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SEEEN PLC
29 June 2021

SEEEN plc

("SEEEN", the "Group" or the "Company")

Audited results for the year ended 31 December 2020

Outlook for 2021

Notice of AGM

SEEEN plc, the global media and technology platform that offers proprietary AI products and solutions to harvest video moments efficiently for brands, creators and publishers thus enabling discovery, sharing, ecommerce and improved digital marketing yield is pleased to present its audited results for the year ended 31 December 2020 and Outlook for 2021.

Full Year 2020: Results were in-line with the Group's three-year operating plan and market expectations of financial results despite Covid-19 headwinds.

Each of the Group's technology and media businesses performed well. Proceeds from EIS/VCT funding were used to develop and commercialize the Group's first two AI products. *Jetstream* and *CreatorSuite* were released to trial customers ranging from brands to creators. Meanwhile, the Group's Multichannel network (MCN) business grew with views up 48.9% to 18.7bn, enabling gross YouTube advertising revenues to still reach $18.1million, despite global ad spending adversely affected by Covid-19.

Trading Update for the five months ending 31 May 2021: Reaching the half-way point of its three-year plan, the Group remains in-line with its operating plan and is shifting to prioritizing sales. First sales of technology products have completed, including the largest contract win for implementation of *CreatorSuite,* worth up to $100,000 based on performance incentives. Go-To-Market execution capability has been enhanced with the appointment of William Jennings as senior sales adviser with significant management experience in online video. The MCN continues rebound from Covid-19 marketplace effects with revenues up 35% year-on-year (May 2021: $4.2m versus May 2020: $3.1m) and it also provides a valuable incubator for SEEEN's new product *Dialog-To-Clip* (D2C) that was released to the Adobe® app store in May.

Outlook: The Group continued to evolve its team during 1H with Akiko Mikumo promoted to Vice Chair, William Jennings appointed as Senior Sales Advisor and Panmure Gordon appointed as Nomad and joint broker. In 2H, the Group will continue building on initial customer traction and adding more Go-to-Market headcount. The Group has sufficient capital to execute its growth plan.

Copies of the Annual Report and Notice of Annual General Meeting are today being posted to shareholders and will be made available to view on the Company's website at seeen.com. Due to the current Covid-19 restrictions, the Annual General Meeting will be a 'Closed Meeting' with Shareholders unable to attend. Proxy voting is therefore encouraged.

Highlights from the Group's 2020 Audited Results

2020 views of 18.7 billion on the Group's MCN, up 48.9% (2019: 12.6 billion)

Average RPM (Revenue per Thousand Videos) down 37% to $0.97 (2019: $1.49), reflecting effects of COVID-19 during the year, particularly during 1H

- 1H RPM: $0.78
- 2H RPM: $1.12, up 42% sequentially versus 1H

Gross YouTube advertising revenue on MCN of $18.1 million, down 4% (2019: $18.7 million)

Net revenue (minus YouTube commission) of $10.1 million, down 4% (2019: $10.1 million)

Adjusted EBITDA loss (adjusting for share based payments) of $2.1 million*

- MCN approximately breakeven after all creator payments, agency fees and fixed costs relating to the MCN

Net cash of $5.3 million at 31 December 2020

1H 2021 Subsequent Events / Outlook

Largest technology customer win to date for revenues of up to $100,000 from implementation of *CreatorSuite*

- Smaller implementations successfully completed
- Growing pipeline of opportunities for *CreatorSuite* and *JetStream*
- Strong product KPIs across all implementations, delivering significant ROI for customers

Launch of Dialog-To-Clip, a plug-in for Adobe® Premiere Pro®, the most popular video editing program, based on SEEEN's proprietary AI technology

Plans to deploy remainder of EIS/VCT funds to refine product following initial market testing, together with sales and marketing of products

Appointment of senior sales adviser, William Jennings, to accelerate commercialization

MCN statistics for the five months ending 31 May 2021:

- 35% increase in revenues to $4.2m (2020: $3.1m) in seasonally weaker first half of the year
- 40% increase in RPM to $1.09 (2020: $0.75), reflecting quality of media offering from MCN
- 7% decrease in views to 6.7 billion (2020: 7.2 billion)
- Expected loss of MCN's largest channel partner, which was not committed to integration with the Group's technology, representing 5% of 2020 gross profits and 21% of revenues

Dr. Patrick DeSouza, Chairman of SEEEN, commented: "We are proud of the team. In producing and releasing *Jetstream* and *CreatorSuite* despite AI and engineering teams spread out across various locations in the US, UK and EU, the team has navigated Covid-19 as best as can be hoped. To be sure, sales efforts with necessary interactions with brands and creators, including those from our MCN, have proved more challenging given the restrictions. As we head into 2H we will deploy our EIS/VCT and non EIS/VCT funds to continue to the next stage of the Group's plan: commercialization. Our initial customers have gained from strong early data. We have evolved our team during 2021 and will continue to evolve our team during 2H to execute Go To Market opportunities with brands, publishers and creators, especially from our MCN. With restrictions lessening, we look forward to delivering given our suite of valuable AI products."

The information communicated within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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Stephen Norcross

Chairman's Statement

When we launched our business in October 2019, we pointed to a rapidly changing media and technology marketplace that is being driven by a tectonic shift in consumer behavior. Consumers are switching to a "video-first" world faster than expected. In doing so, consumers want to allocate their shorter attention spans to quickly obtaining select portions of video in which they are interested rather than searching through endless streams of video to get to the relevant fragment. The pace of this behavioral change is remarkable, as well as its implications for e-commerce behavior. It took two decades for the digital marketplace ecosystem to be shaped by pioneering "text-first" companies such as Google (searching relevant content), Amazon (turning searches into commerce) and Facebook (organizing searches into tighter social communities that brands targeted). The global consumer marketplace demands that these same capabilities now be available for video: finding relevant video content, turning select portions into e-commerce decisions with less friction and using and recreating such content to develop social communities that brands can access. And the operative word is "now." The marketplace for AI-led video technology is evolving with newly funded entrants and rapid mergers and acquisitions to gain scale. We are one step ahead with our video "momentizing" technology. With the experience of our board and strong execution of management, we are well placed to navigate the global market opportunity.

Our Mission and Three Year Plan. We communicated at launch that our mission would be to gain market traction by automating the harvesting of relevant video moments. We would do so by building a "Micro-moments Factory" and license the technology to various constituencies. Brands could use video moments to target communities of consumers by showing features of products. Creators could use our tools to produce relevant videos moments for themselves so that they could sell relevant content to brands. Ultimately, big platforms such as YouTube, Instagram and Shopify could use our tools for video moments to enable impulse e-commerce.

Our plan prioritizes for years one and two the development and commercialization of a core set of proprietary tools and products that could support efforts by brands, creators and publishers to reach consumers and tap more readily into a "video-first" world. Such priority maximizes the use of time-restricted $6 million of EIS/VCT funding as part of our $10 million capital round at launch. Such cash resources are being used to build upon two sets of foundational operating assets that are synergistic. First, we came to market with a core AI patent, trade secrets and know-how around which to "momentize" raw video; second, we came to market owning a YouTube multichannel network with an audience comprised of approximately 12 billion annual video views and 10,000 creators with content around which to test our momentizing technology. At $10.1 million of revenues and adjusted loss before tax of $2.1 million, we are in line with our plans, despite the impacts of Covid-19.

To be sure, like the rest of the world, we have had execution challenges given Covid-19. However, the challenges have not been productization in the face of Covid-19. Our developers (AI and engineering) have handled that aspect well. Our challenge has been to design with precision the market-facing features of our technology products given limited interaction with brand personnel and consumers for market feedback, especially in the face of rapidly changing consumer behavior. However, with the help of our experienced board, management has remained disciplined during these exciting times for video consumption to ensure that our budget and P&L stay in line with the three-year plan communicated at launch. We are on track. Market feedback shows the value of momentizing video, especially from Google SERP (Search Engine Performance Rankings) scores. Our selling message has leveraged this core indicator. We can show any brand how its digital marketing efforts can become more visible on Google with our technology.

To navigate risk factors and evaluate execution progress, our board uses certain KPIs (Key Performance Indicators) first outlined as part of our 2019 Strategic Report. As discussed more fully in the CEO's Statement and our 2020 Strategic Report, we are pleased with management's year one (ie 2020) results in terms of product releases and customer trials. As we reach the mid-point of year two (ie 2021) of our three-year plan, we are making a transition to a greater emphasis on sales and marketing personnel.

Our Path Ahead. To achieve market capture, we hope to put resources to work in the following ways. First, given the timeline for the deployment of EIS/VCT resources, we will use the approximately $1.3 million of EIS/VCT resources we have as at 31 May 2021 to refine our proprietary products with additional market testing. In parallel, we have the $2.7 million of non-EIS/VCT resources to hire additional sales personnel to close customers in our sales pipeline for *JetStream* and *CreatorSuite*. Further, we started marketing *Dialog-To-Clip* in the Adobe® App Store in May. Second, given our early traction with brands and creators, as we shift gears towards the second half of our three-year plan to deliver a valuable company for our shareholders, we shall be reshaping the team by adding more "Go To Market" professionals. Finally, given the strength of our technology products, we are being shown acquisition opportunities that can accelerate our plan. Various market participants from publishers to web analytics companies have customers but have missed the "now" technology window to meet their customers' demands for momentizing video.

We have a very exciting path ahead and an experienced board that can prudently navigate this valuable and global market opportunity.

Dr. Patrick DeSouza
Chairman

28 June 2021

CEO Statement

2020 was our first full year of operations as a combined group, following our successful fundraise and admission to AIM in 2019. We have worked to execute our three-year plan to develop our technology assets housed in our subsidiary Tagasauris and continue to grow our video multichannel network (MCN) housed in our subsidiary GT Channel. We have extracted synergies from the application of our new technology products to our installed MCN base of audience, creators and content. Moreover, despite the obvious global challenges, we have delivered new technology products for video asset owners such as third party brands, creators and publisher. Our progress is a testament to the staff within the Group and the benefits of our flexible, remote work culture.

As noted in our Chairman's Statement, 2020 saw the acceleration of the market-wide shift not only to online interaction, but increasingly to video, which is becoming the dominant online content format. Our mission therefore is highly valuable to all video creators and consumers - we make video more relevant, discoverable and engaging. We are confident that the technology products we have created and tested with initial customers will be in high demand from creators, brands and publishers. We have already made significant steps in this direction with our largest contract win, which will be worth up to $100,000 on an annual basis, as well as the appointment of a sales professional, who also has significant management experience in online video.

Our longer-term vision as we build the business is to bring creators, brands, publishers and consumers together with a video experience platform (VXP). However, before we can realize this vision, we recognize that we must first execute our plan by gaining traction for our technology releases with such customers. As discussed below, we are gaining such traction.

Highlights of 2020

Technology: We have released three new products: two of these - *Jetstream* and *CreatorSuite* - were released during 2020 and one - *Dialog-To-Clip* - designed during 2020 but released in 2021 is reported as a Subsequent Event.

JetStream

During 2020, we continued development of our foundational and proprietary AI system for videos, *JetStream*. *JetStream* is a backbone set of technologies and our key differentiator against other video AI technology businesses. *JetStream* is positioned to be licensed as a service and deployed either as a whole system or in a la carte components based on a price book.

A key development during 2020 was the release of a "Speaker Moments" feature leveraging *JetStream*, which uses our AI technology to analyze each frame of a video and recommends key moments of interest based on speakers, content and context. This capability is particularly relevant for long form videos or streaming services, which would otherwise require editors to spend multiple hours of man time cost to manually extract and create "moments" or "highlights". In addition to Speaker Moments, we continued to develop new, bespoke models for logos, facial recognition, images and object tracking. These models can also be combined with third party AI systems to enhance efficiency.

Using *JetStream*, we are able to create multiple proprietary derivative works: products, ranging from detection and video analysis services for specific data types to analysis engines for brands. We are in active discussions to license *JetStream* services directly to customers and indirectly through resellers. We believe that *JetStream* has the potential to generate significant revenue and profits for the Group. We are targeting solutions priced to deliver high margin revenues worth in excess of $100,000 per implementation.

CreatorSuite

JetStream forms a key component of *CreatorSuite* - SEEEN's first "stand-alone" technology product. *CreatorSuite* optimises videos for Google search, segments a video into short clips of relevant/curated key video moments and uploads the key video moments or the video with a carousel of key video moments to a third-party webpage. *CreatorSuite* is a video content management system, based on publishing key moments, that improves both a brand's search ranking and ability to convert viewers into customers while also allowing for multi-platform publishing.

Brands first upload their entire video collection into *CreatorSuite* and then using *JetStream*'s analysis pipelines, a series of key moments will be recommended. Both the videos and the key moments can be published on a brand's website with both the videos and the key moments ranking for video SERP, which drives an increase in Google traffic. We allow customers to either embed videos onto pages within their website or to automatically create a "microsite", containing all of their videos and their key moments, and collect all the benefits of video ranking for Google search. Our largest customer to date, Tire America, has seen the benefits of *CreatorSuite* in its initial trial and has now implemented a microsite for its videos, using *CreatorSuite*.

Validating Data Testing *CreatorSuite* on our own GTChannel website, we saw a 260% increase in views from Google organic search, as well as an 8,000% lift in Google search impressions. As we further refine *CreatorSuite* for Google search, we expect to see similar results for brands, but on much larger scale.

A key part of our roadmap was completed in early 2021 with creation of an end card editor and shoppable items within a video. This allows customers to serve in contextually relevant offerings during a video, a key part of our promise at the time of admission to AIM. We have had positive results with our initial implementations of contextual end cards for key moments and we expect that this will drive increased conversion rates per video view.

SEEEN's "momentizing" technology addresses the demand for technology that enables and accelerates video e-commerce. In order for consumers to be more likely to purchase while watching a video, consumers need to be engaged with the video. One statistic, in particular, illustrates the power of SEEEN's "key video moments" technology. *CreatorSuite* reduces "bounce rates" - a measure of engagement and viewer "stickiness". Bounce rate is defined as the percentage of visitors that leave a webpage without taking an action, such as clicking on a link, fill out a form or making a purchase. Within our set of trial brand implementations, we have seen bounce rates below 20% (as compared to industry "bounce rate" standards of 40-50%). As viewers stay on the site, our brand customers have a much greater opportunity to monetise their viewers.

Brands are very interested both in driving more traffic to their website through improved Google organic search and in increasing viewer e-commerce conversion. To date, we have deployed a two-part fee structure. Each customer pays a fixed monthly base fee and performance fee that is tied to increased traffic or conversions. Whilst our customer base for *CreatorSuite* is still small, we have been methodical about choosing partners that were able to assist us in further refining the product. We have now reached a point where *CreatorSuite* is ready for wider commercialization and, as discussed above, we have begun to build our sales pipeline more aggressively.

Dialog-to-Clip

Dialog-to-Clip (D2C) was designed during 2020 and launched in May 2021. D2C is another derivative product based on *JetStream* features. D2C is an AI powered plug-in video editing tool that enables Adobe® Premiere Pro® users (the world's leading video editing brand) to more efficiently search, navigate, annotate and cut clips, using AI to extract relevant moments from interactive speaker-segmented transcripts. D2C offers the Adobe® Premiere Pro® user a significant return on investment by reducing or in some cases eliminating frame by frame video editing. After an introductory period in the Adobe® App Store to build market awareness and demand, SEEEN plans to make D2C available for paid subscription during 2H 2021 as an added module for CreatorSuite.

MCN: During 2020, our MCN business continued to grow its viewer base and hit a new record of 18.7 billion views (up 48% versus 2019). Despite this growth in audience, the headwinds of COVID-19, especially during the first half, resulted in 2020 revenues of $10.1 million, similar to that of 2019. Brands significantly reduced spending on advertising, reducing our MCN's yield from the increased views. However, this year over year outcome masks a strong rebound during H2 after the initial shock of Covid, where sequential half year revenues were up 78% on 1H.

Profit margins within the MCN business during 2020 remained modest, with a gross profit margin of approximately 10.7%. An allocation of administrative overhead from our executive director who manages the MCN resulted in the MCN being approximately breakeven. Despite the lack of contribution margin, the MCN remains a useful incubator for our business, with several of our trial *CreatorSuite* customers being sourced from the MCN and creators providing us valuable feedback on D2C prior to its launch in May 2021.

As a subsequent event, during 2021 digital advertising revenues have rebounded significantly, increasing more than 30%, even though views have been slightly below those for 2020. Such improved yield from views due to the pick-up in brand advertising on YouTube have propelled MCN gross revenue.

We expect to lose some channels during 2021. In some cases, operationally they do not align with our strategy of advancing technology synergies and, in other cases, creators are seeking to change the method and timing of payments made to them by the MCN. With respect to a combination of both of these points, we have been given notice that one international creator partner, which operates 6 channels, will leave the MCN at the end of June 2021. This partner represented 21% of MCN revenues in 2020 but represented only 5% of gross profits. This partner's RPM (revenue yield from views) during 2020 was $0.52, substantially below our average RPM for the year of $0.97. Board and management's risk management perspective is that this channel has limited contribution for our technology brand development and the additional work required to maintain these channels will be better served by focusing on working with current and existing creator partners who are committed to improving their video monetization by using SEEEN's technology.

2H 2021 and Focus on Go to Market

In terms of subsequent events, these Accounts are published as we approach the end of 1H 2021 which is the halfway mark of our three-year growth plan. At the half-way mark, we have delivered three technology products and have traction with trial customers. Looking ahead to 2H 2021, we have prioritized wider commercialization of our technology products with a focus on ecommerce customers and commercial synergies with our MCN creator network. As planned, we have shifted the focus of our spending from technology development to increased sales and marketing, both with direct sales hires and programmatic marketing for our more turnkey products. That said, our remaining EIS/VCT resources enable us to continue to meet marketplace demands for continued technology investment.

Our initial customers have enabled us to collate data demonstrating the return on investment for customers subscribing to or licensing our technology products. We will expand the case studies from our sales pipeline, quantifying our value proposition in monentizing video through the growth of organic traffic, the reduction of bounce rates and strong e-commerce conversion rates. With respect to e-commerce, in particular, we are applying *CreatorSuite* to videos for American Leak Detection (ALD), a subsidiary of Water Intelligence plc (one of our strategic investors), to both increase search traffic and to drive ancillary e-commerce product sales. ALD provides SEEEN a critical mass of third party customers to upsell products via e-commerce. ALD services approximately 200,000 homeowners in the US and those customers pay over $100 million in gross sales related to fixing water leaks. Follow-through spending is likely given the demand for "smart home" products. In addition, ALD has relationships with dominant retailer brands, such as Home Depot, and leading insurance companies all which use video to promote the purchase of products to monitor water leaks. ALD is interested in momentizing video based on a "How To" channel for home services. The objective of ALD is to resell products that help home owners monitor and remediate water flows in houses and buildings. Through this trial brand, we are gathering statistics on e-commerce conversion rates - a statistic valuable to every brand.

We are grateful for the support of all our shareholders, both for the funds they have provided and their ongoing support. For the remainder of 2021, it remains our priority to commercialize the strong set of products that we have developed during 2020 and the first part of 2021. We are in a strong position to do this given our cash position, but we will remain opportunistic in our corporate development through acquisition. We see that customers are now highly motivated to maximise their ability to monetize videos. By offering our technology solutions to video asset owners, we are well positioned to grow rapidly.

Todd Carter

Chief Executive Officer

28 June 2021

Business Review and Key Performance Indicators

The Chairman's Statement, on page 3, and CEO's Statement, starting on page 5, provide two core components of the overview of the year and the outlook for the SEEEN plc and its subsidiaries (together the "Group"). The Chairman's Statement presents the Group's strategy to create significant shareholder value driven by the Group's technology roadmap. The CEO's Statement provides an evaluation of the Group's execution in transforming vision into reality through a competitive advantage in the marketplace. This Strategic Report outlines the business indicators to help the Board evaluate both the Group's current performance and the progress being made by the Group in applying its technology assets to its own and third-party media assets to create a leading video technology platform business.

Results for the year ended 31 December 2020 reflect the first full year of the Group, as the Company completed the acquisition of all its operating subsidiaries in September 2019. As a result, comparisons between the results for the six months to 31 December 2019 (the shortened fiscal year after completion of the transactions) and the year to 31 December 2020 are not meaningful. Where possible, references to 2019 figures below represent numbers for the pro forma full calendar year to make a comparison more meaningful.

Company's Business

SEEEN is organized into two principal businesses - technology and media - that work together synergistically, benefiting from SEEEN's product roadmap and value proposition to all owners of video assets. The synergistic nature of these business lines means that the Board and management consider the Group and its progress as one business as opposed to separate reporting entities.

Technology Business

The Group owns various intangible assets - patents, trade secrets, licenses and product designs - that underlie a proprietary product roadmap focused on the production of video "micromoments" that enable consumers to access the most relevant features of videos for themselves. Because the Company is a technology company exploiting various media assets, one KPI used by the Board to monitor the advancement of its business plan is the pace of product releases to the market and robustness of its product roadmap.

During 2020, the Group released *CreatorSuite* to the market with initial customers. In addition, the Group offers its AI-backbone *Jetstream* to select customers who either have bespoke analytic requirements for their video assets or an in-built publishing workflow and the need for higher yield from video assets. Since the year end, the Group has also released *Dialog-To-Clip*, a plug-in for users of Adobe® Premiere Pro® video editing product. This tool achieves efficiencies by replacing the traditional timeline editing processes, which are labor intensive, with fast, accurate, and AI-driven in-video search driven from technology components of the Group's *Jetstream* and *CreatorSuite* products. The Group expects to launch additional products, both as plug-ins and for defined vertical markets based on the Group's existing pipeline.

The Group has built a sales pipeline based on its trial customers. The Group plans to license its video moment technology products to brands, creators and publishers.

Media Business

The Group's MCN aggregates creators of short form video content and publishes such content on YouTube. This forms the basis for the Group's media business, although the Group also produces proprietary content and publishes that content to its owned and operated web site, www.gtchannel.com, which was republished during 2020 as a website led by micro-moments. Published content attracts viewers and digital ad revenue on YouTube producing gross revenues. After YouTube deducts its commission, the Company receives net revenue from YouTube. The economics of the multichannel network creates various KPIs which help the Board to monitor the business plan of its media business. These KPIs measure critical attributes: (i) number of creator channel producing monetizable content; (ii) number of views/audience attracted to such content; (iii) digital ad yield from such content and accompanying audience expressed as Revenue Per Thousand. From these KPIs, the Company can create its forecasts on net revenues and profit before taxes.

In addition to the above, the Group also offers production services to third party clients, where they require additional content for their own websites or social media channels. These services are provided on an arm's length basis, but the Board does not consider these a core metric and has not created a KPI against this.

Synergies from the Technology and Media Businesses

Shareholder value is extracted from the synergies that the technology business and the media business unlock by working together, requiring the Group to operate as one unified business rather than as separate subsidiaries. In addition to digital ad revenue, the MCN provides both an audience and content creators for the Company's to test and subsequently productize its micro-moments technology. Example of such are the launch in 2020 of the new, micro-moment led GTChannel website (www.gtchannel.com) and the launch of Dialog-To-Clip, the Adobe® Premiere Pro® plug-in, which was tested with several MCN associates prior to launch in May 2021. The MCN provides a source of early-adopters for its technology products.

As well as utilising the technology within the MCN, the Group has worked with several Business-to-business customers, such as brands and advertising agencies, who seek to purchase insight and data with respect to audiences and content. Moreover, they seek to license technologies that enable them to target and match content to audience, including content generated through the Group's MCN. The Company's micro-moment technology provides business-to-business customers both data analytics and targeted reach. One KPI that provides the Board an understanding of the traction from synergies between its technology and media businesses is the number of business-to-business transactions.

Non-Core Costs

During 2020, the Group focused on executing its business plan productizing its technology with funding from EIS/VCT proceeds raised in the fundraising in September 2019. As such, during 2020, the Group did not investigate acquisition opportunities or require spending on other non-core activities, resulting in a nil spend for this line item.

Capital

The Board is mindful that it needs to apply its financial prudently to position the Group to succeed through building both a leading technology stack and sales and marketing function. At 31 December 2020, the Group had $5.3m in gross cash and net cash of $5.1m. The Group had a loan of $198,000 relating to a Paycheck Protection Program (PPP) loan. Since year end, this PPP loan has been forgiven (as described in the subsequent events section of the Directors' Report on Page 12.

Of the $5.3m in gross cash, $2.4m was categorized as EIS/VCT approved. Such funding, by regulation, is targeted for the Group's technology development and is required to be used by 30 September 2021. The Board tracks its deployment of EIS/VCT investment and retains a clear plan to use this funding prior to the deadline of 30 September 2021 to further develop the Group's technology stack and its "Go-To-Market" sales and marketing function.

KPIs

As identified in the Group's previous annual report, the Board considered certain KPIs for the Group. As the Group evolves, it is expected that the KPIs for the business will evolve also and the Company expects to update these at the time of its interim report. KPIs were identified in the last annual report and the Board has started looking at additional KPIs against which it monitors the Group's progress. These KPIs are as follows:

(i) Technology Products. The Board notes that the Group has a strong product roadmap based on its "micromoments" insight. The Group has filed additional intellectual property in 2021. The Group spent $2.5m in 2020 on technology development of which $2.0m was capitalized.

(ii) Number of videos/moments published through *CreatorSuite*, which the Board will be monitoring from 2021 onwards now that *CreatorSuite* has been implemented with customers.

(iii) Business-to-Business Traction. The Group launched initial pilots during 2020 with Business-to-Business customers. Since year end, the Group has converted some of these pilots into paying customers for *CreatorSuite* and ancillary services.

(iv) MCN Creator Channels. At year-end 2020, the MCN had approximately 11,000 creator channels, of which approximately 1,200 were monetized. This is an increase from the approximately 10,000 channels as at 31 December 2019. The channel growth has extended views across YouTube and other social media platforms, including TikTok and Facebook.

(v) MCN Audience. At year-end 2020, the MCN had approximately 18.7 billion views, up 48.9 per cent (Pro forma 2019: 12.6 billion).

(vi) MCN Average RPM. At year-end 2020, the MCN had an average RPM of $0.97, a 35 per cent. fall from 2019, which reflected the impact of COVID-19 on the advertising market (Pro forma 2019: $1.49).

(vii) Adjusted EBITDA. EBITDA adjusted for share-based payments was a loss of $2.1 million, in line with market expectations for 2020 (2019: not comparable).

(viii) Non-Core Costs. During the year to 31 December 2020, there were no non-core costs (2019: $601,595).

(ix) Net Cash. At the end of 2020, the Group, after transaction costs, had $5.3 million in gross cash with a PPP loan of $0.2m, resulting in $5.1m of net cash (31 December 2019: $9.8m). The PPP loan was forgiven in May 2021. At year end, the Group had $2.5 million of EIS/VCT money outstanding, which is required to be spent by 30 September 2021.

Principal Risks and Uncertainties

The Group's objectives, policies and processes for measuring and managing risk are described in note 17. The principal risks and uncertainties to which the Group is exposed include:

Technological advances within the industry

The technology industry as a whole evolves rapidly with new entrants and ideas continuously changing the market. There is a risk that competitors react to opportunities faster, rendering the Group's technology uncompetitive which could have a material adverse impact on the prospects of the Group.

YouTube / Google changes

The Group's revenues have predominantly been sourced from YouTube advertising revenue. Should YouTube alter its terms of business for creators and MCNs, this could have a significant impact on the operations of the Group's MCN business

Data Protection and General Data Protection Regulation ("GDPR")

Data protection, driven in Europe by GDPR, is becoming increasingly relevant in the handling of consumer data. Any failures to follow relevant data protection rules could result in significant monetary penalties.

Money-laundering and Anti-Corruption Regulations

As the Group has to make payments to its network of creators, it is responsible for ensuring that all payments made to creators comply with all money-laundering and anticorruption regulations of the jurisdictions in which it operates. Historically, the Group has outsourced payments or made them through recognised payment wallet providers, however as the Group may be required to make direct transfers to creators, the Group monitors the increased risks associated with these direct payments.

Foreign exchange risk

The Group has employees and contractors based overseas paid in foreign currencies and may enter into contracts priced in foreign currencies. It is therefore exposed to adverse exchange rate movements which could cause its costs to increase (relative to its reporting currency) resulting in reduced profitability for the Group.

Credit Risk

The Group's credit risk is primarily attributable to its cash and cash equivalents and trade receivables. The credit risk on other classes of financial assets is considered insignificant.

Liquidity Risk

The Group manages its liquidity risk primarily through the monitoring of forecasts and actual cash flows.

Organisational Risk

As a small Group, there is a reliance on a high proportion of key staff; the loss of any of these staff may be detrimental to the Group.

New Product Risk

The Group is creating products based on its proprietary technology, but until the products are released there is no guarantee that there will be significant uptake from customers.

Advertising Revenue Risk

The Group has historically been dependent on revenue from its YouTube MCN to generate profitability and changes to the either market conditions or regulations and the terms of advertising on YouTube could affect the Group's ability to generate revenues and profits.

Covid-19 Risk

COVID-19 could impact on the Group's ability to generate advertising income due to lower customer spending as well as reduce customers' desire to spend money on the new technologies produced by the Group given increased budgetary constraints.

Corporate Governance Statement s172 of the Companies Act

Each director must act in a way that, in good faith, would most likely promote the success of the Group for the benefit of its stakeholders. A discussion of s172 is presented on page 22 in the Statement on Corporate Governance. The Strategic Report incorporates actions taken by the Group to ensure compliance with s172.

Consolidated Statement of Comprehensive Income for the period ended 31 December 2020

	Notes	Year ended 31 December 2020	Six Months Ended 31 December 2019
		$	$
		Audited	Audited

Revenue		10,135,053	4,288,004
Cost of sales		(9,040,727)	(3,851,924)
Gross profit		**1,094,326**	**436,080**
Administrative expenses			
- Share-based payments	5	(618,192)	(156,650)
- Amortisation of intangibles	9	(1,214,564)	(297,562)
- Acquisition/listing costs		-	(601,595)
- Other administrative costs	3	(3,215,463)	(1,173,342)
Total administrative expenses		(5,048,219)	(2,229,149)
Operating Loss		**(3,953,893)**	**(1,793,069)**
Finance expense	6	(6,562)	(3,257)
Loss before tax		**(3,960,455)**	**(1,796,325)**
Taxation expense	7	340,740	58,188
Loss after tax		**(3,619,715)**	**(1,738,137)**
Other Comprehensive Income			
Exchange differences arising on translation of foreign operations		(317,805)	578,502
Total comprehensive loss for the year		**(3,943,876)**	**(1,159,636)**
Loss per share attributable to equity holders of Parent		**Cents**	**Cents**
Basic	8	(7.25)	(6.53)
Diluted	8	(7.25)	(6.53)

The results reflected above relate to continuing activities.

Consolidated Statement of Financial Position as at 31 December 2020

	Notes	31 December 2020 $	31 December 2019 $
ASSETS			
Non-current assets			
Goodwill and indefinite life intangible assets	9	9,762,158	9,762,158
Other intangible assets, net	9	5,320,876	4,558,226
Trade and other receivables	11	1,800	1,800
		15,084,834	14,322,184
Current assets			
Trade and other receivables	11	1,790,074	1,814,257
Cash and cash equivalents	12	5,336,502	9,760,905
		7,126,576	11,575,162
TOTAL ASSETS		**22,211,410**	**25,897,346**
EQUITY AND LIABILITIES			
Equity attributable to holders of the parent			
Share capital	15	7,400,732	7,400,732
Share premium	15	7,677,993	7,677,993
Merger relief reserve		8,989,501	8,989,501
Share based payment reserve		774,842	156,650

Foreign exchange reserve		199,735	517,540
Retained earnings		(6,130,556)	(2,510,841)
Total Shareholders' Equity		**18,912,247**	**22,231,575**
Non-current liabilities			
Deferred tax liability	14	893,220	1,233,960
		893,220	**1,233,960**
Current liabilities			
Trade and other payables	13	2,207,943	2,431,811
Borrowing	20	198,000	-
Total Current Liabilities		**2,405,943**	**3,665,771**
TOTAL EQUITY AND LIABILITIES		**22,211,410**	**25,897,346**

Company Statement of Financial Position as at 31 December 2020

	Notes	31 December 2020	31 December 2019
		$	$
ASSETS			
Non-current assets			
Investment in Subsidiaries	10	15,166,851	12,984,835
		15,166,851	12,984,835
Current assets			
Trade and other receivables	11	2,969,903	2,969,903
Cash and cash equivalents	12	4,399,957	7,838,650
		7,369,860	10,808,553
TOTAL ASSETS		22,536,711	23,793,388
EQUITY AND LIABILITIES			
Equity attributable to holders of the parent			
Share capital	15	7,400,732	7,400,732
Share premium	15	7,677,993	7,677,993
Merger reserve		8,989,501	8,989,501
Share based payment reserve		774,842	156,650
Foreign exchange reserve		427,684	554,970
Retained earnings		(3,073,206)	(1,752,943)
Total Shareholders' Equity		22,197,546	23,026,903
Current liabilities			
Trade and other payables	13	339,165	767,485
Total Liabilities		339,165	767,485
TOTAL EQUITY AND LIABILITIES		22,536,711	23,793,388

Consolidated Statement of Changed in Equity as at 31 December 2020

	Share Capital	Share Premium	Merger Reserve	Share based payment reserve	Foreign exchange reserve	Retained (Losses) /Earnings	Total
	$	$	$	$	$	$	$
As at 30 June 2019	**482,092**	**1,438,523**	**0**	**0**	**-60,962**	**-599,775**	**1,259,878**
Issue of Ordinary Shares	6,918,640	7,655,061	8,989,501	-	-	-	23,563,202
Share issuance costs	-	-1,415,591	-	-	-	-172,929	-1,588,520
Share-based payment expense	-	-	-	156,650	-	-	156,650
Loss for the year	-	-	-	-	-	-1,738,137	-1,738,137
Other comprehensive gain / (loss)	-	-	-	-	578,502	-	578,502
As at 31 December 2019	**7,400,732**	**7,677,993**	**8,989,501**	**156,650**	**517,540**	**-2,510,841**	**22,231,575**
Share-based payment expense	-	-	-	618,192	-	-	618,192
Loss for the year	-	-	-	-	-	-3,619,715	-3,619,715
Other comprehensive gain / (loss)	-	-	-	-	-317,805	-	-324,071
As at 31 December 2020	**7,400,732**	**7,677,993**	**8,989,501**	**774,842**	**199,735**	**-6,130,556**	**18,912,247**

Company Statement of Changed in Equity as at 31 December 2020

	Share Capital	Share Premium	Merger Reserve	Share based payment reserve	Foreign exchange reserve	Retained (Losses) /Earnings	Total
	$	$	$	$	$	$	$
As at 30 June 2019	482,092	1,438,523	-	-	-60,962	-598,775	1,260,878
Issue of Ordinary Shares	6,918,640	7,655,061	8,989,501	-	-	-	23,563,202
Share issuance costs	-	-1,415,591	-	-	-	-172,929	-1,588,520
Share-based payment expense	-	-	-	156,650	-	-	156,650
Loss for the year	-	-	-	-	-	-981,239	-981,239
Other comprehensive gain / (loss)	-	-	-	-	615,932	-	615,932
As at 31 December 2019	**7,400,732**	**7,677,993**	**8,989,501**	**156,650**	**554,970**	**-1,752,943**	**23,026,903**
Share-based payment expense	-	-	-	618,192	-	-	618,192
Loss for the year	-	-	-	-	-	-1,320,263	-1,320,263
Other comprehensive gain / (loss)	-	-	-	-	-127,284	-	-127,284
As at 31 December 2020	**7,400,732**	**7,677,993**	**8,989,501**	**774,842**	**427,685**	**-3,073,206**	**22,197,546**

Consolidated Statement of Cash Flows for the period ended 31 December 2020

	Year ended 31 December 2020 $	Six months ended 31 December 2019 $
Cash flows from operating activities		
Loss before tax	(3,947,618)	(1,796,325)
Adjustments for non-cash/non-operating items:		

Amortisation of intangible assets	1,214,564	297,562
Share based payments	618,192	156,650
Interest paid	6,562	3,257
Operating cash flows before movements in working capital	(2,108,300)	(1,338,856)
Decrease/(Increase) in trade and other receivables	24,179	(717,311)
(Decrease)/Increase in trade and other payables	(223,865)	967,602
	(199,686)	250,291
Cash used by operations	(2,307,986)	(1,088,565)
Income taxes paid	-	-
Net cash used by operating activities	(2,307,986)	(1,088,565)
Cash flows from investing activities		
Purchase of intangible assets	(1,977,211)	(94,794)
Cash on acquisition	-	83,587
Net cash used in investing activities	(1,927,211)	(11,207)
Cash flows from financing activities		
Issue of ordinary share capital	-	2,923,306
Premium on issue of ordinary share capital	-	7,655,060
Share issuance cost set against share premium and retained earnings	-	(1,588,519)
Proceed from loan	198,000	-
Interest income/(paid)	(6,562)	(3,257)
Net cash generated from /(used by) financing activities	191,438	8,986,590
Net increase/(decrease) in cash and cash equivalents	(4,043,759)	7,886,817
Effect of exchange rates on cash	(380,644)	581,210
Cash and cash equivalents at the beginning of year	9,760,905	1,292,878
Cash and cash equivalents at end of year	5,336,502	9,760,905

There have been no changes in liabilities arising from financing activities.

Company Statement of Cash Flows for the period ended 31 December 2020

	Year ended 31 December 2020	6 months ended 31 December 2019
	$	$
Cash flows from operating activities		
Loss before tax	(1,320,263)	(979,896)
Adjustments for non-cash/non-operating items:		
Share based payment expense	618,192	156,060
Interest paid	-	-
Interest received	-	-
Operating cash flows before movements in working capital	(702,071)	(832,246)
Decrease (Increase) in trade and other receivables	-	(306,356)
(Decrease) Increase in trade and other payables	(428,319)	709,741
Cash used by operations	(1,130,390)	(419,861)
Income taxes	-	-
Net cash used by operating activities	(1,130,390)	(419,861)

Cash flows from investing activities	-	-
Loans to subsidiaries		
	(2,182,016)	(2,637,727)
Net cash used in investing activities	(2,182,016)	(2,637,727)

Cash flows from financing activities

Issue of ordinary share capital	-	2,923,306
Premium on issue of ordinary share capital	-	7,655,060
Share issuance cost set against share premium and retained earnings	-	(1,588,519)
Interest received	-	-
Net cash generated from financing activities	-	8,989,847

(Decrease)/Increase in cash and cash equivalents	(3,312,406)	5,932,259
Effect of exchange rates on cash	(126,287)	613,513
Cash and cash equivalents at the beginning of period	7,838,650	1,292,878
Cash and cash equivalents at end of period	4,399,957	7,838,650

There have been no changes in liabilities arising from financing activities.

Notes to the Financial Statements

1 General information

The Group is a global media and technology platform whose mission is to leverage its AI and machine learning technology to more efficiently momentize video and to license such capabilities to brands, creators and publishers to enable discovery, sharing and e-commerce. The Company is a public limited company domiciled in the United Kingdom and incorporated under registered number 10621059 in England and Wales. The Company's registered office is 27-28 Eastcastle Street, London W1W 8DH.

The Company is listed on AIM, a market operated by the London Stock Exchange. These Financial Statements were authorised for issue by the Board of Directors on 28 June 2021..

2 Significant accounting policies

Basis of preparation

These Financial Statements of the Group and Company are prepared on a going concern basis, under the historical cost convention except for certain financial instruments which are carried at fair value as specified within the individual accounting policies.

These 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.

Both the Company and consolidated 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"). On publishing the Company financial statements here together with the consolidated financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and statement of comprehensive income and related notes.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The Company changed its fiscal year end from June 30 to December 31 in the previous fiscal year. As such, the period ended 31 December 2019 is a shortened period, comprised of six months. The current audited year ended 31 December 2020 is a full year.

The Financial Statements are presented in US Dollars ($), rounded to the nearest dollar.

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Group will be able to meet its liabilities as they fall due for the foreseeable future. The Group is dependent for its working capital requirements on cash generated from operations and its cash holdings. The cash holdings of the Group at 31 December 2020 and 31 December 2019 were $5.3 million and $9.8 million, respectively.

Given the stage of development of the Group's products, the Directors have implemented a reduction in development spend, partially offset by an increase in sales and marketing. The Directors have prepared detailed cash flow projections which are based on their current expectations of trading prospects, as well as scenarios where (i) sales fail to materialize as expected and (ii) potential further impacts of COVID-19 pandemic on trading. Under all these scenarios, the Group has sufficient cash resources for at least on year from the date of these accounts and, accordingly, the Directors have concluded that it is appropriate to continue to adopt the going concern basis in preparing these financial statements.

Basis of consolidation

The accompanying consolidated financial statements of SEEEN plc include its wholly owned subsidiaries: GT Channel, Inc., Tagasauris Inc., and Entertainment AI, Inc.

The Consolidated Statement of Comprehensive Income includes the results of all subsidiary undertakings for the period from the date on which control passes. Control is achieved where the Company (or one of its subsidiary undertakings) obtains the power to govern the financial and operating policies of an investee entity so as to derive benefits from its activities.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Company. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

All Inter-company transactions and balances and unrealized gains or losses on transactions between Group companies are eliminated in full.

Revenue recognition

Under IFRS 15, revenue is recognized when a customer obtains control of a good or a service and thus has the ability to direct the use of and obtain the benefits from the good or service.

Nature of MCN

SEEEN owns 100% of GT Channel, Inc, which operates a multichannel network ("MCN"). The MCN aggregates content from creators and provides such content to YouTube who is the customer. YouTube then directs the use of such content to gain the benefit of digital ad revenue from brands. YouTube takes forty-five percent of the gross amount of digital ad revenue and then pays our MCN. YouTube provides the MCN with daily reports on its receipt of revenue from brands against the MCN's content. Revenue to the MCN is recognized upon receipt of such reports from YouTube.

Property, plant and equipment

All property, plant and equipment is stated at cost less accumulated depreciation.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Equipment and displays: 5 to 7 years

Motor vehicles: 5 years

Leasehold improvements: 7 years or lease term, whichever is shorter

The asset's residual values and economic lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Assets that are no longer of economic use to the business are retired.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other (losses) or gains in the income statement.

Goodwill

Goodwill represents the excess of the fair value of the consideration over the fair values of the identifiable net assets acquired.

Goodwill arising on acquisitions is not subject to amortisation but is subject to annual impairment testing. Any impairment is recognised immediately in the Consolidated Statement of Comprehensive Income and not subsequently reversed.

Other intangible assets

Intangible assets are recorded as separately identifiable assets and recognised at historical cost less any accumulated amortisation. These assets are amortised over their definite useful economic lives on the straight-line method.

Amortisation is computed using the straight-line method over the definite estimated useful lives of the assets as follows:

	Years
Customer lists	4
Product development	4

Any amortisation is included within administrative expenses in the statement of comprehensive income.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The asset's residual values and economic lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other (losses) or gains in the Statement of Comprehensive Income.

Research and development

Research expenditure is recognised as an expense when incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled.

- It is technically feasible to complete the intangible asset so that it will be available for use or resale;
- Management intends to complete the intangible asset and use or sell it;
- There is an ability to use or sell the intangible;
- It can be demonstrated how the intangible asset will generate possible future economic benefits;

- Adequate technical, financial and other resource to complete the development and to use or sell the intangible asset are available; and
- The expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense in the period incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and are amortised from the point at which they are ready for use on a straight-line basis over the asset's estimated useful life.

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that is subject to risks and returns that are different from those of other business segments. During the year to 31 December 2020, all revenue for the Group was generated from its MCN operation. As the Group's revenue mix evolves, the Directors expect to split out revenue by type in the Accounts.

Impairment reviews

Assets that are subject to amortisation and depreciation are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Assets that are not subject to amortisation and depreciation are reviewed on an annual basis at each year end and, if there is any indication that an asset may be impaired, its recoverable amount is estimated. The recoverable amount is the higher of its net selling price and its value in use. Any impairment loss arising from the review is charged to the Statement of Comprehensive Income whenever the carrying amount of the asset exceeds its recoverable amount.

Share based payments

The Group has made share-based payments to certain Directors, employees and advisers by way of issue of share options. The fair value of these payments is calculated either using the Black Scholes option pricing model or by reference to the fair value of any fees or remuneration settled by way of granting of options. The expense is recognised on a straight-line basis over the period from the date of award to the first date of exercise, based on the best estimate of the number of shares that will eventually vest.

Taxation

Income tax expense represents the sum of the current tax and deferred tax charge for the year.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's and Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the year end.

Deferred tax

Deferred income taxes are provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred income taxes are determined using tax rates that have been enacted or substantially enacted and are expected to apply when the related deferred income tax asset is realised or the related deferred income tax liability is settled.

The principal temporary differences arise from depreciation or amortisation charged on assets and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses and are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less.

Foreign currencies

(i) Functional and presentational currency

Items included in the Financial Statements are measured using the currency of the primary economic environment in which each entity operates ("the functional currency") which is considered by the Directors to be Pounds Sterling (£) for the Parent Company and US Dollars ($) for EAI Inc, GTChannel Inc and Tagasauris, Inc. The Financial Statements have been presented in US Dollars which represents the dominant economic environment in which the Group operates. The effective exchange rate at 31 December 2020 was £1 = US$1.3627 (31 December 2019 was £1 = US$1.3118). The average exchange rate for the year to 31 December 2020 was £1 = US$1.2837 (6 months to 31 December 2019 was £1 = US$1.2600).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

(ii) Group Companies

The results and financial position of all the Group entities that have a functional currency different from the presentational currency are translated into the presentational currency as follows:

(a) assets and liabilities for each statement of financial position presented are translated at closing rate at the date of the statement;

(b) the income and expenses are translated at average exchange rates for period where there is no significant fluctuation in rates, otherwise a more precise rate at a transaction date is used; and

(c) all resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Loans and receivables

Trade receivables, loans, and other receivables held with the objective to collect the contractual cash flows are classified as subsequently measured at amortised cost. These are initially measured at fair value plus transaction costs. At each period end, there is an assessment of the expected credit loss in accordance with IFRS 9; with any increase or reduction in the credit loss provision charged or released to other selling and administrative expenses in the statement of comprehensive income.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group also recognises lifetime ECLs for trade receivables and contract assets. The ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL.

Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is any instrument with a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments (ordinary shares) are recorded at the proceeds received, net of direct issue costs.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Critical accounting estimates and judgements

The preparation of Financial Statements in conformity with International Financial Reporting Standards requires the use of judgements together with accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of income and expenses during the reporting period. Although these judgements and estimates are based on management's best knowledge of current events and actions, the resulting accounting treatment estimates will, by definition, seldom equal the related actual results.

The following are the critical judgements and estimations that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Impairment of goodwill

Impairment of the valuation of the goodwill relating to the acquisition of subsidiaries is considered annually for indicators of impairment to ensure that the asset is not overstated within the financial statements. The annual impairment assessment in respect of goodwill requires estimates of the value in use (or fair value less costs to sell) of subsidiaries to which goodwill has been allocated. This requires the Directors to estimate the future cash flows and an appropriate discount factor, in order that the net present value of those cash flows can be determined. Discounted cash flow forecasts give due consideration to the impact of COVID-19 on the future cash flows, and are stress tested under a range of scenarios. Further details are provided in note 9 to the financial statements.

Amortisation of intangible assets

The periods of amortisation adopted to write down capitalised intangible assets requires judgements to be made in respect of estimating the useful lives of the intangible assets to determine an appropriate amortisation rate. Technology and website development costs are being amortised on a straight-line basis over the period during which the economic benefits are expected to be received, which has been estimated at 4 years.

Provision for bad and doubtful debts

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime

expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar ageing. The expected loss rates are based on the Group's historical credit losses experience over the twelve month period prior to the period end. Forward looking issues have been considered, including in relation to the ongoing impact of the COVID-19 pandemic. This has had an immaterial effect on the expected credit loss rate.

3 Expenses by nature

The Group's operating profit has been arrived at after charging:

		Year ended	6 months ended
		31 December	31 December
		2020	2019
	Note	$	$

Employee costs	1,151,339	230,365
Consulting services	368,261	211,956
Agency fees	650,802	310,927
Rent	19,592	8,782
Professional fees	319,447	162,833
Listing fees	9,845	27,805
Acquisition costs	-	601,595

	Year ended 31 December 2020 $	6 months ended 31 December 2019 $
Auditors remuneration		
Fees payable to the Group's auditor for audit of Parent Company and Consolidated Financial Statements	37,227	37,092
Fees payable to the Group's auditor for non-audit services	3,902	58,976

The Group auditors are not the auditors of the US subsidiary companies. The fees paid to the auditor of the US subsidiary companies were $36,000 (31 December 2019: $36,000) for the audit of these companies with no payments for other services.

4 Employees and Executive Directors

The Executive Directors are considered to be the key management of the business.

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	Year ended 31 December 2020 $	6 months ended 31 December 2019 $
Staff costs for all employees, including Executive Directors consist of:		
Wages and Salaries	1,151,339	230,365
Share Based Payments Expense	618,192	156,650
	1,721,138	387,015

Information regarding Executive Directors emoluments are as follows:

	Year ended 31 December 2020 $	6 months ended 31 December 2019 $
Short-Term employee benefits		
Directors' fees, salaries and benefits	600,000	150,000
Social Security Costs	56,607	-
	150,000	150,000

The highest paid Executive Director received emoluments of $230,073 (31 December 2019: $50,000).

The average number of employees (including Directors) in the Group during the year was:

	Year ended 31 December 2020	6 months ended 31 December 2019
Directors (executive and non-executive)	5	2
Management	3	3
Other	3	2
	11	7

Note: The Group also uses contractors for a variety of software engineering work. These costs are represented in Consulting Services in Note 3 above.

5 Share options

The Company grants share options at its discretion to Directors, management and advisors. These are accounted for as equity settled options. Should the options remain unexercised after a period of ten years from the date of grant the options will expire unless an extension is agreed to by the board. Options are exercisable at a price equal to an exercise price determined by the board.

Details for the share options and warrants granted, exercised, lapsed and outstanding at the year-end are as follows:

	Number of share options 2020	Weighted average exercise price (GBp) 2020
Outstanding at beginning of year	4,616,481	45
Granted during the year	380,206	45
Forfeited/lapsed during the year	-	-
Exercised during the year	-	-
Outstanding at end of the year	4,996,887	45
Exercisable at end of the year	2,308,240	45

The options that have been granted and have been agreed to be granted prior to the date of this report relate to option grants that were issued pursuant to the transactions completed on 30 September 2019 and not as employee incentive grants. The Group has issued employee incentivization grants during 2021 as outlined in Note 21 below.

Fair value of share options

During the year, the Group granted 380,206 Share Options to certain Employees and Advisers in the United Kingdom as anticipated in the Company's admission document dated 11 September 2019, with an exercise price of £0.45 ($0.554), the delay driven by seeking approval to make these options EMI compliant.

The fair value of options granted during the prior year has been calculated using the Black Scholes model which has given rise to a fair value per share of 4.8p. This is based on a risk-free rate of 0.644% and volatility of 76% and that the options will be exercised on the first date of the exercise period.

The Black Scholes calculations for the options granted during the year resulted in a charge of $22,713 which has been expensed in 2020.

The weighted average remaining contractual life of the share options as at 31 December 2019 was 8.75 years.

Options arrangements that exist over the Company's shares at year end are detailed below:

Grant	31 December 2020	31 December 2019	Date of Grant	Exercise price	Exercise period From	Exercise period To
AIM Admission Grant Options	4,996,887	4,616,481	30/9/2019	45p	30/9/2020	30/9/2029
Total	**4,996,887**	**4,616,481**				

All share options are equity settled on exercise.

Further options have been granted since 31 December 2020 and information on these can be found in Note 21 to these Accounts.

6 Finance expense

	Year ended 31 December 2020 $	6 months ended 31 December 2019 $
Interest expense	6,562	3,257

7 Taxation

The major components of income tax expense for the periods ending 31 December 2020 and December 2019 are as follows:

Group	Year ended 31 December 2020 $	6 months ended 31 December 2019 $
Current tax:	-	-
Current tax (benefit) on profits in the year	0	4,300
Prior year over provision	-	-
Total Tax charge (benefit)	**0**	**4,300**
Deferred tax current year	(340,740)	(62,488)
Deferred	-	-
Total Tax charge (benefit)	**(340,740)**	**(58,188)**

The tax on the Company's loss before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits and losses as follows:

	Year ended 31 December 2020 $	6 months ended 31 December 2019 $
Total loss on ordinary activities before tax	(3,947,618)	(1,796,325)
Loss on ordinary activities at the standard rate of corporation tax in the US of 21% (30 June 2019: UK 19%)	(829,000)	(377,228)
Non-deductible expenses		
	118,989	165,945
eductible expenses		
State taxes net of federal benefit	(227,980)	(178,142)
Adjustment in respect of prior year	(144)	-
Deferred tax not recognised	585,022	-
Changes in rates	15,069	-
Losses not utilised	-	-
Total Tax charge	**(338,044)**	**(58,188)**

At the balance sheet date, the Group had unused tax losses (as reported on the Group's tax returns) of $7,656,882 available for offset against future profits. $1,182,501 represents unrecognized deferred tax assets thereon. The deferred tax asset has not been recognized due to uncertainty over timing of utilization.

8 Earnings per share

The loss per share has been calculated using the profit for the year and the weighted average number of ordinary shares outstanding during the year, as follows:

	Year ended 31 December 2020	6 months ended 31 December 2019
Loss for the year attributable to equity holders of the Parent ($)	(3,609,574)	(1,738,137)
Weighted average number of ordinary shares	49,957,876	26,627,958
Diluted weighted average number of ordinary shares	49,957,876	26,627,958
Loss per share (cents)	(7.25)	(6.53)
Diluted loss per share (cents)	(7.25)	(6.53)

All figures in the calculation above have been prepared as if the 12 for 1 share capital consolidation effected on 30 September 2019 had occurred prior to 1 July 2019.

9 Intangible assets

Group	Goodwill Arising on Consolidation $	Other Intangible Assets $	Development Costs $	Totals $
Cost				
At 1 July 2019	-	-	-	-
Additions	9,762,158	4,760,994	94,794	14,617,946
Amortisation	-	(297,562)	-	(297,562)
At 31 December 2019	9,762,158	4,463,432	94,794	14,320,384
Additions	-	-	1,977,213	1,977,213
Amortisation	-	(1,190,249)	(24,315)	(1,214,564)
At 31 December 2020	9,762,158	3,273,183	2,047,692	15,083,033

The cost of other intangible assets comprises customer lists and technology development acquired at the date of acquisition. The other intangible assets are being amortised over a period of 4 years. Amortisation is charged to administrative costs in the Statement of Comprehensive Income.

Goodwill and Impairment

The carrying value of goodwill in respect of each acquisition was as follows:

	31 December 2020	31 December 2019
GTChannel, Inc	3,165,023	3,165,023
Tagasauris, Inc	3,643,678	3,643,678
Entertainment AI, Inc	2,953,457	2,953,457
Total	9,672,158	9,672,158

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. In order to perform this test, management is required to compare the carrying value of the relevant cash generating unit ("CGU") including the goodwill with its recoverable amount. The recoverable amount of the CGU is determined from a value in use calculation. Management has assessed that there is one CGU encompassing all of the Group's subsidiaries. This is based on the Group's business plan as stated in its admission document, as well as considering how the Group is managed and directed. The subsidiary entities offer a combination of cross-supplied technology and services that will enable the Group to create a Multi Platform Network. This synergistically leverages the Group's technology, current customer base and wider business plan and strategic partners. These features are each supplied by the different acquisitions made in the period and as such, the Directors consider provisionally that it is most appropriate that the CGU consist of all three subsidiaries.

The recoverable amount of the CGU has been determined from a review of the current and anticipated performance of this unit through to the end of 2024. In preparing this projection, a discount rate of 10% has been used based on the weighted average cost of capital and a perpetual growth rate of 1% has been assumed. The discount rate was based on the Company's cost of capital as estimated by management. Management has also made assumptions around the growth / customer acquisition in relation to its new products, which equate to approximately doubling the number of customers each year from launch. If this assumption was to reduce by 50%, i.e. if the Group was only able to obtain half of the expected customer numbers across categories, this would reduce the carrying value of the goodwill by $5.1 million. No other reasonable change in the other assumptions made by management would presently result in an impairment.

10 Investment in subsidiary undertakings

Company	Cost of investment $	Loan to group undertaking $	Total $
Cost			
At 31 December, 2019	12,984,835	-	12,984,835
Additions	-	2,182,106	2,182,106
At 31 December 2020	12,984,835	2,182,106	15,166,851
Impairment			
At 31 December 2019	-	-	-
At 31 December 2020	-	-	-
Carrying amount			
At 31 December 2019	12,984,835	-	12,984835
At 31 December 2020	12,984,835	2,182,106	15,166,851

The Directors annually assess the carrying value of the investment in the subsidiaries and in their opinion no impairment provision is currently necessary.

The subsidiary undertakings during the year were as follows:

	Registered office address	Country of incorporation	Interest held %
GTChannel, Inc.	199 Whitney Avenue, New Haven, Connecticut 06511 U.S.	US	100%
Tagasauris, Inc.	199 Whitney Avenue, New Haven, Connecticut 06511 U.S.	US	100%
Entertainment AI, Inc.	199 Whitney Avenue, New Haven, Connecticut 06511 U.S.	US	100%

All subsidiaries are owned directly by the Parent Company.

11 Trade and other receivables

	Group		Company	
	31	31 December	31	31 December

	December 2020 $	2019 $	December 2020 $	2019 $
Trade and other receivables	1,790,074	1,814,257	-	-
Intercompany receivables	-	-	2,969,903	2,969,903

In determining the recoverability of accounts receivable, the Company considers any changes in the credit quality of the accounts receivable from the date credit was initially granted up to the reporting date. The accounts receivable that are neither past due nor impaired relate to customers that the Company has assessed to be creditworthy based on the credit evaluation process performed by management which considers both customers' overall credit profile and its payment history with the Company. Any loss allowance is determined in accordance with IFRS 9.

12 Cash and cash equivalents

	Group		Company	
	Year ended 31 December 2020 $	Year ended 31 December 2019 $	Year ended 31 December 2020 $	Year ended 31 December 2019
Cash at bank and in hand	5,336,502	9,760,905	4,399,957	7,838,650

13 Trade and other payables

	Group		Company	
	Year Ended 31 December 2020 $	Year Ended 31 December 2019 $	Year Ended 31 December 2020 $	Year Ended 31 December 2019 $
Trade payables	521,044	1,066,027	164,173	564,309
Accruals and other payables	1,686,899	1,365,784	174,991	126,546
Due to Group undertakings	-	-	-	77,839
	2,207,943	2,431,811	339,164	767,485

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs and are payable within 3 months.

14 Deferred Tax

	Total $
Balance as at 1 January 2020	(1,233,960)
Deferred tax on acquisition of subsidiaries	-
Deferred tax charge for the year	(340,740)
Balance At 31 December 2020	(893,220)

The deferred tax provision comprises:

	31 December 2020 $	31 December 2019 $
Deferred tax liability arising from acquisition of intangible assets	895,916	1,233,960
Total	895,916	1,233,960

At the balance sheet date, the Group had unused tax losses (as reported on the Group's tax returns) of $7,656,882 available for offset against future profits. $1,182,501 represents unrecognized deferred tax assets thereon. The deferred tax asset has not been recognized due to uncertainty over timing of utilization.

15 Share capital

The issued share capital in the year was as follows:

Group & Company

	Ordinary Shares Number	Shares held in treasury Number

			Total Number
At 31 December 2019	49,957,876	-	49,957,876
At 31 December 2020	49,957,876	-	49,957,876

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Group & Company

	Share capital $	Share premium $
At 31 December 2019	7,400,732	7,505,064
At 31 December 2020	7,400,732	7,505,064

During the year to 31 December 2020, the Company issued no new shares.

16 Financial instruments

Financial instruments

As at the dates presented, the Group has classified its financial instruments as follows:

At 31 December 2020	Loans and Receivables at Amortized Cost $	Other Financial Liabilities at Amortized Cost $	Fair Value through Profit or Loss $	Total $
Financial Assets				
Cash	5,336,502	-	-	5,320,876
Trade and Other Receivables	1,790,074	-	-	1,790,074
Financial Liabilities				
Trade and Other Payables	-	2,207,944	-	2,207,944
Borrowings - Current	198,000	-	-	198,000

The Borrowings noted above related to the PPP loan received by the Company's US subsidiary Entertainment AI, Inc., which received $198,000 in the year to 31 December 2020. As described in note 21 below, this loan was forgiven after the balance sheet date and is not repayable.

At 31 December 2019	Loans and Receivables at Amortized Cost $	Other Financial Liabilities at Amortized Cost $	Fair Value through Profit or Loss $	Total $
Financial Assets				
Cash	9,760,905	-	-	9,760,905
Trade and Other Receivables	1,814,257	-	-	1,814,257
Financial Liabilities				
Trade and Other Payables	-	2,431,811	-	2,431,811

Credit risk management

The Company is exposed to credit risk associated with its accounts receivable. Credit risk is minimized substantially by ensuring the credit worthiness of the entities with which it carries on business. Most of the Group's revenues are derived from its MCN business. The key counterparty for this business is YouTube. The performance obligations arise at the time that MCN videos generate advertising or other income on YouTube. YouTube makes a monthly payment to the Group, approximately 20 days in arrears. In the periods to December 31, 2020 and December 31, 2019, the Company did not experience any significant instance of non-payment from its customers and expects this to continue to be the case, thus a provision has not been made for potentially uncollectable amounts.

The Company's accounts receivable aging as follows:

	31 December 2020 $	31 December 2019 $
Current	1,789,834	1,814,060
31-60 days	-	-
61-90 days	-	-
>90 days	240	197

	1,790,074	1,814,257
		-
Allowance for doubtful accounts	-	
Total	1,790,074	1,814,257

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company's exposure to interest rate risk is based on short-term fixed interest rates. At 31 December 2020, the Company's exposure to interest rate risk was determined to be nominal.

Capital risk management

In managing its capital, the Group's primary objective is to maintain a sufficient funding base to enable working capital, research and development commitments and strategic investment needs to be met and therefore to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders. In making decisions to adjust its capital structure to achieve these aims, including through new share issues, the Group considers not only its short-term position but also its long term operational and strategic objectives.

The capital structure of the Group currently consists of equity comprising issued capital, reserves and retained earnings. The Group is not subject to any externally imposed capital requirements, although certain of its equity funds raised are required to be spent by 30 September 2021. The Group monitors this expenditure and is on track to spend the required funds by such date.

Foreign currency risk management

Foreign exchange transaction risk arises when individual Group operations enter into transactions denominated in a currency other than the dominant economic currency of the Group. The principal risk arises from the Group's holding company and payments made in relation to the holding company's activities in the United Kingdom.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities were:

	Group		Company	
	Year ended 31 December 2020 $	Year ended 31 December 2019 $	Year ended 31 December 2020 $	Year ended 31 December 2019 $
Assets				
Sterling	1,766,102	7,838,650	1,766,102	7,838,650
Liabilities				
Sterling	284,890	768,604	284,890	768,604

As shown above, at 31 December 2019 the Group had Sterling denominated monetary net assets of $1,481,212 (31 December 2019: $7,070,046). If Sterling weakens by 10% against the US dollar, this would decrease net assets by $148,121 (31 December 2019: $707,005) with a corresponding impact on reported losses. Changes in exchange rate movements resulted in a loss from exchange differences on a translation of foreign exchange of $350,241 in the year to 31 December 2019 (six months to 31 December 2019: gain of $578,502), resulting primarily from the holding of cash in sterling.

Liquidity risk management

Ultimate responsibility for liquidity management rests with management. The Group's policy is to ensure that it will have sufficient cash to allow it to meet its liabilities when they become due and so cash holdings may be high during certain periods throughout the period. The Group currently has no bank borrowing or overdraft facilities, other than the PPP loan received in April 2020 and described in more detail in Note 20 below. Other than the PPP loan, which was forgiven subsequent to year end (see Note 21 below), all liabilities are current and expected to be settled within 3 months.

The Group's policy in respect of cash and cash equivalents is to limit its exposure by reducing cash holding in the operating units and investing amounts that are not immediately required in funds that have low risk and are placed with a reputable bank.

18 Contingent liabilities

The Directors are not aware of any material contingent liabilities.

19 Related party transactions

An amount of $20,000 was paid to Anton & Partners (A&P) in respect of website development costs. There were no amounts outstanding at 31 December 2020. David Anton, a Director of the Company, is a Director of A&P.

20 Borrowing

On April 30, 2020, the Company received a loan, from the bank, in the amount of $198,000 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), and is administered by the U.S. Small Business Administration (SBA). Under the terms of the CARES Act, the PPP loan recipients can apply for and be granted forgiveness for all or a portion of the loan granted under the PPP, at which time the Company will recognize the forgiven amount as income. Such forgiveness will be determined, subject to limitations, based on the use of loan proceeds for: payroll costs and mortgage interest, rent or utility costs and the maintenance of employee and compensation levels. The Company used the twenty-four-week forgiveness period and applied for forgiveness of the PPP loan in accordance with the terms of the PPP. No determination had been made, as of December 31, 2020, by the SBA as to whether the Company will be eligible for forgiveness, in whole or in part. The SBA will have the right to audit the Company's compliance with the PPP for a period of up to six years. The portion of the proceeds received that is not forgiven, if any, is converted to an unsecured term loan payable in equal monthly installments, including interest. The PPP loan is for two years, at

an interest rate of 1% beginning 7 months from the date of the loan. The loan may be repaid at any time with no prepayment penalty. However, since the year end, and as disclosed in note 21 below, the Company's PPP loan was forgiven on 5 May 2021.

21 Subsequent events

The Company has performed a review of events occurring subsequent to statement of financial position date through 26 June 2020, the date which the financial statements were available to be issued. Other than what has been discussed below, no other significant events have been identified, that would require disclosure in the notes to the financial statements.

Option Grants - On 4 March 2021 and 13 May 2021, the Company issued 3,625,000 options to employees, directors and consultants, all at an exercise approximately 33% above the highest traded price for the year.

The details of these awards are as follows:

On 4 March 2021, the Company issued 1,450,000 options to certain directors of the Company, in lieu of Board fees for the next 12 months, at an exercise price of 60 pence per ordinary shares. These options vest over a three year period (with 1/3rd vesting on the first anniversary of grant, 1/3rd on the second anniversary of grant and 1/3rd on the third anniversary of grant) with a final exercise date of 4 March 2031. The options were awarded as follows:

Recipient	Options issued
Patrick DeSouza	600,000
Akiko Mikumo	600,000
David Anton	200,000
Adrian Hargrave	50,000

On 4 March 2021, a further 1,550,000 options were issued to certain directors, employees and advisers of the Company, both in lieu of reduced compensation, as well as for incentivization, at an exercise price of 65 pence per ordinary shares. These options vest over a three year period (with 1/3rd vesting on the first anniversary of grant, 1/3rd on the second anniversary of grant and 1/3rd on the third anniversary of grant) with a final exercise date of 4 March 2031. The options were awarded as follows:

Recipient	Options issued
Todd Carter (Director)	250,000
Adrian Hargrave (Director)	250,000
Taro Koki (PDMR)	250,000
Other employees	800,000

On 13 May 2021, the Company issued 625,000 options to certain employees and advisors of the Company, at an exercise price of 65 pence per ordinary shares. These options vest over a three year period (with 1/3rd vesting on the first anniversary of grant, 1/3rd on the second anniversary of grant and 1/3rd on the third anniversary of grant) with a final exercise date of 13 May 2031.

***Dialog-To-Clip* launch -** On 13 May 2021, the Group launched *Dialog-To-Clip* (D2C), bring SEEEN's "Key Video Moments" technology to users of Adobe® Premiere Pro® video editing solution, the most popular video editing solution globally.

PPP Loan - On 5 May 2021, Entertainment AI, Inc, a US subsidiary of the Group, received notification that the loan proceeds provided to the Group in the amount of approximately $198,000 under the Paycheck Protection Program ("PPP") had been forgiven.

Loss of Creator Partner - On 24 May 2021, the Group was served notice by its largest creator partner, who operates 6 channels, that it was considering removing all of its channels from the Group's MCN business unless certain payment process accommodations are made. If no agreement is reached with this partner prior to 30 June 2021, all of these channels will be removed from the Group's MCN business. Whilst these channels represented 21.6% of the Group's revenues during 2020, the impact on profitability and cash flow for the Group is much smaller. At a gross profit level, these channels represented approximately 5% of the Group's gross profit, owing to the greater creator share of YouTube advertising revenues agreed with this creator partner.

22 Control

The Company is under the control of its shareholders and not any one party. The shareholdings of the directors and entities in which they are related are as outlined within the Director's Report.

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