PRESS RELEASE
17 September 2019

Argo Blockchain Plc
("Argo" or "the Group")

Interim Results

Argo Blockchain Plc, a UK-based provider of enterprise-scale cryptocurrency mining services (LSE: ARB), is pleased to announce its unaudited interim results for the six month period ended 30 June 2019 (the "Interim Report").

Financial highlights

- Revenue increased by 283% to £2.93 million (Full year to 31 December 2018: £0.76m)
- Operating profit of £0.94m (FY 2018: £4.14m loss)
- Achieved maiden profit of £0.94m (FY 2018: £4.12m loss)
- Earnings per share of 0.32p (FY 2018: 2.2p loss per share)

Operating highlights

- Reduced annual mining cost base by 35% with new strategy
- Successfully transitioned from consumer mining service to industrial-scale cryptomining for own account and institutional market from beginning of Q2 2019
- Generated £1.4m of cryptoassets in June 2019 from a total of 5,000 machines in production at the end of 30 June 2019
- Launched major expansion of inhouse mining infrastructure with 505 peta hash capacity to come on stream by end of 2019

Post-Period Highlights

- On 20 August signed a new multi-year agreement increasing access to clean electricity six-fold to 64 megawatts (MW), up from 9.5MW a year ago and 14MW in June 2019
- Strengthened Board with appointment of Matthew Shaw as independent non-executive director

Commenting on the results, Mike Edwards, executive chairman, said: "We have delivered strong growth and maiden profits only a year after the Company joined the London stock market as a pre-revenue venture. This result validates our decisive action to refocus the business in the light of volatile trading conditions. Our aggressive investment in scaling-up mining capacity, together with favourable industry conditions, provides strong momentum for the second half and our goal to become the world's largest public miner in 2020. Accordingly, the Board looks forward to the future with great confidence"

For further information please visit www.argoblockchain.com or contact:

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About Argo:

Argo Blockchain plc is a global data centre business that provides a purpose-built and flexible platform for mining of leading cryptocurrencies for the enterprise-scale and institutional sectors worldwide from operational centres in Canada. The Company is headquartered in London, UK and its shares are listed on the Main Market of the London Stock Exchange under the ticker: ARB.

www.argomining.co

Interim Management Report

I am delighted to report that Argo delivered a strong operational and financial performance in the first half of 2019, resulting in a significant maiden profit on stellar revenue growth - just 12 months after it joined the London Stock Exchange as a start-up venture.

The Group's results improved dramatically from a loss of £4.14m for the year ended 31 December 2018 to pre-tax profits of £0.94m on revenues up 283% to £2.93m for the six months to 30 June 2019. Earnings per share amounted to 0.32p against a loss per share of 2.2p at 31 December 2018.

The results reflect the benefits of a radical change in strategy implemented from April this year following a severe industry downturn brought on by a collapse in cryptocurrency prices in late 2018 and early this year.

In response Argo took a bold and timely decision to pivot from operating a subscription-based mining service aimed at the general public to generating profits by mining for its own account. Importantly, we also continued to invest in a state-of-the art mining platform during the recession in anticipation of an industry upturn which eventually took place from mid-March 2019 onwards.

It is also worth noting that we switched our focus to mining Bitcoin (BTC) from mining alt-coins, in October 2018, positioning the Company to benefit from a sustained rally led by Bitcoin this year. Since then, BTC has increased its market dominance with a current share at approximately 71%.

The closure of the consumer business enabled the Company to reduce its annual mining cost base by 35%. The new strategy also contributed to the elimination of annual marketing, administrative and customer support expenses, releasing more funds to scale-up its mining platform at a time when hardware prices were low.

These measures, aided by a strong upturn in industry conditions and cryptocurrency prices – with the price of Bitcoin nearly tripling from $3,827 to $10,817 at 30 June 2019 -- has led to, on average, mining margins on a cash basis of 80% in the first half.

As at 30 June, the Company held c.£3m of cryptoassets on its account generated from its own mining activities based on a BTC price of $10,817.

During the period, the Company committed to purchases of £18m of mining gear which puts it on track to have an installed base of more than 12,000 mining machines by the end of this year, representing a total hashing capacity of 505 petahash.

Financial review

Revenue increased by 283% to £2.9m attributable to increased mining operations from an installed base of 5,000 machines reached at the end of the period. The number of Company's data centres increased from two to three over the past 12 months.

Net cash equivalents amounted to £5.6m as at 30 June 2019 compared with £16m at 31 December 2018. The decrease in cash balances reflects a ramp up in investment in mining infrastructure.

Post period developments

On 20 August 2019, the Company announced a new power supply agreement with GPU.one to increase access to clean energy by 357% from 14MW as at June 2019 to 64MW on similar terms to its existing agreement, at its two data centres in Quebec and its new data centre in Eastern Canada. The Company had a 9.5MW supply agreement in place last year. The agreement covers a three-year period from June 25th, 2019, with an option to extend thereafter for an additional two years.

The addition of 50 megawatts of power will allow the Company to run up to 15,000 more mining machines concurrently, taking its total Bitcoin (BTC) mining capacity from 505 petahash (PH) at the end of 2019, as announced on July 4th, to 1.36 exahash (EH), which would currently make Argo the largest publicly listed crypto miner in the world.

The new agreement will be entirely funded out of crypto mining proceeds from Argo's existing facilities in Quebec.

Further to the Company's policy to strengthen Board representation, Matthew Shaw was appointed as independent non-executive director effective 17July 2019. He brings more than 25 years' experience as an international banker, corporate adviser and latterly an entrepreneur specialising in the technology and cryptocurrency sectors.

Outlook

Current trading is progressing well as Bitcoin prices remain firm and we continue to enjoy strong momentum from a rapid expansion of our mining capacity and return on investments.

Given a continued stable pricing environment for cryptocurrencies, our 2019 results are expected to reflect a full six-month contribution from our existing mining platform as well as the positive impact of further increase in installed capacity to approximately 12,000 machines by the end this year.

With new long term electricity supply agreements in place and our drive to establish Argo as the world's largest public miner by next year, the Board looks to the future with great confidence.

Mike Edwards
Executive Chairman

Responsibility Statement

We confirm that to the best of our knowledge:

- the Interim Report has been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting, as adopted by the EU; and

- gives a true and fair view of the assets, liabilities, financial position and profit/loss of the Group; and

- the Interim Report includes a fair review of the information required by DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the set of interim financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year.

- the Interim Report includes a fair review of the information required by DTR 4.2.8R of the Disclosure and Transparency Rules, being the information required on related party transactions.

The Interim Report was approved by the Board of Directors and the above responsibility statement was signed on its behalf by:

Mike Edwards
Executive Chairman

16 September 2019

Condensed Consolidated Statement of Comprehensive Income

The unaudited, condensed, consolidated statement of comprehensive income of the Group for the six month period ended 30 June 2019 is set out below.

	Notes	Group Unaudited 6 months ended 30 June 2019	Group Unaudited 6 months ended 30 June 2018	Group Audited Period ended 31 December 2018
		£	£	£
Revenue	4	2,933,019	-	764,562
Cost of sales		(1,358,771)	-	(1,175,964)
Gross profit/(loss)		**1,574,248**	**-**	**(411,402)**
Administrative expenses		(632,175)	(1,147,039)	(3,731,913)
Operating profit/(loss)		**942,073**	**(1,147,039)**	**(4,143,315)**
Interest expense		-	-	(9,934)
Finance income		4,784	1,011	35,964
Profit/(loss) before taxation		**946,857**	**(1,146,028)**	**(4,117,285)**
Tax		-	-	-
Profit/(loss) for the financial period		**946,857**	**(1,146,028)**	**(4,117,285)**
Other comprehensive income		**-**	**-**	**-**
Total comprehensive profit/(loss) attributable to the equity holders of the parent		**946,857**	**(1,146,028)**	**(4,117,285)**
Basic earnings/(loss) per share	**5**	**0.32p**	**(0.99)p**	**(2.2)p**
Fully diluted earnings/(loss) per share	**5**	**0.28p**	**n/a**	**n/a**

Condensed Consolidated Statement of Financial Position

The unaudited, condensed, consolidated statement of financial position of the Group as at 30 June 2019 is set out below.

	Notes	Group Unaudited As at 30 June 2019	Group Audited As at 31 December 2018
		£	£
ASSETS			
Non-current assets			
Investments	**6**	60,241	-
Financial assets fair valued through profit or loss	**7**	1,394,177	-
Intangible assets	**8**	575,599	619,500
Tangible assets	**8**	19,861,811	2,457,240
Total non-current assets		**21,891,828**	**3,076,740**
Current assets			
Trade and other receivables	**11**	4,923,035	2,179,057
Cash and cash equivalents	**10**	5,612,964	16,389,443
Other current assets	**9**	3,044,044	2,082
Total current assets		**13,580,043**	18,570,582
Total assets		**35,471,871**	**21,647,322**
EQUITY and LIABILITIES			
Share capital	**12**	293,750	293,750
Share premium	**12**	25,252,288	25,252,288
Retained earnings		(3,170,428)	(4,117,285)
Total equity		**22,375,610**	**21,428,753**
Current liabilities			
Trade and other payables	**14**	13,096,261	218,569
Total liabilities		**13,096,261**	**218,569**
Total equity and liabilities		**35,471,871**	**21,647,322**

Condensed Consolidated Statement of Changes in Equity

The unaudited, condensed, consolidated statement of changes in equity of the Group for the six month period ended 30 June 2019 is set out below.

	Share capital	**Share premium**	**Share based payment reserve**	**Retained losses**	**Total shareholders' equity**
CURRENT PERIOD	**£**	**£**	**£**	**£**	**£**
Balance at 5 December 2017	1	-	-	-	-
Loss for the period	-	-	-	(1,146,028)	(1,146,028)
Total comprehensive loss for the period	**-**	**-**	**-**	**(1,146,028)**	**(1,146,028)**
Transactions with owners					
Issue of ordinary shares net of share costs	137,499	2,420,000	-	-	2,557,500
Balance at 30 June 2018	**137,500**	**2,420,000**	**-**	**(1,146,028)**	**1,411,472**
Loss for the period	-	-		(2,971,257)	(2,971,257)
Total comprehensive loss for the period	**-**	**-**		**(2,971,257)**	**(2,971,257)**
Transactions with owners					
Issue of ordinary shares net of share costs	156,250	22,832,288	-	-	22,988,538
Balance at 31 December 2018	**293,750**	**25,252,288**	**-**	**(4,117,285)**	**21,428,753**
Profit for the period	-	-	-	946,857	946,857
Total comprehensive profit for the period	**-**	**-**	**-**	**946,857**	**946,857**
Transactions with owners					
Issue of ordinary shares net of share costs	-	-	-	-	-
Balance at 30 June 2019	**293,750**	**25,252,288**	**-**	**(3,170,428)**	**22,375,610**

Condensed Consolidated Statement of Cash Flows

The unaudited condensed consolidated cash flow statement of the Group for the six month period ended 30 June 2019 is set out below.

	Group Unaudited 6 months ended 30 June 2019 £	Group Unaudited Period ended 30 June 2018 £	Group Audited Period ended 31 December 2018 £
Cash flows from operating activities			
Operating profit/loss	942,073	(1,147,039)	(4,153,249)
Depreciation	728,213	40,825	487,697
Cryptoasset purchases for resale	-	-	329,088
Cryptoasset mining	(2,772,301)	-	-
Increase in fair value of cryptoassets	(37,404)	-	-
Equity settled share-based payments	-	60,000	60,000
Decrease / (increase) in trade and other receivables	(2,743,978)	(90,192)	(2,181,139)
(Decrease) / increase in trade and other payables	12,877,692	18,200	218,569
Net cash inflow/(outflow) used in operating activities	**8,994,295**	**(1,118,206)**	**(5,239,034)**
Cash flows from investing activities			
Investment	(1,454,418)	-	-
Purchase of assets	(18,088,883)	(913,737)	(3,564,437)
Cryptoassets for resale	(232,257)	-	(329,088)
Finance income	4,784	1,011	35,964
Net cash outflow from investing activities	**(19,770,774)**	**(912,726)**	**(3,857,561)**
Cash flows from financing activities			
Proceeds from issue of shares, net of issue costs	-	2,497,500	25,486,038
Net Cash generated from Financing Activities	**-**	**2,497,500**	**25,486,038**
Net increase in cash and cash equivalents	(10,776,479)	466,568	16,389,443
Cash and cash equivalents at beginning of period	16,389,443	-	-
Cash and cash equivalents at end of period	**5,612,964**	**466,568**	**16,389,443**

Notes to the Condensed Consolidated Interim Report

For the period ending 30 June 2019

1 Company information

Argo Blockchain plc ("the company") is a public limited company incorporated in England and Wales. The registered office is Room 4, 1st Floor 50 Jermyn Street, London, United Kingdom, SW1Y 6LX. The company was incorporated on 5 December 2017 as GoSun Blockchain Limited and changed its name to Argo Blockchain Limited on 21 December 2017. Also on 21 December 2017, the company re-registered as a public company, Argo Blockchain plc. Argo Blockchain plc acquired a 100% subsidiary, Argo Blockchain Canada Holdings Inc. (together "the Group"), incorporated in Canada, on 12 January 2018.

On 3 August 2018 the company placed 156,250,000 ordinary shares at a price of 16 pence per ordinary share and gained admission to the official list (by way of Standard Listing under chapter 14 of the Listing Rules) and to trading on the London Stock Exchange's main market for listed securities.

The principal activity of the group is that of the provision of crypto mining services.

Reporting period

The financial statements cover the six month period from 1 January 2019 to 30 June 2019.

1.1 Basis of preparation

The condensed consolidated interim financial statements ("interim financial statements") have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34) as adopted by the European Union (EU). The interim financial statements have been prepared on the historical cost basis and are presented in pounds sterling, which is the currency of the primary economic environment in which the Group operates. All amounts have been rounded to the nearest pound, unless otherwise stated. The financial information contained in the interim financial statements is unaudited and does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The accounting policies are unchanged from those disclosed in the previously filed audited financial statements for the period ended 31 December 2018.

The consolidated interim financial statements are for the 6 months to 30 June 2019, being 6 months from the period end of the first financial year for Argo Blockchain Plc, 31 December 2018. The interim consolidated financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the group's annual audited financial statements for the period ended 31 December 2018. As required by accounting standards, the Company has disclosed comparative data for the statement of comprehensive income for the trading company for the 6 months ended 30 June 2018.

Cyclicality

The interim results for the six months ended 30 June 2019 are not necessarily indicative of the results to be expected for the full year ending 31 December 2019. Due to the nature of the entity, the operations are not affected by seasonal variations at this stage.

Going concern

The Directors, having made appropriate enquiries consider that, due to its cash and cryptocurrency reserves and current mining revenues, adequate resources exist for the Company and Group to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt the going concern basis in preparing the condensed interim financial statements for the period ended 30 June 2019.

The condensed consolidated interim financial statements have not been audited, nor have they been reviewed by the Company's auditors in accordance with the International Standard on Review Engagements 2410 issued by the Auditing Practices Board. The figures have been prepared using applicable accounting policies and practices consistent with those adopted in the audited annual financial statements for the year ended 31 December 2018, with the exception of the following policies in relation to 'Financial instruments – initial recognition and subsequent measurement' for which Financial assets recognised through fair value through profit or loss ("FVTPL") now includes a convertible loan notes which is included under 'Financial assets fair valued through profit or loss' on the Statement of Financial Position. See note 9 for further details.

2 Adoption of new and revised standards

The International Accounting Standards Board (IASB) issued various amendments and revisions to International Financial Reporting Standards and IFRIC interpretations. The amendments and revisions were applicable for the period ended 30 June 2019 but did not result in any material changes to the financial statements of the Group.

The following standards were adopted by the Group during the year:

- IFRS 16 - Leases (effective 1 January 2019)
- IFRS 9 (Amendments) – Prepayment features with negative compensation (effective 1 January 2019)
- Annual Improvements 2015-2017 Cycle
- IAS 19 – Plan amendment, curtailment or settlements (effective 1 January 2019)
- IAS 28 – Long term interests in associates and joint ventures (effective 1 January 2019)
- IFRIC 23 - Uncertainty over income tax treatments (effective 1 January 2019)

IFRS 16 became effective for the Group as of 1 January 2019 and was adopted from this date. IFRS 16, which replaces IAS 17, leases, requires the Group to recognise lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of the old standards.

Management have assessed all arrangements which could be considered to contain a lease and assessed the impact of transition to the new standard on the financial statements. There has been no material effect of transition to the Group as there are no material lease arrangements in the Group.

Standards which are in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretation, which have not yet been applied in these financial statements, were in issue but not yet effective.

Standard or Interpretation	Description	Effective date for annual accounting period beginning on or after
IFRS 3	Amendments to IFRS 3' 'Business Combinations' to clarify the definition of a business	1 January 2020
IAS 1	Amendments to IAS 1, 'Presentation of Financial Statements' regarding the definition of 'material'	1 January 2020
IAS 8	Amendments to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' regarding the definition of 'material'	1 January 2020

The company have not early adopted any of the above standards and the directors are assessing the impact on future financial statements.

3 Judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Share-based payments

During the course of the period certain share based payments were made based on the fees due to certain individual for services to be performed by them in the future. In calculating these payments, where possible the Directors consulted with professional advisers to establish the market rate for these services.

Valuation of intangible fixed assets

The directors considered at length whether any further impairments were required on the value of the computer equipment and website. In doing so they made use of forecasts of revenues and expenditure prepared by the Group and came to the conclusion that further impairment of those assets were unnecessary based on current forecasts.

Valuation of cryptocurrencies

The Board monitors regularly the values of the cryptocurrencies and any market forecasts. During the period, the Group entered into crypto currency transactions, which were assessed for fair value in line with the requirements of IAS38. Revaluations were made with such regularity that as at the end of the reporting period the carrying amount of the asset does not differ materially from its fair value. All revaluations were made with reference to level 1 information, being crypto currencies actively traded on the open market.

Valuation of financial assets fair valued through profit or loss

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Financial instruments that are measured subsequent to initial recognition at fair value are based on a hierarchy of Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets fair valued through profit or loss consists of a convertible loan note, of which the fair value is recalculated, when appropriate. using Level 3 inputs.

4. Revenue

	30 June 2019 £	30 June 2018 £	31 December 2018 £
UK (corporate reseller)	-	-	227,561
Canada (corporate reseller)	130,947	-	370,993
Subscriber revenue – worldwide	29,771	-	77,044
Crypto currency mining - worldwide	2,772,301	-	88,964
	2,933,019	-	764,562

The directors consider that the Group has only one significant reporting segment. Accordingly, no segmental analysis is considered necessary due to the nature of mining cryptocurrency.

5. Earnings/loss per share

The basic loss per share is derived by dividing the loss for the period attributable to ordinary shareholders by the weighted average number of shares in issue.

	30 June 2018	30 June 2018	31 December 2018
Operating profit/(loss) (£'000s)	947	(1,146)	(4,117)
Weighted average number of shares ('000s)	293,750	115,915	186,020
Basic earnings/(loss) per share (£)	0.32p	(0.0099)p	(2.2)p

The Group has in issue 48,230,103 warrants and options at 30 June 2019. The fully diluted earnings per share for the period ended 30 June 2018 was 0.28p. The inclusion of the warrants in the number of shares in issue would be anti-dilutive for the periods ended 30 June 2018 and 31 December 2018 and therefore they have not been included.

6. Investments

On 27th June 2019 the Group made a strategic investment in GPU.one Holding Inc, a Canadian corporation which hosts the Group's mining gear and supplies clean power. The Group acquired 192,308 Class A Shares at a price of CDN$0.52 per share for CDN$100,000. This represents an interest of 0.4% in the share capital of GPU.one Holding Inc.

7. Financial assets fair valued through profit or loss

During the period, the Group issued a Convertible Loan Note in the amount of CDN$2,314,334, without a coupon, repayable on 26 June 2027 and convertible, subject to certain conditions, into Class A Shares based on a price per share of 90% of the fair value of GPU.one at the time of conversion. The directors have reviewed the treatment of this asset and consider it should be treated as a non-current financial asset fair valued through profit or loss, at £1,394,177. The financial asset shall be revalued on a fair value basis at the year ended 31 December 2019.

Based on the issue price of the Class A Shares to the Group and the current issued share capital of GPU.one Holding Inc. if the conversion took place now this would represent an interest of approximately 10% of GPU.one Holding Inc.

8. Fixed assets

Group	Intangible Assets Website £	Tangible Assets Computer equipment £	Tangible Assets Improvements to Datacentre £	Total £
Cost at 1 January 2019	671,921	2,807,589	84,927	3,564,437
Additions	28,335	18,056,966	3,582	18,088,883
At 30 June 2019	700,256	20,864,555	88,509	21,653,320
Depreciation/Amortisation				
At 1 January 2019	52,421	421,711	13,565	487,697
Charge for the period	72,236	646,554	9,423	728,213
At 30 June 2019	124,657	1,068,265	22,988	1,215,910
Net Book Value				
At 30 June 2019	575,599	19,796,290	65,521	20,437,410
At 1 January 2019	619,500	2,385,878	71,362	3.076,740

As at 30 June 2019 the Group had approximately 5,000 mining machines in production mining cryptocurrencies. Further, the Group had committed to a further 7,000 machines so that by the end of 2019 it planned to have approximately 12,000 machines in production representing a total hashing capacity of 505 petahash. This is recorded above under computer equipment.

9 Other current assets

Group	Crypto assets £
At 1 January 2019	2,082
Additions	
Crypto assets purchased for resale	232,257
Crypto assets purchased for contractual obligation	-
Crypto assets mined	2,772,301
Fair value movements	
Fair value movements on Crypto assets held	37,404
Disposals	
Disposal of Crypto assets	-
Carrying amount	
At 30 June 2019	**3,044,044**

During the period, the Group entered into transactions involving the purchase, and mining of Crypto assets. From the beginning of April 2019 the Group moved towards almost exclusively mining for itself and crypto assets amounting to the value of £2,772,301 were mined and the fair value of Crypto assets increased by £37,404 at the period end with the Group holding Crypto assets amounting to £3,044,044 at that time.

10. Cash

The cash balance of £5,612,964 consisted of £5,515,177 of Sterling with the balance in a mix of Canadian and US Dollars.

11. Trade and other receivables

	30 June 2019	30 June 2018	31 December 2018
	£	£	£
Other receivables	1,673,692	90,192	1,643,424
Other taxation and social security	3,249,343	-	535,633
At 30 June 2019	4,923,035	90,192	2,179,057

Other receivables include a deposit of £936,747 held by GPU.one with the balance of £736,945 relating to prepaid expenses. Included within other taxation is an amount of £3,224,642 due on GST and QST in Canada being value added taxes predominantly on the purchase of mining gear.

12. Share capital and premium

	Number of shares	Share Capital	Share premium	Total
		£	£	£
At incorporation	1,000	1	-	1
Issue of ordinary shares (20/12/17)	89,999,000	89,999		89,999
Issue of ordinary shares (02/01/18)	10,000,000	10,000	90,000	100,000
Issue of ordinary shares (02/02/18)	31,250,000	31,250	2,270,750	2,302,000
Issue of ordinary shares (02/02/18)	750,000	750	59,250	60,000
Issue of ordinary shares (15/06/2018)	5,500,000	5,500	-	5,500
Issue of ordinary shares (03/08/2018)	156,250,000	156,250	22,832,288	22,988,538
At 30 June 2019	293,750,000	293,750	25,252,288	25,546,038

On incorporation, the Company issued 1 ordinary share for consideration of £1. The Company later passed a written resolution to subdivide the 1 ordinary share into 1,000 ordinary shares, with a nominal value of £0.001 each. On 20 December 2017, 89,999,000 additional shares were subsequently issued for consideration of £0.001, at par value. An additional share issue occurred on 2 January 2018, where 10,000,000 ordinary shares were subscribed for £0.01 each, at a premium of £0.009. Subsequently, on 2 February 2018 the Company issued 31,250,000 shares for £0.08 each, at a premium of £0.079. The Company undertook a share-based payment to Timothy Le Druillenec, a Director of the company in respect of services rendered in relation to the admission of the Company. The 437,500 ordinary shares were issued on 2 February 2018 for consideration of £0.08, with a premium of £0.079. Similarly, 312,500 ordinary shares were issued to Align Research on 2 February 2018 for consideration of £0.08, with a premium of £0.079. The Company also issued warrants, which were exercised on 15 June 2018, for a total of 5,500,000 ordinary shares at £0.001. On 3rd August 2018 the Company placed 156,250,000 ordinary shares at a price of 16 pence per ordinary share and gained admission to the Official List (by way of Standard Listing under chapter 14 of the Listing Rules) and to trading on the London Stock Exchange's Main Market for listed securities.

13. Share options and warrants

The following options and warrants over Ordinary Shares have been granted by the company and are

Options / warrants	***Grant date***	***Expiry date***	***Exercise price***	***Number of options and warrants outstanding***	***Number of options and warrants exercisable at***
Warrants	2 February 2018	2 February 2023	£0.08	2,250,000	2,250,000
Warrants	23–26 February	23–26 February 2021	£0.08	6,580,000	3,290,000
Warrants	23 February 2018	23 February 2021	£0.08	1,400,000	-
Warrants	14 – 17 June 2018	14-17 June 2021	£0.16	650,000	325,000
Warrants	15 June 2018	15 June 2021	£0.16	210,453	-
Warrants	3 August 2018	3 August 2023	£0.16	11,781,600	11,781,600
Options	25 July 2018	25 July 2024	£0.16	25,358,050	7,532,050
				48,230,103	25,178,650

Movements in the number of options and warrants outstanding and their related weighted average exercise prices are as follows:

	Number of options and 2019	***Weighted average 2019***
At beginning of period	-	-
Granted	48,230,103	0.14
Exercised	-	-
Lapsed	-	-
Outstanding at 30 June 2019	48,230,103	0.14
Exercisable at 30 June 2019	26,986,150	0.14

The weighted average remaining contractual life of options and warrants as at 30 June 2019 is 3.5 years. If the exercisable shares had been exercised on 30 June 2019 this would have represented 8% of the share capital.

At the grant date, the fair value of the warrants issued have been determined using the Black-Scholes option pricing model. Volatility was calculated based on data from comparable listed technology start-up companies, with an appropriate discount applied due to being an unlisted entity at the grant date. Risk free interest has been based on UK Government Gilt rates for an equivalent term. As the exercise price was equal or above the market value of the shares during the period to 30 June 2019, and, the marketability of shares was low and as such a discount rate of between 75% and 90% was placed on the fair value of the shares depending on amounts and timing. The Directors note that the expense for the fair value of options and warrants are not material during the period and therefore not included in the accounts.

As at 30 June 2019 there were warrants and options in issue for 48,230,103 ordinary shares of which 10,230,000 were at an exercise price of £0.08 (for which 7,185,000 had become exercisable) and 38,000,103 ordinary shares at an exercise price of £0.16 (for which 19,801,150 had become exercisable). Vesting terms varied, with the majority vesting 25% on issue and 25% every 6 months thereafter. If these shares had been exercised at 30 June 2019 they would have represented 8.41% of the enlarged share capital on listing.

The fair value of the warrants issued have been determined using the Black-Scholes option pricing model. Volatility was calculated based on data from comparable listed technology start-up companies, with an appropriate discount applied due to being an unlisted entity at the grant date. Risk free interest has been based on UK Government Gilt rates for an equivalent term. As the exercise price was mainly equal or above the market value of the shares during the period to 30 June 2019, the likelihood of the warrants being exercised was nil. As such, no expense has been recognised in the period.

The inputs to the Black-Scholes model were as follows:

Grant date share price	0.08/0.16
Exercise price	0.08/0.16
Expected volatility	40%
Option life	3/5 years
Risk free interest rate	1%

14. Trade and other payables

	30 June 2019 £	30 June 2018 £	31 December 2018 £
Other creditors	12,808,910	5,000	15,801
Accruals	287,351	13,200	202,768
At 30 June 2019	13,096,261	18,200	218,569

Other creditors include an amount of £10,772,195 payable on the purchase of 5,000 Antminer S17's.

15. Controlling party

There is no controlling party of the Company.

16. Related parties

Rental agreement

The Company rents office space from Dukemount Capital plc, for which Timothy Le Druillenec was a Director during part of the period. During the period, payments of £1,650 were made with a balance of £Nil outstanding as at 30 June 2019.

The Group also rents office space from Vernon blockchain Inc, for which Peter Wall (considered to be key management personal) was a Director during the period. During the period, payments of £12,048 were made with a balance of £Nil outstanding as at 30 June 2019.

For each agreement, there is no long term commitment, and these transactions were made on an arm's length basis.

Key management compensation

Key management includes Directors (executive and non-executive) and senior management. The compensation paid to related parties in respect of key management for employee services during the period was made only from Argo Innovation Labs Inc, amounting to: £114,506 paid to Possibilities Training Group Ltd in respect of the fees of Jonathan Bixby; £114,506 paid to MSE Management Inc.

in respect of the fees of Mike Edwards; £75,145 paid to Blockchain Consulting in respect of fees of Inderpreet Hothi; £65,060 paid to Vernon Blockchain Inc in respect fees of Peter Wall. Other key management received £37,948. These are not inclusive of the related party transactions disclosed above.

17. Post Balance sheet events

Please see Highlights section and Interim Management Report for post balance sheet events.

18. Approval of Interim Financial Statements

The condensed interim financial statements were approved by the Board of Directors on 16 September 2019.