

**COINSILIUM GROUP LIMITED**

**UNAUDITED**

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2017**

## Interim Results

Coinsilium Group Limited (“Coinsilium” or the “Company”), the blockchain venture builder and investor that finances and manages the development of early-stage blockchain technology companies, is pleased to announce its unaudited consolidated interim financial statements for the six months ended 30 June 2017.

### Financial summary

- Total Comprehensive Income\* of £290,210 (H1 2016: loss of £258,533)
- Loss for the period from continuing operations reduced by 24% to £205,378, (H1 2016: loss of £269,756)
- Loss per share of £0.02 (H1 2016: loss per share of £0.04)
- Available for sale financial assets amounted to £1.6m at 30 June 2017 (31 December 2016: £1.1m)
- Successful fundraising totalling £555,985 in three tranches between March and June 2017
- As at 30 June 2017, cash and cash equivalents amounted to £343,908 (31 December 2016: £99,641)

\* Total Comprehensive Income includes fair value gain on available for sale financial assets

### Divestment

- Post-period, sold entire shareholding in SatoshiPay Ltd (“SatoshiPay”) to Blue Star Capital Plc (“Blue Star”) for a total consideration of €725,220 in cash, representing an increase of 362.6% compared to the price paid for the shares in 2015
- Additionally, Coinsilium has received 85 million warrants over new Ordinary Shares of Blue Star, of which 42.5 million are exercisable at a price of 0.6 pence per Ordinary Share and 42.5 million are exercisable at a price of 0.8 pence per share over a 3-year period from completion of the acquisition

### Investments

During the period, the Company made its first investments in the emerging Digital Token space.

#### *Coin-Dash Ltd*

- Investment of USD\$75,000 in Coin-Dash Ltd (“Coindash”), a company developing the world's first social trading platform for cryptocurrency investors, through a Convertible Loan Agreement

#### *Indorse Pte. Ltd*

- Investment of SG\$100,000 (circa £56,100) in Indorse Pte. Ltd. (“Indorse”) through a convertible loan agreement. Indorse is a Singapore-based company developing a blockchain-powered decentralised professional network
- Post-period, the Company was granted an option to subscribe for an additional 7% of the fully diluted share capital of Indorse with a value of SG\$350,000. If exercised, it also grants Coinsilium a seat on the Board of Directors of the Company

### Significant Developments in Investee Companies

#### *Factom*

- Factom added Medici Ventures (Overstock’s venture arm) to its stellar line up of investors including Tim Draper, adding to a series A round

#### *RSK Labs*

- RSK Labs joined the second batch of the ‘Dubai Future Accelerator’ to work with the Dubai government on large scale blockchain applications
- RSK Labs raised US\$3.5m in a pre-series A round from a consortium of well-known blockchain companies and investors. Coinsilium has the rights to an equity stake circa 1% through a convertible instrument in RSK

**Eddy Travia, CEO of Coinsilium, said:**

“The first six months of 2017 have seen the most significant developments for Coinsilium where we made our first investments in the emerging Digital Token Space through Coindash and Indorse. The subsequent launch of Terrastream, to develop a token-based alternative funding solution operating in Gibraltar saw us become a venture builder as well as an investor and accelerator in early stage blockchain companies. We believe that we are at the forefront of this exciting market and remain well placed to capitalise on the opportunities it offers and to deliver shareholder value.”

The Directors of Coinsilium Group Limited take responsibility for this announcement.

**For further information, please contact:**

Malcolm Palle, Executive Chairman <b>Coinsilium Group Limited</b>	+44 (0) 7785 381089
Eddy Travia, CEO <b>Coinsilium Group Limited</b>	+44 (0) 20 3889 4312
<a href="http://www.coinsilium.com">www.coinsilium.com</a>	
Harry Chathli / Ana Ribeiro / Alexis Gore <b>Luther Pendragon Ltd</b> (Media Relations)	+44 (0) 207 618 9100
Guy Miller / Mark Anwyl <b>Peterhouse Corporate Finance Limited</b> (NEX Exchange Corporate Adviser)	+44 (0) 207 469 0930
Nick Emerson / Andy Thacker <b>SI Capital Limited</b> (Broker)	+44 (0) 1483 413 500

## **OPERATIONAL REVIEW**

### **Strategy**

The near term strategic objectives of the Company can be defined as follows:

- To reposition Coinsilium's focus and market profile from an Investing Company to that of a Venture Builder, Accelerator and Strategic Investor
- To build a focused capability in the emerging Digital Token economy in line with the forthcoming regulatory framework in Gibraltar and other supportive jurisdictions
- To ensure greater market awareness and recognition of the Company by leveraging management's key connections and communications skills

### **Corporate Developments**

- Memorandum of Understanding signed with leading Blockchain Smart Contract developer, Oraclize, to jointly develop and build an Enterprise scale Smart Contract System ("SCS") for the next generation of blockchain-powered applications
- Memorandum of Understanding signed with HyperChain Capital ("HyperChain"), one of the world's first multi-million-dollar hedge funds investing in Blockchain companies, to collaborate and finance co-investment opportunities in blockchain companies
- In January 2017, Hakim Mamoni, Executive Director, stepped down from the Board and left the Company to pursue other business interests
- Post-period, Non-Executive Director Malcolm Palle was appointed as Executive Chairman of the Company and the Company's registered and operational office changed to 32 Threadneedle Street, London, EC2R 8AY.

### **Terrastream Ltd**

Post-period, the Company formed Terrastream Limited ("Terrastream"), Coinsilium's wholly owned subsidiary in Gibraltar. Terrastream aims to build an Enterprise standard blockchain-powered platform for the generation of token-based alternative funding solutions designed to operate in compliance with Gibraltar's proposed forthcoming Distributed Ledger Technology ("DLT") Regulatory Framework.

Gibraltar Finance released a consultation document as part of its process towards establishing this regulatory framework and is set to become the first jurisdiction globally to provide a regulatory framework specifically designed for firms engaging in activities that use DLT for the transmission or storage of value belonging to others (DLT Framework), also covering Blockchain Technologies.

The board believes that the implementation of an effective regulatory framework by Gibraltar marks a crucial step-change for the industry which we expect to open up the market to a wider range of institutional investors. The operative date for the regulatory framework is expected to be no later than 1 January 2018 by which time we expect that Coinsilium will have firmly established its presence within the jurisdiction.

The build and development of the Terrastream platform is expected to be funded from the Company's existing reserves and the proceeds of a proposed non-dilutive Token Generating Event, further details of which will be announced in due course. Gibraltar specialist Law firm ISOLAS has been appointed to advise on Terrastream structure and token sale.

## **Outlook**

The period covered by this report was one of accelerated change and significant activity following the board restructure announced early in the half year. With costs now significantly reduced to a more appropriate level for a growth business of Coinsilium's size, the board is now refocused on its core objectives and the Company has been repositioned to reflect its original ethos of identifying the early winners in the blockchain revolution and leverage some of the vast array of related opportunities in the sector. The Company has also taken several key strategic decisions regarding its growth and future direction and is now building a strong foundation with recent appointment of a full time Business Development Lead and other key appointments expected to follow.

The Digital Token space has grown rapidly since 2016 with over \$1.8b raised by start-ups through various token sales to date . The sector has also been the subject of much media coverage and speculation recently following various pronouncements from regulatory bodies around the world. .

Despite the current wave of speculation, the board believes that the Digital Token economy holds significant promise and we expect it to become a central focus of Coinsilium's activities going forward.

The board, in particular CEO Eddy Travia, is in the forefront of this emerging space and he has recently been invited, on behalf of Coinsilium, onto the advisory board of several high profile start-ups in the Digital Token space. The Company intends to leverage its skills and connections within this growing subset of blockchain technology from where we expect to be able to generate a significant near term revenue stream for the Company.

To summarise, this has been a transitional period of positive change for Coinsilium. The management believes that blockchain technology and the array of potential applications will transform day to day life in the future. The Company's early mover advantage into the blockchain space has provided it with invaluable insight, connections and investment opportunities to be leveraged for the benefit of all shareholders.

**Malcolm Palle**  
Executive Chairman

## COINSILIUM GROUP LIMITED

CONSOLIDATED STATEMENT OF TOTAL  
COMPREHENSIVE INCOME

	Note	6 months to 30 June 2017 Unaudited £	6 months to 30 June 2016 Unaudited £
<b>Revenue</b>		97,895	196,211
Cost of sales		(50,465)	(36,200)
<b>Gross Profit</b>		47,429	160,011
Administrative expenses		(252,476)	(309,277)
Impairment		-	(120,490)
<b>Loss before Income Tax</b>		(205,047)	(269,756)
Financial Income		5	-
Financial Expenses		(337)	-
<b>Loss for the Period from Continuing Operations Attributable to Owners of the Parent</b>		(205,378)	(269,756)
<b>Other Comprehensive Income</b>			
Change in fair value on available for sale financial assets		504,706	-
Change in fair value on other financial assets		(9,118)	11,223
<b>Total Comprehensive Income for the Period, Attributable to Owners of the Parent</b>		290,210	(258,533)
<b>Earnings per Share</b>			
Basic and diluted earnings per share attributable to equity holders of the Parent	4	(0.002)	(0.004)

	Note	As at 30 June 2017 Unaudited £	As at 30 June 2016 Unaudited £	As at December 2016 Audited £
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment		695	1,215	1,083
Available for sale financial assets	5	1,610,003	1,668,824	1,069,176
Other financial assets		386,149	258,889	334,456
		<hr/>	<hr/>	<hr/>
		1,996,847	1,928,928	1,404,715
<b>Current Assets</b>				
Other receivables		19,470	35,653	6,274
Cash and cash equivalents		343,908	163,562	99,641
		<hr/>	<hr/>	<hr/>
		363,378	199,215	105,915
		<hr/>	<hr/>	<hr/>
<b>Total Assets</b>		2,360,225	2,128,143	1,510,630
<hr/>				
<b>Equity Attributable to Owners of the Parent</b>				
Called up share capital		-	-	-
Share premium		4,989,130	4,377,396	4,377,396
Share option reserve		81,275	81,275	81,275
Available for sale reserve		625,006	299,128	129,418
Retained losses		(3,359,188)	(2,685,502)	(3,153,811)
		<hr/>	<hr/>	<hr/>
<b>Total Equity Attributable to Owners of the Parent</b>		2,336,223	2,072,297	1,434,278
<b>Current Liabilities</b>				
Trade and other payables		24,002	55,846	76,352
		<hr/>	<hr/>	<hr/>
<b>Total Equity and Liabilities</b>		2,360,225	2,128,143	1,510,630
		<hr/>	<hr/>	<hr/>

## Attributable to equity shareholders

	Share Capital	Share Premium	Share Option Reserve	Available for Sale Reserve	Retained losses	Total
	£	£	£	£	£	£
<b>Balance as at 1 January 2016</b>	-	4,377,396	81,275	287,905	(2,415,746)	2,330,830
Loss for the period	-	-	-	-	(269,756)	(269,756)
Fair value gain on other financial assets	-	-	-	11,223	-	11,223
<b>Total comprehensive income</b>	-	-	-	11,223	(269,756)	(258,533)
<b>Balance as at 30 June 2016</b>	-	4,377,396	81,275	299,128	(2,685,502)	2,072,297
<b>Balance as at 1 January 2017</b>	-	4,377,396	81,275	129,418	(3,153,811)	1,434,278
Loss for the period	-	-	-	-	(205,378)	(205,378)
Change in fair value of available for sale financial assets	-	-	-	504,706	-	504,706
Change in fair value of other financial assets	-	-	-	(9,118)	-	(9,118)
<b>Total comprehensive income</b>	-	-	-	495,588	(205,378)	290,210
<b>Transaction with owners</b>						
Shares issued	-	611,734	-	-	-	611,734
<b>Total transactions with owners</b>	-	611,734	-	-	-	611,734
<b>Balance as at 30 June 2017</b>	-	4,989,130	81,275	625,006	(3,359,188)	2,336,223



	6 months to	36 months to	Year to 31 December 2016
	Unaudited £	Unaudited £	Audited £
<b>Cash flows from operating activities</b>			
Loss before taxation	(205,378)	(269,756)	(738,065)
Adjustments for:			
Depreciation	388	333	466
Finance income	-	(64)	(77)
Investments settled in shares	-	(150,438)	-
Impairment of available for sale financial assets	-	120,490	160,365
Loss on disposal of available-for-sale financial assets	-	-	316,800
Non-cash revenue	-	-	(129,278)
Share based payment	65,040	-	-
(Increase)/decrease in trade and other receivables	(13,196)	23,405	52,784
(Decrease)/increase in trade and other payables	(52,350)	(273,284)	(252,777)
<b>Net cash used in operating activities</b>	<b>(205,495)</b>	<b>(549,314)</b>	<b>(589,782)</b>
<b>Cash flows from investing activities</b>			
Interest received	-	64	77
Purchase of available for sale financial assets	(96,932)	(186,841)	(165,115)
Purchase of other financial assets	-	(83,331)	(170,121)
Purchase of property, plant and equipment	-	(1,039)	(1,041)
Proceeds from disposal of available-for-sale financial assets	-	-	41,600
<b>Net cash used in investing activities</b>	<b>(96,932)</b>	<b>(271,147)</b>	<b>(294,600)</b>
<b>Cash flows from financing activities</b>			
Net cash proceeds from issue of shares	546,694	-	-
<b>Net cash generated from financing activities</b>	<b>546,694</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>244,267</b>	<b>(820,461)</b>	<b>(884,382)</b>
<b>Cash and cash equivalents at the beginning of the period/year</b>	<b>99,641</b>	<b>984,023</b>	<b>984,023</b>
<b>Cash and Cash Equivalents at end of Period/Year</b>	<b>343,908</b>	<b>163,562</b>	<b>99,641</b>

## 1. Basis of Preparation

The consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. As permitted, the consolidated interim financial statements have not been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'.

## 2. Financial Information

The consolidated interim financial statements do not constitute statutory accounts. They have been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union. Except as described below, the accounting policies applied in preparing the interim consolidated financial statements are consistent with those that have been adopted in the Group's 2016 audited financial statements. Statutory financial statements for the year ended 31 December 2016 were approved by the Board of Directors on 31 May 2017. The report of the auditors on those financial statements was unqualified.

### Going concern

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the Financial Statements.

### Risks and uncertainties

The key risks that could affect the Group's short and medium term performance, and the factors that mitigate those risks have not substantially changed from those set out in the Group's 2016 Annual Report and Financial Statements, a copy of which is available on the Company's website: [www.coinsilium.com](http://www.coinsilium.com). The Group's key financial risks are liquidity, equity securities price risk and foreign exchange movements.

### Accounting policies

The preparation of consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in note 4 of the Group's 2016 Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period. The consolidated interim financial statements have been prepared on the historical cost basis, except for the measurement to fair value of certain financial instruments.

### Changes in accounting policies and disclosures

There are no new and amended IFRS standards that are effective for the first time for the financial year commencing 1 January 2017 that would be expected to have a material impact on the Group.

The consolidated interim financial statements for the 6 months ended 30 June 2017 and for the 6 months period ended 30 June 2016 has not been audited.

## 3. Directors Remuneration

Directors of the Company received total remuneration of £72,842 for the 6 months ended 30 June 2017 (30 June 2016: £75,833).

**4. Earnings Per Share**

Basic earnings per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of ordinary shares outstanding during the period.

	£	Weighted average number of Shares No.	As at 30 June 2017 Loss per Share £	As at 30 June 2016 Loss per Share £
<b>Basic LPS</b>				
Loss attributable to shareholders	(205,378)	92,525,457	(0.002)	(0.004)

The Company had no dilutive potential shares during any period.

**5. Available For Sale Financial Assets**

	Total £
At 1 January 2016	1,452,035
Additions	336,270
Impairment	(120,490)
Fair value movement	1,009
At 30 June 2016	1,668,824
Additions	3,385
Disposal	(400,000)
Impairment	(320,219)
Fair value movement	117,186
At 31 December 2016	1,069,176
Additions	86,171
Disposal	(50,050)
Fair value movement	504,706
At 30 June 2017	1,610,003

At 30 June 2017, the Company owns unlisted shares in:

- Fuzo Limited, a company incorporated in Hong Kong;
- Coins.sx Limited, a company incorporated in the United Kingdom, trading under the name of 'Magnr';
- SatoshiPay Limited, a company incorporated in the United Kingdom;
- Factom Inc., a company incorporated in the United States;
- Neuroware.io Inc., a company incorporated in the United States;
- Consentio Blockchain S.L., a company incorporated in Spain;
- Helperbit S.R.L., a company incorporated in Italy;

- BitcoinForMe S.L., a company incorporated in Spain;
- RSK LABS LTD, a company incorporated in British Virgin Islands.

**6. Approval of Interim Financial Statements**

The interim financial statements were approved by the Board of Directors on 25 September 2017.