Aferian plc

Annual Report 2021

POWERING THE GROWTH OF STREAMING

Aferian plc

Aferian plc is a software-led, B2B video streaming solutions company that powers the growth of streaming. Every day, around the world, millions of people watch the TV and video of their choice thanks to Aferian. Previously known as Amino Technologies plc, in June 2021, at minimal cost, we changed our name to Aferian plc to better articulate the full breadth of our business and addressable market.

Aferian's forward-thinking software and services make it easier for our customers to deliver the modern viewing experiences their consumers demand. Our solutions for Pay TV operators, broadcasters and streaming services bring live and on-demand video to life on every kind of device, from mobile phones and laptops to Smart TVs and set-top boxes (STBs). This watch-anywhere convenience drives audience satisfaction, engagement and revenue growth for our expanding customer base of around 500 companies that provide video streaming services to consumers.

Our solutions reduce operational complexity and costs, enabling companies of all sizes to effectively compete for a slice of the expanding global streaming market.

Aferian plc has two operating companies: 24i and Amino. 24i's modular software platform and managed services solve the key challenges involved in both preparing content for streaming and presenting it to consumers. Amino's streaming devices, software and SaaS device management platform give Pay TV operators and other video streaming service providers full control over the consumer viewing experience.

Together, these complementary companies put Aferian in a unique position: we are the only company to offer every part of the streaming value chain, from behind-the-scenes video processing solutions and front-end applications right up to the devices on which the content is consumed.

Aferian plc is listed on the London Stock Exchange Alternative Investment Market (AIM: symbol AFRN). Headquartered in Cambridge, UK, the company has over 350 staff located in offices in San Francisco, Amsterdam, Helsinki, Copenhagen, Madrid, Porto, Brno, Buenos Aires and Hong Kong.

For more information, please visit **aferian.com**

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OUR VISION

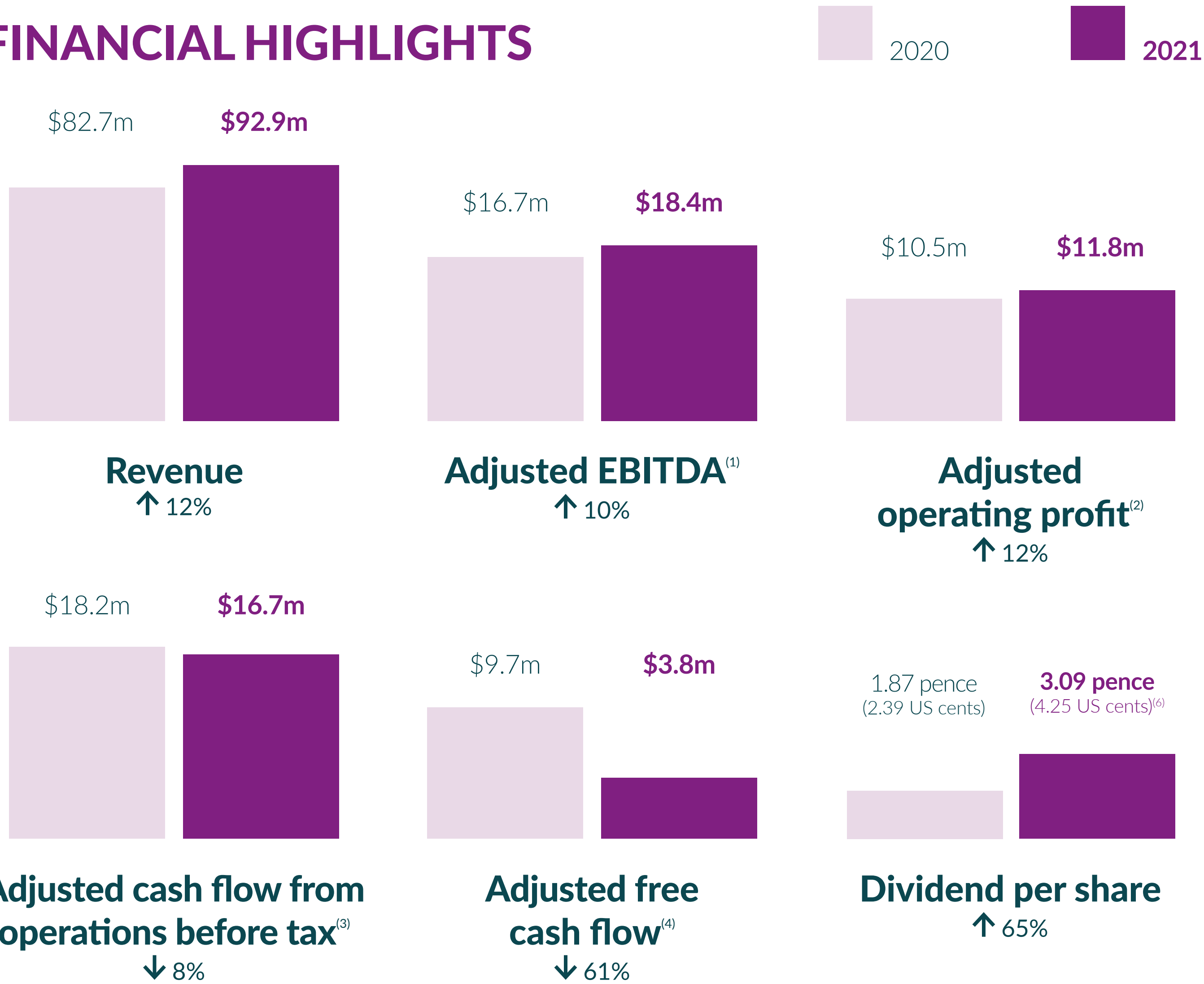
To make it easy for people to connect to the TV and video they love. We simplify the complex to enable greater viewer choice, usability and convenience. This means our customers can provide smarter, more cost-effective ways of delivering modern TV and video experiences to their customers.

SOFTWARE SHIFT CONTINUES TO BRING REWARDS

The Group has delivered a strong performance in the first full year of executing and innovating against the 2025 strategy. The Group has delivered double digit growth across the majority of its key performance metrics and significantly improved the quality of earnings and revenue visibility.

- Total revenue grew 12% to $92.9m (2020: $82.7m);
- Adjusted operating profit of $11.8m (2020: $10.5m), a 12% increase;
- Improved quality of earnings with higher margin software and services revenue growing 15% to $22.4m (2020: $19.5m). This includes recurring revenue of $12.9m, an increase of 21% on the prior year (2020: $10.7m), delivering on the key strategic objectives of the business;
- Enhanced visibility with exit run rate Annual Recurring Revenue ("ARR")[5] growing by 43% to $15.2m (2020: $10.6m);
- Adjusted gross profit from software and services accounts for 41% of group total (2020: 40%);
- Adjusted operating cash flows before tax of $16.7m (2020: $18.2m), representing 91% (2020: 109%) of adjusted EBITDA;
- Strengthened net cash position of $14.2m (2020: $9.5m) and no debt at 30 November 2021, providing a solid platform to execute on targeted acquisitions.

FINANCIAL HIGHLIGHTS



[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 before tax is a non-GAAP measure and excludes exceptional items.
[4] Adjusted free cash flow is a non-GAAP measure and is adjusted cash flow from operations, less capital expenditure, IFRS 16 lease payments, taxation and net interest.
[5] Exit run rate ARR is annual run-rate recurring revenue as at 30 November 2021.
[6] £1 = $1.37528

WHAT WE DO

We make it easy for content owners to stay ahead of the market and delight their viewers with high-quality TV and video experiences on the screens of their choice.

The technology requirements for streaming video to multiple types of devices are complex and constantly shifting. Aferian has invested in developing and maintaining end-to-end, pre-integrated solutions, so our customers don't have to.

We simplify the complex with configurable, turnkey solutions including white-label applications for all consumer devices.

Multi-tenant SaaS and TVaaS (TV as a service) options and Aferian's full roadmap of features reduce the cost and time to market for our customers as they launch attractive new and upgraded streaming services that delight their demanding consumers and increase their own revenue.

STREAMING IS NOW MASS MARKET

Demand for streamed content continues to grow significantly, accelerated by changes in viewing habits during the Covid-19 pandemic. Baby boomers are now just as likely to binge-watch streamed content as their grandchildren.

Consumers are shopping around, driving increased diversity in the streaming market

4 The average US household now subscribes to four different streaming services (up one since 2020)

$47 The average US household spends $47 on streaming services per month (up from $38 since 2020)

13% More than 1-in-10 US households is signed-up to **seven or more** different streaming services

Source: Cordcuttersnews.com

Big screen viewing is on the rise

73% Big screen devices (Smart TVs, Connected devices and Games consoles) now account for 73% of all viewing time of streamed content

↑36% Viewing on big screen devices rose by 36% in Q1 of 2021

Source: Conviva State of Streaming report, Q1 2021

THE INDUSTRY CHALLENGE: FINDING A COST-EFFECTIVE ROUTE TO EVERY SCREEN

Aferian's end-to-end solutions support this goal by offering our customers a cost-effective and time-efficient way to bring their content to all kinds of devices – both managed and unmanaged. We deliver:

Choice
Solutions for all types of content with flexible pricing options

Usability
Engaging and data-driven user experiences

Convenience
Ease of content discovery and consumption on any screen at any time

AFERIAN SERVES A RANGE OF MARKET VERTICALS

Pay TV	Enterprise	Content Owners	Sports	Broadcasters
90% of operators in EMEA and 74% of operators in North America are integrating streaming with their linear channels.	The Global enterprise market is set to grow at CAGR +8% to $2.1bn by 2025.	Gross revenue from streamed TV and movies to reach $210bn on 1.5bn subscriptions by 2026.	Sports rights holders worldwide now spend 15% of their total budgets on streaming tech stack. ($6.8bn in North America alone).	Advertisers are shifting from traditional TV to streaming TV. Ad-supported video spend set to rise to $25bn by 2025.
Source: SPGMI	Source: Mordor Intelligence 2021	Source: Digital TV Research	Source: Delatre 2019	Source: Broadcast Pro/Amagi

AFERIAN'S TOTAL ADDRESSABLE MARKET: A MULTI-BILLION DOLLAR MARKET IN TRANSITION

The revenues generated through streaming video over the internet are growing fast. Digital TV Research predicts the total global market will be worth $167bn by 2025.

A large proportion of this will go to the industry giants like Amazon, Disney and Netflix, but that leaves significant revenue shared between the companies that make up Aferian's target market: smaller telecom operators, streaming services and enterprise video providers.

Together, Aferian's solutions service a total addressable market worth over $8.6bn.

Streaming Video Platforms

24i

End-to-end platform

$1.1bn
7% CAGR
10% RR* CAGR

Streaming Devices

amino

OS & Devices

$7.5bn
8% CAGR

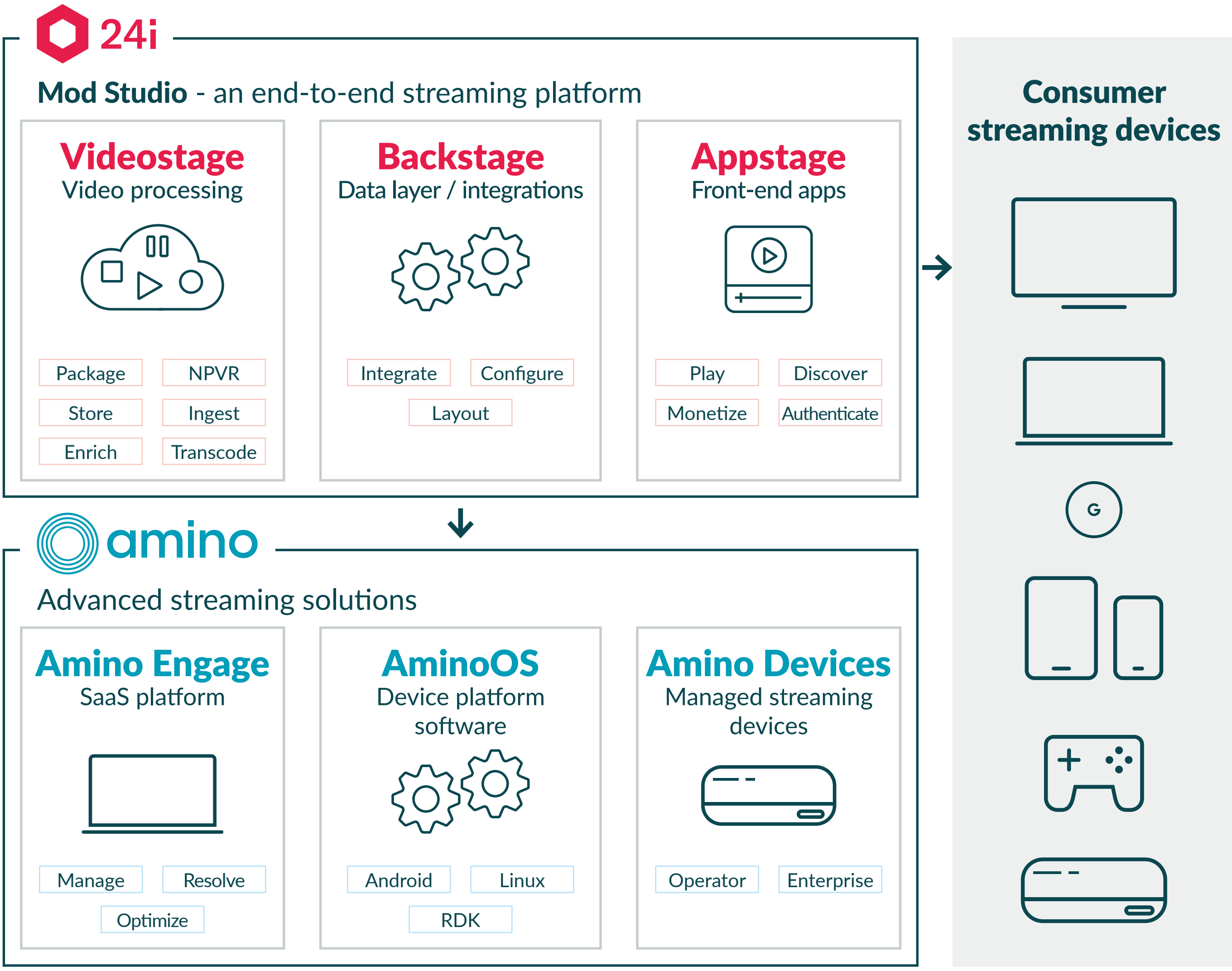
Source: Media Asset Capital, November 2021

*Recurring revenue growth of 10% CAGR due to transition from perpetual licences to SaaS

OUR OFFERING TO THE MARKET

We make streaming simple, on every device.

Aferian's software solutions, streaming devices, and data-driven services power traditional and modern viewing to all audiences, on all screens.



24i

The 24i Mod Studio end-to-end streaming platform offers content owners, broadcasters and Pay TV operators a "one-stop-shop" approach to their streaming needs.

It allows streaming services to launch in as little as eight weeks and Pay TV services to go live in as little as five months.

24i's customers can manage their content once, for consumption on consumer-supplied devices (mobile phones, laptops and Smart TVs etc) and devices supplied and managed by a Pay TV operator or enterprise.

amino

Based on a long heritage in video streaming and unrivalled partner network, Amino has developed a suite of high-quality streaming devices for Linux, Android, RDK and proprietary enterprise video technologies.

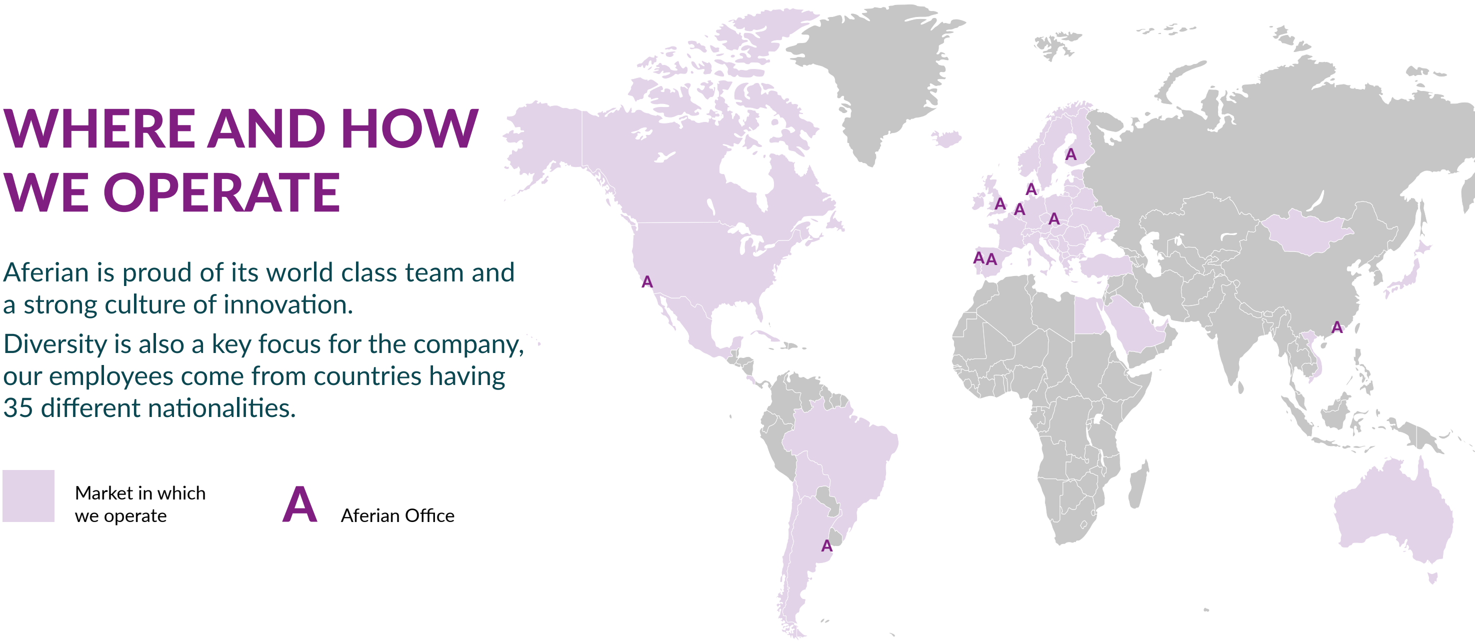
The ground-breaking combination of AminoOS and the Amino Engage SaaS platform gives Pay TV operators and enterprise video providers an unprecedented level of control over all aspects of the device.

This enables remote support, service monitoring, configuration, upgrades and advanced analytics. It can also be used to upcycle legacy devices, reducing the cost and environmental impact of rolling-out attractive new features to consumers.

WHERE AND HOW WE OPERATE

Aferian is proud of its world class team and a strong culture of innovation.

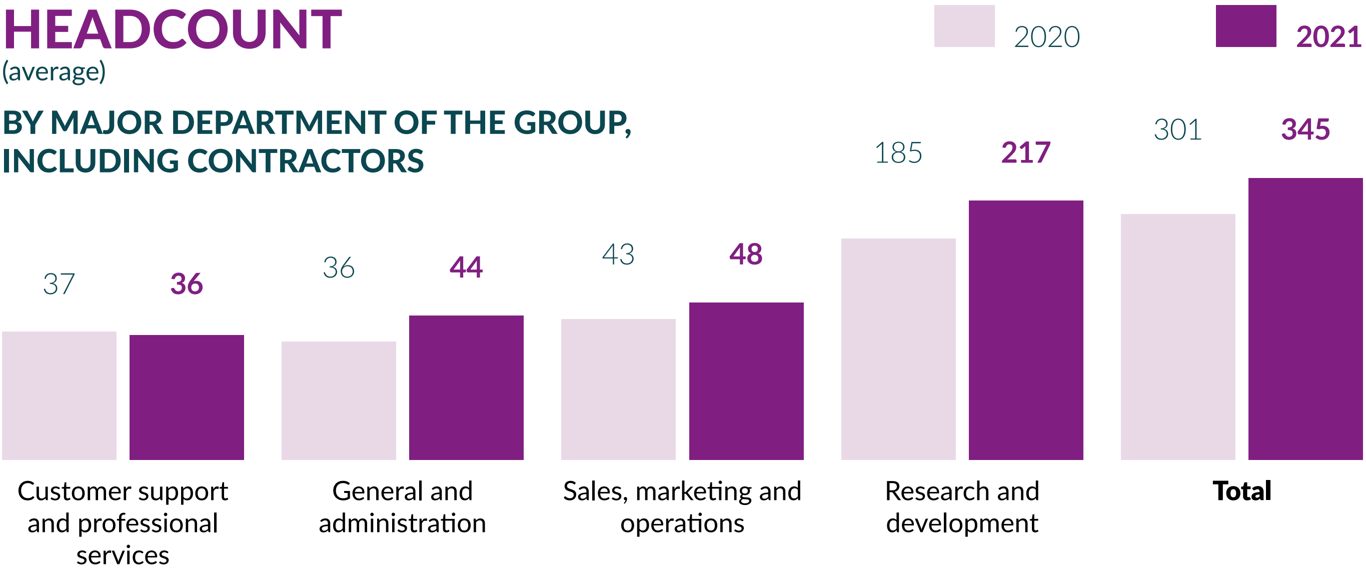
Diversity is also a key focus for the company, our employees come from countries having 35 different nationalities.



HEADCOUNT

(average)

BY MAJOR DEPARTMENT OF THE GROUP, INCLUDING CONTRACTORS



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.

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.

Aferian's 2025 objectives aim to:

AFERIAN 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 AFERIAN 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

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 Aferian's 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 aim to be Net Carbon Zero by 2025, and our supply chain by 2030. We are taking steps now to achieve this.
- 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.

We published our first ESG report in July 2021. A copy can be found on the Aferian website.

I joined the Board of Aferian on 1 January 2022 as its Non-Executive Chairman and it's a privilege to join at such an exciting time of growth and development. Throughout my career, I've been lucky enough to help guide innovative British technology businesses as they pursue growth and become global leaders in their field. This is where my enthusiasm still lies, and why I'm excited to have joined Aferian, an equally ambitious British and international software business. The Group is at the heart of a structural industry shift towards the convergence of streaming services and traditional Pay TV and I'm looking forward to sharing knowledge and experience to help the Company grow even more and deliver on its ambition.

This report marks the first full year since the Group announced its 2025 strategy. Whilst there is still plenty of work ahead of us, significant progress has already been made against the 2025 strategic goals. The Group has delivered another strong financial and operational performance, through both organic growth and with the acquisition of Nordija.

Since its inception, the Group's founding purpose has been to enable high quality video to be delivered over broadband. As both the video market and broadband speeds have evolved, so has the Group, but our promise has always remained unchanged – to make it easy for people to connect to the video they love, whenever they want. To continue delivering on this promise, Aferian has invested in the capability to deliver video to any screen at any time, in line with the changing demands of consumers.

In June 2021, at minimal cost, the Group changed its name from Amino Technologies plc to Aferian plc to reflect its renewed purpose and expanded capabilities. The Board felt that as our business evolved, it was right that the Group's name was changed to enable us to better articulate the nature of business and the larger international opportunity on which our team is now capitalising.

NON-EXECUTIVE CHAIRMAN

MARK WELLS

AFERIAN GROUP STRATEGY TO 2025

The Group's strategic aims remain underpinned by building a predictable and profitable software-driven growth business, with a proven track record of expanding its addressable market both organically and through targeted M&A. Our objectives are 1) to continue to grow margin through value-based investments; 2) to maintain strong levels of cash generation; 3) to deliver appropriate returns to shareholders, and 4) invest in the future growth of the Company. This year we have made significant progress against all of these objectives.

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

- **Transformation to a software-led company**
  Aferian is a software-led business focussed on growing higher margin recurring software revenues. This year ARR has increased by 43% to $15.2m and software & services revenue has grown by 15% to $22.4m.
- **Data centric product development to drive growth and innovation**
  Aferian's data-centric product development is focused on enhancing value for our existing customers to drive upsell of product licenses, as well as on attracting new customers. As the Group has expanded it has continued to collect and enhance increasing volumes of data. Our products are designed to deliver premium levels of support and monitoring at every point in the Group's video streaming platform, as well as giving customers new and actionable insights that will help them to grow consumer engagement and loyalty.
- **A product roadmap focussed on the consumer experience**
  Aferian aims to deliver choice, usability and convenience to the consumer. During the year the Group has continued to develop new and existing platforms that enable pay TV to be integrated with third-party streaming services like YouTube, Netflix and Amazon Prime Video on a single streaming device. Consumers prize this level of convenience and it helps our clients retain subscribers. The ongoing investment in developing the Group's productised video streaming platform ensures end users have the widest-possible choice of ways to access and watch the content they love.
- **M&A strategy to further underpin revenue growth and visibility**
  The Group is already delivering on its M&A growth ambitions and is expanding its capacity to continue to do so. In May 2021, the Group acquired Nordija (now part of 24i), a Danish specialist in Pay TV and streaming, which immediately had a positive impact on revenue and ARR. In December 2021, just after the year end, the Group also announced an increased bank facility of $50m which also includes a further $50m available by way of an accordion. The increased facility provides support to the Group in achieving its 2025 strategy, particularly with regards to the execution of potential acquisitions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

This year we were proud to publish our first ESG report. Our approach to ESG uses the Japanese concept of Ikigai meaning "a reason for being", which refers to having a meaningful direction or purpose in life. The ESG report provides an overview of how our business is aligned to the United Nations Sustainable Development Goals.

To further underscore the Group's commitment to making ESG foundational in what we do, in the current financial year the Remuneration Committee has introduced variable compensation targets for the Executive Directors based on the Group's ESG goals.

BOARD CHANGE

After almost six years on the Group's Board of Directors, Karen Bach stepped down from her role as non-executive Chairman on 31 December 2021. During her tenure, Karen made a significant contribution to the Group, including leading the Board as it developed the Group's 2025 strategy, which is already delivering meaningful improvements in revenue visibility and growth. On behalf of the Board and all our Aferian employees, I would like to thank Karen for her service, dedication and support during her tenure.

DIVIDEND

In line with our dividend policy of paying between a third and a half of adjusted EPS as a dividend, the Board is proposing a final dividend of 2.09 pence per share (2.87 US cents*) which, if approved, would, with the already paid interim dividend of 1.0 pence (1.38 US cents*) per share, result in a total dividend for the year of 3.09 pence (4.25 US cents*) per share.

Mark Wells
Chairman
9 February 2022

(*) £1 = $1.37528

GROUP CHIEF EXECUTIVE OFFICER

DONALD MCGARVA

STRONG PROGRESS TOWARDS OUR 2025 STRATEGIC GOAL

Our 2025 strategy addresses the convergence of streaming services and traditional Pay TV. Aferian has always been a B2B2C video streaming solutions company. The 2025 strategy capitalises on the increasing consumer expectation that we should all be able to connect to the TV and video streams we love on any device, at any time, wherever we may be. Aferian is well positioned to capture this opportunity, making it easy for people to consume TV and video content in the way they want.

We have made strong progress towards our 2025 strategic goals. We report revenue of $92.9m (2020: $82.7m), up 12%, and improved quality of earnings and enhanced visibility with an exit run rate ARR of $15.2m (2020: $10.6m) up 43%. Recurring software revenue was 58% (2020: 55%) of total software & services revenue.

OUTSTANDING TEAM EFFORT DRIVING STRONG BUSINESS RESULTS

We could not have achieved these results without the incredible teamwork, resilience and effort from our people. This year we have seen the continued impact of the global COVID-19 pandemic on our supply chains and our working practices. Many of our teams have continued to work from home most of the time. Delays in the supply chain of our streaming devices meant teams had to work doubly hard to source components on time as well as to source, test and validate alternative components. Despite this, our teams around the world have continued to collaborate effectively with each other, our customers and our suppliers to ensure that we have continued to provide our customers with high levels of service and timely assistance. I would like to thank our teams for their ongoing resilience and dedication in the face of a global pandemic, the impacts of which continue to be felt.

BUILDING A PREDICTABLE, SOFTWARE-DRIVEN GROWTH BUSINESS

We are focussed on building a predictable, software-driven growth business, while expanding our addressable market both organically and via targeted M&A. We continue to grow margins through value-based investments, maintain strong levels of cash generation, deliver appropriate returns to shareholders and invest in the future growth of the Group.

Our targeted M&A strategy is supported by our strong balance sheet and $50m bank facility which we signed in December 2021. Our M&A strategy has three pillars:

1. Acquisition of key and emerging technologies which gives the Group a competitive advantage and, therefore, improves gross margins. We have identified a number of areas which could significantly add value to our platform's capabilities by using the latest technologies to enhance our streaming platforms and make it easier for end-consumers to find the video and content they love.
2. Acquisition of market share and scale to drive operating cost efficiencies and take advantage of the growing demand for 'configurable' video experience solutions based on a standard platform. Our technology vision is founded on the iterative development of a modular video streaming platform that delivers both segmental (modular) as well as integral (end-to-end) solutions for our clients and partners, based on customisable products.
3. Acquisition of market entry capabilities and expanded market penetration, both in terms of additional geographies and industry verticals. Aferian has a very strong position in video being distributed over broadband via Pay TV as well as by broadcasters, publishers and content owners. The video market is dynamic, and our end-to-end streaming capabilities mean we are well placed to serve companies wishing to stream content to viewers in additional sectors such as education, hospitality and others. We are targeting additional geographies and industry verticals to market those capabilities.

In May 2021, we commenced our targeted M&A programme by completing the acquisition of Nordija, a Danish streaming and Pay TV platform specialist, for a total consideration of €5.3m ($6.4m). As customers increasingly look to offload the day-to-day burden of managing and maintaining their end-to-end video platforms to expert partners like Amino and 24i, this move accelerates our progress in the TV as a Service ("TVaaS") market. This enables us to better capture the opportunity created by the convergence of streaming services and traditional Pay TV, which is where we see the greatest opportunity for growth.

This acquisition added $2.2m to exit run rate ARR as well as bringing specialist capabilities to our team. Nordija has a reputation for innovation and has brought high quality customers to the Group including Denmark's Waoo, Swisscom Broadcast and Telenor Sweden. We were delighted to welcome Nordija employees into our growing Group. The integration of Nordija into 24i was completed in 2021 and the acquisition was earnings enhancing in the financial year.

To provide the Group with additional funds to aid execution of its acquisitive growth strategy, Aferian also completed a share placing in the year, raising $12.7m (£9.0m). Initially, these funds were intended to support the purchase of MobiTV, a US live TV and on-demand platform provider, which was in an auction process. Whilst our bid was ultimately unsuccessful, the availability of these additional funds enhances the Group's position in negotiating and executing future acquisitions.

GROUP CHIEF EXECUTIVE OFFICER REPORT

(CONTINUED)

THE STREAMING MARKET

Streaming is now a mass-market industry. Demand for streamed content continues to grow significantly, accelerated by changes in viewing habits during the COVID-19 pandemic. The 2021 research* issued by the research firm Ampere Analysis found out that:

- Baby boomers are now just as likely to binge-watch streamed content as their grandchildren.
- Consumers are also shopping around for a better streaming platform deal and content, driving increased diversity in the streaming market: The average US household now subscribes to four different streaming services (+1 since 2020).
- The average US household spends $47 per month on streaming services (up from $38 since 2020).
- More than 1-in-10 US households are signed up to seven or more different streaming services.

**Source: cordcuttersnews.com*

Within this growing industry, Aferian serves a range of market verticals:

- **Pay TV operators** – companies offering a package of linear TV channels and often associated on demand content to consumers on a subscription basis. Research from SPGMI suggests 90% of operators in EMEA and 74% of operators in North America are integrating streaming with their linear channels.
- **Enterprise video providers** – companies making video available to consumers on managed streaming devices but not offering traditional Pay TV to consumer homes, for example in-room entertainment in hotels, hospitals etc. Research from Market Intelligence suggests the Global enterprise market is set to grow at CAGR +8% to $2.1bn by 2025.
- **Content owners** – for example Netflix, Disney+, Pure Flix, and Cinessance. A study by Digital TV Research suggests gross revenue from streaming TV and movies will reach $210bn on 1.5bn subscriptions by 2026.
- **Sports rights holders** – for example FIFA, UEFA, NFL, and Canadian Hockey League. Research from Deltatre suggests sports rights holders worldwide spend 15% of their total budgets on their video streaming platform. That's $6.8bn in North America alone.
- **Broadcasters** – for example the BBC, ITV, CNN, Game Show Network, and NPO. Research from Amagi Analytics found advertisers are shifting from traditional TV to streaming TV, with ad-supported video spendings estimated to rise to $25bn by 2025.

AFERIAN'S TOTAL ADDRESSABLE MARKET

The revenues generated through streaming video over the internet are growing fast. Digital TV Research predicts the total global market will be worth $167bn by 2025. A large proportion of this will go to the industry giants like Amazon, Disney and Netflix, but that leaves significant revenue shared between the companies that make up Aferian's target market: smaller telecom operators, streaming services and enterprise video providers.

Research commissioned by Aferian and conducted by Media Asset Capital in November 2021 found that all Aferian's solutions service a total addressable market worth over $8.6bn:

Vertical	Solution	Market Size	CAGR
Streaming Devices	Amino streaming devices & software	$7.5bn	8% CAGR
Video Streaming Platforms	24i end-to-end streaming platform	$1.1bn	7% CAGR 10% recurring revenue growth CAGR due to transition from perpetual licenses to SaaS

2021 KEY PERFORMANCE INDICATORS

Our six key performance indicators demonstrate continued strategic progress during 2021 as we work towards our 2025 strategy goals. The Group reported revenue growth of 12%, with exit run rate ARR up 43%. Adjusted gross profit margin is consistent with the prior year. The Group also continues to generate strong operating cash flows. This year we also report for the first time a net customer revenue retention rate based on recurring revenue which increased 13% because of a very low churn rate combined with increased upsells to existing customers during the year.

$m	2021	2020	Change %
Total revenue	92.9	82.7	+12%
Software & services revenue	22.4	19.5	+15%
Annual run rate recurring revenue ("ARR") at 30 November	15.2	10.6	+43%
Adjusted gross profit margin %	48%	48%	-
Adjusted operating cash flow before tax	16.7	18.2	-8%
Net customer revenue retention rate on recurring revenue	117%	104%	+13bps

OPERATIONAL REVIEW

The Group has two operating companies: 24i and Amino.

24i

24i offers a robust technology platform that streams TV and video programming to any type of screen. 24i has a 12-year market-leading position and works with customers like NPO, Telenor, Pure Flix and Broadway HD.

24i continues to focus on building recurring revenues and has reported a significant year-on-year increase of 61% in exit run rate ARR. (29% increase year-on-year on an organic basis). As previously highlighted, we will continue to invest in both sales & marketing and in our products to build our sales pipeline.

We continue to migrate customers to the latest version of our industry-leading end-to-end streaming platform, which was launched last year. The new platform enables them to get their TV and video content to consumers faster and more cost-effectively. In December 2021, we unveiled 24i Mod Studio as the new identity and go to market name for our new platform. The new name and image are designed to better articulate the flexibility and modularity of the platform as well as its ability to rapidly meet the end-to-end needs of our target markets with turnkey solutions. Generally, across our platforms, customers are now benefiting from the worldwide shift to streaming and consumer demand for more flexible viewing powered by our platform.

24i continues to grow recurring revenue organically. This is in part a reflection of low customer churn but also the success that customers enjoy from using the 24i video streaming platform which has led to increased use of recurring software licenses. For example, during the period, we have seen growth in per-subscriber revenues from customers like Delta Fiber in the Netherlands who have migrated more of their consumer base to the 24i Pay TV streaming platform from legacy systems.

With other customers, growth has come from use of an increased range of 24i solutions. For example, the convenience of 24i's cross-platform application codebase has enabled customers like KPN to upgrade their Smart TV applications and expand their offering to new devices including Android TV screens.

Likewise, many of our existing customers are using more of 24i's products (with associated license fees) as they transition away from their legacy, custom-built applications to using our productized solution instead. We have also enhanced our content management system to allow customers to manage the processing of their video files from the same web tool they use to promote their content and manage their user experience. This helps our customers to more clearly see the benefits of our end-to-end solution and in turn helps our sales team to more clearly articulate the benefits of our solutions.

During the year we implemented our video platform for the Canadian Hockey League, and Cinessance, an SVOD service that launched in November 2021 with the aim of becoming the 'Netflix of French Film'. The integration of Nordija was completed in 2021 and 24i enters 2022 with a strong product portfolio, customer base and pipeline of opportunities with which to continue to grow recurring revenue.

amino

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

During the year, Amino grew revenues by 11% to $75.1m and maintained its strong margins and cash generation. By offering services that converge linear TV and streaming, Amino delivered several new deployments of its Android TV platform in the period. These included Go Malta and CableNet in Europe, Optage in APAC and Conway, Home Telecom and Hay Communications in North America. These deployments showcase our ability to roll out a next generation TV experience as operators, such as Disney+, look to combine the best of both worlds for linear TV and streaming apps.

During the year, Amino completed the implementation of our Android TV platform and Netflix integration with PCCW in Hong Kong to enable its Now TV video service. This was done using Amino's Hailstorm Partnership with Netflix. This partnership cuts the time to integrate Netflix from as long as 12 months to only a few weeks.

Our leading SaaS device software management, customer support and analytics solution, continued to grow strongly. 29 new customers deployed this solution in the year growing the user base by 53% year-on-year. We regard this solution as a key differentiator in our competitive landscape.

The global component supply chain shortage continues to be a challenge for businesses globally, though one we are navigating well. This is a market-wide issue and the impact of COVID-19 continues to be seen in our supply chain. We have seen extended lead times and cost increases of key components such as semi-conductors in the year. Despite these challenges, we shipped approximately 5% more devices in 2021 compared to 2020. We continue to actively manage the situation and are working closely both with customers on longer-term supply arrangements to enhance visibility and with suppliers to ensure timely deliveries of materials. As we enter 2022, we therefore have increased visibility of orders.

ENVIRONMENT, SOCIAL AND GOVERNANCE ("ESG")

ESG is a focus for the Company and we set out our policies and goals in detail in our first ESG report which was published in August 2021 and can be found on our website. Aferian's approach to ESG uses the Japanese concept of Ikigai meaning "a reason for being" which refers to having a meaningful direction or purpose in life, constituting the sense of one's life being made worthwhile. Using the concepts of Ikigai, we have developed our ESG framework and aligned our business to some of the United Nations Sustainable Development Goals. We have continued to make good progress on ESG as our report outlines. Notable examples of our progress include:

- We are currently reviewing the sustainability of our hardware supply chain. All of our Tier 1 hardware suppliers operate under our Code of Conduct, which aligns with the Responsible Business Alliance (RBA) Code of Conduct and the UN Global Compact. In 2021 we launched a Tier 1 hardware supplier sustainability audit programme using RBA recognised auditors to enhance and complement our existing facility audit programmes. Though somewhat inhibited by COVID restrictions, 66% of supplier facilities were audited to RBA Validated Assessment Program (VAP) or equivalent by December 2021. 100% are scheduled to be audited by March 2022.
- The total energy consumed by the Group's offices and computer servers directly within its control (i.e. Scope 1 Green House Gas emissions) declined during 2021. Whilst this is primarily due to the impact of COVID restrictions, we remain focussed on achieving our goal of being carbon neutral by 2025 and fully throughout our supply chain by 2030.
- We continue to survey employees as part of our Diversity and Inclusion programme. The results of our latest survey, performed by a third party, in May 2021 once again showed that employees were engaged, and the Group scored higher than average on the Diversity and Inclusion index compared to external benchmarks. Whilst we do not collect or disclose racial or ethnic group data, our last survey showed that Group's employees represent 35 different nationalities. This year we also launched a project led by our employees in Brno, Czech Republic, sponsoring women in technology, with the aim of funding their studies and then employing them via our graduate recruitment programme.

CURRENT TRADING & OUTLOOK

Overall, the Group traded well during 2021 with both revenue and recurring revenue up and continued improvement in earnings quality and visibility. In short, we have more visibility today than ever before as evidenced by our exit run rate ARR. Having commenced our targeted M&A programme to capitalise on the convergence of Pay TV and streaming, the integration of Nordija has been completed and we continue to evaluate a good pipeline of potential acquisition opportunities.

We enter 2022 in a solid position as we seek to continue to deliver against our 2025 strategy. We have increased firepower to pursue targeted opportunities with a strengthened net cash position at the end of the financial year, and our new banking facility to draw on. The Board remains confident in the Group's ability to meet its current full year expectations and in the Group's future prospects as it executes its strategy and vision to make it easy for people to connect to the TV and video that they love.

Donald McGarva
Chief Executive Officer
9 February 2022

GROUP CHIEF FINANCIAL OFFICER

MARK CARLISLE

The Group's financial results for the year ended 30 November 2021 demonstrate continued progress against the Group's financial objectives that were set out a year ago: to grow high margin software & services revenue, with a focus on recurring revenue.

Total revenue increased by 12% to $92.9m (2020: $82.7m). Excluding the impact of the Nordija acquisition in May 2021, revenue grew by 9%.

High margin software & services revenue increased by 15% to $22.4m (2020: $19.5m). Excluding the impact of the Nordija acquisition, software & services revenue increased by 3%. Software & services adjusted gross profit represented 41% of total adjusted gross profit in the year, an increase from 40% in 2020. Adjusted gross margin has remained consistent with the prior year at 48% (2020: 48%). In addition, the visibility of the Group's revenues increased as exit run rate Annual Recurring Revenues (ARR) increased to $15.2m (2020: $10.6m), representing growth of 43%. Excluding the impact of the Nordija acquisition, exit run rate ARR increased by 23%.

The Group continued to generate strong operating cash flows. Adjusted operating cash flow before exceptional costs was $16.7m (2020: $18.2m) representing an adjusted EBITDA cash conversion of 91% (2020: 109%). Operating cash flow was $14.1m (2020: $16.8m).

The Group had net cash of $14.2m at 30 November 2021 (2020: $9.5m). Since the year end date, the Group has secured a new banking facility with Barclays Bank plc, Silicon Valley Bank, and Bank of Ireland. This increased facility of $50m, split evenly across the new three bank club, also includes a further $50m available by way of an accordion. The new facility has a three-year term to 23 December 2024 with options to extend by a further one or two years.

The $15.0m banking facility that existed as at the balance sheet date, remained undrawn (2020: $nil).

REVENUE AND ADJUSTED GROSS PROFIT

$m	2021	2020	Change
Software & services			
Revenue			
Recurring	12.9	10.7	21%
Non-recurring	9.5	8.8	8%
Total revenue	22.4	19.5	15%
Adjusted gross profit	18.4	15.8	16%
Adjusted gross profit margin %	82%	81%	1bps
Devices including integrated software			
Revenue			
Recurring	-	-	-
Non-recurring	70.5	63.2	12%
Total revenue	70.5	63.2	12%
Adjusted gross profit	26.3	23.9	10%
Adjusted gross profit margin %	37%	38%	(1bps)
Total			
Revenue			
Recurring	12.9	10.7	21%
Non-recurring	80.0	72.0	11%
Total revenue	92.9	82.7	12%
Adjusted gross profit	44.7	39.7	13%
Adjusted gross profit margin %	48%	48%	-

Software & services revenue increased by 15% in the past financial year and grew by 3% excluding the impact of the Nordija acquisition. Software & services revenues as a proportion of total revenues for the year was steady at 24% (2020: 24%). However, the Group continues to focus on growing recurring revenues that increased by 21% from $10.7m to $12.9m. Overall, recurring software & services revenue accounts for 58% of total software & services revenue (2020: 55%).

At 30 November 2021, exit run rate ARR increased to $15.2m (2020: $10.6m), of which $2.2m relates to the Nordija acquisition during the year.

The increase in exit run rate ARR provides enhanced revenue visibility as the Group moves forward. In addition, we report for the first time a net customer revenue retention rate, based on recurring revenue, for the Group of 117% (2020: 104%). The net revenue retention rate is calculated by reference to recurring revenue from existing customers, including upsells, less recurring revenue lost from customer churn during the year. The increase of 13% is due to a very low churn rate combined with increased upsells to existing customers during the year.

REVENUE AND ADJUSTED EBITDA

	Revenue		Adjusted EBITDA	
$m	2021	2020	2021	2020
24i	17.8	15.2	1.2	0.5
Amino	75.1	67.5	19.7	18.2
Central costs	-	-	(2.5)	(2.0)
Total	92.9	82.7	18.4	16.7

Adjusted EBITDA for the year ended 30 November 2021 was $18.4m (2020: $16.7m). Adjusted EBITDA is reconciled in note 5, and 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. 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	2021	2020
Software & services	17.4	15.2
Devices including integrated software	0.4	-
Revenue	17.8	15.2
Adjusted cost of sales	(3.8)	(3.3)
Adjusted gross margin	14.0	11.9
Adjusted gross margin %	79%	78%
Adjusted operating costs	(12.8)	(11.4)
Adjusted EBITDA	1.2	0.5
Adjusted EBITDA %	7%	4%
Capitalised development costs	5.8	3.7

Revenue in the 24i segment increased by 17% to $17.8m (2020: $15.2m). Excluding the impact of the Nordija acquisition, revenue is broadly in line with the prior year. This is due to a shift in focus during the year towards driving recurring software revenue. This change has resulted in the growth of exit run rate ARR from $6.9m to $11.1m, which represents 61% year-on-year growth. Excluding the impact of the Nordija acquisition, exit run rate ARR has grown by 29%. The increased focus on exit run rate ARR aligns with the Group's software-led strategy.

AMINO SEGMENT RESULT

$m	2021	2020
Software and services	5.0	4.3
Devices including integrated software	70.1	63.2
Revenue	75.1	67.5
Adjusted cost of sales	(44.4)	(39.7)
Adjusted gross margin	30.7	27.8
Adjusted gross margin %	41%	41%
Adjusted operating costs	(11.0)	(9.6)
Adjusted EBITDA	19.7	18.2
Adjusted EBITDA %	26%	27%
Capitalised development costs	2.3	1.8

Device revenues increased by 11% during the year to $70.1m (2020: $63.2m). This is a strong performance given the difficulties faced within the supply chain caused by significantly increased lead times, lack of availability of components, and scarcity of shipping capacity caused by the COVID-19 pandemic. The key driver behind the 11% increase in device revenues has come from volume sales and average selling price, both of which increased by c.5% compared to 2020.

The Group has a core customer base in respect of device revenues, whereby repeat orders are placed by the same customers over multiple financial years. Taking the last three financial years, repeat orders from existing customers over that period has accounted for 94% (2020: 97%) of total device revenue. It is this loyal customer base, and continued product reliability, that has helped contribute to the growth in the year.

CENTRAL COSTS

$m	2021	2020
Operating costs and adjusted EBITDA	(2.5)	(2.0)

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. The increase of $0.5m during the year is in respect of salary related expenses, including performance related bonuses reflective of the Group's financial performance for the year.

ADJUSTED EBITDA

$m	2021	2020
Revenue	92.9	82.7
Adjusted cost of sales	(48.2)	(43.0)
Adjusted gross margin	44.7	39.7
Adjusted gross margin %	48%	48%
Customer support and professional services	(6.0)	(6.0)
Research and development	(5.0)	(4.6)
SG&A	(15.3)	(12.4)
Total adjusted operating expenses	(26.3)	(23.0)
Adjusted EBITDA	18.4	16.7

RESEARCH & DEVELOPMENT COSTS

The Group continues to invest in research and in the development of new products and spent $13.0m on R&D activities (2020: $10.1m) of which $8.0m was capitalised (2020: $5.5m).

$m	2021	% of revenue	2020	% of revenue
Core engineering expenses	11.9	13%	9.1	11%
Product management	0.6	1%	0.6	1%
R&D senior management	0.5	1%	0.4	-
Total research and development expenses	13.0	14%	10.1	12%
Capitalised development costs	(8.0)	-	(5.5)	-
Net research and development costs	5.0	-	4.6	-

The Group's spend on core engineering activities has increased by $2.8m in the year to $11.9m (2020: $9.1m). This includes $0.9m in relation to the Nordija acquisition in May 2021. The remaining increase of $1.9m reflects a combination of an increased workforce and salary inflation, the latter being driven by competitive labour market conditions in which the Group operates, as well as the Group continuing to invest in software development and related products. Specifically, the Group has invested in the products that have been driving ARR such as 24i's video streaming platforms and Amino's SaaS device management platform, Engage.

SG&A expenses have increased by $2.9m in the year to $15.3m (2020: $12.4m). This increase is due to the Nordija acquisition as well as an increased group bonus pool for employees that is reflective of the improved financial performance of the Group.

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

$m	2021	2020
Adjusted EBITDA	18.4	16.7
Exceptional items:		
• Within cost of sales	0.2	0.9
• Within operating expenses	(1.7)	(1.4)
Employee share-based payment charge	(1.1)	(0.7)
Depreciation and amortisation	(10.1)	(10.4)
Operating profit	5.7	5.1

EXCEPTIONAL ITEMS

Exceptional items within cost of sales in 2021 comprised a $0.2m credit (2020: $0.9m credit) in respect of royalty costs recognised in prior years which have subsequently been renegotiated.

Exceptional items included within operating expenses in 2021 comprised:

- $1.0m (2020: $0.2m) one-off costs in respect of acquisitions and legal costs, which includes cost associated with aborted acquisitions;
- $0.3m (2020: $1.2m) contingent post-acquisition remuneration in respect of the acquisition of 24i Unit Media BV: and
- $0.4m (2020: $nil) post-acquisition integrations and associated restructuring costs.

DEPRECIATION AND AMORTISATION

Excluding amortisation of intangibles recognised on acquisition, depreciation and amortisation increased to $6.7m (2020: $6.2m). The increase of $0.5m is due to higher capitalised development costs during the year.

Amortisation of intangibles recognised on acquisition was $3.5m (2020: $4.2m), which represents a decrease of $0.7m. The decrease of $0.7m in the year relates to acquired intangibles from the Entone and Booxmedia acquisitions in 2015 being fully amortised by the end of the prior financial year. Offsetting this decrease, is the amortisation charge of $0.4m relating to the acquired intangibles from the Nordija acquisition during the current year.

GROUP CHIEF FINANCIAL OFFICER REPORT

(CONTINUED)

TAXATION

The tax credit of $0.5m (2020: $1.7m charge) comprises:

- a $2.8m (2020: $1.9m) current tax charge;
- $nil (2020: $0.6m) deferred tax charge relating to a reduction in the deferred tax asset as a result of tax losses utilised in the year;
- $2.7m credit (2020: $nil) in respect of the recognition of a deferred tax asset relating to tax losses in within 24i; and
- a $0.6m (2020: $0.8m) credit relating to the unwind of the deferred tax liability recognised in respect of the amortisation of intangible assets recognised on acquisitions.

The reason for the increase in the current tax charge is due to the UK tax losses being fully utilised at the end of the prior year.

The $2.7m tax credit is in relation to the recognition of a deferred tax asset for tax losses in 24i, which are now considered recognisable (due to changes to local tax laws in the Netherlands and updated internal tax compliance procedures giving the Group enhanced visibility over their availability and utilisation) for tax losses that were present at the date of acquisition in 2019 and have arisen since acquisition. In 2019 a deferred tax liability was recorded as part of the acquisition accounting relating to the purchase of 24i and the Group are now of the opinion that this deferred tax liability should be offset by this equal and opposite deferred tax asset. Further details are provided in note 24 to the consolidated financial statements.

Profit after tax was $5.8m (2020: $2.7m).

CASH FLOW

A reconciliation of adjusted operating cash flow before tax to cash generated from operations before tax is provided as follows:

$m	2021	2020
Adjusted operating cashflow before tax	16.7	18.2
Post-acquisition remuneration in respect of the acquisition of 24i Unit Media BV	(1.3)	(1.1)
Post-acquisition integration and associated restructuring costs	(0.3)	-
Acquisition and one-off legal costs	(1.0)	(0.3)
Cash generated from operations before tax	14.1	16.8

Adjusted cash flow from operations was $16.7m (2020: $18.2m) and represented 91% of adjusted EBITDA (2020: 109%). The reduction in adjusted cash flow from operations, and the conversion to adjusted EBITDA, was due to a cash outflow from working capital of $2.4m (2020: $1.1m cash inflow). Whilst there has been no underlying change to the Group's debtor profile or cash generated, navigating the well-known supply chain issues in the year was challenging and a higher proportion of device shipments were delivered in the fourth quarter than the previous year. The vast majority of cash due from those debtors has subsequently been collected in full since the balance sheet date, in line with normal customer payment terms.

Exceptional cash flows in 2021 comprised the final payment of deferred consideration in respect of the 24i acquisition from 2019 of $1.3m (2020: $1.1m). In addition, one-off costs of $1.3m (2020: $0.3m) in relation to acquisitions in the year, including the aborted acquisition of MobiTV, were paid by the Group. Including these exceptional cash out-flows cash generated from operations before tax was $14.1m (2020: $16.8m).

During the year the Group spent $0.3m (2020: $0.3m) on capital expenditure in respect of tangible fixed assets and capitalised $8.0m (2020: $5.5m) of research and development costs and software licenses. The acquisition of Nordija included initial cash consideration of $4.7m, net of cash acquired of $0.3m. In addition, the Group acquired the remaining 8% minority interest in 24i Unit Media B.V group which included cash consideration of $1.2m.

Following the equity placing in May 2021, the Group raised $12.7m, net of share issue costs. The Group paid dividends of $3.1m (2020: $nil) during the financial year, relating to FY20 ($2.0m) and FY21 interim ($1.1m).

The Group generated adjusted free cash flow of $3.8m (2020: $9.7m) in the year and a reconciliation is provided below:

$m	2021	2020
Adjusted operating cashflow before tax	16.7	18.2
Corporation tax paid	(3.2)	(1.4)
Purchases of intangible assets	(8.0)	(5.5)
Purchase of property, plant and equipment	(0.3)	(0.3)
Net interest paid	(0.1)	(0.2)
Lease payments	(1.3)	(1.1)
Adjusted free cash flow	3.8	9.7

The decrease in the year of $5.9m can be explained by the negative working capital swing of $3.5m, that has been described above, as well as increased investment in research and development costs to support ARR growth, and higher tax payments of $1.8m. The increased tax payments relate to the transition of the Group's UK trading subsidiary from payments in arrears to quarterly instalments paid in advance during the 2021 financial year.

FINANCIAL POSITION

The cash balance at 30 November 2021 was $14.2m (2020: $9.5m). Since the year end date, the Group has secured a new banking facility with a consortium of three banks. This increased facility of $50m also includes a further $50m available by way of an accordion. The new facility has a three-year term to 23 December 2024 with options to extend by a further one or two years.

The facility that existed as at 30 November 2021 of $15m, remained undrawn. This facility has subsequently been cancelled and replaced by the new bank facility described above.

At 30 November 2021 the Group had equity of $104.4m (2020: $88.0m restated) and net current assets of $9.2m (2020: net current liabilities of $0.5m restated).

PRIOR YEAR RESTATEMENT

During the year the Group identified that the number of shares used in the calculation of the put option liability at inception, in respect of the 8% minority shareholders of 24i Unit Media B.V, a subsidiary of the Company, was incorrect. As a result, the initial recognition of the put option liability in 2019 was understated by $1.1m with a corresponding entry to equity. There is no impact on the consolidated income statement or consolidated statement of cashflows. The comparative year in the consolidated financial statements has therefore been restated. The impact on the comparative financial information is summarised in note 34 to the financial statements.

DIVIDEND

Last year the Company announced a new dividend policy, aiming to deliver returns to shareholders via growth and income, and reflecting 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 August 2021, the Company paid an interim dividend of 1.0 pence (1.38 US cents*) per share in respect of the year ended 30 November 2021.

The Board is proposing a final dividend of 2.09 pence (2.87 US cents*) per share (2020: 1.87 pence). Subject to shareholder approval at the annual general meeting to be held on 21 March 2022, the dividend will be payable on 22 April 2022, to shareholders on the register on 8 April 2022, with a corresponding ex-dividend date of 7 April 2022. If approved, this would represent a total dividend for the year of 3.09 pence (4.25 US cents*) per share (2020: 1.87 pence).

Mark Carlisle
Group Chief Financial Officer
9 February 2022

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. Aferian 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 includes both disruption to the availability of components and distribution channels to deliver the Group's products. Climate change has the potential to cause disruption to the Group's supply chain as rising global temperatures result in an increasing incidence and severity of extreme weather conditions.	This risk is managed by the Group's Amino Device business using multiple hardware suppliers in the South East Asia region, particularly China, Hong Kong, Taiwan and Malaysia. In respect of the increased risk from challenges in the logistics industry to transport products, the Group maintains relationships with several major freight forwarders, and is in constant dialogue with those suppliers and customers for transport arrangements. Some of the Group's key manufacturing and assembly suppliers are located in areas that are at risk from extreme weather conditions or natural disasters. Where possible, production is spread across multiple suppliers and sites to limit the impact this could have. In addition, the Group retains an insurance policy that provides some financial protection against any disruption at our supplier's premises.
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 considered the impact of the UK leaving the EU and put mitigating controls in place that ensured the supply chain was not disrupted.
People	If the Group fails to recruit and retain individuals with the appropriate skills and experience its performance may suffer. There is a risk that the impact on our people from the Covid-19 pandemic, in terms of how they carry out their roles and responsibilities, could have a negative impact on the Group's operations and ability to service customers.	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 performance and remuneration structure are undertaken to promote retention and reward superior performance. With regards to Covid-19, the business moved quickly to enable all employees to work remotely. This caused minimal disruption, and, in many locations, employees are still conducting their tasks and responsibilities from home. Where employees have returned to offices in some locations, those employees are supported by local management so that local Covid-19 restrictions or guidance are adhered to and managed appropriately.
ESG strategy including the impact from climate change	Our wider stakeholders demand the Group proactively addresses environmental, social and governance risks. There is a reputational risk to the Group if the ESG objectives and targets are not satisfied.	During the year, the Group published its ESG strategy and policy report. In addition, an ESG Steering Committee was established to implement this policy and set targets. Further details are provided on page 9 of the annual report.

The Strategic Report was approved and authorised for issue by the Board of Directors on 9 February 2022 and is signed on its behalf by:

Mark Carlisle
Director

SECTION 172 STATEMENT

PROMOTING THE SUCCESS OF AFERIAN 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

During the year, the Board continued to monitor and review the key action points that arose from the internal effectiveness review conducted in the prior year. This review was led by Karen Bach, the former Chair of the Company. Those action points focused on: Company strategy update, Diversity and Inclusion, succession planning and ESG. Those areas were treated as priority agenda items for the current year, and the year ahead, as the Board continues to believe 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. During the year Donald McGarva was 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 progress against the Company's 2025 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 Company. The Company's vision and strategy are set out in the Strategic Review section of this annual report on pages 3-8 as well as the ESG framework on page 9. 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

As a result of COVID-19 travel restrictions, it was not possible for the Board to conduct regular face-to-face meetings at key locations of the Company during the year. However, through the executive management team, at the direction of the Board, regular virtual meetings have been held with employees of the Company, to ensure all employees are kept updated with the Company's strategy, and progress. The key outputs and actions from those meetings are relayed to the Board at the monthly Board meetings held during the year.

The Board also reviewed the results of the Company Employee Survey 2021 which was implemented as part of the Board's Diversity and Inclusion agenda introduced in the prior year. 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 at the typical level or normal score of +15.

• INVESTORS

The Board continues to engage regularly with its investors. Whilst there have not been any in-person investor roadshows during the year due to Covid-19 restrictions, the Company has used online platforms, such as the Investor Meet Company, to ensure investors are kept updated and can ask questions of the Board. Following the release of the Company's full year's results in March 2021 and interim results in August 2021, Donald McGarva and Mark Carlisle embarked on "virtual" roadshows using the Investor Meet Company platform and video calls. This included a presentation of the results and a Q&A session with investors.

• SUPPLIERS

Much like 2020, it has again not been possible for any of the Directors to visit the Company's key suppliers in Asia. However, Donald McGarva has 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, and the knock-on impact to the global shipping and distribution industry, have had the potential to have a material impact on the Company. Consequently, Donald has kept the Board 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 Company's strategy update. The executive Directors also maintain direct relationships with the Company's largest customers. This has proved even more important during the current Covid-19 pandemic given the supply chain challenges experienced across the globe, including the industry in which the Company operates.

DECISION MAKING

The principal decisions made by the Board that were material to the Company's strategy in 2021 related to acquisitions.

- In May 2021, the Board reviewed the strategic rationale behind the potential acquisition of MobiTV. This included Board papers setting out the terms of the trade and asset purchase, as well as financial modelling of the target's revenue forecast and cost projections. MobiTV was in Chapter 11 and the Board considered how the acquisition of this business might support the Company's software led strategy, specifically with respect to the US Pay TV operator market. The Company was actively involved in the bidding process to acquire certain trade and assets of MobiTV and had, in advance, raised equity to part-fund the cost of acquisition of $12.7m (£9.0m), net of issue costs. However, once the acquisition price reached a certain level in the bidding process, it was not deemed financially nor economically beneficial to the Company to continue in the process, and therefore the Board did not pursue the opportunity further. The Board were kept in constant communication with the bidding team and external advisors at each stage of the process before reaching this conclusion.
- Also in May 2021, the Company completed the acquisition of Nordija A/S. The Board was presented with all relevant information in relation to this transaction including financial, legal, and operational due diligence reports prepared by management, for the Board to make an informed decision. The Board concluded that this acquisition would complement some of the Company's existing software and services offering within the 24i business.
- As noted above, the Company raised equity funds of $12.7m (£9.0m), net of fees, from existing shareholders to support the Company's targeted M&A activities. Whilst the MobiTV acquisition did not complete, those funds remain available to the Company for future transactions. Finally, the Company entered discussions with several banks towards the end of the financial year to refinance the Company's existing bank facility. This new, increased facility of $50m completed after the financial year end and includes a further $50m available under an accordion. This new facility replaces the previous facility of $15m and is anticipated to be used for future M&A targets.

BOARD OF DIRECTORS

MARK WELLS

Non-Executive Chairman

Mark is a non-executive director with a strong track record in technology and transformation. In addition to joining the Aferian board as non-executive chair in January 2022, Mark also chairs Senseye (AI-powered Predictive Maintenance solutions for industry), Oxford Technical Solutions (satellite-based inertial navigation systems), and Cappfinity (Talent Solutions).

Previously he was non-executive chair of Romax Technology (drivetrain simulation software) and spent more than 10 years as a non-exec director of Kofax plc where he helped to transform the business from a reseller of scanners to a global software company which was then sold to Lexmark for over $1Bn.

Mark has also served as CEO of Image Metrics plc, COO of Brainpower NV (now Bloomberg) and Managing Director (UK) for Dun & Bradstreet Software. He has a degree in Electronics and an MBA.

DONALD MCGARVA

Group Chief Executive Officer

Donald joined Aferian 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. Donald 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. He is a member of the Chartered Institute of Purchasing and Supply Chain (MCIPS).

MARK CARLISLE

Group Chief Financial Officer and Chief Operations Officer

Mark joined Aferian in August 2016 and has significant experience in the leadership of public company finance teams. Prior to joining the Group, Mark was Chief Financial Officer at Kape Plc (née 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

CEO 24i

As 24i's CEO, Joachim is responsible for driving the company's continued growth as a provider of end-to-end software products and services to all parts of the online video sector. Joachim joined Aferian as SVP Cloud Services in September 2017. In 2019 Joachim's team successfully delivered the design and implementation of the Group'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.

STEVE VAUGHAN

Non-Executive Director

Steve has held a number of executive and non-executive roles in the technology sector throughout his career.

In addition to Aferian, he is also non-executive Chairman of 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 Redcentric plc, the AIM-listed IT and network services provider; Mobica, a software development company; and ECSC, a cyber-security consultancy.

He has also served as Chairman of NetNames, the internet services and online brand management company and Chief Executive at both Communisis plc and Synstar plc.

ERIKA SCHRANER

Non-Executive Director

Erika joined the Aferian board in 2019 and chairs the Audit committee. Her 25+ year career, the majority of which has been spent in Silicon Valley, has been focused in technology, M&A, growth strategy and transformation. As a partner at PwC in London, Erika led M&A Advisory for the TMT sector and M&A Integration Services across the UK. She was previously a partner at EY in Silicon Valley, leading Operational Transaction Services for the Technology sector in the Americas. Based in the US, she also served as director of M&A Global Sales & Services at Symantec Corporation and held positions at IBM and CSC/DXC Technology.

Erika earned a PhD from Stanford University in Management Sciences. She is a non-executive director at JTC Group plc where she chairs the Nomination Committee, Bytes Technology plc and Pod Point plc. Previously, she advised the boards of eBoomerang and Freeon Ltd, and was a non-executive director of Kevian Capital Management LLP and BluJay Solutions Ltd.

STEVE OETEGENN

Non-Executive Director

Steve is a seasoned media technology executive who has launched numerous innovative solutions to the global marketplace. Prior to joining the Aferian board in January 2021, he was President of Verimatrix, a leading provider of revenue security solutions to the Pay TV and on-line video industry worldwide.

In addition to his role with Aferian, he is a strategic advisor to Think Analytics, a specialist in content discovery and targeted advertising solutions for streaming media companies. His past posts include COO of MediaSec Technologies LLC, a pioneer and leader in the field of digital watermarking, and COO of Argus Systems Group, a provider of Internet server security software.

Steve received a Lifetime Achievement award at the 2020 VideoTech Innovation Awards.

CHAIRMAN'S GOVERNANCE REPORT

For the year ended 30 November 2021

As Chairman of the Aferian 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 Aferian 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 18.

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, Aferian'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 Group'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.

During the year, the Group changed corporate broker from finnCap to Investec. Investec, in their role as corporate broker, also hold meetings with investors. Investec and Progressive Research prepare regular independent analysis of the Group's results and prospects, which are available on the investor website: www.aferian.com.

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

Aferian works with its employees, customers and suppliers to conduct its business in an ethical way. The Group is of a relatively small size but is committed to its Environment, Social and Governance policies set out on page 9.

Employees

The Group 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 Group performance against objectives;
- A monthly newsletter to staff;
- Half-yearly 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.

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

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. Due to recent COVID-19 restrictions, those meetings have moved online and this has had no adverse impact on communication with customers.

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, China, Malaysia and Thailand. 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 Group's system of internal control and have established systems to ensure that an appropriate and reasonable level of oversight and control is provided. The Group's systems of internal control are designed to help the Group 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 Group maintains its internal risk register which forms the foundation of the Audit Committee and Board review processes.

The Group 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 a bi-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 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.

CHAIRMAN'S GOVERNANCE REPORT (continued)

For the year ended 30 November 2021

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

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 Group'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.

The principal risks and uncertainties impacting the Group and how these are mitigated are detailed in the Strategic Report on page 17.

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

There is clear division of responsibility between the running of the Board and executive responsibility for running the Group's business. The Chairman, Mark Wells, is responsible for the leadership of the Board and setting the Board's agenda. Mark Wells joined the Company on 1 January 2022 as the new Chairman, replacing Karen Bach who resigned with effect on 31 December 2021. The Chief Executive, Donald McGarva, is responsible for running the Group's business. There are two other executive directors: Chief Financial Officer and Chief Operating Officer, Mark Carlisle and Joachim Bergman, Chief Executive Officer of 24i.

The Company has three independent non-executive directors: Mark Wells, Steve Vaughan, and Erika Schraner.

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 page 19.

There are four non-executive directors:

- Non-executive Chairman Mark Wells was appointed as a director and Chairman of Aferian on 1 January 2022 and is considered to be independent. Prior to Mark's appointment, Karen Bach was a director and Chair of Aferian throughout the current financial year and was considered to be independent.
- Non-executive Steve Vaughan has been a director of Aferian 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 Aferian since March 2019 and is considered to be independent. Erika is also chair of the Audit Committee; and
- Non-executive Steve Oetegenn has been a director of Aferian since January 2021 but is not considered independent due to the consultancy services provided by Steve to the Group.

CHAIRMAN'S GOVERNANCE REPORT (continued)

For the year ended 30 November 2021

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

In March 2021 Erika Schraner, a non-executive director, 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: Group strategy update, Diversity and Inclusion; and ESG were added as priority agenda items for the current year as the Board believes that these are important for the long-term success of the Group.

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 a non-executive director. Steve has deep experience in streaming video and Pay-TV, particularly in the US market. Following these changes, the Board comprises 3 independent and 4 non-independent directors.

During the year, the Group continued to benefit from an independent board observer, Renata Lima. Renata's role was to observe the Board meetings and provide independent feedback to the Board members in areas such as strategy, diversity and inclusion, and ESG. This was Renata's final year of a c2 year appointment and the Board would like to thank Renata for her contribution. The Board intend to appoint a new board observer for the current year and continue to review the level of diversity of the Board.

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

The Group has policies in place to address the issues covered by the Modern Slavery Act and the Bribery Act - https://aferian.com/investors/anti-modern-slavery-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 focus 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 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 17.

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 at least 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 2022 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 Group to enable them to discharge their respective duties and responsibilities effectively.

Remuneration committee

The Remuneration Committee is comprised of Steve Vaughan (chairman of the committee), Mark Wells and Erika Schraner. Prior to Mark's appointment to this committee on 1 January 2022, Karen Bach was also a member of the committee during the current financial year until her resignation on 31 December 2021. 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), Mark Wells and Steve Vaughan. Prior to Mark's appointment to this committee on 1 January 2022, Karen Bach was also a member of the committee during the current financial year until her resignation on 31 December 2021. The composition of the committee is deemed appropriate given the extensive number of years held by the committee members as either Executive or Non-Executive board members of other publicly listed, multinational organisations. Furthermore, Erika Schraner has relevant financial experience through her previous role as lead M&A advisory at a leading global professional services firm. The committee aims to meet at least twice 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.

CHAIRMAN'S GOVERNANCE REPORT (continued)

For the year ended 30 November 2021

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

Nominations committee

The Nominations Committee is comprised of Mark Wells (chairman of the committee), Steve Vaughan and Erika Schraner. Prior to Mark's appointment to this committee on 1 January 2022 as Chairman, Karen Back was the Chair of this committee during the current financial year until her resignation on 31 December 2021. 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 key task for this committee during the year was the search and selection process of the new Chairman, following the announcement in June 2021 that Karen Bach was stepping down as Chair. This process involved consultation with a third-party recruitment agency to identify suitable candidates. Following a detailed selection process during the second half of 2021, the committee recommended the appointment of Mark Wells as the new Chairman, effective on 1 January 2022.

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 2021 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	3	2	11	2	1	-
Mark Wells*	-	-	-	-	-	-	-	-
Donald McGarva	11	-	-	-	11	-	-	-
Mark Carlisle	11	-	-	-	11	-	-	-
Joachim Bergman	11	-	-	-	11	-	-	-
Erika Schraner	11	3	3	2	11	3	3	2
Steve Vaughan	11	3	3	2	11	3	3	2
Steve Oetegenn	10	-	-	-	9	-	-	-

*Mark Wells was appointed as the new Chairman of Aferian on 1 January 2022 hence why he did not attend any of the meetings during the year.

CHAIRMAN'S GOVERNANCE REPORT (continued)

For the year ended 30 November 2021

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

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.

Mark Wells
Chairman
9 February 2022

REMUNERATION COMMITTEE REPORT

For the year ended 30 November 2021

Remuneration Committee

The Remuneration Committee, chaired by Steve Vaughan and including Erika Schraner and Mark Wells, determines the Group's policy for executive remuneration and the individual remuneration packages for executive directors. Prior to Mark's appointment to this committee on 1 January 2022, Karen Bach was also a member of the committee during the current financial year until her resignation on 31 December 2021. 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, the former Chair, who received health insurance during her tenure, 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 2021

Directors' detailed emoluments and compensation – audited

Year ended 30 November 2021

USD$	Salary and fees	Bonus	Benefits	Sub-total	Pensions contributions	Total
Mark Carlisle [5]	301,346	169,877	14,137	485,360	28,759	514,119
Donald McGarva [1] [5]	420,003	226,823	4,720	651,546	45,929	697,475
Karen Bach [5]	110,022	-	3,891	113,913	-	113,913
Erika Schraner [5]	55,011	-	-	55,011	-	55,011
Stephen Vaughan [5]	55,011	-	-	55,011	-	55,011
Steve Oetegenn [2]	114,663	-	-	114,663	-	114,663
Joachim Bergman	221,792	64,580	718	287,090	47,266	334,356
	1,277,848	**461,280**	**23,466**	**1,762,594**	**121,954**	**1,884,548**

Year ended 30 November 2020

USD$	Salary and fees	Bonus	Benefits	Sub-total	Pensions contributions	Total
Mark Carlisle [5]	273,797	7,500	10,586	291,883	26,100	317,983
Donald McGarva [1] [5]	381,734	7,500	3,592	392,826	41,677	434,503
Karen Bach [5]	102,354	-	2,905	105,259	-	105,259
Erika Schraner [5]	52,558	-	-	52,558	-	52,558
Stephen Vaughan [5]	51,177	-	-	51,177	-	51,177
Steve McKay [3]	14,833	-	-	14,833	-	14,833
Michael Clegg [4]	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

[1] Includes pension entitlement elected to be paid as salary of $45,929 (2020: $41,677).
[2] Steve Oetegenn appointed as a director on 19 January 2021. Steve's fee also includes $81,333 (2020: $19,500) for his role as a consultant.
[3] Steve McKay resigned as a director on 9 December 2019.
[4] Michael Clegg's fees include $nil (2020: $1,500) for his role as chairman of the IT security committee. Michael resigned as a director on 9 December 2019.
[5] Director is paid in GBP. Average FX rate for the year was £1: $1.38 (2020: £1: $1.28).

Contributions were made to the pension schemes of two directors (2020: three), in accordance with their employment contracts.

The highest paid director was Donald McGarva (2020: Donald McGarva).

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

REMUNERATION COMMITTEE REPORT

For the year ended 30 November 2021

Directors and their interests in shares

The directors held the following interests in Aferian plc:

	At 30 November 2021		At 30 November 2020	
	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	**553,775**	**726,100**	553,698	534,600
Mark Carlisle	**8,751**	**524,500**	8,751	388,000
Erika Schraner	**16,772**	**-**	16,772	-
Steve Vaughan	**16,772**	**-**	16,772	-
Joachim Bergman	**-**	**425,800**	-	580,000

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

Director	**Grant Date**	**Expiry Date**	**Exercise Price**	**30 November 2021 Number**	30 November 2020 Number
Donald McGarva	15 July 2019	15 July 2024	£0.00	**310,000**	310,000
Donald McGarva	9 September 2020	9 September 2025	£0.00	**224,600**	224,600
Donald McGarva	9 August 2021	9 August 2026	£0.00	**191,500**	-
Mark Carlisle	15 July 2019	15 July 2024	£0.00	**225,000**	225,000
Mark Carlisle	9 September 2020	9 September 2025	£0.00	**163,000**	163,000
Mark Carlisle	9 August 2021	9 August 2026	£0.00	**136,500**	-
Joachim Bergman [(1)]	16 October 2017	16 October 2022	£1.93	**50,000**	300,000
Joachim Bergman	13 March 2019	13 March 2024	£0.86	**150,000**	150,000
Joachim Bergman	19 March 2020	19 March 2025	£0.00	**130,000**	130,000
Joachim Bergman	22 March 2021	22 March 2026	£0.00	**95,800**	-

Notes

All vested options held by current directors, which have not expired at the date of resignation, lapse six months after the date of resignation.

[(1)] The vesting conditions for these options are that the first 50,000 vest after three years. The remaining options were based on performance criteria of the Group which had not been met resulting in these options lapsing during the year, see note 26.

REMUNERATION COMMITTEE REPORT

For the year ended 30 November 2021

Long Term Incentive Plan 2019 ("LTIP 2019")

Donald McGarva and Mark Carlisle were granted nil cost share options in the following tranches:

- On 15 July 2019, 310,000 and 225,000 respectively
- On 9 September 2020, 224,600 and 163,000 respectively
- On 9 August 2021, 191,500 and 136,500 respectively

On 22 March 2020 and 19 March 2021 Joachim Berman was granted 130,000 and 95,800 nil cost share options respectively 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 26 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 but is disclosed as a contingent liability within the notes to the financial statements.

The market price of the Company's shares at the end of the financial year was 159.5p and ranged between 115.0p and 170.0p during the year.

Stephen Vaughan
Chairman, Remuneration Committee
9 February 2022

AUDIT COMMITTEE REPORT

For the year ended 30 November 2021

The Audit Committee is comprised of Erika Schraner (chair of the committee), Mark Wells and Steve Vaughan who are all non-executive directors and considered to be independent. Prior to Mark's appointment to the committee on 1 January 2022, Karen Bach was also a member of the committee during the current financial year until her resignation on 31 December 2021. The composition of the committee is deemed appropriate given the extensive number of years held by the committee members as either Executive or Non-Executive board members of other publicly listed, multinational organisations. Furthermore, Erika Schraner has relevant financial experience through her previous role as lead M&A advisory at a leading global professional services firm. The Audit Committee aims to meet at least twice 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 Financial Reporting Council's (FRC's) Ethical Standard. 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 17.

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 – impairment

At 30 November 2021 the carrying value of goodwill and other intangible fixed assets in the Group's statement of financial position was $96.2m (2020: $92.1m). The Audit Committee reviewed the judgements taken in the impairment review performed for the Group's three cash generating units, being 24i Group (excluding Nordija), Nordija, and Amino software and devices (formerly Entone, Inc), 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.

Alternative performance measures

The Group uses and 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 2021 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 undue prominence over the equivalent IFRS figure.

AUDIT COMMITTEE REPORT

For the year ended 30 November 2021

Deferred tax asset

At 30 November 2021, the Group recognised a deferred tax asset of $2.7m (2020: $nil) in respect of tax losses that have arisen in 24i Unit Media BV, a subsidiary undertaking. Based on updated tax legislation in the Netherlands during the year, together with updated internal tax compliance procedures performed by management, this provided further reliability of the value and availability of tax losses. The tax losses are now available to the Group for an indefinite period, when previously the losses had a definite life and there was uncertainty, in prior periods, over the value of losses that could be available prior to expiry. As a result, the Group believes that is it now probable that tax losses at the date of the acquisition in 2019, in addition to tax losses that have arisen since the acquisition, are available to be utilised against taxable profits in the future. Accordingly, the Group has recognised a deferred tax credit of $2.7m (2020: $nil) in the consolidated income statement in respect of those tax losses. See note 24 for further details.

Accounting policies

For the year ended 30 November 2021, the Group has applied all standards and interpretations that are effective for accounting periods beginning on or after 1 December 2020.

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 2021, or later periods, have been adopted early. See note 1 for further details on new standards and interpretations currently in issue but not effective, based on mandatory effective dates.

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.

Prior year restatement

As part of management and directors' review of the Group's interim financial statements, it was identified that the put option liability over the remaining shares not held by the Group in 24i Unit Media BV was understated. The option was valued at $1,750,000 on initial recognition, on 12 July 2019. However during the year it has been identified that the number of shares used in the calculation was understated. The put option liability should have been valued at $2,794,000 on initial recognition. In addition, the finance charge since inception should have been higher due to this error. This has resulted in a decrease in net assets and equity of $1,044,000 as at 30 November 2019 and 2020. This impact has been treated as a restatement and reflected in the statement of financial position for both prior year comparatives.

The increased finance expense from initial recognition to 30 November 2020 of $218,000 was deemed to be immaterial therefore no restatement has occurred with the expense included within the 2021 consolidated income statement. The impact of this restatement is set out in note 34 to the financial statements.

Erika Schraner
Chair, Audit Committee
9 February 2022

DIRECTORS' REPORT

For the year ended 30 November 2021

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 2021. The Chairman's governance report set out on pages 20 to 26 forms part of this report. On 18 June 2021 the Company changed its name from Amino Technologies plc to Aferian plc. The company number is 05083390. Aferian 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 116.

Principal activity

The principal activity of the Group is to deliver next generation video experiences over IP. This comprises its 24i (including Nordija) end-to-end streaming platform and Amino streaming devices and associated operating and device management software. A detailed overview of the Group's activities is set out on pages 4 to 7. 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 3 to 18 including a description of the principal risks and uncertainties facing the Group on page 17.

Proposed dividend

During the year the Company paid an interim dividend of 1.0 pence (1.38 US cents) per share, for a total of $1.1m. The Board has proposed a final dividend of 2.09 pence (2.87 US cents) per share (2020: 1.87 pence / 2.39 US cents), resulting in a total dividend for the year of 3.09 pence (4.25 US cents) per share.

Research and development

$13.0m was spent on research and development in 2021 (2020: $10.1m). Under IAS 38 "Intangible Assets" $8.0m of development expenditure was capitalised (2020: $5.5m). The Group continues to invest in its 24i end-to-end streaming platform and Amino streaming 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

After making enquiries and taking account of the Group's cash resources, the directors have, at the time of approving the financial statements, a reasonable expectation that both the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Further details are in note 1 to the financial statements. They therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

Post balance sheet events

Details of post balance sheet events have been disclosed in note 33 to the financial statements.

DIRECTORS' REPORT (continued)

For the year ended 30 November 2021

Directors

The directors of Aferian 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 – Resigned 31 December 2021
Mark Wells	Non-executive Chairman and Director – Appointed 1 January 2022
Erika Schraner	Non-executive Director
Stephen Vaughan	Non-executive Director
Joachim Bergman	Chief Executive Officer of 24i
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 28 January 2022 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 1,531,458 shares held in Treasury from the 86,419,410 shares disclosed in note 25 as allotted, called and fully paid up.

	Number of ordinary shares	Percentage of issued share capital
Kestrel Partners	18,707,517	22.0%
Premier Milton Investors	14,470,307	17.1%
Investec Wealth & Investment	10,039,246	11.8%
Close Asset Management	5,665,728	6.7%
Chelverton Asset Management	4,650,000	5.5%
24i Media PF	4,346,195	5.1%
BGF Investments	2,907,897	3.4%
Amino Communications Employee Benefits Trust	242	0.0%
		71.6%

DIRECTORS' REPORT (continued)

For the year ended 30 November 2021

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 core 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.

The following table details the Group's direct energy usage, GHG emissions and intensity ratio for the current and prior year. The UK is disclosed separately from the Rest of the World. Environmental matters in respect of our key suppliers, for example, transport fuel and emissions relating to the delivery of the Group's devices, are not disclosed here. However, the Group has regularly quarterly business reviews with those key suppliers to understand how their own practices and policies will impact the environment and climate change.

	UK 2021	UK 2020	RoW 2021	RoW 2020	Total 2021	Total 2020
Energy use (kwh)						
Electricity	**15,765**	31,530	**186,561**	324,358	**202,326**	355,888
Gas	**1,664**	3,328	**18,849**	18,746	**20,513**	22,074
Transport fuel	**-**	-	**-**	-	**-**	-
GHG emissions (CO2e tonnes)						
Electricity	**3.7**	7.4	**43.5**	75.6	**47.2**	83.0
Gas	**0.3**	0.7	**4.4**	4.4	**4.7**	5.1
Transport	**-**	-	**-**	-	**-**	-
Intensity ratio						
Average number of employees	**32**	32	**229**	206	**261**	238
Total GHG emission per employee (Co2e kg)	**124.0**	247.9	**209.4**	388.9	**198.8**	369.8

Energy efficiency action taken to support the Group's net zero target by end of 2025, 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 – where available – has been collected and reported. 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.

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 2020 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 as at 30 November 2021.

Group Level	Number of female employees	Number of male employees	Total
Board	2	5	7
Key management including Board	2	5	7
Employees including key management	62	223	285

Social, community and human rights

Social and community

Staff are actively engaged in a range of community and educational activities. Through matched funding initiatives, Aferian 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.

Social, community and human rights (continued)

Human rights

Since 2013, Aferian 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 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 31 January 2020 and 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 effects of the UK's departure from the EU has not had a significant impact on the Group's operations to date nor does the Group consider it likely that it will be significantly impacted in the future due to the global geographical footprint of the business. However, the directors continue to monitor the situation so it can manage the risk of any cross-border restrictions or volatility in the global financial markets, that could arise due to Brexit, and the effect on global economic performance.

Covid-19

The continued impact of COVID-19 on the Group continues to not be as marked as other organisations. However, the full effect to the business still requires focus and real time management of the working practices, health and wellbeing of our global workforce and the risk of delays to the global supply chain for components used in Amino branded devices. As the COVID-19 pandemic continues, it is not yet clear when the global economy will recover to pre-pandemic levels.

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.

DIRECTORS' REPORT (continued)

For the year ended 30 November 2021

Statement of directors' responsibilities (continued)

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, 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; and
- 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; and
- 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 9 February 2022.

On behalf of the board

Mark Carlisle
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AFERIAN PLC

For the year ended 30 November 2021

Opinion

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 2021 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.

We have audited the financial statements of Aferian Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 November 2021, which comprise the consolidated income statement, consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity, the company balance sheet, the company statement of changes in equity, and notes to the consolidated and parent company financial statements, including summaries 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 in the United Kingdom and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Review of the internal forecasting process to confirm the projections are prepared by an appropriate level of staff that is aware of the detailed figures included in the forecast but also have a high-level understanding of the entity's market, strategy and changes in the customer base.
- Review of the forecasts prepared and challenge of the key assumptions and inputs used by management in their prepared models, to determine whether there is adequate support for the assumptions underlying the forecasts. Furthermore, we considered the outcome of prior year forecasts to consider the historical accuracy of the Directors' forecast and agreed the consistency of the model to those used elsewhere in the business, for example discounted cashflow models used in impairment reviews.

For the year ended 30 November 2021

Conclusions relating to going concern (continued)

- The Directors have applied downwards sensitivities to the more variable aspects of the forecasts and also modelled a number of mitigating cash saving initiatives. We considered the appropriateness of the sensitivities applied in respect of the impact of Covid-19 and the Directors' available mitigating actions and their effects on the group's solvency and liquidity position.
- Review of post year-end management accounts, specifically comparing the cash position against that budgeted.
- Making inquiries of the Directors as to their knowledge of events or conditions beyond the period of their assessment that may cast significant doubt on the entity's ability to continue as a going concern.
- Considering the adequacy and completeness of the disclosures in the financial statements against the requirements of the accounting standards and the Directors' going concern assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Coverage	*100% (2020: 100%) of Group revenue* *99% (2020: 99%) of Group total assets*		
Key audit matters		2021	2020
	Revenue Recognition	✓	✓
	Impairment of Intangible Assets (including goodwill):	✓	✓
	Intangible Assets: Development Costs, Amortisation and Impairment	✓	✓
	Acquisition of Nordija	✓	-
Materiality	*Group financial statements as a whole* $644k (2020: $485k) based on 0.7% (2020: 0.6%) of Group revenue		

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. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group is comprised of 4 incorporated UK trading or holding companies (including the Parent Company), 5 significant non-UK components, and several other non-significant components.

Based on our assessment of the group, we focused our group audit scope primarily over the parent company (Aferian plc) and six principal trading entities that were identified as significant components: Amino Communications Limited (ACL), Amino Communications Oy (ACO), Amino Technologies (HK) Limited, Amino Technologies (US) LLC, Nordija A/S, and the sub-group headed by 24i Unit Media BV (excluding ACO). These components accounted for 100% of the Group's revenue in both 2021 and 2020.

Amino Communications Limited and Amino Technologies (US) LLC were subject to full scope audits by the group audit team.

An overview of the scope of our audit (continued)

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

- 24i Unit Media BV and subsidiaries (excluding Amino Communications Oy);
- Amino Communications Oy;
- Nordija AS; and
- Amino Technologies (HK) Limited.

Full scope audits were completed by the Group audit team for the remaining incorporated UK trading or holding entities. Desktop reviews were performed on the remaining group entities.

Our involvement with component auditors

For the work performed by component auditors, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole. Our involvement with component auditors included the following:

- 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 through the planning, execution and completion stage 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, and reviewed their audit documentation and findings remotely;
- Nordija AS: We instructed this member firm as to the scope and timing of their work on the financial information for group reporting purposes (which included the acquisition balance sheet of this component), we held virtual meetings through the planning, execution and completion stage with the audit team and performed a review remotely of their audit documentation and findings and participated in the local audit close meeting; 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 and reviewed their audit documentation and findings remotely.

Key audit matters

Key audit matters ('KAM') are those matters that, in our professional judgement, 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) that 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 matter		How the scope of our audit addressed the key audit matter
Revenue Recognition *See accounting policy in Note 2 on page 57 and related disclosures in Note 4 on page 71*	The Group primarily generates revenue from two sources: • devices incorporating Amino software and associated accessories; and • Software and services. We considered there to be a significant audit risk arising from recognition of revenue. The key audit matters related to revenue recognition are as follows: • There is a risk that Group's revenue streams have not been recognised appropriately in line with their respective performance obligations (existence and accuracy), and that the revenue policy itself is not in accordance with appropriate accounting standards. • The risk of a material misstatement was focused on ensuring revenue around the Year end (existence), particularly in relation to sale of devices and the adjustments recorded with respect to software and services for which revenue is recognised over time or in accordance with stage of completion.	With regards to the risk of material misstatement related to the recognition of revenue we performed the following procedures: • We assessed whether the revenue recognition policies adopted by the Group comply with accounting standards; • 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 (being at the right point in 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 orders, third party evidence of delivery to customer, cash receipts and sales invoices. 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 (point in time or over time), access to software platform and cash receipts; • 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 existence of accrued income and completeness of deferred revenue balances shown in the statement of financial position at year end; and • 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. **Key observations:** Based on the work performed we consider that the Group's revenue recognition accounting policy is appropriate and that revenue has been recognised in accordance with the Group's revenue policy.

Key audit matter		How the scope of our audit addressed the key audit matter
Impairment of acquired intangible assets (including Goodwill) *Details of the Group's accounting policies applied and related disclosures are given in note 2 and 14 to the financial statements on pages 61 and 82-84, respectively.*	The Directors assessment of impairment of acquired intangible assets and goodwill, for each of their cash generation units ('CGU'), is based on value in use models, which includes consideration of scenarios based on different revenue and cost growth assumptions, to assess the recoverability of the acquired intangible assets and goodwill. We regarded this as a Key Audit Matter due to the significant judgement in determining the assumptions used in the estimation of the recoverable amount of each CGU. No impairment has been recognised in the financial statements.	We completed the following work in relation to the impairment assessment of each CGU to which acquired intangibles assets (including goodwill) are attributed and our audit procedures included the following procedures: • We reviewed management's impairment assessment, based on our knowledge of the Group's business, performance to date and from discussions with management; • We considered, whether the methodology applied in valuing the recoverable amount of the acquired intangibles (including goodwill) is appropriate and that it appropriately supports the asset value; • We reviewed and challenged the assumptions underpinning the forecasts and the other inputs into the value in use model. This included an assessment of the appropriateness of the discount rate applied (which involved the use of an auditor's expert), revenue growth rates, expected profit margins and terminal value; • We checked that the forecast figures included within the models had been approved by the Board and the base case scenario for each CGU was consistent with information obtained in other audit procedures; • We also reviewed the different scenarios used by management and ran our own sensitives to evaluate management's assessment of the recoverability of intangibles (including goodwill); and • We assessed the related accounting policies and disclosures in the financial statements. **Key observations**: Based on the procedures performed, we consider the assumptions and judgements made relating to the impairment of intangible assets and the related disclosures in the financial statements, to be appropriate.

Key audit matter		How the scope of our audit addressed the key audit matter
Intangible Assets: Development Costs Capitalisation, Amortisation and Impairment *Details of the Group's accounting policies applied and related disclosures are given in note 2 and 14 to the financial statements on pages 60 and 82-84 respectively.*	The group capitalises costs in relation to the development of the software provided to its clients. 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. There is significant judgement involved in the determination of which costs are capitalised, their amortisation period and whether there is any impairment of previously capitalised amounts. For this reason, we considered this to be a Key Audit Matter.	Our audit procedures included the following: • Discussions were held with the Group's technology team to understand the Group's processes, procedures and projects in relation to development costs; • We assessed the ability of the asset to generate future economic benefits for the Group taking account of management's future forecasts, 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; • We considered, on a sample basis, whether the development costs capitalised met the criteria for capitalisation under the applicable accounting standards; • We 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; • We considered the proportion of time allocations for employees and contractor roles, corroborating management's explanations to supporting evidence; • We 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 • We checked that assets that were not yet available for use (such as projects in development) had an impairment review undertaken. **Key observations**: Based on the procedures performed, we consider the assumptions and judgements made in the capitalisation of development costs, determination of amortisation period and impairment assessment to be appropriate.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AFERIAN PLC (continued)

For the year ended 30 November 2021

Key audit matter		How the scope of our audit addressed the key audit matter
Acquisition of Nordija *Details of the Group's accounting policies applied and related disclosures are given in note 2, 14, and 28 to the financial statements on pages 56, 82, and 101, respectively.*	The acquisition of Nordija resulted in the group holding, on consolidation, the following: • Identifiable intangible assets of $4,388k, • goodwill of $3,340k • Deferred consideration of $144k cash and $610k equity instruments • Current assets of $966k • Liabilities of $2,977k There are risks present as a result of management making significant judgements in assessing the fair values of the consideration and the assets and liabilities acquired. Management engaged external valuations experts to undertake the purchase price allocation exercise required. The complexity of this transaction and the significant judgements involved are why it is deemed a Key Audit Matter.	We performed the following specific testing: • With input from our valuations team, we challenged the assumptions underpinning the significant judgements and estimates used by management in the assessment of the fair values of the assets and liabilities acquired and consideration paid. The assumptions included revenue and profit forecasts, discount rates, customer attrition rates, technology obsolescence rates, royalty rates and probability of contingent events being achieved (which impacts an element of the consideration) • Our testing focused on both material and more judgmental fair value adjustments that were recorded. Particular considerations made were: (1) The directors obtained external valuations for the acquired intangible assets. We assessed the objectivity, qualifications and experience of the valuer. Utilising our own valuation team's expertise, we evaluated the valuation methodologies used for each type of asset and used these to check that the methodology used by the directors was appropriate and consistent with market practice. (2) Contingent consideration: We assessed whether the contingent consideration represented additional purchase price or compensation to the seller linked to a post-deal period of employment, taking account of the agreement signed. (3) Deferred revenue: The audit team checked the acquired deferred revenue balance, by reviewing its constituent parts, to assess whether the deferred balance was at fair value with costs expected against this, or whether this was purely a profit margin that would need adjusting over and above a reasonable profit element for a similar business. (4) Accounts receivable: The audit team agreed post acquisition amounts received, on a sample basis, to check that the acquired accounts receivable balances were held at fair value. (5) Tax: We examined and satisfied ourselves, by way of recalculation, the methodology and tax rates used to calculate the associated deferred tax liabilities arising from the creation of intangible assets. This involved reference to the tax jurisdictions in which the acquired entity operates and levels of business in those jurisdictions. **Key observations**: Based on the procedures performed, we noted no instances of material misstatements relating to the accounting for the acquisition of Nordija.

For the year ended 30 November 2021

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.

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.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2021 $	2020 $	2021 $	2020 $
Materiality	$644,000	$485,000	$580,000	$436,500
Basis for determining materiality	0.7% of Revenue	0.6% of Revenue	90% of Group materiality	90% of Group materiality
Rationale for the benchmark applied	We considered revenue to be the most appropriate benchmark as this is the primary key performance indicator, which is used to address the performance of the Group by the board and an important performance-based metric to the users of the financial statements.		Capped at 90% of group materiality given the assessment of the component's aggregation risk.	
Performance materiality	$483,000	$363,750	$435,000	$327,000
Basis for determining performance materiality	Performance materiality was set at 75% (2020: 75%) due to the low value of brought forward adjustments and lower expected total value of known and likely misstatements.		Performance materiality was set at 75% (2020: 75%) due to the low value of brought forward adjustments and lower expected total value of known and likely misstatements.	

Component materiality

We set materiality for each component of the Group based on a percentage of between 16% and 82% of the group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from $100,000 to $525,000 (2020: $100,000 to $363,750). In the audit of each component, we further applied performance materiality levels of 75% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of $32,200 (2020: $24,250). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AFERIAN PLC (continued)

For the year ended 30 November 2021

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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	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. In the light of the knowledge and understanding of the Group and 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.
Matters on which we are required to report by exception	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 Statement of Directors' responsibilities, 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.

Auditors responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework, rules of the London Stock Exchange for companies trading securities on AIM, the Companies Act 2006 and relevant tax compliance regulations. We made enquiries of management, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our review of board minutes and papers provided to the Audit Committee;
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur, by meeting with management from across the Group to understand where they considered there was a susceptibility to fraud;
- Our audit planning identified fraud risks in relation to management override of controls and inappropriate or incorrect recognition of revenue (revenue recognition assessed as a Key Audit Matter above) across the Group. We obtained an understanding of the processes and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how management monitors those processes and controls;
- With regards to the fraud risk in management override of controls, our procedures included journal transaction testing, across the group, with a focus on large or unusual transactions based on our knowledge of the business. We also performed an assessment on the appropriateness of key judgements and estimates, for example the capitalisation of development costs (the risks associated with the capitalisation of development costs has been assessed as a Key Audit Matter above), which are subject to managements' judgement and estimation, and could be subject to potential bias; and
- We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and component auditors, who were all deemed to have appropriate competence and capabilities, to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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

9 February 2022
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 2021

	Notes	Year to 30 November 2021 $000s	Year to 30 November 2020 $000s
Revenue	4	**92,890**	82,704
Cost of sales		**(47,996)**	(42,043)
Gross profit		**44,894**	40,661
Operating expenses	8	**(39,234)**	(35,546)
Operating profit		**5,660**	5,115
Adjusted operating profit		**11,759**	10,482
Share-based payment charge	26	**(1,079)**	(681)
Exceptional items	6	**(1,505)**	(503)
Amortisation of acquired intangible assets	8	**(3,515)**	(4,183)
Operating profit		**5,660**	5,115
Finance expense		**(688)**	(748)
Finance income		**290**	44
Net finance expense	7	**(398)**	(704)
Profit before tax	8	**5,262**	4,411
Tax credit / (charge)	11	**494**	(1,748)
Profit after tax		**5,756**	2,663
Profit for the year from continuing operations attributable to equity holders		**6,044**	3,087
Non-controlling interest		**(288)**	(424)
Profit for the year		**5,756**	2,663
Earnings per share			
Basic earnings per 1p ordinary share	12	**7.52c**	4.06c
Diluted earnings per 1p ordinary share	12	**7.37c**	3.98c

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 2021

	Notes	Year to 30 November 2021 $000s	Year to 30 November 2020 $000s
Profit for the financial year		**5,756**	2,663
Items that may be reclassified subsequently to profit or loss:			
Net foreign exchange (loss)/gain arising on consolidation		**(3,112)**	3,206
Other comprehensive (expense) / income		**(3,112)**	3,206
Total comprehensive income for the year		**2,644**	5,869
Non-controlling interest		**288**	403
Total comprehensive income for the financial year attributable to equity holders		**2,932**	6,272

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 November 2021

Assets	Notes	**As at 30 November 2021** **$000s**	As at 30 November 2020 Restated (see note 34) $000s	As at 30 November 2019 Restated (see note 34) $000s
Non-current assets				
Property, plant and equipment	15	**630**	510	395
Right of use assets	16	**1,910**	2,634	-
Intangible assets	14	**96,234**	92,067	91,919
Deferred tax assets	24	**-**	-	637
Trade and other receivables	18	**235**	215	430
		99,009	95,426	93,381
Current assets				
Inventories	17	**2,557**	2,956	2,399
Trade and other receivables	18	**21,936**	14,422	16,483
Corporation tax receivable	18	**113**	242	8
Cash and cash equivalents	19	**14,182**	9,476	8,612
		38,788	27,096	27,502
Total assets		**137,797**	122,522	120,883
Capital and reserves attributable to equity holders of the Company				
Called-up share capital	25	**1,484**	1,367	1,367
Share premium	25	**39,249**	35,907	35,907
Capital redemption reserve		**12**	12	12
Foreign exchange reserve		**(3,388)**	(276)	(3,461)
Merger reserve	25	**42,750**	30,122	30,122
Other reserve		**-**	(2,794)	(2,794)
Retained earnings		**24,249**	23,475	19,790
Equity attributable to owners of the parent		**104,356**	87,813	80,943
Non-controlling interest		**-**	195	598
Total equity		**104,356**	88,008	81,541
Liabilities				
Current liabilities				
Trade and other payables	20	**27,777**	24,861	21,800
Lease liabilities	20	**966**	1,187	-
Corporation tax payable	20	**774**	1,461	684
Loans and borrowings	21	**35**	130	7,314
		29,552	27,639	29,798
Non-current liabilities				
Trade and other payables	20	**677**	176	3,829
Lease liabilities	20	**1,002**	1,524	-
Provisions	22	**1,163**	1,227	1,298
Deferred tax liabilities	24	**1,047**	3,948	4,417
		3,889	6,875	9,544
Total liabilities		**33,441**	34,514	39,342
Total equity and liabilities		**137,797**	122,522	120,883

The financial statements on pages 50 to 105 were approved and authorised for issue by the Board of directors on 9 February 2022 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 2021

	Notes	Year to 30 November 2021 $000s	Year to 30 November 2020 $000s
Cash flows from operating activities			
Cash generated from operations	29	**14,113**	16,835
Corporation tax paid		**(3,241)**	(1,420)
Net cash generated from operating activities		**10,872**	15,415
Cash flows from investing activities			
Purchases of intangible assets	14	**(8,035)**	(5,493)
Purchases of property, plant and equipment	15	**(329)**	(345)
Interest received	7	**-**	44
Purchase of non-controlling interest	20	**(1,180)**	-
Acquisition of subsidiaries net of cash acquired	28	**(4,749)**	(160)
Net cash used in investing activities		**(14,293)**	(5,954)
Cash flows from financing activities			
Proceeds from exercise of employee share options		**206**	26
Proceeds from issue of new shares	25	**12,723**	-
Lease payments		**(1,341)**	(1,146)
Dividends paid	13	**(3,118)**	-
Interest paid		**(131)**	(244)
Repayment of borrowings		**(6,887)**	(7,236)
Proceeds borrowings		**6,887**	-
Net cash generated from / (used in) financing activities		**8,339**	(8,600)
Net increase in cash and cash equivalents		**4,918**	861
Cash and cash equivalents at beginning of year		**9,476**	8,612
Effects of exchange rate fluctuations on cash held		**(212)**	3
Cash and cash equivalents at end of year	19	**14,182**	9,476

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 November 2021

	Notes	Share capital $000s	Share premium $000s	Merger reserve $000s	Other 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 2019 (previously reported)		1,367	35,907	30,122	(1,750)	(3,461)	12	19,790	81,987	598	82,585
Prior year adjustment	34	-	-	-	(1,044)	-	-	-	(1,044)	-	(1,044)
Shareholders' equity at 30 November 2019 (restated)		1,367	35,907	30,122	(2,794)	(3,461)	12	19,790	80,943	598	81,541
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 (restated)		**1,367**	**35,907**	**30,122**	**(2,794)**	**(276)**	**12**	**23,475**	**87,813**	**195**	**88,008**
Profit for the year		-	-	-	-	-	-	6,044	6,044	(288)	5,756
Other comprehensive expense		-	-	-	-	(3,112)	-	-	(3,112)	-	(3,112)
Total comprehensive income for the year attributable to equity holders		-	-	-	-	(3,112)	-	6,044	2,932	(288)	2,644
Share based payment charge	26	-	-	-	-	-	-	529	529	-	529
Exercise of employee share options		-	-	-	-	-	-	206	206	-	206
Dividends paid	13	-	-	-	-	-	-	(3,118)	(3,118)	-	(3,118)
Transfer of non-controlling interest & put option reserve on acquisition	20	-	-	-	2,794	-	-	(2,887)	(93)	93	-
Issue of share capital, net of issue costs	25	117	3,342	12,628	-	-	-	-	16,087	-	16,087
Total transactions with owners		117	3,342	12,628	2,794	-	-	(5,270)	13,611	93	13,704
Total movement in shareholders' equity		**117**	**3,342**	**12,628**	**2,794**	**(3,112)**	**-**	**774**	**16,543**	**(195)**	**16,348**
Shareholders' equity at 30 November 2021		**1,484**	**39,249**	**42,750**	**-**	**(3,388)**	**12**	**24,249**	**104,356**	**-**	**104,356**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2021

1 General Information and basis of preparation

Aferian 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. On 18 June 2021 the Company changed its name from Amino Technologies plc to Aferian plc. The address of its registered office is given on page 116.

Basis of preparation

These consolidated financial statements have been prepared in accordance with accordance with International accounting standards in conformity with the requirements of the Companies Act 2006.

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 of the ongoing working capital facilities and wider viability of the Group. The Group meets its day-to-day working capital requirements through its cash balances, working capital facilities and wider working capital management.

The COVID-19 pandemic continues to impact the Group's supply chain operations, as well as employees throughout the Group having to continue to work remotely from home. From the outset, 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 believe that the business continues to be 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. Where required, those measures are still in place today as the Group follows the relevant guidance set by authorities in the locations in which we operate.

The Group had cash resources of $14.2m as at 30 November 2021 (2020: $9.5m) and a multicurrency working capital facility of $15.0m, of which $nil was drawn at 30 November 2021 (2020: $nil). Subsequent to the balance sheet date, the Group replaced this facility with a new, increased facility of $50.0m (see note 33), with a further $50.0m available to be drawn under an accordion commitment for specific working capital events. The new facility expires on 23 December 2024 with options to extend by a further one or two years. The Group had net current assets of $9.2m as at 30 November 2021 (2020: net current liabilities of $0.5m restated).

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 its supply chain. This could lead to delays in contract negotiations and deferring or cancelling of anticipated sales, and those sales and settlement of existing debts are impacted too. The Group has a solid order book in respect of committed backlog device orders to be delivered over the next 12 months, and together with the growth in exit run rate ARR at 30 November 2021, this provides enhanced visibility to future revenue forecasts and cash flows. In respect of this going concern assessment, 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 and meet its liabilities as they fall due. On that basis, the Directors therefore continue to adopt the going concern basis when preparing its consolidated financial statements.

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 2020.

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 2021, 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 UK mandatory effective dates, are:

Standard	Description	Effective date	Expected impact
IAS 16	*Property, Plant and Equipment* *(Amendment – Proceeds before Intended Use)*	1 January 2022	No significant impact
IAS 37	*Provisions, Contingent Liabilities and Contingent Assets* *(Amendment – Onerous Contracts – Cost of Fulfilling a Contract)*	1 January 2022	No significant impact
IFRS 3	*Business Combinations* *(Amendment – Reference to the Conceptual Framework)*	1 January 2022	No significant impact

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 100% 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.

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

Business combinations

A business combination is defined as an acquisition of assets and liabilities that constitute a business and is accounted for using the acquisition method. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return to the Group and its shareholders in the form of dividends, lower costs or other economic benefits. A business consists of inputs, including non-current assets, and processes, including operational processes, that when applied to those inputs, have the ability to create outputs that provide a return to the Group and its shareholders.

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.

2 Summary of significant accounting policies (continued)

Business combinations (continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports in its financial statements provisional amounts for the items for which the accounting is incomplete. During this measurement period, if necessary, the Group will retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

During the measurement period, the Group will also recognise additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the Company receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable and shall not exceed one year from the acquisition date.

The consideration transferred in a business combination is measured at its acquisition date fair value. The acquisition date is the date the Group obtains control over the acquiree, which is generally the date that consideration is transferred, and the Group acquires the assets and assumes the liabilities of the acquiree. The Group considers all relevant facts and circumstances in determining the acquisition date. When the consideration includes a contingent consideration arrangement, it is measured at its acquisition date fair value and included as part of the consideration. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. For those changes to the fair value of the contingent consideration which do not qualify as measurement period adjustments are remeasured at fair value at subsequent reporting dates with changes in fair value recognized in earnings, except for those classified as equity, which are not remeasured.

Acquisition-related costs, other than costs to issue equity securities, of the acquirer are expensed as incurred. The costs to issue equity securities of the Group as consideration for the acquisition are reduced from share capital as share issue costs.

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 determined to be delivered, being the point at which control is transferred 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 licence 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.

2 Summary of significant accounting policies (continued)

Revenue recognition (continued)

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.

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 2021 (2020: no variable consideration or costs recorded)

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. Non-controlling interest balances in an acquiree are released where a balance in the non-controlling interest reserve remains after the acquisition of the remaining proportionate share of the acquiree by the Group.

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 106 – 115 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 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 the income statement each year prospectively. In August 2020, the put option was settled through a combination of cash ($1.2m) and issue of ordinary shares in the Company ($2.7m), see note 20 for further details.

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.

(i) Research and development – internally generated (continued)

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 licences	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 and cash settled share-based compensation plans. Equity-settled and cash-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 and cash-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)

Employee benefits (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 or cash-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.

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

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.

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 was effective for annual periods beginning on or after 1 June 2020, but earlier application was 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.

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.

2 Summary of significant accounting policies (continued)

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 Aferian plc and Amino Holdings Limited on 28 May 2004, prior to the Group's adoption of IFRS and from the issue of Aferian plc shares in May 2021 undertaken using a cashbox structure (see note 25).
- 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. The put option liability was settled upon exercise of the option in August 2021, with the balance in the reserve of $2.8m transferred to Group profit and loss reserve upon completion.
- 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 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, aborted acquisition costs or releases to the provision for uncertain tax positions. Material income comprises amounts outside the course of normal trading activities.

Furthermore, the Group considers the fair value movement in contingent consideration and the put option interest charge to be adjusting items within net finance expenses because they are non-cash and they do not relate to day-to-day trading activities of the Group. They are treated as adjusting items below adjusted operating profit but not presented on the face of the consolidated income statement. See note 6 for further details.

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 whether goodwill has been impaired

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.

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 $464,000 (2020: $396,000). The carrying value of the Group's provision for write-downs and obsolescence is disclosed in note 17.

2 Summary of significant accounting policies (continued)

Critical accounting estimates and significant judgements (continued)

Assessing the fair value of assets and liabilities in a business combination

Fair value of assets acquired and liabilities assumed, when the Group obtains control of a business the business combination is accounted for using the acquisition method of accounting. By applying this method all assets acquired and liabilities assumed are to be measured at fair value at acquisition date. The excess of the purchase consideration over the fair value of the net assets and liabilities acquired (if any) is recognised as goodwill. If the fair values of the net assets and liabilities assumed are more than the purchase consideration, the excess is recognized as a bargain purchase gain in the statement of comprehensive earnings/(loss). The determination of fair value often requires management to make estimates and assumptions regarding future events which include, but are not limited to, revenue growth rates, operating costs, capital expenditures, terminal values, customer retention rates and discount rates. Details of the impairment review are set out in note 14.

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 - $1,053,000 (2020: $0 - $1,110,000). It is possible that the ultimate resolution of these matters could result in tax charges that are higher or lower than the amount provided. The carrying value of the Group's uncertain tax provision is disclosed in note 22.

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.$1,200,000 (2020: 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 on an individual lease basis. The judgement is based on factors such as the location of the asset, 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, the Euro, the Czech Koruna and Danish Krone.

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 2021, the Group did not enter into any forward foreign exchange contracts.

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 2021	USD $000s	Euros €000s	CAD $000s	GBP £000	SEK kr000s
Trade and other receivables denominated in foreign currency	11,983	2,632	-	-	6,152
Cash balances denominated in foreign currency	2,679	81	-	-	-
Trade and other payables denominated in foreign currency	(5,773)	(157)	-	(36)	-
Net current assets denominated in foreign currency	**8,889**	**2,556**	**-**	**(36)**	**6,152**

As at 30 November 2020	USD $000s	Euros €000s	CAD $000s	GBP £000	SEK kr000s
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)**	**-**

At 30 November 2021, 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 $0.3m/$0.3m (2020: $0.0m/$0.0m).

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.

3 Financial risk management (continued)

(ii) Interest rate risk

Throughout the year-ended 30 November 2021 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% (2020: 0.05%).

At 30 November 2021, 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 2021 the Group's borrowings at variable rate were denominated in USD (2020: USD).

The sensitivity of profit to a reasonably possible change in interest rates of +/- 2% (2020: +/- 2%) with all other variables held constant, at 30 November 2021, would have increased/decreased post-tax profit for the year by $0.0m/$0.0m (2020: $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.

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 for sale of devices 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. Where not covered by insurance or prepaid appropriate credit limits and payment terms are agreed with customers.

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 2021 $000s	As at 30 November 2020 $000s
Non-current assets		
• trade and other receivables	**235**	215
Current assets		
• trade and other receivables	**21,397**	13,639
• cash and cash equivalents	**14,182**	9,476
	35,814	23,330

Trade and other receivables includes $19.6m (2020: $12.2m) trade receivables of which $13.8m (2020: $6.2m) is covered by insurance, representing coverage of 70% (2020: 51%) on a gross basis. For further details on the analysis of credit risk relating to trade receivables see note 18.

3 Financial risk management (continued)

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. As at 30 November 2021 the Group had an external multicurrency revolving credit facility of $15.0m. Since the year end the Group has secured a new banking facility increasing to $50.0m which also includes a further $50m available by way of an accordion. See note 33 for more details.

At 30 November 2021 the value of external borrowings was $nil (2020: $0.1m) and therefore capital equates to the Group's total equity less cash and cash equivalents.

	As at 30 November 2021 $000s	As at 30 November 2020 restated $000s
Capital		
Total equity	**101,635**	88,008
Less: cash and cash equivalents	**(14,182)**	(9,476)
	87,453	78,532
Overall financing		
Total equity	**101,635**	88,008
Plus: borrowings (see note 21)	**35**	130
	101,670	88,138
Capital-to-overall financing ratio	**1:1.16**	1:1.12

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

3 Financial risk management (continued)

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 2021, the Group's non-derivative financial liabilities have contractual maturities (representing undiscounted contractual cash flows) as summarised below:

	Current		**Non-current**	
	Within 6 months $000s	**6 to 12 months $000s**	**1 to 5 years $000s**	**Later than 5 years $000s**
USD bank loan	-	35	-	-
Trade and other payables	22,562	1,117	-	-
Put option liability	-	-	-	-
Lease liabilities	661	364	991	-
Total	**23,223**	**1,516**	**991**	**-**

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 $000s	6 to 12 months (Restated) $000s	1 to 5 years $000s	Later than 5 years $000s
USD bank loan	-	-	130	-
Trade and other payables	17,505	2,541	-	-
Put option liability	-	3,954	-	-
Lease liabilities	631	585	1,542	-
Total	**18,136**	**7,080**	**1,672**	**-**

4 Revenue

Disaggregation of Revenue

In the tables below, 24i refers to the development and sale of its end-to-end streaming platform and associated services. Amino refers to the development and sale streaming devices and software solutions, associated software and a SaaS management platform.. 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 2021			Year to 30 November 2020		
	Amino $000s	**24i $000s**	**Total $000s**	Amino $000s	24i $000s	Total $000s
USA	**34,584**	**5,225**	**39,809**	25,724	5,228	30,952
Latin America	**8,117**	**987**	**9,104**	10,784	346	11,130
Netherlands	**21,167**	**6,879**	**28,046**	18,245	6,292	24,537
Rest of EMEA	**8,433**	**4,707**	**13,140**	10,834	3,219	14,053
EMEA	**29,600**	**11,586**	**41,186**	29,079	9,511	38,590
Rest of the World	**2,791**	**-**	**2,791**	1,898	134	2,032
	75,092	**17,798**	**92,890**	67,485	15,219	82,704

The Group had 3 (2020: 2) significant customers in the year, defined as representing more than 10% of revenue, USA 1 $20.5m, USA 2 $12.4m and EMEA 1 $12.3m (2020: USA 1 $14.8m, USA 2 $9.4m). The Group's largest customers in the USA are distributors.

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

	Year to 30 November 2021			Year to 30 November 2020		
	Amino $000s	**24i $000s**	**Total $000s**	Amino $000s	24i $000s	Total $000s
Devices incorporating integrated software and associated accessories	**70,072**	**414**	**70,486**	63,184	-	63,184
Software and services	**5,020**	**17,384**	**22,404**	4,301	15,219	19,520
	75,092	**17,798**	**92,890**	67,485	15,219	82,704

4 Revenue (continued)

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

	Year to 30 November 2021			Year to 30 November 2020		
	Amino	**24i**	**Total**	Amino	24i	Total
	$000s	**$000s**	**$000s**	$000s	$000s	$000s
Goods and services transferred at a point in time	**70,167**	**2,076**	**72,243**	63,275	311	63,586
Software licences and services transferred over time	**4,925**	**15,722**	**20,647**	4,210	14,908	19,118
	75,092	**17,798**	**92,890**	67,485	15,219	82,704

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

	Year to 30 November 2021			Year to 30 November 2020		
	Amino	**24i**	**Total**	Amino	24i	Total
	$000s	**$000s**	**$000s**	$000s	$000s	$000s
Direct customers	**40,969**	**17,798**	**58,767**	41,145	15,219	56,364
Distribution channel	**34,123**	**-**	**34,123**	26,340	-	26,340
	75,092	**17,798**	**92,890**	67,485	15,219	82,704

Contract balances

	Contract Assets		**Contract Liabilities**	
	Year to 30 November			
	2021	2020	**2021**	2020
	$000s	$000s	**$000s**	$000s
At 1 December	**1,418**	1,250	**(1,611)**	(1,323)
Changes due to business combinations	**59**	-	**(525)**	-
Transfers in the period from contract assets to trade receivables	**(7,624)**	(4,024)	**-**	-
Amounts included in contract liabilities that were recognised as revenue during the period	**-**	-	**12,619**	3,207
Excess of revenue recognised over cash (or rights to cash) being recognised during the period	**7,688**	4,185	**-**	-
Cash received in advance of performance and not recognised as revenue during the period	**-**	-	**(13,089)**	(3,582)
Foreign exchange gains/(losses)	**(14)**	7	**345**	87
At 30 November	**1,527**	1,418	**(2,261)**	(1,611)

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 licence 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 2021	**Year to 30 November**		
	2022	**2023**	**2024-5**
	\$000	**\$000**	**\$000**
Revenue expected to be recognised on Software and Service contracts	**8,620**	**6,055**	**1,945**

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

No variable consideration or costs of obtaining and fulfilling contracts have been recorded in the year to 30 November 2021 (2020: 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.

5 Segmental analysis

Operating segments are reported in a manner consistent with the internal reporting provided to the Aferian 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 streaming devices and solutions, including licensing and support services ("Amino");
- development and sale of an end to end streaming platform and associated services. This includes the results of Nordija A/S, an acquisition during the year; 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.

Aferian plc is domiciled in the United Kingdom.

2021		**Amino $000s**	**24i $000s**	**Central costs $000s**	**Total $000s**
Revenue	Software & services	5,020	17,384	-	**22,404**
	Devices *	70,072	414	-	**70,486**
	Total	75,092	17,798	-	**92,890**
	% Recurring	5%	50%	-	**14%**
Adjusted cost of sales		(44,363)	(3,796)	-	**(48,159)**
Adjusted gross profit		30,729	14,002	-	**44,731**
Adjusted operating expenses		(11,057)	(12,744)	(2,493)	**(26,294)**
Adjusted EBITDA		**19,672**	**1,258**	**(2,493)**	18,437
Exceptional items	Cost of sales				**163**
	Operating expenses				**(1,668)**
Share based payment charge					**(1,079)**
Depreciation, amortisation and loss on disposal of fixed assets					**(10,193)**
Operating profit					**5,660**
Net finance expense					**(398)**
Profit before tax					**5,262**
Additions to non-current assets: Capitalised development costs		2,276	5,759	-	**8,035**

5 Segmental analysis (continued)

2020		Amino $000s	24i $000s	Central costs $000s	Total $000s
Revenue	Software & services	4,301	15,219	-	**19,520**
	Devices *	63,184	-	-	**63,184**
	Total	67,485	15,219	-	**82,704**
	% Recurring	5%	47%	-	**13%**
Adjusted cost of sales		(39,656)	(3,304)	-	**(42,960)**
Adjusted gross profit		27,829	11,915	-	**39,744**
Adjusted operating expenses		(9,634)	(11,383)	(2,056)	**(23,073)**
Adjusted EBITDA		**18,195**	**532**	**(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**

* incorporating integrated 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 2021 $000s**	As at 30 November 2020 $000s
United Kingdom	**2,368**	2,730
USA	**44,393**	45,551
Finland	**8,718**	9,230
Netherlands	**34,107**	36,105
Denmark	**8,171**	-
Rest of the World	**1,252**	1,810
	99,009	95,426

6 Exceptional items

Exceptional items included in operating profit comprise the following charges/(credits):

	Year to 30 November 2021 $000s	Year to 30 November 2020 $000s
Credit relating to royalty costs recognised in prior years and subsequently renegotiated	**(163)**	(917)
Subtotal cost of sales	**(163)**	(917)
Expensed contingent post-acquisition remuneration in respect of the acquisition of 24i Unit Media BV.	**347**	1,164
Redundancy and associated costs	**304**	-
Acquisition and one-off legal costs	**638**	256
Aborted acquisition costs	**379**	-
Subtotal operating expenses	**1,668**	1,420
Total exceptional items	**1,505**	503

Exceptional items within net finance expense comprise the following charges/(credits):

	Year to 30 November 2021 $000s	Year to 30 November 2020 $000s
Credit in relation to movement in contingent consideration	**(179)**	-
Subtotal finance income	**(179)**	-
Unwinding discount on put option liability regarding non-controlling interest of the 24i Group	**532**	-
Unwinding discount on contingent consideration regarding Nordija acquisition (note 28)	**79**	-
Subtotal finance expense	**611**	-
Total exceptional items	**432**	-

7 Net finance expense

	Year to 30 November 2021 $000s	Year to 30 November 2020 $000s
Interest payable and similar costs	**(688)**	(565)
Interest receivable and similar income	**-**	44
Credit in relation to movement in contingent consideration	**179**	-
Net foreign exchange gains/(losses)	**111**	(183)
	(398)	(704)

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

7 Net finance expense (continued)

Interest payable and similar costs comprises:

	Year to 30 November 2021 $000s	Year to 30 November 2020 $000s
Bank loan interest	**28**	201
Unwinding discount on put option liability regarding non-controlling interest of the 24i Group	**532**	278
Unwinding discount on contingent consideration regarding Nordija acquisition	**79**	-
Lease interest	**42**	58
Bank and other interest payable	**7**	28
	688	565

8 Profit before tax

Profit before tax is stated after charging/(crediting):	**Year to 30 November 2021 $000s**	Year to 30 November 2020 $000s
Depreciation of owned property, plant and equipment (see note 15)	**284**	233
Depreciation of right of use assets (see note 16)	**1,327**	1,165
Amortisation of intangible assets		
• other assets (see note 14)	**5,067**	4,791
• acquired intangible assets (see note 14)	**3,515**	4,183
Loss on disposal of property, plant and equipment	**9**	7
Research and development expense (excluding amortisation)	**5,000**	4,600
Short term and low value lease costs (see note 16)	**193**	203
Auditor's remuneration:		
Audit services		
• fees payable to Company auditor for the audit of the Company and consolidated financial statements	**118**	104
Other services		
• the auditing of the Company's subsidiaries pursuant to legislation	**148**	128
• audit related assurance services	**12**	7
Movements in inventory provision (note 17)	**68**	6
Net realised (gain)/loss on foreign exchange	**(111)**	183

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	
	2021	2020	**2021**	2020
	Year end Number	Year end Number	**Average Number**	Average Number
Customer support and professional services	**31**	36	**32**	34
Research and development	**177**	173	**176**	163
Sales, marketing and operations	**36**	29	**33**	29
General and administration	**41**	34	**40**	34
	285	272	**281**	260

	Year to 30 November 2021	Year to 30 November 2020
	$000s	$000s
Their aggregate remuneration comprised:		
Wages and salaries	**20,473**	16,970
Redundancy and associated costs	**304**	-
Social security costs	**2,122**	1,711
Other pension costs (see note 31)	**1,012**	848
Expense of share-based payments (see note 26)	**1,079**	681
	24,990	20,210

10 Key management and directors compensation

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

	Year to 30 November 2021 $000s	Year to 30 November 2020 $000s
Salaries and other short term employee benefits	**1,763**	1,522
Social security costs	**196**	120
Company contributions to personal pension schemes	**122**	118
Expense for share based payments	**261**	165
	2,342	1,925

The directors are of the opinion that the key management of the Group comprises the executive and non-executive directors of Aferian plc. These persons have authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. In the prior year, there were two individuals (non-directors) that are no longer deemed key management of the Group. At 30 November 2021, key management comprised 7 people (2020: 8).

10 Key management and directors compensation (continued)

Directors' emoluments are disclosed in the Remuneration Committee report on page 28 and is summarised below.

	Year to 30 November 2021 $000s	Year to 30 November 2020 $000s
Salaries and other short term employee benefits	**1,763**	1,142
Company contributions to personal pension schemes	**122**	118
	1,885	1,260

The highest paid director was Donald McGarva:

	Year to 30 November 2021 $000s	Year to 30 November 2020 $000s
Salaries and other short term employee benefits	**652**	393
Company contributions to personal pension schemes	**46**	42
	698	435

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

11 Tax charge

	Year to 30 November 2021 $000s	Year to 30 November 2020 $000s
Corporation tax charge for the year	**2,824**	2,311
Release of uncertain tax provision (note 22)	**(57)**	-
Adjustment in respect of prior years	**35**	(413)
Total current tax charge	**2,802**	1,898
Net deferred tax (origination and reversal of temporary differences) (see note 24)	**(3,296)**	(150)
Total tax (credit) / charge in consolidated income statement	**(494)**	1,748

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% (2020: 19.0%). The differences are explained below:

	Year to 30 November 2021 $000s	Year to 30 November 2020 $000s
Profit on ordinary activities before corporation tax	**5,262**	4,411
At the standard rate of corporation tax in the UK of 19% (2020: 19%)	**1,000**	838
Effects of:		
Amounts not allowable for tax purposes	**717**	1,053
Enhanced deduction for research and development expenditure	**(366)**	(354)
Adjustment in respect of prior years	**35**	(413)
Losses utilised during the year	**(12)**	-
Losses recognised during the year	**(1,754)**	-
Tax effect on share based payments	**-**	159
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(66)**	(50)
Movement in deferred tax not recognised	**9**	515
Release of uncertain tax provision (note 22)	**(57)**	-
Total current tax (credit) / charge	**(494)**	1,748

Deferred tax not recognised primarily relates to losses carried forward but not recognised as a deferred tax asset as at 30 November 2021. Deferred tax assets in respect of taxable losses are recognised based on guidance provided in IAS 12. See note 24 for further details of deferred tax assets.

Included within the $3.3m net deferred tax credit is $2.7m tax credit in relation to the recognition of a deferred tax asset for tax losses in 24i, which are now considered recognisable (due to changes to local tax laws in the Netherlands and updated internal tax compliance procedures giving the Group enhanced visibility over their availability and utilisation) for tax losses that were present at the date of acquisition in 2019 and have arisen since acquisition. In 2019 a deferred tax liability was recorded as part of the acquisition accounting relating to the purchase of 24i and the Group are now of the opinion that this deferred tax liability should be offset by this equal and opposite deferred tax asset. Further details are provided in note 24 to the consolidated financial statements.

12 Earnings per share

	Year to 30 November 2021 $000s	Year to 30 November 2020 $000s
Profit attributable to ordinary shareholders	**6,044**	3,087
Exceptional items (see note 6)	**1,505**	503
Share-based payment charges	**1,079**	681
Finance income (see note 6)	**(179)**	-
Finance expense (see note 6)	**611**	-
Amortisation of acquired intangible assets	**3,515**	4,183
Deferred tax credit on acquired intangibles (see note 24)	**(646)**	(797)
Deferred tax credit on tax losses recognised (see note 24)	**(2,721)**	-
Profit attributable to ordinary shareholders excluding exceptional items, share-based payments and amortisation of acquired intangibles and associated taxation	**9,208**	7,657
Weighted average number of shares (Basic)	**80,385,687**	76,037,936
Dilutive share options outstanding	**1,613,485**	1,608,172
Weighted average number of shares (Diluted)	**81,999,172**	77,646,108
Basic earnings per ordinary share of 1p	**7.52c**	4.06c
Diluted earnings per ordinary share of 1p	**7.37c**	3.98c
Adjusted basic earnings per ordinary share of 1p	**11.45c**	10.07c
Adjusted diluted earnings per ordinary share of 1p	**11.23c**	9.86c

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 1,531,458 (2020: 2,021,058) 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 (2020: 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 market price is greater than exercise price of the Company's ordinary shares.

13 Dividends

Amounts recognised as distributions to equity holders in the year:

	Year to 30 November 2021 $000s	Year to 30 November 2020 $000s
Final dividend for the year ended 30 November 2020 of 1.87p (2020: nil for year ended 30 November 2019) per share	**1,968**	**-**
Interim dividend for the year ended 30 November 2021 of 1.0p (2020: nil) per share	**1,150**	**-**
	3,118	**-**

The Board of directors has proposed a final dividend of $2,410,000 for the current financial year (2020: $1,970,000). This equates to 2.09 pence per share, bringing the total for 2021 to 3.09 pence per share (2020: 1.87 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.

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 2019	66,054	19,888	2,460	390	1,591	35,503	13,297	139,183
Additions	169	-	-	-	1	5,492	-	5,662
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
Additions	-	-	-	-	-	8,035	-	8,035
Acquisition of subsidiary (note 28)	3,340	450	-	-	-	-	3,938	7,728
Foreign exchange adjustment	(1,660)	(686)	(69)	-	2	(458)	(650)	(3,521)
At 30 November 2021	**69,917**	**20,574**	**2,488**	**390**	**1,641**	**48,771**	**17,205**	**160,986**
Amortisation								
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
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
Charge for the year	-	1,923	89	-	31	5,036	1,503	8,582
Foreign exchange adjustment	-	(48)	(22)	-	1	(142)	(296)	(507)
At 30 November 2021	**-**	**9,586**	**1,843**	**390**	**1,638**	**39,323**	**11,972**	**64,752**
Net book amount								
At 30 November 2021	**69,917**	**10,988**	**645**	**-**	**3**	**9,448**	**5,233**	**96,234**
At 30 November 2020	68,237	13,099	781	-	33	6,765	3,152	92,067

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.

Foreign exchange adjustments in the year totalled a loss of $3,014,000 (2020: $3,460,000 gain) contributing to the overall foreign exchange reserve movements seen in the year.

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 2022 operating budgets which are then extended for a further four years plus a terminal value applied to year 5 cash flow.

14 Intangible assets (continued)

Following the acquisition of Nordija A/S (see note 28) during the year, the Group now has 3 (2020: 2) cash-generating units ("CGUs"). The carrying value of goodwill is allocated to those 3 cash-generating units ("CGUs") as follows:

CGU	As at 30 November 2021 $000s	As at 30 November 2020 $000s
Cash flows from 24i Group (excluding Nordija)	**24,358**	25,839
Cash flows from Nordija	**3,160**	-
Cash flows from Amino software and devices (formerly Entone, Inc.)	**42,399**	42,398
	69,917	68,237

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 2022 operating budgets which are then extended for a further three years plus a terminal value. A post-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 post-tax weighted average cost of capital ("WACC") has been used as the foundation to determine the discount rates to be applied. For 24i Group and Nordija, 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 each CGU was as follows:

CGU	Discount rate % 2021	Discount rate % 2020
24i Group (excluding Nordija)	**14.5%**	14.0%
Nordija	**19.0%**	-
Amino software and devices (formerly Entone, Inc.)	**9.4%**	12.8%

The key assumptions for the value in use calculations are detailed below, together with the annual growth rates used in the cashflow projections over the five year period:

Key assumption	24i Group (excluding Nordija)	Nordija	Amino software and devices (formerly Entone, Inc)
Annual revenue growth rate	17% - 46%	5% - 16%	5%
Gross profit margin growth rate (per annum)	2bps – 7bps	0.3 bps – 5bps	1bps
Operating profit margin growth rate (per annum)	7bps – 22bps	6bps – 8bps	1bps
Terminal growth rate from FY26	2%	2%	2%

14 Intangible assets (continued)

The annual growth rates are based on management's view of customer and product development opportunities. For 24i Group CGU and Nordija CGU, this takes into account forecast growth from new and existing customers. The long-term growth rate into perpetuity for all 3 CGUs has been assumed to be 2% per annum reflecting the long term potential of the market in which each of the CGU operates.

Management has performed several scenarios to sensitise the cashflow projections used in the impairment review for all 3 CGUs. In the most material of downside scenarios, the following key assumptions were changed, as detailed below, and this determined that there would still be no impairment charge for any of the CGUs.

CGU	Sensitivity 1 annual revenue growth rate	Sensitivity 2 annual gross profit margin growth rate	Sensitivity 3 Combined
24i Group (excluding Nordija)	20% reduction to FY22-FY26 revenue growth rates	No growth to gross profit margin	21% reduction to revenue forecast per annum and 10bps reduction to gross profit margin
Nordija	15% reduction to revenue forecast per annum	No growth to gross profit margin	Not applicable
Amino software and devices (formerly Entone, Inc)	No growth to revenue	Gross profit margin declines by 25% per annum	No growth to revenue and gross profit margin declines by 25% per annum

15 Property, plant and equipment

	Computer equipment $000s	Office and other equipment $000s	Leasehold improvements $000s	Total $000s
Cost				
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
Foreign exchange adjustment	(5)	(32)	(6)	(43)
Additions	173	130	26	329
Acquired through a business combination (note 28)	42	40	33	115
Disposals	(89)	(1)	-	(90)
At 30 November 2021	**969**	**861**	**573**	**2,403**
Depreciation				
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
Foreign exchange adjustment	(2)	(7)	(3)	(12)
Charge for the year	137	107	40	284
Disposals	(80)	(1)	-	(81)
At 30 November 2021	**833**	**418**	**522**	**1,773**
Net book amount				
At 30 November 2021	**136**	**443**	**51**	**630**
At 30 November 2020	70	405	35	510

16 Lease Liabilities 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.

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 amortised 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-ofuse asset being adjusted by the same amount

16 Lease Liabilities 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 jurisdictions 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
Additions	25	-	25
Acquired through a business combination (note 28)	468	-	468
Depreciation	(1,323)	(4)	(1,327)
Effect of modification to lease terms	170	-	170
Foreign exchange movements	(60)	-	(60)
At 30 November 2021	**1,901**	**9**	**1,910**

16 Lease Liabilities and Right of Use assets (continued)

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
Additions	25	-	25
Acquired through a business combination (note 28)	468	-	468
Interest expense	41	1	42
Effect of modification to lease terms	170	-	170
Lease payments	(1,336)	(5)	(1,341)
Foreign exchange movements	(111)	4	(107)
At 30 November 2021	**1,964**	**4**	**1,968**

	2021 $000s	2020 $000s
Short-term lease expense	**28**	77
Low value lease expense	**165**	126
Expense relating to variable lease payments not included in the measurement of lease liabilities	**(1)**	44
Aggregate undiscounted commitments for short-term leases	**2**	1

17 Inventories

	As at 30 November 2021 $000s	As at 30 November 2020 $000s
Raw materials	**1,692**	1,521
Finished goods	**865**	1,435
	2,557	2,956

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

	2021 $000s	2020 $000s
Provision at 1 December	**396**	390
Provided in the year	**117**	101
Credited to the consolidated income statement for items sold/utilised	**(2)**	(54)
Inventory written off	**(45)**	(51)
Net foreign exchange translation (gains)/losses	**(2)**	10
Provision at 30 November	**464**	396

The cost of inventories recognised as an expense and included in cost of sales amounted to $38.3m (2020: $34.3m).

18 Trade and other receivables

	As at 30 November 2021 $000s	As at 30 November 2020 $000s
Current assets:		
Trade receivables	**19,575**	12,224
Less: provision against trade receivables	**(306)**	(367)
Trade receivables (net)	**19,269**	11,857
Contract assets	**1, 527**	1,418
Total financial assets other than cash and cash equivalents classified as amortised cost	**20,796**	13,275
Other receivables	**601**	364
Prepayments	**539**	783
Total trade and other receivables	**21,936**	14,422
Corporation tax receivable	**113**	242
Current assets: due within one year	**22,049**	14,664
Non-current assets:		
Other receivables	**235**	215

Other receivables due in more than one year comprise 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 2021				
Expected loss rate	**0%**	**0%**	**63%**	**2%**
Gross carrying amount	**17,283**	**1,806**	**486**	**19,575**
Loss provision	**-**	**-**	**306**	**306**
At 30 November 2020				
Expected loss rate	0%	0%	72%	3%
Gross carrying amount	10,249	1,468	507	12,224
Loss provision	-	-	367	367

18 Trade and other receivables (continued)

At 30 November 2021 trade receivables of $291,000 (2020: $234,000) had lifetime expected credit losses of the full value of the receivables. The receivables due at the end of the financial year relate to 15 customers, all of which payment in full was considered unlikely. In the prior year it was due to 19 customers where payment in full was judged to be unlikely.

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 2021 $000s	As at 30 November 2020 $000s
Neither past due nor impaired	**17,283**	10,249
Under 90 days overdue but not provided for	**1,806**	1,468
Under 90 days overdue and provided for	**-**	-
Over 90 days overdue and provided for	**306**	367
Over 90 days overdue but not provided for	**180**	140
	19,575	12,224

Standard credit terms vary from customer to customer largely based on territory. At the year end $2.3m of debts were past due (2020: $2.0m). Included in the 90 days overdue total of $1.8m is $1.4m (78%) that has either been paid post year end or is covered by credit insurance. As shown above, at 30 November 2020 and 30 November 2021 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:

	2021 $000s	2020 $000s
At 1 December	**367**	1,317
Provision for receivables impaired	**25**	39
Amounts recovered during the year	**(215)**	-
Balances written off as irrecoverable *	**-**	(972)
Provision on acquisition of Nordija A/S	**137**	-
Foreign exchange translation gains and losses	**(8)**	(17)
At 30 November	**306**	367

* 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 2021 $000s	As at 30 November 2020 $000s
Cash and cash equivalents	**14,182**	9,476

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

20 Trade and other payables

	As at 30 November 2021 $000s	As at 30 November 2020 Restated $000s
Current liabilities		
Trade payables	**14,420**	11,283
Other payables	**233**	76
Accruals	**7,909**	6,149
Deferred consideration	**-**	167
Deferred post-acquisition remuneration	**-**	770
Total current financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	**22,562**	18,445
Contingent consideration	**1,117**	575
24i founders put option	**-**	3,356
Total current financial liabilities measured at fair value	**1,117**	3,931
Social security and other taxes	**1,837**	874
Contract liabilities	**2,261**	1,611
Total trade and other payables	**27,777**	24,861
Lease liabilities	**966**	1,187
Corporation tax payable	**774**	1,461
	29,517	27,509
Non-current liabilities		
Other payables	**677**	176
Lease liabilities	**1,002**	1,524
	1,679	1,700

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

The 24i founders put option liability is in respect of the non-controlling interest following the acquisition of 24i Unit Media BV in July 2019. The put option was settled in August 2021 completed via the payment of $1.2m cash and $2.7m through the issue of 1,320,042 new Ordinary shares of 1p each in the Company at a price of £1.4969 per Ordinary share (see note 25). Following the acquisition of the remaining 8%, the non-controlling interest reserve balance of $93,000 and the put option reserve of $2,794,000 were transferred through equity to the Group profit and loss reserve.

21 Loans and borrowings

	As at 30 November 2021 $000s	As at 30 November 2020 $000s
Bank loan	**35**	130

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.

As at 30 November 2021 the Group had a $15,000,000 borrowing facility in the form of a revolving credit facility that allowed the Group to repay and draw down loans during the initial three-year term. This included a $5,000,000 overdraft facility, which still remains with the new facility (see below). Both facilities were unused at 30 November 2021. As at 30 November 2021, the remaining loan balance of $35,000 relates to the expensing of the fair value adjustment and capitalised fees over the three-year term of the facility. Separately, one of the subsidiary undertakings has a DKK 5,000,000 ($750,000) overdraft facility available for working capital requirements.

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 2021 $000s	As at 30 November 2020 $000s
Expiry in less than 1 year	**15,758**	-
Expiry in more than 1 year	**-**	15,000

On 23 December 2021, the Group secured a new banking facility with Barclays Bank plc, Silicon Valley Bank, and Bank of Ireland. This increased facility of $50m, split evenly across the new three bank club, also includes a further $50m available by way of an accordion. The accordion commitment is subject to further conditions to be satisfied prior to utilisation. The new facility is available for use towards general corporate and working capital purposes of the Group. The interest rate on the new facility is 2.10% plus SOFR (secured overnight financing rate). The new facility has a three year term to 23 December 2024 with options to extend by a further one or two years.

22 Provisions

	As at 30 November 2021 $000s			As at 30 November 2020 $000s		
	Uncertain tax	**Warranty**	**Total**	Uncertain tax	Warranty	Total
At 1 December	**1,110**	**117**	**1,227**	1,110	188	1,298
Credited in the year	**(57)**	**(7)**	**(64)**	-	(74)	(74)
Foreign exchange adjustment	**-**	**-**	**-**	-	3	3
At 30 November	**1,053**	**110**	**1,163**	1,110	117	1,227

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.

22 Provisions (continued)

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. The provision is expected to be materially utilised or reversed within the next two years.

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.

Carrying value of financial assets and liabilities within the consolidated balance sheet:	As at 30 November 2021 $000s	As at 30 November 2020 Restated (see note 34) $000s
Financial assets		
Trade and other receivables due after one year	**235**	215
Trade and other receivables due within one year	**21,349**	13,639
Cash and cash equivalents	**14,182**	9,476
Financial assets at amortised cost	**35,766**	23,330
Financial liabilities		
Trade and other payables at amortised cost	**14,653**	11,359
Accruals	**7,909**	6,149
Deferred post-acquisition remuneration	**-**	770
Deferred consideration	**-**	167
Bank loan	**35**	130
Lease liabilities due within one year	**966**	1,187
Lease liabilities due after more than one year	**1,002**	1,524
Financial liabilities at amortised cost	**24,565**	21,286
Contingent consideration	**1,117**	575
24i founders put option – restated (see note 34)	**-**	3,356
Financial liabilities at fair value	**1,117**	3,931

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 30 November 2019	481	156	**637**
Charged to the income statement	(488)	(159)	**(647)**
Foreign exchange adjustment	7	3	**10**
At 30 November 2020	-	-	-
Credit to the income statement	-	-	-
Foreign exchange adjustment	-	-	-
At 30 November 2021 (see note 11)	-	-	-

The Group had potential unrecognised deferred tax assets as follows:

	As at 30 November 2021 $000s	As at 30 November 2020 $000s
Tax effect of temporary differences because of:		
Differences between capital allowances and depreciation	**33**	31
Tax losses carried forward	**909**	2,279
Equity-settled share options	**50**	21
Other short term temporary differences	**14**	1
	1,006	2,332

Factors that may affect the future tax charge

The directors recognise 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 $4.2m of other trading losses (2020: $10.5m).

During the year, the Group used $0.2m of tax losses (2020: $2.6m) that were previously unrecognised.

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 2021		As at 30 November 2020	
Deferred tax liability	**Amount recognised $000s**	**Amount unrecognised $000s**	Amount recognised $000s	Amount unrecognised $000s
At 1 December	**3,948**	-	4,417	-
Recognised in the income statement	**(3,296)**	-	(797)	-
Acquisition of subsidiary (see note 28)	**662**	-	-	-
Foreign exchange adjustment	**(267)**	-	328	-
At 30 November	**1,047**	-	3,948	-

The $662,000 recognised on the acquisition of Nordija relates to fair value adjustment in relation to acquired intangibles as well as local deferred tax liabilities in relation to temporary timing differences net of recognised losses carried forward.

24 Deferred tax (continued)

The amount recognised in the income statement was a credit of $3.3m (2020: credit of $0.8m). This includes $2.7m (2020: $nil) deferred tax asset recognised in respect of tax losses that have arisen in 24i Unit Media BV, a subsidiary undertaking. This is in relation to the recognition of tax losses in 24i, which are now considered recognisable (due to changes to local tax laws in the Netherlands and updated internal tax compliance procedures giving the Group enhanced visibility over their availability and utilisation) for tax losses that were present at the date of acquisition in 2019 and have arisen since acquisition. In 2019 a deferred tax liability was recorded as part of the acquisition accounting relating to the purchase of 24i and the Group are now of the opinion that this deferred tax liability should be offset by this equal and opposite deferred tax asset. This is because it is now considered likely that the intangible assets recorded at the acquisition date will give rise to taxable profits, such that the accumulated tax losses held by 24i at the time of acquisition can now be utilised.

25 Share capital

	As at 30 November 2021	As at 30 November 2020
	$000s	$000s
Allotted, called up and fully paid		
86,419,410 (2020: 78,069,571) Ordinary shares of 1p each	**1,484**	1,367

In May 2021 the Company conducted a non-pre-emptive placing of 6,714,286 new ordinary shares at £1.40 per share generating gross proceeds of $13,255,000 (£9,400,000). The placing was undertaken using a cashbox structure. As a result, the Company was able to take relief under section 610 of the Companies Act 2006 from crediting share premium and instead transfer the net proceeds in excess of the nominal value to the merger reserve. Advisors' fees of $532,000 have been netted off against the gross proceeds. Net proceeds received by the Group was thus $12,723,000.

Reconciliation of movement in number of Ordinary shares of 1p each during the year:

	Ordinary shares of 1p each	**Treasury shares**	**Shares with voting rights**
At 1 December 2020	78,069,571	(2,021,058)	76,048,513
Placing of shares	6,714,286	-	6,714,286
Acquisition of Nordija (see note 28)	315,511	-	315,511
Settlement of 24i founders put option (see note 20)	1,320,042	-	1,320,042
Exercise of share based payments (see note 26)	-	489,600	489,600
At 30 November 2021	**86,419,410**	**(1,531,458)**	**84,887,952**

25 Share capital (continued)

Analysis of movement in issued Ordinary shares of 1p each during the year:

	Ordinary shares	Ordinary shares		
	Number	Nominal value $000s	Share premium $000s	Merger reserve $000s
Placing of shares	6,714,286	95	-	12,628
Acquisition of Nordija (see note 28)	315,511	4	641	-
Settlement of 24i founders put option (see note 20)	1,320,042	18	2,701	-
Total	**8,349,839**	**117**	**3,342**	**12,628**

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 2021 Number	As at 30 November 2020 Number
	5,586,429	5,326,545

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 2020 Number	Granted Number	Exercised Number	Lapsed Number	As at 30 November 2021 Number	Notes
July 2016	£1.12	201,305	-	(133,686)	(67,619)	-	
November 2016	£1.59	1,506,505	-	(114,500)	(106,118)	**1,285,887**	
November 2016	£1.605	75,901	-	-	(26,331)	**49,570**	
May 2017	£2.09	20,000	-	-	-	**20,000**	
October 2017	£1.93	300,000	-	-	(250,000)	**50,000**	(a)
March 2018	£0.00	325,728	-	(325,728)	-	-	(b)
July 2018	£1.985	306,506	-	-	(69,982)	**236,524**	(c)
March 2019	£0.86	467,000	-	-	-	**467,000**	(d)
July 2019	£0.00	535,000	-	-	-	**535,000**	I
March 2020	£1.13	746,000	-	-	(98,000)	**648,000**	(d)
March 2020	£0.00	130,000	-	-	-	**130,000**	(f)
September 2020	£0.00	387,600	-	-	-	**387,600**	(g)
September 2020	£1.245	325,000	-	(120,000)	-	**205,000**	(h)
March 2021	£1.675	-	660,000	-	-	**660,000**	(d)
March 2021	£0.00	-	95,800	-	-	**95,800**	(i)
May 2021	£1.41	-	569,750	-	(81,702)	**488,048**	(d)
August 2021	£0.00	-	328,000	-	-	**328,000**	(j)
		5,326,545	1,653,550	(693,914)	(699,752)	**5,586,429**	

Of the 693,914 options exercised in the year 459,414 were exercised on a gross basis and 234,500 on a net basis resulting in only 30,186 treasury shares being utilised at total of 489,600 for the year (2020: 18,859 exercised on a gross basis and nil on a net basis).

26 Share based payments (continued)

Notes:

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

- 50% shall vest if annual compound growth in the Total Shareholder Return, between 16 October and 30 November 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 2017 and 30 November 2020 is equal to or exceeds 10%. This condition was not met and these options lapsed.

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

Adjusted EPS for year ended 30 November 2019 (pence)	Number of options vesting	Adjusted EPS for year ended 30 November 2020 (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 2019 (pence)	Number of options vesting	TSR for 20 days after announcement of results for year ended 30 November 2020 (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

The conditions above were not met, however the options were subject to a minimum value arrangement. The options were equity settled with the option holders receiving the number of shares equivalent to the minimum total value of $750,000.

(c) 69,982 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 18 July 2018 and 17 July 2021, equals or exceeds 10% per annum. This condition was not met and these options have lapsed.
- 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 was not met and these options have lapsed.

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

(e) 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

(f) 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2021

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 9 September 2023 (pence)	Number of options vesting
< 168	-
168	96,900
168.5 – 175.5	116,280 – 368,220 (an additional 5% for each 0.5 pence by which the share price exceeds 168 pence)
≥175.5	387,600

(h) These options vested on 16 August 2021.

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

Average share price for 90 days ending 22 March 2024 (pence)	Number of options vesting
< 160	-
160	23,950
160 – 167.5	28,740 – 91,010 (an additional 5% for each 0.5 pence by which the share price exceeds 160 pence)
≥167.5	95,800

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

Average share price for 90 days ending 8 August 2024 (pence)	Number of options vesting
< 180.5	-
180.5	82,000
180.5 – 192	98,400 – 311,600 (an additional 5% for each 0.5 pence by which the share price exceeds 180.5 pence)
≥192	328,000

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

For options exercised in year:

- The weighted average exercise price of options exercised was £0.69 (2020: £1.12).
- The weighted average share price at date of exercise was £1.59 (2020: £1.40).

For options granted in year:

- The weighted average fair value of options granted was £0.43 (2020: £0.14).
- The weighted average exercise price of options granted was £1.15 (2020: £0.77).

For options lapsed in year:

- The weighted average exercise price of options lapsed was £1.62 (2020: £1.35).

At 30 November 2021 there were a total of 5,586,429 options outstanding of which 1,846,981 had vested and were exercisable with a weighted average exercise price of £1.62 (2020: 866,462 exercisable options with a weighted average exercise price of £1.49). The options outstanding at the end of the year have a weighted average contractual life of 0.8 years (2020: 1.4 years).

26 Share based payments (continued)

During the year the Group recognised a total expense relating to employee share-based payments under the equity-settled and cash-settled compensation plans as follows:

	As at 30 November 2021 $000s	As at 30 November 2020 $000s
Equity-settled share-based payments	**529**	572
Cash-settled compensation plans	**550**	109
	1,079	681

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 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	**9 August 2021**	**27 May 2021**	**22 March 2021**	**12 March 2021**	**10 September 2020**	**9 September 2020**	**19 March 2020**	**18 March 2020**
Vesting period ends	**9 August 2024**	**27 May 2024**	**22 March 2024**	**12 March 2024**	16 August 2021	9 September 2023	19 March 2023	18 March 2023
Share price at date of grant	**£1.50**	**£1.41**	**£1.645**	**£1.675**	£1.245	£1.26	£1.13	£1.13
Volatility	**41.03%**	**36.54%**	**40.52%**	**36.14%**	31.2%	31.2%	38.9%	38.9%
Option life	**3 years**	**4 years**	**3 years**	**4 years**	1 years	3 years	3 years	4 years
Dividend yield	**2.44%**	**2.88%**	**3.15%**	**3.53%**	3.0%	3.0%	4.5%	4.5%
Risk-free investment rate	**0.06%**	**0.38%**	**0.15%**	**0.15%**	0%	0%	0.39%	0.48%
Fair value at grant date	**£0.68**	**£0.31**	**£0.89**	**£0.34**	£0.13	£0.36	£0.35	£0.23
Exercise price at date of grant	**£0.00**	**£1.41**	**£0.00**	**£1.675**	£1.245	£0.0	£0.00	£1.13
Exercisable to	**9 August 2026**	**27 May 2026**	**22 March 2026**	**12 March 2026**	16 August 2022	9 September 2025	19 March 2025	18 March 2025

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

26 Share based payments (continued)

Cash-settled compensation plan

The number of options relating to the cash-settled compensation plan for current employees during the year was as follows:

Date granted	As at 30 November 2020 Number	Granted Number	Lapsed Number	As at 30 November 2021 Number	Notes
25 March 2019	188,111	-	(32,524)	**155,587**	(a)
12 March 2020	192,884	-	(32,980)	**159,904**	(a)
19 March 2021	-	213,343	(12,637)	**200,706**	(b)
	380,995	213,343	(78,141)	**516,197**	

Notes:

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

(b) These options will vest one year after the date of grant.

The fair values of options granted were determined using a Black-Scholes model simulation option pricing model that takes into account factors specific to plan, such as the vesting period. The following principal assumptions were used in the valuation:

Grant date	Vesting & exercise period ends	Share price at date of grant	Volatility	Option life	Dividend yield	Risk-free investment rate	Fair value at grant date	Exercise price at date of grant
12 March 2020	12 March 2023	£1.19	31.23%	3	4.50%	0.00%	£1.07	£0.00
19 March 2021	19 March 2022	£1.655	26.21%	1	2.39%	0.15%	£1.62	£0.00

The options granted under this compensation plan will be cash-settled and based on the average closing share price between grant date and vesting date, which is remeasured at each reporting date. The fair values of each as at the reporting date are:

	Fair value at 30 November 2021	Fair value at 30 November 2020
25 March 2019	**£1.31**	£1.20
12 March 2020	**£1.42**	£1.29
19 March 2021	**£1.57**	-

27 Investment in own shares

Offset within the Group profit and loss reserve at 30 November 2021 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 $2,331,216 (2020: $2,674,058) is offset within the Group profit and loss reserve at 30 November 2021 in relation to 1,531,458 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 Acquisition of subsidiary

On 27 May 2021 the Group acquired 100% of the issued share capital of Nordija A/S, a Danish incorporated entity whose principal activities are as a streaming and Pay TV platform specialist, for €5.2m ($6.3m).

Nordija was acquired to enhance and scale the Group's end-to-end video streaming portfolio. Nordija brings high quality customers to the Group and its strong TV as a Service platform software, an expert team and deep experience with a wide ecosystem of technology partners and customers. The acquisition was completed in Euros.

The preliminary amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table below.

	Book value $000	Fair value adjustment $000	Fair value $000
Identifiable intangible assets	2,523	1,865	4,388
Right of use assets	468	-	468
Property, plant and equipment	115	-	115
Non-current trade and other receivables	41	-	41
Current assets			
• Current trade and other receivables	787	(90)	697
• Cash and cash equivalents	269	-	269
Liabilities			
• Current trade and other payables	(1,781)	(66)	(1,847)
• Lease liability	(468)	-	(468)
• Deferred tax liability	(252)	(410)	(662)
Total identifiable assets and liabilities	1,702	1,299	3,001
Goodwill (see note 14)			3,340
Total consideration			**6,341**

Satisfied by:	Fair value $000
Initial consideration:	
• Cash	5,018
• Equity instruments (315,511 ordinary shares of Aferian plc)	659
Contingent consideration:	
• Cash	144
• Equity instruments (292,030 ordinary shares of Aferian plc)	610
Total consideration before discounting	**6,431**
Fair value adjustment in relation to discounting contingent consideration	(89)
Total consideration transferred	**6,342**
Net cash outflow arising on acquisition	
Cash consideration	5,018
Less: cash and cash equivalent balances acquired	(269)
Net cash outflow on acquisition	**4,749**

28 Acquisition of subsidiary (continued)

The estimated fair value of the financial assets includes trade receivables with a fair value of $0.5m and a gross contractual value of $0.6m. The best estimate at acquisition date of the contract cash flows not to be collected is $0.1m.

Goodwill of $3.3m arising from the acquisition consists of expected growth in the sale of online video apps and solutions. None of the goodwill is expected to be deductible for income tax purposes.

The initial shares consideration of €0.5m ($0.7m) was based on the volume weighted average share price for the 20 trading days prior to the acquisition. The shares were issued on 2 June 2021. Total consideration transferred includes €0.5m ($0.7m) of contingent consideration. Included in this amount is €0.1m ($0.1m) of contingent cash. The remaining balance of €0.5m ($0.6m) is payable through the issue of ordinary shares of Aferian plc. The contingent consideration payment is dependent upon Nordija achieving certain milestones in respect of an existing customer contract. The contingent consideration is expected to be settled within 12 months of the acquisition date and has been recognised as a liability in the consolidated statement of financial position.

The costs of the acquisition were $0.4m. Nordija contributed $2.8m revenue and $1.0m profit to the Group's adjusted operating profit for the period between date of acquisition and the balance sheet date. If the acquisition of Nordija had been completed on the first day of the financial period, Group revenues for the year would have been $94.3m and Group adjusted operating profit would have been $11.5m.

The directors have not completed, to date, a full valuation of the fair value attributable to certain customer assets acquired in the transaction and this is currently being evaluated.

29 Notes supporting statement of cash flows

Cash generated from operations	**Year to 30 November 2021 $000s**	Year to 30 November 2020 $000s
Profit for the year	**5,756**	2,663
Tax (credit)/charge	**(494)**	1,748
Net finance costs	**398**	704
Amortisation charge	**8,582**	8,974
Depreciation charge	**1,611**	1,398
Loss on disposal of property, plant and equipment	**9**	7
Share based payment charge	**1,079**	681
Small lease payments	**-**	(36)
Exchange differences	**(249)**	(450)
Decrease/(increase in inventories	**399**	(557)
(Increase)/decrease in trade and other receivables	**(6,795)**	2,275
Decrease in provisions	**(64)**	(72)
Increase/(decrease) in trade and other payables	**3,881**	(500)
Cash generated from operations	**14,113**	16,835

29 Notes supporting statement of cash flows (continued)

Adjusted operating cash flow before exceptional cash outflows was $16,672,000 (2020: $18,164,000).

	Year to 30 November 2021 $000s	Year to 30 November 2020 $000s
Adjusted operating cashflow	**16,672**	18,164
Post-acquisition remuneration in respect of the acquisition of 24i Unit Media BV	**(1,270)**	(1,073)
Redundancy and associated costs	**(304)**	-
Acquisition and one-off legal costs	**(606)**	(256)
Aborted acquisition costs	**(379)**	-
Cash generated from operations	**14,113**	16,835

	Current loans and borrowings $000s	Put option liability $000s	Total $000s
At 30 November 2019 (previously reported)	7,314	1,848	**9,162**
Prior year adjustment (see note 34)	-	1,044	**1,044**
At 30 November 2019 (restated)	7,314	2,892	**10,206**
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 (restated)	**130**	**3,356**	**3,486**
Cash flows	(123)	(1,180)	**(1,303)**
Non-cash flows			
Share issue in relation to put option liability	-	(2,719)	**(2,719)**
Effects of foreign exchange	-	11	**11**
Interest accruing in the year	28	532	**560**
At 30 November 2021	**35**	**-**	**35**

30 Contingent liabilities

As detailed on page 30 within the Remuneration Committee Report, a contingent liability exists in relation to a special bonus scheme for three Executive Directors 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.

The Group had no other contingent liabilities at 30 November 2020 or 30 November 2021.

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 $1,012,000 (2020: $848,000). A payable of $87,000 is included within other payables at 30 November 2021 (2020: $73,000) in respect of the final month's contributions.

32 Related party transactions

Dividends totalling $23,664 (2020: $nil) 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**	
			As at 30 November 2021	As at 30 November 2020	**Year to 30 November 2021**	Year to 30 November 2020
Name of related party	Nature of purchases	Relationship	**$000s**	$000s	**$000s**	$000s
Steve Oetegenn	Director fees only	Non-executive director	**-**	-	**37**	-
	Consultancy services		**-**	-	**77**	-
Progressive Equity Research Limited	Company research services	Stephen Vaughan, non-executive director, is also a director of Progressive	**-**	-	**52**	31
Red Embedded Consulting Ltd	Technical consulting services	Karen Bach, chair and director in the year, is also a director of Red Embedded's parent company	**-**	-	**258**	-

There were no sales to related party companies. Directors fees and consultancy services payable to Steve Oetegenn have been disclosed in the directors' remuneration report on page 28.

33 Post balance sheet events

On 23 December 2021 the Group secured a new banking facility with Barclays Bank plc, Silicon Valley Bank, and Bank of Ireland. This increased facility of $50m, split evenly across the new three bank club, also includes a further $50m available by way of an accordion. The new facility has a three year term to 23 December 2024 with options to extend by a further one or two years.

There are no other post balance sheet events requiring disclosure in the financial statements for the year ended 30 November 2021.

34 Prior year restatement

On 12 July 2019, the Group entered into a put option agreement with regards to the remaining shares not held by the Group in 24i Unit Media BV.

The option was valued at $1,750,000 on initial recognition. However during the year it has been identified that the number of shares used in the calculation was understated. The put option liability should have been valued at $2,794,000 on initial recognition. In addition, the finance charge since inception should have been higher due to this error. A summary of the impact on the financial statements is as follows:

- An increase of $1,044,000 to trade and other payables and an increase of $1,044,000 to other reserves within equity as at 30 November 2020 and as at 30 November 2019. This impact has been treated as a restatement and reflected in the statement of financial position as shown below.
- The increased finance expense from initial recognition to 30 November 2020 of $218,000 was deemed to be immaterial therefore no restatement has occurred with the expense included within the 2021 consolidated income statement.

The Consolidated statement of financial position and Consolidated statement of changes in equity have been restated to reflect the above. There was no impact on the Consolidated income statement or the Consolidated statement of cash flows.

Impact on the consolidated statement of financial position:

	As at 30 November 2020 $000s	As at 30 November 2019 $000s
Current Liabilities: Trade and other payables (as previously reported)	23,817	21,800
24i founders put option – prior year adjustment	1,044	-
Current Liabilities: Trade and other payables (restated)	24,861	21,800
Non-current Liabilities: Trade and other payables (as previously reported)	176	2,785
24i founders put option – prior year adjustment	-	1,044
Non-current Liabilities: Trade and other payables (restated)	176	3,829
Total equity (as previously reported)	89,052	82,585
Impact of the adjustments set out above	(1,044)	(1,044)
Total equity (restated)	88,008	81,541

Impact on the consolidated statement of changes in equity:

	As at 30 November 2020 $000s	As at 30 November 2019 $000s
Put option reserve (as previously reported)	(1,750)	(1,750)
24i founders put option – prior year adjustment	(1,044)	(1,044)
Put option reserve (restated)	(2,794)	(2,794)
Total attributable to owners of parent (as previously reported)	88,857	81,987
24i founders put option – prior year adjustment	(1,044)	(1,044)
Non-current Liabilities: Trade and other payables (restated)	87,813	80,943
Total equity (as previously reported)	89,052	82,585
Impact of the adjustments set out above	(1,044)	(1,044)
Total equity (restated)	88,008	81,541

COMPANY BALANCE SHEET

For the year ended 30 November 2021

	Notes	As at 30 November 2021 £000s	As at 30 November 2020 £000s
Fixed assets			
Investments	3	**35,397**	27,601
Current assets			
Debtors: amounts falling due within one year	4	**13,911**	12,247
Cash at bank and in hand		**1,504**	2
		15,415	12,249
Creditors: amounts falling due within one year	5	**(617)**	(1,074)
Net current assets		**14,798**	11,175
Total assets less liabilities being net assets		**50,195**	38,776
Capital and reserves			
Called-up share capital	6	**864**	781
Share premium	6	**26,173**	23,748
Merger reserve	7	**8,955**	-
Capital redemption reserve		**6**	6
Profit and loss account		**14,197**	14,241
Total shareholder funds		**50,195**	38,776

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 £1,671,324 (2020: £14,215,177).

The financial statements were approved and authorised for issue by the Board of directors on 9 February 2022 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 2021

	Notes	Share capital £000s	Share premium £000s	Merger reserve £000s	Capital redemption reserve £000s	Profit and loss £000s	Total £000s
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**
Profit for the year		-	-	-	-	1,671	1,671
Total comprehensive income		-	-	-	-	1,671	1,671
Dividends paid		-	-	-	-	(2,256)	(2,256)
Exercise of employee share options		-	-	-	-	149	149
Share based payment charge		-	-	-	-	392	392
Issue of share capital	6	83	2,425	8,955	-	-	11,463
Total transactions with shareholders		83	2,425	8,955	-	(44)	11,419
At 30 November 2021		**864**	**26,173**	**8,955**	**6**	**14,197**	**50,195**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

For the year ended 30 November 2021

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 Aferian 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, Aferian 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, Aferian plc, includes the Company's cash flows in its consolidated financial statements.

Going concern

The Company's subsidiary undertakings had net cash resources of $12.2m (2020: $9.5m) at the balance sheet date and a multicurrency working capital facility of $15.0m, of which $nil was drawn down at 30 November 2021 (2020: $nil). Subsequent to the balance sheet date, the one of the Company's subsidiary undertakings replaced this facility with a new, increased facility of $50.0m (see note 33). The new facility expires on 23 December 2024 with options to extend by a further one or two years. 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 55. 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.

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.

Contingent consideration

Contingent consideration as at 30 November 2021 relates to the acquisition of Nordija A/S completed on 27 May 2021, see note 28 of the consolidated financial statements. Contingent consideration of €0.6m (£0.5m), disclosed in note 5, is dependent upon Nordija achieving certain milestones in a respect of an existing customer contract which is expected to be met within 12 months of the acquisition date. Therein the contingent consideration is expected to be settled at this time.

In addition to the consideration paid on the acquisition of 24i Unit Media BV ("24i") in July 2019, €1.1m (£1.0m) of deferred consideration was payable on the second anniversary of the acquisition in July 2021, €1.1m (£1.0m) having been paid on the first anniversary. Of the balance €0.9m (£0.8m) was contingent on two individuals remaining under contract with 24i and therefore the cost and liability were recorded in a subsidiary. The balance of €0.2m (£0.2m) as at 30 November 2020 was recorded in the Company accounts and has been paid in the financial year.

Put option regarding non-controlling interest

Following the acquisition of 24i, the founders 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. The option was exercised in August 2021 with settlement completed via the payment of €1.0m (£0.9m) cash and €2.3m (£2.0m) through the issue of 1,320,042 new Ordinary shares of 1p each in the Company at a price of £1.4969 per Ordinary share.

This put option had been valued as a derivative in accordance with FRS 102, with movements recognised in profit or loss. Previously 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. Therefore the settlement of the put option in the Company financial statements has been treated as an increase in investments (see note 3).

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.

1 Summary of significant accounting policies (continued)

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

Equity includes the following reserves:

- Called up share capital represents the nominal value of shares that have been issued (see note 6).
- 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.
- Merger reserve resulted from the issue of shares in May 2021 undertaken using a cashbox structure (see note 6).
- 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.

2 Profit for the year

The profit for the year includes a dividend received from its subsidiary Amino Holdings Limited of £1,422,851 (2020: £13,864,288). Directors' emoluments are disclosed in the Remuneration Committee report on page 28. The Company had no employees in either year. The audit fee for the Parent Company was £3,200 (2020: £3,200). This expense was met by a subsidiary.

3 Fixed asset investments

	Year to 30 November 2021 £000s	Year to 30 November 2020 £000s
Cost and net book value as at 1 December	**27,601**	27,070
Capital contributions arising from share based payments charge	**392**	531
Increased capital contribution in subsidiary undertaking	**7,404**	-
Cost and net book value as at 30 November	**35,397**	27,601

On 27 May 2021 the Company acquired 100% of the issued share capital of Nordija A/S for £4,576,000. Full details of this acquisition are given in note 28 to the consolidated financial statements. Upon completion of the acquisition, the Company restructured its group undertakings and as a result the Company contributed down its holdings in Nordija A/S to Amino Holdings Limited in exchange for the issue of 1 ordinary share.

In August 2021 the put option regarding the 8% non-controlling interest held by the founders of 24i Unit Media BV was exercised. The settlement was completed via cash payment of £852,000 and the issue of 1,320,042 new Ordinary shares of 1p each in the Company at a price of £1.4969 per Ordinary share for consideration of £1,976,000. Total consideration for the exercise of the option was £2,828,000. On 1 October 2021 the 8% investment in 24i Unit Media BV was contributed down to Amino Holdings Limited in exchange for the issue of 1 ordinary share.

For the year ended 30 November 2021

3 Fixed asset investments (continued)

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	*100%
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	*100%
24i Unit Media Inc	California, USA	Ordinary shares of $1 each	*100%
24i Media s.r.o	Czech Republic	Ordinary shares of CZK1 each	*100%
Mautilus s.r.o	Czech Republic	Ordinary shares of CZK each	*100%
24i Media ES S.L.	Spain	Ordinary shares of €1 each	*100%
Stream1 Holding BV	Netherlands	Ordinary shares of €1 each	*100%
Stream1 BV	Netherlands	Ordinary shares of €1 each	*100%
Stream1 IP BV	Netherlands	Ordinary shares of €1 each	*100%
Nordija A/S	Denmark	Ordinary shares of DKK 1 each	*100%

*indirectly held

All of the above subsidiaries are included within the consolidated financial statements of Aferian plc for the year ended 30 November 2021.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2021

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 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 1°B, 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
Nordija A/S	Gl. Lundtoftevej 1 E,DK- 2800 Kgs. Lyngby, Denmark	Develops and sells a software platform for TV and video services

4 Debtors: amounts falling due within one year

	As at 30 November 2021 £000s	As at 30 November 2020 £000s
Amounts owed by Group undertakings	**13,839**	12,175
Corporation tax receivable	**72**	72
	13,912	12,247

Amounts owed to the Company are unsecured, due on demand and may be subject to a market rate of interest. However, to the extent the counterparties are unable to do so, the company does not intend to recall the amounts due within one year.

5 Creditors

Amounts falling due within one year	**As at 30 November 2021 £000s**	As at 30 November 2020 £000s
Contingent consideration	**526**	126
Amounts owed to Group undertakings	**91**	948
	617	1,074

On 27 May 2021 the Company acquired 100% of the issued share capital of Nordija A/S, a Danish incorporated entity whose principal activities are as streaming and Pay TV platform specialist. Full details of this acquisition are given in note 28 to the consolidated financial statements. Contingent consideration as at 30 November 2021 comprises the cash consideration payment of €0.1m (£0.1m) and contingent equity consideration of €0.5m (£0.4m). Both are dependent upon Nordija achieving certain milestones in a respect of an existing customer contract which is expected to be met within 12 months of the acquisition date. Therein the contingent consideration is expected to be settled at this time.

In addition to the consideration paid on the acquisition of 24i Unit Media BV (“24i”) in July 2019, €1.1m (£1.0m) of deferred consideration was paid on the second anniversary of the acquisition in July 2021, €1.1m (£1.0m) having been paid on the first anniversary. Of the balance, €0.9m (£0.8m) was contingent on two individuals remaining under contract with 24i and therefore the cost and liability were recorded in a subsidiary. The balance of €0.2m (£0.1m) as at 30 November 2020 was recorded in the Company accounts and has been paid in the financial year.

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 2021 £000s	As at 30 November 2020 £000s
Allotted, called up and fully paid		
86,419,410 (2020: 78,069,571) Ordinary shares of 1p each	**864**	781

In May 2021 the Company conducted a non-pre-emptive placing of 6,714,286 new ordinary shares at £1.40 per share generating gross proceeds of £9,400,000. The placing was undertaken using a cashbox structure. As a result, the Company was able to take relief under section 610 of the Companies Act 2006 from crediting share premium and instead transfer the net proceeds in excess of the nominal value to the merger reserve. Advisors' fees of £378,000 have been netted off against the gross proceeds. Net proceeds received by the Company was thus £9,022,000.

The Company holds 1,531,458 of its own shares in treasury (2020: 2,021,058).

Reconciliation of movement in number of Ordinary shares of 1p each during the year:

	Ordinary shares of 1p each	Treasury shares	Shares with voting rights
At 1 December 2020	78,069,571	(2,021,058)	76,048,513
Placing of shares	6,714,286	-	6,714,286
Acquisition of Nordija (see note 7)	315,511	-	315,511
Settlement of 24i founders put option (see note 3)	1,320,042	-	1,320,042
Exercise of share based payments (see Group note 26)	-	489,600	489,600
At 30 November 2021	**86,419,410**	**(1,531,458)**	**84,887,952**

Analysis of movement in issued Ordinary shares of 1p each during the year:

	Ordinary shares	Ordinary shares		
	Number	Nominal value £000s	Share premium £000s	Merger reserve £000s
Placing of shares	6,714,286	67	-	8,955
Acquisition of Nordija (see consolidated note 28)	315,511	3	462	-
Settlement of 24i founders put option (see note 3)	1,320,042	13	1,963	-
Total	**8,349,839**	**83**	**2,425**	**8,955**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2021

7 Merger reserve

	£000s
At 1 December 2020	-
Movement in the year	**8,955**
At 30 November 2021	**8,955**

In accordance with section 610 of the Companies Act 2006, the merger reserve was generated as a result of the cash box structure used in the non-pre-emptive placing and subscription of ordinary shares arising from the issue of 6,714,286 shares in May 2021 at £1.40 per share generating gross proceeds of £9,400,000. The placing gave rise to net proceeds of £8,955,000 after advisors' fees of £378,000.

8 Dividends

Amounts recognised as distributions to equity holders in the year:

	Year to 30 November 2021 £000s	Year to 30 November 2020 £000s
Final dividend for the year ended 30 November 2020 of 1.87p (2020: nil for year ended 30 November 2019) per share	**1,423**	-
Interim dividend for the year ended 30 November 2021 of 1.0p (2020: nil) per share	**833**	-
	2,256	-

The Board of directors has proposed a final dividend of £1,774,000 for the current financial year (2020: £1,423,000). This equates to 2.09 pence per share, bringing the total for 2021 to 3.09 pence per share (2020: 1.87 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.

9 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.

10 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:

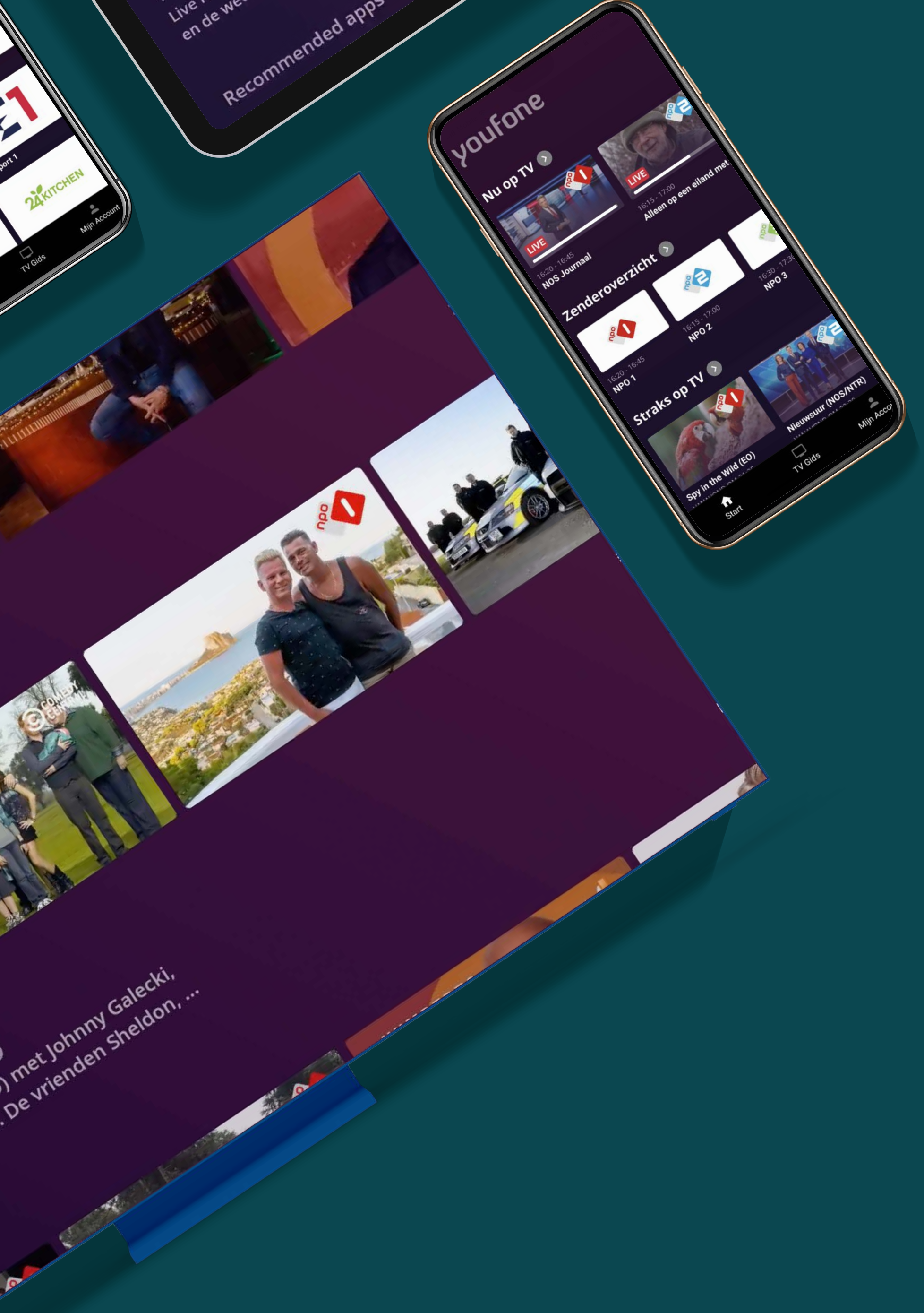
- dividends totalling £17,107 (2020: £nil) paid in the year in respect of ordinary shares held by the Company's directors;
- payment of the second year of the deferred consideration payable relating to the acquisition of 24i Unit Media BV of €466,976 (2020: €466,976) each to Traiectum BV and Martin van Horssen Holdings BV. Each company is owned by a director of a subsidiary company and were shareholders of the Company during the year; and
- settlement of the put option regarding non-controlling interest of 24i Unit Media BV via payment of cash of €434,715 each and 573,843 shares in the Company each to Traiectum BV and Martin van Horssen Holdings BV. Each company is owned by a director of a subsidiary company, and those directors were also shareholders of the Company during the year.

AFERIAN PLC

Directors	**Mark Wells,** *Non-executive Chairman* **Donald McGarva,** *Chief Executive Officer* **Mark Carlisle,** *Chief Financial Officer* **Joachim Bergman,** *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	**Investec Bank plc** 30 Gresham Street London EC2V 7QP
Auditor	**BDO LLP** 55 Baker Street Marylebone London W1U 7EU
Solicitors to the Company	**Bryan Crave Leighton Paisner** Governor's House 5 Laurence Pountney Hill London EC4R 0BR
Registrars and Receiving Agents	**Link Group** 10th Floor, Central Square 30 Wellington Street Leeds LS1 4DL
Head Office	**Aferian plc** 1010 Cambourne Business Park Cambourne Cambridge CB23 6DP Tel: +44 (0) 1223 598 197

GLOSSARY

- **24i:** A division of Aferian plc offering an end-to-end streaming platform and associated services to Pay TV operators and other streaming service providers. See description on page 6.
- **Adjusted cash flow from operations before tax:** Cashflow from operations excluding exceptional items.
- **Adjusted EBITDA:** Operating profit that excludes depreciation, amortisation, interest, tax, exceptional items and share-based payment charges.
- **Adjusted free cash flow:** Adjusted cash flow from operations, less capital expenditure, IFRS 16 lease payments, taxation and net interest.
- **Adjusted gross profit:** Revenue less cost of sales (excluding cost of sales exceptional items).
- **Adjusted operating profit:** Operating profit that excludes amortisation of acquired intangibles assets, exceptional items and share-based payment charges.
- **Android TV:** A smart TV operating system based on Android and developed by Google for television sets, digital media players, set-top boxes, and soundbars.
- **Amino:** A division of Aferian plc selling streaming devices, associated software and a SaaS management platform to Pay TV operators and other enterprises. See description on page 6.
- **AVOD:** Advertiser-supported Video On Demand. VOD content that is available to the consumer for free and is monetized via the display of advertising.
- **CGU:** Cash-generating unit.
- **Enterprise video provider:** A company making video available to consumers on managed streaming devices but not offering traditional Pay TV to consumer homes, for example in-room entertainment in hotels, hospitals etc.
- **Exit run rate ARR:** Annual run-rate recurring revenue as at 30 November 2021.
- **Free cash flow:** Cash flow from operations, excluding exceptional items, less capital expenditure, IFRS 16 lease payments, taxation and net interest.
- **LIBOR:** London Interbank Offered Rate.
- **Linear TV:** Distribution of TV channels via streaming or broadcast over satellite, cable or terrestrial connections for viewing at the time of distribution, for example BBC1, Sky News.
- **Linux:** A family of open-source operating systems which runs on embedded systems in devices such as routers, smart home technology, televisions, automobiles, etc.
- **Metadata:** Descriptive information regarding video content such as title, synopsis, cast list, poster images etc. That is used to help consumers discover content that they wish to watch.
- **Net customer revenue retention rate:** Represents, as a percentage, the opening run rate ARR plus run rate ARR upsells from existing customers, less run rate ARR from customers lost in the year; divided by opening run rate ARR.
- **ODM (Original Design Manufacturing):** A private label solution where companies use existing product designs from a factory catalogue and apply their branding.
- **OEMs (Original Equipment Manufacturers):** Producer of goods used as components in the products of another company.
- **OTT (Over The Top):** Delivery of streamed video content (live or on demand) to consumers over the open internet rather than over an IP network that is managed by the service provider. Examples include Netflix, Disney+, BBC iPlayer, Amazon Prime Video.
- **Pay TV:** A package of linear TV channels (and often associated on demand content) that is accessed by consumers in return for a regular subscription.
- **RDK (Reference Design Kit):** An open-source software platform for connected homes that is used in STBs, other streaming devices, broadband devices and IoT solutions.
- **Revenue recurring:** Revenue streams recognised over time for services provided on an ongoing basis (e.g. SaaS, managed services and support contracts).
- **Revenue non-recurring:** All other revenue streams excluding revenue recurring (e.g. devices and perpetual software sales).
- **STBs (Set Top Boxes):** Hardware deployed in a consumer home and connected to a TV screen. Used to de-scramble Pay TV services received over IP networks, cable, satellite or terrestrial broadcast.
- **Streaming:** The transmission of video and audio content over an IP network to a connected device which allows playback to begin while the rest of the content is still being received.
- **SVOD:** Subscription Video On Demand. VOD content that is available to the consumer in return for a regular subscription. Examples include Netflix, Amazon Prime Video, Disney+.
- **VOD:** Video on demand. Any video (including movies, clips or episodes of TV shows) that is made available in an online library of content and consumed at the time of the viewer's choosing, rather than at the time it is broadcast by a service provider on a linear TV channel.
- **WACC:** Weighted average cost of capital.



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