

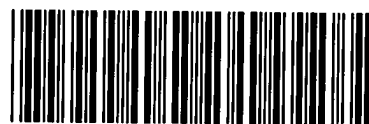
Ogury Limited

Annual report and financial statements

Registered number 08904951

31 December 2019

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Company Information

Directors	Mr T Pasquet Mr A Roubach Mr J Bourcereau Mr B Grossmann
Company number	08904951
Registered office	3 rd Floor, Classic House 174-180 Old Street London UK EC1V 9BP
Auditor	KPMG LLP 15 Canada Square London E14 5GL

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Strategic report

The directors present the strategic report for the year ended 31 December 2019.

Fair review of the business and Strategy

Ogury is an advertising technology group that was founded in 2014, with the ambition of establishing a trusted digital advertising ecosystem driven by user choice.

Ogury helps organizations engage users with tailored brand experiences while allowing those users to make informed and fair choices around how, when, and why their data is collected and used. Its technology ensures compliance with the changing landscape of data protection and privacy laws such as the General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA).

Ogury has created the first marketing engine driven by user choice, specifically designed to address three key elements integrated all in one place: 1. Trusted and traceable user consent, 2. Unique and legitimately actionable insights on the consumers and their mobile journey, and 3. Brand safe, fraud-free, and data-safe activation of data and media. Ogury believes this technology will change the direction and future of the entire AdTech market, and as a global organization with approximately 400 employees across 10 countries, is dedicated to building the future of choice-driven digital advertising.

The period covered by this report is the 12 months to 31 December 2019. During this period the Group's revenue increased by 28% to \$106m (2018: \$83m). The operating loss for the period was \$23m (2018: \$5m profit) and there was a reported loss after interest and tax of \$22m (2018: \$4m profit). These losses were largely driven by amortisation and an impairment charge made against the carrying value of the goodwill and intangible assets related to Ogury's mediation business, totalling \$17m. The assets were evaluated for impairment based on the Net Present Value (NPV) of future cashflows and full details can be found in note 9 of the consolidated accounts.

At 31 December 2019, the Group held net assets of \$51m (2018: \$52m).

The Group continued to extend its global reach, and in addition to cementing its position in its existing territories across Europe and the USA, also set up offices in the Netherlands, Germany, Mexico, Singapore and Australia. The new presence in Central America, Asia and Australia has helped extend Ogury's customer base and continue to drive new revenues.

In May 2019, Ogury strengthened its cash position by raising new funds to enable the group to accelerate its product innovation and customer growth in the U.S. and other key markets in Europe and Asia-Pacific. Ogury issued new shares to existing shareholders for \$20m and as part of this, 39,587,963 A4 Preference shares were issued, 25,098,767 Ordinary shares were converted to A4 Preference shares and 1,059,490 Ordinary B shares were converted to A4 Preference shares. See note 20 for further details.

Principal risks and uncertainties

The principal risks faced by the Company and Group are those associated with businesses operating internationally in the advertising technology industry. Principal risks include but are not limited to:

- Loss of key clients and associated revenue. Ogury's customers are predominately subsidiaries of the largest international agency Groups, independent agencies and also the brand direct. These clients are almost all blue-chip companies with a very solid financial situation. We continue to maintain and develop a strong relationship with them, strengthened by the proved performance of our delivery, as well as identifying new potential clients and brands. We are continually reviewing and innovating within our business to improve the service provided to these customers.
- Loss of key application publishers and associated inventory. The ability to generate user data and successfully deliver advertising campaigns is dependent on maintaining an adequate network of users who are reached through our publishers. Our performance and the granularity of our anonymised data allows us to bring publishers not only revenue but also a unique knowledge of their users, which gives them a strong incentive to work with us. We continue to innovate within our core business to maintain the performance of the Group in this respect, as well as working to maintain strong relationships with application publishers.

Strategic report (continued)

- Effect of economic cycles affecting marketing expenditure. Our international footprint, as well as the fact that we are covering numerous sectors spreads the risk and exposure for the Group.
- The potential impacts of the United Kingdom leaving the E.U. There is a lot of uncertainty over the possible impacts, and there could be wide reaching impacts such as hampering mobility of staff and regulation changes. We continue to monitor the Brexit negotiations for any impacts to our business and will take appropriate action if required as the output from these negotiations becomes clearer.
- Operational risk of doing business internationally, including tax regimes, social/political stability, laws and regulatory requirements. This increases both the complexity of the business through, for example, exposure to additional foreign currencies, but also the burden of compliance.
- Inability to retain or attract key staff and talent. The Group is dependent on the diverse multinational talent and technical skills of its personnel, as well as their extensive knowledge of the industry and relationships with clients. We continue to be proud of, and invest in our staff through appropriate training and remuneration policies. The policies and practices in place promote equal opportunities regardless of age, race or religion, along with a working environment free of discrimination, bullying and harassment. The pay and reward system recognises employees' contributions, treats employees fairly and is non-discriminatory.
- Cyber security of network access for customers, partners, suppliers and user data. We regularly monitor the policies and procedures in place to safeguard the sensitive data held by the Group. Where any services are outsourced, we work with a first class partner, reputed for their security policy. In a rapidly developing area this remains a key focus for us.
- The threat of competitors and new market entrants. Mobile advertising is a rapidly growing market and therefore an attractive one for new market entrants. However, the Group has (and continues) to invest significant amounts in continuous innovation and improvements to the services we provide to ensure that we remain highly competitive in the market.
- The changing landscape of applicable laws and regulations, specifically in relation to data protection and privacy law around the world. California has recently enacted privacy legislation and other US states are at various stages of the legislative process. Brexit is likely to result in some, albeit limited, changes as possible new EU e-Privacy Regulation remains under consideration. The Group uses the knowledge of the board and its' international teams and close relationships with professional advisors to stay up to date with existing and future changes to legislation, and takes appropriate steps to ensure it remains compliant.
- As the length and nature of public health restrictions that are in place due to Covid-19 continues to evolve, the long term effects and recovery of local economies and businesses remains uncertain. We will continue to review and adapt to the change in market conditions while prioritising the health and wellbeing of all customers, suppliers and employees.

Key performance indicators

	December 2019	December 2018	% change
Gross billings	\$123m	\$99m	24%
Revenue (see note 2)	\$106m	\$83m	28%
Operating (loss)/profit	\$(23m)	\$5m	560%
End of period headcount	386	308	25%
Cash	\$35m	\$19m	84%

The table below reconciles gross billings to revenue:

	December 2019	December 2018
Gross billings	\$123m	\$99m
Payments to partners where Ogury acts as agent	\$(17m)	\$(16m)
Revenue	\$106m	\$83m

Strategic report (*continued*)

Gross billings have grown as a result of increased business with existing clients as well as working with new clients in our existing and new territories.

The business has seen a good increase in revenue but also a large growth of operating expenses, which included a one off impairment made against the Group's mediation business, resulting in an operating loss for 2019 (see note 4).

Headcount has continued to increase for the Group as a whole, with continued heavy investment into growing the product and technical teams, both in France as well as in Serbia where there is an R&D centre. 26 employees recruited during the year are based in the newly established offices.

Following the fundraise during the year, Ogury was in a good cash position heading into 2020.

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. The directors give careful consideration to these factors in discharging their duties under section 172.

At Ogury, the directors understand the importance of relationships and culture in driving the long term success of the business which is why its values are so important. The values are used by both directors and employees in all areas of decision making to ensure balance and rational thinking. For these reasons, the values are the bedrock of the Group and understanding their meaning is crucial to driving performance. It is through them that we move forward together every day, to fulfill our mission and shape the Ogury of tomorrow;

- Integrity - We are true to our words. We act in a reliable way within the values of Ogury.
- Execution - Together we execute fast to deliver value to customers, employees, and all stakeholders.
- Grit - We passionately believe and relentlessly persevere to fulfill Ogury's purpose
- Autonomous Thinking - We think, decide and act based on our own rational analysis, without necessarily following trends.
- Humility - We are proud and confident, but always keep an open mind to learn from others.

The directors use a variety of methods to engage with stakeholders and better understand the issues and concerns arising in the business. Regular contact and exchange of information is maintained through team briefings and a range of other communication channels on a monthly and quarterly basis. This includes global sessions where the C-level share key messages, strategic priorities and financial results; local sessions where employees from all departments share their experiences, news and projects; and newsletters, video conferences and employment engagement surveys where employees are encouraged to voice their opinions.

The Group also operates multiple share option plans, where membership is open to anyone providing services to the Group, including of course employees, depending on their country of residence and contribution.

The commitment, enthusiasm and dedication delivered every day by our teams is key to Ogury's high level of performance, and is why the Group has been recognised for a number of awards over the last year. We are especially proud of the following:

- 159th in the 2020 Financial Times 1000 Europe's Fastest Growing Companies
- 16th in the 2020 Sunday Times HSBC International Track 200
- Deloitte Fast 50's 3rd fastest growing UK tech company in Media and Entertainment
- 32nd in the 2019 Sunday Times Tech Track 100

Strategic report (*continued*)

Financial risks

Treasury operations and Financial Instruments

The Group operates a treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the Group's activities.

Liquidity risk

The Group manages its cash and borrowing requirements in order to manage interest income and expense, whilst ensuring the Group has sufficient liquid resources to meet the operating needs of the business.

Foreign currency risk

The Group's principal foreign currency exposures arise from trading internationally.

Credit risk

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

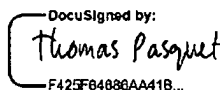
Ogury France SAS and Purple Brain SAS have a factoring arrangement for a proportion of their debtors. This relationship is managed closely to prevent and detect any issues arising.

Ogury Inc has a receivables purchase agreement with Bank of the West under which receivables that have been sold are de-recognised.

Outlook

For 2020 we intend to focus on mobile branding advertising and consent management. Longer term, Ogury is committed to extending its customer base further by developing its position in existing markets as well as expanding into new territories. This will be matched with the continued development and delivery of its product offering to the highest quality.

On behalf of the board

DocuSigned by:

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Mr T Pasquet

Director

02 July 2020

Directors' report

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the Company and Group in the period under review were to develop a trusted mobile advertising ecosystem, founded on user consent and preferences towards data sharing and ad experience.

Revenue generating activities include selling and distributing mobile advertising campaigns along with performance branding for advertisers, monetization solutions for mobile publishers as well as providing market insights.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr J Canzoneri (Resigned 6 December 2019)
Mr T Pasquet
Mr A Roubach
Mr J Bourcereau
Mr B Grossmann

Results and dividends

The results for the period are set out on page 10.

The functional currency of the Company is Pounds Sterling however the presentational currency for the Group is United States Dollars and therefore the results of the Company and the subsidiary companies are translated into United States Dollars in these financial statements.

In February 2019, Ogury declared an interim dividend of €0.046 (\$0.055) per ordinary B share in the capital of the Company at a total cost of €500k (\$590k).

The directors do not recommend payment of a final dividend.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

Research and development

The Company and Group are involved in a major research and development scheme. During the period the Group spent \$6.3m (2018: \$3.5m) on research and development.

Post reporting date events

Since the year-end, what was an unknown virus that had been reported to the World Health Organisation has been identified as Covid-19 and is now a global pandemic. Up to the date of signing, Ogury revenues have proved resilient, but due to the impact of the virus, there is uncertainty over predicting what will happen in the future, knowing that revenue in 2020 will obviously be impacted.

On 6 April 2020, Ogury France SAS received a €5m loan from BNP Paribas under a European Commission approved French State aid scheme. The loan is for a period of 12mths after which the loan can be repaid over a period of 1 to 5 years.

Future developments

The Group intends to focus on mobile branding advertising and consent management in 2020.

Auditor

KPMG LLP were appointed as auditor to the Group and in accordance with section 485 of the Companies Act 2006, a resolution proposing their appointment was passed by the Board on 29 November 2019.

Directors' report (*continued*)

Transition to IFRS and change to presentational currency

The Group is preparing its financial statements in accordance with Adopted IFRS for the first time and consequently has applied IFRS 1. The Group also changed its presentation currency from GBP to USD from 1 January, 2019, with retrospective application on comparative figures according to IAS 8 and IAS 21.

Strategic report

The Group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the Group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of the review of the business, principle risks and uncertainties and financial risks.

Going concern

In accordance with their responsibilities as directors, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements and they continue to adopt the going concern basis in preparing the financial statements. The directors are satisfied that in all scenarios, including severe but plausible downsides, subject to the Covid-19 future uncertainty set out by the Group, there is sufficient liquidity to continue operating. Further details on going concern can be found in the 'accounting policies' of the financial statements.

Employees

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when policy decisions are made that are likely to affect their interests, and that all employees are aware of the financial and economic performance of their business units and of the Group as a whole.

Communication with all employees continues through the range of channels outlined in the strategic report.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability and we will consider all reasonable adjustments to achieve that aim.

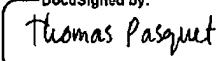
Business relationships

The directors value the importance of good business relationships and understand the need to build, maintain and develop that rapport with its publishers, suppliers and customers. All decisions taken during the year by the directors have taken these relationships into consideration.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

DocuSigned by:

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Mr T Pasquet
Director
02 July 2020

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Annual Report, Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent company financial statements for each financial year. Under that law they have elected to prepare both the Group and the parent company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of their profit or loss for that period. In preparing each of the Group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Ogury Limited

Opinion

We have audited the financial statements of Ogury Limited ("the Group") for the year ended 31 December 2019 which comprise the consolidated statement of profit and loss and other comprehensive income, consolidated balance sheet, company balance sheet, consolidated statement of changes in equity, company statement of changes in equity, consolidated cash flow statement and related notes, including the accounting policies in note.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2020 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU);
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the company or to cease their operations, and as they have concluded that the Group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

Independent auditor's report to the members of Ogury Limited (*continued*)

- we have not identified material misstatements in the strategic report and the directors' report.
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent 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 they either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

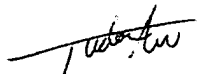
Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Tudor Aw (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square, London, E15 5GL

Date: 6 July 2020

Consolidated Statement of Profit and Loss and Other Comprehensive Income
for year ended 31 December 2019

	Notes	2019 \$000	2018 \$000
Revenue	2	106,188	82,585
Operating expenses		(115,145)	(77,266)
Operating expenses – impairment of investment		(14,006)	-
Operating (loss)/profit	4	(22,963)	5,319
Financial income	6	15	20
Financial expenses	6	(718)	(560)
Net financing expense		(703)	(540)
(Loss)/Profit before tax		(23,666)	4,779
Taxation	7	1,400	(1,082)
(Loss)/Profit for the year		(22,266)	3,697
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences – foreign operations		781	(1,221)
Other comprehensive income for the year, net of income tax			
Total comprehensive (loss)/income for the year		(21,485)	2,476

The notes on pages 16 to 62 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet
at 31 December 2019

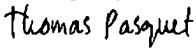
	Notes	2019 \$000	2018 \$000	2017 \$000
Non-current assets				
Property, plant and equipment	8	1,148	639	329
Intangible assets	9	2,824	14,496	32
Goodwill	9	-	5,290	-
Investments		-	-	61
Right-of-use assets	11	3,717	4,168	-
Total non-current assets		7,689	24,593	422
Current assets				
Trade and other receivables*	14	53,146	49,188	25,281
Cash and cash equivalents	15	35,088	19,495	17,560
Total current assets		88,234	68,683	42,841
Total assets		95,923	93,276	43,263
Current liabilities				
Trade and other payables	17	(32,782)	(30,440)	(15,788)
Other financial liabilities (loan notes)	16	-	(1,214)	-
Lease liability	11	(1,541)	(1,038)	-
Total current liabilities		(34,323)	(32,692)	(15,788)
Non-current liabilities				
Bank loans and overdrafts	16,17	(8,333)	(4,970)	(2,760)
Lease liability	11	(2,683)	(3,289)	-
Total non-current liabilities		(11,016)	(8,259)	(2,760)
Total liabilities		(45,339)	(40,951)	(18,548)
Net assets		50,584	52,325	24,715
Equity attributable to equity holders of the parent				
Share capital	20	(5)	(5)	(4)
Share premium		(59,206)	(39,434)	(15,532)
Retained earnings		12,206	(10,650)	(6,953)
Other reserves	24	(3,579)	(2,236)	(2,226)
Total equity		(50,584)	(52,325)	(24,715)

Consolidated Balance Sheet

*Included in Trade and other receivables are deposits and other securities of \$975k (2018: \$619k) due after more than one year.

The notes on pages 16 to 62 are an integral part of these consolidated financial statements.

These financial statements were approved by the board of directors on 02 July 2020 and were signed on its behalf by:

DocuSigned by:

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Mr T Pasquet Director

Company registered number: 08904951

Company Balance Sheet
at 31 December 2019

	Notes	2019 \$000	2018 restated* \$000	2017 restated* \$000
Non-current assets				
Property, plant and equipment	8	313	91	77
Intangible assets	9	808	1,026	32
Investments	10	3,311	23,619	667
Right-of-use asset	11	665	-	-
Total non-current assets		5,097	24,736	776
Current assets				
Trade and other receivables	14	37,715	25,780	9,770
Cash and cash equivalents	15	16,525	9,437	18,717
Total current assets		54,240	35,217	28,487
Total assets		59,337	59,953	29,263
Current liabilities				
Trade and other payables	17	(13,985)	(13,072)	(9,149)
Lease liability	11	(303)	-	-
Other financial liabilities (loan notes)	16	-	(1,214)	-
Total current liabilities		(14,288)	(14,286)	(9,149)
Non-current liabilities				
Lease liability	11	(474)	-	-
Total non-current liabilities		(474)	-	-
Total liabilities		(14,762)	(14,286)	(9,149)
Net assets		44,575	45,667	20,114
Equity attributable to equity holders of the parent				
Share capital	20	(5)	(5)	(4)
Share premium		(59,206)	(39,434)	(15,533)
Retained earnings		16,923	(4,657)	(3,866)
Other reserves	24	(2,287)	(1,571)	(711)
Total equity		(44,575)	(45,667)	(20,114)

The notes on pages 16 to 62 are an integral part of these consolidated financial statements.

* For further details, see note 26.

These financial statements were approved by the board of directors on 02 July 2020 and were signed on its behalf

by:

DocuSigned by:
Thomas Pasquet
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Mr T Pasquet Director

Company registered number: 8904951

Consolidated Statement of Changes in Equity*at 31 December 2019*

	Notes	Share capital \$000	Share premium \$000	Translati on reserve \$000	Share based payment reserves \$000	Retained earnings \$000	Total equity \$000
Balance at 1 January 2018		(4)	(15,532)	(748)	(476)	(6,953)	(23,713)
Effect of change in presentational currency		-	-	(1,002)	-	-	(1,002)
Balance at 1 January 2018		(4)	(15,532)	(1,750)	(476)	(6,953)	(24,715)
Total comprehensive income for the period							
Profit for the period		-	-	-	-	(3,697)	(3,697)
Currency translation differences on subsidiaries		-	-	-	-	1,221	1,221
Total comprehensive income for the period		-	-	-	-	(2,476)	(2,476)
Issue of shares	20	(1)	(23,902)	-	-	-	(23,903)
Equity-settled share based payment transactions	19	-	-	-	(594)	-	(594)
Equity-settled payment reserve credit for amounts owed by employees for options		-	-	-	(637)	-	(637)
Exchange differences on translating the net assets of foreign operations		-	-	1,221	-	(1,221)	-
Total contributions by and distributions to owners		(1)	(23,902)	1,221	(1,231)	(3,697)	(27,610)
Balance at 31 December 2018		(5)	(39,434)	(529)	(1,707)	(10,650)	(52,325)
Total comprehensive income for the period							
Loss for the period		-	-	-	-	22,266	22,266
Currency translation differences on subsidiaries		-	-	(781)	-	-	(781)
Total comprehensive income for the period		-	-	(781)	-	22,266	21,485
Issue of shares	20	(0)	(19,772)	-	-	-	(19,772)
Equity-settled share based payment transactions	19	-	-	-	(417)	-	(417)
Equity-settled payment reserve credit for amounts owed by employees for options		-	-	-	(145)	-	(145)
Dividends issued		-	-	-	-	590	590
Total contributions by and distributions to owners		(0)	(19,772)	(781)	(562)	22,856	1,741
Balance at 31 December 2019		(5)	(59,206)	(1,310)	(2,269)	12,206	(50,584)

The notes on pages 16 to 62 are an integral part of these consolidated financial statements.

Company Statement of Changes in Equity*at 31 December 2019*

	Notes	Share capital	Share premium	Share based payment reserves restated*	Retained earnings	Total equity
		\$000	\$000	\$000	\$000	\$000
Balance at 1 January 2018		(4)	(15,533)	(711)	(3,866)	(20,114)
Total comprehensive income for the period						
Profit for the period		-	-	-	(1,572)	(1,572)
Currency differences on translation		-	-	-	781	781
Total comprehensive income for the period		-	-	-	(791)	(791)
Issue of shares	20	(1)	(23,901)	-	-	(23,902)
Equity-settled share based payment transactions	19	-	-	(223)	-	(223)
Equity-settled payment reserve credit for amounts owed by employees for options		-	-	(637)	-	(637)
Total contributions by and distributions to owners		(1)	(23,901)	(860)	(791)	(25,553)
Balance at 31 December 2018		(5)	(39,434)	(1,571)	(4,657)	(45,667)
Total comprehensive income for the period						
Loss for the period		-	-	-	22,311	22,311
Currency differences on translation		-	-	-	(1,321)	(1,321)
Total comprehensive income for the period		-	-	-	20,990	20,990
Issue of shares	20	(0)	(19,772)	-	-	(19,772)
Equity-settled share based payment transactions	19	-	-	(571)	-	(571)
Equity-settled payment reserve credit for amounts owed by employees for options		-	-	(145)	-	(145)
Dividends issued		-	-	-	590	590
Total contributions by and distributions to owners		(0)	(19,772)	(716)	21,580	1,092
Balance at 31 December 2019		(5)	(59,206)	(2,287)	16,923	(44,575)

* For further details, see notes 25 & 26.

The notes on pages 16 to 62 are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement
for year ended 31 December 2019

		2019 \$000	2018 \$000
Cash flows from operating activities	Notes		
(Loss)/profit for the year		(22,266)	3,697
<i>Adjustments for:</i>			
Depreciation, amortisation and impairment	4	19,067	2,526
Financial income	6	(15)	(20)
Financial expense		433	585
Loss on disposal of property, plant and equipment	4	18	41
Equity settled share-based payment transactions	19	417	594
Taxation	7	1,400	1,082
		<hr/>	<hr/>
(Increase)/decrease in trade and other receivables		(4,616)	(21,882)
(Decrease)/increase in trade and other payables		3,258	11,670
		<hr/>	<hr/>
Tax paid		(1,808)	(1,539)
		<hr/>	<hr/>
Net cash from operating activities		(4,112)	(3,246)
		<hr/>	<hr/>
Cash flows from investing activities			
Interest received	6	15	20
Acquisition of subsidiary, net of cash acquired		-	(14,027)
Acquisition of property, plant and equipment	8	(903)	(533)
Acquisition of other intangible assets	9	(6)	(1,018)
Payment of deferred consideration	17	(914)	-
		<hr/>	<hr/>
Net cash from investing activities		(1,808)	(15,558)
		<hr/>	<hr/>
Cash flows from financing activities			
Proceeds from the issue of share capital		19,772	20,233
Proceeds from new loan		4,486	2,144
Repayment of loan notes	16	(1,214)	-
Repayment of borrowings		(423)	-
Interest paid		(249)	(585)
Cash received for options granted		611	207
Repayment of lease liability	11	(1,432)	(282)
Dividends paid		(590)	-
		<hr/>	<hr/>
Net cash from financing activities		20,961	21,717
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		15,041	2,913
Cash and cash equivalents at 1 January		19,495	17,558
Effect of exchange rate fluctuations		552	(976)
		<hr/>	<hr/>
Cash and cash equivalents at 31 December	15	35,088	19,495
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 16 to 62 are an integral part of these consolidated financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Ogury Limited (“the Company”) is a private company limited by shares, domiciled and incorporated in England and Wales. The registered number is 08904951 and the registered office is 3rd Floor, Classic House, 174-180 Old Street, London, EC1V 9BP. The Group consists of Ogury Limited and all of its subsidiaries. The Company's and the Group's principal activities are disclosed in the Director's report.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the “Group”). The parent company financial statements present information about the Company as a separate entity and not about its Group.

The Group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”).

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements and in preparing an opening IFRS balance sheet at 1 January 2018 for the purposes of the transition to Adopted IFRSs.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 25.

1.1 Transition to Adopted IFRSs

The Group is preparing its financial statements in accordance with Adopted IFRS for the first time and consequently has applied IFRS 1. An explanation of how the transition to Adopted IFRSs has affected the reported financial position, financial performance and cash flows of the Group is provided in note 25.

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The following exemptions have been taken in these financial statements:

- Business combinations – Business combinations that took place prior to 1 January 2018 have not been restated.

1.2 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: certain financial assets and financial liabilities measured at fair value.

1.3 Going concern

The consolidated financial statements are prepared on a going concern basis notwithstanding that the Group has reported a loss of \$22m for the year ended 31 December 2019 (2018: \$4m profit), and operating cash outflow of \$4m (2018: \$3m). In doing so the Group has considered the following:

The directors have assessed the Group's cash balance of \$35m as at 31 December 2019, available financing facilities, contracted revenue, and the impact of Covid-19 within its client base. The directors have prepared detailed cash flow forecasts for the 18 month period ending December 2021 which indicate that, taking into account severe but plausible downsides subject to the Covid-19 future uncertainty set out below, the Group expects to have sufficient cash reserves in that period.

The directors assessment has taken into account trading up to the point of signing these financial statements and to date revenues have proved resilient. While the directors expect the Group to continue to generate new revenues, the impact of Covid-19 has meant there is an element of uncertainty over predicting what will happen in the future. The Group's ability to remain cash positive depends on continuing to secure new revenue contracts from its customers which the directors expect to continue to secure.

Notes *(continued)***1 Accounting policies** *(continued)***1.3 Going concern** *(continued)*

In performing their downside scenarios, the directors have also isolated certain discretionary costs that can be decreased to preserve cash. Reductions in discretionary items will be implemented where necessary including some necessary operational changes in business travel and staff costs. The directors are satisfied that in all scenarios subject to the Covid-19 future uncertainty set out above the Group has sufficient liquidity to continue operating without additional financing or taking up government issued schemes.

The Directors expect the Group to continue as a going concern and these financial statements do not include any adjustments that would result if the Group and Company were unable to continue as a going concern.

1.4 Basis of consolidation*Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.5 Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, USD, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve.

Notes *(continued)***1 Accounting policies** *(continued)***1.6 Financial instruments** *(policy applicable from 1 January 2019)***(i) Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement**Financial assets****(a) Classification**

On initial recognition, a financial asset, which includes loans and receivables, is measured at: amortised cost or Fair Value Through Profit and Loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at Fair Value through Other Comprehensive Income (FVOCI) if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

Investments in subsidiaries are carried at cost less impairment accounted for using the equity method. Investments in subsidiaries are accounted for in accordance with IFRS 9.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

(b) Subsequent measurement and gains and losses

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Notes *(continued)***1 Accounting policies** *(continued)***1.6 Financial instruments (policy applicable from 1 January 2019)** *(continued)*

Equity investments at FVOCI - these assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities and equity

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- (b) where the instrument will or may be settled in the group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the group's own equity instruments or is a derivative that will be settled by the group's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the group's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy.

Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Group considers these to be insurance arrangements and accounts for them as such. In this respect, the Group treats the guarantee contract as a contingent liability until such time as it becomes probable that the Group will be required to make a payment under the guarantee.

(iii) Impairment

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The group measures loss allowances at an amount equal to lifetime ECL, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 120 days past due.

Notes *(continued)***1 Accounting policies** *(continued)***1.6 Financial instruments** *(policy applicable from 1 January 2019)* *(continued)*

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group or Company in full, without recourse by the Group's to actions such as realising security (if any is held); or
- the financial asset is more than 270 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

1.7 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

- Computer equipment 33% straight line
- Motor vehicles 33% straight line
- Fixtures and fittings 10-20% straight line
- Right-of-use asset depreciated over the life of the lease

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

Notes *(continued)***1 Accounting policies** *(continued)***1.8 Business combinations**

All business combinations are accounted for by applying the acquisition method. Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Acquisitions on or after 1 January 2010

For acquisitions on or after 1 January 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

On a transaction-by-transaction basis, the Group elects to measure non-controlling interests, which have both present ownership interests and are entitled to a proportionate share of net assets of the acquiree in the event of liquidation, either at its fair value or at its proportionate interest in the recognised amount of the identifiable net assets of the acquiree at the acquisition date. All other non-controlling interests are measured at their fair value at the acquisition date.

Notes *(continued)***1 Accounting policies** *(continued)***1.9 Intangible assets and goodwill***Goodwill*

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the investee.

Research and development

Expenditure on research activities is recognised in the income statement as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends to and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Other intangible assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost or value of the asset can be measured reliably.

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Customer relationships 20% straight line
- Software 20-50% straight line

1.10 Impairment of non-financial assets excluding deferred tax assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Notes *(continued)***1 Accounting policies** *(continued)***1.10 Impairment of non-financial assets excluding deferred tax assets** *(continued)*

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.11 Employee benefits**Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

1.12 Share-based payment transactions

Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

For awards granted to employees, the grant date fair value of share-based payment is recognised as an expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Notes *(continued)***1 Accounting policies** *(continued)***1.12 Share-based payment transactions** *(continued)*

Share-based payment transactions in which the Group receives goods or services by incurring a liability to transfer cash or other assets that is based on the price of the Group's equity instruments are accounted for as cash-settled share-based payments. The fair value of the amount payable to employees is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expense in profit or loss.

Where the Company grants options over its own shares to the employees of its subsidiaries it recognises, in its individual financial statements, an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in its consolidated financial statements with the corresponding credit being recognised directly in equity.

1.13 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.14 Revenue**Engagement**

Engagement revenue represents the fair value of consideration received or receivable from the provision of advertising services carried out by the Group. Income is recognised in line with actual delivery of advertising over the period of the advertising campaigns. The value of consideration takes into account trade discounts, settlement discounts and volume rebates. Revenue is stated net of Value Added Tax.

Monetisation

Monetisation revenue represents the fair value of consideration received or receivable from the provision of mediation services carried out by the Group. Income is recognised in line with actual delivery of advertising over the period of the advertising campaigns. Revenue is stated net of Value Added Tax.

Insights

Insights revenue represents the fair value of consideration received or receivable from the provision of reports. Income is recognised when the Group has transferred all significant risks and rewards of ownership to the buyer. Revenue is stated net of Value Added Tax.

1.15 Expenses**Financing income and expenses**

Financing expenses include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Financing income comprise interest receivable on funds invested, dividend income, and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Notes (continued)

1 Accounting policies (continued)

1.15 Expenses (continued)

Operating lease payments

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

1.16 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

In addition to the above, the Group has also estimated the provision for R&D tax credits based on the allocation of eligible staff and other costs to each applicable project, that meets the R&D tax credit recognition criteria.

1.17 Adopted IFRS not yet applied

The following Adopted IFRSs have been issued but have not been applied by the Group in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- IFRS 17 Insurance Contracts (effective date to be confirmed).
- IFRIC 23 Uncertainty over Income Tax Treatments (effective date to be confirmed).
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement (effective date to be confirmed).
- Amendments to References to the Conceptual Framework in IFRS Standards (effective date to be confirmed).
- Annual Improvements to IFRS Standards 2015-2017 Cycle (effective date to be confirmed).

1.18 Accounting estimates and judgements

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.

Critical accounting judgements in applying the Group's accounting policies

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Notes *(continued)***1 Accounting policies** *(continued)***1.18 Accounting estimates and judgements** *(continued)**Revenue and cost of sales*

Revenue and cost of sales are recognised across the life of campaigns, pro-rata on the basis of the number of actions (e.g. clicks, views) and impressions which form part of those campaigns, which management consider best reflects the nature of the sales and purchase arrangements. This is reliant on the accurate recording and collation of data from the underlying IT system.

1.19 Change in significant accounting policies

During the year, the Group consistently applied all accounting policies detailed above, other than those detailed below that are mandatorily effective for accounting periods beginning on or after 1 January 2019.

Impact of initial application of IFRS 16

The Group applied IFRS 16 with the date of initial application of 1 January 2018. As a result of this, the Group has changed its accounting policy for lease contracts as detailed below.

On adoption of IFRS 16 *Leases*, the Group recognised lease liabilities in relation to leases which has previously been classified as operating leasing under the principles of IAS 17 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at 1 January 2018. The weighted average lessee's incremental borrowing rate applied to the leases liability was within a range of 1.8%-5.8% across two geographical regions.

Associated right-of-use assets for property leases were measured at the amount equal to the lease liability, adjusted for amounts prepaid or accrued relating to that lease recognised in the balance sheet as at 31 December 2017.

There was no initial impact on transition to IFRS 16 on the 1 January 2018 to property, plant and equipment as the leases in the scope of IFRS 16 started part way through 2018.

(a) Definition of a lease

Previously the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4: Determining whether an Arrangement contains a Lease. The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained above. On transition to IFRS 16, the Group elected to apply the practical expedient to apply IFRS 16 only to contracts that were previously identified as leases. Contracts that were not previously identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16.

(b) As a lessee

The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Only finance leases were then recognised on the balance sheet.

Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

Leases classified as operating leases under IAS 17

On transition, for operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019.

Right-of-use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments: the Group applied this approach to all other leases.

The Group has used its assessment of whether leases are onerous applying IAS 37 at 31 December 2018 as an alternative to performing an impairment review of the recognised right-of-use assets on the date of transition. The Group has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

Notes *(continued)***1 Accounting policies** *(continued)***Impact of initial application of IFRS 16** *(continued)*

The Group used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular these were:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment);
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

Change in presentational currency

The Group changed its presentation currency from GBP to USD from 1 January, 2019, with retrospective application on comparative figures according to IAS 8 and IAS 21. The change was made to reflect that USD is the predominant currency in the Group, accounting for more than 50% of net cash flow.

Comparison figures in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows have been re-presented to reflect the currency rates of transactions in foreign currencies at the date of the transactions. The re-presentation of the statement of cash flow impacts the classification between currency translation adjustments and other components of cash flow.

The different components of assets and liabilities in USD correspond to the amount published in GBP translated at the USD/GBP closing rate applicable at the end of each reporting period. Ratios that combine elements of profit and loss and the statement of financial position, may change when recalculated in USD as a result of different currency rates being applied to elements of profit and loss (currency rates at the date of the transactions) and the statement of financial position (closing rates) respectively.

Translation adjustments and cumulative translation adjustments have been presented as if the Group had used USD as the presentation currency also for the comparative figures. The Group has no material effects relating to reclassification of accumulated currency translation adjustments from equity to profit and loss in the comparative figures.

Notes *(continued)***2 Revenue from contracts with customers****Disaggregation of revenue**

In the following table, revenue is disaggregated by primary geographical market, major products/service lines and timing of revenue recognition.

	2019 \$000	2018 \$000
Major products/service lines		
Engagement	105,062	78,725
Monetisation	1,126	3,760
Insights	-	100
	<u>106,188</u>	<u>82,585</u>
 Primary geographical markets		
Americas	63,636	46,745
Europe	42,443	35,840
Asia	109	-
	<u>106,188</u>	<u>82,585</u>
 Timing of transfer of goods or services		
Products and services transferred at a point in time	-	100
Products and services transferred over time	106,188	82,485
	<u>106,188</u>	<u>82,585</u>

3 Other operating income

	2019 \$000	2018 \$000
Interest income	15	20
	<u>15</u>	<u>20</u>

Notes *(continued)***4 Expenses and auditors' remuneration***Included in profit/loss are the following:*

	2019 \$000	2018 \$000
Exchange (gains)/loss differences (except for those arising on financial instruments at FVTPL)	288	(818)
Research and development expensed as incurred	6,273	3,551
Depreciation of owned property, plant and equipment (See note 8)	375	182
Depreciation on right-of use assets (See note 11)	1,542	440
Loss on disposal of property, plant and equipment	18	41
Impairment loss on goodwill and intangibles (See note 9)	14,006	-
Amortisation of intangibles (See note 9)	3,144	1,904
Share-based payments (See note 19)	417	594
Operating lease charge (See note 12)	901	805
	<u> </u>	<u> </u>

Auditor's remuneration:

	2019 \$000	2018 \$000
Audit of these financial statements		
Amounts receivable by the Group's auditor and its associates in respect of:		
Audit of financial statements of the Group and Company	119	94
Other tax advisory services	-	12
	<u> </u>	<u> </u>

Amounts paid to the Company's auditor and its associates in respect of services to the Company, other than the audit of the Group's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis.

Notes *(continued)***5 Staff numbers and costs**

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2019	2018
Directors	2	2
Sales & Marketing	182	103
Supply	24	23
Product & Technical	105	63
Administration	48	21
	<u>361</u>	<u>212</u>

The aggregate payroll costs of these persons were as follows:

	\$000	\$000
Wages and salaries	44,619	27,690
Share based payments (See note 19)	417	594
Social security costs	6,859	4,056
Contributions to defined contribution plans	2,081	1,267
	<u>53,976</u>	<u>33,607</u>

6 Financial income and expense

Recognised in profit or loss

	2019	2018
	\$000	\$000
Financial income		
Interest on bank deposits	15	20
	<u>15</u>	<u>20</u>
Financial Expense		
Interest on bank overdrafts and loans	718	560
	<u>718</u>	<u>560</u>
Total interest expense on financial liabilities measured at amortised cost	718	560

Notes (continued)**7 Taxation****Recognised in the income statement**

	2019 \$000	2018 \$000
Current tax expense		
Current year	(223)	528
Adjustments for prior years	-	67
	<hr/>	<hr/>
Current UK tax (credit)/expense	(223)	595
Current foreign tax (credit)/expense	(1,068)	465
Total current tax (credit)/expense	<hr/> (1,291) <hr/>	<hr/> 1,060 <hr/>
Deferred tax expense		
Origination and reversal of temporary differences	(109)	20
Reduction in tax rate	-	2
	<hr/>	<hr/>
Deferred tax expense	<hr/> (109) <hr/>	<hr/> 22 <hr/>
	<hr/>	<hr/>
Total tax (credit)/expense	<hr/> (1,400) <hr/>	<hr/> 1,082 <hr/>

Reconciliation of effective tax rate

	2019 \$000	2018 \$000
(Loss)/Profit for the year	<hr/> (23,666) <hr/>	<hr/> 4,779 <hr/>
Tax using the UK corporation tax rate of 19% (2018: 19%)	(4,496)	908
Expenses not deductible for tax purposes	3,965	339
Other permanent differences	(567)	515
Income not taxable for tax purposes	1,665	-
Foreign tax	(206)	290
Research and development credit	(1,873)	(1,035)
Adjustment in respect of previous periods	-	67
Adjustment in respect of previous periods - deferred tax	-	(8)
Impact of tax rate differences	112	6
	<hr/>	<hr/>
Total tax (credit)/expense	<hr/> (1,400) <hr/>	<hr/> 1,082 <hr/>

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax asset/(liability) as at 31 December 2019 has been calculated based on this rate. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020.

Notes (continued)**8 Property, plant and equipment****Group**

	Fixtures & Fittings \$000	Computer Equipment \$000	Motor Vehicles \$000	Total \$000
Cost				
Balance at 1 January 2018	185	302	29	516
Acquisitions through business combinations	-	14	-	14
Additions	210	323	-	533
Disposals	(20)	(59)	-	(79)
	<u>375</u>	<u>580</u>	<u>29</u>	<u>984</u>
Balance at 31 December 2018	375	580	29	984
	<u>375</u>	<u>580</u>	<u>29</u>	<u>984</u>
Balance at 1 January 2019	375	580	29	984
Additions	497	406	-	903
Disposals	(5)	(52)	(9)	(66)
	<u>867</u>	<u>934</u>	<u>20</u>	<u>1,821</u>
Balance at 31 December 2019	867	934	20	1,821
	<u>867</u>	<u>934</u>	<u>20</u>	<u>1,821</u>
Depreciation and impairment				
Balance at 1 January 2018	37	130	22	189
Acquisitions through business combinations	-	14	-	14
Depreciation charge for the year	50	125	7	182
Disposals	(13)	(27)	-	(40)
	<u>74</u>	<u>242</u>	<u>29</u>	<u>345</u>
Balance at 31 December 2018	74	242	29	345
	<u>74</u>	<u>242</u>	<u>29</u>	<u>345</u>
Balance at 1 January 2019	74	242	29	345
Depreciation charge for the year	146	226	3	375
Disposals	(4)	(31)	(12)	(47)
	<u>216</u>	<u>437</u>	<u>20</u>	<u>673</u>
Balance at 31 December 2019	216	437	20	673
	<u>216</u>	<u>437</u>	<u>20</u>	<u>673</u>
Net book value				
At 1 January 2018	148	172	7	327
	<u>148</u>	<u>172</u>	<u>7</u>	<u>327</u>
At 31 December 2018 and 1 January 2019	301	338	-	639
	<u>301</u>	<u>338</u>	<u>-</u>	<u>639</u>
At 31 December 2019	651	497	-	1,148
	<u>651</u>	<u>497</u>	<u>-</u>	<u>1,148</u>

Notes (continued)**8 Property, plant and equipment** (continued)**Company**

	Fixtures & Fittings \$000	Computer Equipment \$000	Total \$000
Cost			
Balance at 1 January 2018	52	97	149
Additions	2	87	89
Disposals	(20)	(57)	(77)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2018	34	127	161
	<hr/>	<hr/>	<hr/>
Balance at 1 January 2019	34	127	161
Additions	252	78	330
Disposals	-	(19)	(19)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2019	286	186	472
	<hr/>	<hr/>	<hr/>
Depreciation and impairment			
Balance at 1 January 2018	16	56	72
Depreciation charge for the year	10	26	36
Disposals	(13)	(25)	(38)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2018	13	57	70
	<hr/>	<hr/>	<hr/>
Balance at 1 January 2019	13	57	70
Depreciation charge for the year	53	41	94
Disposals	-	(5)	(5)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2019	66	93	159
	<hr/>	<hr/>	<hr/>
Net book value			
At 1 January 2018	36	41	77
	<hr/>	<hr/>	<hr/>
At 31 December 2018 and 1 January 2019	21	70	91
	<hr/>	<hr/>	<hr/>
At 31 December 2019	220	93	313
	<hr/>	<hr/>	<hr/>

Notes (continued)**9 Intangible assets & Goodwill****Group**

	Goodwill \$000	Customer Relationships \$000	Software \$000	Total \$000
Cost				
Balance at 1 January 2018	-	-	83	83
Acquisitions through business combinations	5,535	-	21	5,556
Other additions – externally purchased	-	9,570	6,798	16,368
Disposals	-	-	(1)	(1)
Revaluation	(245)	-	-	(245)
Balance at 31 December 2018	5,290	9,570	6,901	21,761
Balance at 1 January 2019	5,290	9,570	6,901	21,761
Additions	-	-	6	6
Disposals	-	-	(15)	(15)
Revaluation	182	-	-	182
Balance at 31 December 2019	5,472	9,570	6,892	21,934
Amortisation and impairment				
Balance at 1 January 2018	-	-	51	51
Acquisitions through business combinations	-	-	21	21
Amortisation for the year	-	1,165	739	1,904
Disposals	-	-	(1)	(1)
Balance at 31 December 2018	-	1,165	810	1,975
Balance at 1 January 2019	-	1,165	810	1,975
Acquisitions through business combinations	-	-	-	-
Amortisation for the year	-	1,818	1,326	3,144
Impairment	5,472	5,320	3,214	14,006
Disposals	-	-	(15)	(15)
Balance at 31 December 2019	5,472	8,303	5,335	19,110
Net book value				
At 1 January 2018	-	-	32	32
At 31 December 2018 and 1 January 2019	5,290	8,405	6,091	19,786
At 31 December 2019	-	1,267	1,557	2,824

Notes (continued)**9 Intangible assets & Goodwill** (continued)*Amortisation and impairment charge*

Mediation revenues have struggled to meet forecasts due to a mixture of rapidly evolving technology and changing strategies of competitors in the industry. In October 2019, the decision was taken to focus on onboarding publishers to OED (Ogury Exclusive Demand) and as a result of this, the mediation revenues are not forecast to achieve the growth expected at the time of acquisition. Cashflow forecasts did not support the carrying value of the intangible and goodwill figures, initially recognised on acquisition of Purple Brain SAS, and so an impairment has been recognised. The value in use model was used to calculate the recoverable amount which was based on updated forecasts for revenue and expenses.

The amortisation and impairment charge is recognised in the following line items in the income statement:

	2019	2018
	\$000	\$000
Operating expenses – Amortisation	3,144	1,904
Operating expenses – Impairment charge	14,006	-
	<hr/>	<hr/>
Company	Software	Total
	\$000	\$000
Cost		
Balance at 1 January 2018	83	83
Acquisitions through business combinations	21	21
Other additions – externally purchased	1,018	1,018
Disposals	(1)	(1)
	<hr/>	<hr/>
Balance at 31 December 2018	1,121	1,121
	<hr/>	<hr/>
Balance at 1 January 2019	1,121	1,121
Additions	6	6
Disposals	(15)	(15)
	<hr/>	<hr/>
Balance at 31 December 2019	1,112	1,112
	<hr/>	<hr/>
Amortisation and impairment		
Balance at 1 January 2018	51	51
Acquisitions through business combinations	21	21
Amortisation for the year	24	24
Disposals	(1)	(1)
	<hr/>	<hr/>
Balance at 31 December 2018	95	95
	<hr/>	<hr/>
Balance at 1 January 2019	95	95
Amortisation for the year	224	224
Disposals	(15)	(15)
	<hr/>	<hr/>
Balance at 31 December 2019	304	304
	<hr/>	<hr/>
Net book value		
At 1 January 2018	32	32
	<hr/>	<hr/>
At 31 December 2018 and 1 January 2019	1,026	1,026
	<hr/>	<hr/>
At 31 December 2019	808	808
	<hr/>	<hr/>

Notes (continued)**10 Investments in subsidiaries**

Movement in non-current investments

Company	Total \$000
Investments	
Balance at 1 January 2018	667
Additions	22,952
Balance at 31 December 2018	23,619
Balance at 1 January 2019	23,619
Additions	561
Impairment	(20,869)
Balance at 31 December 2019	3,311

The impairment charge recognised during the year relates to the Company's investment in Purple Brain SAS. See note 9 for further details.

The company has the following investments in subsidiaries:

Name of undertaking	Registered Office	Nature of business	Classes of shares held		% Held directly	% Held indirectly
			Ordinary	Preferred		
Ogury France SAS	6 rue de Berri, 75008, Paris, FR	Advertising	Ordinary		100	0
Ogury Inc.	75 Broad Street, New York, NY, 1004, US	Advertising	Ordinary		100	0
Ogury Italy SRL	Via Friuli 23, Milano, 20135, IT	Advertising	Ordinary		100	0
Ogury Spain SL	Calle Raimundo Fernández Villaverde 61, 28003 Madrid, ES	Advertising	Ordinary		100	0
Ogury Germany GmbH	Christophstraße 15-17, 50670, Cologne, DE	Advertising	Ordinary		100	0
Ogury Balkans doo	Bulevar Mihajla Pupina 165e 1 floor, 11070 New Belgrade, RS	IT development	Ordinary		100	0
Purple Brain SAS	6 rue de Berri, 75008, Paris, FR	Advertising	Ordinary		100	0
Ogury Netherlands BV	Johan Huizingalaan 763a, 1066 VH Amsterdam, NL	Advertising	Ordinary		100	0
Ogury Singapore Pte. Ltd	140 Robinson Road, #01-01, Singapore 068907, SG	Advertising	Ordinary		100	0
Ogury México SA de CV	Guillermo Gonzalez Camarena 1600 piso 1, oficina G-H Santa Fe, Álvaro Obregón, MX	Advertising	Ordinary		99	1
Ogury México Services SA de CV	Guillermo Gonzalez Camarena 1600 piso 1, oficina G-H Santa Fe, Álvaro Obregón, MX	Advertising	Ordinary		99	1
Ogury Australia Pty. Ltd.	Three International Towers, 300 Barangaroo Avenue, Sydney, NSW, 2000, AU	Advertising	Ordinary		100	0

Notes *(continued)***11 Leases****(a) Amounts recognised in the balance sheet**

The balance sheet shows the following amounts relating to leases:

Group	Total \$000
Right-of-use assets	
Balance at 1 January 2018	-
Additions	4,608
Balance at 31 December 2018	<u>4,608</u>
Balance at 1 January 2019	<u>4,608</u>
Additions	1,091
Balance at 31 December 2019	<u>5,699</u>
Depreciation and impairment	
Balance at 1 January 2018	-
Depreciation charge for the year	440
Balance at 31 December 2018	<u>440</u>
Balance at 1 January 2019	<u>440</u>
Depreciation charge for the year	1,542
Balance at 31 December 2019	<u>1,982</u>
Net book value	
At 1 January 2018	-
At 31 December 2018 and 1 January 2019	<u>4,168</u>
At 31 December 2019	<u>3,717</u>

Notes *(continued)***11 Leases** *(continued)*

Company	Total
	\$000
Right-of-use assets	
Balance at 1 January 2019	-
Additions	954
Balance at 31 December 2019	<u>954</u>
Depreciation and impairment	
Balance at 1 January 2019	-
Depreciation charge for the year	289
Balance at 31 December 2019	<u>289</u>
Net book value	
At 31 December 2018 and 1 January 2019	-
At 31 December 2019	<u>665</u>

Lease liabilities	Group	December	Company	December
	December	2018	December	2018
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Current	1,541	1,038	303	-
Non-current	2,683	3,289	474	-
	<u>4,224</u>	<u>4,327</u>	<u>777</u>	<u>-</u>

Notes *(continued)***11 Leases** *(continued)***(b) Amounts recognised in statement of profit and loss**

The statement of profit or loss shows the following amounts in relation to leases:

	Group	December	Company	December
	December	2018	December	2018
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Depreciation charge of right-of-use assets				
Properties	1,510	439	289	-
Operating lease expense	901	805	290	-
Interest expense (included in finance costs)	185	86	41	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The total Group cash outflow for leases in 2019 was \$1,432k (2018: \$282k).

Amounts of \$901k (2018: \$805k) are expensed for Group under IAS 17, see note 12 for operating lease commitments for 31 December 2019.

(c) The Group and Company's leasing activities and how they are accounted for

The Group leases various properties. Rental contracts are typically made for fixed terms. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leases asset is available for use by the Group. Each lease payment is allocated between liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining lease liability for each period. The right-of-use asset is depreciated over the shorter of the assets useful life and the lease term on a straight line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentives
- Variable lease payments that are based on an index specific rate
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Groups incremental borrowing rate.

The right-of-use assets are measured at cost comprising of the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives
- Any initial direct costs, and
- Restoration costs

Payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in the profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Notes *(continued)***12 Operating lease commitments**

At the reporting date the Group had outstanding commitments for the future minimum lease payments, of leases not captured by IFRS 16, under non-cancellable operating leases, which fall due as follows:

	Group December 2019 \$000	December 2018 \$000	Company December 2019 \$000	December 2018 \$000
Less than one year	357	266	-	67
Between one and five years	106	191	-	-
More than five years	-	-	-	-
	<u>463</u>	<u>457</u>	<u>-</u>	<u>67</u>

During the year \$901k was recognised as an expense in the income statement in respect of operating leases (2018: \$805k).

Other leasing arrangements held by the Company are disclosed in Note 11 within the scope of IFRS 16.

Notes *(continued)***13 Deferred tax assets and liabilities***Recognised deferred tax assets and liabilities*

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Intangible assets	-	15	-	-
Tax value of loss carry-forwards	52	-	(40)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net tax assets / (liabilities)	52	15	(40)	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Movement in deferred tax during the prior year

	\$000
Opening asset at 1 January 2018	-
Origination of timing differences	(37)
Recognised in income	22
	<hr/>
Closing asset at 31 December 2018	(15)
	<hr/> <hr/>
Opening asset at 1 January 2019	15
Origination of timing differences	37
Recognised in income	(40)
	<hr/>
Closing asset at 31 December 2019	12
	<hr/> <hr/>

Notes *(continued)***14 Trade and other receivables**

	Group		Company	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Current				
Trade receivables	41,305	40,148	7,915	4,496
Trade receivables due from Group undertakings	-	-	26,614	19,080
Other receivables	1,499	3,067	214	669
Corporation tax repayable	4,965	2,349	602	-
Prepayments and accrued income	4,350	2,990	2,370	1,535
	<u>52,119</u>	<u>48,554</u>	<u>37,715</u>	<u>25,780</u>
Deferred tax (Note 13)	52	15	-	-
Current assets	52,171	48,569	37,715	25,780
Other receivables	975	619	-	-
	<u>975</u>	<u>619</u>	<u>-</u>	<u>-</u>
Total non-current receivables	975	619	-	-
Total receivables	53,146	49,188	37,715	25,780

Included within trade and other receivables on the Consolidated Balance Sheet are deposits and other securities of \$975k (2018: \$619k) expected to be recovered in more than 12 months.

Ogury France SAS has trade receivables of \$4,214k (2018: \$3,116k) which are subject to a factoring arrangement in which a right of subrogation has been granted to the factor. Purple Brain SAS has trade receivables of \$734k (2018: \$1,660k) which are subject to a factoring arrangement in which a right of subrogation has been granted to the factor. As part of a receivables purchase agreement, Ogury Inc had sold and de-recognised \$3.9m of trade receivables at year end.

Age of trade receivables that are past due but not impaired

	Group		Company	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
91 to 120 days	371	669	1	156
4 to 6 months	586	234	1,206	1,066
6 months to 1 year	158	564	1,315	853
Over 1 year	54	2	-	-
	<u>1,169</u>	<u>1,469</u>	<u>2,522</u>	<u>2,075</u>
Average age (days)	<u>210</u>	<u>197</u>	<u>149</u>	<u>158</u>

As at 31 December 2019, trade receivables were considered for impairment under IFRS 9 with no additional expected losses.

During the period, the Company wrote off \$53k of specific trade receivables (2018: \$nil) with all remaining amount expected to be fully recovered.

The Group is not exposed to significant foreign currency exchange risk as the majority of trade and other receivables are denominated in US Dollars. Additional disclosure on credit risk management is included in note 21.

Notes (continued)**15 Cash and cash equivalents**

	Group 2019 \$000	2018 \$000	Company 2019 \$000	2018 \$000
Cash and cash equivalents per balance sheet	<u>35,088</u>	<u>19,495</u>	<u>16,525</u>	<u>9,437</u>
Cash and cash equivalents per cash flow statement	<u><u>35,088</u></u>	<u><u>19,495</u></u>	<u><u>16,525</u></u>	<u><u>9,437</u></u>

16 Other interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate and foreign currency risk, see note 21.

	Group 2019 \$000	2018 \$000	Company 2019 \$000	2018 \$000
Non-current liabilities				
Bank loans	<u>8,333</u>	<u>4,970</u>	<u>-</u>	<u>-</u>
	<u><u>8,333</u></u>	<u><u>4,970</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Current liabilities				
Bank loans	<u>1,034</u>	<u>435</u>	<u>-</u>	<u>-</u>
Loan notes	<u>-</u>	<u>1,214</u>	<u>-</u>	<u>1,214</u>
	<u><u>1,034</u></u>	<u><u>1,649</u></u>	<u><u>-</u></u>	<u><u>1,214</u></u>

Ogury France SAS received long term borrowings with effective rates from 0% to 2.17% and maturity up to 2025. These loans are unsecured.

At the end of 2018, the Group had loan notes held by Ogury Limited with various providers with effective rates of 10%. This amount was all current and paid in full in January 2019.

Notes (continued)**17 Trade and other payables**

	Group		Company	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Current:				
Trade creditors	10,436	7,696	4,253	3,278
Amounts due to Group undertakings	-	-	3,653	927
Accruals and deferred income	16,256	17,201	5,527	6,388
Corporation tax payable	-	733	-	530
Other taxation and social security	2,730	1,289	518	279
Other payables	2,286	1,447	34	31
Bank loans and overdrafts (Note 16)	1,034	435	-	-
Deferred consideration	-	914	-	914
Contingent payment for software (Note 25)	-	337	-	337
Contingent payment for Purple Brain acquisition (Note 25)	-	388	-	388
Deferred tax liability	40	-	-	-
	<u>32,782</u>	<u>30,440</u>	<u>13,985</u>	<u>13,072</u>
Total current liabilities	32,782	30,440	13,985	13,072
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
Non-current:				
Bank loans and overdrafts (Note 16)	8,333	4,970	-	-
	<u>8,333</u>	<u>4,970</u>	<u>-</u>	<u>-</u>
Total non-current liabilities	8,333	4,970	-	-

All trade and other payables are expected to be settled within 12 months.

The loans and borrowings classified as financial instruments are disclosed in the financial instruments note 21. The Group's exposure to market and liquidity risks, including maturity analysis, in respect of loans and borrowings is disclosed in the financial risk management note 21.

18 Employee benefits**Defined contribution plans**

The Group operates several defined contribution pension plans for qualifying employees. The assets of the schemes are held separately from those of the Group's independently administered funds.

	2019 \$000	2018 \$000
Charge to profit or loss in respect of defined contribution schemes	2,081	1,267

Notes *(continued)***19 Share based payments**

The Group operates multiple share option plans, where membership varies depending on the contributor's country of residence and contribution.

Equity-settled share option plan: (1) Warrants

Under the Company plan, warrants are granted at a premium to the average price of the Company's shares at the award date. The grantee is entitled to these warrants as they complete service. Warrants are exercisable after a vesting period and/or in the case of an "Exit", IPO or after a period of 10 years from the date of grant. Warrants may be forfeited if the grantee ceases to contribute to the Company. Grantees pay a subscription price for these options equal to their fair value.

Equity-settled share option plan: (2) Enterprise Management Incentive (EMI)

Under the Company plan, EMI share options were granted at a premium to the average price of the Company's shares at the award date. The grantee becomes entitled to these EMI share options as they complete service, spread annually over 3-4 years from the award date (the "vesting period"). EMI Options are exercisable in the case of an "Exit", IPO or after a period of 10 years from the date of grant. EMI Options are not forfeited if the contributor leaves the Company as a good leaver, after they have vested. The size of the Company now exceeds the UK qualifying conditions, and so further grants under the original plan rules are not expected.

In 2018, a French sub-plan was established comprising Restrictive Stock Units (RSUs) issued at the nominal value of the shares under option. The RSUs are subject to a vesting period of 4 years.

Equity-settled share option plan: (3) Global scheme

Under the Company plan, options are granted at a premium to the average price of the Company's shares at the award date. The grantee becomes entitled to these EMI share options as they complete service, spread annually over 3-4 years from the award date (the "vesting period"). Options are exercisable in the case of an "Exit", IPO or after a period of 10 years from the date of grant. EMI Options are not forfeited if the contributor leaves the Company as a good leaver, after they have vested.

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price (\$) 2019	Number of options 2019	Weighted average exercise price (\$) 2018	Number of options 2018
Outstanding at the beginning of the year	0.19	58,646,628	0.12	31,451,900
Forfeited during the year	0.25	(15,102,200)	0.25	(2,871,680)
Granted during the year	0.49	2,822,203	0.16	30,066,408
	<hr/>	<hr/>	<hr/>	<hr/>
Outstanding at the end of the year	0.18	46,366,631	0.19	58,646,628
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

No share options were exercised during the year.

The options outstanding at the year-end have an exercise price in the range of \$0.07 to \$0.57 and a weighted average contractual life of 5.6 years.

Notes (continued)**19 Share based payments** (continued)**Group and Company**

The weighted average fair value of options granted in the year was determined using the Black-Scholes option pricing model. The Black-Scholes model is a generally accepted method for valuing share options, with wide acceptance in the market. Many entities with share option plans use the Black-Scholes model to compute the fair value of their share awards, the consistent use of this model also enhances the comparability between entities.

	Awarded 2019	Awarded 2018
Weighted average share price (\$)	0.17	0.33
Exercise price (\$)	0.44-0.57	0.19 - 0.42
Expected volatility (%)	45.00	30.00 – 37.90
Expected life (years)	10	1.4 - 4.7
Risk free rate (%)	2.51	0.07 – 0.26

Expenses recognised in the year

	Group December 2019	December 2018	Company December 2019	December 2018
	\$000	\$000	\$000	restated* \$000
Arising from equity settled share based payment transactions	417	594	45	53

* For further details, see notes 26.

The expected volatility is based on calculated based on the weighted average remaining life of the share options, adjusted for any expected changes to future volatility due to publicly available information.

The EMI scheme and the Global scheme are granted under a service condition, there are no non-market performance conditions.

The total expenses recognised for the year and the total liabilities recognised at the end of the year arising from share based payments are as follows:

	2019 \$000	2018 \$000
Equity settled share based payment expense	417	594

Notes (continued)**20 Share capital – Group and Company****Ordinary share capital**

Issued and fully paid	Class:	Nominal value:	31-Dec-19 \$	31-Dec-18 \$
80,488,779	Ordinary Shares	\$0.0000124 (£0.00001)	995	1,314
15,252,510	Ordinary B Shares	\$0.0000008 (£0.000000625)	12	13
			<u>1,007</u>	<u>1,327</u>

Preference shares

Issued and fully paid	Class:	Nominal value:	31-Dec-19	31-Dec-18
112,857,000	A1 Preference shares	\$0.0000123 (£0.00001)	1,393	1,393
66,978,700	A2 Preference shares	\$0.0000125 (£0.00001)	834	834
39,412,564	A3-1 Preference shares	\$0.0000139 (£0.00001)	548	548
34,748,300	A3-2 Preference shares	\$0.0000132 (£0.00001)	457	457
64,686,730	A4 Preference shares	\$0.0000127 (£0.00001)	823	-
1,059,490	A4 Preference shares	\$0.000001 (£0.000000625)	1	-
			<u>4,056</u>	<u>3,232</u>

The Company's Ordinary and Ordinary B shares have attached to them full voting and dividend rights and capital distribution rights set out in article 3.1 of the Company's articles of association. They do not confer any rights of redemption.

The A1, A2, A3-1, A3-2, and A4 Preference shares have attached to them full voting and dividend rights and capital distribution rights set out in the Company's articles of association. They confer preferential rights in the event of a sale, a distribution of assets upon a liquidation or a return of capital. They do not confer any rights of redemption.

In May 2019, Ogury issued new shares to existing shareholders for \$20m and as part of this, 39,587,963 A4 Preference shares were issued, 25,098,767 Ordinary shares were converted to A4 Preference shares and 1,059,490 Ordinary B shares were converted to A4 Preference shares.

	Ordinary Shares Number	Ordinary B Shares Number	A1 Preference Number	A2 Preference Number	A3-1 Preference Number	A3-2 Preference Number	A4 Preference Number	A4 Preference Number
At 1 January 2019	105,587,546	16,312,000	112,857,000	66,978,700	39,412,564	34,748,300		
Issue of fully paid Re- designation	(25,098,767)	(1,059,490)					39,587,963	1,059,490
At December 2019	80,488,779	15,252,510	112,857,000	66,978,700	39,412,564	34,748,300	64,686,730	1,059,490

Notes (continued)**20 Share capital – Group and Company** (continued)

	Ordinary Shares Number	Ordinary B Shares Number	A1 Preference Number	A2 Preference Number	A3 Preference Number	A3-1 Preference Number	A3-2 Preference Number
At 1 January 2018	101,736,800	16,312,000	112,857,000	66,978,700	-	-	-
Issue of fully paid	15,433,512	-	-	-	39,412,564	-	23,165,534
Re-designation	(11,582,766)	-	-	-	(39,412,564)	39,412,564	11,582,766
At December 2018	105,587,546	16,312,000	112,857,000	66,978,700	-	39,412,564	34,748,300

Share premium account

Share premium represents the amount of consideration received for the company's equity share capital in excess of the nominal value of shares issued.

21 Financial instruments**Group**

The Board is charged with managing the various risk exposures.

*(a) Credit risk**Financial risk management*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities.

The allowance account for trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts considered irrecoverable are written off against the trade receivables directly.

Exposure to credit risk

The maximum exposure to credit risk as at 31 December 2019 is as follows:

	2019 \$000	2018 \$000
Trade and other receivables	51,937	49,188
	<u>51,937</u>	<u>49,188</u>

The Group believes that its maximum credit risk at any one time is represented by the value of its trade receivables. In relation to credit risk to financial institutions, the Group does have significant cash deposits, however the Board believes the associated exposure to credit risk to be minimal.

Notes *(continued)***21 Financial instruments** *(continued)*

The Group applies IFRS 9 for recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

The Group manages customer credit risk through the use of credit reports and appropriate contractual documentation. Collections are tracked monthly and where payments are overdue appropriate action is taken on a timely basis.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows.

	Group \$000	Company \$000
Balance at 1 January 2018 per IFRS 9	40	-
Impairment loss recognised	95	165
Balance at 1 January 2019 per IFRS 9	135	165
Impairment loss recognised	171	59
Balance at 31 December 2019	306	224

Notes (continued)**21 Financial instruments** (continued)**(b) Liquidity risk***Financial risk management*

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's approach to liquidity risk is to ensure that sufficient liquidity is available to meet foreseeable requirements and to invest funds securely and profitably.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

2019					
Carrying amount \$000	Contractual cash flows \$000	1 year or less \$000	1 to <2years \$000	2 to <5years \$000	5years and over \$000
Non-derivative financial liabilities					
Finance lease liabilities	4,224	-	1,541	1,598	1,085
Bank loans	9,367	-	1,034	1,663	5,363
Trade and other payables	31,748	-	31,748	-	-
		-	34,323	3,261	6,448
			1,307		

2018					
Carrying amount \$000	Contractual cash flows \$000	1 year or less \$000	1 to <2years \$000	2 to <5years \$000	5years and over \$000
Non-derivative financial liabilities					
Finance lease liabilities	4,327	-	1,038	1,204	2,085
Bank loans	5,402	-	432	823	3,158
Loan notes	1,214	-	1,214	-	-
Trade and other payables*	30,008	-	30,008	-	-
		-	32,692	2,027	5,243
					989

(c) Market risk*Financial risk management*

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments

Notes (continued)**21 Financial instruments** (continued)**Market risk - Foreign currency risk**

The Group's exposure to foreign currency risk is as follows. This is based on the carrying amount for monetary financial instruments except derivatives when it is based on notional amounts:

31 December 2019

	Sterling \$000	Euro \$000	US Dollar \$000	Other \$000	Total \$000
Cash and cash equivalents	845	18,746	15,006	491	35,088
Trade receivables	2,743	12,024	26,374	165	41,306
Other receivables	2,106	7,474	1,874	387	11,841
Secured bank loans	-	(9,367)	-	-	(9,367)
Trade payables	(377)	(5,774)	(4,241)	(44)	(10,436)
Other payables	(7,158)	(12,313)	(5,459)	(607)	(25,537)
Total	(1,841)	10,790	33,554	392	42,895

31 December 2018

	Sterling \$000	Euro \$000	US Dollar \$000	Other \$000	Total \$000
Cash and cash equivalents	4,873	8,311	6,309	2	19,495
Trade receivables	2,015	12,970	25,126	36	40,147
Other receivables	1,499	4,838	2,672	30	9,039
Secured bank loans	-	(5,402)	-	-	(5,402)
Loan notes	-	(1,214)	-	-	(1,214)
Trade payables	(631)	(4,611)	(2,441)	(13)	(7,696)
Other payables	(8,163)	(11,595)	(6,857)	(23)	(26,638)
Total	(407)	3,297	24,809	32	27,731

Sensitivity analysis

A 1 percent weakening of the following currencies against the US dollar at 31 December would have increased (decreased) equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant. The analysis is performed on the same basis for 2018.

	2019 \$000	Equity 2018 \$000	2019 \$000	Profit or loss 2018 \$000
£	-18	-4	-18	-4
€	108	33	108	33

A 1 percent strengthening of the above currencies against the US dollar at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Notes *(continued)***21 Financial instruments** *(continued)***Market risk – Interest rate risk**

Ogury France SAS received long term borrowings from BPI France and BNP Paribas, with effective rates from 0% to 2.65% and maturity up to 2025. These loans are unsecured. The Group believes that the interest rate risk to which the Group is exposed is minimal, accordingly the Group does not envisage hedging against this risk.

22 Commitments

The Group has not entered into any capital commitments as at the balance sheet date.

23 Related parties*Transactions with key management personnel*

The compensation of key management personnel including the directors is as follows:

	2019 \$000	2018 \$000
Key management remuneration including social security costs	5,080	3,106
	<u>5,080</u>	<u>3,106</u>
Remuneration disclosed above includes the following amounts paid to the highest paid director	578	551
	<u>578</u>	<u>551</u>

24 Other reserves*Translation reserve*

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company's net investment in a foreign subsidiary.

Share based payment reserve

The share based payment reserve comprises of all movement arising on the multiple share option plans operated by the Group. At 31 December 2019 \$486k (2018: \$207k) was receivable by the Company from employees for the issuance of Company share options, under the warrants scheme. The receipts are non-refundable.

Notes (continued)**25 Change in significant accounting policies****IFRS 9 Financial Instruments**

The Group has adopted IFRS 9 with a date of initial application of 1 January 2018. The requirements of IFRS 9 represent a significant change from *Sections 11 and 12 Basic and Other Financial Instruments*.

As permitted by the transitional provisions of IFRS 9 the Group elected not to restate comparative results. Any adjustments at the date of transition were recognised in the opening retained earnings and other reserves of the current period.

IFRS 9 introduces new requirements for the classification and measurement of financial assets and financial liabilities, impairment of financial assets, and rules for hedge accounting. Details of these new requirements as well as their impact on the Group's consolidated financial statements are described below.

(i) Classification and measurement of financial assets

Under IFRS 9, all the financial assets are measured at amortised cost, fair value through profit or loss or fair value through OCI on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Group's financial assets include cash and cash equivalents (including short term deposits), trade and other receivable, intercompany loan receivables and other debtors. These financial assets are continued to be measured at amortised cost as they meet the conditions under IFRS 9.

(ii) Impairment of financial assets

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL). It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under IFRS 15, lease receivables, loan commitments and certain financial guarantee contracts. The introduction of new impairment model has an impact on the Group's trade receivables measured at amortised cost. For trade receivables, the Group applies a simplified model of recognising lifetime expected credit losses as these items do not have a significant financing component. Based on the assessment undertaken, the Group recorded an impairment of \$0 on its trade receivables on transition.

There is no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit and loss and the Group does not have any such liabilities. The derecognition rules have been transferred from IAS 39 and have not been changed.

The new standard introduces expanded disclosure requirements and changes in presentation. The below table shows information relating to financial assets that have been reclassified as a result of transition to IFRS 9.

The following table shows the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial assets and financial liabilities as at 1 January 2018.

\$000	Original classification under IAS 39	New classification under IFRS 9
Financial assets		
<i>Trade and other receivables</i>	<i>Amortised cost</i>	<i>Amortised cost</i>
<i>Cash and cash equivalents</i>	<i>Amortised cost</i>	<i>Amortised cost</i>
	_____	_____

Notes *(continued)*

25 **Change in significant accounting policies** *(continued)*

As stated in note 1, these are the Group's first consolidated financial statements prepared in accordance with Adopted IFRSs.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2019, the comparative information presented in these financial statements for the year ended 31 December 2018 and in the preparation of an opening IFRS balance sheet at 1 January 2018 (the Group's date of transition).

In preparing its opening IFRS balance sheet, the Group has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (FRS 102). An explanation of how the transition from FRS 102 to Adopted IFRSs has affected the Group's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Notes (continued)**25** Change in significant accounting policies (continued)**Group**

Reconciliation of equity

	Note	1 January 2018			31 December 2018		
		FRS 102 \$000	Effect of transition to Adopted IFRSs \$000	Adopted IFRSs \$000	FRS 102 \$000	Effect of transition to Adopted IFRSs \$000	Adopted IFRSs \$000
Non-current assets							
Property, plant and equipment		329	-	329	639	-	639
Intangible assets	a	32	-	32	14,159	337	14,496
Goodwill	b,c	61	-	61	8,519	(3,229)	5,290
Right-of-use asset		-	-	-	4,168	-	4,168
		422	-	422	27,485	(2,892)	24,593
Current assets							
Trade and other receivables	d	25,281	-	25,281	49,234	(46)	49,188
Cash and cash equivalents		17,560	-	17,560	19,495	-	19,495
		42,841	-	42,841	68,729	(46)	68,683
Total assets		43,263	-	43,263	96,214	(2,938)	93,276
Current liabilities							
Loan Notes		-	-	-	(1,214)	-	(1,214)
Trade and other payables	a,b	(15,788)	-	(15,788)	(30,753)	(725)	(31,478)
Deferred tax liabilities	c	-	-	-	(4,053)	4,053	-
		(15,788)	-	(15,788)	(36,020)	3,328	(32,692)
Non-current liabilities							
Bank loans and overdrafts		(2,760)	-	(2,760)	(4,970)	-	(4,970)
Lease Liability		-	-	-	(3,289)	-	(3,289)
		(2,760)	-	(2,760)	(8,259)	-	(8,259)
Total liabilities		(18,548)	-	(18,548)	(44,279)	3,328	(40,951)
Net assets		24,715	-	24,715	51,935	390	52,325

Notes (continued)**25 Change in significant accounting policies** (continued)

	Note	1 January 2018			31 December 2018		
		FRS 102 \$000	Effect of transition to Adopted IFRSs \$000	Adopted IFRSs \$000	FRS 102 \$000	Effect of transition to Adopted IFRSs \$000	Adopted IFRSs \$000
Equity attributable to equity holders of the parent							
Share capital	4	-	4	5	-	5	
Share premium	15,532	-	15,532	39,434	-	39,434	
Retained earnings	6,953	-	6,953	10,260	390	10,650	
Other reserves	2,226	-	2,226	2,236	-	2,236	
Total Equity		24,715	-	24,715	51,935	390	52,325

There were no adjustments in relation on transition to IFRS as at 1 January 2018. The adjustments recognised as at 31 December 2018 are as a result of the change in recognition and measurement of the business combinations that were purchased in the year.

The following table summarises the impact, net of tax, of transition to IFRS on retained earnings and other reserves at 1 January 2019

	Impact of adopting IFRS \$000
Balance under FRS 102 at 31 December 2018	(10,260)
Recognition of expected credit losses under IFRS 9- trade and other receivables	61
Capitalisation of intangible asset	(337)
Deferred tax adjustment	(4,068)
Goodwill – reversal of amortisation	3,229
Purple Brain – additional consideration	388
Influans – additional consideration	337
Balance under IFRS at 1 January 2019	(10,650)

Notes (continued)**25 Change in significant accounting policies (continued)**

<i>Company</i>				1 January 2018		31 December 2018			
<i>Reconciliation of equity</i>			Effect of	Effect of		Effect of	Effect of		
	Note.	FRS 102	prior year	transition to	Adopted	FRS 102	prior year	transition to	Adopted
		\$000	adjustment	Adopted	IFRSs	\$000	adjustment	to Adopted	IFRSs
			\$000	IFRSs	\$000		\$000	IFRSs	\$000
Non-current assets									
Property, plant and equipment		77	-	-	77	91	-	-	91
Intangible assets	a	32	-	-	32	689	-	337	1,026
Investments in equity-accounted investees	b	383	284	-	667	23,294	171	154	23,619
		<u>492</u>	<u>284</u>	<u>-</u>	<u>776</u>	<u>24,074</u>	<u>171</u>	<u>491</u>	<u>24,736</u>
Current assets									
Trade and other receivables	d	9,770	-	-	9,770	25,945	-	(165)	25,780
Cash and cash equivalents		18,717	-	-	18,717	9,437	-	-	9,437
		<u>28,487</u>	<u>-</u>	<u>-</u>	<u>28,487</u>	<u>35,382</u>	<u>-</u>	<u>(165)</u>	<u>35,217</u>
Total assets		<u>28,979</u>	<u>284</u>	<u>-</u>	<u>29,263</u>	<u>59,456</u>	<u>171</u>	<u>326</u>	<u>59,953</u>
Current liabilities									
Trade and other payables	a,b	(9,149)	-	-	(9,149)	(13,561)	-	(725)	(14,286)
Total liabilities		<u>(9,149)</u>	<u>-</u>	<u>-</u>	<u>(9,149)</u>	<u>(13,561)</u>	<u>-</u>	<u>(725)</u>	<u>(14,286)</u>
Net assets		<u>19,830</u>	<u>284</u>	<u>-</u>	<u>20,114</u>	<u>45,895</u>	<u>171</u>	<u>(399)</u>	<u>45,667</u>
Equity attributable to equity holders of the parent									
Share capital		4	-	-	4	5	-	-	5
Share premium		15,533	-	-	15,533	39,434	-	-	39,434
Retained earnings		3,816	50	-	3,866	4,515	541	(399)	4,657
Other reserves		477	234	-	711	1,941	(370)	-	1,571
Total Equity		<u>19,830</u>	<u>284</u>	<u>-</u>	<u>20,114</u>	<u>45,895</u>	<u>171</u>	<u>(399)</u>	<u>45,667</u>

Notes (continued)**25 Change in significant accounting policies** (continued)

The total effect on retained earnings is analysed as follows:

	Note	31 December 2018 \$000
Balance under FRS 102 at 31 December 2018		(5,056)
Recognition of expected credit losses under IFRS 9- trade and other receivables	d	165
Trade payables - additional consideration	a,b	234
Balance under IFRS at 1 January 2019		(4,657)

Group*Reconciliation of profit for 2018*

	FRS 102 \$000	Effect of transition to Adopted IFRSs \$000	Adopted IFRSs \$000
Revenue			
Cost of sales	82,585	-	82,585
Operating expense	(78,681)	1,415	(77,266)
Operating profit before net financing costs	3,904	1,415	5,319
Financial income	20	-	20
Financial expenses	(560)	-	(560)
Net financing expense	(540)	-	(540)
Profit before tax	3,364	1,415	4,779

*Notes to the reconciliations*a) *Intangible assets – contingent assets*

In December 2018, Ogury UK purchased software (IP) from Influan for \$733K. This balance was recognised as an intangible asset and reflects the first two payments made by the Ogury. There was also a third contingent payment due to be made on 4 December 2019, dependent on the number of employees still in employment at that time. Under FRS 102 guidance, this final payment was not recognised by Ogury at 31 December 2018 given uncertainty over the probability of the payment, as it was linked to how many employees would still be at the company in 12 months' time.

Under IFRS 3 Business Combinations, the contingent consideration element is required to be recognised, regardless of its probability of payment. No element of the contingent consideration is considered post acquisition remuneration.

Notes *(continued)***25 Change in significant accounting policies** *(continued)**a) Intangible assets – contingent assets (continued)*

The contingent considerations has been calculated as follows:

Total possible contingent consideration available per the contract	€ 400k
Employees still working in the business at 14/08/19	9
Total number of original employees per contract	12
Expected employee retention rate	75%
Estimated contingent consideration payable	€ 308k
FX rate used in translation at 31/12/18	1.094
Expected USD amount	\$337k

The effect is to increase intangible assets by the \$337k and increase trade and other payables at 31 December 2018.

Since the transaction took place in December 2018, no amortisation relating to the asset has been recognised.

Per IFRS 3, if the fair value of the contingent consideration element changes at 31 December 2019, the movement will be recognised through the P&L.

b) Goodwill

On 6th April 2018, Ogury France acquired control of Purple Brain SAS through the purchase of 100% of the share capital for estimated consideration of \$22,813k. Purple Brain SAS is a revenue monetisation platform for mobile publishers. The goodwill of \$5,535k arising from the acquisition is attributable to the acquired technology from combining the operations into the Group.

Under IFRS, goodwill is not amortised but instead reviewed for impairment on an annual basis. As a result, the amortisation of goodwill recorded under previous FRS 102 (\$1,311K) was reversed in the reconciliation to IFRS with a corresponding reduction of amortisation included within the operating expenses.

In addition to the above, under IFRS transaction costs associated with business combinations must be expensed. As a result, the transactions cost capitalised under FRS 102 (\$234k) has been reversed and expensed through the profit and loss in 2018.

Under IFRS, contingent consideration must be measured at fair value at the time of the business combination and is taken into account in the determination of goodwill.

Under FRS 102, contingent consideration is only accounted for if it is probable it will be paid. At the end of 2018 there was no contingent consideration recognised in the acquisition accounting entries for Purple Brain SAS, although it was ultimately paid. Following the transition to IFRS, this contingent consideration element has been included in the acquisition resulting additional goodwill and an increase in trade and other payables has been recognised at \$237k.

Previously accounted for contingent consideration for the purchase of Purple Brain SAS of \$162k was paid out at \$313k. The change in fair value of \$151k has been recognised as an IFRS adjustments in 2018 increasing the goodwill asset and trade and other payables at 31 December 2018.

c) Deferred taxation

On acquisition of Purple Brain, a deferred tax liability of \$4,694k was recognised. As at the 31 December 2018 the FRS 102 accounts showed a reduction in this balance in relation to timing differences with \$658k going through the profit and loss. Under IFRS the deferred tax liability no longer arises and therefore the goodwill balance is reduced by \$4,694k and there are no amounts held on the statement of financial position in relation to the deferred tax in corresponding to the acquisition at the 31 December 2018 and the net profit in the period increases by \$658k.

Notes *(continued)***25 Change in significant accounting policies** *(continued)*

Reconciliation of changes to goodwill:

	\$000
Reversal of amortisation	1,311
Reversal of previously capitalised transaction costs*	(234)
Contingent consideration under IFRS*	237
Fair value adjustment for contingent consideration*	151
Reversal of deferred tax liability	(4,694)
Adjustment to goodwill on IFRS transition	(3,299)

* The sum of these adjustments (£154k) reflects the increase in the investment in Purple Brain at the company level.

d) Trade and other receivables – bad debt provisioning

IFRS 9 is effective for all periods commencing on or after 1 January 2018. IFRS 9 supersedes FRS 102 *Section 11 and 12 Basic and Other Financial Instruments* and introduces a new impairment model based on expected losses, rather than incurred losses. See Note 1 *Accounting Policies* where the Group accounting policy for financial instruments has been outlined. The impact of transition is discussed on pages 48 and 49.

On transition to IFRS the additional provision required for expected credit losses are as follows:

	\$000
Group	46
Company	165

26 Prior year adjustment

The Company has historically granted options to both its employees and employees of the subsidiaries. Where the Company grants options over its own shares to the employees of its subsidiaries, it should have recognised in its individual financial statements, an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in its consolidated financial statements with the corresponding credit being recognised directly in equity. Historically the Company had taken this charge to the profit and loss. In addition to the above it was also identified that the share-based payment charge calculated on grant date had been overstated due to a miscalculation. As a result of adjusting for the above, retained earnings at 1 January 2018 increased by \$50k and profit for the prior year increased by \$541k to \$1,572k. The retained earnings as at 1 January 2019 has been increased by \$591k, the cost of investment in the subsidiary increased accordingly by \$455k and the share-based payment reserve reduced by \$136k. As a result of the above, net assets as at 31 December 2018 have increased by \$455k to \$45,667k.

This adjustment impacts the Company statements only and is not material for Group.

Notes *(continued)*

27 Subsequent events

In March 2020 Ogury issued 2,645,213 Ordinary shares at nominal value. The shares are unpaid.

On 6 April 2020, Ogury France SAS received a €5m loan from BNP Paribas under a European Commission approved French State aid scheme. The loan is for a period of 12 months after which the loan can be repaid over a period of 1 to 5 years.

28 Ultimate controlling party

The directors do not consider there to be an ultimate controlling party.