

30 July 2021

Dispersion Holdings PLC

("Dispersion" or "The Company")

Interim results

Dispersion (AQSE: DEFI), an investment company specialising in decentralised finance ("DeFi"), announces its unaudited financial results for the six months ended 30 April 2021.

Highlights:

- Successfully completed IPO on London's AQSE Growth Market (AQSE) on 30 April 2021 with a market capitalisation of £18.3 million
- Raised £11.2m in total before expenses including approximately £9 million via a placing and subscription at 3p per share at flotation
- Four initial investments made prior to admission in NFT Investments plc, a UK investment company specialising in non-fungible tokens; ePIC Blockchain Technologies, Inc., a Toronto based leader in crypto mining infrastructure and supplier of ASIC mining machines; Defyl SAS, a company specialising in decentralised technology development and creating industry-specific social token ecosystems; and Sporting Icon Ltd a sports-focused NFT platform

Post-period highlights:

- Invested in an additional two companies, bringing the total invested to date to £0.91m. Post-period investments are as follows:
 - €0.25m into SportsX SAS ("SportsX"), a technology and services platform for amateur sports clubs
 - CAN\$0.2m into Defi Yield Technologies Inc., a platform for investment into decentralised financial services
- Appointed Nicholas Lyth as finance director and Board member on 2 June 2021
- Net cash of £8.8m as at 29 July 2021

Outlook:

- The dealflow of potential investments remains strong and the Directors and Advisers continue to evaluate a significant number of exciting new opportunities.
- The Company is well positioned to take advantage of the recent correction in the blockchain and digital assets sectors by investing at attractive valuations.

Commenting on the results, Michael Edwards, Chief Executive of Dispersion Holdings said: "Our successful flotation on the AQSE Growth Market was Dispersion's most important milestone during the first half. It has provided us with the capital and credibility to be an early investor in the rapidly growing global market of decentralised finance as well as to take a ring-side seat at London's world-

class and hugely promising fintech sector, which is spawning many new disruptive businesses with great long term potential.

“We have already made a flying start with six investments and will continue to actively pursue a myriad of exciting new opportunities that meet our investment criteria and due diligence process. The recent correction in the digital assets sectors puts us in a strong position as a long term investor and we look to the future with great confidence.”

The directors of Dispersion Holdings plc accept responsibility for this announcement.

Chief Executive Officer’s statement

Introduction

I am delighted to report the Company’s first set of results since its debut on AQSE on 30 April 2021, noting that the six-month period under review covers only one day’s activity as a quoted plc.

During the period the Company raised a total of £11.2m before expenses from investors comprising £2.2m in a pre-IPO funding round, followed by £9.0m raised at the time of flotation.

There was no revenue during the period as the Company was in start-up phase. A profit before tax of £145,167 was generated during the first half.

The Company held cash and cash equivalents of £4.2m as at 30 April 2021, reflecting proceeds from the two fund raisings, including part of the IPO funds received as at that date. Cash and cash equivalents amounted to £8.8m as at 29 July 2021.

During the period the Company made four equity investments, described below:

- £210,000 was invested for 30 million ordinary shares in NFT Investments plc, a UK incorporated and AQSE quoted investment company specialising in non-fungible tokens
- An investment of US\$399,000 (£291,977) was made for 76,000 common shares in ePIC Blockchain Technologies, Inc., a Toronto based leader in crypto mining infrastructure and supplier of industry-leading ASIC mining machines
- An investment of EUR50,000 (£43,029) was made for 50,000,000 common shares in Defy1 SAS, a company specialising in decentralised technology development and creating industry-specific social token ecosystems
- An investment of £28,777 was made in convertible debt of Sporting Icons, a sports-based NFT platform

The entire crypto market is evolving and expanding. As it gains new users, the industry continues to create new products and services to satisfy the needs of this community. We see opportunities for creating and investing in these early-stage companies and our investments into NFT Investments, ePIC, Defy1 SAS and Sporting Icons are early examples of this strategy in practice.

The digital asset revolution is in its earliest days of development, similar to Bitcoin in 2013. There are opportunities in the internet of value, store of value, the metaverse and entirely new products as the

industry continues to innovate and we look forward to capitalising on these structural changes and long term trends.

I would also like to take this opportunity to thank all our shareholders for their support.

Michael Edwards, Chief Executive Officer

Investment strategy

Our aim is to seize the significant market opportunity to provide a transparent “on ramp” for fiat currency into the DeFi market and to provide investors with a portfolio of vetted DeFi investments.

We continue to make progress against our strategic targets and are focussed on identifying investment opportunities in various high growth sectors within the DeFi ecosystem. We will continue to deploy a majority of the Company’s cash resources in the acquisition of minority interests in a number of different, yet to be identified, companies in the FinTech sector.

We firmly believe that the next FinTech revolution will be in DeFi and plan to leverage the deep crypto world experience of our Board and Advisers to identify investment opportunities in the FinTech sector across the UK, US, and Canada, and plan to add value by applying capital and expertise to the business operations and strategic plans of our investee companies. We are proud to be able to leverage the experience and operational bench strength of the Dispersion team to act as an accelerator to start-ups and early-stage companies that have technological know-how but lack the skills, contacts, and capital to maximise their profit opportunity.

Our extensive crypto and fintech networks are best placed to identify value generating investment opportunities and we look to the future with confidence as our expertise can then help investee companies reach the next level. For instance, we are working with our portfolio company, Defi Yield, creating yield opportunities and using this yield to cover operational costs and invest at the earliest level in start-up opportunities. We see significant opportunities to be part of company formations and the skill set, network and capital that we possess can help to accelerate the development of these early stage companies.

Market size

The DeFi market is healthy and continues to innovate and grow. The total value locked* in DeFi has grown from approximately \$US16bn at the start of the year and as of 29 July 2021, sits at approximately \$US66bn (source: DefiPulse.com), while the total DeFi market capitalisation is at approximately \$USD73bn (source: Coinmarketcap.com).

**(The aggregate value of digital tokens used as collateral in Defi contracts.)*

Post-period highlights

A further two investments have been made in the second half, taking the portfolio to six, at a total cost of £0.91m to date. The new positions were:

- An investment of €250,000 into SportsX SAS ("SportsX"), a technology and services platform for amateur sports clubs around the world, as part of a €985,000 private equity fund-raising by SportsX that gave Dispersion 25% interest in the business.
- An investment of CAN\$200,000 into the common share capital of Defi Yield Technologies Inc., a platform for investment into decentralised financial services. Dispersion acquired 1,111,111

ordinary shares at CAN\$0.18 per share resulting in a shareholding of 3.5% of Defi Yield Technologies Inc.'s total common share capital at its seed round.

The Company strengthened the Board with the appointment of Nicholas Lyth as finance director with effect from 2 June 2021. Mr. Lyth is a highly experienced board director and qualified accountant with over five years' experience advising a number of publicly listed companies. Prior to his public company roles, he held leadership positions in finance and management consultancy.

Outlook

The Company considers that there is a sizable, and rapidly growing, potential market for the DeFi industry, with applications that include decentralised currency exchanges, lending platforms which use smart contracts to replace banks, and prediction markets which remove book-keepers.

Excellent progress is being made to execute the Company's investment strategy. The dealflow of potential investments remains strong and the Directors continue to evaluate a significant number of exciting new investment opportunities.

Thanks to a cash-rich balance sheet and experienced management team, the Company is well positioned to take advantage of the recent correction in the blockchain and digital assets sectors by investing at attractive valuations. As a result, the Board looks forward to the future with great confidence.

Income Statement
for the Period 1 November 2020 to 30 April 2021

	Notes	Unaudited Period 1.11.20 to 30.4.21 £	Unaudited Period 31.10.19 to 31.10.20 £
TURNOVER		-	-
Administrative expenses		799,854	-
OPERATING LOSS		<u>(799,854)</u>	-
Interest receivable and similar income		21	-
		<u>(799,833)</u>	-
Fair value adjustment	5	945,000	-
PROFIT BEFORE TAXATION		<u>145,167</u>	-
Tax on profit	6	-	-
PROFIT FOR THE FINANCIAL PERIOD		<u>145,167</u>	-
Earnings per share expressed In pence per share:			
Basic	7	0.16	-
Diluted		<u>0.02</u>	-

Other Comprehensive Income
for the Period 1 November 2020 to 30 April 2021

	Notes	Unaudited Period 1.11.20 to 30.4.21 £	Unaudited Period 31.10.19 to 31.10.20 £
PROFIT FOR THE PERIOD		145,167	-
OTHER COMPREHENSIVE INCOME			
Share based payments	16	<u>853,593</u>	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX		<u>853,593</u>	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>998,760</u>	-

**Balance Sheet
30 April 2021**

	Notes	Unaudited 30.4.21		Unaudited 31.10.20	
		£	£	£	£
FIXED ASSETS					
Investments	9		1,517,983		-
CURRENT ASSETS					
Debtors	10	6,259,399		1	
Cash at bank		4,157,190		-	
		<u>10,416,589</u>		<u>1</u>	
CREDITORS					
Amounts falling due within one year	11	<u>488,880</u>		<u>-</u>	
NET CURRENT ASSETS			<u>9,927,709</u>		<u>1</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>11,445,692</u>		<u>1</u>
CAPITAL AND RESERVES					
Called up share capital	12		612,500		1
Share premium	13		9,843,432		-
Share based payment reserve	13		853,593		-
Retained earnings	13		<u>145,167</u>		<u>-</u>
SHAREHOLDERS' FUNDS			<u>11,445,692</u>		<u>1</u>

**Statement of Changes in Equity
for the Period 1 November.2020 to 30 April.2021**

	Called up Share Capital £	Retained Earnings £	Share Premium £	Share based payment Reserve £	Total Equity £
Changes in equity					
Issue of share capital	1	-	-	-	1
Balance on 31 October 2020	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Changes in equity					
Issue of share capital	612,499	-	*9,834,432	-	10,446,931
Total comprehensive income	-	145,167	-	853,593	998,760
Balance at 30 April 2021	<u>612,500</u>	<u>145,167</u>	<u>9,834,432</u>	<u>853,593</u>	<u>11,445,692</u>

*Net of share issue costs

Cash Flow Statement
for the Period 1 November 2020 to 30 April 2021

		Unaudited Period 1.11.20 to 30.4.21 £	Unaudited Period 31.10.19 to 31.10.20 £
Cash flows from operating activities			
Cash generated from operations	1	(5,716,779)	(1)
Net cash from operating activities		(5,716,779)	(1)
Cash flows from investing activities			
Purchase of fixed asset investments		(572,983)	-
Interest received		21	-
Net cash from investing activities		(572,962)	-
Cash flows from financing activities			
Share issue		612,499	1
Share premium		9,834,432	-
Net cash from financing activities		10,446,931	1
Increase in cash and cash equivalents		4,157,190	-
Cash and cash equivalents at beginning of period	2	-	-
Cash and cash equivalents at end of period	2	4,157,190	-

**Notes to the Cash Flow Statement
for the Period 1 November 2020 to 30 April 2021**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Unaudited 1.11.20 to 30.4.21 £	Unaudited 31.10.19 to 31.10.20 £
Profit before taxation	145,167	-
Share based payments	853,593	-
Increase in fair value of investments	(945,000)	-
Finance income	(21)	-
	<hr/> 53,739	-
Increase in trade and other debtors	(6,259,398)	(1)
Increase in trade and other creditors	488,80	-
	<hr/> 53,739	-
Cash generated from/(used in) operations	<hr/> (5,716,779)	<hr/> (1)

All of the £6,259,398 increase in trade and other debtors related to subscriptions for shares at the IPO date of 30 April 2021 which were outstanding at that date. £5,657,000 was received shortly after the IPO date, with the remaining £602,399 due to be received.

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 30 April 2021

	30.4.21 £	1.11.20 £
Cash and cash equivalents	<hr/> 4,157,190	-

Period ended 31 October 2020

	31.10.20 £	31.10.19 £
Cash and cash equivalents	<hr/> -	-

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.11.20 £	Cash flow £	At 30.4.21 £
Net cash			
Cash at bank	-	4,157,190	4,157,190
	<hr/> -	<hr/> 4,157,190	<hr/> 4,157,190
Total	<hr/> -	<hr/> 4,157,190	<hr/> 4,157,190

**Notes to the Financial Statements
for the Period 1 November 2020 to 30 April 2021**

1. STATUTORY INFORMATION

Dispersion Holdings PLC is a public limited company, registered in England and Wales. The company registered number and registered office address can be found on the Company Information page.

The Company became entitled to do business and borrow on 17 March 2021.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Fixed asset investments

Fixed asset investments are held at market or fair value.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year.

Valuation of investments - Note 9

The Board has reviewed the carrying value of investments at the period end. They have taken into account the underlying investments and post balance sheet events and concluded that the investments should be carried at market or fair value.

Share based payments - Note 16

During the year, share based payments were made based on the fees due to certain individuals for services to be performed by them in the future. In calculating these payments, the directors consulted with professional advisers to establish the market rate for these services. In addition to this, the company has also issued warrants and options to directors which have been valued in accordance with the Black Scholes model. Significant estimation and judgement is required by the directors when using the Black Scholes method.

4. DIRECTORS REMUNERATION

	Unaudited Period 1.11.20 to 30.4.21 £	Unaudited Period 31.10.19 to 31.10.20 £
Director's remuneration for qualifying services	32,000	-
Share based payment expense	313,957	-
Total remuneration for directors	345,957	-

The amounts above are remunerated through service companies (as disclosed in note 14). The highest remunerated director earned £232,522 of which £16,000 was cash for qualifying services (31.10.20: £0), and £216,522 in share-based payments (31.10.20: £0).

5. FAIR VALUE ADJUSTMENT

	Unaudited Period 1.11.20 to 30.4.21 £	Unaudited Period 31.10.19 to 31.10.20 £
Listed investments	945,000	-

6. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the period ended 30 April 2021 nor for the period ended 31 October 2020.

7. EARNINGS PER SHARE

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

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

Reconciliations are set out below.

	Earnings £	30.4.21 Weighted average number of shares	Per-share amount Pence
Basic EPS			
Earnings attributable to ordinary shareholders	145,167	89,282,381	0.16
Effect of dilutive securities			
Warrants	-	543,636,129	-
Diluted EPS			
Adjusted earnings	145,167	632,918,510	0.02

	Earnings £	31.10.20 Weighted average number of shares	Per-share amount Pence
Basic EPS			
Effect of dilutive securities			
Warrants	-	-	-
Diluted EPS	-	-	-

8. GOING CONCERN

The Directors, having made due and careful enquiry, are of the opinion that the Company has adequate working capital to meet its obligations over the assessed period to the end of October 2022. Having raised £9m before expenses on 30 April 2021 at the Company's IPO, the Directors have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As a result, the Directors have adopted the going concern basis of accounting in the preparation of the annual financial statements. The Directors have considered the impact of Covid-19 on the Company, in the context of their operations. At this stage, the Directors do not envisage a long-term impact to the Company resulting from Covid-19, but will continue to monitor the situation.

9. FIXED ASSET INVESTMENTS

	Investments £
COST OR VALUATION	
Additions	572,983
Revaluations	<u>945,000</u>
At 30 April 2021	<u>1,517,983</u>
NET BOOK VALUE	
At 30 April 2021	<u>1,517,983</u>

The original cost of investments is as follows:

	Shares held	Date acquired	30.4.21 £
Sporting Icons	Convertible debt	18 March 2021	28,777
Defy1 SAS	50,000,000	22 March 2021	43,029
ePIC Blockchain Technologies Inc	76,000	14 April 2021	291,177
NFT Investments PLC	30,000,000	16 April 2021	<u>210,000</u>
			<u>572,983</u>

The fair value of investments at the balance sheet date is as follows:

	Shares held	Date acquired	30.4.21 £
Sporting Icons	Convertible debt	18 March 2021	28,777
Defy1 SAS	50,000,000	22 March 2021	43,029
ePIC Blockchain Technologies Inc	76,000	14 April 2021	291,177
NFT Investments PLC	30,000,000	16 April 2021	<u>1,155,000</u>
			<u>1,517,983</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Unaudited 30.4.21 £	Unaudited 31.10.20 £
Other debtors	<u>6,253,399</u>	<u>1</u>

Other debtors comprise unpaid share capital £208,646 and unpaid share premium £6,050,753.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Unaudited 30.4.21 £	Unaudited 31.10.20 £
Accrued expenses	<u>488,880</u>	<u>-</u>

12. CALLED UP SHARE CAPITAL

Allotted and issued: Number:	Class:	Nominal value	Unaudited 30.4.21 £	Unaudited 31.10.20 £
612,500,000	Share capital 1	£0.001	<u>612,500</u>	<u>1</u>

On the 31 October 2019, 1,000 Ordinary Shares of £0.001 were issued at par value.

Between 20 February 2021 and 30 April 2021, a further 612,499,000 Ordinary Shares of £0.001 were issued at between £0.001 and £0.030.

13. RESERVES

	Retained earnings £	Share premium £	Share based payment reserve £	Totals £
Profit for period	145,167	-	-	145,167
Cash share issue	-	*9,834,432	-	9,834,432
Share based payments	-	-	853,593	853,593
At 30 April 2021	145,167	9,834,432	853,593	10,833,192

* Net of share issue costs

14. RELATED PARTY DISCLOSURES

There have been payments made and expenses accrued in the sum of £32,000 to the companies Briarmount Limited, Carraway Corp and Marallo Holdings. These payments relate to director fees of £10,000 to Mr T Le Druillenec, £6,000 to Mr R Rutledge and £16,000 to Mr Edwards.

15. POST BALANCE SHEET EVENTS

On 25 May 2021 the Company announced an equity investment of EUR250,000 into the common share capital of Sports X SAS, a technology and services company for amateur sports clubs.

On 21 June 2021 the Company announced an equity investment of CA\$200,000 into the common share capital of Defi Yield Technologies Inc. ("DFTI"), a platform for investment into decentralised financial services.

On 2 June 2021 Mr N Lyth was appointed as a director of the Company.

16. SHARE-BASED PAYMENT TRANSACTIONS

DISCLOSURE OF SHARE WARRANTS SCHEME

Details of the number of share warrants outstanding:

	Unaudited 30.4.21	Unaudited 31.10.20
Outstanding at the start of the period	40,600,000	-
Granted during the period	-	-
Forfeited during the period	-	-
Exercised during the period	-	-
Outstanding at the end of the period	40,600,000	-
Exercisable at the end of the period	40,600,000	-

The share warrants outstanding at the end of the period have a weighted average remaining contractual life of 3.36 years.

The fair value of the share warrant rights granted under the scheme are valued using the Black-Scholes option pricing model with the following weighted-average assumptions:

Using the above calculation method, the weighted average fair value of warrants at 30th April 2021 were assessed as £853,593.

	Unaudited 30.4.21	Unaudited 31.10.20
Risk free rate	0.77% to 78%	N/A
Expected life	1.0 to 2.5	N/A
Volatility	113% to 114%	N/A

Using the above calculation method, the weighted average fair value of warrants at 30th April 2021 were assessed as £853,593.

INDEPENDENT REVIEW REPORT TO DISPERSION HOLDING PLC

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 April 2021 which comprises the Income statement, Balance Sheet, Statement of changes in Equity, Cash Flow Statement and related notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 April 2021 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standards.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the company are prepared in accordance with UK adopted International Accounting Standards.

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.


In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting its responsibilities in respect of half-yearly financial reporting in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely upon this report unless such a person is a person entitled to rely on this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.



Haysmacintyre LLP

Chartered Accountants

For and on behalf of Haysmacintyre LLP

29 July 2021

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