



Bidstack Group PLC - BIDS Interim results for the six months ended 30 June
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30 September 2019

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30 September 2019

Bidstack Group Plc ("Bidstack" or "the Company")

Interim Results for six months ended 30 June 2019

Bidstack Group plc (AIM: BIDS.L), the native in-game advertising group, announces its unaudited results for the six months ended 30 June 2019. The Interim Report for the period ended 30 June 2019 will be published on the Company's website - www.bidstackgroup.com today.

Highlights

- Revenue (test spend) of £0.03 million (period ended 30 June 2018: £nil);
- Loss per share has improved to 0.83 pence (period ended 30 June 2018: loss of 3.04 pence per share);
- Placing of 40 million shares at 12.5 pence per share to raise £5m for the Company completed on 7 May 2019; and
- Further £0.7m raised following the exercise of warrants at 20 pence per share.
- Period end cash balance of £6m (period ended 30 June 2018: £0.3m);

Operational Highlights

- First demand side platform ("DSP") with Avocet Systems Limited in March 2019, a significant technical milestone, enabling the purchase of advertising inventory on a programmatic basis;
- A second DSP Platform161 on-boarded in March 2019, expanding the breadth of Bidstack's demand side platform;
- Development and testing of new software development kits ("SDK");
- Generation of first true programmatic revenue following test spends with advertising clients at the end of the period;
- Independent study provided proof the product works in a demonstrable way;
- Awarded Brand Safety Seal by Digital Trading Standards Group;
- Expanded the team from 17 staff on 31 December 2018 to 34 at 30 June 2019;

- Advisory Board established; and
- Two new Non-Executive Directors, Mike Hayes (formerly of *SEGA, Codemasters and Nintendo*) and Derek Wise (*Oracle Data Cloud, formerly of Grapeshot and Jagex*);

Post Period End Highlights

- Strategic Partnership Agreement with Dentsu Aegis Network;
- Acquired Minimised Media Limited, trading as "Pubguard", on 1 August 2019;
- Contracts with Xandr Invest (formerly AppNexus) and The Trade Desk, operators of two of the world's largest DSPs;
- Agreement with Epic Games to make our SDK available for games using Unreal Games Engine;
- Renewal of Football Manager contract for a further three years.

Donald Stewart, Chairman, said:

On 4 April 2019 we published our audited accounts for 2018. As set out in my Chairman's statement, in the first half of 2019 we have been building the foundations for our future growth. As I said, Bidstack's strategic focus throughout the period has been on the continued development of our software platform alongside our product offering.

During the period we made the strategic decision not to prioritise the acquisition of new games and additional advertising inventory for two reasons. First, this strategy gave our technical development and product teams the space they needed to carry out the significant development work outlined below. Second, it meant that we were not disappointing major video games developers and publishers by having to hold off filling their advertising inventory while necessary development work took place. This approach has had an impact on first half revenues but will yield longer term benefits.

We made extraordinary progress in the first half which has continued since the end of the period. It is also fair to say that the business has matured significantly.

While our H1 strategy has been at the expense of short-term revenues, the Board remains convinced that getting the fundamentals right is the key to future success.

We plan to continue hiring at pace. In particular, there will continue to be sizeable expansion in the technical development team. However, both the sales and supply teams are also expected to grow quickly with additions in the US and Europe, as well as in the UK reflecting where we expect to find advertisers and games publishers. These teams will be key to developing significant future revenues bringing both brands and advertising agencies as well as new games with substantial advertising inventory. Additional growth will also bring additional administration and the Group will need to fill consequent managerial positions.

As I anticipated almost six months ago, the Board continues to expect the Group to be cash flow negative in the second half of 2019 but believes that market expectations for 2019 revenues remain achievable, revenues are expected to grow significantly in 2020 propelling the Group towards material profitability in 2021.

James Draper, Chief Executive, said:

As I said in our audited accounts for 2018, we are building out Bidstack to become the biggest media owner in the video games market. If a brand wants to be visible within a game environment (we call it the *native* environment), or in a game application (such as reward video etc.) or around the game (e.g. streamer broadcasts), we want them to come through Bidstack.

Our challenge for 2019 was to prove to advertising agencies and brands that our in-game advertising inventory could be traded programmatically, which we have now done.

As we said in April, for the first half of the year we've not focused on revenue. Instead, we've focused on building out our offering to a level where significant advertising revenues can be run through our platform. The revenue in H1 were test campaigns to ensure all signals coming back from our technology were going to enable us to deal with major advertising agencies. These test spends were run in conjunction with supportive partners who have worked alongside our product team to ensure our inventory is easy to buy on scale.

I believe our patience and methodology have paid off and our team has captured the imagination of advertisers across the world. The fruits of their labour have become visible with our first strategic partnership agreement with a major agency holding group, Dentsu Aegis Network (parent company 'Dentsu Inc.' TYO: 4324). I expect this will now speed up a number of other elements to the business, including further game acquisition and the adoption of industry wide definitions for this new ad format. These developments will open the door to significant real advertising spend.

Now having won the confidence of one of the world's biggest advertising groups is an enormous breakthrough for the Group.

The renewal of our contract with our friends at Football Manager for the next three years illustrates their understanding of the direction we are taking. We thank both them and Codemasters for working so closely with us.

The Bidstack team has undertaken an incredible amount of work in 2019 so far and I couldn't be more excited about where the Company is going. Q4 is all about execution on our previous work.

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Chairman's Statement

Period Strategy

On 4 April 2019 we published our audited accounts for 2018. As set out in my Chairman's statement, the first half of 2019 has been a period spent building the foundations for our future growth. As I said, Bidstack's strategic focus throughout the period has been on the continued development of our software platform alongside our product offering.

During the period we made the strategic decision not to prioritise the acquisition of new games and additional advertising inventory for two reasons. First, this strategy gave our technical development and product teams the space they needed to carry out the significant development work outlined below. Second, it meant that we were not disappointing major video games developers and publishers by having to hold off filling their advertising inventory while necessary development work took place. This approach has had an impact on first half revenues, but will yield longer term benefits.

We made extraordinary progress in the first half which has continued since the end of the period. It is also fair to say that the business has matured significantly.

For more information on the Group's technical and commercial progress please refer to the Chief Executive's Statement and Trading Update set out below.

Board Appointments

During the period we have added two talented and well connected new Non-Executive Directors, Mike Hayes (formerly of *SEGA, Codemasters and Nintendo*) and Derek Wise (*Oracle Data Cloud, formerly of Grapeshot and Jagex*) who have highly relevant skills to the future of the business.

Financial Developments

The period has also seen the Company strengthen its balance sheet considerably as a result of the placing of 40 million new ordinary shares with institutional and other investors at 12.5 pence per share to raise £5m in May 2019. Since then the Company has received a further £0.7m following the exercise of 4,375,616 warrants issued in November 2017 at an exercise price of 20 pence per warrant. As a result the Company had a healthy £6m available to it in cash at the end of the period.

Post Period Developments

As announced on 1 August 2019, Bidstack purchased Minimised Media Limited, trading as "Pubguard" for £300,000 satisfied by the issue of 869,565 Bidstack shares at 34.5 pence per share. Pubguard reviews in-app and mobile advertisements and desktop web content for offensive, malicious, illegal ad content and malware. This software will be used to protect Bidstack's gaming inventory and to enhance its SDK.

On 22 August 2019 we announced that we had appointed Stifel Nicolaus Europe Limited ("Stifel") as the Company's corporate broker to support our growth. Stifel is an NYSE-listed full-service investment bank with a 100-person global technology & internet banking team and offices across the US, Europe and Asia.

On 26 September 2019 we announced that we had renewed our contract with Sports Interactive for Football Manager for a further three years.

On 27 September 2019 we announced our partnership agreement with Dentsu Aegis Network.

Future Prospects

While our H1 strategy has been at the expense of short-term revenues, the Board remains convinced that getting the fundamentals right is the key to future success.

We plan to continue hiring at pace. In particular, there will continue to be sizeable expansion in the technical development team. However, both the sales and supply teams are also expected to grow quickly with additions in the US and Europe as well as in the UK reflecting where we expect to find advertisers and games publishers. These teams will be key to developing significant future revenues bringing both brands and advertising agencies as well as new games with substantial advertising inventory. Additional growth will also bring additional administration and the Group will need to fill consequent managerial positions.

As I anticipated almost six months ago, the Board continues to expect the Group to be cash flow negative in the second half of 2019 but believes that market expectations for 2019 revenues remain achievable, revenues are expected to grow significantly in 2020 propelling the Group towards material profitability in 2021.

Chief Executive's Statement and Trading Update

As I said in our audited accounts for 2018, we are building out Bidstack to become the biggest media owner in the video games market. If a brand wants to be visible within a game environment (we call it the *native* environment), in a game application (such as reward video etc.) or around the game (e.g. streamer broadcasts), we want them to come through Bidstack.

Our challenge for 2019 was to prove to advertising agencies and brands that our in-game advertising inventory could be traded programmatically, which we have now done.

We sat down in the first weeks of January and planned how we would tackle the whole of 2019, working out what building blocks were required not just to get to the market expected revenue figure but to ensure that we are building a company that has frictionless global growth potential.

The announcement in Q1 of cloud-gaming services including Google Stadia and Microsoft's xCloud, with the commercial possibilities and reach these platforms will offer advertisers in the coming years, meant we adapted our strategy to ensure we're ready for their launch in Q4 this year.

During the period our platform went programmatic end-to-end, first with demand side platform ("DSP") Avocet Systems Limited, a significant technical milestone in our development, and then with Platform 161.

DSPs enable advertisers to target advertising inventory, either direct or via an agency, that fits their campaign demographics (e.g. age, gender, location etc.) and allows media buyers to trade and optimise campaigns with real-time reporting.

Through our partnerships with Avocet, Platform161 and more recently with Xandr Invest (formerly known as AppNexus) and The Trade Desk (Nasdaq: TTO), the operators of two of the world's largest DSPs, we have proven that native in-game advertising can be traded programmatically. However, the roll-out of this new ad format is a complex process.

The ability to provide programmatic advertising with related reporting and analysis is critical as it unlocks digital spends from the major advertising agency groups who, together, control advertising spends north of \$300bn in 2019.

Programmatic advertising was designed for web and in-app advertising. Enabling media buyers to trade private marketplace and open-exchange deals in high fidelity gaming environments is extremely complex. There are no off-the-shelf products or manuals to shortcut the process. Under the stewardship of our superb product and technical teams, we are now defining this new advertising standard.

Setting how "viewability" is defined in video games, whether racing, stadium or open world environment games, is crucial to how agencies can report on their ad spend and how they can verify impression numbers within a console environment. This has been a significant technical challenge for our team to overcome.

We set up our Advisory Board Committee in the first half to enable our team to obtain assistance from an impressive array of industry stalwarts in relation to technical and commercial questions. Through those Committee members the Company has access to many major gaming studios, advertising agency groups and gaming and advertising governing bodies. With the assistance of Will Kassoy, former CEO of AdColony, Derek Wise, VP of Contextual Intelligence at Oracle and Jon Epstein, former President of Double Fusion, we've been working to ensure advertisers can fully report on this new medium.

As we said in April, for the first half of the year we've not focused on revenue. Instead, we've focused on building out our offering to a level where significant advertising revenues can be run through our platform. The revenue in H1 were test campaigns to ensure all signals coming back from our technology were going to enable us to deal with major advertising agencies. These test spends were run in conjunction with supportive partners who have worked alongside our product team to ensure our inventory is easy to buy on scale.

I believe our patience and methodology have paid off and our team has captured the imagination of advertisers across the world. The fruits of their labour have become visible with our first strategic partnership agreement with a major agency holding group, Dentsu Aegis Network.

Lewis Sherlock, our VP of Sales, who joined from Verizon in May working alongside our outstanding product team led by Moritz Natalini, who joined from King in March, has enabled the Company to land this game changing agreement with Dentsu Aegis Network.

I expect this will now speed up a number of other elements to the business, including further game acquisition and the adoption of industry wide definitions for this new ad format. These developments will open the door to significant real advertising spend.

Now having won the confidence of one of the world's biggest advertising groups is an enormous breakthrough for the Group.

Our connections with Xandr Invest and The Trade Desk (Nasdaq: TTD) mean major advertising agencies can buy and report on our inventory through the same media buying and trading software they use to purchase their other digital media. Our PC and console software development kit ("SDK") (our within-game technology) is now fully live which, crucially, enables advertisers to place their own tracking pixel into a gaming environment, assisting reporting and transparency. We have been working hard behind the scenes with Codemasters (LSE: CDM) and others to ensure that the technology works and is robust. Our new SDK technology will feature on the launch of Football Manager 20 in Q4 this year.

Prior to the SDK we were operating with an application programming interface ("API"), a relatively simple web-based form of software interface allowing for interaction between disparate systems. Although the API enabled us to control the video player within game environments, it didn't allow for tracking pixels/viewability. As a result signals coming back into the trading platforms weren't giving the holistic reporting that is required to deploy large spends.

An SDK is a considerably more sophisticated set of software tools, libraries, code samples, processes and components built to incorporate features and drive user behaviours.

The importance of our SDKs and our relationship with Epic Games, the creator of Fortnite, Unreal, Gears of War, Shadow Complex, and the Infinity Blade series of games, cannot be understated. Previously it was necessary for us to form relationships with games developers on a one-by-one basis. We will continue to do this, but growth from this strategy alone takes time. Our new arrangement with Epic's Unreal Engine enables developers of all sizes, by adding Bidstack's technology to their game, to open their advertising inventory to global media buyers and potentially attract advertising revenue from the world's leading brands.

Our Unreal Engine and Unity SDK's are now in the final stage of beta testing before launch into live environments.

Our AdConsole, which sits between both the demand side (advertisers) and supply side (games) is also fully operational. This enables both sides to monitor campaigns and empowers game publishers to provide a full self-serve offering, outside of a managed service.

The acquisition of PubGuard has accelerated our data capture and copy approvals process significantly. I'm delighted to be working with their talented team and they've further energised our technical team.

We are also currently integrating all our technologies into a single SDK that will enable game publishers to toggle between the types of advertising they want Bidstack to provide whether in-game, in the game application and/or around the game.

All of this has been made possible by our rapid hiring programme. We have gone from 17 staff on 31 December 2018 to 34 at the period end, with our focus on developing our technology and publisher / client facing functions.

However, that statistic does not tell the full story. We have hired some extremely capable people and, together, they are uniting to form a formidable Bidstack team which has undertaken an incredible amount of work in 2019 so far. I couldn't be more excited about where the Company is going. Q4 is all about execution on our previous work.

Consolidated statement of comprehensive income
for the six months ended 30 June 2019

	Note	Unaudited 6 months ended 30 Jun 2019	Unaudited 6 months ended 30 Jun 2018	Audited year ended 31 Dec 2018
		£	£	£
Revenue		26,692	-	316,906
Cost of sales		(20,286)	-	(240,849)
Gross profit		6,406	-	76,057
Administrative expenses		(1,805,059)	(410,429)	(1,263,348)
Operating loss before acquisition related costs		(1,798,653)	(410,429)	(1,187,291)
Transaction costs		-	-	(713,744)
Share based payment on reverse acquisition		-	-	(1,411,478)

Operating loss		(1,798,653)	(410,429)	(3,312,513)
Finance income		975	-	-
Finance costs		-	(641)	(729)
Loss before taxation		(1,797,678)	(411,070)	(3,313,242)
Taxation		-	-	50,517
Loss for the period		(1,797,678)	(411,070)	(3,262,725)
Other comprehensive income				
Total other comprehensive income		-	-	-
Total comprehensive loss for the period		(1,797,678)	(411,070)	(3,262,725)
Loss per share - basic and diluted (pence)	3	(0.83)	(3.04)	(4.23)

The above consolidated statement of profit and loss and other comprehensive loss for the period relates to continuing operations for the Group.

Consolidated statement of financial position
as at 30 June 2019

	Note	Unaudited 30 Jun 2019 £	Unaudited 30 Jun 2018 £	Audited 31 Dec 2018 £
ASSETS				
Non-current assets				
Intangible assets		39,306	8,845	43,842
Property, plant and equipment		19,879	3,398	15,752
Total non-current assets		59,185	12,243	59,594
Current assets				
Trade and other receivables		717,316	91,715	807,691
Cash and cash equivalents		6,004,616	300,319	2,106,557
Total current assets		6,721,932	392,034	2,914,248
Total assets		6,781,117	404,277	2,973,842
EQUITY AND LIABILITIES				
Equity				
Share capital	4	5,508,307	137	5,286,429
Share premium account		23,170,484	671,253	18,000,247
Share-based payment reserve		497,166	17,435	258,060
Merger relief reserve		6,213,021	-	6,213,021
Reverse acquisition reserve		(23,320,632)	-	(23,320,632)
Capital redemption reserve		-	23	-
Warrant reserve		71,480	-	71,480
Accumulated losses		(5,772,123)	(1,122,789)	(3,974,445)
Total equity		6,367,703	(433,941)	2,534,160
Current liabilities				
Trade and other payables		416,414	438,218	439,682
Convertible loan notes		-	400,000	-
Total current liabilities		416,414	838,218	439,682
Total equity and liabilities		6,781,117	404,277	2,973,842

The interim financial report was approved by the board of Directors on 30th September 2019 and signed on its behalf by:

Donald Stewart
Chairman of Bidstack Group Plc

Consolidated statement of changes in equity
for the six months ended 30 June 2019

	Share capital £	Share premium £	Share-based payment reserve £	Merger relief reserve £	Reverse acquisition reserve £	Warrant reserve £	Accumulated losses £	Total equity £
Balance as at 1 January 2019	5,286,429	18,000,247	258,060	6,213,021	(23,320,632)	71,480	(3,974,445)	2,534,160
Comprehensive income for the period								
Loss and total comprehensive income for the period	-	-	-	-	-	-	(1,797,678)	(1,797,678)
Total comprehensive expense for the period	-	-	-	-	-	-	(1,797,678)	(1,797,678)
Transactions with owners								
Issue of shares	221,878	5,428,153	-	-	-	-	-	5,650,031
Costs of raising equity	-	(257,916)	-	-	-	-	-	(257,916)
Share-based payments	-	-	239,106	-	-	-	-	239,106
Total transactions with owners	221,878	5,170,237	239,106	-	-	-	-	5,631,221
Balance as at 30 June 2019	5,508,307	23,170,484	497,166	6,213,021	(23,320,632)	71,480	(5,772,123)	6,367,703

Consolidated statement of changes in equity
for the six months ended 30 June 2018

	Share capital £	Share premium £	Share-based payment reserve £	Capital redemption reserve £	Retained losses £	Total equity £
Balance as at 1 January 2018	137	669,674	17,435	23	(711,719)	(24,450)
Comprehensive income for the period						
Loss and total comprehensive income for the period	-	-	-	-	(411,070)	(411,070)
Total comprehensive expense for the period	-	-	-	-	(411,070)	(411,070)
Transactions with owners						
Issue of shares	-	1,579	-	-	-	1,579
Total transaction with owners	-	1,579	-	-	-	1,579

Balance as at 30 June 2018	137	671,253	17,435	23	(1,122,789)	(433,941)
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**Consolidated statement of changes in equity
for the year ended 31 December 2018**

	Share capital £	Share premium £	Share-based payment reserve £	Merger relief reserve £	Reverse acquisition reserve £	Capital redemption reserve £	Warrant reserve £	Accumulated losses £	Total equity £
Balance as at 1 January 2018	137	669,674	17,435	-	-	23	-	(711,720)	(24,451)
Comprehensive income for the period									
Loss and total comprehensive income for the year	-	-	-	-	-	-	-	(3,262,725)	(3,262,725)
Total comprehensive expense								(3,262,725)	(3,262,725)
Transactions with owners									
Parent company reflected on reverse acquisition	4,417,442	15,009,243	-	-	-	-	-	-	19,426,685
Issue of Bidstack Ltd shares prior to acquisition	19	445,968	-	-	-	-	-	-	445,987
Issue of Bidstack Ltd shares to Bidstack Group prior to acquisition	13	399,987	-	-	(400,000)	-	-	-	-
Reverse acquisition adjustment	(169)	(1,515,629)	(17,435)	-	(16,142,791)	(23)	-	-	(17,676,047)
Issue of shares	291,667	3,208,334	-	-	-	-	-	-	3,500,001
Issue of consideration shares	564,820	-	-	6,213,021	(6,777,841)	-	-	-	-
Issue of adviser shares	12,500	137,500	-	-	-	-	-	-	150,000
Costs of raising equity	-	(307,297)	-	-	-	-	-	-	(307,297)
Share-based payments	-	(47,533)	258,060	-	-	-	71,480	-	282,007
Total transaction with owners	5,286,292	17,330,573	240,625	6,213,021	(23,320,632)	(23)	71,480	-	5,821,336
Balance as at 31 December 2018	5,286,429	18,000,247	258,060	6,213,021	(23,320,632)	-	71,480	(3,974,445)	2,534,160

**Consolidated statement of cash flows
for the period ended 30 June 2019**

	Unaudited 6 months ended 30 Jun 2019	Unaudited 6 months ended 30 Jun 2018	Audited Year ended 31 Dec 2018
	£	£	£
Cash flows from operating activities			
Loss before taxation	(1,797,678)	(411,070)	(3,313,242)
Adjustments for:			
Amortisation	4,906	1,053	4,407
Depreciation	3,057	1,448	3,134
Share based payment on reverse acquisition	-	-	1,411,478
Equity settled share-based payments	239,106	-	282,007
Finance income	(975)	-	-
Finance expense	-	641	729
	(1,551,584)	(407,928)	(1,611,487)
Changes in working capital			
Decrease/(increase) in trade and other receivables	90,375	4,154	(602,523)
(Decrease)/increase in trade and other payables	(26,268)	713,313	208,715
Cash (used in)/generated from operations	(1,487,477)	309,539	(2,005,295)
Taxation received	-	-	27,623
Net cash used in operations	(1,487,477)	309,539	(1,977,672)
Cash flow from investing activities			
Investment in intangible assets	(370)	(8,335)	(46,687)
Cash acquired with subsidiary	-	-	208,817
Investment in property, plant and equipment	(7,183)	(3,484)	(17,524)
Net cash flow (used in)/ generated from investing activities	(7,553)	(11,819)	144,606
Cash flow from financing activities			
Proceeds from issue of share capital	5,650,030	1,579	4,245,988
Cost of issue	(257,916)	-	(307,297)
Interest received	975	-	-
Interest paid	-	(641)	(729)
Net cash generated from financing activities	5,393,089	938	3,937,962
Increase in cash and cash equivalents in the period	3,898,059	298,658	2,104,896
Cash and cash equivalents at beginning of period	2,106,557	1,661	1,661
Cash and cash equivalents at the end of the period	6,004,616	300,319	2,106,557

Notes to the unaudited consolidated interim financial report

1 Summary of significant accounting policies

Basis of preparation

The Company is a public limited company which is admitted to trading on the AIM Market of the London Stock Exchange and is incorporated and domiciled in the UK. The address of the registered office is 201 Temple Chambers, 3-7 Temple Avenue, London, EC4Y 0DT. The registered number of the company is 04466195.

The consolidated interim financial report consolidates those of the Company and its trading subsidiary, Bidstack Limited (together the "Group"). The financial information presented in this interim report have been prepared using accounting policies that are expected to be applied in the preparation of the financial statements for the year ending 31 December 2019.

These policies are in accordance with International Financial Reporting Standards (IFRSs) and International Financial Reporting Interpretation Committee (IFRIC) interpretations as endorsed by the European Union ("IFRS-EU"), and those parts of the Companies Act applicable to companies reporting under IFRS.

The interim results have been prepared on a going concern basis which assumes that the Group will be able to continue trading for the foreseeable future. Although an operating loss has been reported for the reporting period and an operating loss is expected to be incurred in the 12 months subsequent to the date of this report, the Directors believe, having considered all available information, including the cash resources currently available to the Group and the Company's proven ability to raise further equity funds from its supportive shareholder base, that the Group will have sufficient funds to meet its expected committed and contractual expenditure for the foreseeable future. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the interim financial report for the period ended 30 June 2019.

The prior period comparatives are not comparable with the current interim period, given that the prior period is unaudited and are not consolidated, due to the reverse takeover of Bidstack Limited by the Company which did not complete until September 2018.

2 Summary of significant accounting policies

The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2018, except for the adoption of IFRS 16 ("IFRS 16") from 1 January 2019. and in some cases, had not yet been adopted by the EU:

IFRS 16 "Leases"

The IASB has published IFRS 16 'Leases', completing its long-running project on lease accounting. The new Standard, which is effective for accounting periods beginning on or after 1 January 2019, requires lessees to account for leases 'on-balance sheet' by recognising a 'right-of-use' asset and a lease liability. The date of initial application of IFRS 16 for the Group will be 1 January 2019. It will affect most companies that report under IFRS and are involved in leasing and will have a substantial impact on the annual report and accounts of lessees of property and high value equipment. This standard has been endorsed by the European Union.

The impact of IFRS 16 has been assessed at a Group level, and since no lease committed is longer than a year, there will be no material impact of IFRS 16, assuming the Group's lease commitments remain at the level as at 31 December 2018. Therefore IFRS 16 has had no impact on the consolidated interim financial report.

Other

The following is a list of other new and amended standards which, at the time of writing, had been issued by the IASB and are effective in the current period, but have no impact on the consolidated interim financial report.

- Amendments to IFRS 9 Prepayment Features with Negative Compensation (effective 1 January 2019)
- Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures (effective 1 January 2019)
- IFRIC 23 "Uncertainty over income tax treatments", effective 1 January 2019;
- Annual Improvements to IFRSs 2015-2017 Cycle (IFRS 3 Business Combinations and IFRS joint Arrangements, IAS 12 Income Taxes, and IAS 23 Borrowing Costs) (effective 1 January 2019)
- Amendments to IAS 19: Plan amendments, curtailment on settlement (effective 1 January 2019)

The Group does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the group.

3 Loss per share

Basic and diluted loss per share

The calculation of basic and diluted loss per share is based upon the loss of £1,797,678 (2018: loss of £411,070) and the weighted average number of ordinary shares in issue for the year of 216,898,755 (2018: 13,524,018).

The loss incurred by the Group means that the effect of any outstanding warrants and options would be considered anti-dilutive and is ignored for the purposes of the loss per share calculation.

4 Share capital and reserves

Allotted, called up and fully paid	Ordinary 0.5p shares No.	Share capital £
At 1 January 2018	25,010,280	4,417,442
Issue of shares	58,333,340	291,667
Issue of consideration shares	112,964,011	564,820
Issue of adviser shares	2,500,000	12,500
As at 31 December 2018	198,807,631	5,286,429
Issue of shares	40,000,000	200,000
Issue of shares on warrant exercise	4,375,616	21,878
As at 30 June 2019	243,183,247	5,508,307

All ordinary shares are equally eligible to receive dividends and the repayment of capital and represent equal votes at meetings of shareholders.

5 Post balance sheet events

As at 1 August 2019, the company acquired the entire issued share capital Minimised Media Limited ("Minimised Media") which trades under the name "Pubguard". Minimised Media earns revenues by operating a software technology that automatically reviews advertisements served in-app and on mobile and desktop web content to identify offensive, malicious, illegal ad content and malware which can be blocked at a clients' discretion.

The Directors believe the acquisition will provide a ready-made solution to enhance the Bidstack platform and save the Company several months of development time and resource.

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