Amino Technologies plc

Annual Report 2020

WE MAKE IT EASY FOR PEOPLE TO CONNECT TO THE TV AND VIDEO THEY LOVE

Amino Technologies plc

Amino Technologies plc is a software-led, global Media Technology company. We deliver modern TV experiences the way viewers want them. We do this by creating the solutions that Pay TV operators, broadcasters and content owners need to make it easy for people to connect to the TV and video they love.

Our end-to-end solutions offer the best of both worlds: video on demand and live TV. By placing all TV and video streaming content in one place, Pay TV operators, broadcasters and media owners can stay ahead of evolving viewer demand by providing smarter, more cost-effective ways of delivering modern TV and video experiences to consumers.

Amino Technologies plc has two operating companies: 24i, which focusses on streaming video experiences, and Amino, which connects Pay TV to streaming services. Our two complementary companies combine their products and services to create solutions which ensure that people can consume TV and video how and when they want it. Our solutions deliver modern TV and video experiences every day to millions of viewers globally, via our growing global customer base of over 500 service providers.

Amino Technologies plc is listed on the London Stock Exchange Alternative Investment Market (AIM: symbol AMO). Headquartered in Cambridge, UK, the company has over 300 staff located in offices in San Francisco, Amsterdam, Helsinki, Madrid, Porto, Brno, Buenos Aires and Hong Kong.

For more information, please visit aminotechnologies.com

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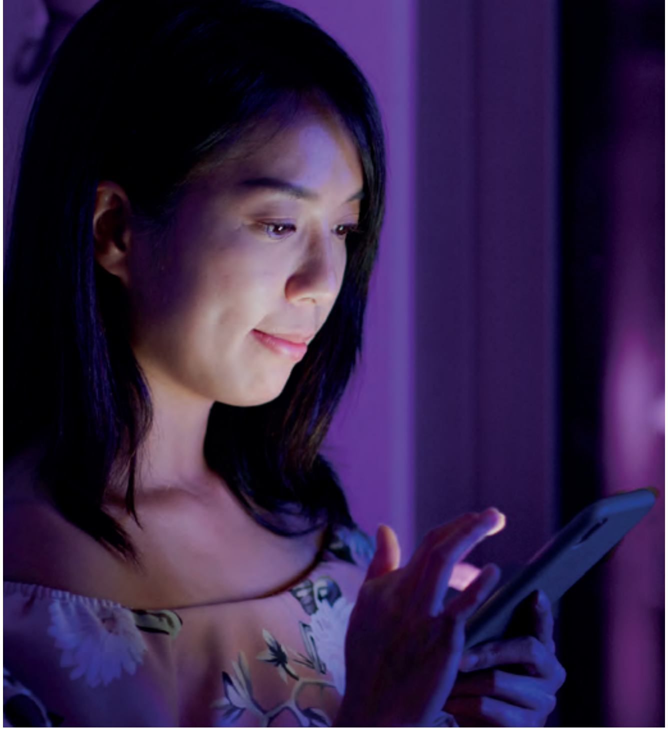


OUR VISION

To make it easy for people to connect to the TV and video they love.

We simplify the complex to enable greater viewer choice, usability and convenience. This means our customers can provide smarter, more cost-effective ways of delivering modern TV and video experiences to their customers.

SOFTWARE-LED STRATEGY DELIVERING RESULTS

In 2020 all key metrics have tracked ahead of the prior year, delivering a strong and resilient trading performance. The Group has successfully navigated the COVID-19 pandemic's challenges, achieving revenue growth and enhanced profitability, driven by higher margin software revenue.

- Total revenue grew 7% to $82.7 million (2019: $77.2 million);
- Adjusted operating profit of $10.5 million (2019: $10.2 million), a 3% increase;
- Improved quality of earnings with higher margin software revenue growing c.50% to $19.5 million (2019: $13.0m), delivering on a key strategic objective of the business;
- Enhanced visibility with exit run rate Annual Recurring Revenue ("ARR") growing to $10.6 million (2019: $9.5m);
- Adjusted gross profit from software and services accounts for 40% of group total (2019: 31%), growing 29%;
- Adjusted operating cash flows of $18.2 million (2019: $17.2 million), representing 110% (2019: 114%) of adjusted EBITDA;
- Strengthened net cash position of $9.5m at 30 November 2020 (2019: $1.4m) and no debt provides robust financial platform.

FINANCIAL HIGHLIGHTS

$82.7m
Revenue up 7%

$16.7m
Adjusted EBITDA(1)

$10.5m
Adjusted Operating profit(2)

$18.2m
Adjusted cash flow from operations(3)

$9.3m
Free cash flow(4)

2.39 US cents (1.87 pence)
Dividend

(1) Adjusted EBITDA is a non-GAAP measure and excludes depreciation, amortisation, interest, tax, exceptional items and share-based payment charges.
(2) Adjusted operating profit is a non-GAAP measures and excludes amortisation of acquired intangibles assets, exceptional items and share-based payment charges.
(3) Adjusted cash flow from operations is a non-GAAP measure and excludes exceptional items.
(4) Free cash flow is cash flow from operations, excluding acquisition-related remuneration, less capital expenditure, IFRS 16 lease payments, taxation and net interest.

WHAT WE DO

We make it easy for viewers to seamlessly connect to the TV and video they love and for the people who deliver TV to stay ahead of evolving viewer demands. The biggest challenge in our industry today is to provide 'the best of both worlds' – video on demand and live TV. This is what modern consumers want.

And at Amino we do just that! We simplify the complex to enable greater viewer choice, usability and convenience. Our end-to-end solutions put all TV and video streaming content in one place, how the viewer wants it. This means our customers, Pay TV operators, broadcasters and media owners can stay ahead of viewer expectation to provide smarter, more cost-effective ways of delivering modern TV and video experiences to their customers.

CONSUMERS ARE DRIVING THE MARKET

Viewers want live TV and video streaming on any screen, anytime, anywhere. With the streaming market set to double to $167bn by 2025 according to Digital TV Research, this change is consumer-driven and gathering pace. Our own voice of the customer research reveals that the industry challenge is to provide the 'best of both worlds' – video on demand and live TV together.

Streamers want Pay TV-like features.

Here is what annoys them:

88% Say it is not as easy to switch channels as it is with a remote and Pay TV service

76% Say the quality of service is never as good as traditional Pay TV

Today's consumers are spending c.20% of their time on streaming platforms searching for content they want.

Everyone wants better content discovery!

Pay TV subs want streaming features.

Here is what they would like

76% Would like integrated streaming services

70% Want the ability to pause subscriptions

Source: Amino Voice of Consumer Survey 2020

THE INDUSTRY CHALLENGE IS TO PROVIDE 'THE BEST OF BOTH WORLDS'

We do this by making sure that however a viewer wants to discover, access, view and interact with TV and video, our solutions maximise their enjoyment and minimise the barriers to this enjoyment. Our solutions deliver choice, usability and convenience.

Choice
Any content with flexible pricing options

Usability
Engaging and data-driven user experiences

Convenience
Ease of content discovery on any screen at any time

ADDRESSING THE MARKET

We create the media and broadcast technology that delivers traditional and modern viewing to all audiences' screens. We have two strategic routes to market:

Multiscreen video

Any device, any time and any place

Reducing the barriers to multi-screen operations by minimising complexity and operational costs while delivering fast, cost-effective streaming on all consumer devices.

Pay TV +

Making streaming features available to Pay TV customers

Bringing together an understanding of consumer expectations and operator challenges to simplify the delivery, management and consumption of TV and streaming video.

WHAT WE OFFER

We offer a unique and award-winning Next-Generation Technology Solutions Portfolio combining powerful user-experience and video software, specialist professional services, partner eco-systems and an industry leading range of devices.

Our modern video eco-system makes it easy for the people who deliver TV (Pay TV operators, broadcasters and media owners) to provide smarter, more cost-effective ways of delivering modern TV and video experiences to their customers.

Service and system manager

Video delivery engine

App development framework

Device management

Device software

Devices

Amino provides an end-to-end video eco-system

Manage → Stream → Deliver → Watch

Our R&D and systems design teams draw from our world-class user experience capabilities and longstanding IPTV heritage and expertise in the deployment of cutting-edge video experiences for a wide range of broadcasters, content owners and operators around the world.

Our solutions are complemented by industry-leading specialist professional service capabilities. Services range from providing advice and solution design through to implementing complex integrations tasks.

Amino Technologies group companies also operate powerful best of breed partner eco-systems. We work with leading businesses to pre-integrate technology to reduce risk in deployments, and increase speed to market.

STRATEGY TO 2025

The Group has a clear strategy focussed on building a predictable, software-driven growth business, with a proven track record of expanding our addressable market both organically and through targeted M&A. Our aim is to continue growing margin through value-based investments; to maintain strong levels of cash generation; and deliver appropriate returns to shareholders as well as investment for the future growth of the Company.

Amino's 2025 objectives aim to:

AMINO TECHNOLOGIES 2025 GOALS

- Improve our quality of earnings though increased recurring revenue
- Drive higher margin solutions through software and services revenues
- Deliver the technology to revolutionise viewer choice, usability and convenience
- Use actionable data to drive positive outcomes for our customers and their viewers

In order to deliver our strategic objectives, we are focused on the following key drivers:

KEY AMINO TECHNOLOGIES DRIVERS

- Transforming into a software company focused on growing recurring revenue
- Committing to data-driven innovation and product development
- Focusing on a product road map aligned to the needs of tomorrows' viewers
- M&A strategy to further underpin growth and speed time to market

Through organic growth and targeted M&A our ambition is to triple Group revenues and drive recurring revenues to be 70% of Group software revenues by 2025.

ESG AT THE HEART OF OUR COMPANY

In everything we do, we are mindful of our responsibility to ensure a diverse workforce and a positive work environment; to source responsibly through our supply chain; to reduce our impact on the planet and to engage compassionately with our communities.

生き甲斐

'IKIGAI'

is at the heart of our corporate Environmental, Social and Governance commitment to our social development goals.

Ikigai (pronounced ick-ee-guy) is a Japanese concept that means "a reason for being" and refers to having a meaningful direction or purpose in life, constituting the sense of one's life being made worthwhile.

We are committing 1% of our key resources – People, Product and Profit – to meet 6 of the 17 United Nations' sustainable development goals to help change our world. These goals have been nominated by the staff and executives from across Amino Technologies' companies, as being the ones that they felt most passionate about, and wished to pledge their allegiance to.

NO POVERTY

www.un.org/sustainabledevelopment/poverty

GOOD HEALTH AND WELLBEING

www.un.org/sustainabledevelopment/hunger

QUALITY EDUCATION

www.un.org/sustainabledevelopment/education

GENDER EQUALITY

www.un.org/sustainabledevelopment/gender-equality

INDUSTRY INNOVATION

www.un.org/sustainabledevelopment/infrastructure-industrialisation

RESPONSIBLE CONSUMPTION

www.un.org/sustainabledevelopment/sustainable-consumption-production

Our ESG directive is not a campaign. It is the foundation for an ongoing transformation of mindset about our planet and the people who inhabit it. We know that ending global poverty and building economic growth to address a range of social needs, while at the same time tackling climate change and environmental protection, will be an enduring challenge: and it has to start now.

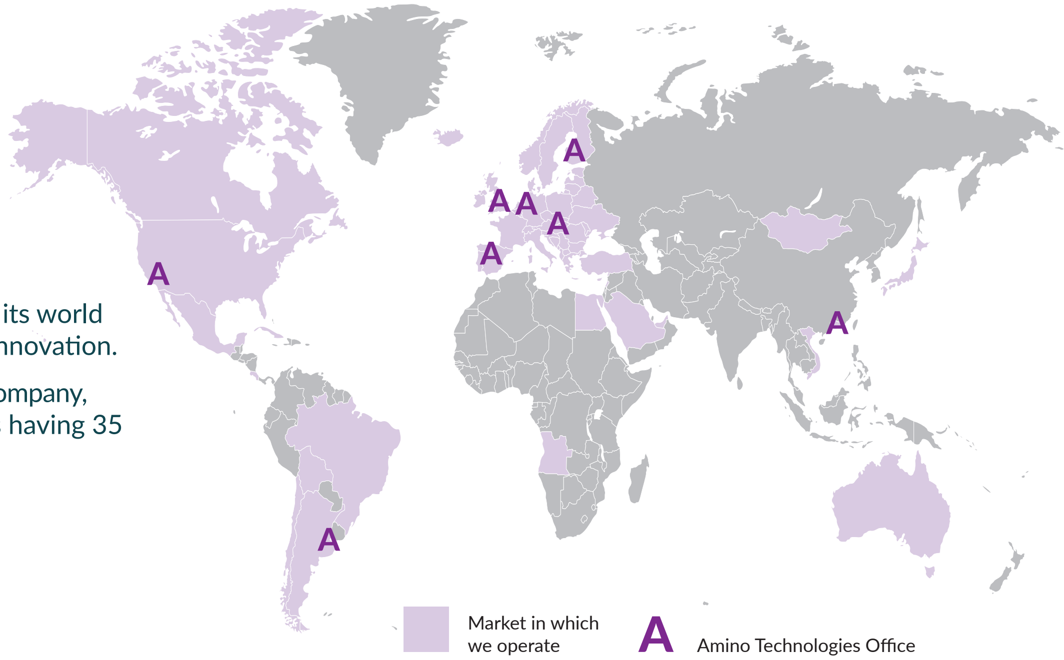
Here are some actions we have already taken to meet our social development goals and contribute towards our Ikigai.

- Our operating companies will be Net Carbon Zero by 2025, and our supply chain by 2030
- Post COVID, business travel will be reduced by at least 20% from pre-pandemic levels
- Our global #FutureIsBright graduate programme has been implemented to champion ambitious students and drive industry innovation

WHERE AND HOW WE OPERATE

Amino Technologies plc is proud of its world class team and a strong culture of innovation.

Diversity is also a key focus for the company, our employees come from countries having 35 different nationalities.



OUR VALUES

WE ARE DRIVEN BY INNOVATION

We strive to be open and creative in delivering solutions.

WE CONCENTRATE ON PROVIDING VALUE WHILE BEING FINANCIALLY AND SOCIALLY RESPONSIBLE

We focus on delivering customer value and our contribution to society as a whole.

OUR CULTURE IS UNDERPINNED BY AMBITION AND TRUST IN WORKING WITH OTHERS

We have the courage to pursue and share new ideas with colleagues.

IT IS IMPORTANT THAT WE EXPERIENCE DAILY HAPPINESS IN OUR WORK

We work in a fair, diverse and inclusive environment that fosters individuality, collaboration, and creativity.

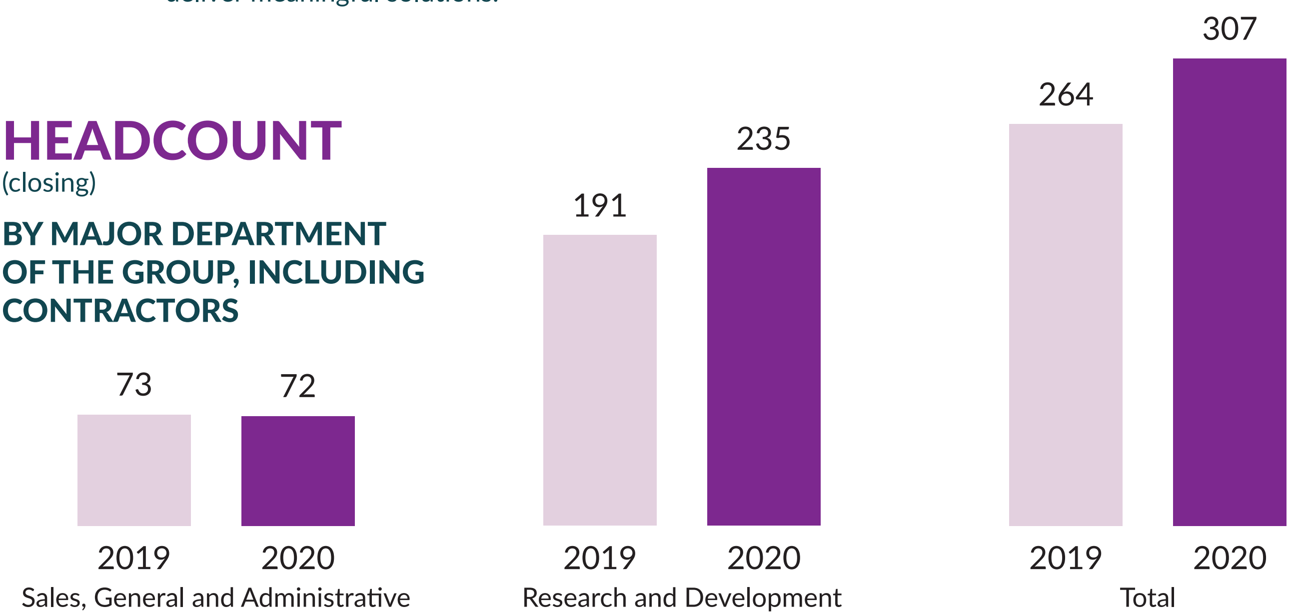
OUR KEY FOCUS IS OUR CUSTOMERS

We respond rapidly to customer needs to deliver meaningful solutions.

HEADCOUNT

(closing)

BY MAJOR DEPARTMENT OF THE GROUP, INCLUDING CONTRACTORS



NON-EXECUTIVE CHAIR

KAREN BACH

HIGHLIGHTS:

- Strong financial results proving resilience of the business model
- Launch of Amino 2025 strategy to drive organic and acquired software-led growth and capitalising on the structural shifts in the TV market
- Strengthening of the Board with appointment of Steve Oetegenn
- New dividend policy to deliver returns via both growth and income

This has been a successful year for Amino, delivering a strong and resilient trading performance as we continue to execute against our strategy and make progress on driving software growth. Like many businesses our model has been tested and we are pleased to report all key metrics tracked ahead of last year. This is especially commendable given the unprecedented and continuing challenges provided by the COVID-19 pandemic. On behalf of the Board, I would like to thank the Amino team for their ongoing resilience, outstanding delivery for customers and dedication in working to ensure services remained at a high level throughout a challenging year. This strong set of results has been delivered due to their continued commitment to service our customers across the world all while mostly working from home.

AMINO'S VISION AND PURPOSE

Consumers want choice, usability, and convenience. Amino's own research highlights how these three requirements are now shaping what customers need to remain competitive. At Amino, we have a dedicated and amazing team of over 300 people who are experts in creating software-led solutions to deliver modern TV experiences.

There is a significant opportunity arising from a structural shift in how viewers access and watch TV and video. COVID-19 has accelerated the convergence of traditional TV and modern video streaming –this 'best of both worlds' is what consumers crave. Amino's end-to-end software solutions and services address this market need by providing media and broadcast technology that delivers traditional and modern viewing to all. The Group has worked hard in 2020 to position Amino for future success and has recently launched our 'Amino 2025 strategy' to enable this convergence of streaming services which is where we see the greatest opportunities for growth. Our Amino 2025 strategy is built around our vision of making it easy for people to connect to the TV and video they love.

AMINO'S GROUP STRATEGY TO 2025

The Group has a clear strategy focussed on building a predictable, software-driven growth business, with a proven track record of expanding our addressable market both organically and through targeted M&A. Our strategy is to continue growing margin through value-based investments; to maintain strong levels of cash generation; and deliver appropriate returns to shareholders as well as investment for the future growth of the Company.

Our Group strategy to 2025 is focused on building four key drivers as follows:

- **Transformation to a software-led company**
  Amino is a software-led business focused on growing higher margin recurring software revenue.
- **Data centric product development: to drive growth and innovation**
  Amino will enhance value through constant innovation and investment in our platforms to ensure the latest features and functionality are available to our customers.
- **A product roadmap focussed on the consumer experience**
  Amino aims to deliver viewer choice, usability and convenience.
- **M&A strategy to further underpin growth**
  Amino aims to augment its organic growth plans through targeted software-led, recurring revenue M&A opportunities. Our ambition is to triple Group revenues and drive recurring revenue as a percentage of Group software revenues to 70% by 2025.

ENVIRONMENT, SOCIAL AND GOVERNANCE ("ESG") PROGRESS

Amino's ESG report sets out the commitments we are making, in line with our vision, to support a sustainable future. These have been developed in line with the Japanese concept of Ikigai which means "a reason for being". I feel fortunate to Chair the Board of a Company that has put so much emphasis on investing in its people this year, including launching its first formal graduate programme. Our diversity and inclusion survey conducted in the second half of 2020 showed that Amino is a fun and inclusive place to work with an engaging corporate culture.

The Board has played a key part in fostering diversity and inclusion and during the year commenced a Board observer and mentoring programme which will help develop future talent.

BOARD APPOINTMENT

On 19 January 2021, I was delighted to appoint Steve Oetegenn as a Non-Executive Director. Steve brings a wealth of experience in building and running software companies within Amino's industry and therefore strengthens the Board's experience in this respect.

DIVIDEND

At the beginning of the year the Board took the difficult but necessary decision to suspend the dividend in the light of the global pandemic and associated uncertainty. I would like to take the opportunity to thank shareholders for their support in this regard. Our new dividend policy, to deliver returns to shareholders via growth and income, was announced in December and reflects the Company's growth ambitions. This policy of paying between 33-50% of adjusted EPS in dividend is expected to provide shareholders with a growing income stream whilst allowing the Company to invest in growth.

In line with this policy the Board recommends a final dividend of 1.87 pence per share.

Karen Bach
Chair
8 February 2021

GROUP CHIEF EXECUTIVE OFFICER

DONALD MCGARVA

HIGHLIGHTS:

- Software-led business model representing 24% of revenues
- New business wins at Slovak Telecom, CWC, Broadway HD and Topic
- Achieved growth across all five Key Performance Indicators
- Clear strategy and financial platform to deliver organic growth and M&A

2020 has undoubtedly been an unprecedented year. It has been a year in which we have made clear progress in transforming our quality of earnings, growing software revenues 49% to $19.5m, strengthening Exit ARR[1] by 12% to $10.6m and landing new customers as well as expanding existing relationships.

Overall, we have delivered a resilient performance and have made clear progress to position Amino to deliver increasingly predictable software-driven growth and returns by enabling our customers to stay ahead of consumer demands. This achievement has been made possible by the passion of our employees, our innovative software solutions, and the strength of our customer relationships.

COVID-19 has provided all of us with work and personal life challenges. We took early and decisive management action during the onset of COVID-19 and throughout this period we have followed the wisdom that looking after our employees and our employees looking after our customers means our customers will look after the business, and this is reflected in our results.

I'm proud of our talented and dedicated team all of whom have stepped up to service our global customers throughout the pandemic whilst working remotely. We would like to thank them for being agile and adapting quickly to this new normal whilst at the same time continuing to stay close to our customers.

AMINO 2025 STRATEGY

We are at the heart of enabling a structural shift in the soon to be $167bn streaming market. We have identified the customer needs 'the best of both worlds' from streaming and Pay TV. Video on demand and live TV is where we can add the most value, providing a seamless viewer experience. This change is consumer driven and continues to gather pace. We have formulated our 2025 strategy in line with this. We're actively growing our software and services revenues to create an increasingly predictable, visible and resilient model to deliver profitable growth and have made clear progress in 2020.

HOW, WHEN AND WHERE CONSUMERS WATCH TV IS CHANGING

Amino's vision is to make it easy for viewers to connect to the TV and video they love. At the same time, we make it easy for the people who deliver TV to stay ahead of evolving viewer demands.

The biggest challenge in our industry today is to provide the 'best of both worlds' – video on demand and live TV working together seamlessly. This is what modern consumers want. And at Amino we do just that!

At Amino we simplify the complex to enable greater viewer choice, usability and convenience. Our end-to-end software-led solutions put all TV and video streaming content in one place, just how the viewer wants it. This means we enable our customers: Pay TV operators, broadcasters and media owners - to stay ahead of evolving viewer demands to provide smarter, more cost-effective ways of delivering modern TV and video experiences to their customers.

We are at the forefront of the major shifts in the way the world consumes TV with our end-to-end solutions out mapped to the clear market need. Our belief and knowhow is underpinned by staying close to our customers, consumers and our in-house market research including our Amino Voice of Consumer Survey 2020, which identified that 51% of consumers subscribe to both streaming and Pay TV services and demand advanced features from both.

HOW WE ADDRESS THE MARKET

The Pay TV industry is also forecast by Digital TV Research to grow by 4% to 1.1bn subscribers by 2025 creating further growth opportunities. Given the opportunity to map our solutions to the market need to enable the 'best of both worlds' – Video on demand and live TV, the Group has therefore been developing its focus around two key market opportunities:

- **MULTISCREEN VIDEO** – Any device, any time and any place. Multiscreen Video establishes a transparent, right-sized model for deploying end-to-end service capabilities for delivering video from any source (live or on-demand) across any network to any screen. Service providers only pay for what they need, when they need it.
  - **YOUFONE**, a Netherlands based MVNO[2], have deployed our cost-effective end to end solution in record time (5 months).
- **PAY TV+** – Making streaming features available to Pay TV customers. Pay TV+ is how we help operators become super aggregators, delivering streaming alongside linear channels with the user experience expected by subscribers. This is enhanced by cloud-based management of devices, apps and the user interface.
  - **GO** and **CABLENET** have both deployed our Android Pay TV+ solution enabling them to extend the life of their existing video platform but crucially add a new modern user experience and leading streaming services for their subscribers.

We therefore create the media and broadcast technology that delivers traditional and modern viewing to all.

KEY PERFORMANCE INDICATORS

The Group monitors five key performance indicators which underpin our strategic progress, all of which have improved this year.

$m	2020	2019
Total revenue	82.7	77.2
Software and services revenue	19.5	13.0
% of adjusted gross profit from software and services	40%	31%
Annual run-rate recurring revenue at 30 November	10.6	9.5
Adjusted gross margin %[3]	48%	46%
Adjusted operating cash flow (note 28)	18.2	17.2

Strong progress has been made in delivering on our software-led strategy with high single digit total revenue growth and a 49% increase in software and service revenues. Our goal of driving increasingly predictable revenues continues to progress with a double digit increase in exit run-rate recurring revenues in the year and with improved adjusted gross margins maintained against the challenging backdrop of COVID-19. The Group also continues to generate strong operating cash flows.

GROUP COMPANY UPDATES

24i

24i offers a robust technology platform that streams TV and video programming to any type of screen. The company has a 10-year market-leading position and works with customers like NPO, KPN, Delta and Pureflix.

Building on our strong performance in H1, 24i continues to grow. Organic revenues have grown 10% (unaudited) as we have successfully increased business from existing customers and, even allowing for COVID-19 lockdowns and travel restrictions, from new business wins.

COVID-19 has accelerated the need for streaming TV and video on demand across the world and 24i's broadcast and streaming customers all saw significant increases in demand. For example, as theatres around the world went dark, 24i helped customer Broadway HD to achieve record traffic and subscriber sign-ups when partnerships with celebrities like Hugh Jackman, saw social media coordinating global "watch parties" of their content.

In the first quarter of the year we launched our Next-gen Smart Apps platform, enabling our customers to deploy faster and more cost-effectively. Slovak Telekom, part of the Deutsche Telekom group, was our first customer, going live with its Magio Go brand in Slovakia in May. By the end of the year, it had extended use of the 24i platform to launch a second brand in Slovakia and another in the Czech Republic.

Meanwhile in South America our long-term customer Entel launched Chile's first Android TV STB service and a complimentary service on Smart TVs. Sports rights owners continue to show keen interest in the Smart Apps solution. The latest being Caribbean broadband and Pay TV operator CWC which launched its new streaming service, Flow Sports based on an end-to-end solution from 24i.

In the summer, Youfone, a mobile virtual network operator based in the Netherlands, became our first joint deployment with Amino, combining Smart Apps, Smart Video and Amino STBs to create a truly end-to-end Pay TV solution. The Android TV service has resulted in a high-growth customer expanding rapidly.

In 2021, we are investing in our sales, marketing and products to build our pipeline. Our focus is to prioritise driving recurring revenues from our video platforms. Partnership is also an important area of focus and we launched our Smart eco-system partnership program with pre-integrated partners such as Cleeng, Vionlabs, Xroad Media, Jump and Century Link. We are delighted to welcome Verizon Media to partner with 24i for an end-to-end solution to deliver faster and more profitable streaming services.

amino

Amino seamlessly connects Pay TV to streaming services and provides the features required in a multiscreen entertainment world. The company has a 20-year heritage with customers like PCCW, Cincinnati Bell, T-Mobile Netherlands and Entel Bolivia.

Amino continues to deliver excellent results in revenue and margin. Device revenues have remained stable along with gross margins.

Supply chain management capability has yet again enabled us to deliver in a challenging economic environment especially given the shut down in China in February and March owing to lockdown restrictions. At the end of the year we overcame component shortages arising from scarcity of certain material and longer lead times on some key components. One of our silicon chip providers has also recently significantly increased lead times. As a result, we have been working closely with our customers to secure orders early and investing in inventory to lead the sector in time to product. We believe we are well placed to maintain our supply chain performance into 2021.

There has been a significant rise in revenue in EMEA (20%) and LATAM (7%) due to demand from our larger scale customers and our regional distributor selling strongly in the period. The increase in sales was offset by a reduction in sales in North America (-19%) caused by a decline in hospitality projects due to COVID-19. In addition, sales of higher cost DVR devices are being replaced with lower cost Android devices, as we had forecasted, lowering our average selling price.

Engage, our SaaS Service Management platform, has seen significant volume growth in the period due to improved customer success programs and sales focus. The number of devices managed by this service has increased by 69% in the period. This product is a key focus for sales in 2021 as we build ARR.

ENVIRONMENT, SOCIAL AND GOVERNANCE ("ESG")

ESG is a focus for the company and we have set out our policies and goals in more detail in the ESG section of the annual report. During the year we have continued to empower our teams to put sustainability on the agenda throughout the Group. I would like to highlight a few active projects that illustrate our commitment to make ESG a central part of our day-to-day operations:

- Firstly, during the year the company launched its #futureisbright graduate scheme which is opening doors to young people to a two-year job commitment in these difficult times. We feel very fortunate to be able to offer young people a solid start to their careers;
- Secondly, we surveyed all our employees during the year as part of our Diversity and Inclusion programme. The results of this survey, performed by a third party, showed that employees were engaged and scored higher than average on the Diversity and Inclusion Index compared to external benchmarks. The survey also highlighted that the Company's Employee Net Promoter Score was excellent at +26;
- Lastly, the company aims to be carbon neutral by 2025 and fully throughout our supply chain by 2030. We are actively working through projects designed to meet these goals and I am confident we will achieve them.

CURRENT TRADING OUTLOOK

Throughout this unprecedented year our employees globally have really pulled together and I firmly believe our business and culture stand even stronger today. We have delivered a robust performance in a challenging year with a clear strategy for growth as we look to execute our Amino 2025 strategy.

The Group is trading in line with its expectations as we continue to focus on growing software and services profits, year to date ARR and strengthening long term relationships. We have a strong balance sheet, no debt and continue to assess M&A opportunities that will help drive the business forward to its long-term goals.

COVID-19 has accelerated the need for streaming TV and video on demand across the world. Amino is positioned to capture this opportunity, making it easy for people to connect to the TV and video they love. To keep pace with this change, the owners and distributors of TV programming need to rapidly evolve their business models and our technology and solutions make this evolution possible. We have positioned Amino in 'the best of both worlds' – it is this convergence of streaming services where we see a great opportunity for growth. There is a clear need for the software-led solutions and services that we deliver which gives us confidence as we enter a new financial year.

We enter 2021 with enhanced visibility and quality of earnings and our Amino 2025 strategy to enable the structural shifts in the TV market through innovative software with the aim of delivering significant revenue and profit growth over the medium term. This growth is expected to be delivered both organically, and from the execution of selective M&A opportunities.

Donald McGarva
Group Chief Executive Officer
8 February 2021

(1) Exit ARR is annual run-rate recurring revenue as at 30 November 2020
(2) Mobile virtual network operator
(3) Gross margin adjusted for exceptional items

GROUP CHIEF FINANCIAL OFFICER

MARK CARLISLE

HIGHLIGHTS:

- Successfully navigated COVID-19 delivering 7% revenue growth
- High margin software revenues grew by 49% to $19.5m
- Greater visibility with exit run-rate ARR increasing to $10.6m
- Strong operating cash generation fuels growth opportunities

In line with the Group's strategic priorities set out last year, the financial results of 2020 reflect the expansion of the Group's addressable market and growth in Group margins as a result of high margin software growth and strong levels of operating cash generation.

Total revenue increased by 7% to $82.7m (2019: $77.2m) which reflects organic growth from expanded markets and the acquisition of 24i in July 2019.

High margin software revenues increased by 49% to $19.5m (2019: $13.0m), which included organic growth and the impact of the acquisition of 24i. Software and services adjusted gross profit represented 40% of total adjusted gross profit in the year, an increase from 31% in 2019. Adjusted gross margin therefore also increased to 48% (2019: 46%). In addition, the visibility of the Group's revenues increased as exit run-rate Annual Recurring Revenues (ARR) increased to $10.6m (2019: $9.5m).

The Group continued to generate strong operating cash flows. Adjusted operating cash flow before restructuring and acquisition costs was $18.2m (2019: $17.2m) representing an adjusted EBITDA cash conversion of 110% (2019: 114%). Operating cash flow was $16.8m (2019: $13.8m).

The Group had net cash of $9.5m at 30 November 2020 (2019: $1.4m). The Group maintains a $15m multicurrency revolving credit facility with Barclays which is currently undrawn and runs to November 2022.

REVENUE AND GROSS PROFIT

$m	2020	2019	Change
Software and services			
Revenue	19.5	13.0	49%
% recurring	55%	56%	
Adjusted gross profit	15.8	11.0	44%
GM%	81%	84%	
Devices including integrated software			
Revenue	63.2	64.2	(2%)
Adjusted gross profit	23.9	24.7	(3%)
GM%	38%	41%	
Total			
Revenue	82.7	77.2	7%
% recurring	13%	9%	
Adjusted gross profit	39.7	35.9	11%
GM%	48%	46%	

Software and services revenues represent revenues from our 24i division, our AminoOS software (sold independently from devices), as well as support for our Amino Devices.

Software and services revenues increased by 49% in the year after the first full year following the acquisition of 24i Unit Media BV in July 2019. Including proforma revenue for 24i in H1 2019, organic growth in software and service revenues for the Group was 8% (unaudited). Software and services revenues are now 24% of total revenues for the period (2019: 17%). At 30 November 2020 annual run-rate recurring revenues increased to $10.6m (2019: $9.5m).

SEGMENT RESULT

	Revenue		Segment result	
$m	2020	2019	2020	2019
24i	15.2	8.8	0.5	0.0
Amino	67.5	68.4	18.2	17.1
Central costs	-	-	(2.0)	(2.3)
Total	82.7	77.2	16.7	14.8

The segment result shown above is in accordance with those shown to the Chief Operating Decision Maker. Segment result has been calculated as Adjusted EBITDA for each segment; the Adjusted EBITDA for the year ended 30 November 2020 was $16.7m (2019: $14.8m). Adjusted EBITDA is a company specific measure which is calculated as operating profit before depreciation, interest, tax, amortisation, exceptional items and employee share-based payment charges. This is consistent with the way the financial performance of the Group is presented to the Board and Chief Operating Decision Maker.

The result of implementing IFRS16 Leases has been to move $1.2m of costs in 2020 from operating expenses into depreciation and interest. Further details are set out in note 16 and 34.

The Directors believe that this provides a more meaningful comparison of how the business is managed and measured on a day-to-day basis.

24i SEGMENT RESULT

$m	2020	2019
Software and services	15.2	8.8
Revenue	15.2	8.8
Cost of Sales	(3.3)	(1.9)
Gross margin	11.9	6.9
Gross margin %	78%	78%
Operating costs	(11.4)	(6.9)
Segment result	0.5	0.0
Segment margin	4%	n.a.
Capitalised development costs	3.7	1.9

The 24i segment comprises the results of 24i Unit Media BV Group, acquired in July 2019 and the results of the Amino Communications Oy company that was contributed to the 24i division at that time. Amino Communications Oy runs the Smart Video service.

AMINO SEGMENT RESULT

$m	2020	2019
Software and services	4.3	4.2
Devices including integrated software	63.2	64.2
Revenue	67.5	68.4
Cost of Sales	(39.7)	(39.6)
Gross margin	27.8	28.8
Gross margin %	41%	42%
Operating costs	(9.6)	(11.7)
Segment result	18.2	17.1
Segment margin	27%	25%
Capitalised development costs	1.8	2.2

The Amino segment comprises the results of the sales of Amino Devices, related support as well as the AminoOS middleware and Amino Engage device management platform.

Amino continues to sell its products directly to Tier 2 customers and to Tier 3 and 4 customers via distributors. The Group has two customers which each have more than 10% of total Group revenue, both of whom are Amino customers and are distributors.

CENTRAL COSTS

$m	2020	2019
Operating costs	(2.0)	(2.3)
Segment result	(2.0)	(2.3)

Central costs comprise the costs of the Board, including executive directors as well as costs associated with the Company's listing on the London Stock Exchange.

ADJUSTED EBITDA

Adjusted EBITDA for the year to 30 November 2020 was $16.7m (2019: $14.8m). Adjusted EBITDA is a non-GAAP company specific measure. It is presented here consistently with the way the financial performance of the Group is presented to the Board and Chief Operating Decision Maker. The Directors believe that this provides a more meaningful comparison of how the business is managed and measured on a day-to-day basis.

$m	2020	2019
Revenue	82.7	77.2
Cost of Sales	(43.0)	(41.5)
Gross margin	39.7	35.7
Gross margin %	48%	46%
Research and development	(10.6)	(8.7)
SG&A	(12.4)	(12.2)
Adjusted EBITDA	16.7	14.8

The Group continues to invest in research and in the development of new products and spent $16.1m on R&D activities (2019: $12.8m) of which $5.5m was capitalised (2019: $4.1m).

A reconciliation of Adjusted EBITDA to operating profit is provided as follows:

$m	2020	2019
Adjusted EBITDA	16.7	14.8
Exceptional items:		
• Within cost of sales	0.9	1.5
• Within operating expenses	(1.4)	(2.5)
Employee share-based payment charge	(0.7)	(0.8)
Depreciation and amortisation	(10.4)	(8.7)
Operating profit	5.1	4.3

EXCEPTIONAL ITEMS

Exceptional items within cost of sales in 2020 comprised a $0.9m credit in respect of royalty costs recognised in prior years which have subsequently been renegotiated.

Exceptional items included within operating expenses in 2020 comprised:

- $0.2m one- off costs primarily incurred in respect of the acquisition of 24i Unit Media BV; and
- $1.2m contingent post-acquisition remuneration in respect of the acquisition of 24i Unit Media BV.

DEPRECIATION AND AMORTISATION

Excluding amortisation of intangibles recognised on acquisition, depreciation and amortisation increased to $6.2m (2019: $4.6m) as a result of the implementation of IFRS 16 Leases which required the recognition of and subsequent depreciation of right of use assets. More details on this can be found in note 34. Amortisation of intangibles recognised on acquisition was $4.2m (2019: $4.1m).

TAXATION

The tax charge of $1.7m comprises:

- a $1.9m current tax charge;
- a $0.6m deferred tax charge relating to a reduction in the deferred tax asset as a result of losses used in the year; and
- a $0.8m credit relating to the unwind of the deferred tax liability recognised in respect of the amortisation of intangible assets recognised on acquisition.

Profit after tax was $2.7m (2019: $2.9m).

CASH FLOW

Adjusted cash flow from operations was $18.2m (2019: $17.2m) and represented 110% of adjusted EBITDA (2019: 114%). Exceptional cash flows in 2020 comprised one-off costs of $0.3m and $1.1m payment of deferred consideration, both related to the acquisition of 24i.

Including these exceptional cash out-flows cash generated from operations was $16.8m (2019: $13.8m).

During the year the Group spent $0.3m (2019: $0.1m) on capital expenditure in respect of tangible fixed assets and capitalised $5.5m of research and development costs and software licenses. The Group paid dividends of $nil in the year (2019: $6.9m).

The Group generated free cash flow of $9.3m (2019: $8.5m) in the year. Free cash flow is cash flow from operations, excluding acquisition-related remuneration, less capital expenditure, IFRS 16 lease payments, taxation and net interest.

FINANCIAL POSITION

The cash balance at 30 November 2020 was $9.5m (2019: $8.6m). The Group also has a $15m multicurrency revolving credit facility which expires in November 2022, of which $nil was drawn at 30 November 2020 (2019: $7.2m).

At 30 November 2020 the Group had equity of $89.1m (2019: $82.6m) and net current assets of $0.5m (2019: net current liabilities $2.3m). 51% of trade receivables were insured (2019: 70%) and debtor days were 23 days (2019: 27 days).

DIVIDEND

The Board has recommended a full year dividend of 2.39 US cents (1.87 pence) per share. Subject to shareholder approval at the annual general meeting to be held on 18 March 2021, the dividend will be payable on 23 April 2021, to shareholders on the register on 6 April 2021, with a corresponding ex-dividend date of 1 April 2021.

Mark Carlisle
Group Chief Financial Officer
8 February 2021

PRINCIPAL RISKS AND UNCERTAINTIES

The Group undertakes an annual risk review to identify risks which are considered by the Board to be material to the development, performance, position or future prospects of the Group. Amino does not have a dedicated risk management or internal audit function, consequently the risk management review is carried out by the executive management team. Risks within the Group are categorised with four areas: Strategic, Operational, Financial and Compliance related. The following risks are considered to be material. The risks and mitigations taken are summarised in the table below. They are not set out in priority order.

Risks	Description and potential impact	Mitigation action/Control
Consumer viewing habits/industry disruption	In a world where more content is being produced than ever before, consumers are shifting viewing habits. If the Group fails to adapt and/or innovate and respond effectively to these rapidly changing consumer trends, the Group's solutions may become less competitive or obsolete.	The Group continually monitors the markets of its products and solutions. The Board undertakes a strategic review of the Group's go-to-market propositions twice per year in order to make investment decisions. The Group's business model and go to market strategy is set out on pages 4 to 8.
Cyber Security	A security breach of the Groups' IT systems or Denial of Service ("DoS") attack could significantly disrupt its operations, damage its reputation and potentially expose it to fines under legislation such as GDPR.	The Group has a Security Committee, responsible for the IT security of the Group which continually monitors IT security threats and reviews the Group's IT security policies and procedures.
Reliance on a limited number of key suppliers	The Amino Device business is dependent on a limited number of key suppliers for key components such as Silicon and Memory.	The Group mitigates this risk by maintaining close relationships with key suppliers and diversifying product portfolios using multiple suppliers.
Disruption to the global supply chain	The supply chain for the Group's products and services is global. It is therefore subject to disruption from political, social and economic forces as well as pandemics (for example COVID-19) and natural disasters across multiple countries.	This risk is mitigated for the Group's Amino Device business using multiple hardware suppliers in the South East Asia region, particularly China, Hong Kong and Taiwan.
International trade barriers	There is a risk that supply chains and sales are interrupted as cross border tariffs and/or sanctions are imposed by individual countries.	The Group has put in place contingency plans and monitors global events closely to be able to react quickly to political events that would have an adverse impact on its activities. The Group has considered the impact of the UK leaving the EU and put mitigating controls in place that ensured the supply chain for its devices has not been disrupted.
People	If the Group fails to recruit and retain individuals with the appropriate skills and experience its performance may suffer.	The Group undertakes an annual succession planning exercise to identify individuals that are key to retain as well as the training and development needs of its people. Annual reviews of remuneration structure are undertaken to promote retention and reward superior performance.
Impact of Brexit	The United Kingdom ('UK') formally left the European Union ('EU'), on 31 January 2020.	The directors deem that the effects of the UK leaving the EU has not had a significant impact on the Group and Company's operations due to the global geographical footprint of the business and the nature of is operations. However, the directors and management are constantly monitoring the situation to manage the risk of the return of any volatility in the global financial markets and impact on global economic performance.

The Strategic Report was approved and authorised for issue by the Board of Directors on 8 February 2021 and is signed on its behalf by:

Mark Carlisle
Director

SECTION 172 STATEMENT

PROMOTING THE SUCCESS OF AMINO TECHNOLOGIES PLC

Set out below is a summary of how the Directors have performed their duty under section 172 of the Companies Act 2006 to promote the success of the Company, including how these matters and the interests of the Company's stakeholders have been taken into account in Board discussions and decision-making.

BOARD EFFECTIVENESS AND TRAINING

In March 2020, the Board held an internal effectiveness review lead by Karen Bach. This review concluded that high-quality information was reviewed by the Board and appropriate time was allowed for Board discussion. As a result of this review: Group strategy update, Diversity and Inclusion; and ESG were added as priority agenda items for the year ahead as the Board believes that these are important for the long-term success of the Company.

The Board is kept up to date with relevant industry knowledge. Each Director has access to relevant industry publications, attends regular business reviews presented by the executive management team and receives presentations from industry experts when reviewing strategy. Donald McGarva is Chairman of the CBI East of England regional council and the Directors benefit from being able to access CBI resources, webinars and conferences.

STRATEGY

During the year, the Board reviewed the Group's strategy as set out by the executive Directors. This review included meetings held with key members of the executive management team during which time the Board were also able to review in more detail the operations of the Group. The Group's vision and strategy are set out in the Strategic Review section of this annual report on pages 1-14 as well as the ESG framework on page 7. In doing this, the Board believes that the Company's vision and values have been well articulated to all key stakeholders.

STAKEHOLDER ENGAGEMENT

The Board is committed to engaging with key stakeholders. The Directors benefit from this engagement by gaining a holistic view of the Company's business and improved insight into their needs. This means that the Directors can better understand the impact of their decisions and leads to more productive and balanced Board discussions. Set out below is a summary of the Board's engagement with key stakeholders during the year:

• OUR PEOPLE

The Board conducts meetings in key office locations of the Group every year. This year the Board held a Board meeting in Amsterdam in January 2020 where it met with employees as well as key members of the executive management team during a more detailed review of the Group's operations. In 2019 the Board visited the Group's Hong Kong office.

Hong Kong was the first office location to be impacted by Covid-19 in February 2020. The Board has closely monitored the risks associated by both the impact of the political situation in Hong Kong and the impact of Covid-19 throughout the year. The Board has also closely monitored the Covid-19 response plan that was implemented by the Group CEO for all employees in March 2020 and that has continued throughout the year.

The Board also reviewed the results of the Group Employee Survey 2020 which was implemented as part of the Board's Diversity and Inclusion agenda. The results of this survey, performed by a third party, showed that employees were engaged and scored higher than average on the Diversity and Inclusion Index compared to external benchmarks. The survey also highlighted that the Company's Employee Net Promoter Score was excellent at +26.

• INVESTORS

The Board continues to regularly engage with its investors. Following the release of the Group's results in March 2020 and August 2020, Donald McGarva and Mark Carlisle embarked on roadshows to speak directly with institutional investors. In addition, in August 2020 Donald and Mark presented the results in a presentation and Q&A session delivered on the Investor Meet Company online platform. The Company also held a capital markets day in June 2020 where Donald McGarva, Joachim Bergman and key members of the executive management team presented more detail of its strategy and 24i operations to 27 institutional investors and analysts.

• SUPPLIERS

Whilst it has not been possible for any of the Directors to visit the Group's key suppliers in Asia, Donald McGarva and members of the executive management team have maintained a regular dialogue with them during the year. The risks associated with delays and constraints to the supply chain as a result of the Covid-19 pandemic have had the potential to have a material impact on the Group. Consequently, Donald has kept the Board constantly updated.

• CUSTOMERS

The Company conducts an annual "Voice of the Customer" survey, the results of which are presented to the Board and were also included as input into the Group's strategy update. The executive Directors also maintain direct relationships with the Group's largest customers.

DECISION MAKING

The principal decisions made by the Board that were material to the Group's strategy in 2020 related to the Dividend.

- In March 2020, the Board reviewed the risks and potential material impact of Covid-19 on the Group and took the decision to withdraw the 2019 final dividend resolution at the Company's AGM. This was done having reviewed scenario plans presented by the executive Directors and the potential impact on the liquidity of the Group's cash resources.
- In December 2020, the Board announced a new dividend policy to shareholders. This policy was reviewed in the context of capital required to execute on the Group's strategy, current trading and feedback from institutional investors.

BOARD OF DIRECTORS

KAREN BACH

Non-Executive Chair

Karen is a chair and non-exec director with strong technology, scale-up and transactional expertise. She describes herself as a lover of clever tech and is a huge fan of digitalisation and simplification. She chooses to work with teams with energy, passion and transparency. In addition to being Chair of Amino Technologies plc, Karen is Chair of Consult Red Ltd (media, IoT and connected device consulting), Chair of DeepMatter plc (Big data and analysis) non-exec director of Datapharm Ltd (health tech) and non-exec director of Escape Hunt Plc (escape rooms).

Previously she was Independent Chair of IXCellerate Ltd, non-exec director of Belvoir Lettings Plc and trustee of the Learning Foundation. Karen gained much experience internationally as CFO at growing technology businesses IXEurope Plc, ACS Plc and Kewill Plc and with blue chip multi-nationals including EDS France, MCI WorldCom, General Motors and Ernst & Young. Karen is also member of the 30% Club which supports boards to appoint more female directors and increase the pipeline of upcoming female talent.

DONALD MCGARVA

Group Chief Executive Officer

Donald joined Amino as a non-executive director in April 2010, becoming Chief Operating Officer in September of the same year and subsequently Chief Executive Officer in December 2011. Previously, he was Senior Vice President, Asia Pacific, for DHL, the global market leader in the logistics industry and is an internationally-minded Executive who has spent the majority of his career in Asia and the US, holding a variety of senior management positions in high growth technology, outsourcing and services companies including Fujitsu, BG Group and Celestica. Donald is an engineering graduate from the University of Strathclyde in Glasgow and commenced his career in the UK with ICL and is also a member of the Chartered Institute of Purchasing and Supply Chain (MCIPS).

MARK CARLISLE

Group Chief Financial Officer and Chief Operations Officer

Mark joined Amino in August 2016 and has significant experience in the leadership of public company finance teams. Prior to joining Amino Mark was Chief Financial Officer at Kape Plc (nèe Crossrider Plc) where he formed a key part of the team which successfully raised $75 million as part of its IPO on AIM in September 2014.

Prior to this, Mark served as Chief Financial Officer of FFastFill plc, a provider of technology solutions to the financial derivatives trading industry. In addition, Mark has ten years of audit experience, gained within the Technology Media and Telecommunications practice of Deloitte, where he served from 2000 to 2010.

JOACHIM BERGMAN

Co-CEO 24i

Joachim is jointly responsible, alongside 24i co-founder and co-CEO Martijn van Horssen, for driving 24i's continued growth opportunity in the online video sector. Joachim joined Amino as SVP Cloud Services in September 2017.

In 2019 Joachim's team successfully delivered the design and implementation of AminoTV's first multi-tenant online video solution. Joachim has spent over 20 years working in the telecoms and media sector, latterly for Ericsson as Chief Operating Officer for its Broadcast and Media Service division. Joachim has dual masters degrees from Åbo Akademi and Strathclyde University.

ERIKA SCHRANER

Non-Executive Director

Erika joined Amino as a non-executive director in March 2019. Erika is also a non-executive director and chair of the Nomination committee at JTC Group Plc, a global provider of fund, corporate and private wealth services. Her career spans 25 years in Silicon Valley and Europe specialising in technology, M&A and transformation.

Most recently as partner at PwC in London, Erika led M&A Advisory for the TMT sector and M&A Integration Services across the UK. Since 2007, Erika has been an investor in early-stage companies. Erika received a PhD from Stanford University in Management Sciences & Engineering and a MS in Mathematics from EPFL Switzerland.

STEPHEN VAUGHAN

Non-Executive Director

Through his career, Steve has held a number of executive and non-executive roles focused on the technology sector. Steve also has two other non-executive roles, sitting on the Board of Redcentric plc, the AIM-listed IT and network services provider, and Progressive Equity Research, the paid-for equity research house.

Until 2015, Steve was Chief Executive of Phoenix IT plc, the main-market listed IT Infrastructure Services business, and since then has been non-executive director of Mobica, a software development company, ECSC, a cyber-security consultancy and Chairman of NetNames, the internet services and online brand management company. He has previously been Chief Executive at Communisis plc and Synstar plc.

STEVE OETEGENN

Non-Executive Director

Prior to joining Amino, Steve Oetegenn was President of Verimatrix, a provider of revenue security solutions to the pay TV and on-line video industry. Steve has a wide range of experience in international business, having launched numerous high-tech products to the global marketplace.

Steve's background includes working with Global Pay TV providers, Government agencies, Global Banks, Fortune 500 companies and Major Hollywood studios. Prior to Verimatrix, he was COO of MediaSec Technologies LLC, a pioneer and leader in the field of digital watermarking, and COO of Argus Systems Group, a leading provider of Internet server security software. Steve is a featured speaker at numerous global conferences and is the recipient of the Lifetime Achievement award from the 2020 annual VideoTech Innovation Awards program.

Chair's Governance report

For the year ended 30 November 2020

As Chair of the Amino Technologies plc ("the Company") Board, it is my responsibility to ensure that the Board is performing its role effectively and has the capacity, ability, structure and support to enable it to continue to do so. We believe that a sound and well understood governance structure is essential to maintain the integrity of Amino Technologies plc and its subsidiaries (together "the Group") in all its actions, to enhance performance and to impact positively on our shareholders, staff, customers, suppliers and other stakeholders.

The Group has adopted the QCA Corporate Governance Code ("the Code") as the benchmark for measuring our adherence to good governance principles. These principles provide us with a clear framework for assessing our performance as a Board and as a company, and the report below shows how we apply the Code's ten guiding principles in practice.

Principle 1: Establish a strategy and business model which promotes long-term value for shareholders

The strategy and business operations of the Group are set out in the Strategic Report on pages 3 to 9.

The Group's vision is to make it easy for people to connect to the TV and video they love, when they want it. We simplify the complex to enable greater viewer choice, usability and convenience. This means our customers can provide smarter, more cost-effective ways of delivering modern TV and video experiences to their customers.

As the market continues to grow and develop, Amino's challenge is to ensure that new customers continue to recognise the real enduring advantages that employing its technology offers. The Board and Executive team meet twice a year to discuss strategy and future developments. Due to valuable input from our non-executive directors and the breadth of the experience of the Executive team, the Board does not consider that an external strategy review is necessary at this time.

Principle 2: Seek to understand and meet shareholder needs and expectations

The Company's executive directors meet at least twice a year with institutional shareholders, fund managers and analysts as part of an active investor relations programme to discuss long-term issues and obtain feedback. Private investors are encouraged to participate in the Annual General Meeting in addition to receiving the annual report and accounts.

The Company retains a corporate broker, finnCap, who hold further meetings with investors. finnCap and Progressive Equity Research prepare regular analysis of the Group's results and prospects, which are available on the investor website: www.aminotechnologies.com.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

Amino works with its employees, customers and suppliers to conduct its business in an ethical way. The Company is of a relatively small size but is committed to its Environment, Social and Governance policies set out on page 7.

Employees

The Company recognises that an essential part of its continued success is the support and involvement of its employees.

Effective communication is essential to ensure its employees are fully engaged with the business which include:

- Quarterly 'all-hands' presentations updating employees on Company performance against objectives;
- A monthly newsletter to staff;
- Annual employee appraisals to set objectives, identify strengths and areas for development;
- The provision of training where appropriate to enhance job performance and aid development; and
- A regular review of the benefits offered to employees.

The Group's revenue is dependent on delivering complex, viable technologies to specific markets and therefore ensures that cross-functional teams of senior employees work together and with customers to ensure the successful integration of its technologies.

Chair's Governance report (continued)

For the year ended 30 November 2020

Customers

The sales and product management team obtain feedback from customers regarding current products, new product ideas and customer service through regular interactions with customers mainly comprising face to face meetings.

The customer support ticket system includes a satisfaction indicator and optional comments on closure of each ticket. These results are monitored throughout the year and reviewed in more detail as part of the half yearly team meetings.

Suppliers

The Group sources its hardware products principally from manufacturers in the US, Taiwan and China. By establishing long-term relationships with suppliers, the Group seeks to mitigate the risk of fluctuating input prices, lengthening lead times and constraints in the supply of components.

Partners

A particular strength of the Group is the ability to partner with and rapidly integrate most suppliers of the different elements of the value chain within the online video ecosystem to deliver value to customers.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The directors recognise their responsibility for the Company's system of internal control and have established systems to ensure that an appropriate and reasonable level of oversight and control is provided. The Company's systems of internal control are designed to help the Company meet its business objectives by appropriately managing, rather than eliminating, the risks to those objectives. The controls can only provide reasonable, not absolute, assurance against material misstatement or loss.

The Executive team meets bi-annually to review both the risks facing the business and the controls established to minimise those risks and their effectiveness in operation on an ongoing basis. The aim of these reviews is to provide reasonable assurance that material risks and problems are identified, and appropriate action taken at an early stage. From this review the Company maintains its internal risk register which forms the foundation of the Audit Committee and Board review processes.

The Company maintains a comprehensive risk register which includes commercial, operational and financial internal and external risks that are assessed according to nature and magnitude and given a score based on the seriousness of the risk and the likelihood of the risk occurring. Those ranked in the highest category which are considered both serious and more likely to occur are managed by the executive directors and reviewed by the Board including monitoring actions to mitigate the risks. The senior management team manages the remainder of the risks and reviews them as part of the management meeting cycle. On an annual basis the whole register is reviewed and updated by the senior management team and presented for review by the Audit Committee and the Board. New potentially material risks which arise in the meantime, such as the potential effect of Covid-19, are added to the risk register and discussed at Board level as they arise.

The annual budget is reviewed and approved by the Board. Financial results, with comparisons to budget, latest forecasts and prior year are reported on a monthly basis to the Board together with a report on operational achievements, objectives and issues encountered. A quarterly reforecast to the end of the financial year is prepared and stress tested to highlight the potential impact of different scenarios such as a reduction in revenue or increase in costs. Significant variances from plan are discussed at Board meetings and actions set in place to address them.

Measures continue to be taken to review and embed internal controls and risk management procedures into the business processes of the organisation and to deal with areas of improvement which come to the management's and the Board's attention. Metrics and quality objectives continue to be actively implemented and monitored as part of a continual improvement programme.

The Company's auditor is encouraged to raise comments on internal control in their management letter following their audit, and the points raised and actions arising are monitored through to completion by the Audit Committee.

Chair’s Governance report (continued)

For the year ended 30 November 2020

The principal risks and uncertainties impacting the Company and how these are mitigated are detailed in the Strategic Report on page 14.

Principle 5: Maintain the Board as a well-functioning, balanced team led by the Chair

There is clear division of responsibility between the running of the Board and executive responsibility for running the Company’s business. The Chair, Karen Bach, is responsible for the leadership of the Board and setting the Board’s agenda. The Chief Executive, Donald McGarva, is responsible for running the Company’s business. There are two other executive directors: Chief Financial Officer, Mark Carlisle and Joachim Bergman, co-CEO of 24i.

The Company has four independent non-executive directors: Karen Bach, Steve Vaughan, Erika Schraner and Steve Oetegenn, who joined the Board on 19 January 2021.

The non-executive directors normally do not have any day-to-day involvement in the running of the business but are responsible for scrutinising the performance of management in meeting agreed goals and objectives and monitoring the reporting of performance. All directors are able to allocate sufficient time to the Company to discharge their responsibilities as directors.

All directors have access to the advice and services of the Company Secretary, are covered by directors and officers insurance and may take independent professional advice at the Group’s expense.

Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The background of all directors including details of their relevant experience, skills and capabilities is set out on pages 16 and 17.

There are four non-executive directors:

- Non-executive Chair Karen Bach has been a director of Amino since February 2016 and Chair since March 2019, and is considered to be independent;
- Non-executive Steve Vaughan has been a director of Amino since March 2019 and is considered to be independent. Steve is also chairman of the Remuneration Committee and the Senior Non-Executive Director.
- Non-executive Erika Schraner has been a director of Amino since March 2019 and is considered to be independent. Erika is also chair of the Audit Committee.
- Non-executive Steve Oetegenn has been a director of Amino since January 2021 and is considered to be independent.

Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

In March 2020 the Chair performed an evaluation of Board performance and effectiveness comprising interviews with board members. This was the second such evaluation and these are carried out bi-annually.

The evaluation covered:

- Board and committee composition (mix of skills, experience, diversity, and adequate succession planning);
- Contribution and effectiveness of the Chair and members of the Board/committee;
- Quality and timeliness of information;
- Board communication;
- Decision process (effectiveness of board strategy discussions);
- Board induction and training;
- Meeting arrangements and processes;
- Leadership and culture; and
- Internal control and risk management.

The purpose of the Board Evaluation Process was to identify the actions required to both improve the Board’s effectiveness and its level of compliance with the QCA Code. This evaluation concluded that high-quality information was reviewed by the Board and appropriate time was allowed for Board discussion. As a result of this evaluation, the Group strategy update, Diversity and Inclusion, and ESG were added as priority agenda items for the year ahead as the Board believes that these are important for the long-term success of the Company.

The Board recognises the importance of succession planning and diversity in ensuring that the Board remains effective and regularly reviews its composition. The most recent review of the Board's composition resulted in the appointment of Steve Oetegenn in January 2021 as an independent non-executive director. Steve has deep experience in streaming video and Pay-TV, particularly in the US market. Following these changes, the Board comprises 4 independent and 3 non-independent directors. Prior to this change the Board comprised 3 independent and 3 non-independent directors.

Principle 8: Promote a culture that is based on ethical values and behaviours

The Company has policies in place to address the issues covered by the Modern Slavery Act and the Bribery Act - https://investor.aminocom.com/about-us/slavery-and-human-trafficking-statement - that are issued to all staff and include a whistleblowing policy. The Board reviews these policies annually.

The Group's culture is based on a set of core values:

- We are driven by Innovation
  - We strive to be open and creative in delivering solutions
- Our culture is underpinned by ambition and trust in working with others
  - We have the courage to pursue and share new ideas with colleagues
- Our key focus is our customers
  - We respond rapidly to customer needs to deliver meaningful solutions
- We concentrate on providing value and are financially responsible
  - We are focused on delivering customer value and our contribution to society as a whole
- It is important that we experience daily happiness in our work
  - We work in a fair, diverse and inclusive environment that fosters individuality, collaboration and creativity

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

The Board is responsible for the overall strategy and leadership of the Group. The Board is also responsible for ensuring that the business has the necessary resources in place to meet its objectives. The Board provides leadership and a control framework which includes a continual risk assessment and management of the principal risks and uncertainties which are disclosed on page 14.

The Board is supplied with monthly financial and non-financial information in a timely manner to enable it to discharge its duties. The Board has a formal schedule of matters specifically reserved for decision by the Board and meets for scheduled Board meetings 11 times per year, plus ad hoc meetings as required. The Board also meets with management at two strategy days per year. In addition, the Board reviews and approves all trading updates and results announcements. The Group has established whistleblowing procedures under which employees can raise concerns in confidence about possible improprieties in matters of financial reporting or other areas.

Board committees

The Group has an audit committee, a nominations committee, and a remuneration committee. Each committee has written terms of reference which are reviewed on an annual basis and updated as required. These will be available for review at the Annual General Meeting for 2021 and are available for review in the Investor Relations section of the Group's website. The Board and its committees are considered to have the appropriate balance of skills, experience, independence and knowledge of the Company to enable them to discharge their respective duties and responsibilities effectively.

Chair's Governance report (continued)

For the year ended 30 November 2020

Remuneration committee

The Remuneration Committee is comprised of Steve Vaughan (chair of the committee), Karen Bach and Erika Schraner. The committee determines the Group's policy for executive remuneration and the individual remuneration packages for executive directors. The committee also considers grants of options under the Company's share option schemes. The policy of the committee is to grant share options to employees as part of a remuneration package to motivate them to contribute to the growth of the Group over the medium to long-term. The Chief Executive Officer may, at the committee's invitation, attend meetings, except where his own remuneration is discussed.

Audit committee

The Audit Committee is comprised of Erika Schraner (chair of the committee), Karen Bach and Steve Vaughan. Karen Bach has recent and relevant financial experience by virtue of her senior finance roles and holds a professional accountancy qualification. The committee aims to meet at least three times a year and at other times as agreed between the members of the committee. Executive directors and the Group's auditor may be invited to attend all or part of any meetings. The committee also meets with the Group's external auditor without the presence of the executive directors.

Nominations committee

The Nominations Committee is comprised of Karen Bach (chair of the committee), Steve Vaughan and Erika Schraner. The committee meets when appropriate and considers the composition of the board, retirements and appointments of additional and replacement directors and makes appropriate recommendations to the Board. The objective of the committee is to review the composition of the Board and to plan for its progressive refreshing, regarding balance and structure. The committee is responsible for reviewing the structure of the Board as well as evaluating the balance of skills, knowledge, experience and diversity of the Board.

The Board will continue to review the Company's governance framework to ensure that it remains appropriate for its size and complexity, considering plans for growth.

The number of formal meetings of the Board, Audit Committee ("Auditco"), Remuneration Committee ("Remco") and Nominations Committee ("Nomco") during the year ended 30 November 2020 and the attendance records of each Director are set out below:

Director	Number of meetings held during year/appointment				Number of meetings attended			
	Board	Auditco	Remco	Nomco	Board	Auditco	Remco	Nomco
Karen Bach	11	3	2	1	11	2	2	1
Donald McGarva	11	-	-	-	11	-	-	-
Mark Carlisle	11	-	-	-	11	-	-	-
Joachim Bergman	11	-	-	-	11	-	-	-
Erika Schraner	11	3	2	1	11	3	1	1
Steve Vaughan	11	3	2	1	11	2	2	1

Chair's Governance report (continued)

For the year ended 30 November 2020

Internal financial control

The Group has established policies covering the key areas of internal financial control and the appropriate procedures, controls, authority levels and reporting requirements which must be applied throughout the Group. The key procedures that have been established in respect of internal financial control are:

- internal control: the directors review the effectiveness of the Group's system of internal controls on a regular basis;
- financial reporting: there is in place a comprehensive system of financial reporting based on the annual budget approved by the Board. The results for the Group are reported monthly along with an analysis of key variances, and year-end forecasts are updated on a regular basis; and
- investment appraisal: applications for significant expenditure of either a revenue or capital nature are made in a format which places emphasis on the commercial and strategic justification as well as the financial returns. All significant projects require specific Board approval.

No system can provide absolute assurance against material misstatement or loss but the Group's systems are designed to provide reasonable assurance as to the reliability of financial information, ensuring proper control over income and expenditure, assets and liabilities.

Karen Bach
Chair
8 February 2021

Remuneration Committee report

For the year ended 30 November 2020

Remuneration Committee

The Remuneration Committee, chaired by Steve Vaughan and including Erika Schraner and Karen Bach, determines the Group's policy for executive remuneration and the individual remuneration packages for executive directors. In setting the Group's remuneration policy, the Remuneration Committee considers a number of factors including the following:

- salaries and benefits available to executive directors of comparable companies;
- the need to both attract and retain executives of appropriate calibre; and
- the continued commitment of executives to the Group's development through appropriate incentive schemes (including the award of shares and share options).

Remuneration of executive directors

Consistent with this policy, benefit packages awarded to executive directors comprise a mix of basic salary and performance-related remuneration that is designed as an incentive.

The remuneration packages comprise the following elements:

- base salary: the Remuneration Committee sets base salaries to reflect responsibilities and the skills, knowledge and experience of the individual;
- bonus scheme: the executive directors are eligible to receive a bonus dependent on both individual and Group performance as determined by the Remuneration Committee;
- equity: shares and share options; and
- car allowance, company contribution into a personal pension scheme, life assurance, private medical insurance and permanent health insurance.

The executive directors are engaged under separate contracts which require a notice period of six months given at any time by the Company or the individual.

Remuneration of non-executive directors

The fees paid to the non-executive directors are determined by the Board. With the exception of Karen Bach who receives health insurance, the non-executive directors do not receive any other forms of benefits such as health cover or pension. The notice periods of the non-executive chair and non-executive directors are three months.

Remuneration Committee report

For the year ended 30 November 2020

Directors' detailed emoluments and compensation – audited

Year ended 30 November 2020

USD$	Salary and fees	Bonus	Benefits	Sub-total	Pensions contributions	Total
Mark Carlisle	273,797	7,500	10,586	291,883	26,100	317,983
Donald McGarva [(1)]	381,734	7,500	3,592	392,826	41,677	434,503
Karen Bach	102,354	-	2,905	105,259	-	105,259
Erika Schraner	52,558	-	-	52,558	-	52,558
Stephen Vaughan	51,177	-	-	51,177	-	51,177
Steve McKay[(2)]	14,833	-	-	14,833	-	14,833
Michael Clegg[(3)]	16,333	-	-	16,333	-	16,333
Joachim Bergman	208,336	7,500	1,239	217,075	49,979	267,054
	1,101,122	**22,500**	**18,322**	**1,141,944**	**117,756**	**1,259,700**

Year ended 30 November 2019

USD$	Salary and fees	Bonus[(1)]	Benefits	Sub-total	Pensions contributions	Total
Keith Todd [(4)]	33,026	-	-	33,026	-	33,026
Mark Carlisle	272,614	232,992	6,878	512,484	25,987	538,471
Donald McGarva [(1)]	379,458	239,444	3,095	621,997	41,497	663,494
Karen Bach	86,910	-	682	87,592	-	87,592
Erika Schraner	30,526	-	-	30,526	-	30,526
Stephen Vaughan	34,886	-	-	34,886	-	34,886
Steve McKay	44,500	-	-	44,500	-	44,500
Michael Clegg[(3)]	62,500	-	-	62,500	-	62,500
	944,420	472,436	10,655	1,427,511	67,484	1,494,995

[(1)] Includes pension entitlement elected to be paid as salary of $41,677 (2019: $41,497)
[(2)] Steve McKay resigned as a director on 9 December 2019
[(3)] Michael Clegg's fees include $1,500 (2019: $13,500) for his role as chair of the IT security committee. He resigned as a director on 9 December 2019
[(4)] Keith Todd resigned as a director on 27 March 2019

Contributions were made to the personal pension schemes of one of the directors (2019: one), in accordance with their employment contracts.

The highest paid director was Donald McGarva (2019: Donald McGarva).

Steve McKay's fees were paid to Ignite Advisors LLC.

Remuneration Committee report

For the year ended 30 November 2020

Directors and their interests in shares

The directors held the following interests in Amino Technologies plc:

	At 30 November 2020		At 30 November 2019	
	Ordinary shares of 1p each Number	**Options over ordinary shares of 1p each Number**	Ordinary shares of 1p each Number	Options over ordinary shares of 1p each Number
Donald McGarva	**553,698**	**534,600**	544,698	310,000
Mark Carlisle	**8,751**	**388,000**	8,751	225,000
Erika Schraner	**16,772**	**-**	-	-
Steve Vaughan	**16,772**	**-**	-	-
Steve McKay[(1)]	**N/A**	**N/A**	10,000	700,000
Joachim Bergman	**-**	**580,000**	N/A	N/A

(1) No longer a director at 30 November 2020

Full details of the directors' options over ordinary shares of 1p each are detailed below:

Director	**Grant Date**	**Exercise Price**	**At 30 November 2020 Number**	At 30 November 2019 Number
Donald McGarva	15 July 2019	£0.00	310,000	310,000
Donald McGarva	9 September 2020	£0.00	224,600	-
Mark Carlisle	15 July 2019	£0.00	225,000	225,000
Mark Carlisle	9 September 2020	£0.00	163,000	-
Steve McKay[(1)]	16 November 2016	£1.59	N/A	700,000
Joachim Bergman	16 October 2017	£1.93	300,000	300,000
Joachim Bergman	13 March 2019	£0.86	150,000	150,000
Joachim Bergman	19 March 2020	£0.00	130,000	-

Notes

All vested options held by current directors lapse six months after the date of resignation.

Long Term Incentive Plan 2019 ("LTIP 2019")

On 9 September 2020 Donald McGarva and Mark Carlisle were granted 224,600 and 163,000 nil cost options respectively and on 15 July 2019 Donald McGarva and Mark Carlisle were granted 310,000 and 225,000 nil cost share options respectively. On 19 March 2020 Joachim Bergman was granted 130,000 nil cost options under the same plan. These share options will vest three years from grant subject to a minimum share price condition. Details of the valuation of these options can be found in note 25 to the accounts. In addition to the LTIP 2019, these three Executive Directors benefitted from a special bonus scheme which would pay out, in the event of a change of control, a sum linked to the growth in share price since July 2019, subject to an initial uplift requirement, payable in cash or shares at the Remuneration Committee's discretion. In respect of this bonus scheme, no amount has been accrued as settlement is not deemed probable at the balance sheet date.

Long Term Incentive Plan 2016 ("LTIP 2016")

This LTIP 2016 was introduced in August 2016 to provide an effective mechanism for senior executives to participate in the Company's equity, aligning their interests with those of shareholders. The LTIP was implemented via a subscription for shares in a subsidiary, Amino Holdings Limited ("AHL"). The performance criteria for the scheme were not met and accordingly the scheme was wound up in May 2020.

The market price of the Company's shares at the end of the financial year was 115.5p and ranged between 104.0p and 152.0p during the year.

Stephen Vaughan
Chairman, Remuneration Committee
8 February 2021

Audit Committee report

For the year ended 30 November 2020

The Audit Committee is comprised of Erika Schraner (chair of the committee), Karen Bach and Steve Vaughan who are all non-executive directors and considered to be independent. Karen Bach has recent and relevant financial experience by virtue of her senior finance roles and holds a professional accountancy qualification. The Audit Committee aims to meet at least three times a year and at other times as agreed between the members of the Audit Committee. Executive directors and the Group's auditors may be invited to attend all or part of any meetings. The Audit Committee also meets with the Group's external auditor without the presence of the executive directors. The current terms of reference of the Audit Committee were reviewed and updated in September 2020.

The Audit Committee monitors the independence of the Group's external auditor.

In advance of the annual audit of the Group's annual report and financial statements, the Audit Committee reviewed the plan as presented by the Group's independent auditor, BDO LLP. The plan set out the proposed scope of work, audit approach, materiality and identified areas of audit risk and was compliant with the Ethical Standards for Auditors issued by the Auditing Practices Board. Prior to commencing its audit work, BDO LLP confirmed in writing the safeguards in place to ensure its independence and objectivity.

The Audit Committee also reviews the annual report and financial statements along with the audit plan, audit findings report and interim findings report presented by BDO LLP. The Audit Committee will keep under review, in consultation with major shareholders, the decision as to whether to conduct a tender in respect of the audit in line with the recommendations of the Financial Reporting Council.

The Audit Committee is responsible for ensuring that the Group's risks are understood, managed and mitigated as far as practicable. During the year, the Audit Committee reviewed the scope and effectiveness of systems to identify and address financial and non-financial risks. The review identified the key risks, risk control measures and the implementation status of the risk control measures. The report was presented to the Committee by the Chief Financial Officer. The principal risks and uncertainties relating to the Group are set out on page 14.

In making its recommendation that the annual report and financial statements be approved by the Board, the Audit Committee has taken consideration of the following significant issues and judgement areas:

Carrying value of goodwill and other intangible fixed assets

At 30 November 2020 the carrying value of goodwill and other intangible fixed assets in the Group's statement of financial position was $92.1m (2019: $91.9m). The Audit Committee reviewed the judgements taken in the impairment review performed for each of the Group's two cash generating units to determine whether there was any indication that those assets had suffered any impairment. The Audit Committee consider the key judgements to be the discount rate and growth rates used in the value in use calculations. Following a review of the impact of the sensitivities performed by management on the discount rate and growth rate in the value in use calculations, the Audit Committee considered that the rates used were reasonable and indicated no impairment.

Audit Committee report

For the year ended 30 November 2020

Accounting policies

For the year ended 30 November 2020, the Group adopted IFRS 16 Leases. IFRS 16 replaces the provisions of IAS 17 that relate to the recognition, classification and measurement of lease assets and lease liabilities, and lease accounting for both lessees and lessors. The adoption of IFRS 16 from 1 December 2019 resulted in changes in accounting policies and the recognition of right of use assets and lease liabilities in respect of leases previously classified as 'operating leases'. The impact of the adoption of IFRS 16 has been significant to the Group's statement of financial position, the details of which are set out in note 34. The Audit Committee reviewed the judgement applied in identifying the appropriate incremental borrowing rates to apply at the date of transition.

Alternative performance measures

The Group reports a number of alternative performance measures which are not in accordance with the reporting requirements of IFRS. The audit committee has reviewed these during the year ended 30 November 2020 to ensure they are appropriate and that in each case the reason for their use is clearly explained; they are reconciled to the equivalent IFRS figure; and they are not given prominence over the equivalent IFRS figure.

Cash forecasting and going concern

The Audit Committee reviewed the assumptions made in the preparation of the Group quarterly forecasts and the sensitivities applied thereon. The Audit Committee is satisfied that appropriate scenarios have been considered and that the Group has adequate resources to continue in operational existence for the foreseeable future.

Erika Schraner
Chair, Audit Committee
8 February 2021

Directors' report

For the year ended 30 November 2020

The directors present their Annual Report on the affairs of the Group, together with the financial statements and independent auditor's report for the year ended 30 November 2020. The Chair's governance report set out on pages 18 to 23 forms part of this report. The Company's full name is Amino Technologies plc, company number 05083390. Amino Technologies plc is a public listed company, listed on the London Stock Exchange AIM and domiciled in the United Kingdom. The address of its registered office is given on page 105.

Principal activity

The principal activity of the Group is to deliver next generation video experiences over IP. This comprises its 24i online video solution and Amino IPTV/OTT devices and associated operating and device management software. A detailed overview of the Group's activities is set out on pages 4 and 5. The principal activity of the Company is a non-trading parent company.

Review of business and future developments

Details of the Group's performance during the year under review and expected future developments are set out in the Strategic Report on pages 4 to 14 including a description of the principal risks and uncertainties facing the Group on page 14.

Proposed dividend

The Board has proposed a dividend of $1.9m (2019: $5.3m). This equates to a total of 1.87 pence per share (2019: 7.32 pence).

Research and development

$16.0m was spent on research and development in 2020 (2019: $12.8m). Under IAS 38 "Intangible Assets" $5.5m of development expenditure was capitalised (2019: $4.1m). The Group continues to invest in its 24i online video solution and Amino IPTV/OTT devices and associated operating and device management software to further enhance its capabilities. In the opinion of the directors, these investments will maintain and generate significant revenues in future years.

Financial risk management

Details of the Group's financial risk management objectives and policies are set out in note 3 to the financial statements.

Going concern

Although the impact of COVID-19 on the Group has not been as marked as many other organisations, the full effect on the business still warrants focus and real time management. Revenues since the year-end has been in line with our planned expectations as the COVID-19 pandemic continues. It is not yet clear when global economic activity will recover, therefore we must prepare the business for varying levels of performance. To that end, we have modelled the effects of differing levels of sales along with the measures we can take to ensure that the Group remains within its available working capital, and we have prepared cash flow forecasts for a period in excess of 12 months.

We anticipate revenue meeting budget over FY21 but recognise that there is a risk that the Group will be impacted by reductions in the number of client purposes and by prospective corporate customers delaying launches. If revenue is not in line with cash flow forecasts, the Directors have identified cost savings should there be any reduction in revenue and can identify further cost savings if necessary.

The Directors have no reason to believe that customer revenue and receipts will decline to the point that the Group no longer has sufficient resources to fund its operations.

Post balance sheet events

There are no post balance sheet events requiring disclosure for the year ended 30 November 2020 at the date of this report.

Directors' report (continued)

For the year ended 30 November 2020

Directors

The directors of Amino Technologies plc, who served during the whole of the year unless otherwise stated, were as follows:

Donald McGarva	Chief Executive Officer
Mark Carlisle	Chief Financial Officer and Chief Operating Officer
Karen Bach	Non-executive Chair and Director
Steve McKay	Non-executive Director – Resigned 9 December 2019
Michael Clegg	Non-executive Director – Resigned 9 December 2019
Erika Schraner	Non-executive Director
Stephen Vaughan	Non-executive Director
Joachim Bergman	co-Chief Executive Officer of 24i – Appointed 9 December 2019
Steve Oetegenn	Non-executive Director – Appointed 19 January 2021

Director's indemnities

The directors have been granted an indemnity from the Company to the extent permitted by law in respect of liabilities incurred as a result of their office which remains in force at the date of this report. The Company maintains director and officers' liability insurance.

Re-election of Directors

The Articles of Association require that at each Annual General Meeting one third of the directors (excluding any director who has been appointed by the Board since the previous Annual General Meeting) or, if their number is not an integer multiple of 3, the number nearest to one third but not exceeding one third, shall retire from office.

Appointment of a Director

The Articles of Association require that any director appointed by the Board shall, unless appointed at such meeting, hold office only until the dissolution of the Annual General Meeting of the Company next following such appointment.

Substantial shareholdings

As at 20 January 2021 the following shareholders had each notified the Company that they held an interest of 3%, or more, in the Company's ordinary share capital. The percentages below are calculated after excluding 2,021,058 shares held in Treasury from the 78,069,571 shares disclosed in note 25 as allotted, called and fully paid up.

	Number of ordinary shares	Percentage of issued share capital
Kestrel Partners	16,808,259	22.1%
Premier Miton Investors	13,291,736	17.5%
Investec Wealth & Investment	6,852,470	9.0%
Chelverton Asset Management	4,610,000	6.1%
Close Brothers Asset Management	4,489,894	5.9%
24i Media PF	3,197,991	4.2%
BGF	2,847,897	3.7%
Mr Ari Charles Zaphiriou-Zarifi	2,470,713	3.3%
Amino Communications Employee Benefits Trust	242	0%
	54,568,960	71.8%

Directors' report (continued)

For the year ended 30 November 2020

Environmental matters

The Group is conscious of its responsibility as a provider of electronics equipment that it has a specific duty to minimise environmental impact. This requires the Group to be fully compliant with a range of national, regional and international guidelines on safety, EMC emissions and energy efficiency.

This extends from packaging through to the provision of devices that minimise the power consumed by consumers in the home. All product packaging is 100% recyclable – with the majority made from recycled material – and has been designed to minimise wastage and transportation costs. Those redundant devices that are returned to the Group are recycled in compliance with WEEE regulations.

	UK 2020	UK 2019	RoW 2020	RoW 2019	Total 2020	Total 2019
Energy use (kwh)						
Electricity	31,530	157,650	324,358	1,177,697	355,888	1,335,347
Gas	3,328	16,640	18,746	95,883	22,074	112,523
Transport fuel	-	-	-	-	-	-
GHG emissions (CO2e tonnes)						
Electricity	7.4	36.8	75.6	274.6	83.0	311.3
Gas	0.7	3.3	4.4	22.4	5.0	25.7
Transport	-	-	-	-	-	-
Intensity ratio						
Average number of employees	32	32	206	151	238	183
Total GHG emission per employee (Co2e kg)	247.9	1,239.7	388.9	1,970.7	369.8	1,841.6

Energy efficiency action taken includes reducing the number of flights taken and encouraging train travel, and walking and cycling, where possible.

The methodology used for the UK includes TM46 Benchmarking to estimate energy consumption where actual figures are not available. For the RoW, data has been collected and reported, where available. Where not available, a reasonable approximation has been used to estimate energy usage.

Employee matters

Employment policies

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through both formal and informal meetings.

The Group runs a number of employee share schemes, which are designed to ensure that all employees have an element of equity based compensation.

The Group gives full and fair consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities meet the requirements of the job. In the event of any staff becoming disabled while with the Group, every effort will be made to ensure that their employment by the Group continues and that appropriate adjustments are made to their work environment.

Employee matters (continued)

Employment policies (continued)

The Group seeks to be a responsible employer, providing a pleasant and professional working environment in all locations; the majority of staff have been working from home since March in light of Covid-19. Compliant with all relevant human resources and health and safety regulations, the Group strives to offer competitive employment packages with opportunities for personal and professional development.

Regular staff surveys are carried out with follow-up action plans alongside an internal communications programme to provide regular updates on performance. Clear and transparent Group objectives are set each year which, in turn, are reflected in team and individual objectives.

Diversity

The Group does not discriminate on the grounds of age, race, sex, sexual orientation or disability. It has a clear and transparent recruitment process and members of staff have personal development plans in place to progress their careers within the business.

The table below shows the number of persons of each sex who were directors, key management and employees of the Group.

Group Level	Number of female employees	Number of male employees	Total
Board	2	4	6
Key Management including Board	2	7	9
Employees including Key Management	63	244	307

Social, community and human rights

Social and community

Staff are actively engaged in a range of community and educational activities. Through matched funding initiatives, Amino provides support for a range of charitable and community initiatives with regular fund-raising activities in support of a number of local and national charities.

Human rights

Since 2013, Amino has had a Supplier Code which incorporates the 10 principles of the UN Global Compact. New direct suppliers of materials and manufacturing services are asked to sign a declaration confirming that their operations are in conformance with the Supplier Code. Our experience of customer requirements is that these are generally in-line with, or based on, the principles of the UN Global Compact – the Group is therefore usually able to respond positively to any customer-driven policies for ethical sourcing.

Conflict minerals compliance is not currently part of our Supplier Code. However, we have raised the matter with our key direct materials suppliers, and have obtained assurances that those suppliers are committed to ensuring that materials and components sourced are free of conflict minerals.

Brexit

The United Kingdom ('UK') formally left the European Union ('EU') on 30 January 2020. The transition period ended on 31 December 2020, where upon the UK-EU Trade & Cooperation Agreement (together with other connected Agreements concluded on by the UK and EU, which includes the Exchanging and Protecting of Classified Information Agreement) signed on the 24 December 2020 came into effect.

The Directors deem that the effects of the UK's current transitional period outside the EU and the adoption of the UK-EU Trade & Cooperation Agreement will not have a significant impact on the Group and Company's operations nor consider it likely that the Group and Company will be significantly impacted due to the global geographical footprint of the business. However, the Directors and senior leadership are closely monitoring the situation to be able to manage the risk of any volatility in the global financial markets and affect global economic performance due to Brexit.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group financial statements in accordance with International accounting standards in conformity with the requirements of the Companies Act 2006 and have elected to prepare the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the Group financial statements have been prepared in accordance with International accounting standards in conformity with the requirements of the Companies Act 2006 and in respect of the Parent Company, United Kingdom Generally Accepted Accounting Practice subject to any material departures disclosure and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Parent Company and Group will continue in business.

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

Website publication

The directors are responsible for ensuring the annual report and financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The directors confirm that:

- so far as each director is aware there is no relevant audit information of which the Company's auditors are unaware;
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

The auditor, BDO LLP, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

The directors' report was approved by the Board of directors on 8 February 2021.

On behalf of the board

Mark Carlisle
Director

Independent auditor’s report to the members of Amino Technologies plc

For the year ended 30 November 2020

Opinion

We have audited the financial statements of Amino Technologies Plc (the ‘Parent Company’) and its subsidiaries (the ‘Group’) for the year ended 30 November 2020, which comprise the consolidated income statement, consolidated statement of comprehensive income, the consolidated statement of financial position, the company balance sheet, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group’s and of the Parent Company’s affairs as at 30 November 2020 and of the Group’s profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group’s or the Parent Company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters (continued)

<table>
<tr><th colspan="2">Revenue Recognition</th></tr>
<tr><td>Key audit matter</td><td>The Group primarily generates revenue from two sources: devices incorporating Amino software and associated accessories and Software and services. Details of the group's revenue streams and accounting policies applied during the period are given in notes 2 and 4 to the financial statements.

We considered there to be a significant audit risk arising from inappropriate or incorrect recognition of revenue. The key audit matters related to revenue recognition are as follows:

• The risk of material misstatement in relation to revenue recognition concerns the recognition around the year end, particularly in relation to the adjustments recorded with respect to software and services for which revenue is recognised over time or in accordance with stage of completion.

• There is also a risk that revenue from the different streams has not been recognised appropriately in line with the respective performance obligations, and that the policy itself is not in accordance with appropriate accounting standards.</td></tr>
<tr><td>How the key audit matter was addressed in our audit</td><td>We performed the following specific testing:

• In relation to devices incorporating integrated Amino software and associated accessories, we reviewed a sample of contracts to assess whether the revenue had been recognised in accordance with the Group's accounting policy, whether it was recognised appropriately from a timing perspective (at a point in time or over time) and whether any other terms within the contract had any material accounting or disclosure implications. Furthermore, we tested a sample of revenue transactions recognised in the general ledger to source documentation including sales invoices, sales orders, third party evidence of delivery to customer and cash receipts. In making our assessment of compliance with the Group's accounting policy, we also checked that revenues were only recognised at the point of delivery of the Group's goods or service.

• In relation to Software and services revenue, we tested a sample of revenue transactions recognised in the general ledger to source documentation by reference to work performed and assessment of stage of completion and sales invoices, sales orders, access to software platform and cash receipts. In making our assessment of compliance with the Group's accounting policy, we also checked that revenues were only recognised by reference to work performed and when stage of completion is passed such that revenue can be recognised.

• In respect of revenue being recognised over time, including licence, support and maintenance revenue, we arithmetically tested the calculations and check the service obligations to service deliverables to evidence the completeness, existence and accuracy of accrued income and deferred revenue balances shown in the statement of financial position at year end to.

• We checked the completeness, existence and accuracy of accrued income and deferred revenue balances shown in the statement of financial position at year end. We selected a sample of revenue transactions occurring either side of the year-end reporting date across all revenue streams and checked that the revenues recognised for the year under audit and accrued income and deferred revenues recognised at the year-end reporting date had been recorded appropriately with reference to the sampled revenue contract.

We assessed whether the revenue recognition policies adopted by the Group comply with accounting standards.

Key observations

Based on the work performed we consider that revenue has been recognised appropriately and in accordance with the Group's revenue recognition accounting policy.</td></tr>
</table>

Key audit matters (continued)

<table>
<tr><th colspan="2">Impairment of intangible assets (including Goodwill)</th></tr>
<tr><td>Key audit matter</td><td>Taking account of the group's accounting policy in Note 2, page 55 and as disclosed in note 14 on pages 75 and 76, the Directors have determined that an impairment of goodwill does not exist. This has been determined based on a value in use model, which includes consideration of scenarios based on difference revenue and cost growth assumptions, to assess the recoverability of the Goodwill.
There is significant judgement involved in the estimation of the recoverable amount of the intangibles (including goodwill).</td></tr>
<tr><td>How the key audit matter was addressed in our audit</td><td>The senior members of the audit team are responsible for completing the work in relation to the assessment of impairment of intangibles (including goodwill) and our audit procedures included the following:
• We reviewed management's impairment assessment, based on our knowledge of the Group's business, performance to date and from discussions with management.
• We have considered whether the methodology applied to value the recoverable amount of the intangibles appropriately supports the asset value.
• We reviewed and challenged of the assumptions underpinning the forecasts and the other inputs into the value in use model. This included a recalculation of the discount rate applied.
• We checked that the forecast figures included within the model had been approved by the Board and the base case scenario was consistent with information obtained in other audit procedures.
• We have also reviewed the different scenarios used by management and ran our own sensitivities to evaluate management's assessment of the recoverability of intangibles (including goodwill).
• We assessed the adequacy of the related accounting policies and disclosures in the financial statements.
Key observations:
Based on the procedures performed, we consider management's judgements relating to the impairment of intangible assets to be appropriate.</td></tr>
</table>

Key audit matters (continued)

<table>
<tr><th colspan="2">Intangible Assets: Development Costs, amortisation and impairment</th></tr>
<tr><td>Key audit matter</td><td>The group capitalises costs in relation to the development of the software provided to its clients, being primarily device software and the software for its apps and Cloud TV platforms. Such costs must satisfy certain criteria as set out in the Group's accounting policy in notes 2 and 14 to the financial statements and in IAS 38 intangible assets.
In determining which costs to capitalise management make certain estimates in relation to the allocations of contractor costs and payroll costs between those which should be capitalised and those which should be expensed through the statements of comprehensive income.
In accordance with IAS 38, management's policy is to capitalise development expenditure on internally developed software products if the costs can be measured reliably and the resulting asset meets the criteria per the standard
The key audit matters related to this financial statement area is as follows:
• Expenditure on the research phase of internal projects and development costs not satisfying the above criteria are not recognised in the income statement as incurred;
• Management's estimates in relation to the costs capitalised may be materially misstated; and
• Capitalised development costs are not amortised over the period within which the Group expects to benefit from selling the product developed. This is deemed to be two years for set top box device development and associated software and three years for video apps.</td></tr>
<tr><td>How the key audit matter was addressed in our audit</td><td>We performed the following specific testing:
• Discussions were held with the Group's technology team to understand the Group's processes, procedures and projects in relation to development costs. The testing strategy involves communications with individuals working out of different components within the group;
• checked the accuracy of the contractor and payroll data, on a sample basis, included in the calculations for capitalised costs to supporting documentation including employment contracts and agreements with contractors;
• considered the proportion of time allocations for employees and contractor roles, corroborating management's explanations to supporting evidence;
• assessed management's estimate of the amortisation period applied to the asset, establishing whether any indicators of impairment exist taking account of any changes in usability of amounts previously capitalised; and
• assessed the ability of the asset to generate future economic benefits for the business, which at least exceed its carrying value by assessing the use of the technology platforms in the performance of the Group's obligations to customers.

Key observations:
Based on the procedures performed, we noted no instances indicating that the accounting for development costs, including the calculation of the related amortisation charge and the evaluation of impairment, was inappropriate.</td></tr>
</table>

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. We set an overall level of materiality for the financial statements as a whole based on our understanding of the elements of the financial statements that are likely to be of greatest significance to users. In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Materiality

Materiality for the Group financial statements as a whole was set at $485,000 (2019: $335,000) which represents 0.6% of consolidated revenue (2019: 5% profit before tax for the year, adjusted for certain non-recurring transactions relating to restructuring and the acquisition of 24i Group). Due to the change to using revenue as a basis for calculating materiality in the current year, in determining the appropriate level at which to set materiality, we had regard to adjusted profit before tax for the year to ensure the rate applied was reasonable. In adopting revenue as the benchmark for calculating materiality, we considered the Group's strategy (which takes account of the first full year of their ownership of 24i), under which management has evolved their KPIs with revenue deemed to be the primary KPI used to address the performance of the business by the board, and is consistently referenced within the RNS announcements released by the group. Due to this change in focus of reporting we consider revenue to be the metric of most interest to the users of the financial statements.

Parent Company materiality has been set at $436,500 (2019: $301,000) which represents 90% of Group materiality, which is considered a suitable benchmark for a non-trading holding Parent Company.

Materiality levels used for the five components identified, Amino Communications Limited, Amino Communications Oy (ACO), Amino Technologies (HK) Limited, Amino Technologies (US) LLC and the group headed 24i Unit Media BV (excluding ACO) within the Group ranged from $363,750 to $100,000 (2019: $251,000 to $95,000).

Performance Materiality

Based upon our assessment of the risks within the Group and the Group's control environment, performance materiality for the financial statements was set at $363,750 (2019: 234,500), being 75% (2019: 70%) of overall financial statement materiality which includes the expected total value of known and likely misstatements. The Parent Company's performance materiality for the financial statements set at $327,000 (2019: $325,300).

Performance materiality levels used for the five key components identified, Amino Communications Limited, Amino Communications Oy (ACO), Amino Technologies (HK) Limited, Amino Technologies (US) LLC and the group headed 24i Unit Media BV (Excluding ACO) within the Group ranged from $273,000 to $93,750 (2019: $176,000 to $57,000).

Reporting Threshold

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of $24,250 (2019: $16,750), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements at the Group level.

We obtained an understanding of the internal control environment related to the financial reporting process and assessed the appropriateness, completeness and accuracy of Group journals and other adjustments performed on consolidation.

The five principal trading subsidiaries/sub groups, noted above, were identified as significant components and were subject to full scope audit for Group reporting purposes. These components accounted for 100% (2019: 100%) of the Group's revenue and the Group's profit before tax.

Classification of components

The Group is comprised of 4 incorporated UK trading or holding companies (including Amino Technologies Plc) and 4 significant non-UK components. Full scope statutory audits were completed by the Group audit team for the incorporated UK trading or holding entities.

BDO member firms were engaged to perform a full scope audit for group reporting purposes of the financial information of the following significant non-UK components:

- 24i Unit Media BV and subsidiaries (excluding Amino Communications Oy): We instructed this member firm as to the scope and timing of their work on the financial information for group reporting purposes, we held virtual meetings with the audit team and performed a review remotely of their audit documentation and findings and participated in the local audit close meeting;
- Amino Communications Oy: We instructed this member firm as to the scope and timing of their work on the financial information for group reporting purposes, we held virtual meetings with the audit team through the planning, execution and completion stage of their audit, and reviewed their audit documentation and findings remotely; and
- Amino Technologies (HK) Limited: We instructed this member firm as to the scope and timing of their work on the financial information for group reporting purposes, we held virtual meeting with the audit team during the planning phase of their audit and reviewed their audit documentation and findings remotely.

Work on all remaining components was completed by BDO LLP, performing targeted audit procedures over key risks. In respect of the significant US component, the Group audit team obtained a full understanding of the US component's operational activities, appropriately scoped the key risks relating to the US component and carried out audit testing over these areas.

Financial information for the remaining components not identified as significant was reviewed for Group reporting purposes, using analytic procedures.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 34, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Iain Henderson (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

8 February 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated income statement

For the year ended 30 November 2020

	Notes	Year to 30 November 2020 $000s	Year to 30 November 2019 $000s
Revenue	4	**82,704**	77,232
Cost of sales		**(42,044)**	(40,021)
Gross profit		**40,660**	37,211
Operating expenses		**(35,546)**	(32,877)
Operating profit		**5,114**	4,334
Adjusted operating profit		**10,482**	10,224
Share-based payment charge	26	**(681)**	(829)
Exceptional items	6	**(503)**	(965)
Amortisation of acquired intangible assets		**(4,183)**	(4,096)
Operating profit		**5,115**	4,334
Finance expense		**(748)**	(966)
Finance income		**44**	113
Net finance expense	7	**(704)**	(853)
Profit before tax	8	**4,411**	3,481
Tax charge	11	**(1,748)**	(629)
Profit after tax		**2,663**	2,852
Profit for the year from continuing operations attributable to equity holders		**3,087**	2,989
Non-controlling interest		**(424)**	(137)
Profit for the year		**2,663**	2,852
Earnings per share			
Basic earnings per 1p ordinary share	12	**4.06c**	4.04c
Diluted earnings per 1p ordinary share	12	**3.98c**	3.96c

All amounts relate to continuing activities.

The accompanying notes are an integral part of these financial statements.

Consolidated statement of comprehensive income

For the year ended 30 November 2020

	Notes	**Year to 30 November 2020 $000s**	Year to 30 November 2019 $000s
Profit for the financial year		**2,663**	2,852
Items that may be reclassified subsequently to profit or loss:			
Net foreign exchange gain/(loss) arising on consolidation		**3,206**	(445)
Other comprehensive income/(expense)		**3,206**	(445)
Total comprehensive income for the year		**5,869**	2,407
Non-controlling interest		**403**	168
Total comprehensive income for the financial year attributable to equity holders		**6,272**	2,575

The accompanying notes are an integral part of these financial statements.

Consolidated statement of financial position

For the year ended 30 November 2020

Assets	Notes	As at 30 November 2020 $000s	As at 30 November 2019 $000s
Non-current assets			
Property, plant and equipment	15	**510**	395
Right of use assets	16	**2,634**	-
Intangible assets	14	**92,067**	91,919
Deferred tax assets	24	**-**	637
Trade and other receivables	18	**215**	430
		95,426	93,381
Current assets			
Inventories	17	**2,956**	2,399
Trade and other receivables	18	**14,422**	16,483
Corporation tax receivable	18	**242**	8
Cash and cash equivalents	19	**9,476**	8,612
		27,096	27,502
Total assets		**122,522**	120,883
Capital and reserves attributable to equity holders of the Company			
Called-up share capital	25	**1,367**	1,367
Share premium		**35,907**	35,907
Capital redemption reserve		**12**	12
Foreign exchange reserve		**(276)**	(3,461)
Merger reserve		**30,122**	30,122
Other reserve		**(1,750)**	(1,750)
Retained earnings		**23,475**	19,790
Equity attributable to owners of the parent		**88,857**	81,987
Non-controlling interest		**195**	598
Total equity		**89,052**	82,585
Liabilities			
Current liabilities			
Trade and other payables	20	**23,817**	21,800
Lease liabilities	20	**1,187**	-
Corporation tax payable	20	**1,461**	684
Loans and borrowings	21	**130**	7,314
		26,595	29,798
Non-current liabilities			
Trade and other payables		**176**	2,785
Lease liabilities	20	**1,524**	-
Provisions	22	**1,227**	1,298
Deferred tax liabilities	24	**3,948**	4,417
		6,875	8,500
Total liabilities		**33,470**	38,298
Total equity and liabilities		**122,522**	120,883

The financial statements on pages 44 to 96 were approved and authorised for issue by the Board of directors on 8 February 2021 and were signed on its behalf by:

Donald McGarva

Director

Mark Carlisle

Director

Registered number: 05083390

The accompanying notes are an integral part of these financial statements.

Consolidated statement of cash flows

For the year ended 30 November 2020

	Notes	Year to 30 November 2020 $000s	Year to 30 November 2019 $000s
Cash flows from operating activities			
Cash generated from operations	28	**16,835**	13,815
Corporation tax paid		**(1,420)**	(1,023)
Net cash generated from operating activities		**15,415**	12,792
Cash flows from investing activities			
Purchases of intangible assets	14	**(5,493)**	(4,150)
Purchases of property, plant and equipment	15	**(345)**	(69)
Interest received	7	**44**	113
Acquisition of subsidiaries net of cash acquired		**(160)**	(18,916)
Net cash used in investing activities		**(5,954)**	(23,022)
Cash flows from financing activities			
Proceeds from exercise of employee share options		**26**	-
Lease payments		**(1,146)**	-
Dividends paid	13	**-**	(6,889)
Interest paid		**(244)**	(187)
Repayment of borrowings		**(7,236)**	(1,583)
Bank loans drawn down		**-**	7,236
Net cash used in financing activities		**(8,600)**	(1,423)
Net increase/(decrease) in cash and cash equivalents		**861**	(11,653)
Cash and cash equivalents at beginning of year		**8,612**	20,310
Effects of exchange rate fluctuations on cash held		**3**	(45)
Cash and cash equivalents at end of year	19	**9,476**	8,612

The accompanying notes are an integral part of these financial statements.

Consolidated statement of changes in equity

For the year ended 30 November 2020

	Notes	Share capital $000s	Share premium $000s	Merger reserve $000s	Put option reserve $000s	Foreign exchange reserve $000s	Capital redemption reserve $000s	Profit and loss $000s	Total attributable to owners of parent $000s	Non-controlling interest $000s	Total Equity $000s
Shareholders' equity at 30 November 2018		**1,327**	**32,300**	**30,122**	**-**	**(3,047)**	**12**	**22,880**	**83,594**	**-**	**83,594**
Profit for the year		-	-	-	-	-	-	2,989	2,989	(137)	2,852
Other comprehensive expense		-	-	-	-	(414)	-	-	(414)	(31)	(445)
Total comprehensive income for the year attributable to equity holders		-	-	-	-	(414)	-	2,989	2,575	(168)	2,407
Share based payment charge	26	-	-	-	-	-	-	829	829	-	829
Issue of share capital	25	40	3,607	-	-	-	-	-	3,647	-	3,647
Dividends paid	13	-	-	-	-	-	-	(6,889)	(6,889)	-	(6,889)
Acquisition of 24i		-	-	-	-	-	-	-	-	766	766
Reorganisation of 24i		-	-	-	-	-	-	(19)	(19)	-	(19)
Put option in relation to 24i		-	-	-	(1,750)	-	-	-	(1,750)	-	(1,750)
Total transactions with owners		40	3,607	-	(1,750)	-	-	(6,079)	(4,182)	766	(3,416)
Total movement in shareholders' equity		**40**	**3,607**	**-**	**(1,750)**	**(414)**	**-**	**(3,090)**	**(1,607)**	**598**	**(1,009)**
Shareholders' equity at 30 November 2019		**1,367**	**35,907**	**30,122**	**(1,750)**	**(3,461)**	**12**	**19,790**	**81,987**	**598**	**82,585**
Profit for the year		-	-	-	-		-	3,087	3,087	(424)	2,663
Other comprehensive expense		-	-	-	-	3,185	-	-	3,185	21	3,206
Total comprehensive income for the year attributable to equity holders		-	-	-	-	3,185	-	3,087	6,272	(403)	5,869
Share based payment charge	26	-	-	-	-	-	-	572	572	-	572
Exercise of employee share options		-	-	-	-	-	-	26	26	-	26
Total transactions with owners		-	-	-	-	-	-	598	598	-	598
Total movement in shareholders' equity		**-**	**-**	**-**	**-**	**3,185**	**-**	**3,685**	**6,870**	**(403)**	**6,467**
Shareholders' equity at 30 November 2020		**1,367**	**35,907**	**30,122**	**(1,750)**	**(276)**	**12**	**23,475**	**88,857**	**195**	**89,052**

The accompanying notes are an integral part of these financial statements.

Notes to the consolidated financial statements

For the year ended 30 November 2020

1 General Information and basis of preparation

Amino Technologies plc (the "Company") and its subsidiaries (together the "Group") specialise in the delivery of next generation video experiences over IP using its end-to-end solution. This comprises the 24i online video solution and Amino set-top box devices and associated operating and device management software.

The Company is a public limited company which is listed on the AIM of the London Stock Exchange and is incorporated and domiciled in England and Wales. The address of its registered office is given on page 105.

Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and interpretations (collectively 'IFRS') as adopted by the EU and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The consolidated financial statements have been prepared under the historical cost convention basis except for certain financial liabilities that are measured at fair value through profit or loss, as discussed in the accounting policies below.

The financial statements are presented in US $000s except where stated.

Going concern

The consolidated financial statements have been prepared on a going concern basis. The ability of the Group to continue as a going concern is contingent on the ongoing viability of the Group. The Group meets its day-to-day working capital requirements through its cash balances and wider working capital management.

In March 2020, the World Health Organisation declared a global pandemic due to the COVID-19 virus that has spread across the globe, causing different governments and countries to enforce restrictions on people movements, a stop to international travel, and other precautionary measures. In the short term this affected the Group's supply chain operations, as well as employees throughout the Group having to work remotely from home. The Group implemented efficient and appropriate measures to limit the impact of COVID-19 on the results of the business and its future operations, and the directors believes that the business is able to navigate through the impact of COVID-19 due to the strength of its customer proposition, its balance sheet, its cash position and its available working capital. Specifically, cash resources of $9.5m as at 30 November 2020 (2019: $8.6m) and a multicurrency working capital facility of $15.0m, of which $nil was drawn at 30 November 2020 (2019: $7.2m). This facility expires on 25 November 2022.

The current global economic conditions continue to create uncertainty, and specific to the Group, recognising the strength and flexibility of the Group's software-led strategy, there are potential risks that the Group will be impacted by decisions further up our supply chain. This could lead to delays in contract negotiations and deferring or cancelling of anticipated sales, and that sales and settlement of existing debts are impacted too. In respect of this going concern assessment, the Directors considered the foreseeable future, a period extending 12 months from the date of approval of the annual report. The Directors have considered a number of scenarios, taking account of possible further impact from the pandemic on the business, as noted above. However, even in the material downside scenario, the Directors are satisfied that the Group has sufficient cash resources over the period and will be able to operate within its existing working capital facilities. On that basis, the Directors therefore continue to adopt the going concern basis when preparing its consolidated financial statements.

Notes to the consolidated financial statements

For the year ended 30 November 2020

1 General Information and basis of preparation (continued)

Adoption of new and revised standards

For the purposes of the preparation of these consolidated financial statements, the Group has applied all standards and interpretations that are effective for accounting periods beginning on or after 1 December 2019.

New standards impacting the Group that have been adopted in the financial statements for the year ended 30 November 2020, and which have given rise to changes in the Group's accounting policies, are:

- IFRS 16 Leases
- IFRIC 23 Uncertainty over income tax treatments

The impact of the adoption of IFRS 16 has been significant, however, the impact of the adoption of IFRIC 23 Uncertainty over income tax treatments has not been significant, the details of which are set out in note 34.

No new standards, amendments or interpretations to existing standards that have been published and that are mandatory for the Group's accounting periods beginning on or after 1 December 2020, or later periods, have been adopted early. The directors do not consider that the adoption of these standards and interpretations would have a material impact on the Group's financial statements.

New standards and interpretations currently in issue but not effective, based on EU mandatory effective dates, are:

Standard	Description	Effective date	Expected impact
IAS 1	*Presentation of Financial Statements (Amendment)*	1 January 2020	No significant impact
IFRS 3	*Business Combinations (Amendment)*	1 January 2020	No significant impact
	Revised Conceptual Framework for Financial Reporting	1 January 2020	No significant impact
IFRS 17	*Insurance Contracts*	1 January 2021	No significant impact

Notes to the consolidated financial statements

For the year ended 30 November 2020

2 Summary of significant accounting policies

The principal accounting policies applied in the presentation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). The Company beneficially owns at least 92% of the voting rights in all of its subsidiaries. Control is achieved where the Company has power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-recognised from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. 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. For acquisitions after IFRS 3 (revised) became effective costs directly attributable to the acquisition are expensed; for acquisitions before IFRS 3 (revised) became effective costs directly attributable to the acquisition are also included. Consideration where payment is contingent on future employment is excluded from the acquisition accounting and is recognised as a post-acquisition expense charged to the consolidated income statement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group'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 recognised directly in the consolidated income statement.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies.

Revenue recognition

Revenue represents the invoice value of goods sold and services provided in the year, the value of sales of licences, professional services, and support and maintenance, stated exclusive of value added tax and other local indirect taxes. The Group has two product types with the following revenue recognition bases:

Devices incorporating integrated Amino software and associated accessories

- Income from the sale of products is recognised at a point in time when goods are delivered, transferring control to the customer, in accordance with the terms and conditions of sale agreed with the customer, including the incoterms.

Software and services

- Licence revenues for perpetual, non-cancellable licence agreements are recognised at a point in time once the economic benefit of the licenced hardware and/or software has been transferred to the customer and no further material performance obligations remain outstanding.
- Professional services are invoiced in line with customer contracts and revenue is recognised:
    - on the basis of the stage of completion, determined by reference to work performed, where an asset is created with no alternative use to the Group and there is an enforceable right to receive payment for the work completed; or
    - at a point in time when each performance obligation is fulfilled in the absence of this right.
- Revenue from support and maintenance and license fees is recognised over time over the contract period during which the service is provided and consumed by the customer on a straight line basis.

Contract assets and liabilities are recognised relating to professional services revenue, support and maintenance revenue and licence fees because payments are received in advance and in arrears of the services being provided. Further details are set out in note 4.

2 Summary of significant accounting policies (continued)

Revenue recognition (continued)

Stage of completion is assessed using timesheet records and project management knowledge and experience of the technical work involved. No variable consideration or costs of obtaining and fulfilling contracts have been recorded in the year to 30 November 2020.

Non-controlling interests

For business combinations, the Group initially recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets. The total comprehensive income of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their relative ownership interests.

Foreign currencies

(i) Functional and presentational currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in US dollars, which is the Group's presentational currency. The Company's financial statements on pages 97 – 104 are presented in sterling, which is the Company's functional currency. The functional currency of the entities in the Group has remained unchanged during the reporting period.

(ii) Transactions and balances

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

(iii) Group companies

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

- assets and liabilities for each balance sheet presented are translated at the closing rate at the year end date;
- income and expenses for each income statement are translated at the average exchange rate for the month where these approximate the exchange rate at the date of the transaction; and
- all resulting exchange differences are recognised within other comprehensive income and taken to the foreign exchange reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into dollars at the closing rate.

2 Summary of significant accounting policies (continued)

Financial instruments

(i) Financial assets

The Group has one class of financial asset that is recorded at amortised cost as detailed below.

These assets, which are held to collect, arise principally from the provision of goods and services to customers (e.g. trade receivables). Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach with IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. The probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within operating expenses in the consolidated income statement. On confirmation that the trade receivables will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group's financial assets measured at amortised cost comprise trade and other receivables, contract assets and cash and cash equivalents in the consolidated statement of financial position. Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments and, for the purposes of the statement of cash flows, bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities in the statement of financial position.

(ii) Financial liabilities

The Group has two classes of financial liability: those recorded at amortised cost and those at fair value as detailed below.

Bank borrowing, loans from related parties, deferred post-acquisition remuneration, contract liabilities, trade payables and other short-term monetary liabilities are initially recognised at fair value, net of any transaction costs directly attributable to the issue of the instrument and are subsequently measured at amortised cost using the effective interest method which ensures that any interest expense and associated finance costs over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purpose of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption as well as any interest payable while the liability is outstanding. Contingent deferred consideration is initially measured at fair value, with subsequent changes recorded at fair value through profit and loss.

For debt modifications that are not substantial, the existing liability is not derecognised. Instead the Group recalculates the amortised cost of the financial liability as the present value of the estimated future contractual cashflows, including transaction fees, that are discounted at the financial instrument's original effective interest rate. Any gain or loss on the revised amortised cost is recognised in profit or loss as interest income or interest expense.

The put option liability in respect of the non-controlling interest following the acquisition of 24i Unit Media BV in July 2019 has been recognised at fair value at inception in other reserves, with movements through income statement each year prospectively.

2 Summary of significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost, net of depreciation and any provision for impairment in value. Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected economic useful life. Depreciation is recognised within operating expenses within the consolidated income statement.

The principal annual rates used for this purpose are:

Computer equipment	33.3% per annum
Office and other equipment	25% per annum
Leasehold improvements	Over the period of the lease

Depreciation of right of use assets is explained in the Leases accounting policy below.

Intangible assets

(i) Research and development – internally generated

All on-going research expenditure is expensed in the year in which it is incurred. When the criteria for capitalisation are met, development costs are capitalised as an internally generated asset. Internally generated intangible assets are amortised on a straight-line basis over their estimated useful lives, which is two years for set top box device development and associated software and three years for video apps. Amortisation commences when the asset is available for use.

Development costs are capitalised when the following criteria are met: a product is technically feasible; production and sale are intended; a market exists; expenditure can be measured reliably; and sufficient resources are available to complete the project. Development costs are capitalised up to the amount which, taken together with further related costs, will be recovered from the future economic benefits related to the asset. No interest costs are capitalised.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

(ii) Acquired platforms

Acquired software and hardware platforms are considered a separate class of asset as they are field-proven and expected to generate future economic benefits for a longer period of time than internally generated developments. Acquired platform intangible assets are amortised on a straight-line basis over their estimated useful lives, which is five years.

(iii) Software licences

Software licences are capitalised at cost. Software licence intangible assets are amortised on a straight-line basis over their estimated useful lives which is the shorter of three years or the licence period.

Amortisation of intangible assets is recognised within operating expenses within the consolidated income statement.

The principal annual rates used for this purpose are:

Acquired software/hardware platforms	20% - 33.3% per annum
Customer relationships	6.7% - 20% per annum
Trade names	10% - 20% per annum
Software licenses	33.3% per annum

Customer relationships and trade names were capitalised as part of fair value adjustments relating to acquisitions.

2 Summary of significant accounting policies (continued)

Impairment of intangible assets excluding goodwill

At each reporting date, the Group performs an impairment review in respect of any intangible assets excluding goodwill and reviews the carrying amounts to determine whether there is any indication that those assets have suffered any impairment. If any such indication exists, the recoverable amount of the asset (being the higher of fair value less costs to sell and value in use) is estimated in order to determine the extent of any impairment. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In determining a value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the cash generating unit that have not already been included in the estimate of future cash flows.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the Income Statement. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised as income immediately.

Impairment of goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the identifiable net assets acquired and is capitalised.

At each reporting date, and during the year if any events or changes in circumstances indicate potential impairment, the Group performs an impairment review in respect of goodwill to determine whether there is any indication that it has suffered any impairment. Any impairment loss is recognised as an expense in the consolidated income statement in the year in which it was identified to the extent that the carrying value exceeds the recoverable amount.

The recoverable amount is the higher of the fair value less costs of disposal and the value in use in the Group. In determining a value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the cash generating unit that have not already been included in the estimate of future cash flows.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Goodwill is allocated to those cash-generating units that are expected to benefit from the synergies of the related business combination and represent the lowest level within the Group at which management monitors the related cash flows.

Impairment losses recognised in respect of goodwill are not reversed in subsequent periods.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is based on estimated selling price, in the ordinary course of business, less further costs expected to be incurred to completion and sale.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks. Highly liquid investments with original maturity dates of three months or less from inception are considered to be cash equivalents.

2 Summary of significant accounting policies (continued)

Current and deferred tax

UK Corporation tax and overseas income tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted at the year end.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is calculated at taxation rates and laws that are expected to apply in the period when the liability is settled or the asset is realised, provided that the rates are substantively enacted at the year end. Deferred tax is charged or credited in the consolidated income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with through the statement of comprehensive income or statement of changes in equity.

Where there is uncertainty concerning the Group's filing position regarding the tax bases of assets or liabilities, the taxability of certain transactions or other tax-related assumptions then the Group:

- Considers whether uncertain tax treatments should be considered separately or together as a group based on which approach provides better predictions of the resolution;
- Determines if it is probable that the tax authorities will accept the uncertain tax treatment; and
- If it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on which ever method better predicts the resolution of the uncertainty. This measurement is required to be based on the assumption that each of the tax authorities will examine amounts they have a right to examine and have full knowledge of all related information when making those examinations.

Employee benefits

(i) Pension obligations

The Group operates a number of stakeholder pension schemes and contributes to a number of personal pension schemes on behalf of its employees. The Group provides no other post-retirement benefits to its employees. Pension costs are charged to the consolidated income statement in the year to which they relate.

(ii) Share-based compensation

The Group operates a number of equity-settled, share-based compensation plans. Equity-settled share-based payments (including where the Company has an option to settle in cash or equity) are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. Fair value is measured by use of the Black-Scholes option pricing model or a Monte Carlo option valuation model as appropriate depending on the terms of the options.

In order to facilitate the exercise of share options the Group maintains an Employee Benefit Trust (EBT). This is consolidated in accordance with IFRS 10. The costs of purchasing own shares held by the EBT are deducted from profit and loss reserves. Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the Group's income statement or statement of comprehensive income. When shares are subsequently transferred to employees for less than their purchase price the difference is a realised loss recognised directly in reserves. The Group schemes, which award shares in the parent entity, includes recipients who are employees in certain subsidiaries. In the consolidated financial statements, the transaction is treated as an equity-settled share-based payment, as the Group has received services in consideration for equity instruments. An expense is recognised in the Group income statement for the fair value of share-based payment over the vesting year, with a credit recognised in equity.

2 Summary of significant accounting policies (continued)

In the subsidiaries' financial statements, the awards, in proportion to the recipients who are employees in said subsidiary, are treated as an equity-settled share-based payment, as the subsidiaries do not have an obligation to settle the award. An expense for the grant date fair value of the aware is recognised over the vesting year, with a credit recognised in equity. The credit to equity is treated as a capital contribution, as the parent is compensating the subsidiaries' employees with no cost to the subsidiaries as there is no expectation to recharge the cost. In the parent company's financial statements, there is no share-based payment charge where the recipients are employed by a subsidiary, with the parent company recognising an increase in the investment in the subsidiaries as a capital contribution from the parent and a credit to equity.

Government grants

Government grants are not recognised until there is a reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises the associated expenses for which the grants are intended to compensate. Government grants are recognised in operating expenses within the consolidated income statement.

Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less

IFRS 16 was adopted on 1 December 2019 without the restatement of comparative figures. The transitional requirements that were applied at 1 December 2019 are detailed in note 34. The following policies apply subsequent to the date of the initial application.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or a rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

Right of use assets are initially measured at the amount of the lease liability increased by the amount of any material direct costs incurred in entering the lease and any material provisions for contractual dilapidations costs.

Lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right of use assets are amortised on a straight-line basis over the remaining term of the lease. Charges for common areas do not form part of the lease payments.

Notes to the consolidated financial statements

For the year ended 30 November 2020

2 Summary of significant accounting policies (continued)

Provisions

The Group has recognised provisions for warranty claims from customers. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

The Group has recognised provisions for uncertain tax positions relating to the application of OECD (Organisation for Economic Co-operation and Development) transfer pricing principles within the Group's subsidiaries.

Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the AGM.

Reserves

- Share capital – comprises the nominal value of ordinary shares classified as equity.
- Share premium reserve – comprises the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- Merger reserve – resulted from the merger of Amino Technologies plc and Amino Holdings Limited on 28 May 2004, prior to the Group's adoption of IFRS.
- Foreign exchange reserve – comprises the foreign exchange differences arising on consolidation.
- Capital redemption reserve – comprises the repurchase and cancellation of own shares on 15 April 2008.
- Other reserve – comprises the fair value of the put option liability at inception in respect of the non-controlling interest following the acquisition of 24i Unit Media BV.
- Profit and loss reserve – comprises all current and prior period retained profits and losses.

Exceptional and other items presented separately on the face of the consolidated income statement

Adjusted operating profit is shown before exceptional items, amortisation of acquired intangibles and share-based payment charges on the face of the consolidated income statement. This is consistent with the way the financial performance of the Group is presented to the Board and Chief Operating Decision Maker. The Directors believe that this provides a more meaningful comparison of how the business is managed and measured on a day-to-day basis.

Exceptional items are items which are material or non-recurring in nature and which are therefore presented separately from underlying operating expenses and income. Material costs may include: release of deferred contingent consideration no longer payable, release of royalty costs recognised in prior years and subsequently renegotiated, redundancy and associated costs, legal and professional advisors fees in respect of acquisition costs, contingent post acquisition remuneration payable and additions or releases to the provision for uncertain tax positions. Material income comprises amounts outside the course of normal trading activities.

Investment in own shares

The Group offsets the cost of own shares held, including following a share buyback, as a debit within the profit and loss reserve. These shares are held at cost and are typically used to satisfy share awards at which point, the cost is credited to the profit and loss reserve.

2 Summary of significant accounting policies (continued)

Critical accounting estimates and significant judgements

The preparation of financial information in conformity with IFRS requires the directors to make critical accounting estimates and significant judgements that affect the application of policies and reported amounts of assets and liabilities, income and expenses. An assessment of the impact of these estimates and judgements on the financial statements is set out below. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates and any subsequent changes are accounted for with an effect on income at the time such updated information is available.

Critical judgements in applying the Group's accounting policies

Assessing whether development costs meet the criteria for capitalisation

The point at which development costs meet the criteria for capitalisation is critically dependent on management's judgement of the point at which technical feasibility is demonstrable. Furthermore, the useful economic lives of capitalised development costs are based on management's knowledge of the life cycle of the Group's products and technology. The carrying value of development assets also depends on management's ability to demonstrate the future economic benefits they will deliver. This judgement requires assumptions about factors outside the business's control such as medium term economic conditions, technological developments and market changes. Details are contained in note 14.

Key sources of estimation uncertainty

Impairment of development costs

The Group tests annually whether the capitalised development costs have been impaired by reference to expected future generation of cash from the relevant products incorporating the technologies developed. In estimating the cash flows the capitalised development costs may generate the directors make judgements, based on budgets and forecasts, about the amount of future profits from the relevant products that will be generated and the timing of when these will be realised. Details are contained in note 14.

Assessing the fair value of acquired intangible assets and goodwill and whether they have been impaired

Goodwill represents a portion of consideration transferred by the Group for the future economic benefits from assets that cannot be individually identified and separately recognised. The Group uses a third party valuation expert to assess the fair value of acquired intangible assets due to the complex nature of the valuation calculations.

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Details of the impairment review are set out in note 14.

Assessing the potential impairment of inventories

In determining whether inventories are impaired, management considers expected future sales including product mix, pricing and volumes. If the inventories provided for were sold in the future, the provision may be overstated by $396,000 (2019: $390,000). The carrying value of the Group's provision for write-downs and obsolescence is disclosed in note 17.

Uncertain tax positions

The Group is subject to taxation in several jurisdictions and significant judgement is required in calculating the consolidated tax position. There are transactions for which the ultimate tax determination is uncertain and for which the Group makes provisions based on an assessment of internal estimates and appropriate advice. Where the final tax outcome of these matters is different from the amounts that were initially recorded, the difference will impact the tax charge in the period in which the outcome is determined in the range $0 - $1,100,000. It is possible that the ultimate resolution of these matters could result in tax charges that are materially higher or lower than the amount provided. The carrying value of the Group's uncertain tax provision is disclosed in note 22.

Notes to the consolidated financial statements

For the year ended 30 November 2020

2 Summary of significant accounting policies (continued)

Critical accounting estimates and significant judgements (continued)

Key sources of estimation uncertainty (continued)

Royalties

The Group uses certain standards-based technologies which may be subject to third-party licences. Where the ownership, validity and value of such licences has not been clearly established, the Group makes estimates for licence costs which may subsequently be negotiated at a different rate once the rights and value of the IP have been established. The Group has estimated liabilities of c.$900,000 that may be negotiated.

Leases

Management assess the reasonable certainty of the period during which a leased building is expected to be occupied for the purpose of calculating the lease liability under IFRS 16. The judgement is based on factors from the local requirements of the business to the overall Group strategy.

Management assess the discount rate used in calculating the lease liability. The judgement is based on factors such as the location of the asset, the expectation regarding any extension of the lease term, the currency in which the lease payments are made and the credit rating of the counterparty.

3 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk) and credit risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the Group's finance department under policies approved by the Board of directors. These policies permit the use of financial instruments such as forward foreign exchange contracts where appropriate but speculative transactions are not permitted.

Market Risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the UK pound sterling, in which dividends are also paid, the HK Dollar and the Euro.

The Group considers foreign exchange risk to be one of its financial risks and may seek to minimise its effects by using forward foreign exchange contracts where appropriate. Such contracts would be entered into to hedge against known foreign exchange exposures only and are not used for speculative purposes. Forward foreign exchange contracts are not designated for hedge accounting and are valued (i.e. marked to market) at the balance sheet date and any resulting profits or losses are taken to the consolidated income statement.

During 2020 and 2019, the Group did not enter into any forward foreign exchange contracts.

3 Financial risk management (continued)

The Group had the following current assets and liabilities denominated in currencies other than the functional currencies of the entities in which they were held:

As at 30 November 2020	Dollars $000s	Euros €000s	CAD C$000s	GBP £000
Trade and other receivables denominated in foreign currency	7,230	115	203	-
Cash balances denominated in foreign currency	3,536	155	-	-
Trade and other payables denominated in foreign currency	(5,945)	(384)	-	(7)
Net current assets denominated in foreign currency	**4,821**	**(114)**	**203**	**(7)**

As at 30 November 2019	Dollars $000s	Euros €000s	CAD C$000s	GBP £000
Trade and other receivables denominated in foreign currency	7,503	763	-	-
Cash balances denominated in foreign currency	5,179	69	-	-
Trade and other payables denominated in foreign currency	(7,005)	(26)	-	(122)
Net current assets denominated in foreign currency	**5,677**	**806**	**-**	**(122)**

At 30 November 2020, if the US dollar had weakened/strengthened by 10% against the euro with all other variables held constant, the retranslation of the year end foreign currency balances would have increased/decreased post-tax profit for the year by $0.0m/$0.0m (2019: $0.1m/$0.1m).

These values have been calculated by re-translating balances denominated in currencies at an exchange rate 10% higher/lower than that used in preparing the financial statements and comparing this with the actual balances consolidated.

(ii) Interest rate risk

Throughout the year-ended 30 November 2020 cash was held in investments repayable on demand. Cash at bank earns interest based on relevant LIBOR equivalents and during the year earned interest at an average rate of 0.05% (2019: 0.5%).

At 30 November 2020, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. Borrowings are managed centrally and local operations are not permitted to borrow long-term from external sources. During 2020 the Group's borrowings at variable rate were denominated in USD (2019: USD and EUR).

The sensitivity of profit to a reasonably possible change in interest rates of +/- 2% (2019: +/- 2%) with all other variables held constant, at 30 November 2020, would have increased/decreased post-tax profit for the year by $0.1m/$0.1m (2019: $0.1m/$0.1m). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates.

The directors consider that 1% is the maximum likely change in interest rates on USD borrowings over the next year, being the period up to the next point at which the Group expects to make these disclosures.

Notes to the consolidated financial statements

For the year ended 30 November 2020

3 Financial risk management (continued)

Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The Group spreads this risk by depositing cash across a number of banks. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

It is Group policy to insure its debtors where it is deemed appropriate. Where debtors are covered by insurance, the Group's exposure is limited to 10% of the value of the debt. Where insurance cannot be obtained due to the territory or customer involved, where possible, the necessary terms are placed on the customer so that monies are prepaid in full or to an adequate level so that maximum exposure is equal to the margin on the sale of devices.

Temporary increases in credit limits for specific contracts are subject to Executive management review and approval.

The Group's credit risk is limited to the carrying value of financial assets recognised at the reporting date, summarised below:

Financial asset carrying amounts	**As at 30 November 2020 $000s**	As at 30 November 2019 $000s
Non-current assets		
• trade and other receivables	**215**	430
Current assets		
• trade and other receivables	**13,639**	15,985
• cash and cash equivalents	**9,476**	8,612
	23,330	25,027

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group has an external multicurrency revolving credit facility of $15.0m which expires on 25 November 2022. At 30 November 2020, the value of external borrowings was $0.1m (2019: $7.3m) and therefore capital equates to the Group's total equity.

	As at 30 November 2020 $000s	As at 30 November 2019 $000s
Capital		
Total equity	**89,052**	82,585
Less: cash and cash equivalents	**(9,476)**	(8,612)
	79,756	73,973
Overall financing		
Total equity	**89,052**	82,585
Plus: borrowings (see note 21)	**130**	7,314
	89,182	89,899
Capital-to-overall financing ratio	**1:1.12**	1:1.2

3 Financial risk management (continued)

On 8 December 2020 the Company announced a new dividend policy of between 33% and 50% of adjusted annual earnings per share, subject to shareholder approval. None of the entities in the Group are subject to externally imposed capital requirements.

Liquidity risk

Liquidity risk is that the Group might be unable to meet its obligations and arises from trade and other payables. The Group manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows. Net cash requirements are compared to available cash and banking facilities in order to determine headroom or any shortfall. This analysis shows that available borrowing facilities are expected to be sufficient over the 12 month period from the approval of the financial statements. At 30 November 2020, the Group's non-derivative financial liabilities have contractual maturities (representing undiscounted contractual cash flows) as summarised below:

	Current		Non-current	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**Later than 5 years**
USD bank loan	-	-	130	-
Trade and other payables	17,505	2,541	-	-
Put option liability	-	2,505	-	-
Lease liabilities	631	585	1,542	-
Total	**18,136**	**5,631**	**1,672**	**-**

This compares to the maturity of the Group's non-derivative financial liabilities in the previous reporting period as follows:

	Current		Non-current	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**Later than 5 years**
USD bank loan	7,236	-	-	-
Trade and other payables	19,200	1,183	1,712	-
Put option liability	-	-	2,305	-
Total	**26,436**	**1,183**	**4,017**	**-**

Notes to the consolidated financial statements

For the year ended 30 November 2020

4 Revenue

Disaggregation of Revenue

In the tables below, 24i refers to the development and sale of online video solutions and Amino refers to the development and sale of TV centric devices and software solutions, including licensing and support services. This is consistent with the segmental analysis contained in note 5 below.

The Group's revenue disaggregated by primary geographical market is as follows:

Geographical external customer revenue analysis

	Year to 30 November 2020			Year to 30 November 2019		
	Amino $000s	**24i $000s**	**Total $000s**	Amino $000s	24i $000s	Total $000s
North America	**25,813**	**5,356**	**31,169**	31,924	1,854	33,778
Latin America	**10,784**	**347**	**11,131**	10,105	328	10,433
Netherlands	**18,245**	**6,292**	**24,537**	12,445	4,261	16,706
Rest of EMEA	**10,834**	**3,219**	**14,053**	11,761	2,418	14,179
EMEA	**29,079**	**9,511**	**38,590**	24,206	6,679	30,885
Rest of the World	**1,809**	**5**	**1,814**	2,136	-	2,136
	67,485	**15,219**	**82,704**	68,371	8,861	77,232

The Group's had two significant customers in the year, defined as representing more than 10% of revenue recognised, USA 1 - $14.8m and USA 2 - $9.4m (2019: USA 1 - $19.5m, USA 2 - $8.8m).

The Group's revenue disaggregated by product is as follows:

	Year to 30 November 2020			Year to 30 November 2019		
	Amino	**24i**	**Total**	Amino	24i	Total
	$000s	**$000s**	**$000s**	$000s	$000s	$000s
Devices incorporating integrated Amino software and associated accessories	**63,184**	**-**	**63,184**	64,159	-	64,159
Software and services	**4,301**	**15,219**	**19,520**	4,212	8,861	13,073
	67,485	**15,219**	**82,704**	68,371	8,861	77,232

4 Revenue (continued)

The Group's revenue disaggregated by pattern of revenue recognition is as follows:

	Year to 30 November 2020			Year to 30 November 2019		
	Amino	**24i**	**Total**	Amino	24i	Total
	$000s	**$000s**	**$000s**	$000s	$000s	$000s
Goods and services transferred at a point in time	**63,275**	**9**	**63,283**	64,387	557	64,944
Software licenses and services transferred over time	**4,210**	**15,210**	**19,421**	3,984	8,304	12,288
	67,485	**15,219**	**82,704**	68,371	8,861	77,232

The Group's revenue disaggregated by customer group is as follows:

	Year to 30 November 2020			Year to 30 November 2019		
	Amino	**24i**	**Total**	Amino	24i	Total
	$000s	**$000s**	**$000s**	$000s	$000s	$000s
Direct customers	**41,145**	**15,219**	**56,364**	36,660	8,861	45,521
Distribution channel	**26,340**	**-**	**26,340**	31,711	-	31,711
	67,485	**15,219**	**82,704**	68,371	8,861	77,232

Contract balances

	Contract Assets		**Contract Liabilities**	
	Year to 30 November			
	2020	2019	**2020**	2019
	$000s	$000s	**$000s**	$000s
At 1 December	**1,250**	328	**(1,323)**	(229)
Changes due to business combinations	**-**	14	**-**	(1,229)
Transfers in the period from contract assets to trade receivables	**(4,024)**	(2,738)	**-**	-
Amounts included in contract liabilities that were recognised as revenue during the period	**-**	-	**3,207**	4,434
Excess of revenue recognised over cash (or rights to cash) being recognised during the period	**4,185**	3,657	**-**	-
Cash received in advance of performance and not recognised as revenue during the period	**-**	-	**(3,582)**	(4,302)
Foreign exchange gains/(losses)	**7**	(11)	**87**	3
At 30 November	**1,418**	1,250	**(1,611)**	(1,323)

Contract assets and contract liabilities are included within "trade and other receivables" and "trade and other payables" respectively on the face of the statement of financial position. They arise from the Group's software license and support contracts, which can be for a period of more than one year, because cumulative payments received from customers at each balance sheet date do not necessarily equal the amount of revenue recognised on the contracts.

4 Revenue (continued)

Remaining performance obligations

The majority of the Group's contracts are for goods and services supplied within the next 12 months for which the practical expedient in paragraph 121(a) of IFRS 15 applies.

There are certain software support, professional service, maintenance and licences contracts that have been entered into for which both:

- the original contract period was greater than 12 months; and
- the Group's right to consideration does not correspond directly with performance.

The amount of revenue that will be recognised in future periods on these contracts when those remaining performance obligations will be satisfied is shown below.

As at 30 November 2020	**Year to 30 November**		
	2021	**2022**	**2023-4**
	$000	**$000**	**$000**
Revenue expected to be recognised on Software and Service contracts	5,756	4,719	3,607

As at 30 November 2019	Year to 30 November		
	2020	2021	2022-3
	$000	$000	$000
Revenue expected to be recognised on Software and Service contracts	7,078	2,664	1,350

No variable consideration or costs of obtaining and fulfilling contracts have been recorded in the year to 30 November 2020 (2019: nil).

The Group provides a warranty on its devices and accessories products of up to two years. Although this is a separately identifiable performance obligation, it is not considered distinct from the associated product and therefore does not meet the criteria requiring the separate allocation of revenue to it.

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For the year ended 30 November 2020

5 Segmental analysis

Operating segments are reported in a manner consistent with the internal reporting provided to the Amino Technologies plc Chief Operating Decision Maker ("CODM") for the use in strategic decision making and monitoring of performance. The CODM has been identified as the Group Chief Executive and the Chief Financial Officer. The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. Performance of the operating segments is based on adjusted EBITDA. Information provided to the CODM is measured in a manner consistent with that in the Financial Statements.

The Group reports three operating segments to the CODM:

- the development and sale of TV centric devices and solutions, including licensing and support services ("Amino");
- development and sale of online video solutions ("24i"); and
- central costs which comprise the costs of the Board, including the executive directors as well as costs associated with the Company's listing on the London Stock Exchange.

Revenues and costs by segment are shown below.

Amino Technologies plc is domiciled in the United Kingdom.

2020		**Amino $000s**	**24i $000s**	**Central costs $000s**	**Total $000s**
Revenue	Software and services	4,301	15,219	-	19,520
	Devices *	63,184	-	-	63,184
	Total	67,485	15,219	-	82,704
	% Recurring	5%	47%	-	13%
Cost of sales		(39,656)	(3,304)	-	(42,960)
Gross profit		27,829	11,915	-	39,744
Operating expenses		(9,634)	(11,383)	(2,056)	(23,073)
Segment result		**18,195**	**531**	**(2,056)**	**16,671**
Exceptional items	Cost of sales				917
	Operating expenses				(1,420)
Share based payment charge					(681)
Depreciation, amortisation and loss on disposal of fixed assets					(10,372)
Operating profit					**5,115**
Net finance expense					(704)
Profit before tax					**4,411**
Additions to non-current assets: Capitalised development costs		1,783	3,709	-	5,492

Notes to the consolidated financial statements

For the year ended 30 November 2020

5 Segmental analysis (continued)

2019		Amino $000s	24i $000s	Central costs $000s	Total $000s
Revenue	Software and services	4,212	8,861	-	13,073
	Devices *	64,159	-	-	64,159
	Total	68,371	8,861	-	77,232
	% Recurring	5%	44%	-	9%
Cost of sales		(39,571)	(1,931)	-	(41,502)
Gross profit		28,800	6,930	-	35,730
Operating expenses		(11,728)	(6,900)	(2,251)	(20,879)
Segment result		**17,072**	**30**	**(2,251)**	**14,851**
Exceptional items	Cost of sales				1,480
	Operating expenses				(2,445)
Share based payment charge					(829)
Depreciation, amortisation and loss on disposal of fixed assets					(8,723)
Operating profit					**4,334**
Net finance expense					(853)
Profit before tax					**3,481**
Additions to non-current assets: Capitalised development costs		2,213	1,922	-	4,135

* incorporating integrated Amino software and associated accessories

The location of non-current assets of the Group, other than financial instruments and deferred tax assets (there are no employment benefit assets and rights arising out of insurance contracts) is shown below.

Non-current assets by geographic area analysis (excluding deferred tax assets)	**As at 30 November 2020 $000s**	As at 30 November 2019 $000s
United Kingdom	**3,260**	3,882
USA	**47,736**	47,746
Finland	**8,556**	9,116
Netherlands	**35,135**	31,559
Rest of the World	**292**	441
	94,979	92,744

Notes to the consolidated financial statements

For the year ended 30 November 2020

6 Exceptional items

Exceptional items within operating costs and cost of sales comprise the following charges/(credits):

	Year to 30 November 2020 $000s	Year to 30 November 2019 $000s
Credit relating to royalty costs recognised in prior years and subsequently renegotiated	**(917)**	(1,480)
Subtotal cost of sales	**(917)**	(1,480)
Expensed contingent post-acquisition remuneration in respect of the acquisition of 24i Unit Media BV.	**1,164**	597
Redundancy and associated costs	**-**	723
Acquisition and one-off legal costs	**256**	1,125
Subtotal operating expenses	**1,420**	2,445
Total exceptional items	**503**	965

7 Net finance expense

	Year to 30 November 2020 $000s	Year to 30 November 2019 $000s
Interest payable and similar costs	**(565)**	(614)
Interest receivable and similar income	**44**	113
Net foreign exchange losses	**(183)**	(352)
	(704)	(853)

Interest payable and receivable relates to the Group's bank balances, loss on debt modification during the prior year and extended credit terms offered to one customer, in accordance with IFRS 15 Revenue from contracts with customers.

Interest payable and similar costs comprises:

	Year to 30 November 2020 $000s	Year to 30 November 2019 $000s
Loss on debt modification	**-**	330
Bank loan interest	**201**	176
Unwinding discount on put option liability regarding non-controlling interest of the 24i Group	**278**	98
Lease interest	**58**	-
Bank and other interest payable	**28**	10
	565	614

8 Profit before tax

Profit before tax is stated after charging:	**Year to 30 November 2020 $000s**	Year to 30 November 2019 $000s
Depreciation of owned property, plant and equipment (see note 15)	**233**	281
Depreciation of right of use assets (see note 16)	**1,165**	-
Amortisation of intangible assets:		
• other assets (see note 14)	**4,791**	4,289
• acquired intangible assets (see note 14)	**4,183**	4,096
Loss on disposal of property, plant and equipment	**7**	55
Research and development expense (excluding amortisation)	**10,584**	8,723
Short term and low value lease costs (see note 16)	**203**	-
Operating lease rentals (see note 29):		
• land and buildings	**-**	1,164
• plant and machinery	**-**	28
Auditor's remuneration:		
Audit services		
• fees payable to Company auditor for the audit of the Company and consolidated financial statements	**104**	123
Other services		
• the auditing of the Company's subsidiaries pursuant to legislation	**128**	140
• due diligence and taxation services	**-**	274
• audit related assurance services	**7**	15
Movements in inventory provision	**6**	15
Net realised loss on foreign exchange	**183**	352

9 Staff costs

The year end and average monthly number of employees of the Group (including executive directors) was:

	As at 30 November		**Year to 30 November**	
	2020	2019	**2020**	2019
	Year end Number	Year end Number	**Average Number**	Average Number
Selling, general and administration	**65**	70	**65**	64
Research and development	**207**	180	**195**	174
	272	250	**260**	238

	Year to 30 November 2020 $000s	Year to 30 November 2019 $000s
Their aggregate remuneration comprised:		
Wages and salaries	**16,970**	14,946
Termination costs	**-**	723
Social security costs	**1,711**	981
Other pension costs (see note 31)	**848**	786
Expense of share-based payments (see note 26)	**681**	829
	20,210	18,265

Notes to the consolidated financial statements

For the year ended 30 November 2020

10 Key management and directors compensation

Details of aggregate key management emoluments for the year are as follows:

	Year to 30 November 2020 $000s	Year to 30 November 2019 $000s
Salaries and other short term employee benefits	**1,522**	1,892
Termination benefits	**-**	-
Social security costs	**120**	204
Company contributions to personal pension schemes	**118**	113
Expense for share based payments	**165**	217
	1,925	2,426

The directors are of the opinion that the key management of the Group comprises the executive and non-executive directors of Amino Technologies plc along with the co-CEOs and Chief Strategy Officer of 24i. These persons have authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. At 30 November 2020, key management comprised 8 people (2019: 10).

Directors' emoluments are disclosed in the Remuneration Committee report on page 25 and is summarised below.

	Year to 30 November 2020 $000s	Year to 30 November 2019 $000s
Salaries and other short term employee benefits	**1,142**	1,428
Company contributions to personal pension schemes	**118**	67
	1,260	1,495

The highest paid director was Donald McGarva:

	Year to 30 November 2020 $000s	Year to 30 November 2019 $000s
Salaries and other short term employee benefits	**393**	622
Company contributions to personal pension schemes	**42**	41
	435	663

The pension entitlement was elected to be paid as salary in both years.

Notes to the consolidated financial statements

For the year ended 30 November 2020

11 Tax charge

	Year to 30 November 2020 $000s	Year to 30 November 2019 $000s
Corporation tax charge for the year	**2,361**	988
Foreign tax charge	**(50)**	15
Adjustment in respect of prior years	**(413)**	273
Total current tax charge	**1,898**	1,276
Net deferred tax (origination and reversal of temporary differences) (see note 24)	**(150)**	(647)
Total tax charge in consolidated income statement	**1,748**	629

The tax charge for the year differs from that calculated by applying the pro-rated standard rate of corporation tax in the UK of 19.0% (2019: 19.0%). The differences are explained below:

	Year to 30 November 2020 $000s	Year to 30 November 2019 $000s
Profit on ordinary activities before corporation tax	**4,410**	3,481
At the standard rate of corporation tax in the UK of 19% (2019: 19%)	**838**	661
Effects of:		
Amounts not allowable for tax purposes	**1,053**	1,279
Enhanced deduction for research and development expenditure	**(354)**	(429)
Adjustment in respect of prior years	**(413)**	273
Losses utilised during the year	**-**	(1,257)
Tax effect on share based payments	**159**	-
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(50)**	15
Movement in deferred tax not recognised	**515**	87
Total current tax charge	**1,748**	629

Notes to the consolidated financial statements

For the year ended 30 November 2020

12 Earnings per share

	Year to 30 November 2020 $000	Year to 30 November 2019 $000
Profit attributable to ordinary shareholders	**3,087**	2,989
Exceptional items (note 6)	**503**	965
Share-based payment charges (note 26)	**681**	829
Amortisation of acquired intangible assets (note 8)	**4,183**	4,096
Tax effect thereon	**(797)**	(734)
Adjusted earnings: being profit attributable to ordinary shareholders excluding exceptional items, share-based payments and amortisation of acquired intangibles and associated taxation	**7,657**	8,145
Weighted average number of shares (Basic)	**76,037,936**	74,050,058
Dilutive share options outstanding	**1,608,172**	1,336,325
Weighted average number of shares (Diluted)	**77,646,108**	75,386,383
Basic earnings per ordinary share of 1p	**4.06c**	4.04c
Diluted earnings per ordinary share of 1p	**3.98c**	3.96c
Adjusted basic earnings per ordinary share of 1p	**10.07c**	11.00c
Adjusted diluted earnings per ordinary share of 1p	**9.86c**	10.80c

The calculation of basic earnings per share is based on profit after taxation and the weighted average of ordinary shares of 1p each in issue during the year. The Company holds 2,021,058 (2019: 2,039,647) of its own shares in treasury and these are excluded from the weighted average above. The basic weighted average number of shares also excludes 242 (2019: 242) being the weighted average shares held by the EBT in the year.

The number of dilutive share options above represents the share options where the exercise price is less than the market price of the Company's ordinary shares.

13 Dividends

Amounts recognised as distributions to equity holders in the year:

	Year to 30 November 2020 $000s	Year to 30 November 2019 $000s
Final dividend for the year ended 30 November 2019 of nil (2019: 5.64p for year ended 30 November 2018) per share	-	5,336
Interim dividend for the year ended 30 November 2020 of nil (2019: 1.68p) per share	-	1,553
	-	6,889

The Board of directors has proposed a dividend of $1,900,000 for the current financial year (2019: $5,535,000). This equates to 1.87 pence per share, in line with the new policy to pay between 33-50% of Group adjusted earnings per share (2019: 7.32 pence). The proposed final dividend is subject to approval by shareholders at the Annual General Meeting ("AGM") and has not been included as a liability in these financial statements.

In light of the impact of Covid-19 on the economies of the countries in which the Company and its customers operate, the resolution in respect of the final dividend for 2019 was withdrawn prior to the AGM and as a result the dividend was not paid.

14 Intangible assets

	Goodwill $000s	Customer relationships $000s	Trade names $000s	Intellectual Property $000s	Software licences $000s	Development costs $000s	Acquired platforms $000s	Total $000s
Cost								
At 30 November 2018	49,722	9,875	1,643	390	1,568	31,368	9,444	104,010
Additions	-	-	-	-	15	4,135	-	4,150
Acquisition of subsidiary	16,675	10,262	845	-	-	-	4,050	31,832
Disposals	-	-	-	-	(5)	-	-	(5)
Foreign exchange adjustment	(343)	(249)	(28)	-	13	-	(197)	(804)
At 30 November 2019	66,054	19,888	2,460	390	1,591	35,503	13,297	139,183
Additions	169	-	-	-	1	5,492	-	5,662
Disposals	-	-	-	-	-	-	-	-
Foreign exchange adjustment	2,014	922	97	-	47	199	620	3,899
At 30 November 2020	**68,237**	**20,810**	**2,557**	**390**	**1,639**	**41,194**	**13,917**	**148,744**
Amortisation								
At 30 November 2018	-	4,258	1,097	390	1,420	25,452	6,369	38,986
Charge for the year	-	1,580	363	-	83	4,206	2,153	8,385
Eliminated on disposals	-	-	-	-	(5)	-	-	(5)
Foreign exchange adjustment	-	(48)	(11)	-	13	-	(56)	(102)
At 30 November 2019	-	5,790	1,449	390	1,511	29,658	8,466	47,264
Charge for the year	-	1,893	301	-	51	4,740	1,989	8,974
Eliminated on disposals	-	-	-	-	-	-	-	
Foreign exchange adjustment	-	28	26	-	44	31	310	439
At 30 November 2020	**-**	**7,711**	**1,776**	**390**	**1,606**	**34,429**	**10,765**	**56,677**
Net book amount At 30 November 2020	**68,237**	**13,099**	**781**	**-**	**33**	**6,765**	**3,152**	**92,067**
At 30 November 2019	66,054	14,098	1,011	-	80	5,845	4,831	91,919

Development costs relate to a number of projects with varying start dates. All of these projects are being amortised evenly over their estimated useful life, usually two or three years for internally generated additions and five years for platforms acquired, subject to impairment review.

Management has considered each product group separately when determining appropriate assumptions and determined that there would be no impairment. Management prepares a cash flow forecast based initially on the detailed 2021 operating budgets which are then extended for a further one or two years depending on the expected life of the product.

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14 Intangible assets (continued)

The carrying value of goodwill is allocated to the following cash-generating units ("CGUs"):

CGU	**As at 30 November 2020 $000s**	As at 30 November 2019 $000s
Cash flows from 24i Group (formerly Booxmedia Oy (Smart Video) and 24i Unit Media BV and its subsidiaries)	**25,839**	23,656
Cash flows from Amino software and devices (formerly Entone, Inc.)	**42,398**	42,398
	68,237	66,054

Management has considered each CGU separately when determining appropriate assumptions. The recoverable amounts for the CGUs given above were determined based on value-in-use calculations at a level where there are largely independent cash flows. Management prepares a cash flow forecast based initially on the detailed 2021 operating budgets which are then extended for a further three years plus a terminal value. A pre-tax discount rate is then applied in order to calculate the present value of such cash flows, which represents the recoverable amount.

Discount rates applied to future cash flows. The Group's pre-tax weighted average cost of capital ("WACC") has been used as the foundation to determine the discount rates to be applied. For 24i Group the WACC has then been adjusted to reflect risks specific to that CGU that are not already reflected in the future cashflows. The discount rate used for the impairment review of Amino was 12.8% (2019: 12%). The discount rate used for the 24i Group was 14.0% (2019: 14.3%).

The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period.

The growth rates used were as follows:

CGU	Assumed annual revenue growth rate	Assumed gross margin % growth	Assumed annual operating profit margin growth rate	Assumed terminal growth rate
24i Group	Increase 18-20%	5% increase in year 2, no growth thereafter	Increase 0 – 9%	Increase 2%
Amino	9% in year 1, 0% in year 2 and 3, -4% from year 4	1% decrease in year 3, 2% decrease in year 4 & 5	Decrease 2% – 0	Decrease 4%

The annual growth rates are based on management's view of customer and product development opportunities. For 24i Group CGU this takes into account forecast growth from new and existing customers. The long-term growth rate into perpetuity for the 24i Group CGU has been assumed to be 2% per annum reflecting the long term potential of the market in which the CGU operates. The long-term growth rate into perpetuity for the Amino CGU has been assumed to be a decrease of 4% per annum, reflecting current market forecasts.

Management has considered the impact of the following sensitivities and determined that there would be no impairment charge for either CGU.

CGU	Revenue sensitivity	Gross margin sensitivity
24i Group	Revenue growth from year 3 reduced to 16% from 20%	Gross margin stays flat in year 1 rather than 5% growth from FY20
Amino	Revenue decreased by 6% in year 2 onwards rather than no decrease in year 2 and 3, and 4% decrease in year 4 & 5	Gross margin reduced by 3% instead of 1% in year 2 and 3, and 2% in year 4 & 5.

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15 Property, plant and equipment

	Computer equipment $000s	Office and other equipment $000s	Leasehold improvements $000s	Total $000s
Cost				
At 30 November 2018	1,071	293	783	2,147
Foreign exchange adjustment	(3)	(4)	2	(5)
Additions	11	41	17	69
Acquired through a business combination	-	139	-	139
Disposals	(182)	(59)	(287)	(528)
Reclassification	(16)	16	-	-
At 30 November 2019	881	426	515	1,822
Foreign exchange adjustment	18	5	5	28
Additions	45	300	-	345
Disposals	(96)	(7)	-	(103)
At 30 November 2020	**848**	**724**	**520**	**2,092**
Depreciation				
At 30 November 2018	812	169	632	1,613
Foreign exchange adjustment	(1)	-	2	1
Charge for the year	138	62	81	281
Disposals	(175)	(35)	(258)	(468)
Reclassification	(16)	16	-	-
At 30 November 2019	758	212	457	1,427
Foreign exchange adjustment	13	1	4	18
Charge for the year	103	106	24	233
Disposals	(96)	-	-	(96)
At 30 November 2020	**778**	**319**	**485**	**1,582**
Net book amount				
At 30 November 2020	**70**	**405**	**35**	**510**
At 30 November 2019	123	214	58	395

16 Leases and Right of Use assets

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

IFRS 16 was adopted 1 December 2019 without restatement of comparative figures. For an explanation of the transitional requirements that were applied as at 1 December 2019, see note 34. The following policies apply subsequent to the date of initial application, 1 December 2019.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate. On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the group if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised. Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:
- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

When the group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of use asset being adjusted by the same amount

Notes to the consolidated financial statements

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16 Leases and Right of Use assets (continued)

- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the group to use an identified asset and require services to be provided to the group by the lessor, the group has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Nature of leasing activities (in the capacity as lessee)

The group leases a number of properties in the jurisdictions from which it operates. In some jurisdictions it is customary for lease contracts to provide for payments to increase each year by inflation or and in others to be reset periodically to market rental rates. In some overseas property leases, the periodic rent is fixed over the lease term. The group also leases certain items of plant and equipment.

Right-of-Use Assets

	Land and buildings $000s	Plant and machinery $000s	Total $000s
At 1 December 2019	3,554	15	3,569
Additions	67	-	67
Depreciation	(1,161)	(4)	(1,165)
Foreign exchange movements	161	2	163
At 30 November 2020	**2,621**	**13**	**2,634**

Lease liabilities

	Land and buildings $000s	Plant and machinery $000s	Total $000s
At 1 December 2019	3,558	11	3,569
Additions	67	-	67
Interest expense	58	-	58
Lease payments	(1,139)	(7)	(1,146)
Foreign exchange movements	163	-	163
At 30 November 2020	**2,707**	**4**	**2,711**

16 Leases and Right of Use assets (continued)

	2020
	$000s
Short-term lease expense	**77**
Low value lease expense	**126**
Expense relating to variable lease payments not included in the measurement of lease liabilities	**44**
Aggregate undiscounted commitments for short-term leases	**1**

In May 2020, the IASB issued an amendment to IFRS 16 (COVID-19-Related Rent Concessions). It was endorsed by the EU on 9 October 2020. It is effective for annual periods beginning on or after 1 June 2020, but earlier application is permitted, including in financial statements not authorised for issue at 28 May 2020. The amendment provides relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The Group did not receive any rent rebates as a direct consequence of the COVID-19 pandemic and therefore it has not applied this practical expedient meaning that any rent rebates and other lease changes to existing leases were accounted as modifications to the lease liability and Right of use asset only.

17 Inventories

	As at 30 November 2020	As at 30 November 2019
	$000s	$000s
Raw materials	**1,521**	1,204
Finished goods	**1,435**	1,195
	2,956	2,399

The following write-downs and obsolescence provisions were recognised in respect of inventories:

	2020	2019
	$000s	$000s
Provision at 1 December	**390**	375
Provided in the year	**101**	222
Credited to the consolidated income statement for items sold/utilised	**(54)**	-
Inventory written off as scrap	**(51)**	(212)
Net foreign exchange translation losses	**10**	5
Provision at 30 November	**396**	390

The cost of inventories recognised as an expense and included in cost of sales amounted to $34.3m (2019: $35.0m).

18 Trade and other receivables

	As at 30 November 2020 $000s	As at 30 November 2019 $000s
Current assets:		
Trade receivables	**12,224**	15,414
Less: provision against trade receivables	**(367)**	(1,317)
Trade receivables (net)	**11,857**	14,097
Contract assets	**1,418**	1,250
Total financial assets other than cash and cash equivalents classified as amortised cost	**13,275**	15,347
Other receivables	**364**	638
Prepayments	**783**	498
Total trade and other receivables	**14,422**	16,483
Corporation tax receivable	**242**	8
Current assets: due within one year	**14,664**	16,491
Non-current assets:		
Other receivables	**215**	430

Other receivables due in more than one year comprise refundable rent deposits. The carrying value of trade and other receivables classified at amortised cost approximates fair value. The Group does not hold any collateral as security.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

The expected loss rates are based on the Group's historical credit losses experienced over the three year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors in the countries where the Group operates. Credit insurance forms part of the credit risk management strategy and is reviewed on an annual basis by management using historical credit loss experience and forward-looking information.

The lifetime expected loss provision for trade receivables and contract assets is as follows:

	Current	Under 90 days past due	Over 90 days past due	Total $000s
At 30 November 2020				
Expected loss rate	**0%**	**0%**	**72%**	**%**
Gross carrying amount	**10,249**	**1,468**	**507**	**12,224**
Loss provision	**-**	**-**	**367**	**367**
At 30 November 2019				
Expected loss rate	0%	0%	86%	8.4%
Gross carrying amount	12,027	1,851	1,537	15,414
Loss provision	-	-	1,317	1,317

18 Trade and other receivables (continued)

At 30 November 2020 trade receivables of $234,000 (2019: $351,000) had lifetime expected credit losses of the full value of the receivables. The receivables due at the end of the financial year relate to 19 customers, all of which payment in full was considered unlikely. In the prior year it was due to four customers where payment in full was judged to be unlikely; and one which ceased to trade.

Trade receivables that are more than three months past due are reviewed for impairment on an individual basis including consideration of previous payment history and the ongoing relationship with the customer. The ageing analysis of trade receivables that were past due but not impaired is as follows:

Trade receivables	**As at 30 November 2020 $000s**	As at 30 November 2019 $000s
Neither past due nor impaired	**10,249**	12,026
Under 90 days overdue but not provided for	**1,468**	1,850
Under 90 days overdue and provided for	**-**	-
Over 90 days overdue and provided for	**367**	1,317
Over 90 days overdue but not provided for	**140**	221
	12,224	15,414

Standard credit terms vary from customer to customer largely based on territory. At the year end $2.0m of debts were past due (2019: $3.3m). As shown above, at 30 November 2020 and 30 November 2019 trade receivables more than 90 days old but not provided for amounted to $0.1m and $0.2m respectively. No further analysis has been provided here on the quality of these debts as they are unlikely to have a material adverse impact on the Group's future results.

Movement on the Group provision for impairment of trade receivables is as follows:

	2020 $000s	2019 $000s
At 1 December	**1,317**	108
Provision for receivables impaired	**39**	37
Balances written off as irrecoverable *	**(972)**	-
Fair value on acquisition of 24i	**-**	1,198
Foreign exchange translation gains and losses	**(17)**	(26)
At 30 November	**367**	1,317

* the amounts written off relate to pre-acquisition balances relating to 24i Unit Media BV and its subsidiaries.

19 Cash and cash equivalents

	As at 30 November 2020 $000s	As at 30 November 2019 $000s
Cash and cash equivalents	**9,476**	8,612

The Group's overall interest rate risk is explained in note 3 "Financial risk management".

20 Trade and other payables

	As at 30 November 2020 $000s	As at 30 November 2019 $000s
Current liabilities		
Trade payables	**11,283**	9,959
Other payables	**76**	125
Accruals	**6,149**	9,116
Deferred contingent consideration	**575**	-
Deferred consideration	**167**	154
Deferred post-acquisition remuneration	**770**	395
24i Founders Put option	**2,312**	-
Total current financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	**21,332**	19,749
Social security and other taxes	**874**	728
Contract liabilities	**1,611**	1,323
Lease liabilities	**1,187**	-
Total trade and other payables and Lease liabilities	**25,004**	21,800
Corporation tax payable	**1,461**	684
	26,465	22,484

Non-current liabilities		
Other payables	**176**	56
Deferred contingent consideration	**-**	529
Deferred consideration	**-**	154
Deferred post-acquisition remuneration	**-**	198
24i Founders Put option	**-**	1,848
Lease liabilities	**1,524**	-
	1,700	2,785

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

21 Loans and borrowings

	As at 30 November 2020 $000s	As at 30 November 2019 $000s
Bank loan	**130**	7,314

There is no difference between the book value and the fair value of the bank loan. The bank loan is denominated in USD and the rate at which the loan is payable is 1.5% above bank reference rate. The bank loan is secured by a fixed and floating charge over all assets of the Group.

During the year, the Group repaid $7,236,000 under its borrowing facility, arranged in the prior year. The Group has a $15,000,000 borrowing facility in the form of a revolving credit facility that allows the Group to repay and draw down loans during the initial three-year term and includes a $5,000,000 overdraft facility which was unused at 30 November 2020. As at 30 November 2020, the remaining loan balance of $130,000 relates to the expensing of the fair value adjustment and capitalised fees over the three-year term of the facility.

The Group has undrawn committed floating rate borrowing facilities available at 30 November, for which all conditions have been met, as follows:

	As at 30 November 2020 $000s	As at 30 November 2019 $000s
Expiry in more than 1 year	**15,000**	8,034

22 Provisions

	As at 30 November 2020 $000s			As at 30 November 2019 $000s		
	Uncertain tax	**Warranty**	**Total**	Uncertain tax	Warranty	Total
At 1 December	**1,110**	**188**	**1,298**	1,110	208	1,318
Credited in the year	**-**	**(74)**	**(74)**	-	(20)	(20)
Foreign exchange adjustment	**-**	**3**	**3**	-	-	-
At 30 November	**1,110**	**117**	**1,227**	1,110	188	1,298

Provisions comprise amounts reserved against uncertain corporation tax positions and potential warranty costs.

The Group provides a warranty on its products of up to two years and makes a provision for future warranty expenditure based on past experience of return rates and specific product quality issues. The provision is expected to be utilised or reversed within the next two years.

An uncertain tax provision has been recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. These uncertainties relate to the application of OECD transfer pricing principles within the Group's subsidiaries.

It is possible that the ultimate resolution of these matters could result in tax or warranty charges that are materially higher or lower than the amount provided.

23 Financial assets and liabilities

Trade and other receivables, cash and cash equivalents, and trade and other payables are measured at amortised cost. The accounting policies applied are set out in note 2. The carrying amounts of financial assets and liabilities as at 30 November 2020 are categorised as follows:

Carrying value of financial assets and liabilities within the consolidated balance sheet:	As at 30 November 2020 $000s	As at 30 November 2019 $000s
Financial assets		
Trade and other receivables due after one year	**215**	430
Trade and other receivables due within one year	**13,639**	15,985
Cash and cash equivalents	**9,476**	8,612
Financial assets at amortised cost	**23,330**	25,027
Financial liabilities		
Trade and other payables at amortised cost	**11,359**	10,084
Accruals	**6,149**	9,116
Deferred post-acquisition remuneration	**770**	593
Deferred consideration	**167**	308
Bank loan	**130**	7,314
24i founders Put Option	**2,312**	1,848
Lease liabilities due within one year	**1,187**	-
Lease liabilities due after more than one year	**1,524**	-
Financial liabilities at amortised cost	**23,598**	29,263

All financial liabilities at amortised cost based on contractual undiscounted payments are due for settlement within six months, except $575,000 (2019: $198,000) deferred post-acquisition remuneration and $167,000 (2019: $154,000) deferred consideration, both payable on the second anniversary of the acquisition, and the 24i founders Put Option which can be exercised only on the second anniversary of the acquisition, 12 July 2021.

There is no material difference between the fair value and book value of financial instruments.

24 Deferred tax

Deferred tax asset

The Group had recognised deferred tax assets as follows:

Tax effect of temporary differences because of:	Tax losses carried forwards $000s	Equity settled share options $000s	Total $000s
At 1 December 2018	693	23	**716**
(Charged)/credited to the income statement (note 11)	(218)	131	**(87)**
Foreign exchange adjustment	6	2	**8**
At 30 November 2019	481	156	**637**
Charged to the income statement (note 11)	(488)	(159)	**(647)**
Foreign exchange adjustment	7	3	**10**
At 30 November 2020	**-**	**-**	**-**

The Group had potential unrecognised deferred tax assets as follows:

	As at 30 November 2020 $000s	As at 30 November 2019 $000s
Tax effect of temporary differences because of:		
Differences between capital allowances and depreciation	**31**	37
Tax losses carried forward	**2,279**	1,763
Equity-settled share options	**21**	-
Other short term temporary differences	**1**	15
	2,332	1,815

Factors that may affect the future tax charge

The directors have not recognised a deferred tax asset in respect of taxable losses based on their expectation of the Group generating taxable profits in the next 12 months. No deferred tax asset is recognised on a further $10.5m of other trading losses, temporary differences, or property, plant and equipment timing differences (2019: $7.5m) due to the uncertain timing of these being used and the fact such losses are subject to agreement by the relevant local tax authorities.

During the year, the Group used $2.6m tax losses (2019: $6.8m).

Deferred tax liability

The Group also had recognised deferred tax liabilities due to the tax effect of temporary differences because of the acquisition of subsidiaries as follows:

	As at 30 November 2020		As at 30 November 2019	
Deferred tax liability	**Amount recognised $000s**	**Amount unrecognised $000s**	Amount recognised $000s	Amount unrecognised $000s
At 1 December	**4,417**	-	1,378	-
Recognised in the income statement (note 11)	**(797)**	-	(734)	-
Acquisition of subsidiary	**-**	-	3,773	-
Foreign exchange adjustment	**328**	-	-	-
At 30 November	**3,948**	-	4,417	-

The amount recognised in the income statement was a credit of $797,000 (2019: credit of $734,000).

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25 Share capital

	As at **30 November 2020** **$000s**	As at 30 November 2019 $000s
Allotted, called up and fully paid		
78,069,571 (2019: 78,069,571) Ordinary shares of 1p each	**1,367**	1,367

During the year the Company issued nil (2019: 3,197,180) new shares with an aggregate nominal value of $nil (2019: $40,000) and consideration received of $nil (2019: $3,665,000). The Company holds 2,021,058 (2019: 2,039,647) of its own shares in Treasury.

26 Share based payments

Options granted to current and former employees and non-executives and others were under unapproved share option schemes:

	As at **30 November 2020** **Number**	As at 30 November 2019 Number
	5,270,817	5,397,219

Options granted under these schemes will be satisfied out of ordinary shares of 1p each through shares held in Treasury by the Company.

The number of options relating to current and former employees and non-executives over ordinary shares of 1p each, granted, lapsed or cancelled during the year was as follows:

Date granted	Exercise price	As at 30 November 2019 Number	Granted Number	Exercised Number	Lapsed Number	As at 30 November 2020 Number	Notes
October 2015	£1.32	452,021	-	-	(452,021)	-	
July 2016	£1.12	219,894	-	(18,589)	-	201,305	
November 2016	£1.59	2,570,897	-	-	(1,064,392)	1,506,505	(a)
November 2016	£1.605	75,901	-	-	-	75,901	
May 2017	£2.09	20,000	-	-	-	20,000	
October 2017	£1.93	300,000	-	-	-	300,000	(b)
March 2018	£0.00	450,000	-	-	(180,000)	270,000	(c)
July 2018	£1.985	306,506	-	-	-	306,506	(d)
March 2019	£0.86	467,000	-	-	-	467,000	(e)
July 2019	£0.00	535,000	-	-	-	535,000	(f)
March 2020	£1.13	-	746,000	-	-	687,000	(e)
March 2020	£0.00	-	130,000	-	-	130,000	(g)
September 2020	£0.00	-	387,600	-	-	387,600	(h)
September 2020	£1.245	-	325,000	-	-	325,000	(i)
		5,397,219	1,588,600	(18,589)	(1,696,413)	5,270,817	

26 Share based payments (continued)

Notes:

(a) 1,991,521 of these options are subject to the following performance criteria, the balance have vested:

- 50% shall vest if annual compound growth in the Total Shareholder Return, between 16 November 2016 and 31 May 2020, equals or exceeds 10% per annum. This condition was not met and these options lapsed.
- 50% shall vest if the annual compound increase in Earnings per Share, between 1 December 2016 and 30 November 2019, is equal to or exceeds 10%. This condition was met and the options vested.

(b) The vesting conditions of these options are as follows, first 50,000 three years after grant date, of the balance:

- 50% shall vest if annual compound growth in the Total Shareholder Return, between 16 October and 28 February 2021, equals or exceeds 10% per annum.
- 50% shall vest if the annual compound increase in Earnings per Share, between 1 December 2017 and 30 November 2020 is equal to or exceeds 10%. This condition is determined 20 days after announcement of results for the year ended 30 November 2020.

(c) The vesting conditions of these options are as set out in the tables below:

Adjusted EPS for year ended 30 November 2020 (pence)	Number of options vesting	Adjusted EPS for year ended 30 November 2021 (pence)	Number of options vesting
<17.29	-	<18.58	-
17.29-17.76	13,500	18.58-19.36	20,250
17.77-18.09	45,000	19.37-19.90	67,500
≥18.10	90,000	≥19.91	135,000

TSR for 20 days after announcement of results for year ended 30 November 2020 (pence)	Number of options vesting	TSR for 20 days after announcement of results for year ended 30 November 2021 (pence)	Number of options vesting
<226.24	-	<243.21	-
226.24-232.59	13,500	243.21-253.52	20,250
232.60-236.88	45,000	253.53-260.57	67,500
≥232.89	90,000	≥260.58	135,000

(d) 275,000 of these options are subject to the following performance criteria, the balance will vest three years after the date of grant:

- 50% shall vest if annual compound growth in the Total Shareholder Return, between 18 July 2018 and 17 July 2021, equals or exceeds 10% per annum.
- 50% shall vest if the annual compound increase in Earnings per Share, between 1 December 2017 and 30 November 2020, is equal to or exceeds 10%. This condition is determined 20 days after announcement of results for the year ended 30 November 2020.

(e) These options will vest three years after the date of grant.

(f) The vesting conditions of these options are as set out in the table below:

Average share price for 90 days ending 15 July 2022 (pence)	Number of options vesting
< 120	-
120	133,750
120.5 – 127.0	160,500 – 508,250 (an additional 5% for each 0.5 pence by which the share price exceeds 120 pence)
≥127.5	535,000

26 Share based payments (continued)

(g) The vesting conditions of these options are as set out in the table below:

Average share price for 90 days ending 19 March 2023 (pence)	Number of options vesting
< 160	-
160	32,500
160 – 167.5	39,000 – 123,500 (an additional 5% for each 0.5 pence by which the share price exceeds 160 pence)
≥167.5	130,000

(h) The vesting conditions of these options are as set out in the table below:

Average share price for 90 days ending 9 September 2023 (pence)	Number of options vesting
< 168	-
168	96,900
168.5 – 127.0	116,280 – 368,220 (an additional 5% for each 0.5 pence by which the share price exceeds 120 pence)
≥127.5	387,600

(i) These options will vest on 16 August 2021.

All other options excluding (a)-(i) as noted above have vested in full.

For options exercised in year:

- The weighted average exercise price of options exercised was £1.12 (2019: £N/A).
- The weighted average share price at date of exercise was £1.40 (2019: £ N/A).

For options granted in year:

- The weighted average fair value of options granted was £0.14 (2019: £0.29).
- The weighted average exercise price of options granted was £0.77 (2019: £0.40).

For options lapsed in year:

- The weighted average exercise price of options lapsed was £1.35 (2019: £1.21).

At 30 November 2020 there were a total of 5,270,817 options outstanding of which 866,462 had vested and were exercisable with a weighted average exercise price of £1.49 (2019: 5,397,219 exercisable options with a weighted average exercise price of £1.42). The options outstanding at the end of the year have a weighted average contractual life of 1.4 years (2019: 2.2 years).

During the year the Group recognised a total expense relating to employee share-based payments under the equity-settled share option plans of $681,000 (2019: $829,000), including the 2016 LTIP, see below.

26 Share based payments (continued)

The fair values of options granted were determined using a Black-Scholes model or Monte Carlo simulation option pricing model that takes into account factors specific to the share option plans, such as the vesting period. The related TSR performance condition, being a market condition, has been incorporated into the measurement by means of actuarial modelling. The following principal assumptions were used in the valuation:

Grant date	10 September 2020	9 September 2020	19 March 2020	18 March 2020	15 July 2019	13 March 2019
Model used	Black-Scholes	Monte Carlo	Monte Carlo	Black-Scholes	Monte Carlo	Black-Scholes
Vesting period ends	16 August 2021	9 September 2023	19 March 2023	18 March 2023	15 July 2022	13 March 2022
Share price at date of grant	£1.245	£1.26	£1.13	£1.13	£1.22	£0.86
Volatility	31.2%	31.2%	38.9%	38.9%	28.0%	33.8%
Option life	1 years	3 years	3 years	4 years	3 years	3 years
Dividend yield	3.0%	3.0%	4.5%	4.5%	6.0%	8.7%
Risk-free investment rate	0%	0%	0.39%	0.48%	0.58%	0.85%
Fair value at grant date	£0.13	£0.36	£0.35	£0.23	£0.46	£0.10
Exercise price at date of grant	£1.245	£0.0	£0.00	£1.13	£0.00	£0.86
Exercisable to	16 August 2022	9 September 2025	19 March 2025	18 March 2025	15 July 2024	13 March 2024

The underlying expected volatility was determined by reference to the Company's historical share price movements.

27 Investment in own shares

Offset within the Group profit and loss reserve at 30 November 2020 is an amount of $126 (2019: $126) representing the cost of own shares held. These shares are held by the EBT as detailed in note 1 to the parent company financial statements.

A further $2,674,058 (2019: $2,687,075) is offset within the Group profit and loss reserve at 30 November 2020 in relation to 2,021,058 of the Company's own shares repurchased in 2011 and 2014 and held in treasury less those used to settle part of the contingent post acquisition remuneration payable relating to the acquisition of Entone, Inc (completed in 2015) and to settle SAYE exercises in prior years.

28 Notes supporting statement of cash flows

Cash generated from operations	Year to 30 November 2020 $000s	Year to 30 November 2019 $000s
Profit for the year	**2,663**	2,852
Tax expense	**1,748**	629
Net finance costs	**704**	853
Amortisation charge	**8,974**	8,385
Depreciation charge	**1,398**	281
Loss on disposal of property, plant and equipment	**7**	55
Share based payment charge	**681**	829
Small lease payments	**(36)**	-
Exchange differences	**(450)**	(248)
(Increase)/decrease in inventories	**(557)**	1,234
Decrease in trade and other receivables	**2,275**	5,524
Decrease in provisions	**(72)**	(20)
Decrease in trade and other payables	**(500)**	(6,559)
Cash generated from operations	**16,835**	13,815

Adjusted operating cash flow before exceptional cash outflows was $18,164,000 (2019: $17,179,000).

	Year to 30 November 2020 $000s	Year to 30 November 2019 $000s
Adjusted operating cashflow	**18,164**	17,179
Post-acquisition remuneration in respect of the acquisition of 24i Unit Media BV	**(1,073)**	-
Redundancy and associated costs	**-**	(1,753)
Acquisition and one-off legal costs	**(256)**	(1,125)
Escrow release received & paid to employees	**-**	(486)
Cash generated from operations	**16,835**	13,815

28 Notes supporting statement of cash flows (continued)

	Current loans and borrowings $000s	Put option liability $000s	**Total $000s**
At 1 December 2018	-	-	**-**
Cash flows	5,653	-	**5,653**
Non-cash flows			
Amounts recognised on business combinations	1,613	1,751	**3,364**
Loan modification	78	-	**78**
Effects of foreign exchange	(30)	-	**(30)**
Interest accruing in the year	-	97	**97**
At 30 November 2019	**7,314**	**1,848**	**9,162**
Cash flows	(7,366)	-	**(7,366)**
Non-cash flows			
Effects of foreign exchange	(19)	186	167
Interest accruing in the year	201	278	479
At 30 November 2020	**130**	**2,312**	**2,442**

29 Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

Group	**Property 2020 $000s**	**Plant and machinery 2020 $000s**	Property 2019 $000s	Plant and machinery 2019 $000s
No later than one year	-	-	988	25
Later than one year and no later than five years	-	-	1,799	12
	-	-	2,787	37

The Group leases offices under non-cancellable operating lease agreements. The leases have various terms, escalation clauses and renewal rights. The Group also leases office equipment under non-cancellable operating lease agreements.

30 Contingent liabilities

The Group's products incorporate third party technology, usually under licence. Inadvertent actions may expose the Group to the risk of infringing third party intellectual property rights. Potential claims can still be submitted many years after a product has been deployed. Any such claims are vigorously defended. The Group had no contingent liabilities at 30 November 2020 or 30 November 2019.

Notes to the consolidated financial statements

For the year ended 30 November 2020

31 Pension commitments

The Group operates a number of defined contribution schemes for employees and also makes contributions to the private pension plans of a small number of employees.

The Group's pension charge for the year was $848,000 (2019: $786,000). A payable of $73,000 is included within other payables at 30 November 2020 (2019: $70,000) in respect of the final month's contributions.

32 Related party transactions

Dividends totalling $nil (2019: $52,787) were paid in the year in respect of ordinary shares held by the Company's directors.

			Balances owed by/(to) the Group		**Purchases by the Group**	
Name of related party	Nature of purchases	Relationship	**As at 30 November 2020 $000s**	As at 30 November 2019 $000s	**Year to 30 November 2020 $000s**	Year to 30 November 2019 $000s
Ignite Advisors LLC	Consultancy services	Owned by Steve McKay, former non-executive director	**-**	4	**-**	3
Michael Clegg	Director fees only	Former non-executive director	**-**	5	**-**	-
Progressive Equity Research Limited	Company research services	Stephen Vaughan, non-executive director, is also a director of Progressive	**-**	8	**31**	11
Traiectum BV	Director fees only	Owned by Hans Disch director of subsidiary companies	**6**	34	**145**	83
Martijn van Horssen Holding BV	Director fees only	Owned by Martijn van Horssen director of subsidiary companies	**78**	(14)*	**204**	83

The amounts outstanding are unsecured and will be settled in cash. There were no sales to related party companies. *The balance of $14,000 is amounts paid for services rendered in advance of receiving an invoice. Directors fees payable to Ignite Advisors LLC and Michael Clegg have been disclosed in the Remuneration Committee report on page 25.

33 Post balance sheet events

There are no post balance sheet events requiring disclosure in the financial statements for the year ended 30 November 2020.

34 Effects of changes in accounting policies

This note explains the impact of the adoption of IFRS 16 and IFRIC 23 on the Group's financial statements and discloses the new accounting policies that have been applied from 1 December 2019. The Group has adopted IFRS 16 retrospectively from 1 December 2019 but has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing accounting standard are therefore recognised in the opening balance sheet on 1 December 2019. The Group has chosen not to restate comparatives on adoption of IFRIC 23 and therefore the revised requirements are not reflected in the prior year financial statements.

34 (a). Adjustments recognised on adoption IFRS 16

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 December 2019 in the currency in which payments under the lease are made. The range of discount rates used by the Group is 1.48% to 3.50%.

Impact on the consolidated statement of financial position	2019 $000s
Operating lease commitments at 30 November 2019	2,824
Capitalise reasonably certain extensions to remaining lease terms	892
Exempt small value and short-term leases	(28)
Discounted using incremental borrowing rate at 1 December 2019	(119)
Lease liability recognised as at 1 December 2019	3,569
Of which:	
Current lease liabilities	1,100
Non-current lease liabilities	2,469
Lease liability at 1 December 2019	3,569

The associated right-of-use assets for property leases and other right-of use assets were measured at the amount equal to the lease liability, reduced for any lease incentives received and adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 November 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to the following types of assets:

	30 November 2020 $000s	1 December 2019 $000s
Properties	**2,621**	3,543
Motor vehicles and office equipment	**13**	26
Total right of use assets	**2,634**	3,569

34 Effects of changes in accounting policies (continued)

The change in accounting policy affected the following items in the balance sheet on 1 December 2019:

- Right-of-use assets increased by $3,569,000
- Lease liabilities increased by $3,569,000

(i) Impact on segment disclosures and earnings per share
Adjusted EBITDA for the year to 30 November 2020 increased as a result of the change in accounting policy. The following segments were affected by the change in policy:

	Net assets at 1 December 2019 $000s	Adjusted operating profit $000s	Adjusted EBITDA $000s
Amino segment increase	-	12	656
24i segment increase	-	16	527
Total	-	28	1,183

Adjusted earnings per share for all operations and for continuing operations did not change for the year to 30 November 2020 as a result of the adoption of IFRS 16.

(ii) Practical expedients applied
In applying IFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

- reliance on previous assessments on whether leases are onerous;
- the accounting for operating leases with a remaining lease term of; less than 12 months as at 1 December 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains, a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 and IFRIC 4 Determining whether an Arrangement contains a lease.

34 (b) The Group's leasing activities and how these are accounted for

The group leases various offices and equipment. Rental contracts are typically made for fixed periods of 1 to 5 years but may have extension options as described in below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until 30 November 2019, leases of property, plant and equipment and cars were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to the income statement on a straight-line basis over the period of the lease.

34 Effects of changes in accounting policies (continued)

From 1 December 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable; and
- variable lease payment that are based on an index or a rate.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability; and
- any lease payments made at or before the commencement date less any lease incentives received.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the income statement, see note 8. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. None of the total lease payments made in the period to 30 November 2020 were optional.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

IFRIC 23 Uncertainty over Income Tax Treatments

IFRIC 23 is effective for the first time in the year ended 30 November 2020. IFRIC 23 clarifies the accounting for uncertainties in income taxes. The new accounting guidance has not caused the Group to make any adjustment to its tax balances on adoption. The Group has not recognised any new or de-recognised any existing tax balances as a result of the adoption of IFRIC 23.

Company balance sheet
For the year ended 30 November 2020

	Notes	As at 30 November 2020 £000s	As at 30 November 2019 £000s
Fixed assets			
Investments	3	**27,601**	27,070
Current assets			
Debtors: amounts falling due within one year	4	**12,247**	11,012
Cash at bank and in hand		**2**	2
		12,249	11,014
Creditors: amounts falling due within one year	5	**(1,074)**	(13,955)
Net current assets/(liabilities)		**11,175**	(2,941)
Creditors: amounts falling due after more than one year	5	**-**	(119)
Total assets less liabilities being net assets		**38,776**	24,010
Capital and reserves			
Called-up share capital	6	**781**	781
Share premium		**23,748**	23,748
Capital redemption reserve		**6**	6
Foreign exchange reserve		**-**	-
Profit and loss account		**14,241**	(525)
Total shareholder funds		**38,776**	24,010

As permitted by Section 408 of the Companies Act 2006, the Parent Company's profit and loss account has not been included in these financial statements. The Parent Company's profit after tax was £14,215,177 (2019: profit of £244,095).

The financial statements were approved and authorised for issue by the Board of directors on 8 February 2021 and were signed on its behalf by:

Donald McGarva
Director

Mark Carlisle
Director

Registered number: 05083390

Company statement of changes in equity

For the year ended 30 November 2020

	Share capital £000s	Share premium £000s	Capital redemption Reserve £000s	Foreign Exchange reserve £000s	Profit and loss £000s	Total £000s
At 30 November 2018	749	20,854	6	(210)	4,016	25,415
Profit for the year	-	-	-	210	244	454
Total comprehensive income	-	-	-	-	244	454
Dividends paid	-	-	-	-	(5,385)	(5,385)
Share based payment charge	-	-	-	-	600	600
Issue of share capital	32	2,894	-	-	-	2,926
Total transactions with shareholders	32	2,894	-	-	(4,785)	(1,859)
At 30 November 2019	**781**	**23,748**	**6**	**-**	**(525)**	**24,010**
Profit for the year	-	-	-	-	14,215	14,215
Total comprehensive income	-	-	-	-	14,215	14,215
Exercise of employee share options	-	-	-	-	20	20
Share based payment charge	-	-	-	-	531	531
Total transactions with shareholders	-	-	-	-	14,766	14,766
At 30 November 2020	**781**	**23,748**	**6**	**-**	**14,241**	**38,776**

Notes to the parent company financial statements

For the year ended 30 November 2020

1 Summary of significant accounting policies

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to both the years presented, unless otherwise stated.

Basis of preparation

The financial statements of Amino Technologies plc have been prepared in compliance with United Kingdom accounting standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102") and the Companies Act 2006. A summary of the significant accounting policies, which have been reviewed by the Board of directors is set out below. The financial statements are prepared in accordance with the historical cost convention.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102, as it is a qualifying entity and its financial statements are included in the consolidated financial statements of its ultimate parent company, Amino Technologies plc:

- A reconciliation of the number of shares outstanding at the beginning and end of the period;
- Disclosures for financial assets and financial liabilities;
- Key management personnel compensation in total.

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12 (b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Amino Technologies plc, includes the Company's cash flows in its consolidated financial statements.

Going concern

The Company's subsidiary undertakings had cash resources of $9.5m (2019: $8.6m) at the balance sheet date and a multicurrency working capital facility of $15.0m, of which $nil was drawn at 30 November 2020 (2019: $7.2m). Company's investments are profitable and cash generative. However, given the relationship between the Company and the Group it is part of, its going concern position is interrelated to that of its Group. This assessment is detailed on page 49. Taking account of this, the Directors have, at the time of approving the financial statements, a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

Investments

Investments are stated at cost, less any provisions for impairment in value.

At each reporting date, investments are assessed to determine whether there is an indication that they may be impaired. If there is such an indication, the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtained as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the income statement.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of comprehensive income.

Notes to the parent company financial statements (continued)

For the year ended 30 November 2020

1 Summary of significant accounting policies (continued)

Debtors

Short term debtors, including amounts due from related party undertakings, are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Deferred consideration

In addition to the consideration paid on the acquisition of 24i Unit Media BV ("24i") in July 2019, €1.1m of deferred consideration will be payable on the second anniversary of the acquisition, €1.1m having been paid on the first anniversary. Of the outstanding balance, €0.9m is contingent on two individuals remaining under contract with 24i and therefore the cost and liability have been recorded in a subsidiary. The balance of €0.2m (2019: €0.3m) has been recorded in the Company accounts and is disclosed in note 5.

Put option regarding non-controlling interest

Following the acquisition of 24i, the founders have retained an 8% non-controlling interest. The founders were granted a put option to sell this non-controlling interest on the second anniversary of the acquisition in return for 1p Ordinary Shares in the Company or for cash at the Company's discretion. If the option is exercised, the price paid per 24i share by the Company will be equal to the price paid per share of total consideration. This put option has been valued as a derivative in accordance with FRS 102, with movements recognised in profit or loss. The value at the balance sheet date has been assessed as immaterial using the value-in-use calculation prepared as part of the goodwill impairment review in respect of 24i.

Employee share option schemes

The Company grants options over its equity instruments to the employees of its subsidiaries; there is no share-based payment charge in the Company where the recipients are employed by a subsidiary. The carrying value of the investment in these subsidiaries is increased by an amount equal to the fair value of the share-based payment charge attributable to the option holders in the respective subsidiaries and a credit to equity

An Employee Benefit Trust (EBT) is maintained in order to facilitate the exercise of these share options. This is aggregated into the Parent Company in accordance with FRS 102. The costs of purchasing own shares held by the EBT are deducted from profit and loss reserves. Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the Company's income statement or statement of comprehensive income. When shares are subsequently transferred to employees for less than their purchase price the difference is a realised loss recognised directly in reserves.

2 Profit for the year

The profit for the year includes a dividend received from its subsidiary Amino Holdings Limited of £13,864,288 (2019: £nil). Directors' emoluments are disclosed in the Remuneration Committee report on page 25. The Company had no employees in either year. The audit fee for the Parent Company was £3,200 (2019: £3,200). This expense was met by a trading subsidiary.

Notes to the parent company financial statements (continued)

For the year ended 30 November 2020

3 Fixed asset investments

	Year to 30 November 2020 £000s	Year to 30 November 2019 £000s
Cost and net book value as at 1 December	**27,070**	8,994
Capital contributions arising from share based payments charge	**531**	600
Acquisition of subsidiary undertaking	**-**	17,476
Cost and net book value as at 30 November	**27,601**	27,070

Name of undertaking	Country of incorporation	Description of shares held	Proportion of nominal value of shares and voting rights held by the Group
Amino Holdings Limited	England and Wales	Ordinary shares of 1p each	100%
Amino Communications Limited	England and Wales	Ordinary shares of £1 each	*100%
Amino Communications LLC	Delaware, USA	Ordinary shares of $1 each	*100%
Amino Communications Employee Benefit Trust	England and Wales	Ordinary shares of £1 each	*100%
Amino Communications AB	Sweden	Ordinary shares of SEK 100	*100%
Amino Communications Oy	Finland	Ordinary shares of €1 each	*92%
Amino Technologies (US) LLC	Delaware, USA	Ordinary shares of $0.0001 each	*100%
Amino Technologies (HK) Limited	SAR Hong Kong	Ordinary shares of HKD 59.2 each	*100%
24i Holdings Limited	England and Wales	Ordinary shares of £0.01 each	*100%
Robbie BV	Netherlands	Ordinary shares of €1 each	*100%
24i Unit Media BV	Netherlands	Ordinary shares of €1 each	*92%
24i Media USA LLC	California, USA	Ordinary shares with no par value	*92%
Vigour Inc	Delaware, USA	Ordinary shares of $1 each	*92%
24i Media s.r.o	Czech Republic	Ordinary shares of CZK1 each	*92%
Mautilus s.r.o	Czech Republic	Ordinary shares of CZK each	*92%
24i Media ES S.L.	Spain	Ordinary shares of €1 each	*92%
Stream1 Holding BV	Netherlands	Ordinary shares of €1 each	*92%
Stream1 BV	Netherlands	Ordinary shares of €1 each	*92%
Stream1 IP BV	Netherlands	Ordinary shares of €1 each	*92%

*indirectly held

All of the above subsidiaries are included within the consolidated financial statements of Amino Technologies plc for the year ended 30 November 2020.

Notes to the parent company financial statements (continued)

For the year ended 30 November 2020

3 Fixed asset investments (continued)

Name of undertaking	Registered Office	Activity
Amino Holdings Limited	Botanic House, 100 Hills Road, Cambridge CB2 1PH	Non-trading intermediate holding company
Amino Communications Limited	Botanic House, 100 Hills Road, Cambridge CB2 1PH	Development of software technologies and customer-premises' products for the IPTV market, partnering with world-leading companies in content aggregation, middleware, conditional access, and head-end systems
Amino Communications LLC	Botanic House, 100 Hills Road, Cambridge CB2 1PH	Non-trading intermediate holding company
Amino Communications Employee Benefit Trust	Botanic House, 100 Hills Road, Cambridge CB2 1PH	Holds a number of shares in the Company for the benefit of the employees and former employees of the Company and its subsidiaries to provide employees with the opportunity of acquiring shares in the Company
Amino Communications AB	Botanic House, 100 Hills Road, Cambridge CB2 1PH	Dormant
Amino Communications Oy	Annankatu 31-33 E, FI-00100 Helsinki, Finland	Provision of Cloud-TV technology as a service, enabling broadcasters, operators and copyright owners to deliver TV services
Amino Technologies (US) LLC	1633 Bayshore HWY, Suite, 338, Burlingame, CA 94010, USA	Marketing and distribution of products of Amino Communications Limited in North America
Amino Technologies (HK) Limited	Level 20, Billion Plaza Two,10 Cheung Yue Street, Lai Chi Kok, Hong Kong	Software development and after sales services
24i Holdings Limited	Botanic House, 100 Hills Road, Cambridge CB2 1PH	Non-trading intermediate holding company
Robbie BV	Transformatorweg 78, 1014 AK Amsterdam, The Netherlands	Non-trading intermediate holding company
24i Unit Media BV	Transformatorweg 78, 1014 AK Amsterdam, The Netherlands	Development and deployment of TV apps for every screen, from set-top boxes, SmartTVs and media players to game consoles, tablets and mobile phones
24i Media USA LLC	1633 Bayshore HWY, Suite, 338, Burlingame, CA 94010, USA	See 24i Unit Media BV
Vigour Inc	1633 Bayshore HWY, Suite, 338, Burlingame, CA 94010, USA	See 24i Unit Media BV
24i Media s.r.o	Londýnské náměstí 1, 639 00 Brno, Czech Republic	See 24i Unit Media BV
Mautilus s.r.o	U Vodárny 3032/2a, Brno, Postal Code 616 00, Czech Republic	See 24i Unit Media BV
24i Media ES S.L.	Calle del Prado 4 1ºB, 28014 Madrid Spain	See 24i Unit Media BV
Stream1 Holding BV	Transformatorweg 78, 1014 AK Amsterdam, The Netherlands	Non-trading intermediate holding company
Stream1 BV	Transformatorweg 78, 1014 AK Amsterdam, The Netherlands	See 24i Unit Media BV
Stream1 IP BV	Transformatorweg 78, 1014 AK Amsterdam, The Netherlands	Holding company for Intellectual Property

Notes to the parent company financial statements (continued)

For the year ended 30 November 2020

4 Debtors: amounts falling due within one year

	As at 30 November 2020 £000s	As at 30 November 2019 £000s
Amounts owed by Group undertakings	**12,175**	11,012
Corporation tax receivable	**72**	-
	12,247	11,012

Amounts owed to the Company are unsecured, due on demand and may be subject to a market rate of interest.

5 Creditors

Amounts falling due within one year	**As at 30 November 2020 £000s**	As at 30 November 2019 £000s
Deferred consideration	**126**	119
Amounts owed to Group undertakings	**948**	13,800
Corporation tax payable	**-**	36
	1,074	13,955
Amounts falling due after more than one year		
Deferred consideration	**-**	119

The deferred consideration payable relates to the acquisition of 24i Unit Media BV completed on 12 July 2019. Further details are given in note 1.

Amounts owed to the Group undertakings are unsecured, due on demand and subject to a market rate of interest.

6 Share capital

	As at 30 November 2020 £000s	As at 30 November 2019 £000s
Allotted, called up and fully paid		
78,069,571 (2019: 78,069,571) Ordinary shares of 1p each	**781**	781

During the prior year, the Company issued 3,197,180 Ordinary shares with an aggregate nominal value of £32,000 and consideration received of £2,926,000 as part of the consideration for the acquisition of 24i Unit Media BV.

The Company holds 2,021,058 of its own shares in treasury (2019: 2,039,647).

7 Share based payments

Information on share options which have been granted to directors and employees are given in note 26 to the consolidated financial statements.

8 Equity

Equity includes the following reserves:

- Called up share capital represents the nominal value of shares that have been issued.
- Share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.
- Capital redemption reserve comprises the repurchase and cancellation of own shares on 15 April 2008.
- Profit and loss account includes all current and prior period retained profits and losses.

Notes to the parent company financial statements (continued)

For the year ended 30 November 2020

9 Related party transactions

The Company takes advantage of the exemption under FRS102 for transactions with wholly owned group companies. There were no other related party transactions during the year, other than:

- dividends totalling £nil (2019: £41,244) paid in the year in respect of ordinary shares held by the Company's directors; and
- payment of the first year of the deferred consideration payable relating to the acquisition of 24i Unit Media BV of €466,976 each to Traiectum BV and Martin van Horssen Holdings BV, directors of a subsidiary company and shareholders of the Company.

Amino Technologies plc

Directors	**Karen Bach,** *Non-executive Chair* **Donald McGarva,** *Chief Executive Officer* **Mark Carlisle,** *Chief Financial Officer* **Joachim Bergman,** *co-Chief Executive Officer of 24i* **Steve Vaughan,** *Non-executive Director* **Erika Schraner,** *Non-executive Director* **Steve Oetegenn,** *Non-executive Director*
Registered Office	Botanic House 100 Hills Road Cambridge CB2 1PH
Secretary	**Robert Hart**
Nominated Adviser and Stockbroker	**finnCap Limited** 1 Bartholomew Close London EC1A 7BL
Auditor	**BDO LLP** 55 Baker Street Marylebone London W1U 7EU
Solicitors to the Company	**BCLP** Governor's House 5 Laurence Pountney Hill London EC4R 0BR
Registrars and Receiving Agents	**Link Asset Services** 65 Gresham Street London EC2V 7NQ
Head Office	**Amino Technologies plc** 1010 Cambourne Business Park Cambourne Cambridge CB23 6DP Tel: +44 (0) 1223 598 197

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