RNS Number : 5104A
Entertainment AI PLC
30 September 2020

SEEEN plc
("SEEEN", "Group", or the "Company")[1]

Interim Results

SEEEN plc (AIM:SEEN.L), the global media and technology platform business reimagining video for the digital age, is pleased to both update on results from its initial product deployments and provide its Interim Results for the six months ended 30 June 2020.

Despite the impact of Covid-19, the Group remains in-line with market expectations for profit whilst prioritising deployment of EIS/VCT investment to build-out the Group's technology platform during 2020;

Group has sufficient cash to execute its business plan;

3Q 2020 YouTube gross revenue has grown significantly over 3Q 2019 as rebound from Covid-19 continues;

B2B Sales Pipeline for technology go-to-market in 4Q is strong and growing, underpinned by completed pilot projects.

Operational Highlights

Release of first proprietary AI products, *CreatorSuite* and *Syndication Widgets*, generating video moments with significant production efficiencies for competitive advantage

Pilot trials of *CreatorSuite* and *Syndication Widgets* with third parties generated proprietary data on how SEEEN products produce monetizable value for creators, brands and publishers:

- Increased search rank for videos and organic traffic by 35%
- Increased session duration[2] by factor of up to 3 times
- Reduced bounce rates[3] to below 25%
- Clickthrough rates of 6% versus video average of approximately 0.6%

Launch of new gtchannel.com website, which is fully based on the Group's Micro Moment technology, resulting in improved reach, engagement and conversion

1H Financial Highlights[4]

SEEEN's wholly-owned multichannel network ("MCN") audience views increased by 30% to 8.4 billion (1H 19: 6.5 billion)

- 1H total views represented nearly the same amount as views achieved in full-year 2018 (8.5 billion)

Gross YouTube advertising revenue declined by 23% to $6.6m (1H 19: $8.7m) reflecting global ad market decline in spend during Covid-19

Net Revenues (minus YouTube commission) declined by 22% to $3.7m (1H 19: $4.8m)

- Average RPM of $0.78 in 1H 20 down 40% (1H 19: $1.34)
- Covid-19 impact on global advertising budgets:

Pre-Covid January and February saw year on year increases
March to June results adversely affected due to contraction of digital ad budgets

Adjusted[5] loss before tax in-line with pre-COVID expectations at $1.1 million with Group prioritising deployment of EIS/VCT investment to build-out its technology platform during 2020

Cash of $7.2 million at end of the period; provides sufficient cash to execute on growth plan

3Q Subsequent Events

Release of new product *JetStream*, which provides direct access to SEEEN's underlying proprietary AI engines for Micro Moment creation

3Q Momentum:

- Viewer growth accelerates to 50% ahead of 3Q 2019
- Revenue improves substantially, with revenues approximately 20% ahead of 3Q 2019

Confirmation of Name Change

The Company's change of name to SEEEN plc has now been registered at Companies House and is effective on AIM from Thursday 1 October 2020 at 8.00 a.m.

- The Company's ISIN and TIDM will remain unchanged.

Notes:

1. As noted above, the Company's change of name from Entertainment AI plc to SEEEN plc has been registered at Companies House and will be effective on AIM from 1 October 2020 at 8.00 a.m.
2. Average Session Duration: Length of time a viewer stays on the website
3. Bounce Rate: Number of viewers that click on a link to the website but close the website without viewing
4. Given the timing of the acquisition of SEEEN, Inc, GTChannel, Inc and Tagasauris, Inc by the Company on 30 September 2019, the comparison between the results for the six months to 30 June 2020 and for each of the six months to 30 June 2019 and the twelve months to 31 December 2019 is not meaningful. Where appropriate, comparable results for the Group are included in the highlights.
5. Adjusted profit before tax is defined as statutory operating profit plus share-based payments and amortisation of intangible assets.

Dr. Patrick DeSouza, Chairman of SEEEN, commented:

"We are on-track with the development of our video Micro Moments strategy. We have been working with various potential business customers, especially our strategic partner Sumitomo Corporation of Japan, to prepare for scalable commercialization. 2H looks promising given the 3Q rebound of our MCN revenue and the building of our B2B sales pipeline. We have sufficient cash to execute our plan and look forward to the next two quarters to show commercial traction with our revolutionary products. Ironically, given the impact of Covid and consumers staying at home, our video moments technology is in high demand and business customers are looking for solutions to increase advertising yield through targeted video content and passionate engagement by audiences. We are coming at the right time in 4Q with those solutions."

Todd Carter, CEO of SEEEN, commented:

"Since our IPO, we have invested in developing solutions that reimagine video for viewers, creators, publishers and brands. In *CreatorSuite* we have a proven technology platform that unleashes video content by delivering the only automatic generator of Micro-Moments that are optimized for Google search. We are now positioned to offer our Content as a Service ("CaaS"), video-first, digital experience platform ("DXP") to all sizes of video creators, ranging from channel partners on our MCN to established brands, both within and outside

of our core automotive and associated lifestyles markets. The key performance indicators revealed by our web analytics confirm that digital experiences based on our Content as a Service offering directly and positively impact reach, rank, engagement and conversion. Both GTChannel.com and our launch partners have benefited from both additional revenues through increased monetization, as well as reducing the costs of paid search, and advertising to drive traffic to their sites."

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Certain information contained in this announcement would have constituted inside information (as defined by Article 7 of Regulation (EU) No 596/2014) ("MAR") prior to its release as part of this announcement and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

CEO's Statement

Overview

Despite COVID-19, we have remained disciplined about executing our business plan. SEEEN has two business lines, a consumer based MultiChannel Network ("MCN") and a B2B AI publishing platform, that delivers enriched video and Micro-Moments to viewers across multiple channels. During 1H we deployed our EIS/VCT investment to productize our patented human-assisted computing AI and machine learning technology to drive our B2B business and enhance our MCN. Since our IPO, we have used our MCN, with its annualised audience of more than 15 billion video views and its accompanying behavior data, as an incubator to inform and refine our B2B product roadmap. During 3Q we tested our products with brands, creators and consumers during the first stage of our "Go-To-Market" strategy, whilst building a substantial sales pipeline. During 4Q, on schedule, we anticipate launching our B2B business, driven by the sale and licensing of our *CreatorSuite* DXP and Video Micro-Moments technology and products. We also look forward to driving our complementary MCN revenue channel.

The need for our technology and product solutions for all video creators has been highlighted by the results of our MCN in 1H 2020. These results have been affected by ongoing market trends, which were accelerated by COVID-19. Positively, 1H20 views grew by 30% to 8.4 billion (nearly as many as for the whole year of 2018 - 8.5 billion), but

revenues for the period fell by 22% to $3.7 million. This was entirely driven by a reduction in advertising spend on YouTube, which caused our RPM (revenue per 1,000 views) to fall 40% to $0.78. As we have applied *CreatorSuite,* 3Q has shown both a dramatic rebound in revenue growth and an acceleration in viewer growth, respectively up 20% and 50% against the same period last year. During 4Q, as discussed below, we expect the impact of our AI products will drive our MCN business and accelerate growth.

Meanwhile, SEEEN's B2B business delivers "video unleashed" - our tagline - because the transformative nature of the user experience we provide, enables our viewers to effortlessly seek, immediately view and frictionlessly interact with the segmented subparts of video, much like skipping over chapters in a book, while watching the sections they want to see. Analysts have termed the fast growing $125 billion+ global market in which our B2B products compete, "Content as a Service ("CaaS")". To date, we have unveiled three related products which we've shown to potential customers: *CreatorSuite*, our *Syndication Widgets*, and most recently *JetStream*. *CreatorSuite* and our *Syndication Widgets* have demonstrated strong monetizable impact in terms of (i) reach and rank on search engine result pages ("SERP"), (ii) video engagement and (iii) purchase behavior and conversions. *JetStream*, our video stream processing platform and the data backbone of SEEEN, makes these innovations possible. Our customer deployments have produced a strong B2B sales pipeline that is discussed below. We are now at the stage of going to market with *Video Reimagined*.

Market Demand for Video Reimagined

The market demand for "video reimagined" is driven by a paradox. In a world where video content has grown increasingly abundant, immediately available attention becomes the limiting factor in the consumption of more video content. For creators, publishers and brands that means that consumers now expect digital video experiences to be immediate, relevant and convenient. Satisfying viewer expectations today, particularly on mobile which accounts for nearly half of online video views, will soon require the ability to seamlessly jump, like chapters in a book, between the segmented subparts of a video; watch the content in full; or explore contextually relevant links, including in-the-moment help and guidance with purchase making decisions.

A second-order effect brought about by attention becoming the limiting factor in the discovery and consumption of video is the related requirement for vendors to engage consumers on their preferred platforms. Creators, publishers and brands seek to provide optimal digital video experiences across a growing variety of channels. These multi-experience requirements are in turn driving demand for a new kind of CMS (content management system) or DXP (digital experience) platform. We are able to fill this market need with our products delivered as a SaaS (software as service) business model.

CreatorSuite, our video-first CaaS DXP is SEEEN's answer to these emerging needs. *CreatorSuite* leverages the Company's patented human-in-the-loop AI technology, through *JetStream*, to unleash SEEEN's vision of video reimagined, automating the once tedious and expensive task of creating and publishing enriched and hyperlinked video. Micro-Moments, which are shorter, hyperlinked subsegments of a full video, enable optimal mapping of content and services to demand. *CreatorSuite* powered websites, together with our distributed promotional and syndication widgets*,* deliver richer, more immediate and contextually relevant digital experiences. Viewers can discover, watch, interact and share interesting pieces of content more freely, as well as access relevant merchandising and e-commerce opportunities from directly within SEEEN's video player.

Market Direction. Video Micro-Moments capitalizes on current sharing trends (more than 92 percent of mobile video viewers share video with others) and has the potential for viral sharing, which would drive a large volume of qualified traffic to SEEEN partner websites. In this vein, Micro-Moments take on the character of content sharing platforms like Pinterest,

Instagram and TikTok. With Promoted Micro-Moments, like Promoted Pinterest Pins, advertising and editorial content have the same format, which can be published, promoted on SEEEN's owned and operated websites, like GTChannel.com, and shared across social networks and messaging platforms.

SEEEN Offerings Readied: Battle testing products with customers during 3Q

As mentioned above, *CreatorSuite* leverages *JetStream*, the Company's patented human-in-the-loop AI technology. *CreatorSuite* benefits transcend operational efficiency, automating the previously tedious and labor intensive tasks of creating and publishing hyperlinked video. *CreatorSuite* proposes Micro-Moments to customers. Micro-Moments are shorter, data derivative subsegments of a full video that serve as building blocks around which SEEEN's customers deliver richer, more immediate and contextually relevant digital experiences. *CreatorSuite* powered websites and microsites enable viewers to discover, watch, interact and share interesting parts of video content more freely, as well as access relevant merchandising and e-commerce opportunities from directly within SEEEN's video player.

CreatorSuite also features a distributed promotion and syndication functionality that enables website publishers in the SEEEN Network of content sites to serve interactive Micro-Moment content that is targeted to the site content and audience. These Micro-Moments are administered, sorted and maintained by SEEEN via the *CreatorSuite* program. Website publishers can customize and control their promotions with dedicated Micro-Moments. The Micro-Moments drive reach, improve rank, expand engagement and increase yield from conversions. SEEEN's launch partners experienced significant increases in: organic traffic (more than 37%); average watch duration (up to 3 times better); click through rates (6% compared to 0.6% standard for video ads according to Q1 Adstage data); and product conversion rate to 9.6% (2% is the eCommerce standard).

Content is at the heart of the GTChannel experience and GTChannel's new *CreatorSuite* DXP-powered O&O is the Group's first Internet channel designed to showcase not only automotive video content and Micro-Moments from GTChannel and our affiliated creators but also our technology and product offerings. GTChannel.com, provides automotive enthusiasts with a richer user experience because it delivers more targeted content, and our fans can discover, interact and share relevant Micro-Moments freely, as well as accessing relevant merchandise and events directly from our video player. The strength of targeted viewer engagement also allows us to deliver more targeted audiences to our partners. The Company sees gtchnnel.com as a blueprint for other creators who want to launch breakout digital experiences.

JetStream is our multi-tenant, real-time video stream processing platform, an essential piece of infrastructure and the backbone of SEEEN's data-driven approach to video reimagined. *JetStream* supports the Groups needs for multimodal, ensemble processing of vision, language and sequence understanding workloads. *JetStream* accepts a video as input and then performs video analysis, enrichment and linking functions, annotating the video content with concepts, using those annotations to (semi-) automatically link parts of the audio visual content to other Web content for consumption by downstream applications like *CreatorSuite*. We are in discussions to sell *JetStream* directly, where our customers' require this, as opposed to the full *CreatorSuite* solution.

CreatorSuite consumes data and insights from a *JetStream* endpoint so that it can then provide an interactive curatorial experience to the user. The act of verifying and extending *JetStream*'s machine predictions are fed back to the JetStream platform so that the whole system gets smarter. *JetStream* is also the core of our "Micro-Moments Factory" and we're delighted that enterprise customers also see value in the operational efficiencies it delivers and the insights they can leverage from the massive amount of structured media metadata it generates.

Data from deployments

We have highly positive results from current *CreatorSuite* deployments (measured by SEEEN's analytics tools), which directly impact the KPIs used by companies of all sizes to measure their digital marketing results. A summary of these results is below:

Reach and Rank

- Organic traffic driven to websites increased by 35%
- Keyword discoverability - At GTChannel.com, more than 50% of keywords rank for video against industry standards below 10%, driving increased SERP ranking for important keywords. SEEEN's *CreatorSuite-powered Syndication Widgets* have also driven improved ranking for our external clients.
- Number of index entries multiplied by more than 10 times, as each Micro Moment is indexed for organic, image and video search.

Engagement

- Significant increases in Average Session Duration, including a trebling on gtchannel.com to more than 5 minutes per visit (industry standard of 2-3 minutes)
- Decrease in Bounce Rate to:
  - below 30% for gtchannel.com (Autos & Vehicles benchmark: more than 50%)
  - below 0.1% for *Syndication Widgets*

Conversion

- Clickthrough rates as high as 6% versus video average of approximately 0.6%

Brand awareness

- Enhanced surface area for brands online by exposing branded Micro-Moments to a larger audience of information seekers via Google organic, image, and video SERP features.

Sales Pipeline

Each type of prospect requires a different sales strategy. For larger enterprises, who require more bespoke solutions, we interact directly with the key decision makers. We already have conducted pilots for some customers and we are now targeting signing formal commercial agreements in the near term. These agreements are expected to result in significant deal flow for SEEEN, delivering high-margin, monthly recurring revenue ("MRR"). Using the data analytic insights from early customer engagements, we will focus on aggressively expanding our sales pipeline both within and outside of our core automotive vertical.

For smaller and medium sized businesses and individual video creators (including our MCN channel partners), we are offering a standard package-driven CaaS DXP offering with pricing based on functionality required. Armed with insights from our customers, our team at GTChannel will market *CreatorSuite* to YouTube creators, both within our MCN and more widely. Our MCN includes more than 10,000 affiliated creators. In total, there are 31m YouTube Channels, 16,000 of which have more than 1m subscribers. Each of these creators will benefit from using *CreatorSuite* to make their content more discoverable and monetizable on the Internet and across social and messaging platforms.

1H Financials

During 1H 2020, the MCN continued the fast growth of both its viewer base and number of channel partners. Total views on the MCN grew by 30% against 1H 2019 to 8.4 billion. This is almost as many views as the MCN generated in the entirety of 2018 (8.5 billion), demonstrating the ongoing rapid growth of the MCN.

However, during 1H 2020, COVID-19 had a significant impact on the monetization of our MCN business. Despite the view growth above, overall net revenues for the period declined by 22% to $3.7 million. This was entirely driven by a 40% fall in RPM (revenue per 1,000 videos viewed) to $0.78, which was directly caused by a contraction in advertising budgets. This decline in advertising budgets, and income for both the MCN and its video creator partners, has further highlighted the need to diversify MCN and video creator partner revenue streams with a focus on driving non-YouTube revenue.

Against this background, the launch of *CreatorSuite*, coupled with some improvement in digital advertising budgets, has improved MCN performance since 30 June 2020. RPMs have improved to approximately $1.00 since 30 June 2020, which has resulted in revenues increasing by approximately 20% compared with the same period last year. We believe that this positive trajectory for revenues and RPM will continue as we sign up creator partners to *CreatorSuite*. This brings two benefits to the MCN and the Group: (i) it lessens dependence on digital advertising on YouTube to generate income from videos at a time when advertising budgets are uncertain; and (ii) improves the analysis of video inventory, allowing for more targeted advertising against videos on YouTube and other platforms, which will result in higher RPM.

Despite the above COVID-19 driven decline in MCN revenues during the period, the Group has maintained a strong focus on both cash management and operating expenditure. As a result, SEEEN is on track to meet market expectations for Adjusted Profit before Tax. In particular, we have our core "Go-To- Market" team in place to execute on both our sales pipeline and product roll-out. Future hires will typically be linked directly to committed customer contracts, especially where bespoke solutions might be required.

We have continued to invest the EIS/VCT proceeds from our IPO last year to deliver our product roadmap. During the period, we capitalized approximately $980,000 of development spend. As noted above, the market demand for our products has been accelerated by COVID-19 and we have already launched pilots to exploit our proprietary technology.

During the remainder of 2020, we will continue to develop new products, such as *JetStream*, and deliver constant improvements to existing products, driven by different customer use cases. The technology sales from this development expenditure are typically structured as recurring SaaS income as opposed to one-off licence sales. These are high margin sales and as a result, will have a significant positive impact on our ongoing Profit before Tax, delivering significant operating leverage.

Finally, our strong cash position of more than $7.2 million as at 30 June 2020 provides us with enough cash to execute on our clear plans. As we execute on our sales pipeline and drive additional income from the deployment of products into our MCN, our plan calls for the Group to achieve cash breakeven during 3Q 2021.

Conclusion

We have made good progress against our "Go-To-Market" strategy with our technology and product implementation demonstrating strong results for both gtchannel.com and third party customers. During Q4, we will build on and leverage these results to execute further commercial agreements as customers clearly see the benefits of reimagining video usage to drive better user experiences and greater profits. In particular, our work on gtchannel.com is a blueprint for creators, brands and enterprises who are looking for a more modern way to manage and publish enriched video content across multiple platforms.

We look forward to updating the market on the impact of our technology on our MCN and on account wins during Q4. These wins will transform the economics of our business from

the legacy MCN model to a recurring revenue, high margin technology model capable of benefiting customers of all sizes and in all vertical markets.

Todd Carter
CEO
September 30, 2020

Interim Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2020

	Notes	Six months ended 30 June 2020	Six months ended 30 June 2019	Year ended 31 December 2019
		$	$	$
		Unaudited	Unaudited	Unaudited
Revenue	3	3,715,649	-	4,288,004
Cost of sales		(3,301,879)	-	(3,851,924)
Gross profit		**413,770**	**-**	**436,080**
Administrative expenses				
- Share-based payments		(254,783)	-	(156,650)
- Amortisation of intangibles		(595,124)	-	(297,562)
- Other administrative costs		(1,523,853)	(221,324)	(1,996,261)
Total administrative expenses		(2,373,760)	(221,324)	(2,450,473)
Operating loss		**(1,959,990)**	**(221,324)**	**(2,014,393)**
Finance (expense) / income		(3,319)	1,752	(1,505)
Loss before tax	3	**(1,963,309)**	**(219,572)**	**(2,015,898)**
Taxation		116,376	-	58,189
Loss for the period		**(1,846,933)**	**(219,572)**	**(1,957,709)**
Other comprehensive income				
Exchange differences arising on translation of foreign operations		(470,603)	(3,397)	578,502
Total comprehensive loss for the period		**(2,317,536)**	**(216,175)**	**(1,379,207)**
Earnings per share		**Cents**	**Cents**	**Cents**
Basic	6	(3.6)	(7.2)	(13.1)

Diluted	6	(3.6)	(7.2)	(13.1)

Note:

The results for the 6 months ended 30 June 2020 include the figures for the Group as enlarged by the acquisitions made on 30 September 2019.
The results for the 6 months ended 30 June 2019 include the figures for the Company without any of its subsidiaries and the results for the 12 months ended 31 December 2019 only include the Company's subsidiaries from the period from 30 September 2019.
As such, the comparisons between the results for the six months to 30 June 2020 and the other reported results are not meaningful.

Consolidated Statement of Financial Position as at 30 June 2020

	Notes	At 30 June 2020 $	At 30 June 2019 $	At 31 December 2019 $
		Unaudited	Unaudited	Audited
ASSETS				
Non-current assets				
Goodwill		9,762,158	-	9,762,158
Other intangible assets		4,943,565	-	4,558,226
Other receivables		1,800	-	1,800
		14,707,523	-	14,322,184
Current assets				
Trade and other receivables	4	1,110,090	-	1,814,257
Cash and cash equivalents		7,252,233	1,292,878	9,760,905
		8,362,323	1,292,878	11,575,852
TOTAL ASSETS	3	23,069,846	1,292,878	25,897,346
EQUITY AND LIABILITIES				
Equity attributable to holders of the parent				
Share capital		7,400,732	482,092	7,400,732
Share premium		7,677,993	1,438,523	7,677,993
Merger reserve		8,989,501	-	8,989,501
Share based payment reserve		411,433	-	156,650
Foreign exchange reserve		46,937	(60,962)	517,540
Retained profit		(4,357,774)	(599,775)	(2,510,841)
		20,168,822	1,259,878	22,231,575
Non-current liabilities				
Deferred tax liability		1,117,584	-	1,233,960
		1,117,584	-	1,233,960
Current liabilities				
Trade and other payables	4	1,585,440	33,000	2,431,811
Borrowings	5	198,000	-	-
		1,783,440	33,000	3,665,771
TOTAL EQUITY AND LIABILITIES		23,069,846	1,292,878	25,897,346

Interim Consolidated Statement of Changes in Equity
For the six months ended 30 June 2020

	Share Capital	Share Premium	Merger Reserve	Share based payment Reserve	Foreign Exchange Reserve	Retained Profit	Total
	$	$	$	$	$	$	$
As at 31 December 2018	**482,092**	**1,438,523**	**-**	**-**	**(57,565)**	**(380,203)**	**1,482,657**
Loss for the period	-	-	-	-	-	(219,572)	(219,572)
Other comprehensive income	-	-	-	-	(3,397)	-	(3,397)
As at 30 June 2019	**482,092**	**1,438,523**	**-**	**-**	**(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 period	-	-	-	-	-	(1,738,137)	(1,738,137)
Other comprehensive 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	-	-	-	254,783	-	-	254,783
Loss for the period	-	-	-	-	-	(1,846,933)	(1,846,933)
Other comprehensive income	-	-	-	-	(470,603)	-	(470,603)
As at June 2020	**7,400,732**	**7,677,993**	**8,989,501**	**411,433**	**46,937**	**(4,357,774)**	**20,168,822**

Interim Consolidated Statement of Cash Flows
For the six months ended 30 June 2020

	Six months ended 30 June 2020	Six months ended 30 June 2019	Year ended 31 December 2019
	$	$	$
	Unaudited	**Unaudited**	**Unaudited**
Cash flows from operating activities			
Loss before tax	(1,963,309)	(219,572)	(2,015,898)
Adjustments for non-cash/non-operating items:			
Amortisation of intangible assets	595,124	-	297,562
Share based payments	254,783	-	156,650
Interest paid / (received)	3,319	(1,752)	1,505
Operating cash flows before movements in working capital	(1,110,083)	(221,324)	(1,560,181)
(Increase) / decrease in trade and other receivables	704,167	-	(717,311)

(Decrease) / increase in trade and other payables	(846,371)	(18,264)	967,602
Cash generated by operations	(1,252,287)	(239,588)	(1,309,890)
Income taxes	-	-	-
Net cash used in operating activities	(1,252,287)	(239,588)	(1,309,890)
Cash flows from investing activities			
Purchase of intangibles	(980,462)	-	(94,794)
Cash on acquisition	-	-	83,587
Net cash used in investing activities	(980,462)	-	(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 costs set against share premium and retained earnings	-	-	(1,588,519)
Proceeds from borrowings	198,000	-	-
Interest received / (paid)	(3,319)	1,752	(3,257)
Net cash generated by/(used in) financing activities	194,681	1,752	8,986,590
Net (decrease)/increase in cash and cash equivalents	(2,038,067)	(237,836)	7,665,493
Effect of exchange rates on cash	(470,604)	(9,416)	552,282
Cash and cash equivalents at the beginning of period	9,760,905	1,540,130	1,540,130
Cash and cash equivalents at end of period	7,252,233	1,292,878	9,760,905

Notes to the Interim Consolidated Financial Information
for the six months ended 30 June 2020

1 General information

The Group is a global social media and technology platform for sharing video micro-moments to enable discovery, sharing and e-commerce through the targeting and connecting of creators, audiences and brands.

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.

Given the timing of the acquisition of SEEEN, Inc, GTChannel, Inc and Tagasauris, Inc by the Company on 30 September 2019, the comparison between the results for the six months to 30 June 2020 and for each of the six months to 30 June 2019 and the twelve months to 31 December 2019 is not meaningful.

2 Significant accounting policies

Basis of preparation and changes to the Group's accounting policies

The accounting policies adopted in the preparation of the interim consolidated financial information are consistent with those of the preparation of the Group's annual consolidated financial statements for the period ended 31 December 2019. No new IFRS standards, amendments or interpretations became effective in the six months to 30 June 2020.

Statement of compliance

This interim consolidated financial information for the six months ended 30 June 2020 has been prepared in accordance with IAS 34, 'Interim financial reporting' as adopted by the European Union and the AIM Rules of UK companies. This interim consolidated financial information is not the Group's statutory financial statements and should be read in conjunction with the annual financial statements for the period ended 31 December 2019, which have been prepared in accordance with International Financial Reporting Standards (IFRS as adopted by the European Union) and have been delivered to the Registrar of Companies. The auditors have reported on those accounts; their report was unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis of matter without qualifying their report and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The interim consolidated financial information for the six months ended 30 June 2020 is unaudited. In the opinion of the Directors, the interim consolidated financial information presents fairly the financial position, and results from operations and cash flows for the period. Comparative numbers for the six months ended 30 June 2019 are unaudited.

This interim consolidated financial information is presented in US Dollars ($), rounded to the nearest dollar.

Foreign currencies

Functional and presentational currency

Items included in this interim consolidated financial information 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 all the Company's subsidiaries. This interim consolidated financial information has been presented in US Dollars which represents the dominant economic environment in which represents the dominant economic environment in which the Group operates. The effective exchange rate at 30 June 2020 was £1 = US$1.2628 (30 June 2019: £1 = US$1.2939 and 31 December 2019: £1: US$1.3118).

Critical accounting estimates and judgments

The preparation of interim consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, the resulting accounting estimates will, by definition, seldom equal the related actual results.

In preparing this interim consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2019, together with the recognition of development expenditure, described below.

Development expenditure

The Group recognises costs incurred on development projects as an intangible asset which satisfies the requirements of IAS 38. The calculation of the costs incurred includes the percentage of time spent by certain employees and contractors on relevant development projects. The decision whether to capitalise and how to determine the period of economic benefit of development projects requires an assessment of the commercial viability of the projects and the prospect of selling the project to new or existing customers. During the period, the Group capitalized $980,462 of development expenditure.

Going Concern

The directors have a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future, and for this reason they have adopted the going concern basis of preparation in the consolidated interim financial statements.

3 Segmental information

The Group generated all its revenue in the period from one customer, YouTube, a wholly owned subsidiary of Google. All revenues are generated in the USA.

No additional disaggregated information is provided on the basis that the business is managed as one operation by the determination of the CEO, who is the Chief Operating Decision Maker.

4 Trade Payable and Receivables

The majority of trade payables and receivables relate to receivables from YouTube and payables to creator partners. In addition, trade and other payables includes accruals for expenses to be accrued during the year, payments to consultants who are paid monthly in arrears and historic liabilities of the acquired businesses that relate to payables more than two years ago and the Group does not expect to need to pay.

5 Borrowings

All borrowings relate to the Paycheck Protection Program (PPP). The PPP brings much needed relief to business owners in the United States affected by the coronavirus. Not only does this loan program provide funding to maintain payroll and other expenses, but if used for qualifying purposes, part or all of the loan can be forgiven. SEEEN, Inc applied for and received funding of $198,000 under this program in April 2020. Final rules for applying for forgiveness have not been released as of the report date. Management expects that the total funding will be forgiven given that, among other things, payroll and expenses have been maintained.

6 Earnings per share

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

	Six months ended 30 June 2020	**Six months ended 30 June 2019**	**Year ended 31 December 2019**
	Unaudited	**Unaudited**	**Unaudited**
Earnings attributable to shareholders of the Company ($)	(1,846,993)	(270,017)	(1,957,710)
Weighted average number of ordinary shares	49,957,876	3,041,666	14,995,659
Diluted weighted average number of ordinary shares	49,957,876	3,041,666	14,995,659
Earnings per share (cents)	(3.6)	(7.2)	(13.1)
Diluted earnings per share (cents)	(3.6)	(7.2)	(13.1)

7 Publication of announcement and the Interim Results

A copy of this announcement will be available at the Company's registered office (27-28 Eastcastle Street, London, W1W 8DH) from the date of this announcement and on its website - seeen.com. This announcement is not being sent to shareholders.

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