



mmx

interim report
2019

Minds + Machines Group Limited (“MMX” or the “Company” or the “Group”) is a BVI incorporated company, which is traded on the AIM Market operated by the London Stock Exchange (“AIM”). MMX is the owner of a world class portfolio of 32 ICANN approved top-level domains (gTLDs). The Company generates revenues through the registration and annual renewal of names by organisations and individuals within each of its gTLDs, sales being processed through the Group’s network of global registrar and distribution partners.

The MMX portfolio is currently focused around generic names (e.g. .work, .vip), consumer interest (e.g. .fashion, .wedding), lifestyle (e.g. .fit, .surf, .yoga), professional occupations (e.g. .law), and geographic domains (e.g. .london, .boston, .miami, .bayern). In 2018, the Company completed its first acquisition, the ICM portfolio, and recently launched its first innovation based project, .luxé, which combines the strengths of the World Wide Web’s naming system with that of blockchain. For more information on MMX and its rapidly growing renewal base, please visit www.mmx.co.

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executive summary

for the period ended 30 June 2019

Overview

As a registry, MMX has a growth strategy based on organic growth, innovation and selective acquisition. MMX generates its revenues through the online sale and renewal of names via registrars (the industry's retail channel) and the negotiated sale of high-value names via brokers. Historically, the strategy had relied heavily on brokered trades and one-off high value premium sales, combined with tight financial controls, to rapidly bring the business to maiden operating profitability in H1 2016. Management was fully cognisant that in the long-term automated channel sales, and in particular renewals through the channel, should drive profitability. To put this into context, in FY2016, 58% of revenues were comprised of one-off brokered or premium sales, with renewals accounting for just 25% of operating revenue. By contrast, in H1 2019, renewal revenues accounted for 68% of operating revenue with non-channel sales accounting for just 10% of operating revenue, giving a much more predictable revenue profile and better quality of earnings. In H1 2019 renewal revenues alone now cover 97% of combined operating expenditures, cost of sales and partner payments.

Type of sale	H1 2019	FY 2018	FY 2017	FY 2016
Standard (channel)	13%	16%	17%	17%
Premium (channel)	9%	6%	11%	19%
Renewals (channel)	68%	60%	34%	25%
Brokered (non-channel)	10%	18%	38%	39%

In H1 2019 sound management and disciplined data-driven activities have delivered a significantly improved mix and balance of revenues.

Key focus areas in the period have been:

- assimilating the Group's first acquisition into the portfolio whilst simultaneously turning around the fortunes of the acquired properties;
- delivering balanced organic growth via the registrar channel across a broader set of properties within the original MMX portfolio; and
- creating exciting new commercial opportunities through innovation.

It is likewise the period where definitive progress was made in relation to resolving the legacy onerous contract that had impeded MMX's progress over the last five years and which resulted in the in-principle agreement to pay \$5.1m in full and final settlement, which was announced post period end on 18 July 2019.

H1 2019 financial highlights

- Registrations up 19% to 1.82m;
- Revenues up 39% to \$8.9m (H1 2018: \$6.4m) benefitting from a full six month ICM contribution and 9% channel growth from the original MMX portfolio;

- Underlying revenue mix significantly improved with renewal revenues contributing 68% of total H1 revenues (H1 2018: 53%);
- Renewal revenues now cover 97% of combined partner payments, cost of sales, and operating expenditures;
- Operating EBITDA, net of auction revenue, improved fourfold (306%) to \$2.7m (H1 2018 \$0.7m) delivering H1 EBITDA of \$2.6m compared to a H1 2018 EBITDA loss of \$14.6m;
- Net earnings of \$1.7m compared to a H1 2018 loss of \$14.7m;
- EPS of 0.19c (H1 2018 2.07c loss);
- Cash in-flows from normal operations at \$8.6m (H1 2018: \$6.3m); and
- Cash of \$8.9m at 30 June 2018 post payment of \$3m loan facility and \$1.8m onerous contract payment.

H1 Operational Review

As previously outlined, Management's strategy for delivering value to shareholders is based on three core principles:

1. driving profitable balanced growth through organic business development and operational efficiencies;
2. innovation; and
3. accelerating scale and earnings through targeted accretive acquisitions.

Organic growth

In terms of organic growth, the focus in H1 has been on:

- completing the integration of ICM into MMX and streamlining the combined operations;
- reversing the previous two-year decline across the four mature ICM properties;
- growing channel sales within the original MMX portfolio; and
- resolving historic contracts.

Streamlining operations

In H1 2019, the integration of the ICM operations into MMX's was successfully completed at minimal additional cost (see Financial Review) and the back-end contracts for the ICM and MMX portfolios separately renegotiated. The renegotiated contracts will deliver combined savings of just under \$0.4m in FY 2019 and approximately \$0.6m in 2020 as well as provide significantly greater commercial flexibility in terms of product development moving forward.

Addressing the mature ICM portfolio

In spite of the many inherent strengths of the ICM portfolio, it was a portfolio that was known to have reached maturity and hence experiencing decline. To put this into context, in the two years prior to MMX's acquisition in June 2018, ICM's billings for H1 2018 were 16% behind H1 2017 at \$2.8m, with the H1 2017 billings 4% behind H1 2016. Over the same two-year period registrations had dropped by 24%.

executive summary

for the period ended 30 June 2019

(continued)

Against that backdrop, Management is therefore pleased to report ICM billings were stabilized at \$2.8m in H1 2019 and the following growth metrics achieved within the ICM properties:

- a 20% billings growth (\$0.2m) across .adult, .porn and .sex in H1 to \$1.1m (H1 2018: \$0.9m) compared to the 27% year-on-year loss in H1 2018 across the same properties (H1 2017: \$1.2m);
- a 43% increase in .xxx new sales billings through the registrar channel in H1 to \$0.2m (H1 2018: \$0.1m) which limited the \$0.1m drop in .xxx renewal billings (H1 2019 \$1.6m; H1 2018 \$1.7m) over same period; and
- brokered sales outside of the channel maintained at a consistent level of \$0.1m.

The turnaround within the ICM portfolio is the direct result of the improved data analysis and registrar engagement activity afforded by being within the broader MMX Group.

Separately, as discussed at further length within the Innovation section, the period was also used to develop the brand protection service, AdultBlock and AdultBlock+, and in parallel secure the regulatory approvals from ICANN, granted on 29 May 2019, to enable corporate registrars to effectively start selling the service to their customer-base beginning in September 2019. Management believes this service, combined with the other activities already in place, has the ability to drive ongoing growth within the ICM properties.

Driving growth within the original MMX portfolio

For the original MMX portfolio, the H1 focus has been to:

- continue growing new sales through the registrar channel across a broader range of properties to underpin its established recurring revenue base;
- continue broadening the number of properties generating revenues in China via the registrar channel whilst reducing the reliance on high value one-off brokered sales from a single property in the region;
- continue working through the contracts provisioned for in 2018; and
- continue the innovation-based activities to supplement organic growth through the channel.

Channel sales growth across the original MMX portfolio

As a result of the processes put in place, H1 new channel billings across the original MMX portfolio advanced 30% to \$2.0m with new channel sales ahead of H1 2018 in all properties. Standard sales were up 31% to \$1.2m and premium channel sales up 28% to \$0.8m.

The H1 2019 drive in new channel billings has helped off-set the small decline in renewal billings (H1 2019 \$2.2m v H1 2018 \$2.3m) resulting from the high \$ value of brokered deals in H1 2018 on a small number of names that subsequently renewed at standard prices.

Overall, channel growth (ie. combined new sales and renewals via the registrar channel) of 9% to \$4.2m was achieved in H1 within the original MMX portfolio.

In terms of wider ongoing initiatives to monetise the portfolio via the registrar channel, in late June over 5000 previously reserved premium names were released to the channel and .law was introduced onto the GoDaddy platform. These initiatives did not impact H1 revenues but we expect them to start contributing in H2.

Broadening sales via the registrar channel in China

Historically, sales in China were heavily weighted towards brokered sales in a single property, .vip, and whilst steps had previously been taken to reduce this dependency, in H1 2018 one-off brokered sales from China still accounted for 53% of billings for the region (27% of Group billings) with new channel sales and renewals combined accounting for the remaining 47% in the region.

In H1 2019 Management is pleased to report channel sales (ie. new sales and renewals combined) accounted for over 69% of China billings. These sales were derived from multiple properties, H1 new sales in the region via the channel up 65% over the same period last year, standard billings doubling and premium channel billings up 36%. By contrast, brokered sales represented no more than a third of H1 2019 China billings and 11% of H1 Group billings.

The increase of regular sales through the registrar channel is reflected by the significant number of web pages now showing for MMX properties in the region – up 82% on a like-for-like basis on China focused search engines to 4.1m pages to the same time last year reflecting the ongoing adoption on MMX's lead property in China, .vip, where registrations increased 5% over H1 2018 to 0.88m registrations at the period end.

Brokered sales

Separately, brokered sales of \$0.9m were achieved across multiple properties (notably .law and .lux in addition to .vip) within the original MMX portfolio in H1 2019. Overall brokered sales were behind those of H1 2018 owing to a significant one-off brokered trade in H1 2018 in excess of \$1.0m. Management expects healthy brokered trading to continue throughout H2 across the portfolio.

Improved geographic split and billings mix across the combined Group

As a result of the activities across the ICM and MMX portfolios, the Group has seen a significant improvement in H1 2019 both in terms of geographic split and billings mix as reflected in the two tables below.

Regional split improvement	H1 2019	H1 2018	H1 2017
US	63%	37%	35%
China	27%	51%	53%
Europe	9%	12%	12%
ROW	1%	0%	0%

Billings mix improvement	H1 2019	H1 2018	H1 2017
Standard (channel)	18%	16%	17%
Premium (channel)	11%	11%	17%
Renewal (channel)	60%	45%	54%
Brokered (non-channel)	11%	28%	12%

Resolving legacy issues

The period was also used to address certain historic contracts against which provisions of \$9.1m were made in H1 2018. These consisted of an onerous contract provision of \$7m and a bad debt provision of \$2.1m against four underlying brokered contracts from 2017.

As disclosed in July 2019, an in principle agreement has now been reached to reduce the Company's obligations in relation to the legacy onerous contract provision through the payment of approximately \$5.1m which Management believes will save the Company in excess of \$3.0m over the remainder of the contract. Binding legal contracts and payment of approximately \$5.1m are expected to be agreed in H2 2019.

As it relates to the \$2.1m bad debt provision, \$0.5m of the provision has been utilised in the period in relation to two contracts now viewed as unrecoverable with the inventory reclaimed by MMX. Separately, over \$0.5m has been collected from the two remaining underlying contracts with revised payment plans entered into with the counterparties. As such no increases have been made to the bad debt provision, it now standing at \$1.6m at the period end.

Innovation

In relation to innovation activity, Management is pleased to report the following progress in the period which it believes will contribute to revenue generation in H2 and beyond:

- the .lux project has been expanded so that .lux names can be associated to technically all blockchain addresses, the testing and implementation of the technology now taking place with two partners in Asia;

- the development of a data driven expiring names service being introduced to domain investors in Q3 2019 to better monetize non-renewed names; and
- the development of and ICANN approval for the new AdultBlock and AdultBlock+ service that will allow trademark holders to protect not just their exact match terms across the ICM portfolio of top-level domains but also the many thousands of variant look-alike names that can be generated through alternate scripts to dupe consumers.

Management notes that a key part of the innovation activity is to monetise opportunities from the existing portfolio that sit beyond normal DNS based registrations that are recorded by sites such as ntldstats.com.

Acquisition

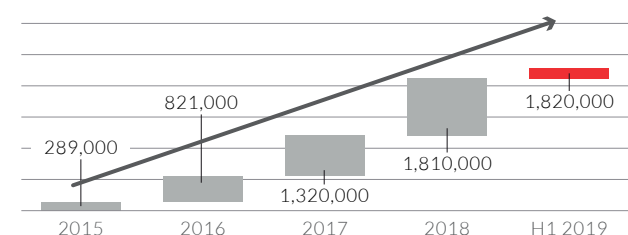
In terms of acquisition related activity, the primary focus in H1 has been on successfully completing the full integration of its first acquisition of ICM and putting in the place the required steps to return that portfolio to growth. With two portfolios now turned around, management sees increasing opportunity to accelerate towards scale through selective acquisition.

H1 KPIs

	H1 2019	H1 2018	% Change
Domains under management	1.82m	1.50m	19%
Gross Revenue - \$'000's	8,900	6,400	39%
Renewal Revenue - \$'000's	6,000	3,400	76%
Cost of Sales - \$'000's (2018 adjusted for IFRS 16)	1,600	1,700	-6%
Cost of Sales as a % of Gross Revenue	18%	27%	N/A
OPEX - \$'000's (2018 adjusted for IFRS 16)	3,100	2,500	24%
Operating EBITDA - \$'000's	3,300	700	371%

Domain names under management (DUMs) has increased by 19% to 1.82m at the end of H1 2019 compared to 1.50m at the end of H1 2018. This reflects the deepening relationships with the registrar channel and the use of data-driven promotional activities directed towards expanding the first year registrations of certain top-level domains while keeping in mind future renewal revenue.

Registrations



The remaining KPIs are discussed within the financial review sections below.

executive summary

for the period ended 30 June 2019

(continued)

Financial Review

IFRS 16

IFRS 16, effective 1 January 2019, impacts the accounting and reporting for certain leases. From a balance sheet view it requires certain leases to be reported as assets to reflect the value of the leased asset being controlled and used by the Company as well as recording a liability to reflect the fair value of future payments towards the lease.

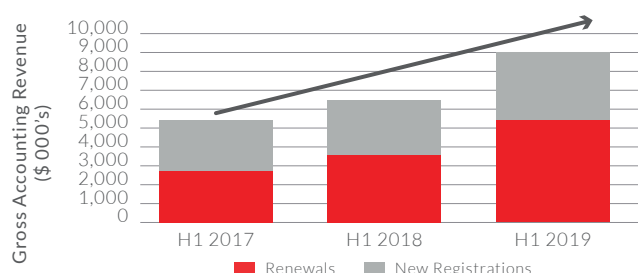
The Company has taken the modified approach to adopting IFRS 16. As a result the balance sheet now reflects a 'right of use asset' of \$2.8m related to leases for registry services and properties and a lease liability of \$4.3m. The right of use asset is being amortised over its useful life and the lease liability is unwound as payments are made. In addition, the Company is required to impute interest expense against the lease liability which is charged to finance costs.

From an Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) and net earnings view it removes certain lease costs from COGs and OPEX totaling approximately \$0.4m.

Revenue

Gross revenue has increased by 39% to \$8.9m in H1 2019 compared to \$6.4m in H1 2018. This reflects the growth of new registration revenue via the registrar channel, up 37% to \$2.0m (H1 2018 of \$1.5m) and the improvement to renewal revenues which have benefitted from the full six month contribution from the ICM acquisition. Against this growth, H1 2019 brokered sales were \$0.9m representing 10% of Group revenue.

Gross Accounting Revenue

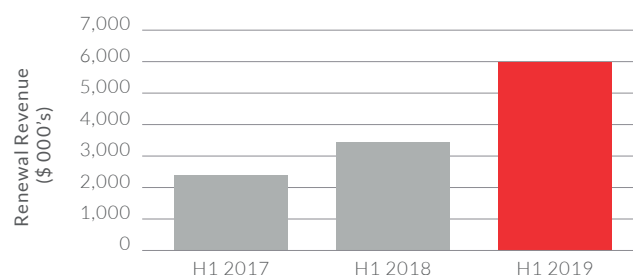


Renewal revenue

Renewal revenue has grown 76% to \$6.0m in H1 2019 compared to \$3.4m in H1 2018, directly benefitting from the full six month ICM contribution compared to 2 weeks in H1 2018. Renewals now represent 68% of total H1 2019 revenue (H1 2018: 53%).

Management's goal is for renewal revenues to surpass OPEX, Cost of Sale and Partner Payments within the next 12 months. The combination of the stronger focus on registrar channel sales, discussed in the Operating Review, and the established renewal base, including the benefit of the ICM acquisition, resulted in H1 2019 renewal revenue covering 97% (H1 2018: 60%) of OPEX, Cost of Sale and partner payments.

Renewal Revenue



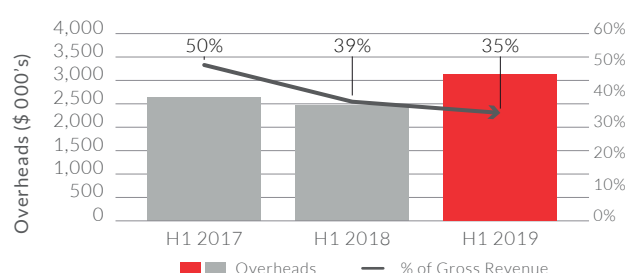
Expenditures

Cost of sales decreased in H1 2019 to \$1.6m compared to H1 2018 of \$1.7m adjusted for IFRS 16 in spite of the expanded portfolio.

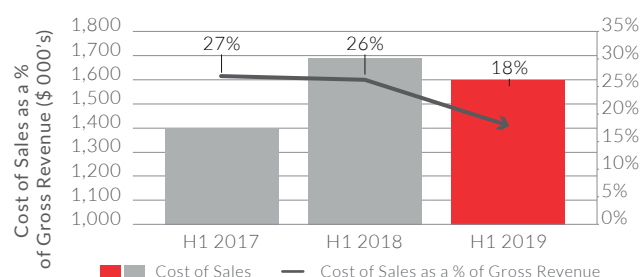
Operating expenditures increased to \$3.1m in H1 2019 from \$2.5m in H1 2018 adjusted for IFRS 16, which reflects the integration of the ICM operations into MMX. During H1 2019 the back-end contracts for the ICM and MMX portfolios were renegotiated. The renegotiated contracts will deliver combined savings of circa \$0.4m in FY 2019 and approximately \$0.6m in 2020.

Cost of sales, now at 21% of gross revenue (31% in H1 2018), is aligned with management's KPI of 20% of gross revenue while operational expenditures of \$3.1m are expected to be within Management's FY goal of \$6.0m, the KPI set in 2016.

Overheads



Cost of Sales

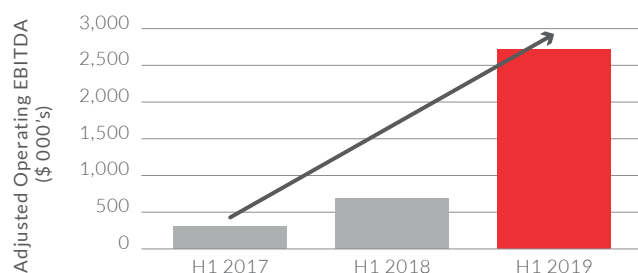


Operating EBITDA

Operating Earnings Before Taxes, Depreciation, and Amortisation (Operating EBITDA) has increased by 371% to \$3.3m in H1 2019 compared to \$0.7m at H1 2018. Excluding revenue from the resolution of TLD contention during the period, Adjusted Operating EBITDA has grown by 286% to \$2.7m in H1 2019 compared to \$0.7m in H1 2018.

The combination of increased revenue from the channel, the renewal revenue uplift from the June 2018 acquisition and operational efficiencies of the combined companies have contributed to the overall growth in Operating EBITDA. Management continues to look for ways to improve operations and reduce costs while investing in the growth of its personnel and growth of certain marketing expenditures that provide a measurable return on investment. These activities will create the base from which to continue building future profitability.

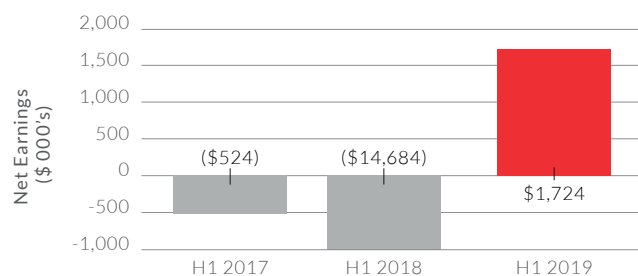
Adjusted Operating EBITDA



Profit/(Loss)

The Group's overall profit for H1 2019 has grown to \$1.7m compared to a \$14.7m loss in H1 2018. The loss in H1 2018 was primarily driven by non-cash charges relating to provisions and asset impairment totaling \$13.2m plus one-off cash expenditures of \$1.4m.

Net Earnings



Cash

During the period cash-inflows from domain sales were up 37% to \$8.6m (H1 2018 \$6.3m) and cash generated from contested gTLD auctions was \$1.6m. As a result, net cash generated from operations was \$3.6m compared to cash generated in H1 2018

of \$0.5m. Excluding the auction proceeds, net cash generated by operations was \$2.2m in H1 2019 compared to \$0.5m in H1 2018.

Cash balances at the end of H1 2019, post repayment of the working capital facility of \$3.0m and \$1.8m payment against onerous contract obligations, stood at \$8.9m (\$10.4m at the end of 2018).

Meanwhile restricted cash at the period end stood at \$2.0m compared to \$3.2m at the end of 2018. The reduction in restricted cash is the result of renegotiated agreements with partners and the release of ICANN letters of credit where contested gTLDs have been resolved.

Post period end, the Company earmarked up to \$1.3m (£1.0m for a share buyback which commenced 26 July 2019, during which period the Company managed to buy back 973,818 shares at an average price of 5.76p and a total cost of £56,059.99.

Balance sheet

Outside of cash, the key changes to the balance sheet in H1 2019 relate primarily to the implementation of IFRS 16 and the reduction of certain liabilities. Key changes include:

- a \$2.6m increase in non-current assets to \$87.9m (2018: \$85.3m) which includes the \$2.8m 'right of use' asset reflecting the implementation of IFRS 16;
- the collection of \$0.5m related to contracts that formed part of the bad debt provisions;
- a \$1.4m reduction to the onerous contract provision reflecting payments made in accordance with the original agreement;
- a \$1.5m reduction in trade and other payables to \$7.1m (2018: \$9.6m) primarily related to the settlement of the \$3.0m working capital facility during H1 2019 and the increase in registrar prepayments of \$1.0m, relieving the Company of any outstanding debt from borrowings; and
- a \$4.3m increase in lease liabilities as a result of IFRS 16.

Current trading and outlook

In line with management's expectations, H2 has begun positively as a result of the building blocks put in place in H1 with billings through the channel for the full group currently trending 15% ahead of Q3 2018 and brokered sales in line with the same period last year.

Management is likewise pleased with the Group's continuing progress in monetizing opportunities from its portfolio beyond straight DNS based registrations through its Innovation activity. To that end, it notes that over 0.60m underlying identifiers have already been blocked in the first 106 AdultBlock+ sales, the Group's registrar partners having only just begun introducing the product to their customers in September. Separately, approximately 0.5m onchain identifiers have now been reserved

executive summary

for the period ended 30 June 2019

(continued)

for registration within MMX's .luxe R&D project by the first two wallet partners as part of the freemium strategy being used in the pilot phase to enable wallet providers to offer their users a single simple address solution for the multiple separately addressed wallets per currency each customer has to use.

Management is also pleased to report that .law is set shortly to be endorsed as an approved web address for lawyers in the region. The Company's in-country commercial partners believe this will support the ongoing roll-out of the property in China.

As previously announced, management expects to pay the circa \$5.1m onerous contract settlement payment on completion of legals in H2. We believe that this will once and for all set a clear line in the sand on this issue and will remove a substantial cash drain to the business.

As set out, the business is now on a much firmer footing with strong recurring revenues and increasing cash generation from operations. We will continue with the £1m buyback initiated on 26 July 2019 whilst, during the second half of our financial year, we explore with our shareholders a more meaningful return of funds either through the introduction of a progressive dividend or a larger tender offer or a combination of the two.

As the Group continues its onward momentum, management thanks the Group's staff, commercial partners, shareholders and Board for their combined support over the last three years which has successfully allowed MMX to transition into a highly cash generative company enabling it to be increasingly valued on fundamentals, not sentiment, moving forward.

Toby Hall
Chief Executive Officer
23 September 2019

Michael Salazar
Chief Financial Officer
23 September 2019

independent review report

for the period ended 30 June 2019

Introduction

We have been engaged by Minds + Machines Group Limited to review the interim financial information for the six months ended 30 June 2019 which comprise the consolidated statement of total comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of cash flows, the condensed consolidated statement of changes in equity and related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Respective responsibilities of directors and auditor

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the AIM Rules issued by the London Stock Exchange, which requires that the interim report must be prepared and presented in a form consistent with that which will be adopted in the Company's annual financial statements having regard to the accounting standards applicable to such annual financial statements.

Our responsibility is to express to the Company a conclusion on the consolidated financial information in the interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated financial information in the interim report does not give a true and fair view of the financial position of the Company as at 30 June 2019 and of its financial performance and its cash flows for the six months then ended, in accordance with the AIM Rules issued by the London Stock Exchange.

Mazars LLP
Chartered Accountants

Tower Bridge House
St Katharine's way
London
E1W 1DD

23 September 2019

Notes:

- The maintenance and integrity of the Minds + Machines Group Limited web site is the responsibility of the directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the web site.
- Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

consolidated statement of total comprehensive income

for the period ended 30 June 2019

	Notes	Six Months to 30 Jun 2019 (unaudited) \$ 000's	Six Months to 30 Jun 2018 (unaudited) \$ 000's	Year Ended 31 Dec 2018 (audited) \$ 000's
Continuing Operations:				
Revenue		8,884	6,423	15,094
Less: Partner payments	5	(1,470)	(1,143)	(2,520)
Revenue less partner payments		7,414	5,280	12,574
Cost of sales	6	(1,602)	(2,009)	(3,481)
Gross Profit		5,812	3,271	9,093
Gross Profit Margin %		78%	62%	72%
Profit on gTLD auctions		588	-	480
Operating expenses		(3,129)	(2,610)	(5,526)
Operating earnings before interest, taxation, depreciation and amortisation (Operating EBITDA)		3,271	661	4,047
Strategic review costs		-	(105)	(110)
Acquisition costs		-	(586)	(595)
Restructuring costs		-	(721)	(743)
Bad debt provision		-	(2,112)	(2,112)
Impairment loss on intangible assets		-	(4,100)	(4,145)
Onerous contract provision		-	(6,992)	(7,154)
Foreign exchange loss		(96)	(197)	(342)
Loss on disposal of fixed assets		-	(13)	(12)
Share based payments	7	(575)	(484)	(1,153)
Share of results of joint ventures	13	47	5	4
Earnings / (Loss) before interest, taxation, depreciation, and amortisation (EBITDA)		2,647	(14,644)	(12,315)
Depreciation and amortisation charge	8	(588)	(101)	(211)
Finance revenue		6	8	16
Finance costs	9	(327)	-	(180)
Profit / (Loss) before taxation		1,738	(14,737)	(12,690)
Income tax		(14)	53	54
Profit / (Loss) for the period		1,724	(14,684)	(12,636)

	Notes	Six Months to 30 Jun 2019 (unaudited) \$ 000's	Six Months to 30 Jun 2018 (unaudited) \$ 000's	Year Ended 31 Dec 2018 (audited) \$ 000's
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences		(24)	(82)	387
Items that will not be reclassified to profit or loss:				
Loss on fair value through other comprehensive income financial assets		(57)	(201)	(443)
Other comprehensive income for the period net of taxation		(81)	(283)	(56)
Total comprehensive income for the period		1,643	(14,967)	(12,692)
Profit / (loss) for the period attributable to:				
Equity holders of the parent		1,723	(14,681)	(12,652)
Non-controlling interests		1	(3)	16
		1,724	(14,684)	(12,636)
Total comprehensive income for the period attributable to:				
Equity holders of the parent		1,642	(14,964)	(12,708)
Non-controlling interests		1	(3)	16
		1,643	(14,967)	(12,692)
Earnings / (Loss) per share (cents)				
Basic	10	0.19	(2.07)	(1.68)
Diluted	10	0.18	(2.07)	(1.68)

condensed consolidated statement of financial position

as at 30 June 2019

	Notes	30 Jun 2019 (unaudited) \$ 000's	30 Dec 2018 (audited) \$ 000's	31 Jun 2018 (unaudited) \$ 000's
ASSETS				
Non-current assets				
Goodwill		2,828	2,828	2,828
Intangible assets	11	81,523	81,458	81,475
Tangible assets		51	59	62
Investments	12	-	57	299
Right-of-use asset	4	2,848	-	-
Interest in joint ventures	13	479	432	430
Other long-term assets	14	185	435	555
Total non-current assets		87,914	85,269	85,649
Current assets				
Trade and other receivables	15	7,502	9,129	6,344
Cash and cash equivalents	16	8,946	10,367	9,455
Total current assets		16,448	19,496	15,799
TOTAL ASSETS		104,362	104,765	101,448
LIABILITIES				
Current liabilities				
Trade and other payables	17	(7,150)	(9,629)	(8,590)
Deferred revenue		(13,161)	(14,761)	(15,018)
Provisions	18	(1,563)	(2,914)	(3,116)
Lease liabilities	4	(970)	-	-
Total current liabilities		(22,844)	(27,304)	(26,724)
Non-current liabilities				
Provisions	18	(2,762)	(2,860)	(3,642)
Lease liabilities	4	(3,343)	-	-
Total non-current liabilities		(6,105)	(2,860)	(3,642)
TOTAL LIABILITIES		(28,949)	(30,164)	(30,366)
NET ASSETS		75,413	74,601	71,082
EQUITY				
Share capital	19	-	-	-
Share premium	19	80,657	68,912	68,912
Shares to be issued		-	11,745	11,745
Other reserves		(500)	(443)	(201)
Foreign exchange reserve		1,560	1,584	1,115
Retained earnings		(5,979)	(6,871)	(10,416)
Equity attributable to owners of the Company		75,738	74,927	71,155
Non-controlling interests		(325)	(326)	(73)
TOTAL EQUITY		75,413	74,601	71,082

condensed consolidated statement of cash flows

for the period ended 30 June 2019

	Notes	Period Ended 30 Jun 2019 (unaudited) \$ 000's	Period Ended 30 Jun 2018 (unaudited) \$ 000's	Year Ended 31 Dec 2018 (audited) \$ 000's
Cash flows from operations				
Operating EBITDA		3,271	661	4,047
Adjustments for:				
Foreign exchange (loss) / gain		(276)	(220)	152
Withdrawal of gTLD applications		148	-	120
Strategic review cost		-	(105)	(110)
Acquisition costs		-	(586)	-
Restructuring costs		-	(721)	(743)
Onerous provision utilisation	18	(1,449)	(234)	-
Decrease in trade, long-term and other receivables including bad debt provisions and amounts transferred to cash and cash equivalents		1,628	3,223	97
Decrease in trade and other payables		(1,083)	(1,518)	(1,241)
Net cash inflow from operations		2,239	500	2,322
Cash flows from investing activities				
Interest received		6	8	16
Payments towards 2016 restructured contracts		-	(776)	(811)
Payments to acquire intangible assets	11	(173)	-	(99)
Payments to acquire fixtures & equipment		(6)	(9)	(20)
Receipts from the disposal of tangible assets		-	-	2
Acquisition of subsidiary, net of cash acquired		-	(9,136)	(9,136)
Acquisition costs		-	-	(595)
Net cash outflow from investing activities		(173)	(9,913)	(10,643)
Cash flows from financing activities				
Interest paid	9	(97)	-	(180)
(Repayment) / Proceeds from borrowings	17	(3,000)	3,000	3,000
Principal elements of lease payments		(390)	-	-
Net cash (outflow)/inflow from financing activities		(3,487)	3,000	2,820
Net decrease in cash and cash equivalents		(1,421)	(6,413)	(5,501)
Cash and cash equivalents at beginning of period		10,367	15,868	15,868
Cash and cash equivalents at end of period		8,946	9,455	10,367

condensed consolidated statement of changes in equity

for the period ended 30 June 2019

	Share Capital \$ 000's	Share premium \$ 000's	Shares to be issued \$ 000's	Other reserves \$ 000's	Foreign exchange reserve \$ 000's	Retained earnings \$ 000's	Total \$ 000's	Non- controlling interest \$ 000's	Total equity \$ 000's
At 1 January 2018	-	60,060	-	-	1,197	3,781	65,038	(70)	64,968
Loss for the period	-	-	-	-	-	(14,681)	(14,681)	(3)	(14,684)
Other comprehensive income	-	-	-	(201)	(82)	-	(283)	-	(283)
Total comprehensive income	-	-	-	(201)	(82)	(14,681)	(14,964)	(3)	(14,967)
Additions to share premium	-	8,852	-	-	-	-	8,852	-	8,852
Shares to be issued	-	-	11,745	-	-	-	11,745	-	11,745
Credit to equity for equity-settled share based payments	-	-	-	-	-	484	484	-	484
As at 30 June 2018 (unaudited)	-	68,912	11,745	(201)	1,115	(10,416)	71,155	(73)	71,082
As at 31 December 2018 as previously reported	-	68,912	11,745	(443)	1,584	(6,871)	74,927	(326)	74,601
Change in accounting policy (see note 4)	-	-	-	-	-	(1,406)	(1,406)	-	(1,406)
Restated as at 1 January 2019 (unaudited)	-	68,912	11,745	(443)	1,584	(8,277)	73,521	(326)	73,195
Profit for the period	-	-	-	-	-	1,723	1,723	1	1,724
Other comprehensive income	-	-	-	(57)	(24)	-	(81)	-	(81)
Total comprehensive income	-	-	-	(57)	(24)	1,723	1,642	1	1,643
Additions to share premium	-	11,745	(11,745)	-	-	-	-	-	-
Credit to equity for equity-settled share based payments	-	-	-	-	-	575	575	-	575
As at 30 June 2019 (unaudited)	-	80,657	-	(500)	1,560	(5,979)	75,738	(325)	75,413

- Share premium – This reserve includes any premiums received on issue of share capital. Any transaction costs associated with the issue of shares are deducted from share premium
- Shares to be issued – This reserve represents shares to issued arising from the acquisition of ICM Registry, LLC.
- Other reserves – This reserve represents the gains and losses arising from assets held for sale designated at fair value through OCI.
- Foreign currency reserve – This reserve represents gains and losses arising on the translation of foreign operations into the Group's presentational currency.
- Retained earnings – This reserve represents the cumulative profits and losses of the Group.
- Non-controlling interests reserve – This reserve represents the share of the interest held by the non-controlling shareholders of the subsidiary undertakings.

notes to financial statements

for the period ended 30 June 2019

1 Reporting entity

Minds + Machines Group Limited is a company registered in the British Virgin Islands under the BVI Business Companies Act 2004. The Company's ordinary shares are traded on the AIM market operated by the London Stock Exchange.

2 Basis of Preparation

These interim financial statements have been prepared on the basis of Company accounting policies and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2018 ('last annual financial statements'). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last financial statements.

The interim financial statements have not been audited but have been reviewed by the auditor in accordance with International Standard on Review Engagements (UK and Ireland) 2410 issued by the Auditing Practices Board.

The accounting policies used in the preparation of these condensed consolidated interim financial statements is the same as those disclosed in the last annual financial statements, except this is the first set of the Group's financial statements in which IFRS 16 has been applied. This change is described in Note 4.

Basis of consolidation

The condensed consolidated financial information incorporates the results of the Company and its subsidiaries.

Approval

These interim financial statements were authorized for issue by the Company's board of directors on 23 September 2019.

3 Use of Judgements and estimates

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key source of estimation uncertainty were the same as those described in the last annual financial statements, except for the new significant judgements related to lessee accounting under IFRS 16, which are described in Note 4.

4 Adoption of IFRS 16 Leases

The Group has adopted IFRS 16 Leases from 1 January 2019. IFRS 16 introduced a single, on balance sheet accounting model for leases. As a result, the Group, as a lessee has recognised right-of-use assets representing its right to use the assets under lease and lease liabilities representing its obligation to make lease payments.

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group has many assets including registry platform. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as an operating lease. Prior to IFRS 16, these leases were not capitalised, the lease payments were recognised as an expense in the profit or loss on a straight-line basis over the lease term. Any prepaid amounts were recognised under prepayments.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases. The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

notes to financial statements

for the period ended 30 June 2019

(continued)

The Group has applied IFRS16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations.

Set out below are the new accounting policies of the Group upon adoption of IFRS 16, which have been applied from the date of initial application:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the leases, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed and variable payments.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Impact on financial statements on adoption of IFRS 16

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lease's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 Jan 2019 was 11.50%

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with a lease term that ends within 12 months at the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

The effect of adoption of IFRS 16 as at 1 January 2019 (increase/(decrease)) is as follows

	1 Jan 2019 \$ 000's (unaudited)
Assets	
Right-of-use assets	2,447
Liabilities	
Interest-bearing loans and borrowings	(3,574)
Total adjustment on equity:	
Retained earnings	(1,127)
Prepayments	(279)
Total Adjustment on equity	(1,406)

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018 as follows:

	1 Jan 2019 \$ 000's (unaudited)
Operating lease commitments as at 31 December 2018	2,369
Add:	
Payments in optional extension periods not recognised as at 31 December 2018 and the effect of discounting	1,205
Lease liabilities as at 1 January 2019	3,574

On transition to IFRS 16, the Group recognized right-of-use assets and lease liabilities, recognizing the difference in retained earnings. The impact on transition is summarized below.

notes to financial statements

for the period ended 30 June 2019

(continued)

	Right of Use Assets*			Lease Liabilities*
	Registry Platform \$ 000's (unaudited)	Rent \$ 000's (unaudited)	Total \$ 000's (unaudited)	Lease Liabilities \$ 000's (unaudited)
As at 1 January 2019	2,328	119	2,447	3,574
Additions	878	-	878	878
Depreciation and amortisation expense	(428)	(44)	(472)	-
Interest expense	-	-	-	230
Payments	-	-	-	(357)
Foreign exchange	-	(5)	(5)	(12)
As at 30 June 2019	2,778	70	2,848	4,313
Current				970
Non-current				3,343
Total				4,313

*The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach comparative information is not restated.

5 Partner Payments

Partner payments represents the expense relating to certain TLDs where royalty payments are required to be made. Such payments are based on the Group's billing and are deferred in line with accounting revenue.

6 Cost of Sales

	H1 2019 \$ 000's (unaudited)	H1 2018 \$ 000's (unaudited)
Third Party Fees	-	373
ICANN Fees	630	472
Marketing	701	1,045
Other	271	119
	1,602	2,009

Third party fees are now reported pursuant to IFRS 16 (see note 4).

7 Share Based Payments

Share based payments expenses of \$575k (H1 2018: \$484k) relate to the fair value of the share options determined by using the Black-Scholes model expensed over the vesting period of the share option. There has been no issue of share options in the 6 month period to 30 June 2019.

8 Depreciation and Amortisation

	H1 2019 \$ 000's (unaudited)	H1 2018 \$ 000's (unaudited)
Right of use-assets (see Note 4)	472	-
Other	116	101
	588	101

9 Finance Costs

	H1 2019 \$ 000's (unaudited)	H1 2018 \$ 000's (unaudited)
Imputed interest on leases* (see note 4)	230	-
Loan interest	97	-
	327	-

*The Group implemented the modified retrospective approach pursuant to IFRS 16. Under this approach comparative information from previous periods has not been restated.

10 Earnings / (loss) per share

	H1 2019 \$ 000's (unaudited)	H1 2018 \$ 000's (unaudited)
Earnings/ (Loss) for the purpose of basic and diluted earnings per share		
Earnings/ (Loss) for the period	1,723	(14,681)
Number of shares		
Weighted average number of ordinary shares used in calculating basic loss per share (millions)	920.99	708.00
Effect of dilutive potential ordinary shares – share options and warrants (millions)	39.80	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share (millions)	960.79	708.00
Earnings per share		
Basic (cents)	0.19	(2.07)
Diluted (cents)	0.18	(2.07)

As a result of the losses in H1 2018, 39.8 million potential ordinary shares (i.e. outstanding share options and warrants) were anti-dilutive.

notes to financial statements

for the period ended 30 June 2019

(continued)

11 Intangible Assets

	generic Top Level Domains \$ 000's	Software & development costs \$ 000's	Contract based intangible assets \$ 000's	Other \$ 000's	Total \$ 000's
Cost					
At 1 January 2018	41,629	2,670	4,206	170	48,675
Additions – acquisition of ICM	39,603	-	-	-	39,603
Additions – other	-	99	-	-	99
Exchange differences	(22)	(62)	-	-	(84)
At 31 December 2018	81,210	2,707	4,206	170	88,293
Additions:	-	173	-	-	173
Exchange differences	(3)	(6)	-	-	(9)
At 30 June 2019 (unaudited)	81,207	2,874	4,206	170	88,457
Accumulated amortization and impairment					
At 1 January 2018	-	(2,323)	-	(170)	(2,493)
Charge for the year	-	(185)	-	-	(185)
Impairment for the year	-	-	(4,145)	-	(4,145)
Exchange differences	-	49	(61)	-	(12)
At 31 December 2018	-	(2,459)	(4,206)	(170)	(6,835)
Charge for the period	-	(102)	-	-	(102)
Exchange differences	-	3	-	-	3
At 30 June 2019 (unaudited)	-	(2,558)	(4,206)	(170)	(6,934)
Carrying amount					
At 30 June 2019 (unaudited)	81,207	316	-	-	81,523
At 31 December 2018	81,210	248	-	-	81,458

generic Top Level Domains

In 2012, the Group applied for new generic Top Level Domains (“gTLDs”) to the Internet Corporation for Assigned Names and Numbers (ICANN). Successful applications are transferred from Other Long-term Assets to Intangible assets. The Group capitalises the full cost incurred to pursue the right to operate gTLDs including amounts paid at auction to gain this right where there are more than one applicant to ICANN for the same gTLD.

In H1 2018, the Group completed the acquisition of ICM Registry, LLC. Through that acquisition the Group acquired a further four gTLDs onto their portfolio with a value of \$39,603k.

This class of intangible assets is assessed to have an indefinite life as it is deemed that the application fee and amounts paid at auction give the Group the indefinite right to this generic Top Level Domain. As at H1 2019 the Directors believe there is no indication of impairment. A full review will be performed at year end.

12 Investments

	30 Jun 2019 \$ 000's (unaudited)	31 Dec 2018 \$ 000's
Investments	-	57

The Group has fully written-off a previously impaired investment due to that company's current financial challenges which the Group believes will not be reversible.

13 Interest in Joint ventures

	30 Jun 2019 \$ 000's (unaudited)	31 Dec 2018 \$ 000's
Assets		
- Non Current	227	152
- Current	264	292
	491	444
Liabilities		
- Current	(12)	(12)
Share of interest in net assets	479	432
	Six Months to 30 Jun 2019 \$ 000's (unaudited)	Six Months to 30 June 2018 \$ 000's (unaudited)
- Revenue	7	17
- Cost of Sales	(5)	10
- Expenses	(6)	2
- Profit on contested gTLD applications	51	-
Profit after income tax	47	5

The Company has an interest in two Joint ventures; "Entertainment Inc." and "Dot Country LLC". During the period one of the joint ventures resolved a contested gTLD application.

14 Other Long-Term Assets

During the application process, payments for gTLD applications are included in Other Long Term Assets as there is no assurance that the Group will be awarded any of the related gTLDs. Long-term receivables payments will be reclassified as intangible assets once the gTLD strings are available for their intended use, which is expected to occur following the delegation of gTLD strings by ICANN. In general, the Group does not expect to withdraw any of its applications unless the application has not passed the evaluation process and there is no further recourse or there is an agreement to sell or dispose of the Group's interest in certain applications.

Other long-term receivables decreased to \$185k (2018: \$435k) as a result of management's decision to withdraw certain applications with ICANN, in some cases due to the Group's participation in auctions. Where the Group receives a partial cash refund for certain gTLD applications and/or to the extent the Group elects to sell or dispose of its interest in certain gTLD applications throughout the process, it may incur gains or losses on amounts invested. In such cases refunds received are applied against the carrying value of the application fee. Gains on the sale of the Group's interest in the gTLD applications are recognised when realized. Losses are recognised when deemed probable. Other costs incurred as part the gTLD initiative not directly attributable to the acquisition of gTLD operator rights are expensed as incurred.

notes to financial statements

for the period ended 30 June 2019

(continued)

15 Trade and Other Receivables

	30 Jun 2019 \$ 000's (unaudited)	30 Dec 2018 \$ 000's
Trade receivables	5,806	6,721
Allowance for doubtful debts	(1,636)	(2,107)
Net receivables	4,170	4,614
Other receivables	174	735
Prepayments	3,026	3,621
Accrued revenue	82	109
Due from joint ventures (see note 13)	50	50
	7,502	9,129

Trade receivables are amounts due from customers and are stated at the original invoice amount less allowance made for doubtful receivables. During the period the Company has utilised \$471k of the provision. Management believes that the net trade receivables as reflected above are recoverable and stated at fair value.

16 Cash and Cash Equivalents

Included in the Group's cash and cash equivalents are restricted funds of \$1,986k (2018: \$3,221k). These amounts are held to fund the letters of credit required by ICANN. During the period \$1,000k held in escrow to satisfy certain vendor requirements was released back to the Group (2018: \$1,000k) along with \$235k on the withdrawal of applications with ICANN.

17 Trade and Other Payables

	30 Jun 2019 \$ 000's (unaudited)	30 Dec 2018 \$ 000's
Trade payables	71	92
Credit balances on customer accounts	2,587	1,623
Taxation liabilities (VAT, income tax and other)	-	8
Borrowings	-	3,000
Other liabilities	2,103	2,081
Accruals	2,032	2,755
Due to Joint Ventures (see Note 13)	357	70
Trade and other payables	7,150	9,629

In 2018, the Group entered into a Facility Agreement with London and Capital Assets Management Limited, a significant shareholder. The facility provided \$3million of working capital which was repaid in H1 2019.

18 Provisions

	30 Jun 2019 \$ 000's (unaudited)	30 Dec 2018 \$ 000's
Onerous contract provision	4,325	5,774
	4,325	5,774
Current	1,563	2,914
Non-current	2,762	2,860
	4,325	5,774

	Onerous contract provisions \$ 000's
At 1 January 2019	5,774
Provision in the period	-
Payment in the period	(1,449)
At 30 June 2019 (unaudited)	4,325

Under IAS 37 Provisions, Contingent Liabilities and Contingent Assets, an onerous contract provision was created in 2018 based on Management's assessment of future earnings against future obligations associated with a specific agreement. The terms of the agreement provide for an annual minimum revenue guarantee to the business partner. The Group has reached an in principle agreement to reduce the Group's obligations in relation to the onerous contract provision of \$4.3m and associated liabilities of \$2m. Binding legal contracts and payment of approximately \$5.1m from the Group's existing cash resources to resolve this onerous contract are expected in H2. As a result no modification to the provision has been made.

19 Share Capital and Premium

Called up, allotted, issued and fully paid ordinary shares of no par value	Number of shares	Price per share (cents/pence)	Total \$ 000's
As at 31 December 2018 and 30 June 2019	796,556,797		68,912
Shares issued:			
Issued on 4 Jan 2019 for acquisition of ICM Registry, LLC	128,300,765	9.2c/6.9p	11,745
30 June 2019 (unaudited)	924,857,562		80,657

20 Post Balance Sheet Events

- a) On 18 July 2019, the Company approved a buyback of ordinary shares in the capital of the Company for an aggregate purchase price of up to \$1.22 million. As of the balance sheet signing date the Company has bought back 500,000 shares at 6p and 473,818 share at 5.5p per ordinary share and will continue to keep the buy back program open until 25 September 2019.
- b) On 25 July 2019, awards of Nil price options/Restricted Stock units (RSU's) over ordinary shares of the Company were made to directors and employees of the Company. The options will vest on the publication of the accounts of the Company for year ended 2021 subject to achievement certain of vesting condition. Details of the awards are as follows.

	Number of Options/ RSU's Granted (unaudited)
Toby Hall (in name of Florimont Limited, a company of which Toby Hall is sole beneficiary)	13,000,000
Michael Salazar (CFO)	13,000,000
Employees	2,750,000
	28,750,000

corporate information

Registered number

1412814 registered in
British Virgin Islands

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Toby Hall

Chief Executive Officer

Michael Salazar

Chief Finance Officer

Guy Elliott

Non Executive Chairman

Henry Turcan

Non Executive Director

Company Secretary

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