The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 ("MAR").

31 August 2018

PCG Entertainment Plc
("PCGE" or the "Company")
PCG Entertainment Plc / Index: AIM / Epic: PCGE / NEX: PCGE

Final Results for the 12-month period to 31 March 2018

PCG Entertainment Plc (AIM: PCGE), is pleased to announce its final results for the 12-month period to 31 March 2018 (the "Period"), together with the publication of its audited report and accounts for the Period (the "Annual Report").

The Annual Report has been published on the Company's website, www.pcge.com, in accordance with the provisions on the Company's articles of association, and shareholders are thus duly notified.

Highlights

Financial Overview

- The accounts as reported have been prepared for the period from 1 April 2017 to 31 March 2018.

- These accounts show that the Group incurred administrative expenses of US$1,846,951 (2017: US$5,926,477). The 2017 administrative expenses included the impairment of US$3,500,000 relating to the gaming and media content licenses held in China. This impairment was taken as it was considered prudent given that a key license had not been renewed at the time of the accounts. All these licenses have since been renewed and the Khanawake gambling license remains in good standing.

- The Company's overall investment in the media and gaming license businesses remains at US$2.7 million in the current year.

- A little over a year ago the Company confirmed the restructuring which led to the return of the husk of the CPDC business to the vendors. This was concluded in exchange for the shares in the Company, which had been originally issued for the acquisition, other shares identified with the vendors and the forgiveness of liabilities owed by the Company to the vendors of CPDC. This produced a net benefit to the group of US$520,000.

- On 18 August 2017, the Company raised funds via RiverFort Global Capital, which consisted of two parts. The first part was a subscription to raise £1 million, before expenses, (the "Subscription") by way of a subscription for 1,000,000,000 ordinary shares of 0.1 pence each (the "Ordinary Shares") by a syndicate led by D-Beta One EQ Ltd and including Cuart Growth Capital Fund I ("the Syndicate") at an issue price of 0.1 pence per Ordinary Share (the "Subscription Shares").

- The Equity Sharing Agreement was designed for the Company to benefit from a positive future share performance. At the time this was concluded the Board strongly believed that we were close to concluding the environmental project. Accordingly, the Company negotiated the early termination of the Equity Sharing Agreement, which was finalised on 27 June 2018 resulting in a final payment to the Syndicate of US$155,927.

General Highlights

- As announced and updated earlier in the year we have investigated investments in ChainZy Plc and Fortune Environmental which controls the cavitation technology. These are both extremely interesting deals. While the board believes that that the Company would achieve a higher return through such investments than simply leaving the money on deposit, the costs of the regulatory implications of making these investments in the Company's current business and financial position has meant that any decision as to proceed has been placed on hold for now.

- We have also continued to pursue potential deals with our various licenses. This has recently borne fruit through discussions with one of the largest gaming companies in Asia with whom the Chairman has contacts going back several years.

Board of Directors

- The former CEO of the Company, who had been in charge throughout the period of the CPDC ownership, had brought an employment Tribunal claim against the Company following his dismissal in March 2017. In the end the settlement reached in January this year was US$286,350. The payment was less than we had provided for in last year's accounts and so there is a satisfying write back of US$140,313 in this year's numbers.

Comment - Chairman Richard Poulden

"The last year has been a frustrating one for PCGE, for the Board and the shareholders alike. A combination of external influences and unforeseen delays have left the Company in a holding pattern from which, I am pleased to say we are now able to move forward. These factors, lost and still possible deals are outlined above. The Board and I know that there have been many calls for updates over recent months, we therefore look forward to reporting further good news in the coming months.

Thank you all for those who have stuck with us, and the Board would like to thank particularly those shareholders and supporters who have understood the unforeseen delays but maintain the bigger vision we have for the Company. Our aim is to ensure a strong return to form and on investment for all. This next year should see less of these challenges and more opportunities to move forward strongly with interesting deals."

For more information on PCGE please visit the Company's website www.pcge.com.

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