

28 September 2021

**Osirium Technologies plc**  
("Osirium", "the Group" or "the Company")

**Interim Results**

Osirium Technologies plc (AIM: OSI), a leading vendor of cloud-based cybersecurity software, announces its unaudited interim results for the six months ended 30 June 2021.

**Financial highlights**

- Total recognised revenue up 5% to £0.74 million (1H 2020: £0.70 million)
- Total bookings increased 19% to £0.91 million (1H 2020: £0.77 million)
- Deferred revenue increased by 17% to £1.68 million (1H 2020: £1.43 million), providing continued visibility over future revenues
- Operating loss lower at £1.52 million (1H 2020: £1.57 million), reflecting reduced overheads while increasing investment in headcount, particularly in R&D and engineering, positioning the Company well for future growth prospects
- Cash balances at 30 June 2021 of £1.74 million (1H 2020: £2.13 million), increasing to £2.03 million as at 31 July 2021 following receipt of a £0.59 million R&D tax credit post-period end

**Operational highlights**

- Resilient H1 trading, showing strong rebound in bookings as temporary delay in buying decisions from COVID pandemic start to unwind
- Significant new customer wins with 31 customers added (FY20: 16), particularly within the NHS segment, demonstrating strong competitive positioning of tailored solutions
- 99% customer retention demonstrating value customers attribute to solution set and providing good foundations for "land and expand" strategy
- "Land and expand" strategy continuing to add licences to existing customers
- Further product development with enhanced automation capabilities to complement security offering
- Expanded and more proactive partner network driving new business in core UK market as well as internationally
- Successful fundraise of £2.17 million in period enabling the Group to scale further through investment in headcount and increased marketing activities
- Strong trading momentum into second half of the year with continued new business wins

**David Guyatt, CEO of Osirium, commented:**

*“We made good progress against our stated strategy in the period, built around our commitment to innovation, customer focus and market expansion. Despite persistent uncertainty in our end markets as a result of the impact of COVID-19, we achieved significant new business wins, particularly within the NHS segment and have continued to see the benefits of our “land and expand” approach supported by high customer retention levels.*

*As the benefits of PAM and IT Process Automation solutions become more mainstream, our sales pipeline steadily builds. We are encouraged by the continued trading momentum as we enter the second half, with further new business wins resulting in Osirium’s passing the significant 100<sup>th</sup> customer milestone post-period.*

*Moving forwards, we remain focused on delivering our strategic objectives. We will continue to strengthen our relationships with customers, particularly with our partners in the healthcare sector. I would also like to thank everyone on our team for their continued enthusiasm and drive as we remain focused on fulfilling our growth ambitions and cementing our position as a leading provider of Privileged Access Security.”*

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## **About Osirium**

Osirium Technologies plc (AIM: OSI) operates in one of the fastest growing parts of the cybersecurity market and is a leading vendor of Privileged Access Security solutions. Osirium's cloud-based products protect critical IT assets, infrastructure and devices by preventing targeted cyber-attacks from directly accessing Privileged Accounts, removing unnecessary access and powers of Privileged Account users, deterring legitimate Privileged Account users from abusing their roles and containing the effects of a breach if one does happen.

Osirium has defined and delivered what the Directors view as the next generation Privileged Access Management (PAM) solution. Osirium's award-winning Privileged Task Management module further strengthens Privileged Account Security by minimising the cyber-attack surface and delivering an impressive return on investment benefits for customers. Building on Osirium's Privileged Task Management module, in May 2019 Osirium launched Privileged Process Automation, providing a

highly-flexible platform for automating essential IT processes to set a new benchmark in IT Process Automation. This was followed by the launch of Privileged Endpoint Manager in December 2019, bringing the total portfolio to three complementary solutions.

Founded in 2008 and with its headquarters in Reading, UK, the Group was admitted to AIM in April 2016.

[www.osirum.com](http://www.osirum.com)

## **Chief Executive Officer's Review**

I am pleased to report on a period of sustained growth in what has been a challenging macro-environment as a result of the ongoing COVID-19 pandemic. We have made good progress against all elements of our core strategy and strengthened the Group's foundations for future growth, including further investment in R&D and engineering staff and a robust balance sheet. Despite some degree of persistent uncertainty among our end markets during the period and with the transition of our sales functions operating largely remotely, we have grown our customer base in the half alongside maintaining our 99% customer retention rate.

Bookings, a key metric for the Group, increased 19% for the period reflecting both the normalisation of trading activity and a growing awareness of the Group's offering. Our customer numbers grew significantly in reflection of the growing demand for Privileged Security, with 31 new customers added to our roster in the period (FY20 customers added: 16).

In April 2021, we raised approximately £2.17m by way of a placing and subscription. These funds will help pave the way for the next phase of Osirium's growth by enabling the scaling of our business in Privileged Access Management ("PAM") and digital process automation, two rapidly growing markets, further developing our Group's partner channel network, and accelerating the Group's recruitment across sales, engineering and research and development.

Moving into the second half and beyond, we expect the growing awareness of privileged security, in tandem with our 'land and expand' strategy, to produce further customer growth and bookings. We have continued to win new business in the early part of H2, resulting in the Group surpassing the milestone of signing its 100<sup>th</sup> customer.

### **Market**

The global lockdown as a result of the COVID-19 pandemic has accelerated a shift to the online environment for many organisations across industries, and with that the threat of cybercrime is more present than ever. Our solutions are increasingly recognised as a critical service for organisations of all sizes. PAM remains one of the fastest growing areas of cybersecurity and risk management software solutions across the UK and overseas. KuppingerCole estimate the global market to be worth around \$2.20bn per annum, predicted to grow to \$5.40bn by 2025. Similarly, the digital automation market, served by our PPA product, presents an exciting growth opportunity. The Directors consider both the PAM and digital automation market to remain predominantly greenfield with an estimated aggregated market size of over \$20 billion by 2026.

The PAM market experienced a degree of consolidations activity in the half, including further interest from private equity participants. This underlines the increasing importance and growing awareness of this type of security among organisations. In contrast to other more mature cybersecurity market sub-sectors, often characterised by the wide availability of comparable offerings, the Group is finding the vast majority of qualified new prospect leads to be 'greenfield' opportunities.

While we have seen growing awareness of Privileged Access Security across the spectrum, we experienced a substantial number of bookings in the healthcare market in large part as a result of the funding for trusts via NHS Digital for PAM projects. The success in servicing this core market segment provides the Group with powerful customer use cases and references to target further new customer acquisition within the NHS.

In addition to healthcare, the Group is encouraged by the increased activity and pipeline of opportunities from financial services and education, where it has focused its targeted sales and marketing programmes. All of these targeted market segments are characterised by complex operating landscapes with many stakeholders and high levels of regulation. Whilst there continues to be uncertainty amongst our end target market as we move to a post-lockdown environment, the overall trend towards better security, coupled with IT process Automation, remains an irreversible direction of travel.

## **Product development**

As part of our growth strategy, we have made a number of developments to our product suite in order to both enhance user experience and provide further security guarantees to our customers.

Our product suite is set apart by its simplicity of deployment and unrivalled “time to protection” – available for use within 1 day for our customers, and able to be deployed by our resellers. To further ensure that our product suite addresses our customers’ needs, we have invested in the development of secure automation capabilities to complement our core PAM, PPA and PEM products.

As market interest in PAM increases, we have seen a proportionate increase in customers looking beyond traditional PAM by adding endpoint protection and automation that both increase security and provide productivity gains. As such, Osirium has focused on creating innovative packages of products, tailor-made to address our customers’ requirements, making the entry onto the platform an easy and uncomplicated process. These packages can be deployed quickly and with minimal complications, one of the key differentiators of our product suite.

As the market understanding of the importance of PAM continues to increase, we have sought to further optimise our offering in this space. Improvements in the half year include: the introduction of SAML Single Sign On capability, which allows us to integrate our solutions with identity providers, and the creation of a new desktop client tool which combines the latest features from our web-based interface.

Improvements to PPA, our highly flexible platform for automating essential IT processes, have been a key focus for the half, as demonstrated by the introduction of authentication tools such as Kerberos authentication with Windows devices, increased management integration, future task scheduling capability and a simplified process for on-boarding users. We have launched sales and on-boarding initiatives, including the bundling of PPA products alongside PAM solutions, to increase penetration levels within our existing customers, evidencing how cross-selling opportunities advance our “land and expand” strategy.

PEM, our Privileged Endpoint Manager, allows customers to remove local administrator rights from end-users, while enabling them to have escalated privileges only for specific processes and executables. This product allows customers to increase productivity while simultaneously increasing security.

We have seen more and more customers looking at a broader view of Privileged Access; they are adopting PAM to protect their critical shared IT infrastructure, PEM to remove risky local admin accounts as the first line of defence against ransomware and other malware attacks, and PPA to securely automate complex IT processes as a comprehensive Privileged Access Security solution. The popularity of this combined approach demonstrates the increasing demand for automation and productivity products that work complementarily to our Privileged Security products.

## **Partner and reseller network expansion**

The Group's partner and reseller network forms a core element of our strategy, allowing Osirium to scale further by approaching a greater addressable market.

During the period, the Group made significant progress via these sales functions with the quality and proactive engagement from this channel driving new business. A number of new partners have signed with us, and the Group is pleased to be working with a new UK distributor. Directing existing customers to recommend Osirium's products via this channel has been a particular focus, resulting in an increase in new customers most notably within the NHS.

Although the UK remains Osirium's key market, the partner network has been instrumental in enabling the Group to extend its presence internationally, with new contract wins in APAC, Turkey, and continental Europe in the half year across both public and private sector organisations.

Elsewhere, we continue to make good progress in forming strategic technology alliances, strengthening our market position by expanding the range of complementary technologies with which we integrate, opening up new market opportunities, and embedding our technology more tightly in customer environments.

## **Financial summary**

New customer acquisition for the period adding a record 31 new customers. Bookings for the half were £0.91 million, a 19% increase on £0.77m in the corresponding period in the previous half year.

Revenue was £0.74 million, a 5% increase from £0.70 million in the corresponding period last year due to the timing of bookings and a mix of contract lengths. Deferred revenue as at 30 June 2021 was £1.68 million, a 17% increase from £1.43 million as at 30 June 2020, providing continued and steadily rising visibility over future revenues.

Osirium's operating loss was flat at £1.58 million versus £1.57 million in the first half of the previous financial year, reflecting the tight cost control measures, increasing revenues and increasing headcount in core areas continuing our investment in R&D, sales and marketing teams as the cornerstones of our growth strategy. Loss before tax for the period was also flat at £1.68 million versus £1.68m million in the first half of the previous financial year.

Cash balances were £1.74 million at the end of the period under review (H1 2020: £2.13 million). Post period, the Group received R&D tax credit of £0.59 million, resulting in a £2.03 million cash balance as of 31 July 2021.

Product development expenditure capitalised in the period was £0.90 million (H1 2020: 0.78 million). All of this expenditure was associated with new products and features for our suite of three products.

## **Current trading and outlook**

Trading momentum has continued through to the second half of the year. We have continued to build on the progress made in the period against our stated strategy, centred on a commitment to innovation, customer focus and market expansion, and market trends remain in our favour as sales

activity increases and interest in PAM and digital process automation solutions becomes more mainstream.

With momentum in new customer wins building, combined with high customer retention levels, our comprehensive and complementary suite of products stands us in good stead to address the market opportunity and further grow our pipeline. We will continue to focus on strengthening our relationships with partners, particularly in the healthcare sector, identifying opportunities to cross sell to our existing customers and increasing the scope of our reach through the partner network.

Whilst we remain mindful of the ongoing implications of the COVID-19 environment, the long-term outlook remains unchanged as we continue to execute against our strategic objectives. With a best-in-class service offering, expanded sales function and clear strategy in place, we remain focused on maintaining our position as one of the leading providers of Privileged Access Security.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	6 months to 30-Jun-21 (Unaudited) £	6 months to 30-Jun-20 (Unaudited) £	Year to 31-Dec-20 (Audited) £
<b>CONTINUING OPERATIONS</b>			
Revenue	736,711	702,649	1,434,875
Other operating income	13	700	700
Administrative expenses	<u>(2,256,279)</u>	<u>(2,271,996)</u>	<u>(4,307,952)</u>
<b>OPERATING LOSS</b>	<b>(1,519,555)</b>	<b>(1,568,647)</b>	<b>(2,872,377)</b>
Finance costs	(91,863)	(110,875)	(222,322)
Finance income	<u>-</u>	<u>-</u>	<u>-</u>
<b>LOSS BEFORE TAX</b>	<b>(1,611,418)</b>	<b>(1,679,522)</b>	<b>(3,094,699)</b>
Income tax credit	<u>292,326</u>	<u>260,654</u>	<u>590,223</u>
<b>LOSS FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF OSIRIUM TECHNOLOGIES PLC</b>	<b><u>(1,319,092)</u></b>	<b><u>(1,418,868)</u></b>	<b><u>(2,504,476)</u></b>
<b>Loss per share from continuing operations:</b>	<b>5p</b>	<b>8p</b>	<b>13p</b>
Basic and diluted loss per share			



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	30-Jun-21 (Unaudited) £	30-Jun-20 (Unaudited) £	31-Dec-20 (Audited) £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	3,521,842	3,101,660	3,335,455
Property, plant & equipment	81,284	76,027	90,530
Right-of-use asset	36,798	85,861	61,329
	<u>3,639,924</u>	<u>3,263,548</u>	<u>3,487,314</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	1,155,804	1,194,099	818,445
Cash and cash equivalents	1,737,223	2,128,347	1,482,376
	<u>2,893,027</u>	<u>3,322,446</u>	<u>2,300,821</u>
<b>TOTAL ASSETS</b>	<u>6,532,951</u>	<u>6,585,994</u>	<u>5,788,135</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	2,153,854	1,836,258	2,088,722
Lease liability	40,276	33,916	54,958
	<u>2,194,130</u>	<u>1,870,174</u>	<u>2,143,680</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liability	-	68,578	15,765
Convertible loan notes	2,599,431	2,449,815	2,502,883
	<u>2,599,431</u>	<u>2,518,393</u>	<u>2,518,648</u>
<b>TOTAL LIABILITIES</b>	<u>4,793,561</u>	<u>4,388,567</u>	<u>4,662,328</u>
<b>EQUITY</b>			
<b>SHAREHOLDERS EQUITY</b>			
Called up share capital	293,820	194,956	194,956
Share premium	12,462,317	10,635,500	10,635,500
Share option reserve	358,541	337,559	351,547
Convertible note reserve	394,830	394,830	394,830
Merger reserve	4,008,592	4,008,592	4,008,592
Retained earnings	(15,778,710)	(13,374,010)	(14,459,618)
<b>TOTAL EQUITY ATTRIBUTABLE TO THE OWNERS OF OSRIRIUM TECHNOLOGIES PLC</b>	<u>1,739,390</u>	<u>2,197,427</u>	<u>1,125,807</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>6,532,951</u>	<u>6,585,994</u>	<u>5,788,135</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Called up share capital £	Retained earnings £	Share premium £	Merger reserve £	Share option reserve £	Convertible note reserve £	Total equity £
<b>Balance at 1 January 2020</b>	194,956	(11,955,142)	10,635,500	4,008,592	337,559	394,830	3,616,295
<b>Changes in equity</b>							
Total comprehensive loss	-	(1,418,868)	-	-	-	-	(1,418,868)
<b>Balance at 30 June 2020 (unaudited)</b>	<u>194,956</u>	<u>(13,374,010)</u>	<u>10,635,500</u>	<u>4,008,592</u>	<u>337,559</u>	<u>-</u>	<u>2,197,427</u>
<b>Balance at 1 January 2020</b>	194,956	(11,955,142)	10,635,500	4,008,592	337,559	394,830	3,616,295
<b>Changes in equity</b>							
Total comprehensive loss	-	(2,504,476)	-	-	-	-	(2,504,476)
Share option charge	-	-	-	-	13,988	-	13,988
<b>Balance at 31 December 2020 (audited)</b>	<u>194,956</u>	<u>(14,459,618)</u>	<u>10,635,500</u>	<u>4,008,592</u>	<u>351,547</u>	<u>394,830</u>	<u>1,125,807</u>
<b>Balance at 1 January 2021</b>	194,956	(14,459,618)	10,635,500	4,008,592	351,547	394,830	1,125,807
<b>Changes in equity</b>							
Total comprehensive loss	-	(1,319,092)	-	-	-	-	(1,319,092)
Share option charge	-	-	-	-	6,994	-	6,994
Issue of share capital	98,864	-	2,076,133	-	-	-	2,174,997
Issue costs	-	-	(249,316)	-	-	-	(249,316)
<b>Balance at 30 June 2021 (unaudited)</b>	<u>293,820</u>	<u>(15,778,710)</u>	<u>12,462,317</u>	<u>4,008,592</u>	<u>358,541</u>	<u>394,830</u>	<u>1,739,390</u>

**CONSOLIDATED STATEMENT OF CASHFLOW**

	6 months ended 30-Jun-21 (unaudited) £	6 months ended 30-Jun-20 (unaudited) £	Year ended 31-Dec-20 (audited) £
<b>Cashflows from operating activities</b>			
Cash used in operations	(728,996)	(905,478)	(967,180)
Tax received	-	-	557,251
Net cash used in operating activities	<u>(728,996)</u>	<u>(905,478)</u>	<u>(409,929)</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets	(904,088)	(781,570)	(1,806,146)
Purchase of tangible fixed assets	(12,155)	(25,152)	(68,994)
Sale of tangible fixed assets	167	-	17,537
Net cash used in investing activities	<u>(916,076)</u>	<u>(806,722)</u>	<u>(1,857,603)</u>
<b>Cashflows from financing activities</b>			
Share issue	2,174,996	-	-
Share issue costs	(249,316)	-	-
Allocation of loan note interest	7,374	-	(56,530)
Lease payment	<u>(33,135)</u>	<u>(14,375)</u>	<u>(48,484)</u>
Net cash from financing activities	<u>1,899,919</u>	<u>(14,375)</u>	<u>(105,014)</u>
Increase/(decrease) in cash and cash equivalents	254,847	(1,726,575)	(2,372,546)
Cash and cash equivalents at beginning of period	<u>1,482,376</u>	<u>3,854,922</u>	<u>3,854,922</u>
Cash and cash equivalents at end of period	<u><u>1,737,223</u></u>	<u><u>2,128,347</u></u>	<u><u>1,482,376</u></u>

## **GENERAL INFORMATION**

Osirium Technologies PLC was incorporated on 3 November 2015, and registered and domiciled in England and Wales with its registered office located at One Central Square, Cardiff CF10 1FS.

The principal activity of the Group in the periods under review was that of the development, sale and licensing of security software.

## **BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of preparation**

The Group financial information is presented in pounds sterling which is the Group's presentational currency and all values are rounded to the nearest whole pound.

The financial information does not comprise statutory accounts within the meaning of section 435 of the Companies Act 2006. The financial information together with the comparative information for the six months ended 30 June 2020 are unaudited with the audited information included for the 12 month period ended 31 December 2020. The audited information received an audit report which was unqualified and did not include a statement under section 498(2) or section 498(3) of the Companies Act 2006, but did contain a material uncertainty paragraph on going concern.

The financial information was approved by the Board of Directors on 27 September 2021 and authorised for issue on 28 September 2021.

### **Accounting Policies**

The accounting policies used in the preparation of the financial information for the six months ended 30 June 2021 are in accordance with the recognition and measurement criteria of UK-adopted international accounting standards and are consistent with those which will be adopted in the annual financial statements for year ended 31 December 2020.

These Interim Financial Statements have been prepared in accordance with the accounting policies, methods of computation and presentation adopted in the financial statements for the year ended 31 December 2020. As permitted, the Group has chosen not to adopt IAS 34 'Interim Financial Reporting' in preparing these Interim Financial Statements.

The Directors have considered all new, revised or amended standards and interpretations which are mandatory for the first time for the financial year ending 31 December 2021, and concluded that none have had any significant impact on these interim financial statements. New, revised or amended standards and interpretations that are not yet effective have not been adopted early.

### **Intangible assets**

An internally-generated, development intangible asset arising from Osirium's product development is recognised if, and only if, Osirium can demonstrate all of the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Its intention to complete the intangible asset and use or sell it.
- Its ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Internally-generated development intangible assets are amortised on a straight-line basis over their useful lives. Amortisation commences in the financial year of capitalisation. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Development costs 20% per annum, straight line.

### **Share based payments**

Osirium issues equity-settled share-based payments to certain employees and others under which Osirium receives services as consideration for equity instruments (options) in Osirium. Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted. The fair value determined at the grant date of equity-settled share-based payments is recognised as an expense in Osirium's Statement of Comprehensive Income over the vesting period on a straight-line basis, based on Osirium's estimate of the number of instruments that will eventually vest with a corresponding adjustment to equity. The expected life used in the valuation is adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

Non-vesting and market vesting conditions are taken into account when estimating the fair value of the options at grant date. Service and non-market vesting conditions are taken into account by adjusting the number of options expected to vest at each reporting date. When the options are exercised Osirium issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

**INTANGIBLE FIXED ASSETS**

	Development Costs £
<b>Cost</b>	
<b>At 1 January 2020</b>	7,692,829
Additions to 30 June 2020	<u>781,570</u>
Cost c/f as at 30 June 2020	<u><u>8,474,399</u></u>
<b>At 1 January 2020</b>	7,692,829
Additions to 31 December 2020	<u>1,806,146</u>
Cost c/f as at 31 December 2020	<u><u>9,498,975</u></u>
<b>At 1 January 2021</b>	9,498,975
Additions to 30 June 2021	<u>904,088</u>
Cost c/f as at 30 June 2021	<u><u>10,403,063</u></u>
<b>Amortisation</b>	
<b>At 1 January 2020</b>	4,756,356
Charge to 30 June 2020	<u>616,383</u>
Amortisation c/f as at 30 June 2020	<u><u>5,372,739</u></u>
<b>At 1 January 2020</b>	4,756,356
Charge to 31 December 2020	<u>1,407,164</u>
Amortisation c/f as at 31 December 2020	<u><u>6,163,520</u></u>
<b>At January 2021</b>	6,163,520
Charge to 30 June 2021	<u>717,701</u>
Amortisation as at 30 June 2021	<u><u>6,881,221</u></u>
<b>Carrying Amount:</b>	
At 30 June 2020 (unaudited)	<u><u>3,101,660</u></u>
At 31 December 2020 (audited)	<u><u>3,335,455</u></u>
At 30 June 2021 (unaudited)	<u><u>3,521,842</u></u>

All development costs are amortised over their estimated useful lives, which is on average 5 years. Amortisation is charged in full in the financial year of capitalisation.

All amortisation has been charged to administrative expenses in the statement of comprehensive income.

#### RIGHT OF USE ASSETS

	Leases & Buildings £
<b>Cost</b>	
At 31 December 2019	159,455
Additions	<u>-</u>
At 31 December 2020	159,455
Additions	<u>-</u>
At 30 June 2021	159,455
<b>Depreciation</b>	
At 31 December 2019	49,063
Charge for year	<u>49,063</u>
At 31 December 2020	98,126
Charge for year	<u>24,532</u>
At 30 June 2021	122,658
<b>Net Book Value</b>	
At 31 December 2020	<u><u>61,329</u></u>
At 30 June 2021	<u><u>36,798</u></u>

Additions to the right-of-use assets during the period were £nil (year to 31 December 2020: £nil).

The group leases land and buildings for its office under an agreement for 4 years running from 2018 to 2022.

#### LEASE LIABILITIES

	As at 30-Jun-21 £	Group As at 30-Jun-20	As at 31-Dec-20 £
<b>Current</b>			
Lease liability	<u>40,276</u>	<u>33,916</u>	<u>54,958</u>
<b>Non- current</b>			
Lease liability	<u>-</u>	<u>68,578</u>	<u>15,765</u>

**RECONCILIATION OF LOSS BEFORE ANY INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	6 months ended 30-Jun-21 (unaudited) £	6 months ended 30-Jun-20 (unaudited) £	Year ended 31-Dec-20 (audited) £
Loss before income tax	(1,611,418)	(1,679,522)	(3,094,699)
Depreciation charges	45,982	51,190	101,713
Amortisation charges	717,701	616,383	1,407,164
Share option charge	6,994	-	13,988
Profit on disposal of fixed assets	(167)	-	(14,189)
Finance costs	91,863	110,875	222,322
Finance income	-	-	-
	<u>(749,045)</u>	<u>(901,074)</u>	<u>(1,363,701)</u>
(Increase)/decrease in trade and other receivables	(45,032)	50,138	196,895
Increase /(decrease) in trade and other payables	<u>65,081</u>	<u>(54,542)</u>	<u>199,626</u>
Cash used in operations	<u><u>(728,996)</u></u>	<u><u>(905,478)</u></u>	<u><u>(967,180)</u></u>