

# Aferian plc

## Annual Report 2024

# Aferian plc

Aferian plc (AIM: AFRN) is a leading provider of B2B video streaming solutions, enabling media companies, broadcasters, Pay TV operators, and enterprises to deliver high-quality live and on-demand video to any screen. Our end-to-end solutions drive subscriber engagement, audience satisfaction, and revenue growth by simplifying the complexities of modern video delivery.

We believe the most successful media services are those that are consumer-centric, data-driven, and adaptable to change. Through continuous innovation, we empower our customers with cost-effective, cloud-based, and AI-driven technologies that enhance viewer experiences, streamline content management, and optimize operational efficiency.

For over 25 years, Aferian has been at the forefront of the media and entertainment industry's transition from traditional broadcast models like cable and satellite to streaming as the preferred method of content delivery. As demand for high-quality, flexible streaming solutions continues to grow, Aferian is well-positioned to capitalize on this shift by leveraging its deep expertise and strategic investments in advanced software technologies, driving the future of seamless and engaging viewing experiences.

Headquartered in Cambridge, UK, Aferian has a global presence with offices in Amsterdam, Copenhagen, Brno, Madrid and Hong Kong. The company is publicly traded on the London Stock Exchange's AIM market under the symbol AFRN.

For more information, please visit [www.aferian.com](http://www.aferian.com).

## TABLE OF CONTENTS

### STRATEGIC REPORT

- 03 Financial Overview
- 04 Our vision and what we do
- 05 Our strategy
- 05 ESG at the heart of our group
- 08 Chairman's report
- 09 Group Chief Executive Officer report
- 11 Financial review
- 14 Principal risks and uncertainties
- 17 Section 172 statement
- 18 Board of Directors

### GOVERNANCE

- 19 Chairman's Governance report
- 24 Remuneration Committee report
- 27 Audit committee report
- 29 Directors' report

### FINANCIAL STATEMENTS

- 35 Independent auditor's report to the members of Aferian plc
- 42 Consolidated statement of comprehensive income
- 44 Consolidated statement of financial position
- 45 Consolidated statement of cash flows
- 46 Consolidated statement of changes in equity
- 47 Notes to the consolidated financial statements
- 89 Company balance sheet
- 90 Company statement of changes in equity
- 91 Notes to the parent company financial statements
- 97 Glossary

## FINANCIAL REVIEW

FY2024 was a challenging year for Aferian, amid a tough macro-economic backdrop and changing competitive environment which resulted in significantly lower group revenues for FY2024 of \$26.3m (2023: \$47.8m).

However, we saw a significant improvement in trading in the second half of the year as higher revenues and significantly reduced costs as a result of successful implementation of cost saving initiatives in the first half of FY2024, produced positive adjusted EBITDA. The Group has good visibility of its forecast revenue in FY2025 as a result of an exit run rate Annual Recurring Revenue ("ARR") of \$14.8m mainly in 24i, and a very strong Amino sales order book.

The Group recorded an operating loss of \$12.5m, which \$2.5m lower than FY2023 if the FY2023 impairment charge is excluded (2023: \$63.9m loss including impairment charge of \$48.9m) as falling revenues and gross margin were offset by implementing a number of significant measures to reduce its cost base at the end of FY2023 and the first half of FY2024.

### Revenue by division

<i>US\$m unless otherwise stated</i>	2024	2023	Change %
<b>Total revenue</b>	<b>26.3</b>	<b>47.8</b>	<b>(45%)</b>
24i revenue <sup>(1)</sup>	<b>14.2</b>	21.3	(33%)
24i Exit run rate Annual Recurring Revenue (ARR)	<b>10.5</b>	9.9	6.1%
Amino revenue	<b>12.1</b>	26.5	(54%)
Amino Exit run rate Annual Recurring Revenue (ARR)	<b>4.3</b>	4.7	(0.9%)

### Financial Key Figures

<i>US \$m unless otherwise stated</i>	2024	2023	Change %
Total revenue	<b>26.3</b>	47.8	(45%)
Device revenue <sup>(1)</sup>	<b>7.2</b>	21.3	(66%)
Software and services revenue	<b>19.1</b>	26.5	(28%)
Exit run rate Annual Recurring Revenue (ARR) <sup>(2)</sup>	<b>14.8</b>	14.7	0.7%
Statutory operating loss	<b>(12.5)</b>	(63.9)	80%
Statutory operating cash flow before tax	<b>(3.6)</b>	(4.9)	27%
Statutory basic loss per share (US cents)	<b>(12.4)</b>	(67.3)	80%
Adjusted operating loss <sup>(3)</sup>	<b>(6.9)</b>	(6.3)	(11%)
Adjusted operating cash flow before tax <sup>(4)</sup>	<b>(0.2)</b>	3.2	(106%)
Adjusted basic earnings per share (US cents) <sup>(5)</sup>	<b>(7.7)</b>	(8.7)	(13%)
Net debt <sup>(6)</sup>	<b>(12.7)</b>	(6.3)	(202%)
Dividend per share (pence)	<b>0.0</b>	0.0	-

#### Notes:

- (1) Includes integrated software and associated accessories
- (2) Exit run rate ARR is annual run-rate recurring revenue as at 30 November.
- (3) Adjusted operating loss is a non-GAAP measure and excludes amortisation of acquired intangibles, impairment of goodwill, exceptional items and share-based payment charges.
- (4) Adjusted operating cash flow before tax is a non-GAAP measure and excludes exceptional items.
- (5) Adjusted basic loss per share is a non-GAAP measure and excludes amortisation of acquired intangibles, impairment of goodwill, exceptional items and share-based payment charges.
- (6) Net debt is a non-GAAP measure and is calculated as loans and borrowings net of cash and cash equivalents.

## OUR VISION

To define iconic video streaming experiences with the most versatile technologies for what's next in media delivery sustainably.

## WHAT WE DO

Aferian plc is a B2B video streaming solutions company that simplifies the complexity of delivering high-quality video experiences across multiple screens and platforms.

We provide end-to-end solutions that enable media companies, broadcasters, Pay TV operators, and enterprises to launch, scale, and optimize their video services efficiently. Our solutions are designed to increase viewer engagement, enhance audience satisfaction, and drive revenue growth.

With a deep understanding of evolving audience behaviours and technological advancements, we deliver software-led, cloud-based, and hardware-integrated solutions that allow our customers to stay ahead in the fast-changing video streaming landscape. Our focus is on making streaming simple, enabling seamless content distribution while reducing operational costs.

## AFERIAN'S OPERATING DIVISIONS

Aferian plc operates through two business units, 24i and Amino, which together provide a full suite of video streaming solutions:

- 24i: Helps video content owners and distributors stream content across all devices, including smartphones, tablets, Smart TVs, and set-top boxes.
  - Provides both front-end applications for a seamless viewing experience and back-end management software for content scheduling, personalization, and monetization.
  - Offers multi-tenant SaaS and TV-as-a-Service solutions that accelerate time-to-market and reduce complexity for customers.
  - Integrates AI-powered personalization and cloud-based scalability through 24i Video Cloud, enhancing audience engagement and operational efficiency.
- Amino: Enables Pay TV operators and enterprises to deliver high-quality video experiences over broadband and across diverse use cases, including digital signage.
  - Supplies specialist video streaming hardware with embedded software and remote management tools for efficient operations.
  - Supports businesses in transitioning from legacy satellite and cable TV to modern IP-based video delivery with integrated 3rd-party streaming services.
  - Focuses on Enterprise Video and Digital Signage, helping industries such as retail, hospitality, and corporate environments deploy and manage dynamic content remotely.

# OUR STRATEGY

Aferian is focused on building a predictable, software-driven growth business by leveraging its expertise in video streaming, expanding into new market segments, and improving customer value through innovation.

## 24i's Strategy

24i's goal is to capitalize on the rapidly growing video streaming market by offering scalable, modular software solutions that cater to broadcasters, streaming services, and Pay TV operators. The key elements of its strategy include:

- **Market Expansion:** Driving revenue growth by providing tailored streaming solutions for broadcasters, Pay TV, and Direct-to-Consumer streaming services.
- **Reducing Complexity:** Offering white-label SaaS-based streaming applications for all consumer devices, allowing customers to launch faster and remain agile.
- **Personalization Through Data:** Utilizing AI-driven content recommendations and user engagement insights to enhance viewer experiences and increase retention.

## Amino's Strategy

Amino is focused on expanding its presence in the enterprise video and the digital signage sector while continuing to serve the evolving Pay TV market. The strategic priorities include:

- **Investing in Software and Device Management:** Enhancing its SaaS-based device management platform, which is bundled with Amino's video streaming and digital signage hardware or sold as a standalone solution.
- **Expanding Digital Signage:** Growing its Enterprise Video and Digital Signage business by targeting large system integrators and distributors.
- **Combining Pay TV and Streaming Services:** Enabling Pay TV operators to integrate third-party streaming services with traditional Pay TV, helping them retain customers and maintain relevance in the evolving market.

## Aferian's Long-Term Focus

By shifting towards a higher-margin, software-led business, Aferian aims to drive recurring revenue growth, enhance operational efficiencies, and strengthen its position in the global video streaming industry.

# Environmental, Social & Governance (ESG) at Aferian Plc

At Aferian plc, Environmental, Social, and Governance (ESG) principles are deeply embedded in how we operate, guiding our business decisions and driving sustainable growth. We are committed to minimizing our environmental impact, fostering an inclusive workplace to create long-term value for all stakeholders.

## ESG at the Heart of Our Business

We integrate sustainability across all facets of our operations, focusing on:

- **Diversity & Inclusion:** Ensuring a positive and inclusive workplace for all employees.
- **Sustainable Sourcing:** Collaborating with responsible supply chain partners.
- **Reducing Environmental Impact:** Committing to **net-zero goals** and sustainable product development.
- **Community Engagement:** Supporting initiatives that make a meaningful difference in society.

In alignment with the **United Nations Sustainable Development Goals (SDGs)**, we pledge **1% of our key resources—People, Product, and Profit**—towards six priority SDGs:



## Our ESG Strategy & Commitment

Aferian's ESG approach is inspired by the **Japanese concept of "Ikigai"**, meaning "a reason for being." This principle aligns with our commitment to driving sustainable value for our employees, customers, and communities.

## Environmental Responsibility

- **Carbon Footprint Reduction:** We are working with the **Science Based Targets Initiative (SBTi)** to reduce **Scope 1 and Scope 2 emissions by 2030** and are actively measuring **Scope 3 emissions**.
- **Sustainable Product Design:**
  - **Amino:** Our device management software extends the lifespan of Pay TV and streaming devices through **upcycling and remote management**, reducing e-waste by **2.5 metric tonnes annually**.
  - **24i:** We have migrated on-premises deployments to **shared cloud infrastructure**, reducing power consumption and lowering emissions.
- **Recyclable Packaging:** We have eliminated non-recyclable packaging across our supply chain, reducing plastic waste.
- **Employee & Business Travel:** We promote **remote working and sustainable travel options**, including encouraging train travel for business purposes.
- **Our supply chain is a critical part of our overall environmental, social, and governance (ESG) performance. As part of our commitment to the Science-Based Targets initiative (SBTi), we report on Scope 1, 2, and 3 emissions.**
  - **Scope 1** covers our direct emissions, such as those from company-owned facilities or vehicles.
  - **Scope 2** includes indirect emissions from the consumption of purchased electricity, steam, heating and cooling.
  - **Scope 3**, which is often the largest source of emissions, accounts for the entire value chain, including the emissions from suppliers, transportation and the use of our products.

Since Scope 3 emissions come from our supply chain, it means that any impacts—positive or negative—arising from our suppliers, including their production processes, logistics, and raw materials, are directly reflected in our ESG reporting. By managing and reducing these, we not only align with the SBTi's goals but also drive positive change across the supply chain. So, when we talk about our ESG performance, the supply chain is absolutely central to it.

## Social Responsibility

- **Employee Well-being:** Our **Global Wellness & Engagement Programme** includes mental, physical, and financial well-being initiatives.
- **Diversity & Inclusion:**
  - 33.7% of our workforce is female, with **women in leadership roles increasing from 25% to 29%**
  - We ensure gender-balanced representation in marketing, PR, and hiring initiatives.
- **Education & Talent Development:**
  - **#FutureisBright Graduate Program:** Providing early-career training to drive industry innovation.
  - **Czechitas Partnership:** Supporting IT education for women and underrepresented groups in the Czech Republic.

#### Governance & Ethical Business Practices

- **Governance Standards:** We adhere to the **QCA Corporate Governance Code**, ensuring transparency and accountability.
- **Cybersecurity & Data Privacy:**
  - A dedicated **Product & Data Security Committee** oversees data protection efforts.
  - We have had **zero data breaches or privacy-related legal claims**.
- **Supply Chain Ethics:**
  - 100% of our Tier 1 suppliers comply with our **Responsible Business Alliance (RBA) Code of Conduct**.
  - We actively audit suppliers to ensure compliance with ethical and environmental standards.

#### Looking Ahead

As we continue our ESG journey, we are **strengthening our sustainability initiatives**, driving further **reductions in emissions**, enhancing **diversity efforts**, and **advancing our corporate responsibility agenda**. We remain committed to **continuous improvement and collaboration with industry partners, investors, and communities** to create a more **sustainable and inclusive future**.

For more details, visit: [www.aferian.com/esg](http://www.aferian.com/esg)

# CHAIRMAN'S REPORT

In the first half of 2024, the Group took decisive action to address declining revenues, implementing significant cost reductions. I have been deeply impressed by the resilience and dedication of our management team and employees throughout this period. These measures have led to a marked improvement in business performance in the second half of the year, positioning the Group on a more stable financial footing.

Our strategic focus remains on capitalizing on the ongoing transition in the media and entertainment sector, as the industry continues its shift from traditional broadcast distribution models—such as cable and satellite—to streaming as the preferred mode of video delivery. This transformation is reshaping multiple segments, including Streaming Video, Traditional Pay TV, Enterprise Video, and Digital Signage. Aferian is committed to leveraging its expertise and technology to serve these evolving markets effectively.

Despite several changes at the Board level, the senior management team has ensured strong continuity. Following the departure of Donald McGarva, Mark Carlisle transitioned from Group CFO/COO to Group CEO, providing experienced leadership at a critical juncture. At 24i, Sebastian Braun, previously SVP Product, was appointed CEO in a senior leadership role outside of the Board, with strong support from Steve Oetegenn, who continues to contribute as a Non-Executive Director.

In July 2024, Sebastian White, an Investment Director at Kestrel Partners LLP (“Kestrel”), was appointed as a Non-Executive Director, succeeding Max Royde, Managing Partner at Kestrel. Additionally, Allen Broome and Bruce Powell stepped down as Non-Executive Directors in August and November 2024, respectively.

The Board now comprises:

Mark Wells – Independent Non-Executive Chairman;

Mark Carlisle – Group CEO and Executive Director;

Sebastian White – Non-Executive Director, representing Kestrel; and

Steve Oetegenn – Non-Executive Director, bringing significant industry experience.

The Board believes that its current composition is well-suited to the Group's operational and strategic requirements. However, we will continue to review its structure as the business evolves.

**Mark Wells**

Chairman

9 April 2025



# GROUP CHIEF EXECUTIVE OFFICER'S REPORT

Group revenue for the year was \$26.3m, a decrease of 45% versus prior year. To position the Group for profitability in the second half of 2024, we completed cost reduction programmes in early December 2023 and April 2024 which generated c\$6m of annualised cost savings. As a result of these programmes and increased second half revenues, the Group returned to positive Adjusted EBITDA and cash generation in the second half of the year. This, coupled with an increase in the receipt of advance sales orders in both 24i and Amino means that the Group has continued to be cash generative into FY2025.

In April 2024, we secured an extension to the Group's \$16.5m senior lending facilities to September 2025 as well as an extension to the Group's \$1.3m term loan arranged by its largest shareholder Kestrel Partners LLP to January 2026. The group is in negotiations with lenders to further extend its facility which it expects to conclude in the near future.

## FY2024 KEY PERFORMANCE INDICATORS

<i>US \$m unless otherwise stated</i>	2024	2023	Change %
Total revenue	26.3	47.8	(45%)
Software & services revenue	19.1	26.5	(28%)
Exit run rate Annual Recurring Revenue (ARR)	14.8	14.7	1%
Adjusted operating cash flow before tax	(0.2)	3.2	(106%)

## OPERATIONAL REVIEW

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

### 24i

24i's robust, end-to-end SaaS video streaming platform enables video content owners and distributors globally to monetise their content investments by quickly launching and efficiently managing attractive streaming services on all consumer devices. These include mobile phones and tablets to Smart TVs and the managed devices provided by pay TV operators. Offered on a rental basis, 24i's business model is characterised by high fixed costs and a relatively low cost of sales, ensuring that revenue growth translates efficiently into Adjusted EBITDA.

### 24i revenue analysis

<i>US \$m unless otherwise stated</i>	2024	2023	Change %
Software and services	14.2	21.0	(32%)
Devices	-	0.4	
Total revenue	14.2	21.4	(34%)
Exit ARR at 30 November	10.5	9.9	6.1%

Two significant 24i customer contracts ended at the end of FY2023 which resulted in revenues declining by 34% year on year. We took proactive action to reduce the cost base of 24i in the first half of FY2024, further streamlining operations, and as a result, the 24i division was EBITDA positive in H2. The investments we have made to transform 24i from an applications development company into a product driven software and services company have yielded exciting new customer wins in the second half of FY2024.

Under the leadership of Sebastian Braun, who was appointed as CEO of 24i in July 2024, 24i has been further streamlined into a unified team with a clear vision and mission to improve the video entertainment experience for consumers by delivering its next generation 24i Video Cloud. We believe this innovative platform, combined with our commitment to personalization and operational efficiency, positions 24i well for sustainable growth in the rapidly evolving media and entertainment market.

Increasingly strong demand for 24i's products during the second half of the year enabled us to secure four new customer contracts for the 24i Video Cloud. This demand is being driven by the need for companies to both upgrade the user experience and drive operational efficiencies across the Broadcast, PayTV and Direct to Consumer streaming segments by moving content management, AI powered personalization and application user experience management into the 24i Video cloud these companies benefit from 24i's scalable and configurable next generation platform.

Among our recent customer wins, we are proud to welcome leading state-owned public media company in Spain and a well-known global entertainment platform.

Looking ahead, we remain confident that 24i's product innovation and customer-centricity continue to strengthen 24i's competitive position in the video streaming industry. Our customer wins in the second half of 2024 will also drive growth in recurring revenue in 2025.

## Amino

Amino's managed video streaming devices and SaaS management platform enable Pay TV and Enterprise Video and Digital Signage operators to deliver their live, scheduled and on-demand content with the quality of service and level of support that consumers demand for their big-screen viewing experience.

### Amino revenue analysis

<i>US \$m unless otherwise stated</i>	2024	2023	Change %
Software and services	4.9	5.6	(12.5%)
Devices	7.2	20.9	(65.6%)
<b>Total revenue</b>	<b>12.1</b>	<b>26.5</b>	<b>(54.3%)</b>
Exit ARR at 30 November	4.3	4.7	(8.5%)

Amino revenues fell sharply in the first half of FY2024 to \$4.8m due to falling PayTV device revenue but recovered strongly in the second half to \$7.3m driven by Enterprise video and Digital Signage growth giving full year revenues of \$12.1m. The significant decrease in Pay TV device revenues over the past three years has been driven by heightened competition from commoditised, low-margin Pay TV streaming devices. To address these trends, we proactively reduced Amino's cost base in the first half of the year, aligning with this anticipated revenue decline. This lower cost base, combined with Amino's strong product reputation in the market and recurring support revenues, mean we expect Amino to be Adjusted EBITDA positive and cash generative in FY25.

Amino remains focused on two key strategic priorities:

- Delivering higher-quality, higher-margin Pay TV streaming devices, and
- Driving growth in the enterprise video and digital signage business, targeting large integrators and distributors.

All Amino devices are typically bundled with the Group's Software-as-a-Service ("SaaS") device management platform, which is also sold independently and integrated with third-party devices.

Following a focused period of investment in sales and marketing, Amino received increased sales orders in FY2024 for Enterprise and Digital Signage devices. Additionally, we secured first orders for our next-generation Pay TV devices in the North American market, which were delivered in Q3 2024. As a result, gross margin and revenue improved significantly in the second half of the year.

Encouragingly, advance sales orders also increased in the latter half of FY2024, providing a solid foundation heading into FY2025. In November 2024, Amino secured a material order from a second major betting shop operator in the UK. This operator is migrating from legacy satellite delivery to next-generation, low-latency IP video delivery using Amino's enterprise video and digital signage devices across its retail locations. The order includes a five-year contract for our remote device management platform, underscoring Amino's value proposition in long-term partnerships.

Amino's growing sales pipeline is bolstered by its strong brand recognition, built on over 25 years of expertise in delivering video over broadband networks. As the broadcast video market accelerates its transition to IP, fuelled by demand for low-latency IP video solutions, Amino is well-positioned to capitalize on growth areas, particularly in experiential AV industries (i.e. the use of audio and visual technology to create immersive and engaging experiences), where its expertise is indispensable.

Amino stock levels were increased during Covid to mitigate supply chain risks. In FY2024 we successfully reduced Amino's inventory to \$2.4m - comparable to pre-pandemic levels. This inventory reduction significantly bolstered the Group's operating cash generation in the second half of FY2024.

## FINANCIAL REVIEW

FY2024 remained a challenging year for the Group, primarily due to declining revenues in the Amino PayTV segment. However, the second half of the year saw a marked recovery, driven by improved revenues and the successful execution of a mid-year cost restructuring programme. This resulted in a return to positive Adjusted EBITDA of \$1.6m in H2, representing a \$3.9m improvement compared to H1, along with positive cash generation in the half. Notably, both the Amino and 24i divisions achieved positive Adjusted EBITDA in the second half, demonstrating the effectiveness of the Group's strategic initiatives.

<i>Revenue and Adjusted EBITDA analysis by half</i>	2024	2024	2024
<i>US \$m unless otherwise stated</i>	H1	H2	Total
Amino	4.8	7.3	12.1
24i	7.4	6.8	14.2
<b>Total revenue</b>	<b>12.2</b>	<b>14.1</b>	<b>26.3</b>
Exit ARR at 30 November			14.8
<b>Adjusted EBITDA**</b>	<b>(2.3)</b>	<b>1.6</b>	<b>(0.7)</b>

### Revenue

Group revenue for FY2024 was \$26.3m, a 45% decline from the prior year (FY2023: \$47.8m), primarily driven by a reduction in PayTV device revenues. However, the second half of the year saw a strong recovery, with Amino delivering strong H2 growth over H1. H2 revenue increased by 16% to \$14.1m, compared to \$12.2m in H1.

### Gross Margin

The Group's gross margin improved to 62% in FY2024 (FY2023: 52%), despite lower overall revenues and due to a \$1.4m royalty accrual. In absolute terms, gross profit was \$16.3m (FY2023: \$25.1m).

### Adjusted Operating Expenses\*

Adjusted operating expenses reduced significantly to \$15.6m (FY2023: \$23.4m), reflecting the impact of cost-cutting measures implemented in April and May 2024, primarily related to headcount reductions. These actions resulted in a substantially lower cost base in H2.

\*Adjusted operating expense is calculated as operating expenses excluding depreciation, interest, tax, amortisation, impairment of goodwill, exceptional operating items and employee share-based payment charges.

### Adjusted EBITDA\*\*

The Group reported an Adjusted EBITDA loss of \$0.7m for FY2024. However, there was a significant turnaround in the second half, with Adjusted EBITDA improving to a positive \$1.6m, compared to an H1 loss of \$2.3m—representing a \$3.9m improvement.

\*\* Adjusted EBITDA is calculated as operating loss before depreciation, interest, tax, amortisation, impairment of goodwill, exceptional items and employee share-based payment charges

## Exceptional Items

Exceptional items in the year were \$3.6m (FY2023: \$4.3m). This was made up of \$1.4m related to further redundancies in April/May 2024 across both Amino and 24i businesses to reduce the cost bases. \$2.0m related to refinancing legal costs primarily related to the extension of the bank debt and the Kestrel loan in May 2024 along with \$1.6m relating to a significant bad debt and inventory write offs mainly taken in the first half. The latter has been recognised as an exceptional item due to the large size and exceptional occurrence of such transactions.

A summary of exceptional items in the year is provided as follows:

<i>US \$m unless otherwise stated</i>	2024	2023
Credit arising from the reassessment and release of a prior-period provision	(1.4)	-
Subtotal cost of sales	(1.4)	-
Restructuring and associated costs	1.4	3.9
Refinancing and other costs	2.0	0.3
Impairment of trade receivables and loss on inventories	1.6	-
Acquisition and one-off legal costs	-	0.1
Subtotal operating expenses	5.0	4.3
<b>Total exceptional items</b>	<b>3.6</b>	<b>4.3</b>
Other exceptional items		
Impairment charge (further details in note 14)	-	48.9
Exceptional items included in total net finance income comprise the following charges/(credits):		
Fair value adjustment of contingent consideration	(0.1)	(1.5)
Unwinding discount on contingent consideration regarding 24iQ	-	0.3
Fair value adjustment of other loan	0.3	-
<b>Total other exceptional items</b>	<b>3.8</b>	<b>52.0</b>

## Operating Loss

The Group reported a statutory operating loss of \$12.5m (2023: \$63.9m loss), after \$0.1m share based payment charge (2023: \$0.1m), \$nil impairment of goodwill (2023: \$48.9m), \$3.6m exceptional items (2023: \$4.3m) and \$1.9m amortisation of acquired intangibles (2023: \$4.4m).

Net finance expense was \$2.0m (2023: \$0.8m), a tax credit of \$0.6m (2023: \$1.2m tax credit) leading to a loss after tax of \$13.8m (2023: \$63.5m).

## Research and Development Costs

The Group reduced its research and development costs to \$5.9m in the year (2023: \$13.0m) of which \$1.9m was capitalised (2023: \$5.4m). The Group continues to invest in the end-to-end video streaming platform and associated services at 24i and Amino video 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.

## Net Finance Expense

Net finance expense was \$2.0m in the year (2023: \$0.8m), which represented the interest charge of \$2.0m (2023: \$1.9m), on our borrowing facilities, \$0.0m interest charged on lease agreements (2023: \$0.0m) in accordance with IFRS 16 (leases) and a \$0.1m debit (2023: \$1.2m debit) relating to the unwinding of the discount on contingent consideration.

## Taxation

The Group recognised a total tax credit of \$0.5m (2023: \$1.2m tax credit). The effective tax rate of 3%, was lower than the statutory corporation tax rate of 25% primarily due to operating losses and amortisation of acquisition intangible assets. The Group's net cash tax refund for the year was \$1.5m (2023: \$0.4m payment). The deferred tax liability as at 30 November 2024 was \$0.6m (2023: \$0.5m) mainly reflects the unwinding of deferred tax on the acquisitions in prior years. The deferred tax asset recognised in the year was \$nil (2023: \$0.3m).

## Cash Flow

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

<i>US \$m unless otherwise stated</i>	2024	2023
Adjusted operating cash flow before tax	(0.2)	3.2
Restructuring and associated other costs	(1.4)	(3.8)
Refinancing and other costs	(2.0)	(0.4)
Aborted acquisition costs	-	(3.9)
Cash generated from operations before tax	(3.6)	(4.9)

Adjusted operating cash flow<sup>\*1</sup> from operations was \$0.2m outflow (2023: \$3.2m inflow). The improved cash generated from operations was due in large part to a cash inflow from working capital of \$2.2m (2023: \$2.4m cash outflow). Effective management of working capital remains a pivotal focus area for the Group.

<sup>\*1</sup> Adjusted operating cash flow is calculated as cash flows from operations less cash paid/received from exceptional items

## Net Debt

At 30 November 2024, the Group's net debt was \$12.7m (2023: \$6.3m). The Group has a banking facility with Barclays Bank plc, HSBC plc and Bank of Ireland of which the Group had drawn \$13.1m at 30 November 2024 (2023: \$10.6m). On 22 April 2024 Aferian plc secured an extension to its \$16.5m multicurrency working capital facility, previously due to mature on 23 December 2024, to 30 September 2025. In addition, at the same time, the Group extended its loan of \$1.3m originally arranged by its largest shareholder on 31 May 2023, Kestrel Partners LLP. This loan is now repayable on 31 January 2026.

At 30 November 2024, the Group had equity of \$7.7m (2023: \$22.3m) and net current liabilities of \$13.8m (2023: \$6.3m). Net current liabilities excluding cash drawn under the banking facility is \$0.8m (2023 net current assets: \$4.3m). Goodwill has reduced by \$0.3m to \$11.0m (2023: \$11.3m), due to foreign exchange translation movements. There was no impairment charge in the year (FY2023: \$48.9m).

## Going Concern

The financial statements have been prepared on a going concern basis. Please see Going Concern statement in note 1 of the financial statements.

## Dividend

The Board is not proposing a final Dividend for this financial year (2023: nil).

## CURRENT TRADING AND OUTLOOK

The second half of FY2024 saw 16% revenue growth over H1 which, coupled with cost reduction actions taken mid-year, means the second half of the year has seen significant improvements in Adjusted EBITDA profitability and cash flow. Both businesses have also seen significant new customer wins and advance sales orders in the second half of the year which are expected to enable the Group to continue grow ARR, revenues and EBITDA in FY2025 to generate improved operating cash flows.

We are in discussions with lenders with a view to extending our facilities which we hope will conclude in the near future.

## Mark Carlisle

Chief Executive Officer

9 April 2025

## PRINCIPAL RISKS AND UNCERTAINTIES

The Group conducts an annual risk review to identify risks that the Board deems significant to the development, performance, position, or future prospects of the Group. Aferian does not have a dedicated risk management or internal audit function, leading to the execution of the risk management review by the executive management team. Risks within the Group are classified into four categories: Strategic, Operational, Financial and Compliance-related. The ensuing risks are regarded as material, and a summary of the associated mitigations is provided in the table below. The risks and mitigations are not presented in priority order.

Risks	Description and potential impact	Mitigation action/Contro
Consumer viewing habits/industry disruption	As the amount of content grows every year, consumers are shifting viewing habits. In addition, the competitive environment for video streaming technology is continuing to evolve. If the Group fails to adapt and/or innovate and respond effectively to these rapidly changing consumer trends, and the video streaming technology competitive environment, the Group's solutions may become less competitive or obsolete.	The Group monitors the markets of its products and solutions. This includes a review of the trends and competitive environment of the Group's video streaming technology platforms. 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 page 5.
Working Capital facility is withdrawn or unavailable	The Group has a multicurrency working capital facility with Barclays Bank plc, HSBC plc, and Bank of Ireland of \$16.5m which expires in September 2025. The banking facility requires the Group to adhere with various obligations including compliance with financial covenants. Failure to comply with a financial covenant could result in an Event of Default which may result in the facility being withdrawn with all amounts accrued becoming immediately due and payable which would impact the Group's ability to continue as going concern.	The risk of a covenant breach is mitigated by actions including management of cash and possible cost base reductions that could be taken, over and above those already included in the covenant forecast to avoid or reduce the impact or occurrence of the underlying risks.
Disruption to the global supply chain	<p>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.</p> <p>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.</p>	<p>The Amino Device business risk is managed by using multiple hardware suppliers in the South East Asia region, particularly China, Hong Kong, Taiwan and Malaysia.</p> <p>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.</p> <p>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.</p> <p>The 24i business is cloud based where providers such as AWS have multiple zones as a failover and the modular nature means 24i can switch suppliers quickly.</p>

Risks	Description and potential impact	Mitigation action/Control
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.
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.
Failure to recruit and retain key staff	If the Group fails to recruit and retain individuals with the appropriate skills and experience its performance may suffer	The Group undertakes an annual succession planning exercise to identify individuals that are key to retain as well as the training and development needs of its people. Annual reviews of performance and remuneration structure are undertaken to promote retention and reward superior performance.
Foreign exchange exposure	The Group's reporting currency is USD however it has multiple subsidiaries with functional currencies in US Dollars, Euros, British Pounds and other currencies. The majority of the Group's revenues are invoiced in US Dollars and Euros. The Group's cost base is primarily denominated in US Dollars, Euros and British Pounds. Consequently, the Group's P&L and cash flows are exposed to fluctuations in currency rates. In addition, the Group also has a large proportion of its intangible assets denominated in Euros whilst the Group's reporting currency is US Dollars.	There are a number of natural cash flow hedges across the Group where revenues and costs are broadly matched in the same currency, and so any impact on EBITDA is limited, consequently the Group does not use hedging instruments to manage fluctuations in currencies. The exposures to exchange rates of the Group's current assets and liabilities and impact on the profit and loss account are set out in note 3 of the Annual Report and accounts.
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
Customer credit worthiness/non payment/bad debt exposure	The Group seeks to minimise its exposure to credit risk bad debts by using credit insurance for material balances. Where credit insurance cannot be obtained the Group seeks letters of credit and up-front payments. In a limited number of customers where these are not available the Group may provide credit terms based on good trading history. However, this may expose the group to material credit risk if circumstances change.	Using credit insurance, the Group constantly monitors the credit worthiness of its customers and can set credit limits appropriately. Where credit insurance cannot be obtained the Group sets payment terms and credit limits accordingly and may ask for up-front payments on orders before delivery (this is the case with Amino business orders).

Risks	Description and potential impact	Mitigation action/Control
Climate change impact and other ESG risks	<p>The Group proactively addresses environmental, social and governance (“ESG”) risks and has set out and reports on its ESG policy in its annual report.</p> <p>However, the Group is exposed to reputational risk if these ESG objectives and targets are not met or do not meet the expectations of its stakeholders. Should the Group’s policies not meet the needs of customers or prospective customers this could have a material negative impact on revenue.</p>	The Group publishes its ESG policies and reports on progress against these annually. In addition, it has established an ESG Steering Committee to ensure that these policies are implemented and reviewed in line with stakeholder requirements. Further details are provided on page 6 of the annual report.

The Strategic Report was approved and authorised for issue by the Board of Directors on 9 April 2025 and is signed on its behalf by:

**Mark Carlisle**  
Director  
9 April 2025



# 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 considered in Board discussions and decision-making.

### STRATEGY

During the year, the Board reviewed progress against the Company's strategy as set out by the executive Directors. This review included meetings held with key members of the executive management team during which time the Board were also able to review in more detail the operations of the Company. The Company's vision and strategy are set out in the Strategic Review section of this annual report on pages 3-5 as well as the ESG framework on page 6. In doing this, the Board believes that the Company's vision and values have been well articulated to all key stakeholders:

### STAKEHOLDER ENGAGEMENT

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

### OUR PEOPLE

The executive management team, at the direction of the Board, have held regular virtual and in person meetings 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.

## INVESTORS

The Board continues to engage regularly with its investors. The Executive Directors have conducted in-person and video-call investor roadshows during the year and 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. The Group has also delivered publicly available information through the Group's website and regulatory news updates.

Following the release of the Company's full year's results in May 2024 and interim results in August 2024, Mark Carlisle embarked on investor roadshows using the Investor Meet Company platform, in person meetings and video calls. This included a presentation of the results and a Q&A session with investors.

### SUPPLIERS

The executive directors have continued to engage with key suppliers by maintaining a regular dialogue with them during the year.

### CUSTOMERS

The executive Directors also maintain direct relationships with the Group's largest customers.

### DECISION MAKING

The principal decisions made by the Board that were material to the Company's strategy in FY2024 related to the review of the Company's cost base and available financing:

To position the Group for profitability in the second half of 2024, cost reduction programmes were undertaken in early December 2023 and April 2024 which generated c\$6m of annualised cost savings. Positively, these cost reduction actions were successful, and the Group returned to positive Adjusted EBITDA and cash generation in the second half of the year.

In April 2024, the Company secured an extension to the Group's \$16.5m senior lending facilities to September 2025 as well as an extension to the Group's \$1.3m term loan arranged by its largest shareholder Kestrel Partners LLP to January 2026. The group is in ongoing discussions with lenders to extend the facilities which it expects to conclude before the end of the current facility in September 2025.

## BOARD OF DIRECTORS

### **Mark Wells, Non-Executive Chairman**

Mark joined the Board as non-executive chair in January 2022, Mark also chairs Oxford Technical Solutions (satellite-based inertial navigation systems), and Cappfinity (Talent Solutions). Previously, he was non-executive chair of Senseye (AI-powered Predictive Maintenance solutions for industry), 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 Electronic Engineering from the University of Bath and an MBA from Cranfield University

### **Mark Carlisle, Group Chief Executive Officer**

Mark was appointed Group CEO of Aferian Plc in July 2024, having originally joined the company as Chief Financial Officer in August 2016. He has extensive leadership experience in public company finance, strategy, and operational execution.

Before joining Aferian, Mark was CFO at Kape Plc (formerly Crossrider Plc), where he played a key role in the company's successful \$75 million IPO on AIM in September 2014. Prior to that, he served as CFO of FFastFill Plc, a provider of technology solutions for the financial derivatives trading industry.

### **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. Steve's 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.

### **Sebastian White, Non-Executive Director**

Sebastian joined the Board on 3 July 2024 replacing his Kestrel colleague Max Royde. Sebastian is an Investment Director of Kestrel Partners LLP ("Kestrel"). Sebastian joined Kestrel in 2017 and previously spent 14 years as Mergers and Acquisitions Director at Alternative Networks plc, an AIM-quoted communications and hosting provider to the mid-market. Sebastian was appointed Chair of Aferian's Remuneration Committee on joining the Board.

## FORMER DIRECTORS

### **Bruce Powell MBE, Non-Executive Director**

Bruce Powell left the Board and the Company on 30 November 2024

### **Allen Broome, Non-Executive Director**

Allen Broome stepped down from the Board and left the Company on 31 August 2024.

### **Donald McGarva, Executive Director**

Donald McGarva stepped down from his role as CEO on 3 July 2024 and left the Company in October 2024.

### **Max Royde, Non-Executive Director**

Max Royde stepped down from the Board on 13 July 2024 to be replaced by his colleague Sebastian White. Max is a managing partner and co-founder of Kestrel Partners.

# CHAIRMAN'S GOVERNANCE REPORT

For the year ended 30 November 2024

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 (2018) ("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. We note that a revised version of the Code was published in 2023, which applies to financial periods commencing on or after 1 April 2024. As our financial year began before this date, we continue to apply the 2018 version of the Code and will assess the impact of the 2023 revisions in due course, ahead of their required implementation.

## Aferian's strategy and business model

The strategy and business operations of the Group are set out in the Strategic Report on page 5.

The Group's vision is "To define iconic video streaming experiences with the most versatile technologies for what's next in media delivery, sustainably".

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.

## Understanding 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.

Zeus, in their role as corporate broker, also hold meetings with investors. Zeus prepares regular independent analysis of the Group's results and prospects.

## Environmental, Social and Governance policy commitment

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 6.

### 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:

- Monthly '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.
- Quarterly bonus scheme for key staff.

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.

### Customers

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

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

### Suppliers

The Group sources its hardware products principally from manufacturers in the US, Taiwan, 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.

# CHAIRMAN'S GOVERNANCE REPORT (continued)

For the year ended 30 November 2024

## 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.

## Risk management

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 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. Full year reforecasts were also produced after the first and third quarters of FY2024 and actual versus budget variances were prepared and presented to the board throughout the year. A three year plan was also prepared and approved by the board in October.

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 managements 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 mandated 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 pages 14 to 16.

## Board governance and management

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. The Chief Executive Officer, Mark Carlisle, is responsible for running the Group's business. During the year there was one other executive director, Mr Steve Oetegenn, who was President of the Americas region during the year. After year end Steve stepped back from his executive role and is now an independent NED only. The Board deem Steve to be independent given that he does not receive additional remuneration besides NED fees, and he was only an executive for 17 months.

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. The Company currently has two independent non-executive directors: Mark Wells, Chairman of the Board and Steve Oetegenn.

The Company had one non-executive director who is not considered to be independent: Sebastian White (appointed on 16 July 2024) who took up the position of Chair of the Board's Remuneration Committee and is employed by Kestrel Partners LLP which holds a beneficial interest in Aferian. He replaced his colleague Max Royde who had joined the Aferian board on 4 April 2023 and is a managing partner of Kestrel Partners.

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 officer's insurance and may take independent professional advice at the Group's expense.

The background of all directors including details of their relevant experience, skills and capabilities is set out on page 18.

# CHAIRMAN'S GOVERNANCE REPORT (continued)

For the year ended 30 November 2024

There were four non-executive directors during the year:

- Non-executive Chairman Mark Wells was appointed as a director and Chairman of Aferian on 1 January 2022 and is considered to be independent.
- Non-executive Steve Oetegenn was appointed as a director in January 2021 and took the position of Chair of the Audit Committee on 1 December 2024.
- Non-executive Bruce Powell was appointed as a director and Chairman of the Audit Committee on 3 August 2022 and was considered to be independent. He resigned on 30<sup>th</sup> November 2024.
- Non-executive Max Royde was appointed as a director on 4 April 2023 and took up the position of Chair of the Board's Remuneration Committee on 27 April 2023 and was not considered to be independent. He resigned on 13<sup>th</sup> July 2024 and was replaced by Sebastian White also from Kestrel (appointed on 16<sup>th</sup> July 2024) who is also not considered to be independent
- Non-executive Allen Broome was appointed as a director on the 31 August 2023 and was considered to be independent. He resigned on 9<sup>th</sup> October 2024.

## 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.

### ***We trust each other***

We have the courage to pursue and share new ideas with colleagues. We experience teamwork through personal accountability and a shared vision of success.

### ***We are driven by innovate thinking***

With a continuous improvement mindset, we develop impactful solutions because we understand how to create value and take calculated risks.

### ***We are invested in the success of our customers and partners***

Based on establishing strong relationships, we address their unique needs to help ensure growth and market leadership.

### ***We value personal fulfilment***

By building a diverse and inclusive community, we create an environment that celebrates individuality, purpose and creativity.

### ***We strive to be financially and environmentally responsible***

In everything we do, we focus on delivering value, while reducing our impact on the planet.

# CHAIRMAN'S GOVERNANCE REPORT (continued)

For the year ended 30 November 2024

## Governance structures and processes

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 pages 14 to 16.

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. The Board reviews the going concern assumptions made in the preparation of the Group quarterly forecasts and the sensitivities applied thereon to ensure the Group has adequate resources to continue in operational existence for the foreseeable future.

### **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 2025 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 comprises Sebastian White (Chair of the committee) and Mark Wells. Bruce Powell was also part of the committee in the year. He resigned on 30 November 2024. 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 key 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 members in the financial year were Bruce Powell (Chair of the Audit committee) and Mark Wells. Bruce Powell resigned from the company on 30 November 2024 and Steve Oetegenn was appointed as Chair of the Audit Committee on the 1 December 2024. 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. 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.

### **Nominations Committee**

The Nominations Committee was comprised of Mark Wells (Chair of the committee) and Bruce Powell during the year. The committee meets when appropriate and considers the composition of the Board, retirements and appointments and makes appropriate recommendations to the board. Bruce Powell resigned from the company on 30 November 2024. Steve Oetegenn will serve as part of the Nominations Committee going forward.

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.

# CHAIRMAN'S GOVERNANCE REPORT (continued)

For the year ended 30 November 2024

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 2024 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
Mark Wells	17	3	2	3	17	2	2	3
Donald McGarva	11		-	-	11	-	-	-
Mark Carlisle	17	3	-	-	17	3	-	-
Steve Oetegenn	17	3	-	-	16	1	-	-
Bruce Powell	17	3	-	3	16	3	-	3
Max Royde	11	-	-	3	10	-	-	3
Sebastian White	6	3	2	-	6	1	2	-
Allen Broome	13	-	-	-	10	-	-	-

## 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 April 2025



# REMUNERATION COMMITTEE REPORT

For the year ended 30 November 2024

## Remuneration Committee

The Remuneration Committee, chaired by Sebastian White included Mark Wells and Bruce Powell in the financial year. Bruce Powell resigned from the company on 30 November 2024. Sebastian White joined the Aferian board on 16 July 2024 and took up the position of Chair of the Board's Remuneration Committee at the same time. The Committee determines the Group's policy for executive remuneration and the individual remuneration packages for executive directors. In setting the Group's remuneration policy, the Remuneration Committee considers a number of factors including the following:

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

## Remuneration of executive directors

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

The remuneration packages comprise the following elements:

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

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

## Remuneration of non-executive directors

The fees paid to the non-executive directors are determined by the Board. 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 (continued)

For the year ended 30 November 2024

## Directors' detailed emoluments and compensation – audited

Year ended 30 November 2024						
<i>US\$ unless otherwise stated</i>	Salary and fees	Bonus	Benefits	Sub-total	Pensions contributions	Total
Mark Carlisle <sup>(3)</sup>	280,984	-	30,773	311,757	28,099	339,856
Donald McGarva <sup>(1) (3)</sup>	380,267	-	7,501	387,768	41,508	429,276
Mark Wells <sup>(3)</sup>	127,967	-	-	127,967	-	127,967
Steve Oetegenn <sup>(2)</sup>	193,998	-	-	193,998	-	193,998
Bruce Powell <sup>(3)</sup>	57,585	-	-	57,585	-	57,585
Allen Broome	36,000	-	-	36,000	-	36,000
Max Royde <sup>(4)</sup>	-	-	-	-	-	-
Sebastian White <sup>(4)</sup>	-	-	-	-	-	-
	<b>1,076,801</b>	<b>-</b>	<b>38,274</b>	<b>1,115,075</b>	<b>69,607</b>	<b>1,184,682</b>

Year ended 30 November 2023						
<i>US\$ unless otherwise stated</i>	Salary and fees	Bonus	Benefits	Sub-total	Pensions contributions	Total
Mark Carlisle <sup>(3)</sup>	248,466	-	27,224	275,690	33,558	309,248
Donald McGarva <sup>(1) (3)</sup>	349,979	-	20,436	370,415	39,828	410,243
Mark Wells <sup>(3)</sup>	123,917	-	-	123,917	-	123,917
Stephen Vaughan <sup>(3)</sup>	22,202	-	-	22,202	-	22,202
Steve Oetegenn <sup>(2)</sup>	228,000	-	-	228,000	-	228,000
Bruce Powell <sup>(3)</sup>	55,763	-	-	55,763	-	55,763
Allen Broome	12,000	-	-	12,000	-	12,000
Max Royde <sup>(4)</sup>	-	-	-	-	-	-
	<b>1,040,327</b>	<b>-</b>	<b>47,660</b>	<b>1,087,987</b>	<b>73,386</b>	<b>1,161,373</b>

### Notes:

<sup>(1)</sup> Includes pension entitlement elected to be paid as salary of \$41,508 (2023: \$39,828).

<sup>(2)</sup> Steve Oetegenn fee also includes \$193,998 (2023: \$228,000) for his role as a consultant.

<sup>(3)</sup> Director is paid in GBP. Average FX rate for the year was £1 : \$1.28 (2023: £1 : \$1.24).

<sup>(4)</sup> Aferian plc pays Kestrel Partners for services rendered by Max Royde \$18,856 (2023: \$30,098) and Sebastian White \$ 18,500 (2023: \$0). Aferian Group does not pay them directly. Max Royde left the Aferian board on 13<sup>th</sup> July 2024 and was replaced by Sebastian White on 16<sup>th</sup> July 2024.

Contributions were made to the pension schemes of two directors (2023: two), in accordance with their employment contracts.

The highest paid director was Donald McGarva (2023: Donald McGarva).

# REMUNERATION COMMITTEE REPORT (continued)

For the year ended 30 November 2024

## Directors and their interests in shares

The directors held the following interests in Aferian plc:

	At 30 November 2024		At 30 November 2023	
	Ordinary shares of 1p each	Options over ordinary shares of 1p each	Ordinary shares of 1p each	Options over ordinary shares of 1p each
	Number	Number	Number	Number
Donald McGarva*	839,627	-	839,627	501,500
Mark Carlisle	154,584	4,225,000	154,584	361,500
Steve Oetegenn	100,000	-	100,000	-
Mark Wells	208,333	-	208,333	-

\* Donald McGarva exercised 310,000 options during the year for which was settled in cash totalling \$14,796.

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

Director	Grant Date	Expiry Date	Exercise Price	30 November 2024 Number	30 November 2023 Number
Mark Carlisle	15 July 2019	15 July 2029	£0.00	225,000	225,000
Mark Carlisle	9 August 2021	9 August 2026	£0.00	-	136,500
Mark Carlisle	26 September 2024	26 September 2027	£0.03	2,000,000	-
Mark Carlisle	26 September 2024	26 September 2028	£0.06	1,000,000	-
Mark Carlisle	26 September 2024	26 September 2029	£0.10	1,000,000	-

On 26 September 2024 the Company granted Mark Carlisle 4,000,000 in three tranches which are subject to continued employment with a separate exercise price for each tranche. Details of all options can be found in note 25.

## Sebastian White

Chairman, Remuneration Committee  
9 April 2025

# AUDIT COMMITTEE REPORT

For the year ended 30 November 2024

The Audit Committee was comprised of Bruce Powell (chair of the committee) and Mark Wells during the year. Bruce Powell resigned on 30 November 2024 and Steve Oetegenn was appointed as Chair on 1 December 2024. The composition of the committee was 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. 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, CLA Evelyn Partners Limited ("Evelyn Partners"). 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, Evelyn Partners confirmed in writing the safeguards in place to ensure its independence and objectivity. The Audit Committee concurred with these as their own safeguards.

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 Evelyn Partners. 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 Executive Officer. The principal risks and uncertainties relating to the Group are set out on pages 14 to 16.

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 2024 the carrying value of goodwill and other intangible fixed assets in the Group's statement of financial position was \$23.3m. Management performed an impairment analysis which showed that no impairment was necessary as Aferian group recorded an impairment charge of \$48.9m during 2023 financial year. The Audit Committee reviewed the judgements taken in the impairment review performed for the Group's four cash generating units ("CGUs"), being 24i Mod Studio, FokusOnTV, (formerly Nordija), 24iQ (formerly the Filter), and Amino software and devices (formerly Entone, Inc), to determine whether there was any further indication that those assets had suffered an additional impairment since the last impairment analysis. The key assumptions were the discount rate (WACC), revenue growth, gross margin growth, operating cost inflation, and terminal growth rate. The base case was then sensitised for changes in terminal growth rate, discount rate, revenue and gross margin growth.

## **Credit loss provision for current trade receivables**

The Audit Committee reviewed the judgements taken in the expected credit loss provision review, adopting a simplified approach in accordance with IFRS9 using a provision matrix in the determination of the lifetime expected credit losses. The Audit Committee consider the key judgements to be the probability of the non-payment of the trade receivables. This 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. As a result of this review, the lifetime expected credit loss in relation to current trade receivables is \$1.6m (2023: \$0.7m) at 30 November 2024.

# AUDIT COMMITTEE REPORT (continued)

For the year ended 30 November 2024

## 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 2024 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.

## Accounting policies

For the year ended 30 November 2024, the Group has applied all standards and interpretations that are effective for accounting periods beginning on or after 1 December 2023.

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 2024, 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 have reviewed management's cashflow forecasts for the Group, covering a period of at least 12 months from the date of approval of these financial statements, which show that the Group is expected to operate within its current and expected funding, and meet its liabilities as they fall due. These forecasts include and are dependent upon the refinancing noted detailed in note 1 of the financial statements.

The Committee noted the requirement for all the Directors to state whether they consider it appropriate to adopt the going concern basis of accounting for a period of at least twelve months from the date of approval of these financial statements. The Committee was satisfied that the continued use of the going concern basis was appropriate and concur that there needs to be an emphasis relating the existence of material uncertainties, due to the reasons noted above, that may cast significant doubt on the Group's ability to continue as a going concern too.

**Steve Oetegenn**  
Chair, Audit Committee  
9 April 2025

# DIRECTORS' REPORT

For the year ended 30 November 2024

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 2024. The Chairman's governance report set out on pages 19 to 23 forms part of this report. 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 96.

## Principal activity

The principal activity of the Group is to deliver next generation video experiences over IP. This comprises its 24i (including FokusOnTV and 24iQ) end-to-end video streaming platform and Amino video streaming devices and associated operating and device management software. A detailed overview of the Group's activities is set out on pages 4 to 5. The principal activity of the Company is a non-trading parent company.

## Review of business and future developments

Details of the Group's performance during the year under review and expected future developments are set out in the Strategic Report on pages 3 to 34 including a description of the principal risks and uncertainties facing the Group on pages 14 to 16.

## Proposed dividend

The Directors are proposing not to pay a dividend for the 2024 financial year (2023: nil).

## Research and development

\$5.9m was spent on research and development in FY2024 (2023: \$13.0m). Under IAS 38 "Intangible Assets" \$1.9m of development expenditure was capitalised (2023: \$5.4m). The Group continues to invest in the end-to-end video streaming platform and associated services at 24i and Amino video 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

Notwithstanding net current liabilities of \$13.7m as at 30 November 2024 and a loss of \$14.0m for the year then ended, these financial statements have been prepared on the going concern basis, which the Directors believe to be appropriate for the following reasons.

The Parent Company is a holding entity and as such its going concern is inter-dependent on the Group, therefore its going concern assessment was performed as part of the Group's assessment.

The Directors have reviewed the Group's going concern position taking account of its current business activities and their future forecast performance. The factors likely to affect its expected future financial performance are set out in this Annual Report and include the Group's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposure to credit and liquidity risks.

The Directors have prepared cashflow forecasts for the Group, covering a period of at least 12 months from the date of approval of these financial statements, which show that the Group is expected to operate within its current and expected funding, and meet its liabilities as they fall due. These forecasts include and are dependent upon the refinancing noted below.

The Directors note that the second half performance in FY2024 showed both revenue growth compared to the first half and also significant improvement in adjusted EBITDA as a result of the cost cutting measures taken mid year plus the impact of the second half revenue growth. The Directors also note that since the refinancing in May 2024 the Group has met all of its liquidity covenants.

The Group is in the process of renegotiating a refinancing of its existing bank loans, which are due for repayment in September 2025. A refinancing is required to support the Group's and the Parent Company's ongoing operations and future growth.

As at the reporting date, whilst discussions with potential finance providers are ongoing, as no agreements to effect a refinancing have yet been signed, there is no certainty that a refinancing will be successfully completed.

The ability of the Group and the Parent Company to continue as a going concern is dependent on agreeing a refinancing of the existing loan facilities. Should the Group be unable to successfully refinance its existing loan facilities, it and the Parent Company may become unable to meet their financial commitments as they fall due, which would cast significant doubt on their ability to continue as a going concern. In such a scenario, the Group may be required to realise assets and settle liabilities other than in the normal course of business.

# DIRECTORS' REPORT

For the year ended 30 November 2024

## Going Concern (continued)

The Directors consider that the Group and Parent Company will trade in line with their three year forecast and will be able to refinance the existing loan facilities and therefore deem it to be appropriate to prepare the financial statements on a going concern basis. Accordingly, the financial statements do not include the adjustments that would be required if the Group and Parent Company were unable to continue as a going concern.

However, the Directors, having considered the above factors, acknowledge that a material uncertainty exists that may cast significant doubt on the ability of the Group and the Parent Company to continue as a going concern.

## Post balance sheet events

Full details of post balance sheet events have been disclosed in note 30 to the financial statements.

## Directors

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

Mark Wells	Non-executive Chairman and Director
Mark Carlisle	Chief Executive Officer
Steve Oetegenn	Non-executive director
Sebastian White	Non-executive Director – appointed 16 <sup>th</sup> July 2024
Bruce Powell	Non-executive Director – resigned 30 <sup>th</sup> November 2024
Allen Broome	Non-executive Director – resigned 9 <sup>th</sup> October 2024
Max Royde	Non-executive Director – resigned 13 <sup>th</sup> July 2024
Donald McGarva	Executive Director – resigned 3 <sup>rd</sup> July 2024

## 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. Sebastian White and Mark Wells will be up for re-election at the Company's AGM.

## 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.

# DIRECTORS' REPORT (continued)

For the year ended 30 November 2024

## Substantial shareholdings

As at 28 March 2025 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 1,482,502 (2023: 1,482,502) shares held in Treasury from the 112,694,609 shares disclosed in note 24 as allotted, called and fully paid up.

	Number of ordinary shares	Percentage of issued share capital
Kestrel Partners	28,798,522	25.9%
Premier Milton Investors	16,818,506	15.1%
BGF Investments	14,991,231	13.5%
Aberdeen plc	8,696,806	7.8%
First Seagull	6,295,000	5.7%
Close Asset Management	5,775,272	5.2%
24i Media PF	4,346,195	3.9%
Hargreaves Lansdown plc	4,556,931	4.1%

## Environmental matters

The Group is mindful of its role as a provider of electronics equipment and recognizes its specific duty to minimize environmental impact. This entails full compliance with a spectrum of national, regional, and international guidelines concerning safety, EMC emissions, and energy efficiency.

This commitment spans from packaging to the development of devices aimed at reducing power consumption in consumers' homes. All core product packaging is 100% recyclable, with the majority crafted from recycled materials, and has been designed to minimize waste and transportation costs. Redundant devices returned to the Group are recycled in accordance with WEEE regulations to ensure responsible and environmentally friendly disposal.

## 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. 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.

# DIRECTORS' REPORT (continued)

For the year ended 30 November 2024

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 2024.

Group Level	Number of female employees	Number of male employees	Total
Board	-	4	4
Key management including Board	-	7	7
Employees including key management	30	62	92

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 2023.

Group Level	Number of female employees	Number of male employees	Total
Board	-	7	7
Key management including Board	-	7	7
Employees including key management	41	128	169

## **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.

### *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.



# DIRECTORS' REPORT (continued)

For the year ended 30 November 2024

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the Group financial statements have been prepared in accordance with International accounting standards in conformity with the requirements of the UK Adopted International accounting standards ('IFRS'), 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.

# DIRECTORS' REPORT (continued)

For the year ended 30 November 2024

## Auditor

During the year, BDO LLP resigned as auditors and S&W Partners Audit Limited (previously known as CLA Evelyn Partners Limited) were appointed. S&W Partners Audit Limited indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

The directors' report was approved by the Board of directors on 9 April 2025.

On behalf of the board

**Mark Carlisle**

Director

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AFERIAN PLC

For the year ended 30 November 2024

## Opinion

We have audited the financial statements of Aferian Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 November 2024 which comprise the 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 the notes to the consolidated and parent company financial statements, including material accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted international accounting standards. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 November 2024 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

## Our approach to the audit

Of the group's 17 reporting components, we subjected 7 to audits for group reporting purposes and 6 to specific audit procedures where the extent of our audit work was based on our assessment of the risk of material misstatement and of the materiality of that component. The latter were not individually significant enough to require an audit for group reporting purposes but were still material to the group.

The components within the scope of our work covered 85% of group revenue, 84% of group loss before tax, and 97% of group net assets.

For the remaining 4 components, which were not significant to the group either individually or in aggregate, we performed analysis at a group level to re-examine our assessment that there were no significant risks of material misstatement within these.

Video conference meetings were held with the component auditors in Hong Kong, Finland and Denmark. At these meetings, the group audit team discussed the component auditors' risk assessments and planned audit approach. Once the audit work was completed, the findings reported to the group audit team were discussed in more detail, and any further work required by the group audit team was then performed by the component auditor. In addition to these planned meetings, the group audit team sent detailed instructions to the component audit teams and the group audit team reviewed the comprehensive responses to these instructions and reviewed the audit working papers for significant components.

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

For the year ended 30 November 2024

### Key audit matters

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

Key Audit Matters	Description of Risk	How the scope of audit addressed the key audit matters
Revenue recognition (group)	As detailed in accounting policies note 2 on page 50, and note 4, the group has two revenue streams in its subsidiary companies. As per auditing standards, there is a presumed significant fraud risk associated with the recognition of revenue and we considered the risk to be most significant for software and services contracts spanning the period end. The revenue recognition of software and services poses a risk of material misstatement due to the significant judgment required to determine performance obligations and assess whether these obligations have been fulfilled. This subjective evaluation can lead to errors or intentional manipulation, impacting the accuracy of the financial statements.	<p>The main procedures performed in our audit of the recognition of revenues, including areas where we challenged management, were as follows:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of and evaluated the design and implementation of management's controls around revenue recognition.</li> <li>• Reviewed the assessment made by management over the identification of performance obligations in the group's software and services contracts, the revenue attributed to these performance obligations and consideration of which performance obligations had been satisfied by the period end.</li> <li>• Obtained and agreed detailed breakdowns of all revenue streams reported in the period as per note 4 in the financial statements.</li> <li>• Performed substantive testing of a sample of revenue transactions to contracts, invoices and receipt of monies from customers.</li> <li>• Performed substantive testing of a sample of revenue transactions around the period end to ensure revenue has been reported in the correct period.</li> <li>• Considered the appropriateness of the disclosures made in note 2 and note 4 in the financial statements in respect of revenue.</li> </ul>

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

For the year ended 30 November 2024

## Key audit matters (continued)

Key Audit Matters	Description of Risk	How the scope of audit addressed the key audit matters
Impairment of goodwill and other intangible assets (group) and impairment of investments and Amounts owed by group undertakings (parent company)	<p>The group has significant goodwill and other intangible asset balances, and the parent Company has significant investments in and receivables from subsidiaries. As detailed in note 2 in page 53 and note 1 in page 91 in parent, management is required to perform an impairment review annually to consider possible impairment of goodwill and consider whether there are any indicators of impairment impacting other intangible assets or investments.</p> <p>Management's assessment of the carrying value requires judgement in assessing forecast future cash flows, growth rates and discount rates. The assessment of the carrying value of these balances and consequently any required impairment is sensitive to these estimates.</p>	<p>Our audit work mainly included the following:</p> <ul style="list-style-type: none"> <li>Reviewed the appropriateness of management's identification of each cash-generating unit to which goodwill and other intangible assets are attributed.</li> <li>Challenged the assumptions used in the impairment model for goodwill, other intangible assets, investments in subsidiaries, and amounts owed by group undertakings.</li> <li>Assessed the appropriateness of the impairment review methodology, assumptions concerning growth rates, and inputs to the discount rate against available market data with the assistance of our valuation experts.</li> <li>Compared forecast revenue growth rates and gross profit margins with those achieved in previous years and post year end performance of the business.</li> <li>Reviewed sensitivity analysis to calculate the minimum growth rates needed to avoid an asset's impairment and compared them to those achieved in previous years.</li> <li>Assessed the accuracy and sufficiency of financial statement disclosures.</li> </ul>

## Our application of materiality

The materiality for the group financial statements as a whole ("group FS materiality") was set at \$394k. This has been determined with reference to the benchmark of the group's revenue, which we consider to be one of the principal considerations for members of the company in assessing the group's performance. Group FS materiality represents 1.5% of the group's revenue as presented on the face of the consolidated statement of comprehensive income.

The materiality for the parent company financial statements as a whole ("parent company FS materiality") was set at \$272k. This has been determined with reference to a 3.5% benchmark of the parent company's net assets as it exists only as a holding company for the group and carries on no external trade, however the parent company FS materiality has been capped based on an allocation of the group FS materiality.

Performance materiality for the group financial statements was set at \$256k, being 65% of group FS materiality, for purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures. We have set it at this amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds group FS materiality. We judged this level to be appropriate based on our understanding of the group and its financial statements, as updated by our risk assessment procedures and our expectation regarding current period misstatements. The performance materiality is set at 65% to reflect the fact that there are few judgemental figures or areas which require a degree of estimation.

Performance materiality for the parent company financial statements was set at \$177k, being 65% of parent FS materiality. The performance materiality is set at 65% in line with the reasons noted above.

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

For the year ended 30 November 2024

## Material uncertainty related to going concern

We draw attention to note 1 of the financial statements, which highlights that, as of the signing date, the ability of the group and the parent company to continue as a going concern is dependent on agreeing a refinancing of the existing loan facilities which are due for repayment in September 2025. Whilst discussions with potential finance providers are ongoing, as no agreements to effect a refinancing have yet been signed, there is no certainty that a refinancing will be successfully completed. Should the group be unable to successfully refinance its existing loan facilities, it and the parent company may become unable to meet their financial commitments as they fall due, which would cast significant doubt on their ability to continue as a going concern. In such a scenario, the group may be required to realise assets and settle liabilities other than in the normal course of business.

As stated in Note 1, these conditions represent a material uncertainty that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Notwithstanding the above, 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 responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report

Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- Review of the forecasts prepared, and challenge of the key assumptions and inputs used by the directors in their prepared models to determine whether there is adequate support for the assumptions underlying these forecasts. Furthermore, we considered the outcome of prior year forecasts to consider the historical accuracy and agreed the consistency of the model to those used elsewhere in the business
- Review of the internal forecast process to assess that the projections are prepared and reviewed by appropriate level of staff having detailed understanding of the entity's market, strategy and changes in customer base
- Assessing the appropriateness of the assumptions concerning growth rates and inputs to the discount rate against latest market expectations and macro-economic assumptions;
- Comparing the forecast results to those actually achieved in the 2025 financial period so far;
- Making inquiries of the Directors knowledge of events or conditions beyond the period of their assessment that may cast significant doubt on the entity's ability to continue as going concern.
- Considering the sensitivity of the assumptions and re-assessing headroom after sensitivity.

## Other information

The other information comprises the information included in Annual Report 2024, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within Annual Report 2024. 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.

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

For the year ended 30 November 2024

## Opinions on other matters prescribed by the Companies Act 2006

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

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

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

## Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 33, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. 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.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the parent company and the group and sector in which they operate and how the parent company and the group are complying with those legal and regulatory frameworks, through our commercial and sector experience, making enquiries of management and those charged with governance, and inspection of the parent company's and the group's key external correspondence.

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

For the year ended 30 November 2024

We understand that the group complies with the framework through:

- Senior management updating operating procedures, manuals and internal controls as legal and regulatory requirements change with the review and approval of the Board;
- The close involvement of executive directors in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the group's ability to conduct its business, and/or where there is a risk that failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the group:

- The Companies Act 2006, UK-adopted international accounting standards (group) and FRS 102 (parent company) in respect of preparation and presentation of the financial statements;
- AIM regulations and Market Abuse Regulations; and
- Requirements from UK and overseas tax and employment legislation.

We performed the following specific procedures to gain evidence about the compliance with the significant laws and regulations above:

- We enquired of management and the Board of Directors whether they were aware of any non-compliance with laws and regulations.
- We corroborated our enquiries through our inspection of board minutes and other information obtained during the course of the audit; and
- We obtained representation from management that they have disclosed to us all known instances of non-compliance or suspected non-compliance with laws and regulations.
- We reviewed the tax computations and performed reconciliations at subsidiary and group levels.
- For components where audit procedures were performed by component auditors, we requested component auditors report to us any instances of non-compliance with laws and regulations that gave rise to a risk of material misstatement of the group financial statements.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the parent company's and the group's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journal entries, incorrect recognition of revenue and accounting estimates such as impairment. These areas were communicated to the other members of the engagement team who were not present at the discussion,

The procedures we carried out to gain evidence in the above areas included:

- Evaluation of the design and implementation of the controls that management has in place to prevent and detect fraud;
- Assessing the accuracy, completeness, and appropriateness of manual journal entries
- To perform detailed testing on a sample of revenue transactions by tracing to contracts and assessing the performance obligations to confirm the correct recognition of revenue (see Key audit matters above)
- Testing management's impairment calculation by challenging discounted future cash flows and key assumptions as explained further in the Key audit matters above

A further description of our responsibilities is available on the FRC's website at:

[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



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

For the year ended 30 November 2024

### 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.

Mark Prince

Senior Statutory Auditor, for and on behalf of

### **S&W Partners Audit Limited**

Statutory Auditor

Chartered Accountants  
Stonecross,  
Trumpington High Street,  
Cambridge CB2 9SU  
9 April 2025

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 November 2024

	Notes	Year to 30 November 2024 \$000s	Year to 30 November 2023 \$000s
<b>Revenue</b>	4	26,309	47,821
Cost of sales		(10,030)	(22,758)
<b>Gross profit</b>		16,279	25,063
Operating expenses		(28,781)	(88,997)
<b>Operating loss</b>		(12,502)	(63,934)
Finance income		200	1,505
Finance expense		(2,156)	(2,269)
<b>Net finance expense</b>	7	(1,956)	(764)
<b>Loss before tax</b>	8	(14,458)	(64,698)
Tax credit	11	494	1,196
<b>Loss after tax</b>		(13,964)	(63,502)
<b>Loss per share</b>			
Basic loss per 1p ordinary share	12	(12.56c)	(67.27c)
Diluted loss per 1p ordinary share	12	(12.56c)	(67.27c)

## Reconciliation to Adjusted EBITDA

	Notes	Year to 30 November 2024 \$000s	Year to 30 November 2023 \$000s
<i>Reconciliation to Adjusted EBITDA</i>			
<b>Operating loss</b>	5	(12,502)	(63,934)
Depreciation	15&16	840	1,309
Amortisation	14	7,238	10,989
<b>EBITDA</b>		(4,424)	(51,636)
Impairment of goodwill and intangible assets		-	48,905
Share option charge	25	45	67
Exceptional items in Operating Costs	6	3,637	4,282
<b>Adjusted EBITDA</b>	5	(742)	1,618

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 2024

	Year to 30 November 2024 \$000s	Year to 30 November 2023 \$000s
Loss for the financial year	(13,964)	(63,502)
Items that may be reclassified subsequently to profit or loss:		
Net foreign exchange (loss)/gain arising on consolidation	(834)	2,750
Other comprehensive (expense)/income	(834)	2,750
<b>Total comprehensive expense for the financial year attributable to equity holders</b>	<b>(14,798)</b>	<b>(60,752)</b>

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 November 2024

Assets	Notes	2024 \$000s	2023 \$000s
<b>Non-current assets</b>			
Property, plant and equipment	15	128	239
Right of use assets	16	984	1,117
Intangible assets	14	23,274	29,273
Trade and other receivables	18	181	184
Deferred tax assets	23	-	348
		<b>24,567</b>	<b>31,161</b>
<b>Current assets</b>			
Inventories	17	2,427	5,099
Trade and other receivables	18	5,325	9,127
Corporation tax receivable	18	255	858
Cash and cash equivalents		2,269	5,771
		<b>10,276</b>	<b>20,855</b>
<b>Total assets</b>		<b>34,843</b>	<b>52,016</b>
<b>Capital and reserves attributable to equity holders of the Group</b>			
Called-up share capital	24	1,822	1,822
Share premium		43,425	43,425
Other equity		(103)	(103)
Capital redemption reserve		12	12
Foreign exchange reserve		(6,805)	(5,971)
Merger reserve		42,750	42,750
Retained earnings		(73,585)	(59,638)
<b>Equity attributable to owners of the parent</b>		<b>7,516</b>	<b>22,297</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	19	10,299	15,518
Lease liabilities	16	430	634
Corporation tax payable	19	274	364
Loans and borrowings	20	13,080	10,607
		<b>24,083</b>	<b>27,123</b>
<b>Non-current liabilities</b>			
Trade and other payables	19	54	26
Lease liabilities	16	616	497
Provisions	21	72	81
Deferred tax liabilities	23	593	496
Loans and borrowings	20	1,909	1,496
		<b>3,244</b>	<b>2,596</b>
<b>Total liabilities</b>		<b>27,327</b>	<b>29,719</b>
<b>Total equity and liabilities</b>		<b>34,843</b>	<b>52,016</b>

The financial statements of Aferian plc (registered number: 05083390) were approved and authorised for issue by the Board of directors on 9 April 2025 and were signed on its behalf by: -

**Mark Carlisle**

Director

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 November 2024

	Notes	Year to 30 November 2024 \$000s	Year to 30 November 2023 \$000s
<b>Cash flows from operating activities</b>			
Cash used in operations	27	(3,562)	(4,917)
Corporation tax refund/(paid)		1,483	(423)
<b>Net cash used in operating activities</b>		<b>(2,079)</b>	<b>(5,340)</b>
<b>Cash flows from investing activities</b>			
Purchases of intangible assets	14	(1,936)	(5,471)
Purchases of property, plant and equipment	15	(12)	(56)
Proceeds on disposal of property plant and equipment		9	-
Interest received	7	8	-
Payment of deferred consideration		-	(310)
<b>Net cash used in investing activities</b>		<b>(1,931)</b>	<b>(5,837)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of new shares		-	4,120
Lease payments	16	(715)	(940)
Interest paid		(1,192)	(1,945)
Repayment of borrowings		-	(11,500)
Proceeds from borrowings		2,500	15,615
<b>Net cash generated from financing activities</b>		<b>593</b>	<b>5,350</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(3,417)</b>	<b>(5,827)</b>
Cash and cash equivalents at beginning of year		5,771	11,524
Effects of exchange rate fluctuations on cash held		(85)	74
<b>Cash and cash equivalents at end of year</b>		<b>2,269</b>	<b>5,771</b>

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 November 2024

	Notes	Share capital \$000s	Share premium \$000s	Other equity \$000s	Merger reserve \$000s	Foreign exchange reserve \$000s	Capital redemption reserve \$000s	Profit and loss \$000s	Total Equity \$000s
<b>Shareholders' equity at 30 November 2022</b>		<b>1,488</b>	<b>39,768</b>	<b>-</b>	<b>42,750</b>	<b>(8,721)</b>	<b>12</b>	<b>3,587</b>	<b>78,884</b>
(Loss) for the year		-	-	-	-	-	-	(63,502)	(63,502)
Other comprehensive expense		-	-	-	-	2,750	-	-	2,750
Total comprehensive (expenses) for the year attributable to equity holders						2,750	-	(63,502)	(60,752)
Share based payment charge	25	-	-	-	-	-	-	277	277
Dividends paid	13	-	-	-	-	-	-	-	-
Issue of share capital, net of issue costs		334	3,657	-	-	-	-	-	3,991
Loan related convertible debt		-	-	(103)	-	-	-	-	(103)
Total transactions with owners		334	3,657	(103)	-	-	-	277	4,165
Total movement in shareholders' equity		334	3,657	(103)	-	2,750	-	(63,225)	(56,587)
<b>Shareholders' equity at 30 November 2023</b>		<b>1,822</b>	<b>43,425</b>	<b>(103)</b>	<b>42,750</b>	<b>(5,971)</b>	<b>12</b>	<b>(59,638)</b>	<b>22,297</b>
(Loss) for the year		-	-	-	-	-	-	(13,964)	(13,964)
Other comprehensive expense		-	-	-	-	(834)	-	-	(834)
Total comprehensive (expenses) for the year attributable to equity holders		-	-	-	-	(834)	-	(13,964)	(14,798)
Share based payment charge	25	-	-	-	-	-	-	17	17
Dividends paid	13	-	-	-	-	-	-	-	-
Total transactions with owners		-	-	-	-	-	-	17	17
Total movement in shareholders' equity		-	-	-	-	(834)	-	(13,947)	(14,781)
<b>Shareholders' equity at 30 November 2024</b>		<b>1,822</b>	<b>43,425</b>	<b>(103)</b>	<b>42,750</b>	<b>(6,805)</b>	<b>12</b>	<b>(73,585)</b>	<b>7,516</b>

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

## 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 end-to-end video streaming platform (including FokusOnTV and 24iQ) and Amino video streaming devices and associated operating and device management software.

The Company is a public limited company which is listed on the AIM of the London Stock Exchange and is incorporated and domiciled in England and Wales. The address of its registered office is given on page 96.

### Basis of preparation

These consolidated financial statements have been prepared in accordance with UK Adopted International accounting standards (‘IFRS’).

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

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

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimate are significant to the Consolidated financial statements are disclosed in Note 2 under two headings: “Critical accounting estimates and significant judgements” and “Key Sources of Estimation Uncertainty”. There are deemed to be no new standards, amendments and interpretation to existing standards, which have been adopted by the Group, that have had a material impact on the financial statements effective from 1 December 2023, however the accounting policies have been updated in line with updated guidance in IAS 1.117A-B.

### Going Concern

Notwithstanding net current liabilities of \$13.8m as at 30 November 2024 and a loss of £14.0m for the year then ended, these financial statements have been prepared on the going concern basis, which the Directors believe to be appropriate for the following reasons.

The Parent Company is a holding entity and as such its going concern is inter-dependent on the Group, therefore its going concern assessment was performed as part of the Group’s assessment.

The Directors have reviewed the Group’s going concern position taking account of its current business activities and their future forecast performance. The factors likely to affect its expected future financial performance are set out in this Annual Report and include the Group’s objectives, policies and processes for managing its capital, its financial risk management objectives and its exposure to credit and liquidity risks.

The Directors have prepared cashflow forecasts for the Group, covering a period of at least 12 months from the date of approval of these financial statements, which show that the Group is expected to operate within its current and expected funding, and meet its liabilities as they fall due. These forecasts include and are dependent upon the refinancing noted below.

The Directors note that the second half performance in FY2024 showed both revenue growth compared to the first half and also significant improvement in adjusted EBITDA as a result of the cost cutting measures taken mid year plus the impact of the second half revenue growth. The Directors also note that since the refinancing in May 2024 the Group has met all of its liquidity covenants.

The Group is in the process of renegotiating a refinancing of its existing bank loans, which are due for repayment in September 2025. A refinancing is required to support the Group’s and the Parent Company’s ongoing operations and future growth.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

## 1. General Information and basis of preparation (continued)

### Going Concern (continued)

As at the reporting date, whilst discussions with potential finance providers are ongoing, as no agreements to effect a refinancing have yet been signed, there is no certainty that a refinancing will be successfully completed.

The ability of the Group and the Parent Company to continue as a going concern is dependent on agreeing a refinancing of the existing loan facilities. Should the Group be unable to successfully refinance its existing loan facilities, it and the Parent Company may become unable to meet their financial commitments as they fall due, which would cast significant doubt on their ability to continue as a going concern. In such a scenario, the Group may be required to realise assets and settle liabilities other than in the normal course of business.

The Directors consider that the Group and Parent Company will trade in line with their three year forecast and will be able to refinance the existing loan facilities and therefore deem it to be appropriate to prepare the financial statements on a going concern basis. Accordingly, the financial statements do not include the adjustments that would be required if the Group and Parent Company were unable to continue as a going concern.

However, the Directors, having considered the above factors, acknowledge that a material uncertainty exists that may cast significant doubt on the ability of the Group and the Parent Company to continue as a going concern.

### 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 2023. The adoption of following amendments to the accounting standards, issued by the IASB and endorsed by the UK during the year ending 30 November 2024 were not applicable or had no impact on the Group's consolidated results, financial position or disclosures:

- Amendments to IAS 16 – Leases (*Liability in a Sale and Leaseback*);
- Amendments to IFRS 17 – Insurance contracts;
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction).

No new standards, amendments or interpretations to existing standards that are applicable to the Group, have been published and that are mandatory for the Group's accounting periods beginning on or after 1 December 2023, or later periods, have been adopted early. The following new standards and interpretations currently in issue but not effective, based on UK mandatory effective dates, are not expected to significantly impact the Group's consolidated results or financial position:

Standard	Description	Effective date for Aferian Group
IAS 1	<i>Presentation of Financial Statements and IFRS Practice Statement 2 (Definition of Accounting Estimates)</i> <i>Presentation of Financial Statements (Classification of Liabilities as Current or Non-Current)</i> <i>Presentation of Financial Statements (Non-current liabilities with covenants)</i>	Year ending 30 November 2025
IAS 7	<i>Supplier finance arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures)</i>	Year ending 30 November 2025
IFRS 9	<i>Amendments to the classification and measurement of financial instruments</i>	Year ending 30 November 2027
IFRS 18	<i>Presentation and Disclosure in Financial Statements issued</i>	Year ending 30 November 2028



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

## 2. Summary of material 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 subsidiaries.

### 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.

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 the 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. Goodwill is recorded in the functional currency of entities acquired, with foreign exchange losses recorded each year, when consolidated in the group's presentation currency.

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

## 2. Summary of material accounting policies (continued)

### 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 early settlement discounts, 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:

- based on 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 assuming it has a standalone value.

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.

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.

Stage of completion is assessed using timesheet records, project management knowledge and experience of the technical work involved. If the contract includes more than one item, the price and the duration for each performance obligation is clearly stated in each contract. No variable consideration or costs of obtaining and fulfilling contracts have been recorded in the year to 30 November 2024 (2023: no variable consideration or costs recorded). Further details are set out in note 4.

### 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 Parent Company's financial statements on pages 89-95 are presented in sterling, which is the Parent 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

## 2. Summary of material accounting policies (continued)

### Foreign currencies (continued)

#### (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.

### Financial instruments

#### (i) Financial assets

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

The Group's financial assets measured at amortised cost comprise trade and other receivables 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.

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.

The impairment rules in IFRS 9 also apply to contract assets. A contract asset is the Group's right to consideration in exchange for goods or services that the Group has transferred to the customer. A contract asset becomes a receivable when the Group's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. The impairment of contract assets is measured, presented and disclosed on the same basis as financial assets that are within the scope of IFRS 9.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

## 2. Summary of material accounting policies (continued)

### Financial instruments (continued)

#### (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, contingent consideration, 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 adjustments through profit and loss.

For debt modifications that are not substantial, the existing liability is not derecognised. The Group however recalculates 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.

### 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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

## 2. Summary of material accounting policies (continued)

### 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, in line with IAS 38. Internally generated intangible assets are amortised on a straight-line basis over their estimated useful lives, which is two years for set top box device development and associated software and three years for video apps. Amortisation commences when the asset is available for use. Development costs are capitalised when the following criteria are met: a product is technically feasible; production and sale are intended; a market exists; expenditure can be measured reliably; and sufficient resources are available to complete the project. Development costs are capitalised up to the amount which, taken together with further related costs, will be recovered from the future economic benefits related to the asset. No interest costs are capitalised. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

No interest costs are capitalised.

#### (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.

#### (iv) Customer relationships

The values placed on customer relationships were based on expected cash inflows due to an existing relationship between the company and its customer and capitalised as part of fair value of adjustments related to acquisitions.

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

### Impairment of intangible assets excluding goodwill

Impairment of intangible assets has been assessed in line with IAS 36. 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

## 2. Summary of material accounting policies (continued)

### 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

## 2. Summary of material 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.

The Group may be entitled to claim tax allowances in relation to qualifying research and development (R&D) Expenditure (e.g., R&D tax credits – which allows a deduction of an extra 86% of qualifying costs from the yearly profit, as well as the normal 100% deduction, to make a total 186% deduction). The Group can recognise such tax credits at the point when it is probable that the benefit will flow to the Group and that the benefits can be reliably measured. Where credits are claimed through R&D tax relief, the amount receivable is considered a direct credit to tax payable and is therefore recognised after profit before tax as part of the tax charge/(credit) for the period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

## 2. Summary of material accounting policies (continued)

### Employee benefits

#### (i) Pension obligations

The Group manages several stakeholder pension schemes, in different jurisdictions and makes contributions to various personal pension schemes on behalf of its employees. The Group does not offer any other post-retirement benefits to its employees. Pension costs are expensed in the consolidated income statement in the financial year in which they are incurred.

#### (ii) Share-based compensation

The Group operates two 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. The fair value of cash-settled share-based payments is revalued at each balance sheet date.

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, include 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.

In the subsidiaries' financial statements, the awards, in proportion to the recipients who are employees in said subsidiary, are treated as an equity-settled share-based payment, as the subsidiaries do not have an obligation to settle the award. An expense for the grant date fair value of the award 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 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.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

## 2. Summary of material accounting policies (continued)

### Leases (continued)

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.

### Nature of leasing activities (in the capacity as lessee)

The group leases 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.

### Provisions

The group has recognised the following:

- provisions for warranty claims from customers, measured at best estimate of expenditure required to settle obligation at reporting date.
- 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. For interim dividends to equity shareholders, recognition occurs upon declaration by the directors. As for final dividends, recognition takes place upon approval by the shareholders at the Annual General Meeting (AGM).

### Reserves

- Share capital – comprises the nominal value of ordinary shares classified as equity.
- Share premium reserve – comprises the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- Other equity – represents the equity element of the convertible loan note issued to the shareholders of the company.
- 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.
- Profit and loss reserve – comprises all current and prior period retained profits and losses.

### 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

## 2. Summary of material accounting policies (continued)

### Critical accounting estimates and significant judgements

The Group makes certain estimates and judgements regarding the future. 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. In the future, actual results may differ from these estimates and judgements. The estimates and judgements that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### *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 short and medium term economic conditions, technological developments and market changes. Details are contained in note 14.

##### *Key sources of estimation uncertainty*

##### *Impairment of intangible assets*

The Group tests annually whether intangible assets, including those acquired through a business combination, 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. Furthermore, where new technology is acquired through an acquisition, management consider the impact this could have on the carrying value of existing technology, that is similar in nature, when preparing the budgets and forecasts. 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.

##### *Other areas of estimation uncertainty*

##### *Assessing the potential impairment of inventories*

In determining whether inventories are impaired, management considers expected future sales including product mix, pricing and volumes. The carrying value of the Group's provision for write-downs and obsolescence is disclosed in note 17.

##### *Assessing the potential impairment of trade receivables*

In determining whether trade receivables are impaired, management adopted a simplified approach within IFRS9 using a provision matrix in the determination of the lifetime expected credit loss. During this process the probability of the non-payment of the trade receivables is assessed. This 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. Details are contained in note 18.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

### 2. Summary of material accounting policies (continued)

#### *Royalties*

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

#### *Revenue – Stage of completion of longer-term software and service contracts*

Certain types of service provision pricing mechanisms require minimal estimation and judgement; however longer-term contracts do require judgments and estimates to be made to determine the stage of completion and the expected outcome of the individual contracts. Management review both the number of hours work performed on contracts against budget as well as the completion of contract milestones and deliverables to assess the stage of completion and the expected outcome of these contracts. This requires management to make estimates and assumptions regarding the future amount of work and cost required to complete each contract.

#### *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.

#### *Taxation*

The Group operates in multiple tax jurisdictions and is subject to complex legislation. In determining current and deferred tax balances, management applies judgement in interpreting tax laws and assessing the likely outcome of positions taken, particularly in areas such as expense deductibility, transfer pricing, and the use of reliefs.

Tax provisions are based on current legislation, available guidance, external advice where relevant, and past experience with tax authorities. Final tax outcomes may differ from initial estimates, with any changes recognised in the period they arise, potentially affecting prior period tax charges or deferred tax balances.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available. This assessment involves judgement about the timing and level of future taxable income, which may change over time.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

### 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, the Swedish Krone, Swiss Francs, the Canadian Dollar 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 2024 and 2023, the Group did not enter 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 2024	USD \$000s	EUR €000s	CHF F000s	GBP £000	SEK kr000s	CZK kc000s	HKD HK\$000s	DKK DKK000s
Trade and other receivables denominated in foreign currency	1,851	65	212	-	4,665	-	-	-
Cash balances denominated in foreign currency	861	20	-	-	-	-	4	2,416
Trade and other payables denominated in foreign currency	(396)	(23)	(143)	(11)	-	-	-	-
<b>Net current assets/(liabilities) denominated in foreign currency</b>	<b>2,316</b>	<b>62</b>	<b>69</b>	<b>(11)</b>	<b>4,665</b>	<b>-</b>	<b>4</b>	<b>2,416</b>

  

As at 30 November 2023	USD \$000s	EUR €000s	CHF F000s	GBP £000	SEK kr000s	CZK kc000s	HKD HK\$000s	CAD \$000s
Trade and other receivables denominated in foreign currency	1,163	146	248	-	2,849	-	-	-
Cash balances denominated in foreign currency	2,408	76	-	-	-	-	93	-
Trade and other payables denominated in foreign currency	(4,314)	(74)	(143)	(40)	-	(399)	(39)	-
<b>Net current assets/(liabilities) denominated in foreign currency</b>	<b>(743)</b>	<b>148</b>	<b>105</b>	<b>(40)</b>	<b>2,849</b>	<b>(399)</b>	<b>54</b>	<b>-</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

### 3. Financial risk management (continued)

At 30 November 2024, 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 (loss)/profit for the year by \$0.1m/\$0.1m (2023: \$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.

#### *(ii) Interest rate risk*

At 30 November 2024, 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 FY2024 the Group's borrowings at variable rate were denominated in USD (2023: USD).

The sensitivity of profit to a reasonably possible change in interest rates of +/- 2% (2023: +/- 2%) with all other variables held constant, at 30 November 2024, would have increased/decreased post-tax (loss)/profit for the year by (\$0.3m)/\$0.3m (2023: \$0.2m/\$0.2m). 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.

#### **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.

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. Where debtors are covered by insurance, the Group's exposure is limited to 10% of the value of the debt that is insured. Where the credit limit authorised by the insurer is exceeded, the exposure would be 100% 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

### 3. Financial risk management (continued)

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

	2024	2023
Financial asset carrying amounts	\$000s	\$000s
<b>Non-current assets</b>		
• trade and other receivables	181	184
<b>Current assets</b>		
• trade and other receivables	5,064	8,134
• cash and cash equivalents	2,269	5,771
	<b>7,514</b>	<b>14,089</b>

Trade and other receivables include \$4.9m (2023: \$7.2m) trade receivables of which \$0.1m (2023: \$1.6m) is covered by insurance, representing coverage of 2% (2023: 20%) on a gross basis. For further details on the analysis of credit risk relating to trade receivables see note 18.

#### 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 2024 the Group had an external multicurrency credit facility of \$16.5m (2023: \$25.4m), of which \$13.1m was drawn at 30 November 2024 (2023: \$10.6m). See note 20 for more details.

At 30 November 2024 the value of external borrowings was \$15.0m (2023: \$12.1m).

	2024	2023
	\$000s	\$000s
<b>Capital</b>		
Total equity	7,516	22,297
Less: cash and cash equivalents	(2,269)	(5,771)
	<b>5,247</b>	<b>16,526</b>
<b>Overall financing</b>		
Total equity	7,516	22,297
Plus: borrowings (see note 20)	14,989	12,103
	<b>22,505</b>	<b>34,400</b>
<b>Capital-to-overall financing ratio</b>	<b>1:4.29</b>	<b>1:2.08</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

### 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. At 30 November 2024, 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	-	13,080	-	-
Other loan	-	-	1,909	-
Trade and other payables	7,898	11	(91)	-
Lease liabilities	292	138	616	-
<b>Total</b>	<b>8,190</b>	<b>13,229</b>	<b>2,434</b>	<b>-</b>

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 \$000s	1 to 5 years \$000s	Later than 5 years \$000s
USD bank loan	10,607	-	-	-
Other loan	-	-	1,496	-
Trade and other payables	12,391	74	26	-
Lease liabilities	346	288	497	-
<b>Total</b>	<b>23,344</b>	<b>362</b>	<b>2,019</b>	<b>-</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

### 4. Revenue

#### Disaggregation of Revenue

In the tables below, 24i refers to the development and sale of its end-to-end video streaming platform and associated services. Amino refers to the development and sale of video streaming devices and software solutions, associated software and a SaaS device 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 2024			Year to 30 November 2023		
	Amino \$000s	24i \$000s	Total \$000s	Amino \$000s	24i \$000s	Total \$000s
USA	5,760	3,819	9,579	6,649	6,994	13,643
Latin America	1,034	224	1,258	4,522	241	4,763
Netherlands	2,356	3,443	5,799	5,731	6,734	12,465
Rest of EMEA	2,089	6,542	8,631	7,960	7,161	15,121
EMEA	4,445	9,985	14,430	13,691	13,895	27,586
Rest of the World	817	225	1,042	1,606	223	1,829
	12,056	14,253	26,309	26,468	21,353	47,821

The Group had 3 (2023: nil) significant customers in the year, defined as representing more than 10% of revenue.

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

	Year to 30 November 2024			Year to 30 November 2023		
	Amino \$000s	24i \$000s	Total \$000s	Amino \$000s	24i \$000s	Total \$000s
Devices *	7,153	3	7,156	20,880	383	21,263
Software and services	4,903	14,250	19,153	5,588	20,970	26,558
	12,056	14,253	26,309	26,468	21,353	47,821

\* Includes integrated software and associated accessories

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

	Year to 30 November 2024			Year to 30 November 2023		
	Amino \$000s	24i \$000s	Total \$000s	Amino \$000s	24i \$000s	Total \$000s
Goods and services transferred at a point in time	7,249	578	7,827	22,130	1,680	23,810
Software licences and services transferred over time	4,807	13,675	18,482	4,338	19,673	24,011
	12,056	14,253	26,309	26,468	21,353	47,821



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

### 4. Revenue (continued)

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

	Year to 30 November 2024			Year to 30 November 2023		
	Amino \$000s	24i \$000s	Total \$000s	Amino \$000s	24i \$000s	Total \$000s
Direct customers	8,484	14,253	22,737	21,612	21,353	42,965
Distribution channel	3,572	-	3,572	4,856	-	4,856
	<b>12,056</b>	<b>14,253</b>	<b>26,309</b>	<b>26,468</b>	<b>21,353</b>	<b>47,821</b>

#### Contract balances

	Contract Assets		Contract Liabilities	
	Year to 30 November			
	2024	2023	2024	2023
	\$000s	\$000s	\$000s	\$000s
At 1 December	1,006	1,191	(2,340)	(2,286)
Transfers in the period from contract assets to trade receivables	(3,175)	(3,354)	-	-
Amounts included in contract liabilities that were recognised as revenue during the period	-	-	1,172	4,587
Excess of revenue recognised over cash (or rights to cash) being recognised during the period	3,224	3,099	-	-
Cash received in advance of performance and not recognised as revenue during the period	-	-	(765)	(4,510)
Foreign exchange gains/(losses)	12	70	(56)	(131)
At 30 November (see Note 18 and 19)	1,067	1,006	(1,989)	(2,340)

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

### 4. Revenue (continued)

#### Remaining performance obligations

The majority of the Group's contracts are for goods and services supplied within the next twelve 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 2024	Year to 30 November		
	2025	2026	2027/28
	\$000	\$000	\$000
Revenue expected to be recognised on Software and Service contracts	1,877	77	35

As at 30 November 2023	Year to 30 November		
	2023	2024	2025/6
	\$000	\$000	\$000
Revenue expected to be recognised on Software and Service contracts	8,127	2,607	270

No variable consideration or costs of obtaining and fulfilling contracts have been recorded in the year to 30 November 2024 (2023: 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

### 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 video streaming devices and solutions, including licensing and support services ("Amino");
- development and sale of the 24i end-to-end video streaming platform and associated services. This includes the results of 24iQ (formerly called the Filter) and FokusOnTV (formerly Nordija) ("24i"); and
- central costs which comprise the costs of the Board, including the executive directors as well as costs associated with the Company's listing on the London Stock Exchange.

Revenues and costs by segment are shown below.

Aferian plc is domiciled in the United Kingdom.

2024	Amino \$000s	24i \$000s	Central costs \$000s	Total \$000s
Revenue				
Software & services	4,903	14,250	-	19,153
Devices *	7,153	3	-	7,156
Total	12,056	14,253	-	26,309
Cost of sales	(5,875)	(5,527)	-	(11,402)
Gross profit	6,181	8,726	-	14,907
Adjusted operating expenses	(5,895)	(8,021)	(1,733)	(15,649)
<b>Adjusted EBITDA</b>	<b>286</b>	<b>705</b>	<b>(1,733)</b>	<b>(742)</b>
Exceptional items				(3,637)
Share based payment charge				(45)
Depreciation and amortisation				(8,078)
<b>Operating loss</b>				<b>(12,502)</b>
Net finance expense				(1,956)
<b>Loss before tax</b>				<b>(14,458)</b>
Additions to non-current assets: Capitalised development costs	609	1,296	-	1,905

\* incorporating integrated software and associated accessories

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

### 5. Segmental analysis (continued)

2023	Amino \$000s	24i \$000s	Central costs \$000s	Total \$000s
Revenue				
Software & services	5,588	20,970	-	26,558
Devices *	20,880	383	-	21,263
Total	26,468	21,353	-	47,821
Adjusted cost of sales	(16,433)	(6,325)	-	(22,758)
Adjusted gross profit	10,035	15,028	-	25,063
Adjusted operating expenses	(9,596)	(12,114)	(1,735)	(23,445)
<b>Adjusted EBITDA</b>	<b>439</b>	<b>2,914</b>	<b>(1,735)</b>	<b>1,618</b>
Exceptional items				(4,282)
Impairment of goodwill				(48,905)
Share based payment charge				(67)
Depreciation and amortisation				(12,298)
<b>Operating loss</b>				<b>(63,934)</b>
Net finance expense				(764)
<b>Loss before tax</b>				<b>(64,698)</b>
Additions to non-current assets: Capitalised development costs	1,060	4,313		5,373

\* 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)	2024 \$000s	Restated 2023 \$000s
United Kingdom	876	1,357
USA	1,865	1,864
Finland	577	969
Netherlands	15,474	19,502
Denmark	4,767	6,064
Rest of the World	1,008	1,057
	<b>24,567</b>	<b>30,813</b>

2023 numbers have been restated to ensure reconciliation to the statement of financial position.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

### 6. Exceptional items

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

	Year to 30 November 2024 \$000s	Year to 30 November 2023 \$000s
Credit arising from the reassessment and release of a prior-period provision	(1,372)	-
Subtotal cost of sales	(1,372)	-
Redundancy and associated other costs	1,381	3,873
Refinancing costs	1,980	267
Acquisition and one-off legal costs	-	142
Impairment of trade receivable and loss on inventory	1,648	-
Subtotal operating expenses	5,009	4,282
Total exceptional items	3,637	4,282
Other exceptional items:		
Impairment charge of goodwill and intangible assets	-	48,905

Exceptional items included in total net finance expense comprise the following charges/(credits):

Fair value adjustment of contingent consideration	(75)	(1,505)
Subtotal finance income	(75)	(1,505)
Unwinding discount on contingent consideration regarding 24iQ	-	278
Fair value adjustment of other loan (see note 20)	270	-
Subtotal finance expense	270	278
Total net finance expense/(income) – exceptional items	195	(1,227)

The exceptional items disclosed above are considered exceptional due to their size, nature or exceptional occurrence, which are not reflective of the Group's normal trading activities.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

### 7. Net finance expense

	Year to 30 November 2024 \$000s	Year to 30 November 2023 \$000s
Interest payable and similar costs	(2,156)	(2,264)
Interest receivable	8	29
Fair value adjustment of contingent consideration	75	1,476
Net foreign exchange losses	117	(5)
	<b>(1,956)</b>	<b>(764)</b>

Interest payable and similar costs comprises:

	Year to 30 November 2024 \$000s	Year to 30 November 2023 \$000s
Bank loan interest	1,767	1,887
Fair value adjustment of other loan (see note 20)	270	-
Unwinding discount on contingent consideration regarding 24iQ	-	278
Lease interest	42	41
Bank and other interest payable	77	58
	<b>2,156</b>	<b>2,264</b>

### 8. Loss before tax

Loss before tax is stated after charging/(crediting):	Year to 30 November 2024 \$000s	Year to 30 November 2023 \$000s
Depreciation of owned property, plant and equipment (see note 15)	110	323
Amortisation of right of use assets (see note 16)	730	986
Amortisation of intangible assets		
• other assets (see note 14)	5,357	6,578
• acquired intangible assets (see note 14)	1,881	4,411
Loss on disposal of property, plant and equipment	1	3
Impairment charge (see note 14)	-	48,905
Research and development expense (excluding amortisation)	5,892	5,421
Auditor's remuneration:		
Audit services		
• fees payable to Company auditor for the audit of the Company and consolidated financial statements	484	388
Other services		
• the auditing of the Company's subsidiaries pursuant to legislation	235	198
• audit related assurance services	14	14
Movement in inventory provision	209	(12)
Net realised loss/(gain) on foreign exchange	(117)	5

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

### 9. Staff costs

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

	Year to 30 November		Year to 30 November	
	2024	2023	2024	2023
	Year end Number	Year end Number	Average Number	Average Number
Customer support and professional services	10	17	10	22
Research and development	39	91	38	129
Sales, marketing and operations	17	30	17	33
General and administration	26	31	25	34
	92	169	90	218
	Year to 30 November 2024		Year to 30 November 2023	
	\$000s		\$000s	
Their aggregate remuneration comprised:				
Wages and salaries		9,416		16,848
Redundancy and associated costs		1,381		3,873
Social security costs		954		1,743
Other pension costs		334		636
Expense of share-based payments (see note 25)		45		67
		12,130		23,167

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

The Group's pension charge for the year was \$334,341 (2023: \$636,323). A receivable of \$4,000 is included within other payables at 30 November 2024 (2023: \$21,000 payable) in respect of the final month's contributions.

### 10. Key management and directors' compensation

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

	Year to 30 November 2024	Year to 30 November 2023
	\$000s	\$000s
Salaries and other short term employee benefits	1,115	1,161
Social security costs	124	115
Company contributions to personal pension schemes	70	73
Expense for share based payments (see note 26)	54	131
	1,363	1,480

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. At the year-end 30 November 2024, key management comprised 4 people (2023: 7).

Directors' emoluments are disclosed in the Remuneration Committee report on page 26

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

### 11. Tax credit

	Year to 30 November 2024 \$000s	Year to 30 November 2023 \$000s
Corporation tax charge for the year	384	670
Release of uncertain tax provision (note 21)	-	(210)
Adjustment in respect of prior years	(1,264)	200
<b>Total current tax (credit)/charge</b>	<b>(880)</b>	<b>660</b>
Net deferred tax (unwinding of deferred tax liability) (see note 23)	386	(1,856)
<b>Total tax credit in consolidated income statement</b>	<b>(494)</b>	<b>(1,196)</b>

The tax credit for the year differs from that calculated by applying the pro-rated standard rate of corporation tax in the UK of 25.0% (2023: 23.0%). The differences are explained below:

	Year to 30 November 2024 \$000s	Year to 30 November 2023 \$000s
Loss on ordinary activities before corporation tax	(14,458)	(64,698)
At the standard rate of corporation tax in the UK of 25% (2023: 23%)	(3,615)	(14,880)
<b>Effects of:</b>		
Amounts not allowable for tax purposes	2,395	13,068
Enhanced deduction for research and development expenditure	(43)	(287)
Research and development losses surrendered	56	-
Adjustment in respect of prior years	(1,264)	200
Losses utilised during the year	(201)	-
Losses carried forward not recognised	1,888	1,110
Effect of different tax rates of subsidiaries operating in other jurisdictions	(97)	(197)
Adjustment in respect of prior years deferred tax	387	-
Release of uncertain tax provision (note 21)	-	(210)
<b>Total current tax credit</b>	<b>(494)</b>	<b>(1,196)</b>

Included in the current year's Adjustment in respect of prior years balance is a tax credit of \$1.0m which had arisen due to resolving an uncertain tax position from prior periods, where the group has received the settlement from HMRC. The remainder relates to truing up assumptions in relation to the FY23 draft tax computations.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

### 12. Earnings per share

	Year to 30 November 2024 \$000s	Year to 30 November 2023 \$000s
Loss attributable to ordinary shareholders	(13,964)	(63,502)
Exceptional items (see note 6)	3,637	4,282
Impairment charge	-	48,905
Share-based payment charges (see note 25)	45	67
Finance expense/(income) (see note 6)	195	(1,227)
Amortisation of acquired intangible assets (see note 14)	1,881	4,411
Deferred tax credit on acquired intangibles (see note 23)	(365)	(1,113)
Loss attributable to ordinary shareholders excluding adjusting items	(8,571)	(8,177)
Weighted average number of shares (Basic)	111,211,865	94,400,906
Dilutive share options outstanding	2,807,121	758,819
Weighted average number of shares (Diluted)	114,018,986	95,159,725
Basic loss per ordinary share of 1p	(12.56)c	(67.27)c
Diluted loss per ordinary share of 1p	(12.56)c	(67.27)c
Adjusted basic loss per ordinary share of 1p	(7.71)c	(8.66)c
Adjusted diluted loss per ordinary share of 1p	(7.71)c	(8.66)c

The calculation of basic earnings per share is based on loss after taxation and the weighted average of ordinary shares of 1p each in issue during the year. The basic and diluted loss per share are the same, as the inclusion of potential ordinary shares would be anti-dilutive. The Company holds 1,482,502 (2023: 1,482,502) 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 (2023: 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

No dividends were declared or paid in the current year (2023: Nil).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

### 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
<b>Cost</b>								
At 30 November 2022	56,292	20,312	2,394	390	1,481	55,187	18,641	154,697
Additions	-	-	-	-	98	5,373	-	5,471
Impairment	(46,409)	(81)	-	-	-	(1,296)	(1,119)	(48,905)
Foreign exchange adjustment	1,455	579	58	-	98	1,070	684	3,944
At 30 November 2023	11,338	20,810	2,452	390	1,677	60,334	18,206	115,207
Additions	-	-	-	-	31	1,905	-	1,936
Foreign exchange adjustment	(307)	(351)	(36)	-	7	(744)	(344)	(1,775)
<b>At 30 November 2024</b>	<b>11,031</b>	<b>20,459</b>	<b>2,416</b>	<b>390</b>	<b>1,715</b>	<b>61,495</b>	<b>17,862</b>	<b>115,368</b>
<b>Amortisation</b>								
At 30 November 2022	-	11,860	1,880	390	1,481	44,176	13,889	73,676
Charge for the year	-	1,556	81	-	20	6,558	2,774	10,989
Foreign exchange adjustment	-	165	31	-	73	537	463	1,269
At 30 November 2023	-	13,581	1,992	390	1,574	51,271	17,126	85,934
Charge for the year	-	732	81	-	63	5,294	1,068	7,238
Foreign exchange adjustment	-	(137)	(23)	-	8	(594)	(332)	(1,078)
<b>At 30 November 2024</b>	<b>-</b>	<b>14,176</b>	<b>2,050</b>	<b>390</b>	<b>1,645</b>	<b>55,971</b>	<b>17,862</b>	<b>92,094</b>
<b>Net book amount</b>								
<b>At 30 November 2024</b>	<b>11,031</b>	<b>6,283</b>	<b>366</b>	<b>-</b>	<b>70</b>	<b>5,524</b>	<b>-</b>	<b>23,274</b>
At 30 November 2023	11,338	7,229	460	-	103	9,063	1,080	29,273

The amortisation charge of intangible assets is recognised in operating expenses in the consolidated statement of comprehensive income.

Development costs relate to a number of projects with varying start dates. All 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.

The acquired intangibles are typically amortised over a range of three to fifteen years.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

## 14. Intangible assets (continued)

### Goodwill

Goodwill acquired in a business combination is allocated to the cash generating units ("CGU's") that expect to benefit from that business combination.

As at 30 November 2024 the Group 4 CGUs (2023: 4 CGUs) as follows:

- 24i Group (Mod Studio) – this CGU comprises cash flows arising from Amino TV (formerly Booxmedia Oy) and 24i Unit Media BV and its subsidiaries.
- Amino – this CGU comprises cash flows arising from Hardware and Software on the Enable platform as well as the Engage Service Assurance platform i.e. AminoVU and AminoOS.
- FokusOnTV – this CGU was from the May 2021 acquisition whilst the activities, and strategic plans are aligned to be 24i, for now this business is treated as a separate CGU
- During 2023 financial year the group impaired the intangible assets of 24iQ CGU in full. This CGU has come from the April 2022 acquisition and its activities and strategic plans are aligned to 24i Group (Mod Studio). As a result, the carrying value of this CGU reduced significantly (\$52k). This CGU will be assessed as part of the 24i Group going forward.

The carrying value of goodwill is allocated to the 4 cash-generating units ("CGUs") as follows:

	2024	2023
CGU	\$000s	\$000s
Cash flows from 24i Group (Mod Studio)	6,565	6,784
Cash flows from 24iQ	-	-
Cash flows from FokusOnTV	2,614	2,702
Cash flows from Amino software and devices	1,852	1,852
	11,031	11,338

Goodwill is reviewed annually for impairment and at the year-end an impairment test was undertaken by comparing the carrying value with the recoverable amount of each CGU. The recoverable amount of each CGU was estimated using the value in use model which estimates the cash flows for the next five years together with a terminal value. Each CGU is considered to have largely independent cashflows.

Management has considered each CGU separately when determining appropriate assumptions. A post-tax discount rate is then applied in order to calculate the present value of such cash flows, which represents the recoverable amount.

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, FokusOnTV, and Amino software and devices. The WACC has then been adjusted to reflect risks specific to that CGU that are not already reflected in the future cashflows. 24iQ assets have been fully impaired by 30 November 2023. The discount rate (WACC) used for the impairment review of each CGU was as follows:

	Discount rate %	Discount rate %
CGU	2024	2023
24i Group (Mod Studio)	16.8%	15.8%
24iQ	-	17.8%
FokusOnTV	15.1%	16.4%
Amino software and devices	15.9%	17.4%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

### 14. Intangible assets (continued)

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 FokusOnTV)	FokusOnTV	Amino software and devices
Annual revenue growth rate	18.4% to 28.8%	(-0.4) to (-0.1)%	(4%) - 9%*
Gross profit margin	74.3 to 71.9%	63.8% to 64.0%	55.2% - 64.1%
Operating cost margin	64.4% - 32.7%	14% - 17%	33.2% - 34.4%
Terminal growth rate from FY28	2%	2%	(2%)

\* Different growth rates have been applied to separate revenue streams

The annual growth rates are based on management's view of customer and product development opportunities. For 24i Group, 24iQ, FokusOnTV, this considers forecast growth from new and existing customers. The long-term growth rate into perpetuity has been assumed to be 2% per annum reflecting the long-term potential of the market in which each of the CGU operates. For Amino, the growth rates are based on management's view on the differing revenue streams. The terminal growth rate for Amino software and devices is assumed as (2%) per annum.

Using the assumptions mentioned above, the impairment analysis showed that there is a surplus of \$27.8m for the Amino CGU, \$27.1m for the 24i Mod Studio CGU and \$8.4m for the FokusOnTV CGU in the estimated value in use over the carrying value of goodwill of each CGU.

#### Sensitivity analysis

All the assumptions mentioned above have been sensitised in order to determine what would each be in order to result in an impairment (using all other revenue and costs assumptions as per the three-year plan – Base case).

The analysis showed the following:

- The net present value of the cashflows would need to fall by a factor of 10.3 to equal the carrying value of the Amino CGU, by a factor of 2.0 for the 24i Mod Studio CGU and by a factor of 2.3 for the 21i DK CGU.
- The post-tax discount rate would need to increase from 15.9% to 138.4% for Amino CGU 16.8% to 27.6% for the 24i Mod Studio CGU and from 15.1% to 37.4% for the 21i DK CGU to result in an impairment of goodwill associated with the CGU.
- The terminal growth rate will have to decrease from 2% to 48.5% negative for the 24i Mod Studio CGU, from 2% negative to 37.6% negative for the Amino CGU and from 2% to 90.6% negative for the 24i DK CGU.

A further scenario was created (Scenario 1) which used the same inputs and assumptions as the ones used in the 3-year plan, except for revenue and cost of sales. In this Scenario 1, the revenue and cost of sales have been reduced to the level that will result in an impairment.

This Scenario 1 has been created in order to find the point where a reduction in revenue and cost of sales will reduce the value in use to the same level as the carrying value and therefore will result in an impairment.

For Amino, revenue and cost of sale must decrease by 56.4% every year vs the forecasted revenue and cost of sales in the five-year forecast. For 24i Group (Mod Studio, the revenue and cost of sales need to decrease by 20% in 2025 to 2028 and, by 18.9% in 2029. For 24i DK CGU, the revenue and cost of sales must decrease every year by 37% from 2025 to 2028 and by 25% in 2029.

The value in use generated from this scenario, for each CGU, although very unlikely, was sensitised further by assessing to it the same weighted probability as last year (50:50 for FokusOnTV and 24i and 60:40 for 24i Group Mod Studio and Amino).

Overall, the impairment analysis showed that no impairment is needed for any CGU. Therefore, management concluded that the goodwill balance does not need to be impaired for any CGU.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

### 15. Property, plant and equipment

	Computer equipment \$000s	Office and other equipment \$000s	Leasehold improvements \$000s	Total \$000s
<b>Cost</b>				
At 30 November 2022	951	834	589	2,374
Foreign exchange adjustment	10	43	3	56
Additions	3	53	-	56
Reclassifications	-	82	(82)	-
Disposals	(8)	(123)	(3)	(134)
At 30 November 2023	956	889	507	2,352
Foreign exchange adjustment	(4)	(55)	2	(57)
Additions	7	5	-	12
Disposals	(11)	(6)	-	(17)
<b>At 30 November 2024</b>	<b>948</b>	<b>833</b>	<b>509</b>	<b>2,290</b>
<b>Depreciation</b>				
At 1 December 2022	841	556	481	1,878
Foreign exchange adjustment	8	34	1	43
Charge for the year	63	248	12	323
Disposals	(6)	(122)	(3)	(131)
At 30 November 2023	906	716	491	2,113
Foreign exchange adjustment	(4)	(51)	2	(53)
Charge for the year	39	59	12	110
Disposals	(6)	(2)	-	(8)
<b>At 30 November 2024</b>	<b>935</b>	<b>722</b>	<b>505</b>	<b>2,162</b>
<b>Net book amount</b>				
<b>At 30 November 2024</b>	<b>13</b>	<b>111</b>	<b>4</b>	<b>128</b>
At 30 November 2023	50	173	16	239

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

### 16. Right of use assets and lease liabilities

#### Right-of-Use Assets

	Land and buildings \$000s	Plant and machinery \$000s	Total \$000s
At 1 December 2022	2,271	5	2,276
Additions	314	-	314
Disposals	(614)	(5)	(619)
Amortisation	(986)	-	(986)
Effect of modification to lease terms	100	-	100
Foreign exchange movements	32	-	32
At 30 November 2023	1,117	-	1,117
Amortisation	(730)	-	(730)
Effect of modification to lease terms	582	-	582
Foreign exchange movements	15	-	15
<b>At 30 November 2024</b>	<b>984</b>	<b>-</b>	<b>984</b>

#### Lease liabilities

	Land and buildings \$000s	Plant and machinery \$000s	Total \$000s
At 1 December 2022	2,293	4	2,297
Additions	314	-	314
Acquired through a business combination	(658)	-	(658)
Interest expense	41	-	41
Effect of modification to lease terms	100	-	100
Lease payments	(940)	-	(940)
Foreign exchange movements	(23)	-	(23)
At 30 November 2023	1,127	4	1,131
Interest expense	42	-	42
Effect of modification to lease terms	582	-	582
Lease payments	(711)	(4)	(715)
Foreign exchange movements	6	-	6
<b>At 30 November 2024</b>	<b>1,046</b>	<b>-</b>	<b>1,046</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

### 17. Inventories

	2024	2023
	\$000s	\$000s
Raw materials	1,661	2,864
Finished goods	766	2,235
	2,427	5,099

The cost of inventories recognised as an expense and included in cost of sales amounted to \$4.6m (2023: \$14.4m). The slow moving inventory provision is \$345k (2023: \$136k).

### 18. Trade and other receivables

	2024	2023
	\$000s	\$000s
<b>Current assets:</b>		
Trade receivables	3,308	6,336
Contract assets (note 4)	1,067	1,006
Other receivables	689	792
Prepayments	261	993
<b>Trade and other receivables</b>	<b>5,325</b>	<b>9,127</b>
Corporation tax receivable	255	858
<b>Current assets: due within one year</b>	<b>5,580</b>	<b>9,985</b>
<b>Non-current assets:</b>		
Other receivables	181	184

	2024	2023
	\$000s	\$000s
<b>Trade receivables</b>		
Neither past due nor impaired	2,809	3,919
Under 90 days overdue but not provided for	407	2,005
Over 90 days overdue and provided for	1,625	875
Over 90 days overdue but not provided for	92	412
	4,933	7,211
Provision for credit losses brought forward	(875)	(646)
Provision for receivables impaired	(943)	(703)
Amounts recovered during the year	-	167
Balances written off as irrecoverable	196	368
Foreign exchange translation gains and losses	(3)	(61)
Provision for credit losses carried forward	(1,625)	(875)
<b>Net trade receivables</b>	<b>3,308</b>	<b>6,336</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

### 18. Trade and other receivables (continued)

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 (ECL), using a lifetime ECL provision for trade receivables and contract assets. ECLs are estimated based on historical credit losses experienced over the twelve-month period prior, adjusted for current and forward-looking information on macroeconomic factors including GDP, unemployment and inflation.

Credit insurance forms part of the credit risk management strategy and is reviewed on an annual basis. Standard credit terms vary from customer to customer largely based on territory. At the year end \$2.1m of debts were past due (2023: \$3.3m). Of total over 90 days overdue a total of \$1.6m (2023: \$0.9m) has been provided for.

### 19. Trade and other payables

	2024 \$000s	2023 \$000s
<b>Current liabilities</b>		
Trade payables	4,517	7,139
Other payables	25	71
Accruals	3,276	5,207
<b>Total current financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost</b>	<b>7,818</b>	<b>12,417</b>
Contingent consideration	-	74
<b>Total current financial liabilities measured at fair value</b>	<b>-</b>	<b>74</b>
Social security and other taxes	492	687
Contract liabilities (Note 4)	1,989	2,340
<b>Total trade and other payables</b>	<b>10,299</b>	<b>15,518</b>
Lease liabilities	430	634
Corporation tax payable	274	364
	<b>11,003</b>	<b>16,516</b>
<b>Non-current liabilities</b>		
Other payables	54	26
Lease liabilities	616	497
	<b>670</b>	<b>523</b>

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

### 20. Loans and borrowings

	2024	2023
	\$000s	\$000s
Bank loans (secured)	13,080	10,607
Other loan (unsecured)	1,909	1,496
<b>Total borrowings</b>	<b>14,989</b>	<b>12,103</b>

In May 2024, the Company secured an extension to its banking facilities, previously due to mature on 23 December 2024 to 30 September 2025. At 30 November 2024, \$13.1m was drawn under these facilities. The interest margin payable on the drawn amount of the facilities has been increased to between 3% to 4.5% over SOFR (dependent on net leverage). The leverage, interest cover and fixed charge cover ratio covenants have been removed, and the available liquidity covenant has been relaxed, affording the Group greater flexibility.

On 31 May 2023, the Group secured a loan of \$1.3m arranged by its largest shareholder, Kestrel Partners LLP. This loan (including accrued interest) is (if not prepaid) repayable in January 2026. Under the terms of the loan, warrants over 4.5m ordinary shares are issuable to the lenders, representing approximately 5.2% of Group's issued share capital. The principal terms of the shareholder loan and related warrants were amended in May 2024 to reflect a 5% increase in the annual coupon to 15% and a reduction in the strike price of the warrants from 17p to 5p per ordinary share. The facility was also extended to January 2026. Full exercise of the warrants would result in cash proceeds of \$0.3m payable to Aferian Plc.

Following the amendment of the terms of the loan in May 2024 for both interest and term this resulted in a fair value adjustment of \$0.3m in the year which has been recognised in the income statement under net finance expense.

The loan arranged by the company's largest shareholder constitutes a form of convertible debt which is accounted for as a compound instrument under IAS 32. The fair value of the loan liability component is recognised as non-current liability as the loan is repayable in January 2026, and calculated based on the present value of the contractual stream of future cash flows discounted at the market rate of interest that would have been applied to an instrument of comparable credit quality with substantially the same cash flows, on the same terms, but without the conversion option. The residual loan book value is recognised as the equity component. On the basis that the loan would be accounted for as convertible debt, fair value accounting for warrants is not required. The book value and fair value of the bank loan are identical.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

### 21. Provisions

	2024 \$000s			2023 \$000s		
	Uncertain tax	Warranty	Total	Uncertain tax	Warranty	Total
At 1 December	-	81	81	210	78	288
Credited in the year	-	(10)	(10)	(210)	(2)	(212)
Foreign exchange adjustment	-	1	1	-	5	5
At 30 November	-	72	72	-	81	81

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 experience of return rates and specific product quality issues. The provision is expected to be utilised or reversed within the next two years.

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

### 22. Financial assets and liabilities

Below is the analysis of financial assets and liabilities measured at either amortised cost or at fair value. The accounting policies applied are set out in note 2.

Carrying value of financial assets and liabilities within the consolidated balance sheet:	2024 \$000s	2023 \$000s
<b>Financial assets</b>		
Trade and other receivables due after one year	181	184
Trade and other receivables due within one year	5,064	8,134
Cash and cash equivalents	2,269	5,771
<b>Financial assets at amortised cost</b>	<b>7,514</b>	<b>14,089</b>
<b>Financial liabilities</b>		
Trade and other payables at amortised cost	4,542	7,210
Accruals	3,276	5,207
Bank loan	13,080	10,607
Other loan	1,909	1,496
Lease liabilities due within one year	430	634
Lease liabilities due after more than one year	616	497
<b>Financial liabilities at amortised cost</b>	<b>23,853</b>	<b>25,651</b>
Contingent consideration	-	74
<b>Financial liabilities at fair value</b>	<b>-</b>	<b>74</b>

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

### 23. Deferred tax

#### 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. The deferred tax liability has been presented net of deferred tax assets of \$nil (2023: \$0.3m):

	As at 30 November 2024		As at 30 November 2023	
	Amount recognised \$000s	Amount unrecognised \$000s	Amount recognised \$000s	Amount unrecognised \$000s
Deferred tax liability				
At 1 December	148	-	1,113	-
Recognised in the income statement	386	-	(993)	-
Foreign exchange adjustment	59	-	28	-
At 30 November	593	-	148	-

No deferred tax asset is recognised on a further \$20.3m of other trading losses (2023: \$12.7m). During the year, the Group used \$nil of tax losses (2023: \$nil) that were previously unrecognised.

### 24. Share capital

	2024 \$000s	2023 \$000s
<b>Allotted, called up and fully paid</b>		
112,694,609 (2023: 112,694,609) Ordinary shares of 1p each	1,822	1,822

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 2023	112,694,609	(1,482,502)	111,212,107
At 30 November 2024	112,694,609	(1,482,502)	111,212,107

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

### 25. Share based payments

Options granted to current and former employees and non-executives and others were under unapproved share option schemes. Options granted under these schemes will initially 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 2023 Number	Granted Number	Exercised Number	Lapsed Number	As at 30 November 2024 Number	Notes
March 2019	£0.86	374,000	-	-	(374,000)	-	
July 2019	£0.00	535,000	-	(310,000)	-	225,000	(d)
March 2020	£1.13	452,333	-	-	(57,411)	394,922	(c)
March 2021	£1.675	349,116	-	-	(124,112)	225,004	(c)
March 2021	£0.00	31,933	-	-	(31,933)	-	(e)
May 2021	£1.41	251,593	-	-	(229,569)	22,024	(c)
August 2021	£0.00	328,000	-	-	(328,000)	-	(f)
November 2022	£0.89	452,529	-	-	(232,022)	220,507	(c)
September 2024	£0.03	-	5,000,000	-	-	5,000,000	(a)
September 2024	£0.06	-	1,750,000	-	-	1,750,000	(b)
September 2024	£0.10	-	1,750,000	-	-	1,750,000	(c)
October 2024	£0.03	-	900,000	-	-	900,000	(g)
		2,774,504	9,400,000	(310,000)	(1,377,047)	10,487,457	

Notes:

- (a) These options will vest one year after the date of grant.
- (b) These options will vest two years after the date of grant.
- (c) These options will vest three years after the date of grant.
- (d) As detailed in the Aferian plc Annual Report 2022, the vesting conditions for these options were met in full. However, vesting of the awards did not occur in 2022 due to a close period and the significant change in trading circumstances at the time resulting in an agreement to defer vesting. The Remuneration Committee agreed on 11 January 2024 that the Awards be converted to nil-cost share options, valid for ten years from date of original grant, subject only to continued employment of the recipient or for a period of six months following cessation of that employment. Donald McGarva exercised 310,000 options during the year which was settled in cash totalling \$14,796.
- (e) The vesting conditions of these options are as set out in the table below. The conditions above were not met and the options lapsed during the year.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

## 25. Share based payments (continued)

- (f) The vesting conditions of these options are as set out in the table below. The conditions above were not met and the options lapsed during the year.

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

- (g) Options will vest on the first day between 1 April 2025 and 31 January 2026 immediately following a 90 day preceding period during which the average closing share price was more than 10 pence.

For options exercised in year:

- The weighted average exercise price of options exercised was £nil (2023: £nil).
- The weighted average share price at date of exercise was £0.04 (2023: £nil).

For options granted in year:

- The weighted average fair value of options granted was £0.01 (2023: £nil).
- The weighted average exercise price of options granted was £0.05 (2023: £nil).

For options lapsed in year:

- The weighted average exercise price of options lapsed was £0.82 (2023: £0.89).

At 30 November 2024 there were a total of 10,487,457 options outstanding of which 866,950 had vested and were exercisable with a weighted average exercise price of £0.99 (2023: 2,774,504 options outstanding of which 1,361,333 had vested and were exercisable with a weighted average exercise price of £0.61). The options outstanding at the end of the year have a weighted average contractual life of 1.3 years (2023: 0.7 years).

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 2024 \$000s	As at 30 November 2023 \$000s
Equity-settled share-based payments	17	278
Cash-settled compensation plans	28	(211)
	45	67

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

### 25. Share based payments (continued)

The fair values of options granted were determined using a Black-Scholes model or Monte Carlo simulation option pricing model that takes into account factors specific to the share option plans, such as the vesting period. The related 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 valuations:

Grant date	26 September 2024	26 September 2024	26 September 2024
	26 September 2025	26 September 2026	26 September 2027
Vesting period ends			
Share price at date of grant	£0.025	£0.025	£0.025
Volatility	87.70%	72.30%	63.90%
Option life	2 years	3 years	4 years
Dividend yield	n/a	n/a	n/a
Risk-free investment rate	3.977%	3.75%	3.865%
Fair value at grant date	£0.011	£0.007	£0.005
Exercise price at date of grant	£0.03	£0.06	£0.10
Exercisable to	26 September 2027	26 September 2028	26 September 2029

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

### 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 2023 Number	Granted Number	Exercised Number	Lapsed Number	As at 30 November 2024 Number	Notes
06 April 2022	133,497	-	-	(70,953)	62,544	(a)

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

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 2024	Fair value at 30 November 2023
06 April 2022	£0.43	£0.25

### 26. Investment in own shares

Offset within the Group profit and loss reserve at 30 November 2024 is an amount of \$126 (2023: \$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 \$2,097,639 (2023: \$2,097,639) is offset within the Group profit and loss reserve at 30 November 2024 in relation to 1,482,502 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

## 27. Notes supporting statement of cash flows

Cash generated from operations	Year to 30 November 2024 \$000s	Year to 30 November 2023 \$000s
Loss for the year	(13,964)	(63,502)
Tax credit	(494)	(1,196)
Net finance costs	1,956	764
Amortisation charge	7,238	10,989
Depreciation charge	840	1,309
Impairment charge	-	48,905
Loss on disposal of property, plant and equipment	1	3
Share based payment charge	45	67
Exchange differences	(76)	186
Decrease in inventories	2,672	4,123
Decrease in trade and other receivables	3,378	10,719
Decrease in provisions	(10)	(2)
Decrease in trade and other payables	(5,148)	(17,282)
<b>Cash used in operations</b>	<b>(3,562)</b>	<b>(4,917)</b>

Adjusted operating cash flow before exceptional cash outflows was cash outflow \$0.2m (2023: cash inflow \$3.2m).

	2024 \$m	2023 \$m
Adjusted operating cash flow before tax	(201)	3,191
Restructuring and associated other costs	(1,381)	(3,778)
Refinancing and other costs	(1,980)	(475)
Aborted acquisition costs	-	(3,855)
<b>Cash used in operations before tax</b>	<b>(3,562)</b>	<b>(4,917)</b>

	Current loans and borrowings (note 20) \$000s	Lease liabilities (note 16) \$000s	Total \$000s
At 30 November 2022	7,531	2,297	9,828
Cash flows	3,263	(940)	2,323
Non-cash flows:			
Fair value adjustments of other loan	139	-	139
Additions, modifications and disposals (note 16)	-	(244)	(244)
Effects of foreign exchange	10	(23)	(13)
Interest accruing in the year	1,160	41	1,201
<b>At 30 November 2023</b>	<b>12,103</b>	<b>1,131</b>	<b>13,234</b>
Cash flows	1,446	(715)	731
Non-cash flows:			
Fair value adjustments of other loan (note 7)	270	-	270
Additions, modifications and disposals (note 16)	-	582	582
Effects of foreign exchange	9	6	15
Interest accruing in the year	1,161	42	1,203
<b>At 30 November 2024</b>	<b>14,989</b>	<b>1,046</b>	<b>16,035</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 November 2024

### 28. Contingent liabilities

The Group previously identified a potential historical third-party claim, holding a provision in the statement of financial position in 2023 of \$1.4m. Following a reassessment, management has concluded that while a potential obligation exists, the likelihood of an outflow of economic resources is considered possible but not probable. As a result, the previously recognised provision has been released, and the matter is disclosed as a contingent liability. The Group will continue to monitor the situation and reassess its position should further information become available.

The Group receives claims from time-to-time over royalties for alleged infringement of intellectual property. It is also subject to the audit of royalty payments made under agreements with these technology providers. The Group has previously reviewed the output of the most recent audit of royalty payments which was completed by one such technology provider in April 2024 and has continued to record the expected costs in relation to these audit findings.

The Group had no other contingent liabilities at 30 November 2023 or 30 November 2024.

### 29. Related party transactions

Dividends totalling \$nil (2023: \$nil) were paid in the year in respect of ordinary shares held by the Company's directors.

Name of related party	Nature of purchases	Relationship	Balances owed by/(to) the Group		Purchases by the Group	
			As at 30 November 2024	As at 30 November 2023	Year to 30 November 2024	Year to 30 November 2023
			\$000s	\$000s	\$000s	\$000s
Steve Oetegenn	Consultancy services	Non-executive director	-	-	194	228
Kestrel Partners	Director fees	Non-executive director	5	9	47	52

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 26.

In May 2023 certain funds managed by Kestrel Partners LLP (together the "Kestrel Lenders") provided an unsecured term loan facility of up to £3.25m to the Company. £1.125m of this facility was drawn (the "loan arranged by its largest shareholder") and the balance was cancelled on completion of the placing of new ordinary shares in July 2023. In connection with the drawing of the loan, the Company issued to the Kestrel Lenders warrants ("Warrants") to subscribe for a total of 4.5m ordinary shares at 17p per ordinary share.

The original maturity date of the loan was approximately four months after the previous maturity date of the Group's senior banking facilities. Therefore, and as required by the Company's bank lenders in connection with the extension and revisions to the Group's senior banking facilities as set out above, the Company has agreed with the Kestrel Lenders an extension to the maturity date by which the loan must be repaid, from 31 March 2025 to 31 January 2026.

The principal terms of the loan arranged by Kestrel and related warrants were also amended to reflect a 5% increase in the annual coupon on the loan with interest rolling up on a quarterly basis, paid in kind, to 15% and a reduction in the strike price of the Warrants from 17p to 5p per ordinary share.

### 30. Post balance sheet events

There are no other post balance sheet events requiring disclosure in the financial statements for the year ended 30 November 2024.



# COMPANY BALANCE SHEET

For the year ended 30 November 2024

	Notes	2024 £000s	2023 £000s
<b>Fixed assets</b>			
Investments	3	9,551	9,540
<b>Current assets</b>			
Debtors: amounts falling due within one year	4	18,864	17,843
Cash at bank and in hand		8	77
		<b>18,872</b>	<b>17,920</b>
<b>Creditors: amounts falling due within one year</b>	5	<b>(9,355)</b>	<b>(7,877)</b>
<b>Net current assets</b>		<b>9,517</b>	<b>10,043</b>
<b>Creditors: amounts falling due after more than one year</b>	5	<b>(1,499)</b>	<b>(1,189)</b>
<b>Total assets less liabilities being net assets</b>		<b>17,569</b>	<b>18,394</b>
<b>Capital and reserves</b>			
Called-up share capital	6	1,127	1,127
Share premium		29,298	29,298
Other equity		(100)	(100)
Merger reserve		8,955	8,955
Capital redemption reserve		6	6
Profit and loss account		(21,717)	(20,892)
<b>Total shareholder funds</b>		<b>17,569</b>	<b>18,394</b>

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 loss after tax was £835,946 (2023: loss of £31,070,338).

The financial statements were approved and authorised for issue by the Board of directors on 9 April 2025 and were signed on its behalf by:

**Mark Wells**

Director

Registered number: 05083390

**Mark Carlisle**

Director

# COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 November 2024

	Share capital £000s	Share premium £000s	Other equity £000s	Merger reserve £000s	Capital redemption reserve £000s	Profit and loss £000s	Total £000s
<b>At 01 December 2022</b>	<b>867</b>	<b>26,577</b>	<b>-</b>	<b>8,955</b>	<b>6</b>	<b>10,111</b>	<b>46,516</b>
Loss for the year	-	-	-	-	-	(31,070)	(31,070)
Total comprehensive loss	-	-	-	-	-	(31,070)	(31,070)
Share based payment charge	-	-	-	-	-	67	67
Issue of share capital, net of issue costs	260	2,721	(100)	-	-	-	2,881
Total transactions with shareholders	260	2,721	(100)	-	-	67	2,948
<b>At 30 November 2023</b>	<b>1,127</b>	<b>29,298</b>	<b>(100)</b>	<b>8,955</b>	<b>6</b>	<b>(20,892)</b>	<b>18,394</b>
Loss for the year	-	-	-	-	-	(836)	(836)
Total comprehensive loss	-	-	-	-	-	(836)	(836)
Share based payment charge	-	-	-	-	-	11	11
Total transactions with shareholders	-	-	-	-	-	11	11
<b>At 30 November 2024</b>	<b>1,127</b>	<b>29,298</b>	<b>(100)</b>	<b>8,955</b>	<b>6</b>	<b>(21,717)</b>	<b>17,569</b>

# NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

For the year ended 30 November 2024

## 1. Summary of material 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

Refer to note 1 of the Group accounting information which explains the material uncertainty over the Parent Company's going concern.

### 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.

### 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.

# NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

For the year ended 30 November 2024

## 1. Summary of material accounting policies (continued)

### 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.

### 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.

### 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.
- 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.

### Critical accounting estimates and significant judgements

The Company makes certain estimates and judgements regarding the future. 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. In the future, actual results may differ from these estimates and judgements. The estimates and judgements that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### *Critical judgements in applying the Company's accounting policies*

##### *Key sources of estimation uncertainty*

##### *Impairment of investments and intercompany debt*

The Company tests annually whether investments and any amounts owed by group undertakings have been impaired by reference to expected future generation of cash from the Group. The estimated cash flows calculated as part of the Group annual test of impairment of intangible assets are utilised and compared against the carrying values at year end. In estimating the cash flows the directors make judgements, based on budgets and forecasts, about the amount of future profits the Group will generate and the timing of when these will be realised. See Note 14 in the Group financial statements for further details.

# NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

For the year ended 30 November 2024

## 2. Loss for the year

The loss for the year includes a dividend received from its subsidiary Amino Holdings Limited of £nil (2023: nil). Directors' emoluments are disclosed in the Remuneration Committee report on page 26. The Company had no employees in either year. The audit fee for the Parent Company was £3,520 (2023: £3,520). This expense was met by a subsidiary.

## 3. Fixed asset investments

	2024 £000s	2023 £000s
Cost and net book value as at 1 December	9,540	35,706
Capital contributions arising from share-based payments charge	11	67
Additional investment in subsidiaries	-	4,106
Additional impairment of investment	-	(30,339)
<b>Cost and net book value as at 30 November</b>	<b>9,551</b>	<b>9,540</b>

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 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%
24i Unit Media A/S	Denmark	Ordinary shares of DKK 1 each	*100%
24i Unit Media Limited	England and Wales	Ordinary shares of 1p 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 2024.

# NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

For the year ended 30 November 2024

## 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 and video streaming market.
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 Oy	c/o Regus-Helsinki Graniittitalo, Antinkatu 3 D, Helsinki, Finland	Provision of Cloud-TV technology as a service, enabling broadcasters, operators and copyright owners to deliver TV services
Amino Technologies (US) LLC	39899 Balentine Drive, Suite 200, Newark, CA 94560, 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	Herengracht 124, 1015 BT Amsterdam, The Netherlands	Non-trading intermediate holding company
24i Unit Media BV	Herengracht 124, 1015 BT 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	39899 Balentine Drive, Suite 200, Newark, CA 94560, USA	See 24i Unit Media BV
24i Media s.r.o	Londýnské náměstí 1, 639 00 Brno, Czech Republic	See 24i Unit Media BV
Mutilus s.r.o	Londýnské náměstí 1, 639 00 Brno, Czech Republic	See 24i Unit Media BV
24i Media ES S.L.	Calle del Prado 4 1ºB, 28014 Madrid Spain	See 24i Unit Media BV
24i Unit Media A/S	Gl. Lundtoftevej 1 E, DK- 2800 Kgs. Lyngby, Denmark	Develops and sells a software platform for TV and video services
24i Unit Media Limited	Botanic House, 100 Hills Road, Cambridge, CB2 1PH	Develops and sells recommendation services and data analytics tool

### Statutory instrument exemption

The following subsidiary is exempt from the requirements of the Companies Act 2006 relating to the audit of accounts under section 479A of the Act:

- 24i Unit Media Limited

# NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

For the year ended 30 November 2024

## 4. Debtors

	2024	2023
	£000s	£000s
Amounts owed by Group undertakings	18,802	17,724
Prepayments	1	69
VAT	61	50
	18,864	17,843

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

	2024	2023
	£000s	£000s
<b>Amounts falling due within one year</b>		
Trade payables	449	782
Other payables	35	-
Amounts owed to Group undertakings	8,871	7,095
	9,355	7,877
<b>Amounts falling due after more than one year</b>		
Other loans (unsecured)	1,499	1,189

Amounts owed to the Group undertakings are unsecured, due on demand and subject to a market rate of interest. The amounts owed to group undertakings have been classified as current, as there is no right to defer payment for more than 12 months. However, the entity has received an undertaking that they will not have to repay the monies owed for a period of at least 12 months.

## 6. Share capital

	2024	2023
	£000s	£000s
<b>Allotted, called up and fully paid</b>		
112,694,557 (2023: 112,694,557) Ordinary shares of 1p each	1,127	1,127

Details of movements in share capital together with the key rights and preferences of the share capital are disclosed in note 24 of the consolidated group financial statements.

## 7. Dividends

No dividends were paid or proposed for the financial year ended 31 December 2024 (2023: £nil).

## 8. Share based payments

Information on share options which have been granted to directors and employees are given in note 25 to the consolidated financial statements.

## 9. Related party transactions

The Company takes advantage of the exemption under FRS102 for transactions with wholly owned group companies. There were no other related party transactions during the year, other than dividends totalling £nil (2023: £nil) paid in the year in respect of ordinary shares held by the Company's directors.

## AFERIAN PLC

For the year ended 30 November 2024

<b>Directors</b>	<p>Mark Wells, Non-executive Chairman</p> <p>Mark Carlisle, Chief Executive Officer</p> <p>Steve Oetegenn, Non-executive Director</p> <p>Sebastian White – Non-executive Director</p> <p>Bruce Powell, Non-executive Director (resigned)</p> <p>Max Royde, Non-executive Director (resigned)</p> <p>Allen Broome, Non-executive Director (resigned)</p> <p>Donald McGarva, Executive Director (resigned)</p>
<b>Registered Office</b>	<p>Botanic House</p> <p>100 Hills Road</p> <p>Cambridge</p> <p>CB2 1PH</p>
<b>Secretary</b>	<b>Mark Carlisle</b>
<b>Nominated Adviser and Stockbroker</b>	<p><b>Zeus Capital Ltd</b></p> <p>125 Old Broad St.</p> <p>London</p> <p>EC2N 1AR</p>
<b>Auditor</b>	<p><b>CLA Evelyn Partners Limited</b></p> <p>45 Gresham Street, London EC2V 7BG</p>
<b>Solicitors to the Company</b>	<p><b>Bryan Crave Leighton Paisner</b></p> <p>Governor's House</p> <p>5 Laurence Pountney Hill</p> <p>London EC4R 0BR</p>
<b>Registrars and Receiving Agents</b>	<p><b>Link Group</b></p> <p>10th Floor, Central Square</p> <p>28 Wellington Street</p> <p>Leeds LS1 4DL</p>
<b>Head Office</b>	<p><b>Aferian plc</b></p> <p>1010 Cambourne Business Park</p> <p>Cambourne</p> <p>Cambridge</p> <p>CB23 6DP</p> <p>Tel: +44 (0) 1223 598 197</p>



# GLOSSARY OF TERMS

- **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. It incorporates the acquisitions of 24i Unit Media A/S (Nordija), 24i Unit Media Ltd (The Filter) and Amino Communications Oy (Booxmedia).
- **Adjusted cash flow from operations before tax:** cashflow from operations excluding exceptional items.
- **Adjusted operating expenses** – Operating expenses less depreciation, amortisation, interest, tax, impairment of goodwill, exceptional items and share-based payment charges.
- **Adjusted EBITDA:** Operating profit that excludes depreciation, amortisation, interest, tax, impairment of goodwill, exceptional items and share-based payment charges.
- **Adjusted operating profit:** Operating profit that excludes amortisation of acquired intangibles assets, impairment of goodwill, 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 5.
- **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 the year end date.
- **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.
- **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.
- **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.
- **SOFR (Secured Overnight Financing Rate):** SOFR is the benchmark interest rate for US dollar denominated financial contracts based on transactions in the US Treasury market.