for the six months ended 30 June 2018.

Highlights

- UK interactive broadcast revenues remained broadly level at £5.44 million (H1 2017: £5.49 million)
- Revenues from overseas gaming services of £330,000 (H1 2017: £300,000)
- Profit before tax of £5,000 for the period (H1 2017: loss of £145,000)
- Earnings per share of 0.001p (H1 2017: loss per share of 0.2p)
- Core focus remains in the UK, specifically the online sector

Craig Gardiner, CEO of Cellcast plc, commented:

"Revenues in our core broadcast sector and from our overseas gaming services have remained broadly in line, however due to a reduction in cost of sales we have reported a small profit for the period. With Brexit uncertainty looming, we are focussing our efforts in our core market of the UK. In particular, we have invested in our online offering, with an emphasis on cost control and improving our margins. We therefore hope that the positive trading will carry on through the second half of the year."

For further information:

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CHIEF EXECUTIVE OFFICER'S STATEMENT

Half year results

UK interactive broadcast revenues for the six months ended 30 June 2018 were £5.44 million, which was broadly in line with the same period last year (H1 2017: £5.49m). Revenue from the overseas gaming consultancy services represented £330,000 (compared to £300,000 in H1 2017).

With additional savings achieved through the group's improved online strategy, the cost of sales decreased by £174,000 to £5.51m, a reduction of 3% compared to the same period last year (H1 2017 cost of sales: £5.68m). As a result, the gross profit for the period amounted to £267,000 compared to £89,000 in H1 2017.

General and administrative costs before the forex impact for the period were £277,000 (H1 2017: £292,000). After forex gains of £56,000, the general and administrative costs amounted to £217,000 (H1 2017: £162,000).

Overall, the group's operations showed a breakeven position, with a profit before tax of £5,000. This compares to a loss before tax of £145,000 for the period ending 30 June 2017.

The post-tax loss for the period amounted to £5,000 and earnings per share of 0.001p. By comparison, during the period to 30 June 2017 the group suffered a net loss of £145,000 and negative earnings per share of 0.2p.

The group's cash and cash equivalents at 30 June 2018 stood at £978,000 compared to a balance of £862,000 at 30 June 2017.

Outlook

The economic uncertainty caused by Brexit continues to present major challenges to the media and entertainment industry, so we are planning a prudent approach until there is further clarity post March 2019.

The Company's clients in Kenya have notified us of potential reduction and delays in service payments owing to lack of clarity about the application of new taxes affecting lotteries. As a result of these uncertainties, our client's marketing has been scaled back and in the coming months we may not realise the full bonus payments that form part of our service remuneration. There is expectation that any such potential decline in the lottery activity can be off-set by revenue generated by the planned launch of new products and services in that region in the last quarter of 2018.

The group has focused a lot of effort in the UK and specifically towards the online sector, with particular emphasis on cost control and improving our margins. These efforts will continue in the coming months, further refining our product portfolio.

On the broadcast side, we have made further bandwidth savings over the summer and will be monitoring the effects of these changes over the coming months.

Craig Gardiner

Chief Executive Officer

24 September 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 6 months ended 30 June 2018

	6 months ended 30/06/18 £	6 months ended 30/06/17 £	Audited Year ended 31/12/17 £
Revenue	5,772,955	5,769,311	11,969,626
Cost of sales	(5,506,046)	(5,680,171)	(11,151,615)
Gross profit	266,909	89,140	818,011
Operating costs and expenses:			
Administrative expenses (see note 5)	(216,762)	(161,646)	(594,636)
Amortisation and depreciation	(42,334)	(49,368)	(92,818)
Total operating costs and expenses	(259,096)	(211,014)	(687,454)
Operating profit/(loss)	7,813	(121,874)	130,557
Fair value gains and losses	-	12,719	12,719
Foreign exchange loss on current asset investments	-	(45,315)	(45,315)
Impairment losses	-	-	(754,358)
Finance costs	(2,460)	(2,250)	(7,953)
Share of results of associate	-	11,913	11,913
Profit/(loss) before tax	5,353	(144,807)	(652,437)
Taxation	-	-	5,794
Profit/(loss) for the period	5,353	(144,807)	(646,643)
Total comprehensive income attributable to owners of the parent	5,353	(144,807)	(646,643)
Earnings/(loss) per share Basic and diluted	0.00p	(0.2p)	(0.8p)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	30/06/18	30/06/17	Audited 31/12/17
	£	£	£
Assets			
Non-current assets			
Intangible assets	87,050	104,573	94,149
Property, plant and equipment	132,794	123,584	122,741
Investments	88,813	88,813	88,813
Interest in associate	-	74,958	-
	308,657	391,928	305,703
Current assets			
Trade and other receivables	1,440,521	2,825,531	1,954,053
Cash and cash equivalents	978,206	862,446	1,057,301
	2,418,727	3,687,977	3,011,354
Total assets	2,727,384	4,079,905	3,317,057
Capital and reserves			
Called up share capital	2,285,398	2,285,398	2,285,398
Share premium account	5,533,626	5,533,626	5,533,626
Merger reserve	1,300,395	1,300,395	1,300,395
Warrant reserve	13,702	13,702	13,702
Retained earnings	(7,418,141)	(6,921,658)	(7,423,494)
Total equity	1,714,980	2,211,463	1,709,627
Liabilities			
Non-current liabilities	-	335,000	37,113
Current liabilities			
Trade and other payables	1,012,404	1,533,442	1,570,317
Total liabilities	1,012,404	1,868,442	1,607,430
Total equity and liabilities	2,727,384	4,079,905	3,317,057

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

As at 30 June 2018	Called Up Share Capital	Share Premium Account	Merger Reserve	Warrant Reserve	Retained Earnings	Total Equity
	£	£	£	£	£	£
Balance at 1 January 2018	2,285,398	5,533,626	1,300,395	13,702	(7,423,494)	1,709,627
Loss for the period	-	-	-	-	5,353	5,353
Balance at 30 June 2018	2,285,398	5,533,626	1,300,395	13,702	(7,418,141)	1,714,980

As at 31 December 2017	Called Up Share Capital	Share Premium Account	Merger Reserve	Warrant Reserve	Retained Earnings	Total Equity
	£	£	£	£	£	£
Balance at 1 January 2017	2,285,398	5,533,626	1,300,395	13,702	(6,776,851)	2,356,270
Loss for the period	-	-	-	-	(646,643)	(646,643)
Balance at 31 December 2017	2,285,398	5,533,626	1,300,395	13,702	(7,423,494)	1,709,627

As at 30 June 2017	Called Up Share Capital	Share Premium Account	Merger Reserve	Warrant Reserve	Retained Earnings	Total Equity
	£	£	£	£	£	£
Balance at 1 January 2017	2,285,398	5,533,626	1,300,395	13,702	(6,776,851)	2,356,270
Loss for the period	-	-	-	-	(144,807)	(144,807)
Balance at 30 June 2017	2,285,398	5,533,626	1,300,395	13,702	(6,921,658)	2,211,463

In the above tables, the amounts are attributable to the equity holders of the parent.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the 6 months ended 30 June 2018

		6 months ended 30/06/18 £	6 months ended 30/06/17 £	Audited Year ended 31/12/17 £
Net cash (outflow) from operations	a	(31,346)	(415,943)	(154,448)
Net cash (outflow)/inflow from investing activities	b	(45,289)	179,404	118,467
Net cash used in financing activities	c	(2,460)	(2,250)	(7,953)
Net (decrease) in cash and cash equivalents		(79,095)	(238,798)	(43,934)
Cash and cash equivalents at beginning of period		1,057,301	1,101,235	1,101,235
Cash and cash equivalents at end of period	d	978,206	862,446	1,057,301

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the 6 months ended 30 June 2018

		6 months ended 30/06/18 £	6 months ended 30/06/17 £	Audited Year ended 31/12/17 £
a	**Reconciliation of net loss to net cash (outflow) from operating activities**			
	Profit/(loss) before tax	5,353	(144,807)	(646,643)
	Income tax recognised in profit or loss	-	-	(5,794)
	Fair value gains and losses	-	(12,719)	(12,719)
	Finance costs	2,460	2,250	7,953
	Amortisation and depreciation	42,334	49,368	92,818
	Impairment losses	-	-	754,358
	Share of associate's profit	-	(11,913)	(11,913)
	FX gain on current asset investment	-	16,560	45,315
	Decrease/(increase) in trade and other receivables	513,532	(171,581)	20,497
	(Decrease) in trade and other payables	(595,025)	(143,101)	(398,338)
	Income tax received	-	-	18
	Net cash (outflow) from operations	(31,346)	(415,943)	(154,448)
b	**Cash flow from investing activities**			
	Purchase of property, plant and equipment	(45,289)	(17,700)	(49,884)
	Proceeds from disposal of current asset investments	-	197,104	168,351
	Net cash (outflow) / inflow from investing activities	(45,289)	179,404	118,467
c	**Cash flow from financing activities**			
	Interest paid	(2,460)	(2,250)	(7,953)
	Net cash used in financing activities	(2,460)	(2,250)	(7,953)
d	**Cash and cash equivalents**			
	Cash at bank	978,206	862,446	1,057,301
	Cash and cash equivalents at the end of the period	978,206	862,446	1,057,301

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. General Information

Cellcast plc is a public limited company incorporated and domiciled in the United Kingdom. Its business address is 35 Soho Square, London, W1D 3QX. The address of its registered office is The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. Copies of this statement are available from this address and from the Company's website www.cellcast.tv.

The Company is quoted on AIM, a market operating on the London Stock Exchange PLC.

This condensed consolidated interim financial information was approved for issue on 25 September 2018.

2. Basis of preparation

This unaudited condensed consolidated interim financial information is for the six months ended 30 June 2018. This has been prepared in accordance with recognition and measurement principles of International Financial Reporting Standards (IFRS) as endorsed by the European Union and implemented in the UK. The financial information in this interim announcement is unaudited and does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006.

The interim financial information does not include all of the information required for full annual financial statements and accordingly, whilst the interim financial information has been prepared in accordance with the recognition and measurement principles of IFRS, it cannot be construed as being in full compliance with IFRS.

The comparative financial information for the year ended 31 December 2017 does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The statutory accounts of the group for the year ended 31 December 2017 have been reported on by the Company's auditor and have been delivered to the Registrar of Companies. The auditor's report on those statutory accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement made under Section 498 of the Companies Act 2006.

The current and comparative periods to June have been prepared using accounting policies and practices consistent with those adopted in the annual financial statements for the year ended 31 December 2017 and are also consistent with those which will be adopted in the 31 December 2018 financial statements.

These financial statements are the first financial statements of Cellcast plc prepared in accordance with IFRS 9 and IFRS 15 which are effective for periods commencing on or after 1 January 2018. The reported financial position and financial performance for the previous period are not affected by the new standards.

There are no other Standards and Interpretations which were in issue but not effective at the date of authorisation of this condensed interim financial information that the directors anticipate will have a material impact on the financial statements.

The directors have carefully considered whether or not it is appropriate to adopt the going concern basis in preparing the interim financial report. The directors have reviewed the group's detailed cash forecast to ensure that the group's current working capital and credit facilities in place are sufficient for the foreseeable future. This assessment is based upon forecasts following the reduction in the revenue of the UK television business together with the continued reduction in operational costs implemented over the year; it also assumes the maintenance of existing relationships with key suppliers.

After making enquiries, the directors have concluded that the group has adequate resources to continue trading for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the interim financial report.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

2. Basis of preparation (continued)

In the financial statements for the year ended 31 December 2017 foreign exchange gains and losses on current asset investments were presented below operating profit. In the interim period to 30 June 2017 foreign exchange losses on current asset investments were shown within administrative expenses. This presentation was deemed more appropriate by the directors as these amounts relate to the group's investment activities. To ensure amounts are comparable, for the period to 30 June 2017 presented, foreign exchange losses on current asset investments of £45,015 have been reclassified from administrative expenses to be presented below operating profit.

3. Revenue

	6 months ended 30/06/18 £	6 months ended 30/06/17 £	Audited Year ended 31/12/17 £
Revenue			
Interactive broadcast	5,442,955	5,469,311	11,309,626
Overseas gaming consultancy services	330,000	300,000	660,000
Total revenue	5,772,955	5,769,311	11,969,626

4. Earnings / (loss) per share

Basic and diluted earnings per share is based on the profit after tax and on the following weighted average number of shares in issue.

	6 months ended 30/06/18 £	6 months ended 30/06/17 £	Audited Year ended 31/12/17 £
Reported (loss)/profit for the financial period	5,353	(144,807)	(646,643)
	Number	Number	Number
Weighted average number of ordinary shares for basic and diluted earnings / (loss) per share	77,513,224	77,513,224	77,513,224
Weighted average number of ordinary shares for diluted earnings / (loss) per share	77,513,224	77,513,224	77,513,224
Basic earnings / (loss) per share (pence)	0.00p	(0.2p)	(0.8p)
Diluted earnings / (loss) per share (pence)	0.00p	(0.2p)	(0.8p)

5. Foreign exchange gains and losses

Included in administrative expenses for the 6 months ended 30/06/18 are foreign currency gains of £56,378 (Audited year ended 31/12/17: losses of £74,987. 6 months ended 30 June 2018: gains of £85,433).