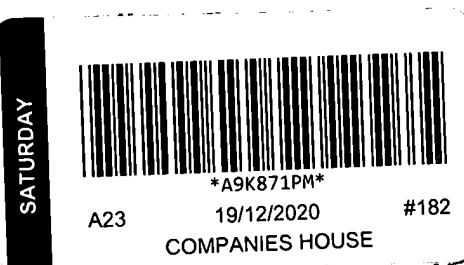


REGISTERED NUMBER: 08822710 (England and Wales)

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020
FOR
MENIGA LIMITED**



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for the Year Ended 31 March 2020**

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MENIGA LIMITED

COMPANY INFORMATION
for the Year Ended 31 March 2020

DIRECTORS:

A O Asgeirsson
S Gunnarsdottir
W A Willemstein
U Svensson
A Jonsson
H Magnusdottir

REGISTERED OFFICE:

10 John Street
London
WC1N 2EB

REGISTERED NUMBER:

08822710 (England and Wales)

AUDITORS:

Oury Clark Chartered Accountants
Statutory Auditors
Herschel House
58 Herschel Street
Slough
Berkshire
SL1 1PG

**GROUP STRATEGIC REPORT
for the Year Ended 31 March 2020**

The directors present their strategic report of the company and the group for the year ended 31 March 2020.

Meniga's main operation is the production, marketing, and sale of software solutions for digital banking as well as other related value added service, including merchant funded offers and sales of data and services related to its solutions and services.

Meniga is a leading provider of digital banking solutions for financial institutions, mostly focusing on European markets. Meniga licenses its software solutions to financial institutions and provides services and solutions that enable financial institutions' customers to better manage their money, improve their customer relationships through digital banking and leverage engagement to cross-sell, improve customer retention and satisfaction, as well as attract new business and create new revenue streams.

In addition to selling digital banking solutions, Meniga partners with banks to promote other value added services such as merchant funded offers to digital banking users in select countries (Rewards) as well as selling consumer data analytics reports to merchants (Analytics). For Rewards, Meniga is pursuing a revenue share business model, where Meniga receives part of the fees paid by merchants for every successfully converted offer and for the Analytics solution, merchants pay a subscription-based fee directly to Meniga. Through its solution, Meniga promotes a mutually beneficial ecosystem of consumers, banks and merchants.

BUSINESS ENVIRONMENT

At end of the fiscal year, Covid-19 started to affect the company's business environment in a negative way, resulting in scale-down of activities and necessary reduction in expenses in the following year. However, the general business environment for Meniga's solutions remains favourable, and although the short-term effects of Covid-19 are challenging, the long-term outlook is positive as banks will continue to improve their digital banking platform and improve customer engagement via digital channels.

Meniga continues to reaffirm its brand value and position as a thought-leader in next-generation digital banking with participation in Finovite USA, Money 20/20, Paris Fintech Forum and Singapore Fintech Festival.

Meniga's average head count increased between 2018/19 and 2019/20 to 158 (2019: 132) people located in four main offices in UK, Iceland, Poland, and Sweden.

PRINCIPAL RISKS AND UNCERTAINTIES

There are several risks and uncertainties that Meniga is subject to, many of which are outside its control. These risks and uncertainties are not unique to Meniga but also to competitors, and include regulatory risk, market risk, liquidity risk, currency risk and operational risk, as further outlined below. In addition, Meniga faces legal and operational risks when it implements its software with digital banks, competition with other digital banking solution providers as well as long sales cycles.

Regulatory risk

Meniga faces regulatory risk in its business, mainly related to changes to laws and regulations addressing data protection and use of personal information. Meniga's policy is to maintain a position of DPO as well as carefully monitoring regulatory changes and implications to the Company's business model.

**GROUP STRATEGIC REPORT
for the Year Ended 31 March 2020**

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Market risk

Meniga's business is subject to market risk, including global recession due to the Covid-19 pandemic, financial crisis, political turmoil, unfavourable Brexit outcome and terrorism. Any of these market risks could negatively affect Meniga's customer buying behaviour, including the potential for banks to invest less in their digital banking solutions. The Covid-19 pandemic negatively affected sales results this year and will continue to impact sales into next fiscal year.

Meniga's customer portfolio is well diversified geographically with customers in more than 30 countries, without concentration of revenues from any one country and therefore mitigating geographical market risks. Most of Meniga's customers are in Western Europe. Meniga is actively pursuing opportunities in other parts of the world, to further diversify and with the collateral effect of continuing to spread geographical market risk. Meniga continues to invest in sales and marketing activities, as well as R&D to keep its products competitive.

Liquidity risk

Meniga could face liquidity risk if large customers delay payments significantly or if we are unable to achieve new sales in line with our budget and business plan.

Meniga is working with financial institutions to ensure it has access to short-term credit to help manage cash-flow fluctuations and reduce liquidity risks. Furthermore, Meniga is a venture-backed company, which has raised close to €35 million in equity to date. Meniga will consider raising additional funds, if necessary, to strengthen its balance sheet.

Currency risk

Most of Meniga's revenues are Euros, while most of the cost is in Icelandic Krona, Swedish Krona and British Pounds. Therefore, fluctuations in currency exchange rates may have a material effect on Meniga's financial performance. There is no guarantee that Meniga can compensate or hedge against such developments.

Meniga carefully monitors the development of exchange rates on an ongoing basis as well as increasing its expenses in Euros as a percentage of overall expenses.

Operational risk

Meniga's operation is constantly faced with several types of risks, including:

- a) People Risk. Meniga relies on highly skilled technical staff, which are often in high demand. Risks related to hiring and retaining employees may limit Meniga's ability to grow, perform R&D and deliver solutions to its customers. Furthermore, as a result of the Covid-19 pandemic people risk has increased due to sickness and/or absences and increased fatigue.
- b) Cyber Risk. Meniga's systems process sensitive financial data for banks across the world. In Iceland, Meniga operates a B2C personal finance management application which contains users' financial data. Meniga's systems and solution are exposed to cyber risk of hacking and data leaks - which could cause Meniga to be liable to pay large damages and may also severely negatively affect Meniga's reputation.
- c) Intellectual Property Risk. There is a risk that someone will claim that Meniga's software solutions infringe intellectual property, which, if found valid, could make Meniga liable to pay high damages or royalties as well as incurring significant legal expenses.

Meniga employs various strategies to mitigate operational risk:

- a) Meniga maintains a competitive compensation scheme to help attract and retain employees. Meniga operates an HR department and puts high emphasis on employee satisfaction through various policies, ongoing active employee feedback opportunities and procedures designed to make Meniga an attractive workplace.
- b) Meniga maintains an active security policy to mitigate risks, employs security experts and training, and generally employs similar security measures as retail banks do in their digital banking solutions. Meniga has also taken out insurance against certain types of cyber risks.
- c) Meniga actively monitors Intellectual Property in Meniga's industry. Meniga also has taken insurance against IP infringement claims.

**GROUP STRATEGIC REPORT
for the Year Ended 31 March 2020**

BUSINESS PERFORMANCE: 1 APRIL 2019 - 31 MARCH 2020

In spite of slower sales than anticipated Meniga continued innovative and development of its software solutions resulting in a significant loss during the fiscal year. As a result, substantial progress was made in strengthening the core Digital Banking products, while making further advances on its Rewards and Analytics products and laying the foundation of high growth for these solutions in the future.

Firstly, Meniga's revenue decreased by 7.6% - from €13.5 million to €12.5 million. However, Meniga's annual run-rate of recurring revenue (revenue from long-term maintenance contracts and subscription-like license fees) increased by 3% to approximately €8.1 million. Meniga continued to add new customers to its existing customer base as well as upselling new products to existing clients. The sales pipeline continued to grow and mature in 2019/20 with many prospective customers at an advanced stage by the year end, but temporarily on hold because of Covid-19. Meniga continued to mature its Rewards product and engaged with bank partners to launch the Rewards program in their native bank applications, with the first bank in the Nordics launching in March 2020, making Rewards a seamless part of the online banking experience.

Secondly, Meniga completed implementation of its solutions with the customers across Europe and Asia. Meniga also started several new implementation projects this year that will go live in 2020/21 timeframe.

Thirdly, Meniga secured €8.0 million in additional convertible loan note investment to support continued investment in R&D and business development efforts. Due to the high level of investment in R&D, Meniga capitalized around €1.5 million of its R&D cost compared to €1.3 million last year. According to the income statement, total income was €12.5 million and the loss for the year 2019/20 amounted to €4.6 million. Meniga's loss is mainly due to continued investment and R&D in Meniga's products. Equity at year end amounted to €12.9 million.

2019/20 Key Performance Indicators Overview

- " Revenue: €12.5 million
- " Revenue growth: -7.6%
- " Annual run-rate growth: 3%
- " EBITDA: €8.2 million loss (excluding exceptional item of €4 million income)
- " Awards and recognitions: 8
- " Implementation projects completed: 7
- " Happiness level of employees: 84%

ON BEHALF OF THE BOARD:


Asgeir Ón Asgeirsson
A.O. Asgeirsson - Director

Date: 24/11/2020

**REPORT OF THE DIRECTORS
for the Year Ended 31 March 2020**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2020.

The Directors consider the individual parent company to be a going concern, despite continuing losses in the parent company, due to the strength of the group as a whole and the anticipated future sale contracts, as well as further investment in the pipeline.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of providing personal finance management system and next-generation online banking solutions.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2020.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2019 to the date of this report.

A O Asgeirsson
S Gunnarsdottir
W A Willemstein
U Svensson

Other changes in directors holding office are as follows:

- A Luchsinger - resigned 7 February 2020
- H H Hakonardottir - resigned 1 November 2019
- D P Neben - resigned 14 November 2019
- A Jonsson - appointed 26 November 2019

H Magnusdottir was appointed as a director after 31 March 2020 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. 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 company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

MENIGA LIMITED (REGISTERED NUMBER: 08822710)

REPORT OF THE DIRECTORS
for the Year Ended 31 March 2020

AUDITORS

The auditors, Oury Clark Chartered Accountants, are deemed to be re-appointed under Section 487 (2) of the Companies Act 2006.

ON BEHALF OF THE BOARD:


A O Asgeirsson - Director

Date: 24/4/2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MENIGA LIMITED

Opinion

We have audited the financial statements of Meniga Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company, financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The carrying value of the goodwill of the Finnish and Swedish subsidiaries, (€7,963,960) and the carrying value of the development costs (€7,886,181) relate to work done on a new product. The Directors believe that the future cash flows from this product mean that these carrying values are materially correct. However, the cash flows depend on the completion of the product to a point where customers can use it (development is now in its final stages), and take up by customers of the product. While there is positive feedback from potential customers and there are final contract negotiations currently taking place the value of the future cash flows is uncertain at this time. We were therefore unable to determine whether any adjustment to these amounts in the accounts was necessary.

Material Uncertainties related to Going Concern

We draw attention to note 2 in the financial statements, which indicates that the company incurred a net loss of €4.6million during the year ended 31 March 2020 and, as of that date, the company's net current assets of €7.3million. As stated in note 2 and below, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

The company's cash-flow forecasts indicate that, in order to continue as a going concern, the company is dependent on further funding from current shareholders or potential new investors. Discussions on this further investment are ongoing. The Directors acknowledge that these circumstances represent a material uncertainty that may cast doubt on the company's ability to continue as a going concern. However, the Directors are confident that this funding will be obtained within an appropriate timescale and therefore, the Directors continue to adopt the going concern basis in preparing these financial statements.

Our opinion is not modified in respect of this matter.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MENIGA LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the 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 the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
MENIGA LIMITED**

Use of our report

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 a Report of the Auditors 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.

Oury Clark

Emma Crowley (Senior Statutory Auditor)
for and on behalf of Oury Clark Chartered Accountants
Statutory Auditors
Herschel House
58 Herschel Street
Slough
Berkshire
SL1 1PG

Date: 14 December 2020

MENIGA LIMITED (REGISTERED NUMBER: 08822710)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the Year Ended 31 March 2020**

	Notes	31.3.20 €	31.3.19 €
CONTINUING OPERATIONS			
Revenue		12,503,359	13,538,669
Administrative expenses		<u>(16,956,137)</u>	<u>(15,700,340)</u>
OPERATING LOSS		(4,452,778)	(2,161,671)
Finance costs	6	(711,982)	(17,036)
Finance income	6	<u>20,968</u>	<u>28,677</u>
LOSS BEFORE INCOME TAX	7	(5,143,792)	(2,150,030)
Income tax	8	<u>564,542</u>	<u>525,251</u>
LOSS FOR THE YEAR		<u>(4,579,250)</u>	<u>(1,624,779)</u>
Loss attributable to: Owners of the parent		<u>(4,579,250)</u>	<u>(1,624,779)</u>

The notes form part of these financial statements

MENIGA LIMITED (REGISTERED NUMBER: 08822710)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the Year Ended 31 March 2020

	31.3.20	31.3.19
	€	€
LOSS FOR THE YEAR	(4,579,250)	(1,624,779)
OTHER COMPREHENSIVE INCOME		
Item that will not be reclassified to profit or loss:		
Foreign exchange on consolidation	-	10,413
Income tax relating to item that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	<u>-</u>	<u>10,413</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(4,579,250)</u>	<u>(1,614,366)</u>
Total comprehensive income attributable to: Owners of the parent	<u>(4,579,250)</u>	<u>(1,614,366)</u>

The notes form part of these financial statements

MENIGA LIMITED (REGISTERED NUMBER: 08822710)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 March 2020

	Notes	31.3.20 €	31.3.19 €
ASSETS			
NON-CURRENT ASSETS			
Goodwill	12	8,532,503	8,640,341
Intangible assets	13	7,886,181	6,556,967
Property, plant and equipment	14	79,887	13,710
Investments	15	-	-
Trade and other receivables	16	1,703,541	642,844
Deferred tax	21	319,262	315,321
		<u>18,521,374</u>	<u>16,169,183</u>
CURRENT ASSETS			
Trade and other receivables	16	6,523,600	8,512,946
Tax receivable		657,331	690,624
Cash and cash equivalents	17	5,444,159	3,065,971
		<u>12,625,090</u>	<u>12,269,541</u>
TOTAL ASSETS		<u>31,146,464</u>	<u>28,438,724</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	18	175,508	175,452
Share premium	19	25,051,090	25,040,711
Forex on consolidation	19	728,527	728,527
Capital reserve consolidation	19	228,320	228,320
Merger relief reserve	19	7,366,746	7,366,746
Other reserves	19	137,069	137,069
Share option reserve	19	634,420	499,087
Retained earnings	19	(21,463,252)	(16,884,002)
TOTAL EQUITY		<u>12,858,428</u>	<u>17,291,910</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	20	12,999,950	6,473,146
CURRENT LIABILITIES			
Trade and other payables	20	5,288,086	4,651,100
Tax payable		-	22,568
		<u>5,288,086</u>	<u>4,673,668</u>
TOTAL LIABILITIES		<u>18,288,036</u>	<u>11,146,814</u>
TOTAL EQUITY AND LIABILITIES		<u>31,146,464</u>	<u>28,438,724</u>

The notes form part of these financial statements

MENIGA LIMITED (REGISTERED NUMBER: 08822710)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued
31 March 2020

The financial statements were approved by the Board of Directors and authorised for issue on 24/11/2020 and were signed on its behalf by:


A O Asgeirsson - Director

The notes form part of these financial statements

COMPANY STATEMENT OF FINANCIAL POSITION
31 March 2020

	Notes	31.3.20 €	31.3.19 €
ASSETS			
NON-CURRENT ASSETS			
Goodwill	12	-	-
Intangible assets	13	7,796,213	6,320,708
Property, plant and equipment	14	-	-
Investments	15	16,362,124	16,243,452
Trade and other receivables	16	<u>1,703,541</u>	<u>642,844</u>
		<u>25,861,878</u>	<u>23,207,004</u>
CURRENT ASSETS			
Trade and other receivables	16	6,705,552	10,113,292
Tax receivable		596,832	688,206
Cash and cash equivalents	17	<u>4,469,136</u>	<u>1,448,995</u>
		<u>11,771,520</u>	<u>12,250,493</u>
TOTAL ASSETS		<u>37,633,398</u>	<u>35,457,497</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	18	175,505	175,451
Share premium	19	25,051,090	25,040,711
Merger relief reserve	19	7,366,746	7,366,746
Other reserves	19	163,570	163,570
Share option reserve	19	634,420	499,087
Retained earnings	19	<u>(19,004,835)</u>	<u>(15,377,925)</u>
TOTAL EQUITY		<u>14,386,496</u>	<u>17,867,640</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	20	<u>12,999,950</u>	<u>5,081,111</u>
CURRENT LIABILITIES			
Trade and other payables	20	<u>10,246,952</u>	<u>12,508,746</u>
TOTAL LIABILITIES		<u>23,246,902</u>	<u>17,589,857</u>
TOTAL EQUITY AND LIABILITIES		<u>37,633,398</u>	<u>35,457,497</u>

The financial statements were approved by the Board of Directors and authorised for issue on 24/11/2020 and were signed on its behalf by:


A O Asgeirsson - Director

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 March 2020

	Called up share capital €	Retained earnings €	Share premium €	Forex on consolidation €	
Balance at 1 April 2018	153,335	(14,334,699)	17,599,076	718,114	
Changes in equity					
Issue of share capital	22,117		7,441,635		
Total comprehensive income		(1,624,779)		10,413	
IFRS 15 adjustment		(924,524)			
Balance at 31 March 2019	<u>175,452</u>	<u>(16,884,002)</u>	<u>25,040,711</u>	<u>728,527</u>	
Changes in equity					
Issue of share capital	56		10,379		
Total comprehensive income		(4,579,250)			
Balance at 31 March 2020	<u>175,508</u>	<u>(21,463,252)</u>	<u>25,051,090</u>	<u>728,527</u>	
	Capital reserve consolidation €	Merger relief reserve €	Other reserves €	Share option reserve €	Total equity €
Balance at 1 April 2018	228,320	7,366,746	137,069	267,255	12,135,216
Changes in equity					
Issue of share capital					7,463,752
Total comprehensive income				231,832	(1,382,534)
IFRS 15 adjustment					(924,524)
Balance at 31 March 2019	<u>228,320</u>	<u>7,366,746</u>	<u>137,069</u>	<u>499,087</u>	<u>17,291,910</u>
Changes in equity					
Issue of share capital					10,435
Total comprehensive income				135,333	(4,443,917)
Balance at 31 March 2020	<u>228,320</u>	<u>7,366,746</u>	<u>137,069</u>	<u>634,420</u>	<u>12,858,428</u>

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 March 2020

	Called up share capital €	Retained earnings €	Share premium €
Balance at 1 April 2018	153,335	(12,720,300)	17,599,076
Changes in equity			
Issue of share capital	22,116		7,441,635
Total comprehensive loss		(1,733,101)	
IFRS 15 adjustment		(924,524)	
Balance at 31 March 2019	<u>175,451</u>	<u>(15,377,925)</u>	<u>25,040,711</u>
Changes in equity			
Issue of share capital	54		10,379
Total comprehensive loss		(3,626,910)	
Balance at 31 March 2020	<u>175,505</u>	<u>(19,004,835)</u>	<u>25,051,090</u>

	Merger relief reserve €	Other reserves €	Share option reserve €	Total equity €
Balance at 1 April 2018	7,366,746	163,570	267,255	12,829,682
Changes in equity				
Issue of share capital				7,463,751
Total comprehensive loss			231,832	(1,501,269)
IFRS 15 adjustment				(924,524)
Balance at 31 March 2019	<u>7,366,746</u>	<u>163,570</u>	<u>499,087</u>	<u>17,867,640</u>
Changes in equity				
Issue of share capital				10,433
Total comprehensive loss			135,333	(3,491,577)
Balance at 31 March 2020	<u>7,366,746</u>	<u>163,570</u>	<u>634,420</u>	<u>14,386,496</u>

The notes form part of these financial statements

MENIGA LIMITED (REGISTERED NUMBER: 08822710)

**CONSOLIDATED STATEMENT OF CASH FLOWS
for the Year Ended 31 March 2020**

	31.3.20 €	31.3.19 €
Cash flows from operating activities		
Cash generated from operations	(6,451,542)	(4,076,907)
Interest paid	(711,982)	(17,036)
Tax paid	<u>571,327</u>	<u>375,640</u>
Net cash from operating activities	<u>(6,592,197)</u>	<u>(3,718,303)</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(1,475,505)	(2,032,636)
Purchase of tangible fixed assets	(112,317)	(36,022)
Sale of tangible fixed assets	-	(47)
Net assets acquired	-	411,041
Interest received	<u>20,968</u>	<u>-28,677</u>
Net cash from investing activities	<u>(1,566,854)</u>	<u>(1,628,987)</u>
Cash flows from financing activities		
New loans in year	10,526,804	(18,437)
Share issue	<u>10,435</u>	<u>3,088,751</u>
Net cash from financing activities	<u>10,537,239</u>	<u>3,070,314</u>
Increase/(decrease) in cash and cash equivalents	<u>2,378,188</u>	<u>(2,276,976)</u>
Cash and cash equivalents at beginning of year	<u>3,065,971</u>	<u>5,342,947</u>
Cash and cash equivalents at end of year	<u>5,444,159</u>	<u>3,065,971</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
for the Year Ended 31 March 2020

RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS	31.3.20	31.3.19
	€	€
Loss before income tax	(5,143,792)	(2,150,030)
Depreciation charges	300,268	646,699
Loss on disposal of fixed assets	=	47
IFRS 15 adjustment	=	(924,524)
Share option movement	135,333	231,832
Release of contingent liability	(4,000,000)	=
Foreign exchange movements in year	=	10,413
Finance costs	711,982	17,036
Finance income	<u>(20,968)</u>	<u>(28,677)</u>
	(8,017,177)	(2,197,204)
Decrease/(increase) in trade and other receivables	928,649	(2,001,462)
Increase in trade and other payables	<u>636,986</u>	<u>121,759</u>
Cash generated from operations	<u>(6,451,542)</u>	<u>(4,076,907)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2020

	31.3.20	1.4.19
	€	€
Cash and cash equivalents	<u>5,444,159</u>	<u>3,065,971</u>

Year ended 31 March 2019

	31.3.19	1.4.18
	€	€
Cash and cash equivalents	<u>3,065,971</u>	<u>5,342,047</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 March 2020**

1. STATUTORY INFORMATION

Meniga Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The company incurred a net loss of €4.6million during the year ended 31 March 2020 and, as of that date, the company's net current assets of €7.3million. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

The company's cash-flow forecasts indicate that, in order to continue as a going concern, the company is dependent on further funding from current shareholders or potential new investors. Discussions on this further investment are ongoing. The Directors acknowledge that these circumstances represent a material uncertainty that may cast doubt on the company's ability to continue as a going concern. However, the Directors are confident that this funding will be obtained within an appropriate timescale and therefore, the Directors continue to adopt the going concern basis in preparing these financial statements. Our opinion is not modified in respect of this matter.

Functional and Presentational Currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Euros, which is the Company's functional currency as all the business transactions are done in Euros.

Basis of consolidation

The consolidated accounts for the year ended 31 March 2020 consist of the results for the parent company and its five subsidiaries, all of whose accounts are made up to that date. The results for the year ended 31 March 2019 include the results for two subsidiaries for the period 18 December 2018 to the 31 March 2019, being the date from when the subsidiaries were acquired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

2. ACCOUNTING POLICIES - continued

Changes in accounting policies

The Company has consistently applied the accounting policies to all periods presented in these financial statements.

On 1 April 2019, the company adopted IFRS 16 "Leases", that is effective from that date. At the date of adoption and during the current year the company had no leases that were covered by the new standard.

Current versus non-current classification

The company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- ☐ Expected to be realised or intended to be sold or consumed in the normal operating cycle
- ☐ Held primarily for the purpose of trading
- ☐ Expected to be realised within 12 months after the reporting period, or
- ☐ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- ☐ It is expected to be settled in the normal operating cycle
- ☐ It is held primarily for the purpose of trading
- ☐ It is due to be settled within 12 months after the reporting period, or
- ☐ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020**

2. ACCOUNTING POLICIES - continued

Revenue from contracts with customers

The Company has three streams of revenue being:-

1. Professional services
2. License fees
3. Support & maintenance
4. Rewards
5. Analytics
6. Platform fees

Professional services revenue is recognised at the end of the month once the relevant performance obligations have been satisfied.

License fees revenue entitles the customer to use a licensed product developed by the group. Perpetual and annual licenses sold to customers are deemed to be "right-to-use". The group has satisfied its performance obligations at the time of delivery and thus the revenue is also fully recognised at the point of delivery at which the customer is granted the right to use the license.

Support & maintenance revenue is recognised linearly (monthly) as the performance obligation is satisfied, i.e. over the term of the maintenance contract. Where support & maintenance fee is not negotiated separately from an annual licence contract, management assess this to be 50% of the total contract for support and maintenance and 50% for the annual licence fee. This is reviewed annually and based on historical information.

Rewards revenue are commissions payments, recognised at the end of the month based on converted offers for the same month.

Analytics revenue is recognised linearly (monthly) as the performance obligation is satisfied, i.e. over the term of the analytics contract. If analytics are sold as one-off reports, the revenue is recognised in the same month.

Platform fees are recognised linearly (monthly) over the term of the platform fee contract, i.e. for the period the customer has access to the platform.

Goodwill

Goodwill on consolidation is recognised in regards to IFRS 3(R) on historic cost, plus earn-out consideration at fair value, and amortised over the following rate to write it off over its estimated useful life.

Goodwill - straight line over 5-10 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

2. ACCOUNTING POLICIES - continued

Intangible assets

Development costs incurred in respect of research and development for clearly defined projects whose outcome can be assessed with reasonable certainty are capitalised as intangible fixed assets where they are separately identifiable. These projects are considered to have a reasonable expectation that they will be technically feasible and commercially viable.

Intangible assets are internally generated and stated at cost, less accumulated amortisation.

The group policy is to capitalise development expenditures if the development phase is longer than twelve months, where the product or process is technically and commercially feasible and future economic benefits are probable. Amortisation is recognised on a straight-line basis, 33% per annum from the date that the relevant asset is fully operating.

Investments

Investments in subsidiaries are recorded at cost, plus contingent consideration valued at fair value even if it is not deemed to be probable of payment at the date of acquisition. All subsequent changes to that contingent consideration are recognised through the income statement, per IFRS3 (Revised).

The investments in subsidiaries are also reviewed annually for impairment.

Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU)'s fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying value of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income as an expense.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

2. ACCOUNTING POLICIES - continued

Property, plant and equipment

Property, plant and equipment is recognised at historic cost less depreciation.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - straight line over 3 - 5 years

Financial instruments

The company's financial instruments comprise cash, trade receivables and trade and other payables.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprises cash at bank and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of such cash and short-term deposits, as defined above, net of outstanding bank overdrafts.

Trade and other receivables

A receivable represents the group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Trade and other payables

Trade and other payables are carried at amortised cost and, due to their short-term nature, they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method, if applicable.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Finance income

Interest revenue is recognised on a proportional basis taking into account interest rates applicable to financial assets.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into euros at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into euros at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

2. ACCOUNTING POLICIES - continued

Employee benefit costs

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the income statement in the period to which they relate.

Deferred tax

Deferred tax is provided on all material timing differences, arising from the different treatment of transactions and events for financial statements and taxation purposes. Deferred tax is calculated at the rates at which it is estimated that the deferred tax balances are expected to reverse.

A deferred tax asset is only recognised where there are reliable forecasts to demonstrate recoverability.

Statement of cash flows

The cash flow statement is presented using the indirect method.

Share based payments

The company provides share based payment arrangements to certain employees.

The arrangements are measured at fair value at the date of grant. The fair value is based on Black Scholes model and expensed on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares that will vest.

Those share options cancelled or forfeited are de-recognised through the income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY

The preparation of the company's financial report requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the financial report was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Revenue from contracts with customers

In accordance with IFRS 15, revenue stems from complex contracts with customers, where the more complex contracts include revenues in relation to several different revenue streams, such as license revenue and subscription and maintenance revenue. In these contracts, the executive management estimates how the revenues should be allocated to each performance obligation, and different principles for the revenue recognition can be applied for different performance obligations. These principles include full revenue recognition up-front at date of delivery, over-time revenue recognition over the term of the contract.

The allocation of the contract value to each performance obligation is based on the respective component's stand-alone selling price, which management assess to be 50% of the contract for subscription and maintenance within annual licence fee contracts.

Capitalized contract costs

In accordance with IFRS 15, all costs directly attributable to obtaining a contract with a customer must be capitalized and expensed over the period of revenue recognition for the underlying contract. There are primarily direct contract costs in relation to commission for sales representatives.

In accordance with what is permitted by the standard, direct contract costs are capitalized and expensed per the contract, following the licence fee agreement terms.

Provision of bad debts

The company makes a provision for receivables that management estimates are impaired. The company makes assessments on the recoverability of all its receivables based on external factors such as the creditworthiness of the customer and the age of the receivables.

Depreciation and amortisation

Management uses judgement to estimate the useful lives and residual value of depreciating tangible and intangible assets.

Earn-out consideration

The company entered into a contract to acquire two subsidiaries in the year and under the contract consideration included an earn-out consideration based on the acquired company's future performance.

Management has used judgement to estimate the quantum of the additional consideration payable based on their expectations of the performance of the acquired entities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

4. EMPLOYEES AND DIRECTORS

	31.3.20	31.3.19
	€	€
Wages and salaries	9,285,122	7,850,776
Social security costs	1,306,210	969,882
Other pension costs	1,218,960	976,689
	<u>11,810,292</u>	<u>9,797,347</u>

The average number of employees during the year was as follows:

	31.3.20	31.3.19
Sales, Administration and Development	<u>123</u>	<u>115</u>

Share option costs have been recognised of €135,333 (2019: €231,832) within wages and salaries.

During the year, three employees, who Directors considered to be key management, received salaries of €498,685 (2019: €340,985) and pension contribution of €60,565 (2019: €12,562).

A Director received remuneration from a subsidiary during the year, amounting to €165,874 (2019: €150,522) and pension contribution of €20,164 (2019: €17,991). No Directors' remuneration was paid directly from the parent company.

Two Directors were compensated for their work from the parent company in the year, amounting to €22,500 (2019: €25,500).

5. EXCEPTIONAL ITEMS

In the previous year there was €4million contingent liability recognised on the acquisition of two subsidiaries, in relation to the Directors' valuation of the potential earn-out related to these acquisitions. In the current year this liability has been released to the Statement of Profit or Loss as, to date, the company has not met the targets set out in the contract and the Directors do not believe that the targets will be achieved within the earn-out period.

6. NET FINANCE COSTS

	31.3.20	31.3.19
	€	€
Finance income:		
Interest received	<u>20,968</u>	<u>28,677</u>
Finance costs:		
Bank interest	12,930	9,238
Loan costs	521,891	209,838
Bank charges	19,199	15,207
Foreign exchange losses	<u>157,962</u>	<u>(217,247)</u>
	<u>711,982</u>	<u>17,036</u>
Net finance costs	<u>691,014</u>	<u>(11,641)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

7. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging:

	31.3.20	31.3.19
	€	€
Depreciation - owned assets	46,140	3,378
Loss on disposal of fixed assets		47
Development costs amortisation	146,291	37,305
Auditors' remuneration	154,716	101,555
Non-audit services -relating to taxation		5,000
All other non-audit services	26,335	32,583
Goodwill amortisation	107,837	107,837

8. INCOME TAX

Analysis of tax income

	31.3.20	31.3.19
	€	€
Current tax: Tax	(596,681)	(652,212)
Deferred tax	32,139	126,961
Total tax income in consolidated statement of profit or loss	(564,542)	(525,251)

Factors affecting the tax expense

The tax assessed for the year is higher (2019 - lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.20	31.3.19
	€	€
Loss before income tax	(5,143,792)	(2,150,030)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(977,320)	(408,506)
Effects of: for tax		
Losses carried forward	1,652,645	357,267
Expenses not deductible for tax	(1,024,082)	50,954
Deferred tax movement	32,139	126,961
R&D enhanced deduction	(452,342)	(738,803)
Losses surrendered in exchange for R&D tax credit	800,298	874,632
R&D credit receivable	(595,790)	(688,206)
Other differences	(90)	(99,550)
Tax income	(564,542)	(525,251)

9. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was €(3,626,910) (2019 - €(1,733,101)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

10. RESEARCH AND DEVELOPMENT

Meniga Limited incurred expenditure of €2,520,563 (2019: €3,018,341) on research and development which was recognised in the statement of profit or loss during the period.

11. ACQUIRED OPERATIONS

In the previous year two subsidiaries were purchased, and three months of their trading was included in that year. The impact on the prior year trading results was to increase Revenue by €617,053, Cost of sales by €192,070, Finance costs by €1,955, Administration cost by €532,414 and to increase the net loss for the previous year by €109,386.

12. GOODWILL

Group

	€
COST	
At 1 April 2019 and 31 March 2020	<u>9,006,612</u>
AMORTISATION	
At 1 April 2019	366,271
Charge for year	<u>107,838</u>
At 31 March 2020	<u>474,109</u>
NET BOOK VALUE	
At 31 March 2020	<u><u>8,532,503</u></u>
At 31 March 2019	<u><u>8,640,341</u></u>

13. INTANGIBLE ASSETS

Group

	Development costs €
COST	
At 1 April 2019	7,156,747
Additions	<u>1,475,505</u>
At 31 March 2020	<u>8,632,252</u>
AMORTISATION	
At 1 April 2019	599,780
Amortisation for year	<u>146,291</u>
At 31 March 2020	<u>746,071</u>
NET BOOK VALUE	
At 31 March 2020	<u><u>7,886,181</u></u>
At 31 March 2019	<u><u>6,556,967</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

13. INTANGIBLE ASSETS - continued

Company

	Development costs €
COST	
At 1 April 2019	6,320,708
Additions	<u>1,475,505</u>
At 31 March 2020	<u>7,796,213</u>
NET BOOK VALUE	
At 31 March 2020	<u>7,796,213</u>
At 31 March 2019	<u>6,320,708</u>

14. PROPERTY, PLANT AND EQUIPMENT

Group

	Plant and machinery €	Fixtures and fittings €	Computer equipment €	Totals €
COST				
At 1 April 2019	2,682	-	173,319	176,001
Additions	-	2,149	110,168	112,317
Disposals	<u>-</u>	<u>-</u>	<u>(41,440)</u>	<u>(41,440)</u>
At 31 March 2020	<u>2,682</u>	<u>2,149</u>	<u>242,047</u>	<u>246,878</u>
DEPRECIATION				
At 1 April 2019	1,207	-	161,084	162,291
Charge for year	524	537	45,079	46,140
Depreciation on acquisition of subsidiaries	<u>-</u>	<u>-</u>	<u>(41,440)</u>	<u>(41,440)</u>
At 31 March 2020	<u>1,731</u>	<u>537</u>	<u>164,723</u>	<u>166,991</u>
NET BOOK VALUE				
At 31 March 2020	<u>951</u>	<u>1,612</u>	<u>77,324</u>	<u>79,887</u>
At 31 March 2019	<u>1,475</u>	<u>-</u>	<u>12,235</u>	<u>13,710</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

15. INVESTMENTS

Company	Shares in group undertakings €
COST	
At 1 April 2019	16,243,452
Additions	<u>118,672</u>
At 31 March 2020	<u>16,362,124</u>
NET BOOK VALUE	
At 31 March 2020	<u>16,362,124</u>
At 31 March 2019	<u>16,243,452</u>

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

Meniga Iceland ehf

Registered office: Smaratorg 3, 201 Kopavogur, Iceland
Nature of business: Next-generation online banking solutions

Class of shares:	%		
Ordinary	holding		
	100.00	31.3.20	31.3.19
		€	€
Aggregate capital and reserves		7,462,414	7,260,472
Profit for the year		<u>205,614</u>	<u>489,736</u>

Meniga AB

Registered office: Master Samuelsgatan 42, 13tr, 111 57 Stockholm, Sweden
Nature of business: Next-generation online banking solutions

Class of shares:	%		
Ordinary	holding		
	100.00	31.3.20	31.3.19
		€	€
Aggregate capital and reserves		392,745	419,378
(Loss)/profit for the year		<u>(26,633)</u>	<u>9,066</u>

Meniga Poland Sp z o.o.

Registered office: Ludwika Warynskiego 3a, 00-645 Warsaw, Poland
Nature of business: Next-generation online banking solutions

Class of shares:	%		
Ordinary	holding		
	100.00	31.3.20	31.3.19
		€	€
Aggregate capital and reserves		(251,448)	(98,676)
Loss for the year		<u>(166,041)</u>	<u>(110,587)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

15. INVESTMENTS - continued

Company

Meniga Sweden AB

Registered office: Master Samuelsgatan 42, 13tr, 111 57 Stockholm, Sweden

Nature of business: Next-generation online banking solutions

	%		
Class of shares:	holding		
Ordinary	100.00		
		31.3.20	31.3.19
		€	€
Aggregate capital and reserves		(9,245)	213,366
Loss for the year		<u>(217,345)</u>	<u>(149,127)</u>

The results for 31.3.19 relate to the period after acquisition, being 19 December 2018 - 31 March 2019.

Meniga Finland Oy

Registered office: Antinkatu 3D, 7th floor, 00100 Helsinki, Finland

Nature of business: Next-generation online banking solutions

	%		
Class of shares:	holding		
Ordinary	100.00		
		31.3.20	31.3.19
		€	€
Aggregate capital and reserves		558,847	91,056
Profit for the year		<u>652,403</u>	<u>39,741</u>

The results for 31.3.19 relate to the period after acquisition, being 19 December 2018 - 31 March 2019.

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	31.3.20	31.3.19	31.3.20	31.3.19
	€	€	€	€
Current:				
Trade debtors	2,166,020	3,375,221	1,949,578	2,967,953
Amounts owed by group undertakings			945,261	2,387,936
Other debtors	159,062	108,350	108,913	68,772
VAT	475,620	295,060	32,582	57,050
Accrued income	<u>3,722,898</u>	<u>4,734,315</u>	<u>3,669,218</u>	<u>4,631,581</u>
	<u>6,523,600</u>	<u>8,512,946</u>	<u>6,705,552</u>	<u>10,113,292</u>
Non-current:				
Accrued income	<u>1,703,541</u>	<u>642,844</u>	<u>1,703,541</u>	<u>642,844</u>
Aggregate amounts	<u>8,227,141</u>	<u>9,155,790</u>	<u>8,409,093</u>	<u>10,756,136</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	31.3.20	31.3.19	31.3.20	31.3.19
	€	€	€	€
Cash in hand	2,610	9,516	2,610	9,516
Bank accounts	<u>5,441,549</u>	<u>3,056,455</u>	<u>4,466,526</u>	<u>1,439,479</u>
	<u>5,444,159</u>	<u>3,065,971</u>	<u>4,469,136</u>	<u>1,448,995</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal Value:	31.3.20	31.3.19
Number:	Class:		€	€
71,507 (2019: 71,462)	Ordinary	£1	94,736	94,682
20,642 (2019: 20,642)	Series B	£1	24,176	24,176
16,885 (2019: 16,885)	Series C	£1	19,776	19,776
28,485 (2019: 28,485)	Series S1	£1	32,377	32,377
3,975 (2019: 3,975)	A Ordinary convertible	£1	<u>4,440</u>	<u>4,440</u>
			<u>175,505</u>	<u>175,451</u>

During the year, 45 Ordinary shares of £1 each were allotted as fully paid at a premium of £194.27 per share.

Ordinary shares carry full and equal rights to participate in voting in all circumstances, in dividends and in capital distributions, whether on a winding up or otherwise. The shares are not redeemable.

Series B shares carry full and equal rights in dividends or distributions declared or paid. The holders of Series B shares are entitled to cast such number of votes per Series B share held as they would be entitled to cast if all the Series B shares were converted into Ordinary Shares at the conversion rate detailed in the Articles. The Series B shares take second preference on a winding up after Series C and Series S1 shares.

Series C shares carry full and equal rights in dividends or distributions declared or paid, on wind up or otherwise. The shares are not redeemable. The holders of Series C shares are entitled to cast such number of votes per Series C share held as they would be entitled to cast if all the Series C shares were converted into Ordinary Shares at the conversion rate detailed in the Articles. The Series C and Series S1 shares take first preference on a winding up on an equal basis.

Series S1 shares carry full and equal rights in dividends or distributions declared or paid, on wind up or otherwise. The shares are not redeemable. The holders of Series S1 Shares shall be entitled to receive notice of and attend general meetings, as well as receive copies of any Shareholders' written resolutions.

A Ordinary convertible shares carry full and equal rights in dividends or distributions declared or paid, on wind up or otherwise, but do not have voting rights. The shares are convertible and redeemable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

19. RESERVES

Group

	Retained earnings €	Share premium €	Forex on consolidation €	Capital reserve consolidation €
At 1 April 2019	(16,884,002)	25,040,711	728,527	228,320
Deficit for the year	(4,579,250)			
Shares issued in year		10,379		
At 31 March 2020	<u>(21,463,252)</u>	<u>25,051,090</u>	<u>728,527</u>	<u>228,320</u>

Group

	Merger relief reserve €	Other reserves €	Share option reserve €	Totals €
At 1 April 2019	7,366,746	137,069	499,087	17,116,458
Deficit for the year				(4,579,250)
Grant of share options			135,333	135,333
Shares issued in year				10,379
At 31 March 2020	<u>7,366,746</u>	<u>137,069</u>	<u>634,420</u>	<u>12,682,920</u>

Company

	Retained earnings €	Share premium €	Merger relief reserve €
At 1 April 2019	(15,377,925)	25,040,711	7,366,746
Deficit for the year	(3,626,910)		
Shares issued in year		10,379	
At 31 March 2020	<u>(19,004,835)</u>	<u>25,051,090</u>	<u>7,366,746</u>

Company

	Other reserves €	Share option reserve €	Totals €
At 1 April 2019	163,570	499,087	17,692,189
Deficit for the year			(3,626,910)
Grant of share options		135,333	135,333
Shares issued in year			10,379
At 31 March 2020	<u>163,570</u>	<u>634,420</u>	<u>14,210,991</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

20. TRADE AND OTHER PAYABLES

	Group		Company	
	31.3.20 €	31.3.19 €	31.3.20 €	31.3.19 €
Current:				
Trade creditors	1,049,420	792,763	264,039	251,593
Amounts owed to group undertakings			8,158,570	10,694,890
Social security and other taxes	316,830	308,000	57,008	38,644
Other creditors	638,902	779,343	19,322	12,769
Accruals and deferred income	<u>3,282,934</u>	<u>2,770,994</u>	<u>1,748,013</u>	<u>1,510,850</u>
	<u>5,288,086</u>	<u>4,651,100</u>	<u>10,246,952</u>	<u>12,508,746</u>
Non-current:				
Other creditors	12,999,950	2,473,146	12,999,950	1,081,111
Contingent liability		<u>4,000,000</u>		<u>4,000,000</u>
	<u>12,999,950</u>	<u>6,473,146</u>	<u>12,999,950</u>	<u>5,081,111</u>
Aggregate amounts	<u>18,288,036</u>	<u>11,124,246</u>	<u>23,246,902</u>	<u>17,589,857</u>

All amounts, within current liabilities, owed to group undertakings are repayable on demand, bear no interest and are unsecured. The Directors do not foresee the subsidiaries demanding repayment on the parent entity in the foreseeable future.

The contingent liability, within non-current liabilities, in the prior year related to the deferred earn-out consideration on the acquisition of two subsidiary companies. The liability has been reversed as the Directors believe that the earn-out conditions will not be met during the earn-out period.

At the year-end, within Other creditors showing as non-current liabilities, there is €5million which relates to loans provided by Bootstrap Europe 2.0 SARL. These loans are secured on the assets of the group.

During the year the company issued convertible loan notes in the sum of €7,999,950. Whilst the liability could crystallise within 12 months the result would be an increase in shareholders' equity with no impact on the company's liquid resources. The directors have therefore concluded that the loan notes should be disclose within non-current liabilities, as Other creditors.

21. DEFERRED TAX

The group has a potential deferred tax asset of €3,701,555 (2019: €2,729,666), relating to unutilised tax losses in the UK parent company. The group has not recognised this asset due to the uncertainty of when it is likely to be crystallised.

A deferred tax asset of €319,262 (2019: €315,321) has been recognised in the accounts from a subsidiary.

22. PENSION COMMITMENTS

The group operates several defined contribution pension schemes.

The total contributions for the period ended 31 March 2020 is €1,218,956 (2019: €976,689) in respect of the employees. There was an outstanding payment of €145,153 (2019: €151,210) at the balance sheet date.

23. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

24. SHARE-BASED PAYMENT TRANSACTIONS

Meniga Limited has reserved shares of common stock for issuance as stock options.

Options granted under the plan expire 1-9 years from the date of the grant or 5 years after termination of the optionee's employment or other relationship with the company. Vesting time for options is up to 4 years usually with a 1 year cliff. The options are equity settled.

The share options have been valued indirectly based on the Black Scholes model. The assumptions used within the Black Scholes Model calculations were that the volatility is a constant over the time from grant date for each share option, interest rates are constant, no dividends will be paid during the options life and that there is no liquidity risk.

Expected volatility was determined using the historical changes in share options at the date of grant and adjusting for considerations of how long the company had been trading.

There was a stock-based compensation expense for the group of €135,333 (2019: €231,832) and for the company of €16,661 (2019: €17,749) which is recognised within wages and salaries.

For Non Qualifying (NQ) stock options the movement in the year is shown in the table below.

	Outstanding 31/03/2019	Granted	Forfeited	Exercised	Expired	Outstanding 31/03/2020
Number	10,916	2,550	115	45	0	13,306
Weighted Average Exercise Price	£282.36	£340.06	£312.03	£195.27	£0.00	£242.01
Weighted Average Fair Value	£82.23	£14.78	£16.40	£60.90	£0.00	£88.51

The number of shares that are exercisable as at 31 March 2020, that have been fully vested, is 8,749 with a weighted average exercise price of £162.24.

Within the outstanding share options as at 31 March 2020 the exercise price ranges between £45.00 - £340.06.