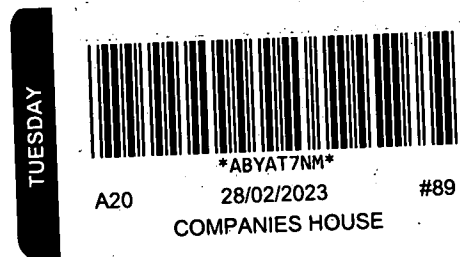


Registration number: 09587916

BEMYEYE HOLDINGS LIMITED

Consolidated Financial Statements

for the Year Ended 31 December 2021





BEMYEYE HOLDINGS LIMITED

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BEMYEYE HOLDINGS LIMITED

Company Information

Directors

F Boni
L Pagano
P De Nardis
G Donvito
M Pretolani
C F Roqueta
A Eliseev
F Gregori

Company number

09587916

Registered office

Bemyeye Holdings Limited
c/o GOP
6-8 Tokenhouse Yard
London
EC2R 7AS

Auditor

MHA MacIntyre Hudson
6th Floor, 2 London Wall Place
London
EC2Y 5AU



BEMYEYE HOLDINGS LIMITED

Strategic Report for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

Principal activity

The principal activity of the company during the period was that of a holding company.

The principal activity of the group during the period was that of conducting market research and public opinion polling.

Fair review of the business

BeMyEye Holding Limited and subsidiaries' (the 'Group' or 'BeMyEye') focus is on redefining the world of field marketing by putting real time in-store data at the heart of it. The Group is operating in 28 countries across Europe and Russia and leverages 3.4 million on demand data gathers (known as Eyes) to collect actionable insight in large supermarkets, independent grocers and specialist stores on behalf of 117 leading manufacturers and retailers. The Group is based in London, UK, with staff operating in Milan (Italy), Paris (France), Frankfurt (Germany) and Moscow (Russia). The market for the Group's technology solutions and services is global, with most of its existing sales to companies are in Europe. In the future, the Group anticipates broadening its geographical reach. To maintain the Group's leading-edge software-based solutions, the Group continues to invest in research and development. In addition, to meet the demand for further customer enhancements, the Group continues to open new markets.

Customers can either place i) one-off orders or ii) recurring multi-year orders. The contracts are variable in size and range in value and term depending upon the nature of the contract. Revenue is recognised based on the stage of completion of a project. For consumption projects this typically is on the basis of Eye visits completed and subscription IR (Image recognition) deals based on the proportion of images processed of the total purchase. BeMyEye has many customer contracts that are renewable annually and provide regular monthly or quarterly revenue. Recurring revenue also comes from clients, provided they continue to renew and previous transaction volumes can be relied upon to continue into the future. The renewal rate of the Group's customers remains stable.

The World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic in March of 2020. The immediate impact of the virus on the business was by way of lockdowns, restricting Eye activity and hence the Group's ability to generate revenue. This effect continued throughout 2021, particularly in Q1 2021 where much of Europe was still on lockdown. Further, the ongoing impact of Covid led to caution and restriction in some client budgets, which affected the whole of the 2021 period.

The number of clients decreased in the period from 140 in 2020 to 117. This is due both to Covid (impact on client budgets or pausing of activity due to uncertainty) and the net churn of lower value and margin accounts. Despite this back drop, the outlook for the Group is positive, in this same period Net orders have increased by 46% to €5.6m with an improvement on the average order per client from €32k in 2019 to €45k in 2021.

The Group continues to develop existing and new markets, maturing relationships with its Blue-Chip clients and rolling out successful one territory projects to multiple locations. Furthermore, the Group continues to convert more of its deals to recurring relationships and grow its ARR ('Annual Recurring Revenue').

BEMYEYE HOLDINGS LIMITED

Strategic Report for the Year Ended 31 December 2021

Financial KPIs

The Group's key financial and other performance indicators during the year were as follows:

	2021	2020
Revenue	€3,738,327	€2,912,734
Gross profit margin	€1,785,343	€1,253,388
Gross profit percentage	48%	43%

The Group's other key financial and other performance indicators during the year were as follows:

- The Group's loss before tax increased to €7,536,242 (2020: €4,991,105) as a result of the Group investing in operations following a disruptive 2020 due to Covid 19 and an impairment of Group goodwill, classified as an exceptional administrative expense, totalling €2,547,587 (2020: €Nil). Like for like loss before tax adjusting for the impairment totals €4,988,655.
- The Group's trade debtors and other receivables at the end of the financial year were €2,196,392 (2020: €1,740,144). Debtor days for the Group represented 147 days compared to 149 days at the end of 2020. The trade and other creditors and accruals at the end of the financial year were €3,862,442 (2020 €2,934,559 (as restated)) with creditor days decreasing from 43 days in 2020 to 36 days in 2021. Cash outflow from operations for the year was €3,110,344 (2020: €1,679,837).
- The Group's cash has decreased to €935,584 (2020: €3,039,945). The Board pays particular attention to the cash at bank and cash movements and regularly reviews cash forecasts to ensure the financial commitments of the Group are met.
- The directors seek to ensure that responsible business practice is fully integrated into the management of the Group's operations and into the culture of all parts of its business. They believe that the consistent adoption of responsible business practice is essential for operational excellence, which in turn, ensures the delivery of the core objectives of expansion and growth which will lead to future profitability.
- At the end of year, Group headcount decreased from 69 in 2020 to 64 in 2021.

There are other non-financial performance indicators used by the directors but none are considered to be key.



BEMYEYE HOLDINGS LIMITED

Strategic Report for the Year Ended 31 December 2021

Principal risks and uncertainties

The Group's principal financial instruments comprise bank balances, trade creditors, trade debtors, accruals, accrued income and loans. The main purpose for these instruments is to raise funds for the Group's operations and to finance the Group's operations.

Due to the nature of the financial instruments used by the Group there is limited exposure to price risk. The Group's approach to managing other risks applicable to the financial instruments concerned is shown below:

Credit risk – The Group's credit risk is primarily attributable to its principal assets, being cash balances, trade and other debtors. The Group has adopted several policies to mitigate the risk of client default and non-payment, together with regular monitoring and reporting on aged trade debtors. The Group does not have significant concentration of credit risk, with exposure spread over a large number of clients. Where trade debtors are considered to be uncollectable they are written off to the consolidated statement of income as a loss of the current period. The credit risk on cash balances is considered limited because the counterparties are banks with high credit ratings.

Liquidity - The Group has incurred losses subsequent to incorporation and there is the risk that Group may not be able to support ongoing financial losses. The Group mitigates this risk by maintaining a significant cash balance that will provide working capital for the foreseeable future based upon latest forecasts and where the need for additional working capital is identified discussions are conducted with stakeholders at an early stage.

Recruitment, retention and training of employees - BeMyEye operates in a knowledge-based industry and recognises the importance of the recruitment and retention of its highly skilled workforce.

Reference customers - The Group sells on the basis of adding value to the customer. A significant amount of the sales success is dependent upon the continued goodwill of existing customers. This involves presentations by senior staff to demonstrate the value of the offering, the non-financial benefits and a demonstration of the application operating in real time.

Customer procurement timescales - The Group sells to global organisations which may have lengthy procurement processes, occasionally stretching over a considerable number of months. The procurement may go through several budgeting cycles, require board approval, and key decision makers may move on. For these reasons, it is difficult to forecast securing individual contracts, and it is almost impossible to predict the precise timing of the signing of contracts.

Unpredictable cash flow - The signing of contracts by large corporate customers are very difficult to predict due to long procurement cycles. Consequently, the Group has sought to reduce the impact of such sales by focusing the revenue streams towards a DaaS ('Data as a Service') and SaaS ('Software as a Service') approaches and developing other means of managing cash outflows, including identifying cost saving measures and factoring.

Exchange rate fluctuations - The Group has significant operations in Europe and as such is exposed to movements in the Euro/Sterling exchange rate. This risk has historically been alleviated somewhat by the matching of revenues and costs in the two currencies.

Technological advancement - The Group operates in markets where technical development of the products can be fast-paced. This is particularly relevant as regards the use of new artificial intelligence technology, and consequently the Group will continue to develop its products so they can interface with the latest technology and, if suitable, acquire selective companies that would facilitate this further.

Competition - The Group keeps up to date on the business activities of all existing major competitors in its markets as well as identifying new entrants who may potentially gain a foothold in the market. The Group ensures its pricing structure is competitive when faced with competition for new business and has an account management programme in place to ensure existing business is protected from competitors.

Brexit Process – The Group has staff and customers based in the United Kingdom and there is potential to be affected by its withdrawal from the EU. Whilst the group has significant trading relations with customers across the EU and Russia there has presently been no significant impact of Brexit on its operations and the Directors expect this to continue.

BEMYEYE HOLDINGS LIMITED

Strategic Report for the Year Ended 31 December 2021

Principal risks and uncertainties (continued)

Covid-19 – The novel coronavirus emerged as a risk factor in early 2020. Whilst the situation continues to develop the recurring nature of much of the Group's revenue and the scalability of its cost base provides the Group with a stable base to face this challenge. The directors will continue to monitor the situation to assess and react to any longer-term challenges. Further details of the potential impact of Covid-19 on the Group and its response are documented in the Directors' Report.

The War in Ukraine – The war in Ukraine has led to sanctions being imposed by the UK EU and other territories on Russian companies and individuals. There is a risk that key service providers could be sanctioned disrupting operations or key clients sanctioned leading to loss of revenue. Further, the restrictions on international payments and the restriction of some financial services within Russia could make it difficult for the Group to fund eye visits or pay its staff. Further, increases energy prices as a result of the war could impact client budgets causing revenue loss. The directors continue to monitor the situation to assess and react to any longer-term challenges. Further details of the potential impact of the War in Ukraine on the Group and its response are documented in the Directors' Report.

Approved by the Board on

27 February 2023 and signed on its behalf by:

L Pagano
Director





BEMYEYE HOLDINGS LIMITED

Directors' Report for the Year Ended 31 December 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Directors of the group

The directors who held office during the year, or have been appointed subsequently, are as follows:

F Boni

G L Petrelli (resigned 25th November 2022)

L Pagano

P De Nardis

G Donvito

M Pretolani

C F Roqueta

A Eliseev

F Gregori (appointed 12th May 2022)

Events after the end of the reporting period

On 24th February 2022 Russia invaded Ukraine. The Group has exposure to the Russian market by the way of its Russian subsidiaries and therefore clients and employees.

On 22nd April 2022 the Group raised funds from its existing investors in the form of a £1.7m (€2m) Convertible loan note. As a result of this fundraise the reduced payments on the Company Venture debt facility have been extended as agreed with the issuer.

On 12th May 2022 the Group acquired 100% of the issued share capital of Metaliquid SRL by way of an all share deal.

Going concern

The Group made a pre-tax loss of €7,536,242 (2020: €4,991,105) in the period and has net liabilities of €3,407,477 (2020: net assets €4,045,463 (as restated)) at the statement of financial position date including net current liabilities of €730,466 (2020: €1,845,530 (as restated)) and cash at bank and in hand of €935,584 (2020: €3,039,945).

The 2021 Group reported figures include an exceptional item relating to the impairment of Goodwill totalling €2,547,587. Adjusted pre-tax loss for this item is €4,988,655 (2020: €4,991,105).

At the 2021 period end the Group holds convertible debt totalling €5,077,448 (2020: €3,339,291). If this debt had been converted to equity on the 31st December 2021 the Group's net assets would total €1,669,971.

As part of assessing going concern the directors have considered the Group's current financial position, performed a review of its budgets and forecasts for 12 months from the signing of these accounts and the principal risks and uncertainties affecting the Group and its operations.

From Q2 2020 the COVID-19 Coronavirus pandemic impacted the Group's operations, principally by way of lockdowns restricting eye activity and hence revenue generation. Though residual lockdowns have had some effect on the Group's 2021 results, particularly in Q1 2021, the directors consider the prospect of significant future lockdowns to be unlikely and any impact on results likely to be minimal. This risk has partly been addressed by new contractual terms protecting the business from cancellations, production delays and order amount degradations and the launch of the SAAS offering which does not utilise the crowd.

BEMYEYE HOLDINGS LIMITED

Directors' Report for the Year Ended 31 December 2021

Going concern (continued)

In March 2022 Russia invaded Ukraine. In response the UK, EU and other territories have issued sanctions on Russian businesses and individuals, cross-border cash transactions have been restricted, there has been considerable fluctuation to the RUB ROE (at the time of signing these accounts FY22 EUR/RUB high of 154.992 (07/03/2022) and low of 54.829 (29/06/2022)) and energy prices across Europe have risen as a result of restrictions in supply from Russia.

The Group has exposure to the Russian market by way of business activity (21% of Group revenue was derived in Russia in 2021), its employees (8 avg. in 2021) and currency held in RUB.

Whilst the Group has experienced some cancellations of business as a result of the war, mostly by way of companies exiting the market, existing order production and renewals have continued throughout 2022. New Group prospecting activity has been focused to other territories and group expenses based in RUB naturally hedged by the funds received from Russian clients.

Whilst we have noted some clients have expressed more caution in budgets due to rising energy costs and inflation this is yet to have a material effect on business operations. Adverse scenarios relating to the Russian market have been considered by the directors in the going concern process.

In respect of financing two assumptions have been made. Firstly, that the Group's €3m venture debt facility will be renegotiated or refinanced before March 2023 so as to extend the reduced payments on the principle balance (as actioned in previous periods). Secondly that the convertible loan notes will be converted to equity by the investors before the redemption date of the Future fund convertible loan note in August 2023.

After making enquires and considering the circumstances detailed above the Directors have revisited the Group's forecasts to consider a range of scenarios. Assuming the financing assumptions are successfully actioned, all reasonably possible scenarios should enable the Group's operations to continue to be funded for at least twelve months from the signing date. However, should this support not be forthcoming, failure of the Group and company to obtain any further funding that may be required in the next 12 months may prevent the Group and company from being able to meet its financial obligations as they fall due. This matter indicates that a material uncertainty exists that may cast significant doubt on the Group and company's ability to continue as a going concern. These financial statements do not include any adjustments that would result if the company were unable to continue as a going concern.

The directors of the company believe that the existing, or alternative, investors will provide any further funding that may be required, and accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

Research and development

The Group continues to invest in product, both in the development of new offerings and adding features to its existing products. In line with Group policy all internal research and development has been expensed in the period in which the cost has been incurred. Research and development expense is disclosed in Note 5 of these financial statements.

Prior year restatement

During the year the directors identified an account that had been incorrectly eliminated in the prior year consolidation, leading to a restatement of the prior year figures.

See note 24 for further details in respect of this item.

Directors' indemnity insurance

The Group maintains liability insurance for its directors and officers.



BEMYEYE HOLDINGS LIMITED

Directors' Report for the Year Ended 31 December 2021

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware

Auditor

BDO LLP resigned as auditors during the year and MHA MacIntyre Hudson were appointed.

Approved by the Board on

27 February 2023 and signed on its behalf by:

L Pagano
Director

BEMYEYE HOLDINGS LIMITED

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the strategic report, the directors' 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and the Group and of the profit or loss of the Group and company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



BEMYEYE HOLDINGS LIMITED

Independent Auditor's Report to the Members of BeMyEye Holdings Limited

Opinion

We have audited the financial statements of BeMyEye Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021, which comprise the Consolidated Statement of Income, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 31 December 2021 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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.

Material uncertainty related to going concern

We draw attention to note 2 to the financial statements, which indicates the directors' considerations over going concern. The group and parent company's ability to continue as going concern is dependent on additional funding being obtained from existing or alternative investors. As stated in note 2, these events or conditions, along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the group's and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

BEMYEYE HOLDINGS LIMITED

Independent Auditor's Report to the Members of BeMyEye Holdings Limited

Other information

The directors are responsible for the other information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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.



BEMYEYE HOLDINGS LIMITED

Independent Auditor's Report to the Members of BeMyEye Holdings Limited

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

- Testing the financial statement disclosures to supporting documentation, performing substantive testing on account balances which were considered to be of greater susceptibility to fraud;
- Performing targeted journal entry testing based on identified characteristics that the audit team considered to be indicative of fraud, for example credit entries to revenue without a corresponding entry to receivables, accrued income or deferred income;
- Critically assessing areas of the financial statements which include judgement and estimates, as set out in Note 2 of the financial statements;
- We obtained an understanding of the legal and regulatory frameworks applicable to the group and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework, the Companies Act 2006 and relevant tax compliance regulations; and
- We understood how the group is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and other corroborating evidence.

BEMYEYE HOLDINGS LIMITED

Independent Auditor's Report to the Members of BeMyEye Holdings Limited

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Gandell

Andrew Gandell, FCA, Senior statutory auditor
For and on behalf of MHA MacIntyre Hudson, Statutory Auditor
London; United Kingdom
Date 27 February 2023



BEMYEYE HOLDINGS LIMITED

Consolidated Statement of Income for the Year Ended 31 December 2021

	Note	2021 €	2020 €
Turnover	3	3,738,327	2,912,734
Cost of sales		(1,952,984)	(1,659,346)
Gross profit		1,785,343	1,253,388
Other income	4	-	76,185
Administrative expenses		(6,105,467)	(5,866,693)
Exceptional administrative expense	5 / 10	(2,547,587)	-
Total administrative expenses		(8,653,054)	(5,866,693)
Operating loss	5	(6,867,711)	(4,537,120)
Other interest receivable and similar income		2	419
Interest payable and similar charges	6	(668,533)	(454,404)
		(668,531)	(453,985)
Loss before tax		(7,536,242)	(4,991,105)
Taxation	9	112,602	147,438
Loss for the financial year		(7,423,640)	(4,843,667)

The above results arise from continuing operations.

BEMYEYE HOLDINGS LIMITED

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2021

	(As restated)	
	2021	2020
	€	€
Loss for the year	(7,423,640)	(4,843,667)
Other comprehensive income/(loss):		
Foreign currency translation gains/(losses)	33,813	(192,820)
Total comprehensive loss for the year	(7,389,827)	(5,036,487)

The notes on pages 21 to 45 form an integral part of these financial statements.



BEMYEYE HOLDINGS LIMITED

Consolidated Statement of Financial Position as at 31 December 2021

			(As restated)
		2021	2020
	Note	€	€
Fixed assets			
Intangible assets	10	4,106,828	7,646,524
Tangible assets	11	35,049	41,117
		<u>4,141,877</u>	<u>7,687,641</u>
Current assets			
Debtors	13	2,196,392	1,740,144
Cash at bank and in hand		935,584	3,039,945
		<u>3,131,976</u>	<u>4,780,089</u>
Creditors: amounts falling due within one year	14	<u>(3,862,442)</u>	<u>(2,934,559)</u>
Net current (liabilities) / assets		<u>(730,466)</u>	<u>1,845,530</u>
Total assets less current liabilities		3,411,411	9,533,171
Creditors: amounts falling due after more than one year	14	<u>(6,818,888)</u>	<u>(5,487,708)</u>
		<u>(3,407,477)</u>	<u>4,045,463</u>
Capital and reserves			
Called up share capital	16	2,200	2,203
Share premium account	22	18,194,128	18,194,128
Accumulated losses	22	(28,381,794)	(20,928,858)
Merger reserve	22	6,777,989	6,777,990
Total equity		<u>(3,407,477)</u>	<u>4,045,463</u>

Approved and authorised by the Board on

27 February 2023 and signed on its behalf by:

.....
L Pagano
Director

BEMYEYE HOLDINGS LIMITED

Company Statement of Financial Position as at 31 December 2021

	Note	2021 €	2020 €
Fixed assets			
Intangible assets	10	52,770	1,995
Tangible assets	11	53,056	15,136
Investments	12	10,504,632	18,679,020
		<u>10,610,458</u>	<u>18,696,150</u>
Current assets			
Debtors	13	8,940,981	9,510,395
Cash at bank and in hand		470,389	2,134,930
		<u>9,411,370</u>	<u>11,645,325</u>
Creditors: Amounts falling due within one year	14	<u>(2,087,635)</u>	<u>(1,328,060)</u>
Net current assets		<u>7,323,735</u>	<u>10,317,265</u>
Total Assets Less Current Liabilities		<u>17,934,193</u>	<u>29,013,415</u>
Creditors: Amounts falling due after more than one year	14	<u>(6,696,174)</u>	<u>(5,487,708)</u>
Net assets		<u>11,238,019</u>	<u>23,525,707</u>
Capital and reserves			
Called up share capital	16	2,200	2,203
Share premium reserve	22	18,194,128	18,194,128
Accumulated Losses	22	(13,736,299)	(1,448,614)
Other reserves	22	6,777,990	6,777,990
Total equity		<u>11,238,019</u>	<u>23,525,707</u>

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and have not presented its own statement of comprehensive income in these financial statements.

The company made a loss after tax for the financial year of €12,292,202 (2020: loss of €406,183).

Approved and authorised by the Board on

27 February 2023 and signed on its behalf by:

.....
P. Igano
Director

Company registration number: 09587916



BEMYEYE HOLDINGS LIMITED

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2021 Equity attributable to the parent

		(As restated)			(As restated)	
		Share capital	Share premium	Accumulated losses	Merger reserve	Total equity
	Notes	€	€	€	€	€
At 1 January 2020		2,026	18,194,128	(16,331,348)	6,013,119	7,877,925
Loss for the year		-	-	(4,843,667)	-	(4,843,667)
Other comprehensive loss (as restated)		-	-	(192,820)	-	(192,820)
Total comprehensive loss (as restated)		-	-	(5,036,487)	-	(5,036,487)
Cancellation of share capital	16	(92)	-	-	-	(92)
New share capital allotted	16	269	-	-	-	269
Recognition of contingent consideration	12	-	-	-	764,871	764,871
Share based payment transactions	19	-	-	438,977	-	438,977
At 31 December 2020 and 1 January 2021		2,203	18,194,128	(20,928,858)	6,777,990	4,045,463
Loss for the year		-	-	(7,423,640)	-	(7,423,640)
Other comprehensive gain		-	-	(33,813)	-	(33,813)
Total comprehensive loss		-	-	(7,457,453)	-	(7,457,453)
Cancellation of share capital	16	(5)	-	-	-	(5)
New share capital allotted	16	2	-	-	-	2
Recognition of contingent consideration	12	-	-	-	(1)	(1)
Share based payment transactions	19	-	-	4,517	-	4,517
At 31 December 2021		2,200	18,194,128	(28,381,794)	6,777,989	(3,407,477)

The notes on pages 21 to 45 form an integral part of these financial statements.

BEMYEYE HOLDINGS LIMITED

Company Statement of Changes in Equity for the Year Ended 31 December 2022

		Share capital	Share premium	Accumulated losses	Merger reserve	Total equity
	Note	€	€	€	€	€
At 1 January 2020		2,026	18,194,128	(1,481,409)	6,013,119	22,727,864
Loss for the year		-	-	(406,183)	-	(406,183)
Total comprehensive loss		-	-	(406,183)	-	(406,183)
Cancellation of share capital	16	(92)	-	-	-	(92)
New share capital allotted	12	269	-	-	-	269
Recognition of contingent consideration	12	-	-	-	764,871	764,871
Share based payment transactions	19	-	-	438,977	-	438,977
At 31 December 2020 and 1 January 2021		<u>2,203</u>	<u>18,194,128</u>	<u>(1,448,614)</u>	<u>6,777,990</u>	<u>23,525,707</u>
Loss for the year		-	-	(12,292,202)	-	(12,292,202)
Total comprehensive loss		-	-	(12,292,202)	-	(12,292,202)
Cancellation of share capital		(5)	-	-	-	(5)
New share capital allotted		2	-	-	-	2
Share based payment transactions	19	-	-	4,517	-	4,517
At 31 December 2021		<u>2,200</u>	<u>18,194,128</u>	<u>(13,736,299)</u>	<u>6,777,990</u>	<u>11,238,019</u>

The notes on pages 21 to 45 form an integral part of these financial statements.



BEMYEYE HOLDINGS LIMITED

Consolidated Statement of Cash Flows for the Year Ended 31 December 2021

(As restated)			
	Note	2021 €	2020 €
Cash flows from operating activities			
Loss for the year		(7,423,640)	(4,843,667)
Adjustments for:			
Depreciation	5	18,860	5,936
Amortisation	5	1,050,081	1,044,219
Impairment	10	2,547,587	-
Finance costs	6	668,533	454,404
Financial income		(2)	(419)
Share based payment transactions	19	4,517	438,973
Foreign exchange loss		(76,409)	(191,475)
Income tax (credit)/expense	9	(112,602)	(147,438)
Increase in debtors	13	(449,335)	1,511,517
Increase in creditors and provisions	14	513,546	(260,839)
Tax credit received	9	147,438	335,212
Loss on disposal of tangible assets	5	1,082	(26,261)
Cash generated from operations		(3,110,344)	(1,679,837)
Cash flows from investing activities			
Purchase of tangible assets	11	(12,793)	(2,965)
Purchase of intangible assets	10	(57,973)	-
Net cash flows from investing activities		(70,765)	(2,965)
Cash flows from financing activities			
Interest paid	17	(362,250)	(243,419)
New loan raised	17	-	1,097,612
Convertible loan note raised	17	1,438,998	3,243,846
Net cash flows from financing activities		1,076,748	4,098,038
Net decrease in cash at bank and in hand		(2,172,119)	2,415,237
Cash at bank and in hand at 1 January		3,039,945	624,708
Cash at bank and in hand at 31 December		935,584	3,039,945

Non-cash transactions have been disclosed in Note 25.

The notes on pages 21 to 45 form an integral part of these financial statements.

BEMYEYE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2021

1 GENERAL INFORMATION

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office and principal place of business is:

BeMyEye Holdings Limited
c/o GOP
6-8 Tokenhouse Yard
London
EC2R 7AS

The principal activity of the company during the period was that of a holding company.

The principal activity of the Group during the period was that of conducting market research and public opinion polling.

2 ACCOUNTING POLICIES

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These consolidated and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These consolidated and parent company financial statements have been prepared using the historical cost convention except any items disclosed in the accounting policies as being shown at fair value and are presented in Euros (€), which is the functional currency of the company. Figures are rounded to the nearest Euro.

For the Group, entities with functional currencies other than EUR have been included in the consolidated statement of income translated using the average rates for the period (EUR/GBP: 0.8596; EUR/RUB: 87.1257). These entities have been included in the consolidated statement of financial position at the balance sheet date using closing translation rates (EUR/GBP: 0.8402; EUR/RUB: 83.3004). The difference arising from the use of these rates on consolidation has been recorded as unrealised currency gain/loss, where it will remain until such time as the gain/loss is realised.

The comparative figures relate to the period from 1 January 2020 to 31 December 2020.

Going concern

The Group made a pre-tax loss of €7,604,000 (2020: €4,843,667) in the period and has net liabilities of €3,475,235 (2020: net assets €4,045,463 (as restated)) at the statement of financial position date including net current liabilities of €780,938 (2020: net current assets - €2,182,327 (as restated)) and cash at bank and in hand of €867,826 (2020: €3,039,945).

The 2021 Group reported figures include an exceptional item relating to the impairment of Goodwill totalling €2,547,587. Adjusted pre-tax loss for this item is €5,056,413 (2020: €4,991,105).



BEMYEYE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2021

2 ACCOUNTING POLICIES (continued)

Going concern (continued)

At the 2021 period end the Group holds convertible debt totalling €5,077,448 (2020: €3,339,291). If this debt had been converted to equity on the 31st December 2021 the Group's net assets would total €1,602,213.

As part of assessing going concern the directors have considered the Group's current financial position, performed a review of its budgets and forecasts for 12 months from the signing of these accounts and the principal risks and uncertainties affecting the Group and its operations.

From Q2 2020 the COVID-19 Coronavirus pandemic impacted the Group's operations, principally by way of lockdowns restricting eye activity and hence revenue generation. Though residual lockdowns have had some effect on the Group's 2021 results, particularly in Q1 2021, the directors consider the prospect of significant future lockdowns to be unlikely and any impact on results likely to be minimal. This risk has partly been addressed by new contractual terms protecting the business from cancellations, production delays and order amount degradations and the launch of the SAAS offering which does not utilise the crowd.

In March 2022 Russia invaded Ukraine. In response the UK, EU and other territories have issued sanctions on Russian businesses and individuals, cross-border cash transactions have been restricted, there has been considerable fluctuation to the RUB ROE (at the time of signing these accounts FY22 EUR/RUB high of 154.992 (07/03/2022) and low of 54.829 (29/06/2022)) and energy prices across Europe have risen as a result of restrictions in supply from Russia.

The Group has exposure to the Russian market by way of business activity (21% of Group revenue was derived in Russia in 2021), its employees (8 avg. in 2021) and currency held in RUB.

Whilst the Group has experienced some cancellations of business as a result of the war, mostly by way of companies exiting the market, existing order production and renewals have continued throughout 2022. New Group prospecting activity has been focused to other territories and group expenses based in RUB naturally hedged by the funds received from Russian clients.

Whilst we have noted some clients have expressed more caution in budgets due to rising energy costs and inflation this is yet to have a material effect on business operations. Adverse scenarios relating to the Russian market have been considered by the directors in the going concern process.

In respect of financing two assumptions have been made. Firstly, that the Group's €3m venture debt facility will be renegotiated or refinanced before March 2023 so as to extend the reduced payments on the principle balance (as actioned in previous periods). Secondly that the convertible loan notes will be converted to equity by the investors before the redemption date of the Future fund Convertible loan note in August 2023.

After making enquires and considering the circumstances detailed above the Directors have revisited the Group's forecasts to consider a range of scenarios. Assuming the financing assumptions are successfully actioned, all reasonably possible scenarios should enable the Group's operations to continue to be funded for at least twelve months from the signing date. However, should this support not be forthcoming, failure of the Group and company to obtain any further funding that may be required in the next 12 months may prevent the Group and company from being able to meet its financial obligations as they fall due. This matter indicates that a material uncertainty exists that may cast significant doubt on the Group and company's ability to continue as a going concern. These financial statements do not include any adjustments that would result if the company were unable to continue as a going concern.

The directors of the company believe that the existing, or alternative, investors will provide any further funding that may be required, and accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

BEMYEYE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2021

2 ACCOUNTING POLICIES (continued)

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2021.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Statement of Income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the Group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities (including contingent liabilities) assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-Group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein.

Summary of disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) No cash flow statement has been presented;
- (b) Disclosures in respect of financial instruments have not been presented;
- (c) Disclosures in respect of share-based payments have not been presented; and
- (d) Disclosures in respect of key management personnel compensation in total have not been presented.

Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For further judgements refer to the key sources of estimation section later in this note.



BEMYEYE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2021

2 ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The stage of completion of transactions involving the rendering of services is determined with reference to the number of approved data points collated by the 'Eyes'.

The Group recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity; and
- specific criteria have been met for each of the Group's activities.

Operating leases

Operating lease annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Group operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Intangible assets

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

BEMYEYE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2021

2 ACCOUNTING POLICIES (continued)

Intangible assets (continued)

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

Amortisation

If there is an indication that there has been a significant change in amortisation rate, useful life, or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	10% straight line
Development costs	33% straight line

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Development costs

Group policy is not to capitalise internally generated development costs. All internally generated development costs have been recognised as an expense in the consolidated statement of income.

Third party development costs are capitalised in the period in which the expense is incurred, on the basis that it meets the qualifying criteria, and amortised over the useful life.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:



BEMYEYE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2021

2 ACCOUNTING POLICIES (continued)

Depreciation (continued)

Asset class	Depreciation method and rate
Equipment	33% straight line
Software	33% straight line
Leasehold Improvements	33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of income.

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the Group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Contingent consideration

Contingent consideration has been recognised at fair value on the date of acquisition.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Convertible loan notes

Convertible loan notes have been recognised at fair value on the agreement date.

At the end of the reporting period any changes to fair value have been recognised in the profit and loss.

Government grants

Government grants are measured at the fair value of the asset received. Grants receivable as compensation for expenses already incurred or for the purpose of giving immediate financial support with no future related cost has been recognised in income in the period in which it has become receivable.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable Group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or Groups of assets.

BEMYEYE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2021

2 ACCOUNTING POLICIES (continued)

Impairment of fixed assets (continued)

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Debtors

Debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Cash at bank and in hand

Cash at bank and in hand comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amounts of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the consolidated statement of income over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.



BEMYEYE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2021

2 ACCOUNTING POLICIES (continued)

Share based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments to which the holder may be entitled at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. A key component in the valuation of an equity settled shared based payment is the fair value of the equity instrument to which the holder may be entitled, which is determined by comparison to the most recent funding from external share issues at that date. In valuing equity-settled transactions, no account is taken of any vesting conditions. No expense is recognised for awards that do not ultimately vest.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the profit and loss account for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value expensed in profit or loss.

Financial instruments

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the statement of income. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

BEMYEYE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2021

2 ACCOUNTING POLICIES (continued)

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- Goodwill and intangible assets (note 10):

The Group establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business and the expected useful life of the cash-generating units to which the goodwill is attributed. The Group tests annually whether goodwill has suffered any impairment where the carrying value exceeds the recoverable amount. The Group recorded an impairment to goodwill in the year ended 31 December 2021, which is set out in note 10.

- Recoverability and carrying amount of investments (note 12):

The company holds fixed asset investments in its subsidiaries and a review of indicators of impairment has been performed at the reporting date. This review has been with reference to the counterparties forecast future financial performance and related cashflows. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

The directors determined it was appropriate to record an impairment in the year ended 31 December 2021 which is set out in Note 12.

- Forecasts and valuations

In performing impairment reviews for goodwill and investments the Group has forecast future financial performance. A number of assumptions have been made in forecasting, including sales and cost growth rates, terminal growth rates and the Group's WACC. In its projections the Group has considered both historical internal and public market information such as similar company betas for use in the capital asset pricing model.

- Convertible loan note

To determine the fair value of the convertible loan note at the end of the reporting period the Group has considered all relevant facts, including an assessment of any changes in circumstance surrounding the likelihood of conversion.

- Share based payments (note 19):

For the valuation of share-based payments the Group has utilised the black-scholes valuation model, making assumptions about the market value of the underlying shares at the issue date, the average contractual life, expected volatility and risk-free interest rate. In making these assumptions the Group has considered both external and internal sources of information such as government economic data, public market data and independent advice.



BEMYEYE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2021

3 TURNOVER

Analysis of the group's turnover for the year from continuing operations is as follows:

	2021	2020
	€	€
Rendering of services	3,738,327	2,912,734

Analysis of the group's turnover for the year by country of supply is as follows:

	2021	2020
	€	€
Europe	2,922,670	1,892,284
Rest of the world	796,137	1,020,450
	3,738,327	2,912,734

4 OTHER INCOME

Other income relates solely to government grants received in the period in respect of coronavirus measures, specifically the partial funding of staff costs. Other income for the year ended 31 December 2021 was €Nil (2020: €76,185).

5 OPERATING LOSS

Arrived at after charging:

	2021	2020
	€	€
Depreciation expense (note 11)	18,860	5,936
Amortisation expense (note 10)	1,050,081	1,044,219
Impairment charge (note 10)	2,574,587	-
Auditors' remuneration		
- Audit services	148,512	126,903
- Non audit services - tax	5,664	11,348
Foreign exchange losses	33,023	34,996
Pension contribution expense	109,540	128,936
Research and development expense	340,313	340,313
Loss on disposal of property, plant and equipment	1,082	-
Operating leases		
- Property rental	76,134	149,492
- Motor rental	28,844	32,498

BEMYEYE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2021

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2021	2020
	€	€
Interest on bank overdrafts and borrowings	369,374	320,905
Interest on convertible loan note	299,159	95,445
Unwinding of contingent consideration	-	38,054
	668,533	454,404
	668,533	454,404

7 STAFF COSTS

Group

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021	2020
	€	€
Wages and salaries	3,495,966	2,771,015
Social security costs	397,620	450,684
Pension costs, defined contribution scheme	109,540	128,936
Share-based payment expenses	4,519	438,972
	4,007,645	3,789,607
	4,007,645	3,789,607

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2021	2020
	No.	No.
Administration and support	56	62
Management	8	7
	64	69
	64	69

Company

No staff costs were incurred in the company in the period (2020: €Nil) aside from share-based payment expense of €4,519 (2020: €438,972) and group bonus accrual movement of €59,897 (2020: €171,405).

The average number of persons employed by the company during the year, was nil (2019 - nil).

Directors of the Company are remunerated by other subsidiaries within the group.



BEMYEYE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2021

8 DIRECTORS' REMUNERATION

The directors' remuneration for the year was as follows:

	2021	2020
	€	€
Remuneration	553,115	927,855

Directors' remuneration contains share options expense of €Nil (2020: €343,608). This charge materially arises from the modification of the existing share option scheme and subsequent exercise of the options within the period, this leading to an acceleration of all future charges under the historical scheme.

During the year retirement benefits were accruing to 2 directors in respect of defined contribution pension schemes totalling €3,517 (2020 €3,937).

The highest paid director received remuneration in 2021 of €244,171 (2020: €282,178) excluding share options charge of €Nil (2020 €343,608).

9 TAXATION

Tax credited to the income statement

	2021	2020
	€	€
Current taxation		
UK corporation tax	-	-
Foreign taxation	(112,602)	(147,438)
	(112,602)	(147,438)
Total taxation on loss on ordinary activities	(112,602)	(147,438)

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%).

BEMYEYE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2021

9 TAXATION (continued)

The differences are recognised below:

	2021	2020
	€	€
Loss before tax on ordinary activities	(7,604,000)	(4,991,105)
Corporation tax at standard rate	(1,444,760)	(948,310)
Effect of expense not deductible in determining taxable loss	2,224,838	357,403
Depreciation in excess of capital allowances	150	-
Effect of foreign tax credits	(112,602)	(147,438)
(Utilised tax losses)/unrecognised tax losses	(780,228)	590,907
Total tax credit	<u>(112,602)</u>	<u>(147,438)</u>

The effect of foreign tax credits relates to an R&D credit derived in BeMyEye France S.A.S. of €157,588 offset by a balance in BeMyEye Spain S.L. of €44,986.

From 1 April 2023, the Corporation Tax main rate will increase to 25% for profits over £250,000. A small profits rate will also be introduced for profits of £50,000 or less, charging Corporation Tax at 19%. Profits between £50,000 and £250,000 will be taxed at the main rate reduced by a marginal relief providing a gradual increase in the effective Corporation Tax rate.



BEMYEYE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2021

10 INTANGIBLE ASSETS

Group

	Goodwill	Trademarks, patents and licenses	Development costs	Total
	€	€	€	€
Cost or valuation				
At 1 January 2021	10,417,631	12,565	1,164,512	11,594,708
Additions	-	-	57,973	57,973
At 31 December 2021	10,417,631	12,565	1,222,485	11,652,681
Amortisation				
At 1 January 2021	2,777,436	12,565	1,158,184	3,948,185
Amortisation charge	1,041,763	-	8,318	1,050,081
Impairment	2,547,587	-	-	2,547,587
At 31 December 2021	6,366,786	12,565	1,166,502	7,545,853
Carrying amount				
At 31 December 2021	4,050,845	-	55,983	4,106,828
At 31 December 2020	7,640,195	-	6,328	7,646,524

The directors performed an impairment assessment following which the directors determined it was appropriate to provide for an impairment of goodwill of €2,547,587 (2020: €Nil) based on discounted future cashflows

Company

	Development costs
	€
Cost or valuation	
At 1 January 2021	426,800
Additions	55,000
At 31 December 2021	481,800
Amortisation	
At 1 January 2021	424,805
Charge for the year	4,224
At 31 December 2021	429,029
Carrying amount	
At 31 December 2021	52,770
At 31 December 2020	1,995

BEMYEYE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2021

11 TANGIBLE ASSETS

Group

	Equipment	Software	Leasehold Improvements	Total
	€	€	€	€
Cost or valuation				
At 1 January 2021	153,556	56,297	5,496	215,349
Additions	9,794	2,998	-	12,792
At 31 December 2021	163,350	59,295	5,496	228,141
Depreciation				
At 1 January 2021	122,088	48,976	3,168	174,232
Charge for the year	14,531	4,179	150	18,860
At 31 December 2021	136,629	53,155	3,318	193,092
Carrying amount				
At 31 December 2021	26,731	6,140	2,178	35,049
At 31 December 2020	31,468	7,321	2,328	41,117

Company

	Equipment	Software	Licences & TM	Total
	€	€	€	€
Cost or valuation				
At 1 January 2021	27,412	56,295	-	83,707
Additions	2,103	2,997	41,246	46,346
At 31 December 2021	29,515	59,292	41,246	130,053
Depreciation				
At 1 January 2021	19,595	48,976	-	68,571
Charge for the year	4,247	4,179	-	8,427
At 31 December 2021	23,842	53,155	-	76,998
Carrying amount				
At 31 December 2021	5,673	6,137	41,246	53,056
At 31 December 2020	7,817	7,319	-	15,136



BEMYEYE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2021

12 INVESTMENTS

Group

The group has no investments.

Company

	2021	2020
	€	€
Investments in subsidiaries	10,504,632	18,679,020

Subsidiaries

Cost or valuation

At 1 January 2021

€
18,679,020

Impairment

(8,174,388)

At 31 December 2021

10,504,632

Provision

Carrying amount

At 31 December 2021

8,174,388

At 31 December 2020

-

Impairment to the investment in subsidiaries in the period arise from an assessment of recoverability as at the period end.

The directors are satisfied that the carrying amount of investments in subsidiaries are at 31 December 2021 are fully recoverable.

BEMYEYE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2021

12 INVESTMENTS (continued)

DETAILS OF UNDERTAKINGS

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2021	2020
BeMyEye Italy S.R.L.	c/o BTA, Via Matteo Bandello 15, 20123 Milano, Italy	Ordinary	100%	100%
BeMyEye France S.A.S.	40 rue du Louvre, 75001 Paris, France	Ordinary	100%	100%
BeMyEye UK Limited	c/o GOP, 6-8 Tokenhouse Yard, London EC2R 7AS, United Kingdom	Ordinary	100%	100%
BeMyEye Spain S.L.	c/o B&Z, Av. del Brasil 17, 28020 Madrid, Spain	Ordinary	100%	100%
BeMyEye DE GmbH	Gallische Str. 2, 63128 Dietzenbach	Ordinary	100%	100%
Streetbee Holdings LLC	Office 120, room 23, p1, floor 1, dldg. 2, 11a st. Seleznevskaya, Moscow, 127473, Russia	Ordinary	100%	100%
Streetbee Hive LLC	Premises 1448 RM 2, floor 4, Bolshoy Bulvar, 42, b.1, Skolkovo, Moscow, 121205, Russian Federation	Ordinary	100%	100%
Streetbee Perfect Store Ltd	Omonias Avenue, 12 3052, Limassol, Cyprus	Ordinary	0%	100%

All companies are included for consolidation purposes.

All entities are held directly by the company except for Streetbee Hive LLC, Streetbee Kazakhstan LLC, Streetbee Perfect Store Ltd and Streetbee Ukraine LLC, which are held by Streetbee Holdings LLC.

Streetbee Kazakhstan and Streetbee Perfect Store Ltd were liquidated in the financial year.

BeMyEye Spain S.L. was in the process of being liquidated during 2022.



BEMYEYE HOLDINGS LIMITED
Notes to the Financial Statements for the Year Ended 31 December 2021

13 DEBTORS

	Note	Group		Company	
		2021	2020	2021	2020
		€	€	€	€
Trade debtors		1,504,274	1,190,987	-	-
Amounts owed by group undertakings		-	-	8,877,554	9,429,157
Other debtors		26,532	26,672	727	399
Prepayments		65,239	67,035	53,607	56,593
Accrued income		450,060	312,076	-	-
Deferred tax assets	9	1,035	1,035	-	-
Tax debtors		-	-	9,092	24,246
Corporation tax asset	9	149,252	142,339	-	-
		<u>2,196,392</u>	<u>1,740,144</u>	<u>8,940,981</u>	<u>9,510,395</u>

The corporation tax asset primarily relates to an R&D tax credit derived in BeMyEye France S.A.S.

Amounts owed by group undertakings are unsecured, attract annual interest at 6% and are repayable on demand. The amounts owed by group undertakings are expected to be recovered in greater than one year. All other amounts shown under debtors fall due for payment within one year.

14 CREDITORS

(As restated)					
	Note	Group		Company	
		2021	2020	2021	2020
		€	€	€	€
Due within one year					
Loans and borrowings	17	1,334,837	920,500	1,317,551	780,500
Trade creditors		190,720	195,722	51,084	57,009
Social security and other taxes		484,773	489,939	-	-
Other payables		87,181	59,183	3,456	3,456
Accruals		970,323	765,010	715,544	487,095
Deferred income		712,118	468,660	-	-
Provisions		82,490	35,545	-	-
		<u>3,862,442</u>	<u>2,934,559</u>	<u>2,087,635</u>	<u>1,328,060</u>
Due after one year					
Loans and borrowings	17	6,818,888	5,487,708	6,696,174	5,487,708
		<u>6,818,888</u>	<u>5,487,708</u>	<u>6,696,174</u>	<u>5,487,708</u>

BEMYEYE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2021

15 PENSION AND OTHER SCHEMES

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to €109,540 (2020: €128,936). The pension cost payable at the reporting date is €44,714 (2020: €42,967) which is included in other payables in note 14.

16 SHARE CAPITAL

Allotted, called up and fully paid shares

	2021		2020	
	No.	€	No.	€
Ordinary shares of €0.01 each	62,427	624.27	62,427	624.27
Ordinary non-voting shares of €0.01 each	26,566	265.66	26,880	268.80
Preference Series A of €0.01 each	34,672	346.72	34,672	346.72
Preference Series B of €0.01 each	48,505	485.05	48,505	485.05
Preference Series C of €0.01 each	47,854	478.54	47,854	478.54
	220,024	2,200.24	220,338	2,203.38

The holders of ordinary shares are entitled to receive dividends that are declared from time to time and are entitled to one vote per share at meetings of the Company.

The holders of ordinary non-voting shares are entitled to receive dividends that are declared from time to time and no rights in respect of voting.

Called-up share capital represents the nominal value of shares that have been issued.

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

Preference shares have full voting and dividend rights. For distribution preference Series C shares rank first in priority, then Series B, then Series A.

Shares issued during the period

On 25th August 2021 200 Ordinary non-voting shares of €0.01 each were issued for a total cash consideration of €2 on exercise of the respective underlying options. See Note 19 for further detail.

Shares cancelled during the period

On 13th October 2021 514 Ordinary non-voting shares of €0.01 shares were cancelled.



BEMYEYE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2021

17 LOANS AND BORROWINGS

	Group		Company	
	2021	2020	2021	2020
	€	€	€	€
Current loans and borrowings				
Bank loans	1,334,837	920,500	1,317,551	920,500
Non-current loans and borrowings				
Bank loans	1,741,440	2,148,417	1,618,726	2,148,417
Convertible loan note	5,077,448	3,339,291	5,077,448	3,339,291
	6,818,888	5,487,708	6,696,174	5,487,708

On the 1st November 2021 the Group raised £1.2m (€1.4m) of debt via the issue of convertible loan notes ("CLN") from private investors. The CLN attracts simple interest at 8% and will convert on the option of the holders to equity at a discount of 20% on a qualifying investment round.

18 OBLIGATIONS UNDER LEASES

Group

Operating leases

The total of future minimum lease payments is as follows:

	2021	2020
	€	€
Not later than one year	56,166	143,649
Later than one year and not later than five years	12,098	31,465
	68,266	175,114

BEMYEYE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2021

19 SHARE-BASED PAYMENTS

Group

Scheme details and movements

Share options are granted to selected directors and senior members of staff. The individual terms agreed determine the exact vesting period; the share options vest over a zero to five year period. The contractual life of each option granted is ten years.

There are no cash settlement alternatives. The exercise prices of the options are equal to the estimated market prices of the shares on the date of the grant, which is derived from comparison to the most recent funding from external share issues at that date.

The movements in the number of share options during the year were as follows:

	2021	2020
	Number	Number
Outstanding, start of period	9,135	20,643
Granted during the period	400	18,630
Forfeited during the period	-	(3,258)
Exercised during the period	(200)	(26,880)
Outstanding, end of period	9,335	9,135
Exercisable, end of period	-	-

The average exercise price per share was as follows:

	2021	2020
	€	€
Outstanding, start of period	107.79	150.42
Granted during the period	0.01	0.01
Forfeited during the period	0.00	186.60
Exercised during the period	0.01	56
Outstanding, end of period	105.48	107.79
Exercisable, end of period	-	-

Effect of share-based payments on profit or loss and financial position

The total expense recognised in the consolidated statement of income for the year was €4,517 (2020: €438,977)

Options have been valued using the black-scholes pricing method.



BEMYEYE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2021

20 RELATED PARTY TRANSACTIONS

Company

In accordance with FRS 102 paragraph 33.1A, exemption is taken not to disclose transactions in the year between group undertakings where 100% of the voting rights are controlled within the group.

Key management personnel are deemed to be directors and their remuneration disclosed in note 8.

21 FINANCIAL INSTRUMENTS

Group

Categorisation of financial instruments

	2021	(As restated) 2020
	€	€
Financial assets:		
Cash at bank and in hand	935,584	3,039,945
Debtors	1,980,866	1,529,735
Financial liabilities measured at amortised cost:		
Creditors	9,401,949	7,428,123

Financial assets measured at amortised cost comprise of cash at bank and in hand, trade debtors, accrued income and other debtors.

Financial liabilities measured at amortised cost comprise of loans and borrowings, trade creditors, other payables, accruals and contingent consideration.

BEMYEYE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2021

22 RESERVES

Share premium

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Accumulated losses

The accumulated losses account represents cumulative profits or losses, net of dividends paid and other adjustments.

Merger reserve

The merger reserve arises as the premium on the issues of equity shares for the acquisition of Streetbee Group, net of any issue costs.

23 POST BALANCE SHEET EVENTS

On 24th January 2022 Russia invaded Ukraine. The Group has exposure to the Russian market by way of its Russian subsidiaries and therefore clients and its employees.

On 22nd April 2022 the Group raised funds from its existing investors in the form of a £1.7m (€2m) Convertible loan note. As a result of this fundraise reduced payments on the Company Venture debt facility have been extended as agreed with the issuer.

On 12th May 2022 the group acquired 100% of the issued share capital of Metaliquid SRL by way of an all share deal.

On 9th May 2022 Mrs Federica Gregori has been appointed as a director of the company.

On 25th November 2022 Mr Gian Luca Petrelli resigned being Director of the company.

During 2022 the company decisively embarked on a path of return to profitability and expansion in line with the strategic line of becoming one of the most important companies in retail tech and in the application of computer vision at the service of brands. The company has scaled the cost base with respect to the changed market conditions, starting to invest in the field of computer vision, a path that has been accelerated with the acquisition of Metaliquid.

24 PRIOR YEAR RESTATEMENT

The comparative figures have been restated due to an error resulting in prior year accruals being understated and prior year other comprehensive income being overstated.

The corrective journal is to credit accruals €336,797, debit other comprehensive income (unrealised foreign exchange reserve) €336,797. The unrealised foreign exchange reserve forms part of the accumulated losses reserve, with annual movements being disclosed as other comprehensive income.

The impact on profit in the prior period is €nil. The impact on net assets and shareholders' funds is a reduction of €336,797.

**BEMYEYE HOLDINGS LIMITED****Notes to the Financial Statements for the Year Ended 31 December 2021****25 ANALYSIS OF NET DEBT**

	At 1 January 2021	Cash flows	Interest paid	Other non-cash changes	At 31 December 2021
	€	€	€	€	€
Financial assets:					
Cash at bank and in hand	3,039,945	(2,172,119)	-		867,826
Convertible loan note	(3,339,301)	(1,438,988)	-	(299,159)	(5,077,448)
Other borrowings	(3,068,917)	-	362,250	(369,609)	(3,076,277)
Net Debt	(3,368,273)	(3,611,107)	362,250	(668,768)	(7,285,899)