

27 September 2017

**appScatter Group PLC**  
**(‘appScatter’ or the ‘Company’)**

**Unaudited interim report for the six months ended 30 June 2017**

appScatter Group plc (AIM: APPS), the scalable business-to-business (‘B2B’) Software as a Service (‘SaaS’) platform that allows paying users to distribute and manage their apps on multiple app stores around the world, announces its first unaudited interim results for the six months ended 30 June 2017 (‘HY2017’). The Board is pleased to report a successful first six months of the financial year, reporting maiden revenues with the business progressing well against the objectives set out at the time of admission to AIM in early September.

**Highlights**

- Successful soft launch of the appScatter platform in January 2017, generating recurring revenues of £874,670 in HY2017
- c.10,000 businesses and individuals self-registered their interest to use the platform and will be given access following the targeted public launch in Q4 2017
- Telemetry system integrated to power appScatter backend systems which is now tracking over 900 million unique app URLs daily

**Post-period highlights**

- Oversubscribed placing of £9 million of new equity and admission to AIM on 5 September 2017
- As at 25 September 2017, estimated unaudited net cash of £6.5m
- Increased headcount in sales, marketing and engineering to accelerate growth
- The appScatter SDK<sup>1</sup> for in-app purchasing and data APIs<sup>2</sup> are now available to the developer community

*1. Software development kit*

*2. Application programming interface*

**Philip Marcella, Founder and Chief Executive Officer of appScatter, commented:**

*“We are very pleased to report our first results as a public company. After three years of design, development and testing, this year we began selecting companies to use the appScatter platform, giving the*

*group its first revenues. Each week, hundreds of companies have joined our waiting list and we now have c.10,000 businesses registered to use our platform.*

*The second half of the year has started better than anticipated due to significant contract wins, as well as agreeing new strategic partnerships with B2B companies in our sector. After a successful listing on the AIM market, plans to officially open the appScatter platform to all businesses involved in developing or publishing mobile apps are progressing well and we are on track for the public launch of the appScatter platform later this year. Alongside the public platform launch, appScatter's new automated payment system will become fully functional, which will reduce the need for traditional invoicing as well as reducing our debtor collection period.*

*The strong demand for the appScatter platform, coupled with the significant first-mover advantage in a fast growth market, gives the Board confidence in appScatter's ability to grow its user base and convert its pipeline of blue chip companies to paying users."*

For more information please visit [www.appscatterplc.com](http://www.appscatterplc.com) or contact:

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## **About appScatter Group plc**

appScatter is a scalable B2B SaaS platform that allows paying users to distribute their apps to, and manage their apps on, multiple app stores. Additionally, the centralised platform enables app developers and publishers to manage and track performance of their own and competing apps across all of the app stores on the platform.

### **Note:**

appScatter Group PLC was incorporated on 3 April 2017. The company acquired the share capital of the trading entity, appScatter Limited, on 21 August 2017. Therefore, at 30 June 2017, appScatter Group PLC had no trading activity to report, nor had formed a group including appScatter Limited. Therefore, these consolidated interim financial statements for six months ended 30 June 2017 ('HY2017'), including the comparative financials for the six months ended 30 June 2016 ('HY2016') and the year ended 31 December 2016 ('FY2016') represent the trading results of appScatter Limited (a company with the same registered address as the appScatter Group PLC and the registered number 09786498) and its subsidiaries (appScatter LLC and DSH Labs LLC).

## **Chairman's Statement**

### **Introduction**

I am pleased to present the Company's first set of interim financial statements following our AIM IPO in September 2017, with appScatter's ordinary shares commencing trading on AIM on 5 September 2017. This marked an important landmark in the Company's development as it both underlines the progress made to date and provides the mechanism to accelerate further growth.

It is particularly pleasing that a number of the leading technology investors in London have joined our shareholder register, demonstrating a strong belief in the Company's model, strategy and ability to generate significant shareholder returns in the medium term.

### **Strategy**

Our stated strategy is to grow the business by broadening the licensed user base through product development, targeted sales and partnerships.

Our initial focus is to rapidly grow free users and to convert them to paying users in order to build critical mass. The public version of the appScatter platform will be launched in Q4 2017 and will be available to the world's community of app developers and publishers worldwide registered via the Platform's self-service web portal.

Further, we aim to launch an add-on marketplace in Q4 2017, targeting an increase in average revenue per user by selling add-on services, and in addition increasing user retention by integrating other business-critical third-party tools with the appScatter platform.

### **Outlook**

The Company is in advanced discussions with numerous app development houses and blue-chip companies worldwide in order to grow the number of revenue generating customers. We look forward to updating shareholders in this regard, as appropriate, in due course. To date, the Company has built a pipeline of c.10,000 businesses and individuals who have registered their interest in the unique platform, and using the funds raised at IPO, intends to convert these interested parties into licensed users following the public launch of the appScatter platform.

In order to consolidate our market leading position, we will continue to look to grow the business internationally with representation in key growth markets in Europe and Asia in the near future.

I would like to take this opportunity to thank our partners and staff for their hard work in supporting appScatter in our journey so far. The market drivers are compelling and our unique position as the only full-service offering in this space gives us confidence in our ability to deliver rapid growth and create value for our shareholders. We look forward to the future with confidence.

Clive Carver

Non-Executive Chairman

27 September 2017

### **Chief Executive's Report**

#### **Business Review**

The significant interest across the app development community and from blue-chip companies, coupled with maiden revenues in the first half of the financial year, demonstrates the demand for a platform that manages and distributes mobile apps. Since the opening of Apple and Google's app stores, companies have

created large app portfolios, many with hundreds of individual apps. They constantly face issues of brand consistency, territory compliance, piracy and IP infringement, not to mention their global distribution and maintenance needs. The appScatter platform has been designed to specifically address those needs, and the Company believes that the appScatter platform is the only full-service offering in the market. Furthermore, the significant level of data that appScatter has amassed to date represents a high barrier to entry that cannot be easily replicated within the competitive landscape.

appScatter's original target customers were app developers and publishers, but we are now seeing increasing demand from businesses within regulated industries including finance, automotive, aviation and real money gaming where the ability to, inter alia, control territorial compliance is of critical importance.

### **Big Data & Telemetry**

appScatter has integrated a new telemetry system to power its backend systems to cope with the significant volume of big data requirements from the customer base. The system tracks time series data such as revenues, downloads, ranking and analytics. Soon the telemetry system will also monitor in-app metrics such as load time and memory usage on client applications.

This product has been built to be agnostic of data capture, so it can also be used to orchestrate complex metrics from high performance environments. These can be software applications, physical devices or business logic; meaning the product can be extended to monitor security related devices. It is already able to monitor AWS (Amazon Web Services) infrastructure and security metrics from any device that supports collectD – a collection Daemon used in Linux systems and many embedded devices.

### **appScatter Marketplace**

Following the public launch of the appScatter platform scheduled for Q4 2017, the Company will introduce the appScatter Marketplace to support third party integrations. We have analysed client needs to establish a roadmap of initial services. Some will be available free of charge and others will be available on a subscription basis as per our core distribution fees.

The Marketplace will include app analytics, mobile advertising networks, team management tools, project management boards, and repository integration. The Marketplace roadmap includes over 300 third party products to be added.

### **Business model**

appScatter is a B2B SaaS platform where licensed users pay a monthly subscription based on the number of users and managed apps. New additional charges will be introduced next year on a subscription basis for products purchased through the appScatter Marketplace.

### Financial performance

HY2017 was appScatter's first period of revenue generation and for the six months to 30 June 2017 appScatter generated recurring revenues of £0.9 million (HY2016: nil). Loss for the period was £2.4 million compared to £6.2<sup>1</sup> million at HY2016. Loss per share for the period was £0.18 (HY2016: £0.62).

### Growth

Along with the technical enhancements being implemented, our short-term objective is to significantly increase the number of paying users. We intend to accomplish this by converting a percentage of the c.10,000 potential customers that have registered to use the platform and are in the waiting list until the public launch later this year and through partnerships to reach app developers and publishers. Longer term we plan to extract value from the huge volume of data we capture from the appScatter platform.

Philip Marcella

Chief Executive Officer

27 September 2017

*1. This loss includes a £5.2m charge relating to the reverse takeover in 2016. Refer to 'basis of consolidation' in note 2 Accounting Policies for more details.*

### Consolidated Income Statement

For the six months ended 30 June 2017

		Year ended 31	
	Six months to	Six months to	December
	30 June 2017	30 June 2016	2016
Notes	£	£	£
Revenue	874,670	-	-
Cost of sales	(905,155)	-	-
Gross loss	(30,485)	-	-

Other income	218,946	-	-	
Administrative expenses	(2,463,233)	(1,013,593)	(3,535,818)	
Deemed cost on reverse takeover	-	(5,167,128)	(5,167,128)	
Operating loss	(2,274,772)	(6,180,721)	(8,702,946)	
Finance expenses	(34,813)	(34,860)	(87,276)	
Loss before income tax	(2,309,585)	(6,215,581)	(8,790,222)	
Tax credit	-	-	-	
Loss for the period	(2,309,585)	(6,215,581)	(8,790,222)	
<b>Other comprehensive income</b>				
Exchange gains / (losses) arising on the translation of foreign subsidiaries	34,721	(24,643)	(31,352)	
Total comprehensive Losses attributable to equity holders	(2,274,864)	(6,240,224)	(8,821,574)	
Loss per ordinary share - basic and diluted (sterling £)	<b>3</b>	(0.18)	(0.62)	(0.70)

## Consolidated Statement of Financial Position

At 30 June 2017

	Notes	30 June 2017 £	30 June 2016 £	31 December 2016 £
<b>Non-current assets</b>				
Intangible assets		905,430	885,581	959,101
<b>Total non-current assets</b>		<b>905,430</b>	<b>885,581</b>	<b>959,101</b>
<b>Current assets</b>				
Trade and other receivables	4	2,853,044	134,503	5,101,587
Cash and cash equivalents		222,940	6,114	226
<b>Total Current Assets</b>		<b>3,075,984</b>	<b>140,617</b>	<b>5,101,813</b>
<b>Total Assets</b>		<b>3,981,414</b>	<b>1,026,198</b>	<b>6,060,914</b>
<b>Current liabilities</b>				
Trade and other payables	5	1,620,443	1,522,500	2,613,613
Loans and borrowings	6	134,042	-	285,495
<b>Total Current Liabilities</b>		<b>1,754,485</b>	<b>1,522,500</b>	<b>2,899,108</b>
<b>Total Liabilities</b>		<b>1,754,485</b>	<b>1,522,500</b>	<b>2,899,108</b>
<b>Net assets</b>		<b>2,226,929</b>	<b>(496,302)</b>	<b>3,161,806</b>
Share capital		19	14	15
Share premium		19,971,826	12,680,769	14,113,751
Shares to be issued		-	-	4,824,227
Share option reserve		306,135	-	-
Reverse acquisition reserve		(4,422,859)	(4,405,107)	(4,422,859)
Foreign exchange reserve		11,299	(16,713)	(23,422)
Retained earnings		(13,639,491)	(8,755,265)	(11,329,906)
<b>Total Equity</b>		<b>2,226,929</b>	<b>(496,302)</b>	<b>3,161,806</b>

## Consolidated Statement of Changes in Equity

At 30 June 2017

	Share capital	Share premium	Shares to be issued	Other reserves	Reverse acq reserve	FX reserve	Retained earnings	Total
	£	£	£	£	£	£	£	£
<b>At 1 January 2016</b>	<b>1</b>	-	-	-	-	<b>7,930</b>	<b>(2,539,684)</b>	<b>(2,531,753)</b>
Loss for the period							(6,215,581)	(6,215,581)
<b>Other comprehensive income</b>								-
FX reserve						(24,643)		(24,643)
<b>Total comprehensive Loss</b>	-	-		-	-	<b>(24,643)</b>	<b>(6,215,581)</b>	<b>(6,240,224)</b>
Shares issued - appScatter LLC	586,326							586,326
Reverse acq reserve	(586,326)				586,326			-
Shares issued - appScatter Ltd	13	12,680,769						12,680,782
Reverse acq reserve					(4,991,433)			(4,991,433)
<b>At 30 June 2016</b>	<b>14</b>	<b>12,680,769</b>	-	-	<b>(4,405,107)</b>	<b>(16,713)</b>	<b>(8,755,265)</b>	<b>(496,302)</b>
Loss for the year							(2,574,641)	(2,574,641)
<b>Other comprehensive income</b>								-
FX reserve						(6,709)		(6,709)
<b>Total comprehensive Loss</b>	-	-		-	-	<b>(6,709)</b>	<b>(2,574,641)</b>	<b>(2,581,350)</b>
Shares issued - appScatter LLC	29,869			(17,313)				12,556
Reverse acq reserve	(29,869)			17,313	12,556			-
Shares issued - appScatter Ltd	1	1,432,982						1,432,983
Unpaid shares to be issued			4,824,227					4,824,227
Reverse acq reserve					(30,308)			(30,308)
<b>At 31 December 2016</b>	<b>15</b>	<b>14,113,751</b>	<b>4,824,227</b>	-	<b>(4,422,859)</b>	<b>(23,422)</b>	<b>(11,329,906)</b>	<b>3,161,806</b>
Loss for the period							(2,309,585)	(2,309,585)
<b>Other comprehensive income</b>								-
FX reserve						34,721		34,721
<b>Total comprehensive Loss</b>	-	-		-	-	<b>34,721</b>	<b>(2,309,585)</b>	<b>(2,274,864)</b>
Shares issued - appScatter Ltd	4	5,858,075						5,858,079
Unpaid shares to be issued			(4,824,227)					(4,824,227)
Share option reserve				306,135				306,135
<b>At 30 June 2017</b>	<b>19</b>	<b>19,971,826</b>	-	<b>306,135</b>	<b>(4,422,859)</b>	<b>11,299</b>	<b>(13,639,491)</b>	<b>2,226,929</b>

**Consolidated Statement of Cash flows**  
**For the six months ended 30 June 2017**

	Six months to 30 June 2017	Six months to June 2016	Year ended 31 December 2016
	£	£	£
<b>Cash flows from operating activities</b>			
Operating loss before taxation	(2,309,585)	(6,215,581)	(8,790,222)
<i>Adjustments for:</i>			
Finance expenses	34,812	34,860	87,276
Share based payment charge	306,135	-	-
Deemed cost on reverse takeover	-	5,167,128	5,167,128
Unrealised currency gains	67,594	10,083	10,027
<b>Operating loss before working capital changes</b>	<b>(1,901,044)</b>	<b>(1,003,510)</b>	<b>(3,525,791)</b>
<b>Changes in working capital</b>			
Increase in trade and other receivables	(2,575,683)	(98,453)	(241,035)
Increase in trade and other payables	1,716,917	943,984	2,083,891
<b>Net cash used in operating activities</b>	<b>(2,759,810)</b>	<b>(157,979)</b>	<b>(1,682,935)</b>
<b>Investing activities</b>			
Acquisition of business (net of cash balance) <sup>1</sup>	-	3,487	3,487
<b>Net cash flows from investing activities</b>	<b>-</b>	<b>3,487</b>	<b>3,487</b>
<b>Financing activities</b>			
Net proceeds from loans	(151,453)	(12,613)	230,025
Interest paid	(34,812)	(34,860)	(55,029)
Issue of ordinary shares (net of expenses)	3,168,789	-	1,296,599
Issue of common stocks - appScatter LLC	-	204,872	204,872
<b>Net cash flows from financing activities</b>	<b>2,982,524</b>	<b>157,399</b>	<b>1,676,467</b>
Net change in cash and cash equivalents	222,714	2,907	(2,981)
Cash and cash equivalents at the beginning of the period	226	3,207	3,207
<b>Cash and cash equivalents at the end of the period</b>	<b>222,940</b>	<b>6,114</b>	<b>226</b>

<sup>1</sup> Acquisition of business (net of cash balance) in 2016 relates to the cash and cash equivalent of appScatter Limited as at date of acquisition (18 May 2016).

#### Significant non-cash transaction

On 18 May 2016 appScatter Limited acquired the entire issued share capital of appScatter LLC for a consideration of £12,659,030, satisfied by the issue of 9,967,740 shares (non-cash transaction).

## **NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

### **1. General information**

appScatter Group PLC (AIM: “APPS” or “appScatter Group”) is a B2B SaaS distribution platform for mobile application developers and publishers. appScatter’s app distribution tool provides the ability to manage and automatically submit apps to over 50 of the largest app stores, in addition to iTunes and Google Play, saving time for the publishers’ staff and increasing the potential for both downloads and revenues.

appScatter Group PLC is a public limited company incorporated and domiciled in England and Wales and quoted on AIM. The registered office of the Company is Salisbury House, London Wall, London, England, EC2M 5PS. The registered company number is 10706264.

The Directors of appScatter Group PLC are responsible for the financial information.

### **2. Accounting policies**

The principal accounting policies applied in the preparation of the financial information are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated below.

#### ***Basis of preparation***

These interim financial statements are unaudited and have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’. These financial statements do not constitute statutory accounts of the Group within the meaning of sections 434(3) and 435(3) of the Companies Act 2006. The figures for the year ended 31 December 2016 have been derived from the historical financial information published in the appScatter Group PLC AIM admission document dated 29 August 2017 (‘Admission Document’) on which the report of the independent auditors was unqualified and did not contain a statement under either section 498(2) or section 498(3) of the Companies Act 2006.

The results have been prepared in accordance with the accounting policies set out in the historical financial information published in the Admission Document, which are based on the recognition and measurement principles of IFRS in issue as adopted by the European Union (“EU”). No changes to accounting policies are expected for the year ending 31 December 2017.

These unaudited interim results have been prepared on a going concern basis. At the balance sheet date, the Group had net cash of £0.2m and net assets of £2.2m, and as such the Directors have a reasonable expectation that the Group has adequate resources to continue operations for the next twelve months.

The results for the six months ended 30 June 2017 were approved by the Board on 26 September 2017. A copy of these interim results will be available on the Group’s web site [www.appscatterplc.com](http://www.appscatterplc.com) from 27 September 2017.

The presentation currency of the financial information is Pound Sterling (£). appScatter Limited’s functional currency is Pound Sterling (£) and its subsidiaries’ (appScatter LLC and DSH Labs LLC) functional currency is US Dollar (US\$).

#### **Basis of consolidation**

The consolidated financial statements include the results of appScatter Limited (“the Company”) and its subsidiaries (together “the Group”) as if they formed a single entity for the full period or, in the case of acquisitions, from the date control is transferred to the Group. The Company controls an entity, when the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. Intercompany transactions and balances between Group companies are therefore eliminated in full.

On 18 May 2016 appScatter Merger Sub LLC, a subsidiary of appScatter Limited was merged with and into appScatter LLC, with the latter company continuing as the surviving entity. The entire issued share capital of appScatter LLC was for a consideration of £12,659,030 and this was satisfied by the issue of 9,967,740 shares in appScatter Limited.

Management has treated the acquisition as a reverse takeover, after identifying appScatter LLC (the accounting acquirer) as the acquirer under IFRS 3 ‘Business Combinations’. In addition, this transaction cannot be considered a business combination, as appScatter Limited did not meet the definition of a business, under IFRS 3 ‘Business Combinations’. However; the accounting for such transaction should be treated as a share-based payment transaction and therefore accounted for under IFRS 2 ‘Share-based

payment'. Any difference between the consideration transferred, which is the fair value of the shares deemed to have been issued by appScatter LLC and the fair value of the appScatter Limited's identifiable net assets represents a service received by the accounting acquirer. This deemed cost on reverse takeover is expensed to profit or loss.

The fair value of the consideration transferred is calculated using the number of appScatter LLC shares that would have been issued to the owners of appScatter Limited on the acquisition date to give them an equivalent ownership interest in appScatter LLC as it has in the combined company at the share price of appScatter Limited at the acquisition date. The fair value of each share of the appScatter Limited is deemed to have been issued by appScatter LLC is based on the fair value of the share price of appScatter Limited at the time of the acquisition, which was the market price third party investors were subscribing for new shares at shortly before the transaction.

Although the consolidated financial information for HY2016 and FY2016 has been issued in the name of appScatter Limited, the legal parent, it represents in substance a continuation of the financial information of appScatter LLC and DSH LLC, its subsidiary ("appScatter subgroup").

The assets and liabilities of appScatter subgroup are recognised and measured in the Group financial statements at the pre-combination carrying amounts and not restated at fair value.

The financial information has been prepared as follows:

Six months ended 30 June 2017

The financial information for this reporting period is that of appScatter Limited and its subsidiaries. This is in accordance with IFRS.

Year ended 31 December 2016 / six months ended 30 June 2016

The financial information for this reporting year is that of appScatter subgroup and the post-acquisition results of appScatter Limited from 18 May 2016 (date of reverse takeover) to 31 December 2016. appScatter Limited's pre-acquisition results from 1 January 2016 to 18 May 2016 have been transferred and included in the reverse takeover reserve (see table below). This is in accordance with IFRS.

**1 January 2016 to 18 May 2016**

£

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Administrative expenses	(110,272)
<b>Operating loss</b>	<b>(110,272)</b>
Finance expenses	-
<b>Loss before income tax</b>	<b>(110,272)</b>
Tax credit	-
<b>Loss for the period</b>	<b>(110,272)</b>
<b>Total comprehensive loss for the period attributable to the owners</b>	<b>(110,272)</b>

### **Foreign Currency**

The main functional currencies for the Company's subsidiaries are US\$.

Foreign currency transactions and balances

- i) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.
- ii) Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.
- iii) Share capital, share premium and brought forward earnings are translated using the exchange rates prevailing at the dates of the transactions.

### **Consolidation of foreign entities**

On consolidation, results of the foreign entities are translated from the local functional currency to Pound Sterling using average exchange rates during the period. All asset and liabilities are translated from the local functional currency to Pound Sterling using the reporting period end exchange rates. These exchange differences arising from the translation of the net investment in foreign entities are recognised in other comprehensive income and accumulated in a separate component of equity.

Post transition exchange differences are recycled to profit or loss as a reclassification adjustment upon disposal of the foreign operation.

### **Intangible assets**

Externally acquired: developed technologies

The externally acquired developed technologies which are the distribution platform for mobile applications are initially recognised at cost. This asset will be amortised over its useful life when it is being sold or used. Subsequent to initial recognition, this intangible asset is reported at cost less accumulated amortisation and accumulated impairment losses. The carrying values are tested for impairment when there is an indication that the value of the assets might be impaired during the period. The amortisation period and amortisation method with a finite useful life are reviewed annually at year end. The assets have not been amortised in the three reporting years as they are not in use.

The assessment of the future economic benefits generated by the above intangible asset involves a significant degree of judgement based on management estimation of future potential revenue and profit and the useful life of the assets. Reviews are performed regularly to ensure the recoverability of this intangible asset.

### 3. Loss per share

	Six months to 30 June 2017 £	Six months to 30 June 2016 £	Year ended 31 December 2016 £
Basic and diluted			
Loss for the period and earnings used in basic & diluted EPS	(2,309,585)	(6,215,581)	(8,790,222)
Weighted average number of shares used in basic and diluted EPS	13,172,036	9,980,891	12,575,543
<b>Loss per share (£)</b>	<b>(0.18)</b>	<b>(0.62)</b>	<b>(0.70)</b>

### 4. Trade and other receivables

	Six months to 30 June 2017 £	Six months to 30 June 2016 £	Year ended 31 December 2016 £
Trade receivables	605,010	-	-
Prepayments	571,738	10,040	20,285
Accrued Income	117,500	-	-

Other receivables	325,915	43,406	106,355
Amounts receivable on shares to be issued	-	63,967	4,824,228
Shares issued for prepaid services	1,060,500	-	-
VAT receivable	172,381	17,090	150,719
<b>Total trade and other receivables</b>	<b>2,853,044</b>	<b>134,503</b>	<b>5,101,587</b>

Prepayments as at 30 June 2017 relate to IPO fundraising costs incurred by appScatter Limited on behalf of appScatter Group PLC. These will be recharged to appScatter Group PLC, post the share for share exchange on the 21 August 2017.

## 5. Trade and other payables

	Six months to 30 June 2017	Six months to 30 June 2016	Year ended 31 December 2016
	£	£	£
Trade payables	749,082	191,194	510,604
Accruals	499,177	515,103	1,299,299
Social security & other taxes payable	259,425	204,231	308,706
Other payables	105,507	189,625	196,792
Loans from related parties	7,252	422,347	298,212
<b>Total trade and other payables</b>	<b>1,620,443</b>	<b>1,522,500</b>	<b>2,613,613</b>

Post 30 June 2017 balance date, all trade payables owing as at June 2017 have been paid. Accruals as at 30 June 2017 largely relate to a historical onerous lease accrual which was settled in September 2017.

## 6. Loans and borrowings

	Six months to 30 June 2017	Six months to 30 June 2016	Year ended 31 December 2016
	£	£	£
Current			
Loans	134,042	-	285,495
<b>Total loans and borrowings</b>	<b>134,042</b>	<b>-</b>	<b>285,495</b>

The carrying value of the loans and borrowings approximates to their fair value. The interest-bearing loan as at 30 June 2017 of £134,042 was due to Kuflink Bridging Ltd and is repayable on demand. William Booth, a related party, is a director of this company. The monthly interest rate is 2%. This loan was fully repaid in September 2017.

## 7. Commitments

### Operating lease commitments

The Company leases office facilities under several cancellable operating lease agreements, with a month's notice period

The Company has an onerous property lease which has expired in April 2017 and has accrued £345,929 (HY2017), £277,955 (HY2016) and £300,884 (FY2016) to cover rental costs due after the company vacated the property in November 2015.

## 8. Fair value of share options

The estimate of the fair value of the share options is measured based on the Black-Scholes model. The following inputs were used in the calculation of the fair value of share options granted:

	<b>8 May 2017</b>
Number of options granted	891,472
Share price at 8 May 2017	£1.61
Exercise price	£1.29
Expected periods to exercise options	5 years
Risk-free interest rate	0.51%
Volatility	60.00%
Fair value	£802,411

The expected volatility has been checked against the historical share prices of a group of companies deemed to be comparable to appScatter Limited. As at 30 June 2017, 340,113 share options had vested; therefore, £306,135 was expensed in the consolidated income statement.

## 9. Contingent liability

Payments have been made to individuals providing services to the Group who have been treated as contractors. The Directors have concluded that this treatment is appropriate based on the circumstances; however, a potential tax liability exists if they are deemed to be employees. It is not possible to accurately quantify the potential liability, but the maximum possible liability it is not expected to exceed £590,000. To

mitigate this risk, the Group has put in place appropriate indemnification arrangements. The Company could also seek to recover from the individuals and/or offset against tax already settled with the relevant authorities.

**10. Events after the reporting date**

- During July 2017, appScatter Limited successfully raised £763,828 which concluded the Series A fundraise.
- On the 21 August 2017, appScatter Group PLC acquired appScatter Limited and its subsidiaries via a share for share exchange (2.5 shares in appScatter Group PLC for every 1 share held in appScatter Limited). The share options issued in appScatter Limited were transferred to appScatter Group PLC.
- On 5 September 2017, appScatter Group PLC (appScatter Limited's parent company as at 21 August 2017), successfully raised £9 million on admission to the AIM market of the London Stock Exchange.

**11. Market Abuse Regulation (MAR) Disclosure**

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.