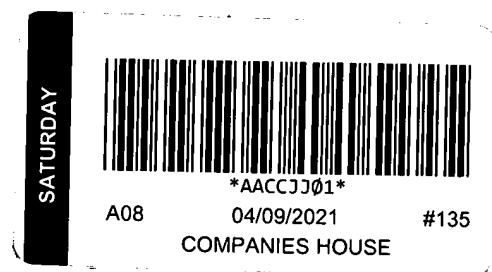


Ogury Limited

Annual report and financial statements

Registered number 08904951

31 December 2020



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 2020.

Fair review of the business and Strategy

Ogury is a global leader in mobile brand advertising. Ogury is an international organisation with approximately 370 employees in 17 offices across 11 countries. Ogury Advertising Engine is an integrated stack of technology designed and optimised for branding campaigns on mobile. It uses safe data to deliver relevant ads in a brand safe and fraud-free environment ensuring 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). Over 1,200 top global brands and advertisers working with Ogury constantly receive superior performance and effective protection.

Ogury continues to extend its global reach, demonstrated by opening a new office in Australia in 2020, whilst also cementing its position in its existing territories across Europe, Americas and Asia-Pacific. Its global presence has helped extend Ogury's customer base and continues to drive new revenues.

The period covered by this report is the 12 months to 31 December 2020. During this period the Group's revenue increased by 19% to \$125m (2019: \$105m). The operating profit for the period was \$12m (2019 restated: \$7m loss) and there was a reported profit before tax of \$11m (2019 restated: \$8m loss).

In November 2020, Ogury took the decision to discontinue the operations of Purple Brain SAS trading as Adincube, to focus on the core business of the Ogury Advertising Engine. At 31 December 2020, revenue from the discontinued operation totalled \$1.4m (2019: \$4.1m). See note 8 for further details.

Ogury's 19% growth in sales was made possible by a loyal and growing client base in Europe, Americas and Asia-Pacific, alongside technology innovations in video advertising and fraud prevention.

As consumers spend more time on their mobile devices, Ogury's focus remains on rolling out attractive ad formats that consumers want to engage with in a fraud-free environment.

In April 2020, Ogury unveiled Video Chooser, which enables users to choose which brand they engage with, from the options being advertised. Advertisers only pay if their advertisement is selected by the user of the options that they are being presented.

In October 2020, Ogury expanded its product offering to include Thumbnail Ad, a discrete ad format that appears in a precise location within the app and puts users in control of how they interact with advertisements.

At 31 December 2020, the Group held net assets of \$60m (2019: \$49m).

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:

- Effect of economic cycles affecting marketing expenditure. In periods of economic uncertainty, businesses may delay or reduce their spending on advertising, which could materially harm our business. Our international footprint, as well as the fact that we are covering numerous sectors reduces some of this risk and exposure for the Group.
- The threat of competitors and new market entrants, as well as existing intense competition. There are a number of large and established internet and technology companies in our market and they may be able to significantly impair our ability to operate. Outside of these large competitors, the rest of the market is quite fragmented with intense competition amongst a lot of companies. Mobile advertising is a rapidly growing market and therefore an attractive one. We actively monitor the actions of our competitors to be able to take action in response if needed.

Strategic report (*continued*)

Principal risks and uncertainties (*continued*)

- If we fail to innovate, adapt and respond effectively to rapidly changing technology, our solution may become less competitive or obsolete. Mobile connected devices and other devices, their operating systems, Internet browsers or content distribution channels, including those controlled by our competitors, may develop in ways that prevent advertisements from being delivered to their users or reduce their impact. 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, but the technology we develop may be ineffective or inefficient
- Loss of key application publishers and access to associated inventory. The ability to generate data and successfully deliver advertising campaigns is dependent on maintaining an adequate network of users who are reached through our publishers. We also need to accurately balance supply and demand. 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.
- Loss of key clients and associated revenue. Ogury's customers are today predominately subsidiaries of the largest international agency groups, independent agencies and also the brand directly. 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.
- Disruptions in the Group's IT infrastructure or systems could materially adversely affect its business, results of operations and financial condition. Cyber security of network access for customers, partners, suppliers and user data. Our business involves the use, transmission and storage of confidential information, and the failure to properly safeguard such information could result in significant reputational harm and monetary damages. 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. We may be subject to various acts of fraud.
- 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.
- 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.
- Operational risk of doing business internationally, including tax regimes, social/political stability, laws and regulatory requirements. This increases the complexity of the business and cost of operation, but also the burden of compliance.
- The changing landscape of applicable laws and regulations, specifically in relation to data protection and privacy law around the world. Changes to the definition of personal information or personal data, as well as jurisdictional variances regarding what constitutes personal information or personal data, may require us to adapt our business practices, which may inhibit our ability to conduct our business. California 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.
- The potential impacts of the United Kingdom having left the E.U. There is a lot of uncertainty over the possible consequences, and there could be wide reaching impacts such as hampering mobility of staff and regulation changes. We continue to monitor the Brexit consequences and outcomes for any impacts to our business and will take appropriate action if required as the output from these negotiations becomes clearer.

Strategic report (continued)**Key performance indicators**

	December 2020	December 2019 Restated	% change
Revenue (see note 2)	\$125m	\$105m	19%
Operating profit/(loss)	\$12m	\$(7m)	271%
Average headcount (see note 5)	364	361	1%
Cash (see note 16)	\$48m	\$35m	37%

In 2020, Ogury grew its revenue to \$125 million, an increase of 19% despite many challenges from the Covid-19 pandemic.

The business has returned to profitability for 2020, following a significant review of operating expenses at the onset of the pandemic in March 2020. 2019 also included a significant impairment of \$14m made against, and allocated to, the Group's discontinued mediation business.

Headcount has remained broadly stable with a freeze on new hirings in reaction to the pandemic, but no Covid-19 related lay-offs.

The cash position has increased from \$35m in 2019 to \$48m in 2020 through a combination of strong cost management, increased revenues and new loan facilities.

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.

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.

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. Our values are underpinned in the way we recruit, develop and recognise employees. We have a values-based recruitment strategy, our approach to Performance Management incorporates self-reflections and manager evaluations which include an assessment against our values and we recognise employees who exemplify our values on a quarterly basis at a global level and/or functional level. Additionally, our compensation philosophy is centered around paying for performance and leadership. We strive to compensate fairly and competitively to the AdTech market, in order to attract and retain the best talent and reward our best performers. We engage in a merit cycle that is reviewed twice a year to ensure that we remain competitive.

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.

Strategic report (continued)

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 and/or functional 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 selected service providers 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:

- Recognised as a Built In NYC Best Places to Work 2021 - NYC Best Midsize Companies to Work For
- 16th in the 2020 Sunday Times HSBC International Track 200
- Ranked 159th in Advertising category - FT 1000 - Europe's Fastest Growing Companies
- 50th in the Sunday Times Tech Track 100
- 15th in French Web's Top 100 companies that plan to recruit in the digital sector

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. Fluctuations in the exchange rates of foreign currencies could result in currency transaction losses that negatively impact our financial results.

Interest rate risk

The Group believes that the interest rate risk to which the Group is exposed is tolerable compared to the transaction costs of reducing this risk accordingly the Group does not envisage hedging against this risk.

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.

Strategic report (*continued*)

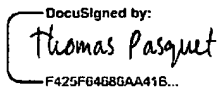
Outlook

For 2021 we intend to focus on mobile branding advertising and consent management, and have three Group objectives:

- Create and offer products that deliver the best KPIs to brand advertising
- Develop and scale an unique premium mobile inventory (in-app and in-web)
- Build a proud dream team, demanding and delivering excellence

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

18 June 2021

Directors' report

The directors present their annual report and financial statements for the year ended 31 December 2020.

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 premium inventory.

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 T Pasquet
Mr A Roubach
Mr J Bourcereau
Mr B Grossmann

Results and dividends

The results for the period are set out on page 14.

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

In February 2019, Ogury declared an interim dividend of €0.046 (£0.041) per ordinary B share in the capital of the Company at a total cost of €0.5m (£0.4m).

No preference dividends were paid. The directors do not declare or recommend payment of an interim or final dividend in 2020.

Research and development

The Company and Group are involved in a major research and development scheme. During the period the company spent \$5.4m (2019: \$6.3m) on research and development, of which \$3.2m was capitalised.

Future developments

The Group intends to focus on mobile branding advertising and programmatic offering.

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.

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.

Directors' report (*continued*)

Going concern

As at 31 December 2020, the Group had net assets of \$59.5m, net current assets of \$73.7m and cash and cash equivalents of \$47.7m. As at 31 March 2021, the Directors note that the Company had cash and cash equivalents of \$50.4m. The Directors have assessed the financial results up to the date of approving these financial statements including the impact of Covid-19 on its operations.

The Directors have prepared detailed cash flow forecasts for the 20 month period ending 31 December 2022 which indicate that, taking into account severe but plausible downsides, and the anticipated impact of Covid-19 on the operations and its financial resources, the Group and Company will have sufficient funds to meet its liabilities as they fall due for that period.

The Directors' assessment has considered trading up to the point of signing these financial statements and that the digital advertising industry in which the Group operates has demonstrated resilience during the Covid-19 pandemic. The Group has maintained growth in revenues and profits as well as a strong balance sheet position, and the Directors expect growth and global expansion to return to pre-pandemic levels as the global economy recovers.

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

Ogury actively seeks to hire and integrate disabled persons across the organization. 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 Group 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.

Streamlined Energy and Carbon Reporting

The company has not disclosed detailed energy and carbon information as it is a low energy user with <40MWh energy use. However, below note some of the ways the Group are working to reduce its ecological footprint.

The lockdown period and the associated reduction in business travel has had a positive effect in reducing Ogury's energy use and carbon emissions across the organisation. Once global lockdown measures begin to ease, Ogury aims to continue its focus on measuring its carbon footprint impact caused through travel and making a concerted effort to keep this to an acceptable level.

In 2020, Ogury's employees were involved in environmental protection projects such as local community clean-ups. The Group will be placing a greater emphasis on this as it focuses its efforts on implementing a Corporate Social Responsibility strategy across the organisation, which will include a pillar on how Ogury can become more environmentally conscious as an organisation.

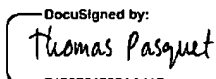
At a minimum, each of Ogury's offices operates a recycling system ensuring that paper, plastic and cardboard are recycled. Going forward the Group will look to conduct a waste audit in each of its offices to understand where there are opportunities to improve current recycling methods and put into place waste-reduction strategies across the business.

Directors' report (*continued*)

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:

F425F64686AA415...
Mr T Pasquet
Director
18 June 2021

Statement of directors' responsibilities in respect of the Annual Report, Strategic Report, the Directors' Report and the Financial Statements

The directors are responsible for preparing the Annual Report, Strategic Report, the Directors' Report and the Group and parent company 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 accounting standards in conformity with the requirements of the Companies Act 2006 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 the Group's 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, reliable and prudent;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- 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.

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 2020 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 1.

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 profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of, 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").

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.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the Group or the company will continue in operation.

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group to component audit teams of relevant fraud risks identified at the Group level and request to component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at Group.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Group-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.
- Evaluated the business purpose of significant unusual transactions.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group to component audit teams of relevant laws and regulations identified at the Group level, and a request for component auditors to report to the Group team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at Group.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

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

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, data protection and privacy laws, regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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:

- 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 6, 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.

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

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, E14 5GL
18 June 2021

Consolidated Statement of Profit and Loss and Other Comprehensive Income
for year ended 31 December 2020

	Notes	2020 \$000	2019 Restated* \$000
Revenue	2	124,523	105,062
Operating expenses		(112,298)	(112,463)
Operating expenses – impairment of acquisition		(670)	-
Operating profit/(loss)	4	11,555	(7,401)
Financial income	6	8	15
Financial expenses	6	(548)	(626)
Net financing expense		(540)	(611)
Profit/(loss) before tax		11,015	(8,012)
Taxation	7	(1,804)	(600)
Profit/(loss) from continuing operations		9,211	(8,612)
Loss from discontinued operations	8	(646)	(13,812)
Profit/(loss) for the year		8,565	(22,424)
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences – continuing operations		624	1,329
Foreign currency translation differences – discontinued operations	8	353	(87)
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations		(50)	(12)
Other comprehensive income for the year, net of income tax		927	1,230
Total comprehensive income/(loss) for the year		9,492	(21,194)
Total comprehensive income for the period arises from:			
Continuing operations		9,785	(7,295)
Discontinued operations	8	(293)	(13,899)
		9,492	(21,194)

*See note 8 for details regarding restatement as a result of discontinued operations. See note 26 for details of other prior year adjustments.

The notes on pages 21 to 63 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet
at 31 December 2020

	Notes	2020 \$000	2019 *Restated \$000	2018 *Restated \$000
Non-current assets				
Property, plant and equipment	9	832	1,148	639
Intangible assets	10	2,755	2,034	18,539
Right-of-use assets	12	3,019	3,717	4,168
Total non-current assets		6,606	6,899	23,346
Current assets				
Trade receivables and other assets**	15	81,738	62,028	55,972
Cash and cash equivalents	16	47,654	35,088	19,495
Total current assets		129,392	97,116	75,467
Total assets		135,998	104,015	98,813
Current liabilities				
Trade payables and other liabilities	18	(53,866)	(42,069)	(38,677)
Lease liabilities	12	(1,861)	(1,541)	(1,038)
Total current liabilities		(55,727)	(43,610)	(39,715)
Non-current liabilities				
Bank loans and overdrafts	17,18	(19,092)	(8,333)	(4,970)
Lease liabilities	12	(1,674)	(2,683)	(3,289)
Total non-current liabilities		(20,766)	(11,016)	(8,259)
Total liabilities		(76,493)	(54,626)	(47,974)
Net assets		59,505	49,389	50,839
Equity attributable to equity holders of the parent				
Share capital	21	(5)	(5)	(5)
Share premium		(59,206)	(59,206)	(39,434)
Retained earnings		4,117	12,615	(10,411)
Other reserves	25	(4,411)	(2,793)	(989)
Total equity		(59,505)	(49,389)	(50,839)

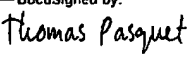
Consolidated Balance Sheet

* See note 26 for details of prior year adjustments.

**Included in Trade and other receivables are deposits and other securities of \$1.1m (2019: \$1.0m) due after more than one year.

The notes on pages 21 to 63 are an integral part of these consolidated financial statements.

These financial statements were approved by the board of directors on 18 June 2021 and were signed on its behalf by:

DocuSigned by:

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Mr T Pasquet Director

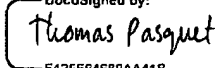
Company registered number: 08904951

Company Balance Sheet
at 31 December 2020

	Notes	2020 \$000	2019 \$000
Non-current assets			
Property, plant and equipment	9	192	313
Intangible assets	10	3	808
Investments	11	1,888	3,311
Right-of-use asset	12	354	665
Total non-current assets		2,437	5,097
Current assets			
Trade receivables and other assets	15	43,100	37,715
Cash and cash equivalents	16	25,382	16,525
Total current assets		68,482	54,240
Total assets		70,919	59,337
Current liabilities			
Trade payables and other liabilities	18	(23,687)	(13,985)
Lease liability	12	(456)	(303)
Total current liabilities		(24,143)	(14,288)
Non-current liabilities			
Bank loans and overdrafts	17,18	(2,502)	-
Lease liability	12	-	(474)
Total non-current liabilities		(2,502)	(474)
Total liabilities		(26,645)	(14,762)
Net assets		44,274	44,575
Equity attributable to equity holders of the parent			
Share capital	21	(5)	(5)
Share premium		(59,206)	(59,206)
Retained earnings		17,808	16,923
Other reserves	25	(2,871)	(2,287)
Total equity		(44,274)	(44,575)

The notes on pages 21 to 63 are an integral part of these consolidated financial statements.

These financial statements were approved by the board of directors on 18 June 2021 and were signed on its behalf by:

DocuSigned by:

 F425F64688AA418...
 Mr T Pasquet Director
 Company registered number: 8904951

Consolidated Statement of Changes in Equity*at 31 December 2020*

	Notes	Share capital \$000	Share premium \$000	Translation reserve Restated* \$000	Share-based payment reserves \$000	Retained Earnings Restated* \$000	Total equity \$000
Balance at 31 December 2018		(5)	(39,434)	718	(1,707)	(10,411)	(50,839)
Total comprehensive income for the period							
Loss for the period		-	-	-	-	22,424	22,424
Currency translation differences on subsidiaries		-	-	(1,242)	-	-	(1,242)
Remeasurements of defined benefit liability	19	-	-	-	-	12	12
Total comprehensive income for the period		-	-	(1,242)	-	22,436	21,194
Issue of shares	21	(0)	(19,772)	-	-	-	(19,772)
Equity-settled share-based payment transactions	20	-	-	-	(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)	(1,242)	(562)	23,026	1,450
Balance at 31 December 2019		(5)	(59,206)	(524)	(2,269)	12,615	(49,389)
Total comprehensive income for the period							
Profit for the period		-	-	-	-	(8,565)	(8,565)
Currency translation differences on subsidiaries		-	-	(1,034)	40	17	(977)
Remeasurements of defined benefit liability	19	-	-	-	-	50	50
Total comprehensive income for the period		-	-	(1,034)	40	(8,498)	(9,492)
Issue of shares	21	(0)	-	-	-	-	(0)
Equity-settled share-based payment transactions	20	-	-	-	(602)	-	(602)
Equity-settled payment reserve credit for amounts owed by employees for options		-	-	-	(22)	-	(22)
Total contributions by and distributions to owners		(0)	-	(1,034)	(584)	(8,498)	(10,116)
Balance at 31 December 2020		(5)	(59,206)	(1,558)	(2,853)	4,117	(59,505)

The notes on pages 21 to 63 are an integral part of these consolidated financial statements.

* See note 26 for details of prior year adjustments.

Company Statement of Changes in Equity*at 31 December 2020*

	Notes	Share capital \$000	Share premium \$000	Share-based payment reserves \$000	Retained earnings \$000	Total equity \$000
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	21	(0)	(19,772)	-	-	(19,772)
Equity-settled share-based payment transactions	20	-	-	(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)
Total comprehensive income for the period						
Loss for the period		-	-	-	1,433	1,433
Currency differences on translation		-	-	40	(548)	(508)
Total comprehensive income for the period		-	-	40	885	925
Issue of shares	21	(0)	-	-	-	(0)
Equity-settled share-based payment transactions	20	-	-	(602)	-	(602)
Equity-settled payment reserve credit for amounts owed by employees for options		-	-	(22)	-	(22)
Total contributions by and distributions to owners		(0)	-	(584)	885	301
Balance at 31 December 2020		(5)	(59,206)	(2,871)	17,808	(44,274)

The notes on pages 21 to 63 are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement
for year ended 31 December 2020

		2020	2019
		\$000	Restated* \$000
Cash flows from operating activities	Notes		
Profit/(loss) for the year			
Continuing operations		9,211	(8,612)
Discontinued operations	8	(646)	(13,812)
Profit/(loss) for the year		8,565	(22,424)
<i>Adjustments for:</i>			
Depreciation, amortisation and impairment	4	4,701	19,067
Financial income	6	(8)	(15)
Financial expense		641	718
Loss on disposal of property, plant and equipment	4	5	18
Equity settled share-based payment transactions	20	602	417
Taxation	7	1827	787
Increase in trade and other receivables		(21,541)	(6,100)
Increase in trade and other payables		9,748	3,422
Increase in employee benefits		(50)	(12)
Tax received /(paid)		2,525	(1,808)
Interest paid		(471)	(534)
Net cash from operating activities		6,544	(6,464)
Cash flows from investing activities			
Interest received	6	8	15
Acquisition of property, plant and equipment	9	(142)	(903)
Capitalisation/acquisition of other intangible assets	10	(3,236)	(6)
Payment of deferred consideration		-	(914)
Cash received on disposal of property plant and equipment	9	6	-
Net cash from investing activities		(3,364)	(1,808)
Cash flows from financing activities			
Proceeds from the issue of share capital		0	19,773
Proceeds from new loans		11,463	4,485
Repayment of loan notes		-	(1,214)
Repayment of borrowings		(863)	(423)
Proceeds from factoring		(2,275)	2,098
Cash received for options granted		26	611
Repayment of lease liability	12	(1,619)	(1,432)
Dividends paid		-	(590)
Net cash from financing activities		6,732	23,308
Net increase in cash and cash equivalents		9,912	15,036
Cash and cash equivalents at 1 January		35,088	19,495
Effect of exchange rate fluctuations		2,654	557
Cash and cash equivalents at 31 December	16	47,654	35,088

*See note 8 for cash flows from discontinued operations and note 26 for details of prior year adjustments.

The notes on pages 21 to 63 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 Directors' 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 accounting standards in conformity with the requirements of the Companies Act 2006 ("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 1.19.

1.1 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.

1.2 Going concern

As at 31 December 2020, the Group had net assets of \$59.5m, net current assets of \$73.7m and cash and cash equivalents of \$47.7m. As at 31 March 2021, the Directors note that the Company had cash and cash equivalents of \$50.4m. The Directors have assessed the financial results up to the date of approving these financial statements including the impact of Covid-19 on its operations.

The Directors have prepared detailed cash flow forecasts for the 20 month period ending 31 December 2022 which indicate that, taking into account severe but plausible downsides, and the anticipated impact of Covid-19 on the operations and its financial resources, the Group and Company will have sufficient funds to meet its liabilities as they fall due for that period.

The Directors' assessment has considered trading up to the point of signing these financial statements and that the digital advertising industry in which the Group operates has demonstrated resilience during the Covid-19 pandemic. The Group has maintained growth in revenues and profits as well as a strong balance sheet position, and the Directors expect growth and global expansion to return to pre-pandemic levels as the global economy recovers.

In performing their downside scenarios, the Directors have assumed a 15% decrease in their overall revenue for the full forecasted period and isolated certain discretionary costs that can be decreased to preserve cash if so needed. Reductions in discretionary items will be implemented where necessary if a downside scenario does occur. 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, even under the severe but plausible downside scenario, without additional financing or taking up government issued schemes.

Consequently, the Directors are confident that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Notes (continued)**1 Accounting policies (continued)****1.3 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.

1.4 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, US Dollar, 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.

1.5 Financial instruments**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.

Notes (continued)**1 Accounting policies (continued)****1.5 Financial instruments (continued)****(i) 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.

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.

Notes (continued)**1 Accounting policies (continued)****1.5 Financial instruments (continued)**

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.

(ii) 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 ECLs, 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 ECLs.

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, 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)

1.5 Financial instruments (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.

1.6 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 18-33% straight line
- Motor vehicles 33% straight line
- Fixtures and fittings 8-20% 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)****1.7 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.

For acquisitions, 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.

1.8 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.

Notes (continued)**1 Accounting policies (continued)****1.8 Intangible assets and goodwill (continued)***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
- Development costs 20-50% straight line

1.9 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.

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.

1.10 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.

Notes (continued)**1 Accounting policies (continued)****1.10 Employee benefits (continued)****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.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. The Group determines the net interest on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability.

Remeasurements arising from defined benefit plans comprise actuarial gains and losses and the Group recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

1.11 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.

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.

1.12 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.

Notes (continued)**1 Accounting policies (continued)****1.13 Revenue***Advertising (Engagement)*

Advertising 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.

1.14 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. 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.

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.

1.15 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.

Notes (continued)**1 Accounting policies (continued)****1.16 Discontinued operations**

A discontinued operation is a component of the Group's activities that is distinguishable by reference to geographical area or line of business that is held for sale, has been disposed of or discontinued, or is a subsidiary acquired exclusively with a view to resale. When an operation is classified as discontinued, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

1.17 Lease accounting

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Notes (continued)**1 Accounting policies (continued)****1.17 Lease accounting (continued)**

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

1.18 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:

- Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16: Interest Rate Benchmark Reform – Phase 2 (effective date 1 January 2021).
- IFRS 17 Insurance Contracts (effective date to be confirmed).
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current (effective date to be confirmed).
- Amendments to IAS 37: Onerous Contracts—Cost of Fulfilling a Contract (effective date to be confirmed).
- Amendments to References to the Conceptual Framework in IFRS 3 (effective date to be confirmed).
- Amendments to IAS 16: Property, Plant and Equipment—Proceeds before Intended Use (effective date to be confirmed).
- Annual Improvements to IFRS Standards 2018-2020 (effective date to be confirmed).

Change in accounting policy

The Company has adopted the following IFRSs in these financial statements, which were adopted from 1 January 2020:

- Amendments to References to the Conceptual Framework in IFRS Standards;
- Amendment to IFRS 3 Business Combinations;
- Amendments to IAS 1 and IAS 8;
- Amendments to IFRS 7, IFRS 9 and IAS 39;

1.19 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.

Notes (continued)

1 Accounting policies (continued)

1.19 Accounting estimates and judgements (continued)

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.

Impairment of investments

The carrying values of the Company's investments are reviewed for impairment when there are indicators that the assets may be impaired. When testing for impairment, recoverable amounts are measured at their value in use by discounting the future expected cash flows from the investments.

Classification as discontinued operations

When an operation has been discontinued and meets the criteria of IFRS 5 Non-current assets held for sale and discontinued operations, the standard requires that the operation's results and cash flows should be presented as discontinued operations and the results for the comparative period are re-presented.

Effective 15 November 2020, Purple Brain terminated its contracts with customers and suppliers and ceased the operations of the Purple Brain business. The activities have been treated as a discontinued operation in the Group's consolidated financial statements since they represented a separate major line of business.

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. For restated amounts, see note 8.

	2020	2019
	\$000	Restated \$000
Major products/service lines		
Advertising (Engagement)	124,523	105,062
	<u>124,523</u>	<u>105,062</u>
Primary geographical markets		
Americas	79,898	63,636
EMEA	42,407	41,317
APAC	2,218	109
	<u>124,523</u>	<u>105,062</u>
Timing of transfer of goods or services		
Products and services transferred over time	124,523	105,062
	<u>124,523</u>	<u>105,062</u>

3 Other operating income

	2020	2019
	\$000	Restated \$000
Interest income	8	15
	<u>8</u>	<u>15</u>

For restated amounts, see note 8.

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

	2020 \$000	2019 \$000
Exchange loss differences (except for those arising on financial instruments at FVTPL)	841	288
Research and development expensed as incurred*	5,442	6,273
Depreciation of owned property, plant and equipment (See note 9)	519	375
Depreciation of right-of use assets (See note 12)	1,628	1,542
Loss on disposal of property, plant and equipment	(5)	(18)
Impairment loss on goodwill and intangibles (See note 10)	670	14,006
Amortisation of intangibles (See note 10)	1,884	3,144
Share-based payments (See note 20)	602	417
Operating lease charge (See note 13)	790	901

*Of which \$3.2m was capitalised during the year (see note 10).

Auditor's remuneration:

	2020 \$000	2019 \$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	212	119

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	
	2020	2019
Directors	1	2
Sales & Marketing	163	182
Supply	21	24
Product & Technical	123	105
Administration	56	48
	364	361

The aggregate payroll costs of these persons were as follows:

	\$000	\$000
Wages and salaries	46,605	44,619
Share-based payments (See note 20)	602	417
Social security costs	7,219	6,859
Contributions to defined contribution plans (See note 19)	1,908	2,081
Net financing cost charged to the income statement in respect of defined benefit pension plans (See note 19)	226	153
	56,560*	54,129

*Payroll costs include \$3.2m of capitalised development costs (see note 10).

6 Financial income and expense**Recognised in profit or loss**

	2020	2019
	\$000	Restated*
	\$000	\$000
Financial income		
Interest on bank deposits	8	15
Total net gains	8	15
Financial Expense		
Interest on bank overdrafts and loans	376	436
Interest on finance leases	165	185
Defined benefit pension interest	7	5
Total interest expense on financial liabilities measured at amortised cost	548	626

*For restated amounts, see note 8 and note 26.

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

	2020	2019
	\$000	Restated \$000
Current tax expense		
Current year	39	(223)
Adjustments for prior years	-	-
Current UK tax expense/(credit)	39	(223)
Current foreign tax expense/(credit)	2,123	932
Total current tax expense/(credit)	2,162	709
Deferred tax expense		
Origination and reversal of temporary differences	291	(109)
Recognition of previously unrecognised tax losses	(649)	-
Deferred tax expense	(358)	(109)
Total tax expense/(credit)	1,804	600
Income tax expense is attributable to:		
Profit/(loss) from continuing operations	1,804	600
Loss/(profit) from discontinuing operations	23	187
	1,827	787

Reconciliation of effective tax rate

	2020	2019
	\$000	\$000
Profit/(loss) from continuing operations before tax	11,015	(8,012)
Profit/(loss) from continuing operations before tax	11,015	(8,012)
Tax using the UK corporation tax rate of 19% (2019: 19%)	2,093	(1,522)
Fixed Asset differences	7	-
Expenses not deductible for tax purposes	286	892
Other permanent differences	(119)	(567)
Losses not recognized for foreign tax purpose	-	1,665
Foreign tax	142	20
Adjustment in respect of previous periods	(649)	-
Impact of tax rate differences	44	112
Total tax expense/(credit)	1,804	600

A UK corporation rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the company's future current tax charge accordingly. The deferred tax asset/liability at 31 December 2020 has been calculated at 19% (2019: 17%). For restated amounts, see note 26.

Notes (continued)**8 Discontinued operations**

The Group took the decision to discontinue its Purple Brain business, effective as of 15th November 2020. From this date it met the criteria to be treated as a discontinued operation in the Group's consolidated financial statements.

Financial performance and cash flow information

The financial performance and cash flow information presented are for the 12 months ended 31 December 2020 and the year ended 31 December 2019.

	2020 \$000	2019 \$000
Revenue	1,365	4,052
Expenses other than finance costs	(1,900)	(17,580)
Finance costs	(88)	(97)
Profit before tax	(623)	(13,625)
Tax expense	(23)	(187)
Loss from discontinued operations	(646)	(13,812)
Foreign currency translation differences of discontinued operations	353	(87)
Other comprehensive income from discontinued operations	(293)	(13,899)
Net cash (outflow)/ inflow from operating activities	(46)	5,500
Net cash inflow/(outflow) from investing activities	-	-
Net cash inflow/(outflow) from financing activities	951	(97)
Net increase in cash generated by discontinued operations	905	5,403

Whilst preparing the discontinued operation amounts, management identified that revenue and cost of sales relating to the discontinued operations of \$2.926m had been netted in the prior period. The 2019 revenue and cost of sales are now reflected on a gross basis. This has no impact on the operating profit, profit for the period or net assets in the prior period.

Notes (continued)**9 Property, plant and equipment**
Group

	Fixtures & Fittings \$000	Computer Equipment \$000	Motor Vehicles \$000	Total \$000
Cost				
Balance at 1 January 2019	375	580	29	984
Additions	497	406	-	903
Disposals	(5)	(52)	(9)	(66)
Balance at 31 December 2019	867	934	20	1,821
Balance at 1 January 2020	867	934	20	1,821
Additions	51	91	-	142
Disposals	-	(28)	(10)	(38)
Exchange differences	69	65	7	141
Balance at 31 December 2020	987	1,062	17	2,066
Depreciation and impairment				
Balance at 1 January 2019	74	242	29	345
Depreciation charge for the year	146	226	3	375
Disposals	(4)	(31)	(12)	(47)
Balance at 31 December 2019	216	437	20	673
Balance at 1 January 2020	216	437	20	673
Depreciation charge for the year	267	251	1	519
Disposals	-	(17)	(10)	(27)
Exchange differences	24	39	6	69
Balance at 31 December 2020	507	710	17	1,234
Net book value				
At 1 January 2019	301	338	-	639
At 31 December 2019 and 1 January 2020	651	497	-	1,148
At 31 December 2020	480	352	-	832

Notes (continued)**9 Property, plant and equipment (continued)****Company**

	Fixtures & Fittings \$000	Computer Equipment \$000	Total \$000
Cost			
Balance at 1 January 2019	34	127	161
Additions	252	78	330
Disposals	-	(19)	(19)
Balance at 31 December 2019	286	186	472
Balance at 1 January 2020	286	186	472
Additions	-	12	12
Disposals	-	(4)	(4)
Exchange differences	18	14	32
Balance at 31 December 2020	304	208	512
Depreciation and impairment			
Balance at 1 January 2019	13	57	70
Depreciation charge for the year	53	41	94
Disposals	-	(5)	(5)
Balance at 31 December 2019	66	93	159
Balance at 1 January 2020	66	93	159
Depreciation charge for the year	98	47	145
Disposals	-	(3)	(3)
Exchange differences	10	9	19
Balance at 31 December 2020	174	146	320
Net book value			
At 1 January 2019	21	70	91
At 31 December 2019 and 1 January 2020	220	93	313
At 31 December 2020	130	62	192

Notes (continued)**10 Intangible assets & Goodwill****Group**

	Goodwill \$000	Customer Relationships \$000	Software \$000	Development costs \$000	Total \$000
Cost					
Balance at 1 January 2019 – restated*	5,290	8,789	6,431	-	20,510
Additions	-	-	6	-	6
Disposals	-	-	(15)	-	(15)
Revaluation – restated*	182	325	196	-	703
	<u>5,472</u>	<u>9,114</u>	<u>6,618</u>	<u>-</u>	<u>21,204</u>
Balance at 31 December 2019 – restated*	5,472	9,114	6,618	-	21,204
Balance at 1 January 2020	5,472	9,114	6,618	-	21,204
Additions	-	-	-	3,236	3,236
Disposals	-	-	-	-	-
Exchange difference	-	280	248	-	528
	<u>5,472</u>	<u>9,394</u>	<u>6,866</u>	<u>3,236</u>	<u>24,968</u>
Balance at 31 December 2020	5,472	9,394	6,866	3,236	24,968
Amortisation and impairment					
Balance at 1 January 2019 – restated*	-	1,165	806	-	1,971
Amortisation for the year	-	1,818	1,326	-	3,144
Impairment	5,472	5,320	3,214	-	14,006
Disposals	-	-	(15)	-	(15)
Exchange differences – restated*	-	40	24	-	64
	<u>5,472</u>	<u>8,343</u>	<u>5,355</u>	<u>-</u>	<u>19,170</u>
Balance at 31 December 2019 – restated*	5,472	8,343	5,355	-	19,170
Balance at 1 January 2020	5,472	8,343	5,355	-	19,170
Amortisation for the year	-	741	658	485	1,884
Impairment	-	-	670	-	670
Disposals	-	-	-	-	-
Exchange differences	-	310	179	-	489
	<u>5,472</u>	<u>9,394</u>	<u>6,862</u>	<u>485</u>	<u>22,213</u>
Balance at 31 December 2020	5,472	9,394	6,862	485	22,213
Net book value					
At 1 January 2019	5,290	7,624	5,625	-	18,539
At 31 December 2019 and 1 January 2020	-	771	1,263	-	2,034
At 31 December 2020	-	-	4	2,751	2,755

* For restated amounts, see note 26.

Notes (continued)**10 Intangible assets & Goodwill (continued)***Development costs*

From 1st January 2020, Ogury is now able to accurately capture data around capitalised development costs through the use of a technical tool called Jira, and therefore these costs now meet the criteria for recognition of an intangible asset. At the end of 2020, these development costs are recognised as an intangible asset at a cost of \$3.2m (expenditure incurred since the date when the recognition criteria has been met). The development costs recognised in the statement of financial position does not include expenditure prior to 2020 as the recognition criteria had not previously been met. Amortisation of the development costs intangible assets commences in the quarter following capitalisation.

Amortisation and impairment charge

In 2019, cashflow forecasts for the mediation operating unit did not support the carrying value of the intangible and goodwill figures initially recognised on the acquisition of Purple Brain SAS and an impairment charge was recognised. In 2020, the decision was taken to focus on onboarding publishers to OED (Ogury Exclusive Demand) and wind down the remaining mediation operations (see note 8 and note 11). The value in use model was used to calculate the recoverable amount which was based on updated forecasts for revenue and expenses.

Company

	Software	Total
Cost	\$000	\$000
Balance at 1 January 2019	1,121	1,121
Additions	6	6
Disposals	(15)	(15)
Balance at 31 December 2019	1,112	1,112
Balance at 1 January 2020	1,112	1,112
Additions	-	-
Disposals	(22)	(22)
Exchange differences	78	78
Balance at 31 December 2020	1,168	1,168
Amortisation and impairment		
Balance at 1 January 2019	95	95
Amortisation for the year	224	224
Disposals	(15)	(15)
Balance at 31 December 2019	304	304
Balance at 1 January 2020	304	304
Amortisation for the year	209	209
Impairment	670	670
Disposals	(22)	(22)
Exchange differences	4	4
Balance at 31 December 2020	1,165	1,165
Net book value		
At 1 January 2019	1,026	1,026
At 31 December 2019 and 1 January 2020	808	808
At 31 December 2020	3	3

Notes (continued)**11 Investments in subsidiaries****Movement in non-current investments**

Company	Total \$000
Investments	
Balance at 1 January 2019	23,619
Additions	561
Impairment	(20,869)
Balance at 31 December 2019	3,311
Balance at 1 January 2020	3,311
Additions	597
Impairment	(1,315)
Exchange differences	(705)
Balance at 31 December 2020	1,888

The impairment charge recognised during the current and prior year relates predominately to the Company's investment in Purple Brain SAS. See note 10 for further details.

The company has the following investments in subsidiaries:

Name of undertaking	Registered Office	Nature of business	Classes of shares		% Held directly	% Held indirectly
			held	held		
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	Viale Bligny 27, 20136, Milano, IT	Advertising	Ordinary		100	0
Ogury Spain SL	Calle Raimundo Fernández Villaverde 61, 28003 Madrid, ES	Advertising	Ordinary		100	0
Ogury Germany GmbH	Brusseler Str. 21, 50674 Cologne, DE	Advertising	Ordinary		100	0
Ogury Balkans doo	Bulevar Mihajla Pupina 165e I 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	Campos Eliseos No 385, Chapultepec Polanco, Miguel Hidalgo, CDMX CP 11560, MX	Advertising	Ordinary		99	1
Ogury México Services SA de CV	Campos Eliseos No 385, Chapultepec Polanco, Miguel Hidalgo, CDMX CP 11560, 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)***12 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 2019	4,608
Additions	1,091
Balance at 31 December 2019	5,699
Balance at 1 January 2020	5,699
Additions	836
Exchange differences	188
Balance at 31 December 2020	6,723
Depreciation and impairment	
Balance at 1 January 2019	440
Depreciation charge for the year	1,542
Balance at 31 December 2019	1,982
Balance at 1 January 2020	1,982
Depreciation charge for the year	1,628
Exchange differences	94
Balance at 31 December 2020	3,704
Net book value	
At 1 January 2019	4,168
At 31 December 2019 and 1 January 2020	3,717
At 31 December 2020	3,019

Notes (continued)**12 Leases (continued)**

Company	Total \$000			
Right-of-use assets				
Balance at 1 January 2019	-			
Additions	954			
Balance at 31 December 2019	954			
Balance at 1 January 2020	954			
Additions	-			
Exchange differences	25			
Balance at 31 December 2020	979			
Depreciation and impairment				
Balance at 1 January 2019	-			
Depreciation charge for the year	289			
Balance at 31 December 2019	289			
Balance at 1 January 2020	289			
Depreciation charge for the year	293			
Exchange differences	43			
Balance at 31 December 2020	625			
Net book value				
At 1 January 2019	-			
At 31 December 2019 and 1 January 2020	665			
At 31 December 2020	354			
Lease liabilities				
	Group		Company	
	December	December	December	December
	2020	2019	2020	2019
	\$000	\$000	\$000	\$000
Current	1,861	1,541	456	303
Non-current	1,674	2,683	-	474
	3,535	4,224	456	777

Notes (continued)**12 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		Company	
	December	December	December	December
	2020	2019	2020	2019
	\$000	\$000	\$000	\$000
Depreciation charge of right-of-use assets				
Properties	1,628	1,542	293	289
Operating lease expense	790	901	244	290
Interest expense (included in finance costs)	165	185	31	41

The total Group cash outflow for leases in 2020 was \$1.6m (2019: \$1.4m).

Amounts of \$0.8m (2019: \$0.9m) are expensed for Group under IAS 17, see note 13 for operating lease commitments for 31 December 2020.

(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 lease 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 asset's 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 Group's 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)***13 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		Company	
	December	December	December	December
	2020	2019	2020	2019
	\$000	\$000	\$000	\$000
Less than one year	258	357	-	-
Between one and five years	14	106	-	-
More than five years	-	-	-	-
	272	463	-	-

During the year \$0.8m was recognised as an expense in the income statement in respect of operating leases (2019: \$0.9m).

Other leasing arrangements held by the Group are disclosed in Note 12 within the scope of IFRS 16.

Notes (continued)**14 Deferred tax assets and liabilities***Recognised deferred tax assets and liabilities*

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2020	2019	2020	2019
	\$000	\$000	\$000	\$000
Temporary timing differences	592	52	-	-
Other			(617)	(40)
Net tax assets / (liabilities)	592	52	(617)	(40)

Movement in deferred tax during the year

	\$000
Opening asset at 1 January 2019	15
Origination of timing differences	37
Recognised in income	(40)
Closing asset at 31 December 2019	12
Opening asset at 1 January 2020	12
Origination of timing differences	540
Recognised in income	(577)
Closing asset at 31 December 2020	(25)

Notes (continued)**15 Trade receivables and other assets**

	Group 2020	2019 Restated	Company 2020	2019
	\$000	\$000	\$000	\$000
Current				
Trade receivables	69,346	50,187	11,805	7,915
Trade receivables due from Group undertakings	-	-	28,445	26,614
Other receivables	2,406	1,499	719	214
Corporation tax receivables	504	3,086	-	602
Prepayments and accrued income	4,013	4,350	2,076	2,370
Total current receivables and other assets	76,269	59,122	43,045	37,715
Deferred tax (Note 14)	592	52	55	-
Corporation tax receivables	3,809	1,879	-	-
Deposits and other securities	1,068	975	-	-
Total non-current receivables	5,469	2,906	55	-
Total receivables and other assets	81,738	62,028	43,100	37,715

Included within trade receivables and other assets on the Consolidated Balance Sheet are deposits and other securities of \$1.1m (2019: \$1.0m) expected to be recovered in more than 12 months. Trade receivables due from group undertakings include long term loans made to group subsidiaries that are repayable up to 5 years after the lending date and carry interest.

Ogury France and Purple Brain both entered a new Factoring Contract with BNP Paribas Factor on March 19, 2020. Ogury Inc. entered into an Uncommitted Receivables Purchase Agreement on October 2, 2019 with Bank of the West. Under the Group's factoring agreements, trade receivables are sold without recourse. However, as the Group has not transferred substantially all the risks and rewards of ownership of the receivables, especially for late or non-payment, the receivables are not de-recognized. As of 31 December 2020, the total Group carrying amount of the original assets factored was \$6.6m (2019: \$8.9m). For details of restated amounts, see note 26.

Age of trade receivables that are past due but not impaired

	Group 2020	2019	Company 2020	2019
	\$000	\$000	\$000	\$000
Not yet due	56,011	38,305	8,705	6,246
0 – 90 days	12,488	11,019	3,194	1,789
91 to 120 days	247	371	25	1
4 to 6 months	479	586	59	102
6 months to 1 year	314	158	9	-
Over 1 year	220	54	46	-
	69,759	50,493	12,038	8,138
Expected credit losses provision	(413)	(306)	(233)	(223)
Total trade receivables	69,346	50,187	11,805	7,915
Average age of overdue amounts (days)	89	61	62	34

Notes (continued)**15 Trade receivables and other assets (continued)**

As at 31 December 2020, trade receivables were considered for impairment under IFRS 9 with \$0.1m of additional expected losses recognised.

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 22.

During the period, the Company wrote off \$3k of specific trade receivables (2019: \$53k).

16 Cash and cash equivalents

	Group 2020 \$000	2019 \$000	Company 2020 \$000	2019 \$000
Cash and cash equivalents per balance sheet	<u>47,654</u>	<u>35,088</u>	<u>25,382</u>	<u>16,525</u>
Cash and cash equivalents per cash flow statement	<u>47,654</u>	<u>35,088</u>	<u>25,382</u>	<u>16,525</u>

17 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 22.

	Group 2020 \$000	2019 \$000	Company 2020 \$000	2019 \$000
Non-current liabilities				
Bank loans	<u>19,092</u>	<u>8,333</u>	<u>2,502</u>	<u>-</u>
	<u>19,092</u>	<u>8,333</u>	<u>2,502</u>	<u>-</u>
Current liabilities				
Bank loans	<u>2,830</u>	<u>1,034</u>	<u>227</u>	<u>-</u>
	<u>2,830</u>	<u>1,034</u>	<u>227</u>	<u>-</u>

Bank loans include \$11.5m of new facilities agreed in 2020 by Ogury France, Ogury Italy, Ogury Limited and Purple Brain SAS. The new loans have effective rates ranging from 0.5% to 2.1% and maturity dates ranging from 2021 to 2025.

Ogury France and Purple Brain SAS also had previously recognised long term borrowings with effective rates from 0% to 2.2% and maturity up to 2025. These loans are unsecured.

Outstanding loans relating to Purple Brain SAS and the discontinued operation will be settled in 2021.

Notes (continued)**18 Trade payables and other liabilities**

	Group		Company	
	2020	2019	2020	2019
		Restated		
Current:	\$000	\$000	\$000	\$000
Trade payables	11,263	10,436	7,262	4,253
Amounts due to Group undertakings	-	-	5,446	3,653
Accruals and deferred income	21,394	16,256	9,986	5,527
Defined benefit obligation (Note 19)	709	405	-	-
Corporation tax payable	1,450	-	168	-
Other taxation and social security	6,187	2,730	567	518
Other payables	2,809	2,286	31	34
Bank loans and overdrafts (Note 17)	2,830	1,034	227	-
Factoring liabilities	6,607	8,882	-	-
Deferred tax liability	617	40	-	-
Total current liabilities	53,866	42,069	23,687	13,985
	2020	2019	2020	2019
	\$000	\$000	\$000	\$000
Non-current:				
Bank loans and overdrafts (Note 17)	19,092	8,333	2,502	-
Total non-current liabilities	19,092	8,333	2,502	-

All trade payables and other liabilities are expected to be settled within 12 months, with exception of non-current bank loans.

The loans and borrowings classified as financial instruments are disclosed in the financial instruments note 22. 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 22.

Trade payables due to group undertakings are normal course of business trading balances that are settled when due and are not subject to interest.

For details of restated amounts, see note 26.

Notes (continued)**19 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.

	2020	2019
	\$000	\$000
Charge to profit or loss in respect of defined contribution schemes	1,908	2,081

Defined benefit plans

The Group operates one defined contribution pension plan in Ogury France where there is a legal state requirement to do so. The charge for the year represents the contributions payable to the plans in respect of the accounting period. An accrual or prepayment is included in the statement of financial position to the extent to which such costs do not equate to the cash contributions paid in the year. The entity uses the 'projected unit credit method' to determine the current value of its defined benefit obligations and the related current service cost and, where applicable, past service cost.

The projected unit credit method requires an entity to attribute benefit to the current period (in order to determine current service cost) and the current and prior periods (in order to determine the present value of defined benefit obligations). The projected unit credit method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

The net obligation of the Group's pension plan is based on certain assumptions including mortality, discount rates reflecting current market trends and inflation rates reflecting current expectations, salary increases and retirement ages. The use of different assumptions would result in a different net obligation liability, resulting in different remeasurement gains and losses and financial expense being recognised.

The pension plans expose the Group to several key risks, the most significant of which are staff turnover and seniority of staff members. The assumptions adopted by the Group make allowances for future salary increases and an ageing workforce. However, if senior staff members are hired at a faster rate than assumed, this would result in greater payments from the fund and consequently increases in the liabilities. The Group reviews salary increases and staff turnover assumptions on a regular basis to minimise the risk of using an inappropriate assumption.

Notes (continued)**19 Employee benefits (continued)****Balance sheet amounts**

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Total Restated* \$000
Balance at 1 January 2019	240
Service costs	153
Interest cost	5
Total amount recognised in profit or loss	398
Loss from change in financial assumptions	55
Experience gain	(43)
Total amount recognised in other comprehensive income	12
Exchange differences	(5)
At 31 December 2019	405
Balance at 1 January 2020	405
Service costs	226
Interest cost	7
Total amount recognised in profit or loss	233
Loss from change in financial assumptions	65
Experience gain	(15)
Total amount recognised in other comprehensive income	50
Exchange differences	21
At 31 December 2020	709

For details of restated amounts, see note 26.

Notes *(continued)***19 Employee benefits** *(continued)*

The net liability disclosed above relates to funded and unfunded plans as follows:

	2020 \$000	2019 \$000
Defined benefit obligation	709	405
Fair value of plan assets	-	-
Funded status	709	405
Defined benefit liability at end of period	709	405

The significant actuarial assumptions were as follows:

	2020 \$000	2019 \$000
Assumptions used for defined benefit obligation:		
Discount rate	1.12%	1.56%
Rate of salary increase	2.00%	2.00%
Assumptions used for net benefit expense:		
Discount rate	1.56%	2.16%

Notes (continued)**20 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 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. 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 (£) 2020	Number of options 2020	Weighted average exercise price (£) 2019	Number of options 2019
Outstanding at the beginning of the year	0.18	51,975,247	0.19	51,082,726
Forfeited during the year	0.3	(1,251,591)	0.25	(2,349,682)
Granted during the year	0.43	1,738,295	0.49	3,242,203
Outstanding at the end of the year	0.19	52,461,951	0.18	51,975,247

No share options were exercised during the year.

The options outstanding at the year-end have an exercise price in the range of £0.05 to £0.429 and a weighted average contractual life of 4.9 years.

Notes (continued)**20 Share-based payments (continued)**

The numbers and weighted average exercise prices of the Restricted Stock Units issued in 2018 are as follows:

	Weighted average exercise price (\$) 2020	Number of options 2020	Weighted average exercise price (\$) 2019	Number of options 2019
Outstanding at the beginning of the year	0.00001	8,464,682	0.00001	8,464,682
Shares delivered during the year	0.00001	(4,232,342)	-	-
Outstanding at the end of the year	0.00001	4,232,340	0.00001	8,464,682

The RSUs are valued at the share price at the date of grant and the SBP charge is spread evenly over the 4 year vesting period.

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 2020	Awarded 2019
Weighted average share price (£)	0.43	0.38
Exercise price (£)	0.43	0.33-0.43
Expected volatility (%)	45.00	45.00
Expected life (years)	10	10
Risk free rate (%)	1.69	2.51

Expenses recognised in the year

	Group December 2020	December 2019	Company December 2020	December 2019
	\$000	\$000	\$000	\$000
Arising from equity settled share-based payment transactions	602	417	15	45

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

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

Notes (continued)**20 Share-based payments (continued)**

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:

	2020 \$000	2019 \$000
Equity settled share-based payment expense	602	417

21 Share capital – Group and Company**Ordinary share capital**

Issued and fully paid	Class:	Nominal value:	2020 \$	2019 \$
84,721,121	Ordinary Shares	\$0.00001 (£0.00001)	1,047	995
15,252,510	Ordinary B Shares	\$0.0000008 (£0.000000625)	12	12
			<u>1,059</u>	<u>1,007</u>

Preference shares

Issued and fully paid	Class:	Nominal value:	2020 \$	2019 \$
112,857,000	A1 Preference shares	\$0.00001 (£0.00001)	1,393	1,393
66,978,700	A2 Preference shares	\$0.00001 (£0.00001)	834	834
39,412,564	A3-1 Preference shares	\$0.00001 (£0.00001)	548	548
34,748,300	A3-2 Preference shares	\$0.00001 (£0.00001)	457	457
64,686,730	A4 Preference shares	\$0.00001 (£0.00001)	823	823
1,059,490	A4 Preference shares	\$0.0000008 (£0.000000625)	1	1
			<u>4,056</u>	<u>4,056</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.

During the financial year, Ogury Limited issued 4,232,342 new Ordinary shares to a member of key management personnel under the RSU scheme.

Notes (continued)**21 Share capital – Group and Company (continued)**

	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 2020	80,488,779	15,252,510	112,857,000	66,978,700	39,412,564	34,748,300	64,686,730	1,059,490
Issue of fully paid	4,232,342	-	-	-	-	-	-	-
At December 2020	84,721,121	15,252,510	112,857,000	66,978,700	39,412,564	34,748,300	64,686,730	1,059,490
	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	39,587,963	
Issue of fully paid Re- designation	(25,098,767)	(1,059,490)					25,098,767	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

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.

22 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.

Notes (continued)**22 Financial instruments (continued)***Exposure to credit risk*

The maximum exposure to credit risk as at 31 December 2020 is as follows:

	2020	2019
		Restated
	\$000	\$000
Trade receivables and other assets	71,751	51,686
	<u>71,751</u>	<u>51,686</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. For details of restated amounts, see note 26.

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. Ogury Inc. holds a credit insurance policy.

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 2019	135	165
Provision for expected credit losses	171	58
Balance at 1 January 2020	306	223
Provision for expected credit losses	107	10
Balance at 31 December 2020	413	233

Notes (continued)**22 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:

2020						
	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	3,535	3,535	1,861	1,190	454	30
Bank loans	21,922	22,654	2,830	5,606	12,136	1,350
Trade payables and other liabilities	51,036	51,036	51,036	-	-	-
		<u>77,225</u>	<u>55,727</u>	<u>6,796</u>	<u>12,590</u>	<u>1,380</u>

2019 - Retstated						
	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	4,224	1,541	1,598	1,085	-
Bank loans	9,367	9,891	1,034	1,663	5,363	1,307
Trade payables and other liabilities	41,035	41,035	41,035	-	-	-
		<u>55,150</u>	<u>43,610</u>	<u>3,261</u>	<u>6,448</u>	<u>1,307</u>

(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)**22 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 2020

	Sterling \$000	Euro \$000	US Dollar \$000	Other \$000	Total \$000
Cash and cash equivalents	2,424	16,613	27,657	960	47,654
Trade receivables	4,118	19,135	44,561	1,532	69,346
Other receivables	2,852	7,125	1,076	1,339	12,392
Secured bank loans	(2,730)	(19,192)	-	-	(21,922)
Trade payables	(296)	(3,821)	(7,122)	(24)	(11,263)
Other payables	(3,968)	(20,138)	(13,695)	(1,972)	(39,773)
Lease liability	(456)	(1,462)	(1,617)	-	(3,535)
Total	1,944	(1,740)	50,860	1,835	52,899

31 December 2019 - restated

	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	16,333	30,946	165	50,187
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)	(17,027)	(10,031)	(607)	(34,823)
Total	(1,841)	10,385	33,554	392	42,490

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 2019.

	2020 \$000	Equity 2019 \$000	2020 \$000	Profit or loss 2019 \$000
£	20	(18)	20	(18)
€	(11)	108	(11)	108

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)**22 Financial instruments (continued)****Market risk – Interest rate risk**

Ogury France SAS had historic long term borrowings from BPI France and BNP Paribas, with effective rates from 0% to 2.7% and maturity up to 2025. These loans are unsecured.

During the year, new loan facilities were negotiated with Natwest, Banco Nazionale Del Lavoro, BPI and BNP across the Group, with effective rates from 0.5% to 2.1% and maturity dates up to 2025.

The Group believes that the interest rate risk to which the Group is exposed is tolerable compared to the transaction costs of reducing this risk, accordingly the Group does not envisage hedging against this risk.

23 Commitments

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

24 Related parties*Transactions with key management personnel*

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

	2020 \$000	2019 \$000
Key management remuneration including social security costs	4,990	5,080
	<u>4,990</u>	<u>5,080</u>

In addition to the above, key management personnel received post-employment benefits, termination benefits and share based payments of \$478k (2019: \$1,357k)

Remuneration disclosed above includes the following amounts paid to the highest paid director	687	578
	<u>687</u>	<u>578</u>

At 31st December 2020, Ogury Limited was due \$1,310 by a director of the business and \$1,310 by a key management personnel in relation to stamp duty payments. All amounts were settled post year end.

Notes (continued)**25 Other reserves***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 2020 \$56k (2019: \$55k) was receivable by the Company from employees for the issuance of Company share options, under the warrants scheme. The receipts are non-refundable.

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.

26 Prior year adjustments**1. Factor agreements**

Under the Group's factoring agreements, trade receivables are sold without recourse. However, the Group had not transferred substantially all the risks and rewards of ownership of the receivables, especially for late or non-payment. The receivables should not have been de-recognized. As a result the trade receivables balance at 31 December 2019 and 31 December 2018 have retrospectively increased by \$8.9m and \$6.8m, with a corresponding credit being recognised in short term borrowings. There is no impact to the consolidated statement of income.

2. Recognition of tax credits

The Research & Development tax credits (Crédit d'Impôt Recherche or CIR) received by Ogury France were previously accounted for under IAS 12 Income Taxes. Following a review it was determined that the substance of these transactions was more aligned to a government subsidy and should be accounted for under IAS 20 Government Grants. As a result of the change in accounting treatment, the taxation charge in 2019 increased by \$1.9m from \$0.2m to \$2.1m while operating expense decreased by \$1.9m from \$131.4m to \$129.5m. There was no impact to overall profit/(loss) for the year.

3. Prior year comparatives have been adjusted for the following matters to ensure consistency with the year ended 31 December 2020:

i) French Value-Added Contribution ("Cotisation sur la Valeur Ajoutée des Entreprises" or "CVAE") was previously treated as an Operating Expense in-line with the local French GAAP treatment, but under IFRS, CVAE could either be recorded as an Operating Expense or as Income Tax expense. The Group has decided to present CVAE as part of Income Tax expenses in 2020 and therefore reclassified CVAE from Operating Expenses to Taxation in 2018 and 2019 for \$233k and \$314k respectively. There is no impact to overall profit/(loss) for the year.

ii) The Group operates a defined benefit pension plan in Ogury France, in line with government requirements. The liability had not historically been recognised in the annual accounts and financial statements under IAS 19 Employee Benefits due to immateriality. To ensure comparability across all periods, \$158k and \$240k of this charge was retrospectively recognised at 31 December 2019 and 2018 resulting in a liability of \$405k and \$240k as at 31 December 2019 and 2018 respectively.

iii) On transition from a GBP to USD presentational currency in the year ended 31 December 2019, all of the Group's non-monetary assets were incorrectly translated using the historic exchange rates. In the year ended 31 December 2020 these assets were correctly translated using the closing rates, with all foreign exchange movements recognised through the CTA. To ensure consistency, an adjustment of \$1,218k was recognised in 31 December 2018 and \$560k in 31 December 2019 to ensure all non-monetary assets were retrospectively translated at the correct rate. There was no impact to the consolidated statement of income.

Notes *(continued)*

27 Contingent liability

Related to events before the end of the reporting period, a lawsuit was filed against Ogury Inc. in New York on 1st March 2021. Management consider that an economic outflow is possible, but not probable and that the amount of that outflow is not able to be reliably estimated at this time.

28 Subsequent events

In February 2021 Ogury Limited issued 529,043 Ordinary shares at nominal value.

29 Ultimate controlling party

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