

# **AMA CORPORATION Plc**

## **Annual Report and Financial Statements**

Year ended 31 December 2021

## Company Information

Company Registration Number	10341359
Registered Office	Flat 3-2 Cresswell Gardens London SW5 0BJ
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## Strategic report

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

### Principal activities

AMA Corporation Plc is a company ("Company") engaged in the holding of and management of business activities of AMA Group ("Group"). The main activities are the research on and development of remote assistance and videoconference solutions and management of intellectual property rights of the companies, and the supervision of the various activities operated by the companies held by AMA Corporation Plc.

The main activities of the Group's investments are the development of software and the integration of systems for collaborative work, providing advanced, highly-secure remote solutions for connected devices. AMA Group's XpertEye suite provides augmented reality, dynamic workflow management, and dynamic online scheduling and planning. Combined with smart glasses or other camera sources (endoscope, microscope, dermatoscope, etc.), these innovative solutions enable experts and on-site technicians to share data and knowledge in real time, making remote support easier and more effective for users. They meet an increasing need for smart workplace transformation in companies seeking to boost productivity and competitiveness in a wide range of areas such as remote support, training, testing and healthcare.

The consolidated financial statements show a loss for the period after taxation amounting to €(9,837)k (2020: €(7,413)k).

The Group consolidated financial position at the end of the period and trading results for the period are shown in the attached financial statements on pages 24 and 22 respectively.

### Recent events and outlook

During the year 2021 AMA Corporation Plc performed various capital transactions.

On 7 January 2021, AMA Corporation Plc reduced capital by allocating £3,600k to the Guillemot Brothers current account (€3,977k at the spot exchange rate).

On 19 May 2021, non-controlling interests were acquired by contribution in kind of 415 AMA Research and Development SAS shares, valued at €111k, paid by the issue of 57,650 AMA Corporation Plc shares and 414 AMA Operations SAS shares, valued at €48k, paid by the issue of 25,179 AMA Corporation Plc shares.

On 21 May 2021, the par value of shares was reduced while the number of shares was multiplied by 8. Since then, the par value of the shares has been GBP 0.125. Following these transactions, AMA Corporation Plc share capital amounts to £2,083k (€2,427k), or 16,662,632 shares.

On 1 July 2021, AMA Corporation Plc increased capital by issuing 5,457,390 new shares at a price of €6.60 in connection with its initial public offering on Euronext Growth Paris. Gross proceeds from the new share issue amounted to approximately €36m. Costs relating to this initial public offering (underwriting, legal counsel, communication, audit, etc.) were deducted from the issue premium for approximately €3.2m.

## **Strategic report (continued)**

### **Recent events and outlook (continued)**

On 4 August 2021, AMA Corporation Plc partially exercised its greenshoe option leading to the issue of 335,793 additional new shares at the IPO price of €6.60 per share, for a total of €2.2m.

On 11 August 2021, AMA Corporation Plc opened AMA XpertEye K.K., a new distribution subsidiary in Tokyo, to enable XpertEye solutions to rapidly deploy services for the Japanese market.

On 10 September 2021, AMA Corporation Plc repaid €3.2m of the Guillemot Brothers Limited shareholder loan.

On 27 December 2021, AMA Corporation Plc opened AMA Xperteye SL, a new distribution subsidiary in Barcelona to enable XpertEye solutions to rapidly deploy services for the Spanish market.

In 2021, €227k of the previously recognised provision for the replacement of Google Pixel telephones was used, as the telephones were replaced for some customers in 2021. An additional €71k in provisions was recognised to cover the costs of replacing telephones delivered in early 2021.

On 29 October 2021, the Group released its revised product roadmap and revenue assumptions for 2021 and 2022, initially estimated at more than €15m and €32m, respectively.

In the first quarter of 2022, the Group achieved revenues of €1.1m, down 50% compared to the first quarter of 2021. The Group expects to resume sustained growth in the second half of 2022 due to the completion of R&D work that will make it possible to roll out its solutions on an industrial scale.

## Strategic report (continued)

### Business performance and key performance indicators

#### Key Performance Indicators (“KPIs”)

The Key Performance Indicators used by the Board to assess the performance of the business are listed below and discussed in the Strategic Report.

Year ended 31 December		2021	2020	% change
Order Book (€ 000)	(1)	3,012	4,120	-27%
Software part in Revenue (%)	(2)	37%	15%	152%
Client Number (no)	(3)	490	400	23%
New clients (no)	(4)	160	262	-39%
Churn on client number (%)	(5)	17.5%	24.2%	-28%
Churn on PY Revenue (%)	(6)	2.5%	7.7%	-68%
Average Annual Revenue per client (€ 000)	(7)	13.5	16.0	-15%
AAR per existing client (€ 000)	(8)	17.9	16.0	12%
AAR per new client (€ 000)	(9)	4.5	-	

(1) Revenue signed but not yet recognised because: (i) The equipment is not delivered yet or (ii) revenue is recognised on the duration of the contract (for licences, Pilots or Services) - see note 7.1 in consolidated financial statements.

(2) Part of revenue linked to software licences on the global revenue.

(3) Number of clients who generated revenue in the year.

(4) Number of clients who generated revenue in the year, and not in the precedent years.

(5) Number of clients who didn't generated revenue in the year on the total prior year client number.

(6) Prior year revenue of clients who didn't generated revenue in the year on the total prior year revenue.

(7) Total Revenue on total client number

(8) Average Annual Revenue for the existing clients. Existing clients are the clients who generated revenue the precedent year - compared to the total average annual revenue of all the clients of the prior year to see the evolution on the same clients

(9) Average Annual Revenue for the new clients who are the client who didn't generated revenue the precedent year

#### Consolidated Income Statement

The Group recorded a revenue of €6,572k for fiscal year 2021, up 2.2% at current exchange rates (+4% at constant exchange rates) compared to 2020. This level of revenue is below the target of €15.4M set at the time of the IPO leading the Group to revise its revenue sequence over 2021 and 2022.

## Strategic report (continued)

### Consolidated Income Statement (continued)

#### Revenue Evolution (constant exchange rate)

	2021	2020	Change
Q1	€ 2,2 M	€ 0,5 M	298%
Q2	€ 1,9 M	€ 1,2 M	55%
Q3	€ 1,3 M	€ 1,5 M	-17%
Q4	€ 1,3 M	€ 3,1 M	-57%
<b>Total</b>	<b>€ 6,6 M</b>	<b>€ 6,4 M</b>	<b>4,0%</b>

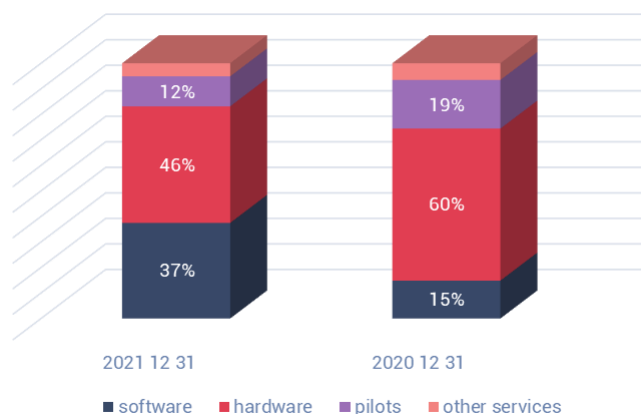
The Group recorded a 17% decrease in Q3 revenue and a 57% decrease in Q4 revenue, whereas Q4 represented 49% of Group revenue in 2020. This is explained by the fact that the industrial scale deployment phases at XpertEye have been postponed by our customers as a result of technical challenges. The Group is facing technological challenges related to the integration and interoperability of its new applications within its customers' information systems

and to additional technological additions.

The R&D teams have become more organized, with more than one third of the R&D staff, totaling 70 people to date, dedicated to the development of integration solutions (APIs).

Adjusted gross margin corresponds to the margin on purchases consumed (revenue less cost of sales), excluding inventory write-downs. It improved by 4.5% compared with the previous year, thanks to the favorable evolution of the product mix.

#### Product Mix evolution



The share of revenue linked to Software and Pilots reached 49% of revenues over the period (vs. 34% in 2020), for a total amount of €3,269k, i.e. an increase of +51% compared to 2020. The share of hardware revenue represents 46% of 2021 revenues, compared to 60% the previous year, and is down 20.2%. Other services (training, day-to-day support) are also down by 18.4% and represent 5% of revenues in 2021 compared to 7% in 2020. With

software margins at over 98% and hardware margins at around 25%, the shift in product mix towards more software has a positive mechanical effect on margin improvement.

Revenues for 2021 benefit from the recurrence of software subscriptions in SaaS mode, and therefore from the many contracts signed in the last quarter of 2020. Thus, 72% of the software revenue recognized in 2021 comes from backlog, i.e. contracts signed in previous years.

## Strategic report (continued)

### Consolidated Income Statement (continued)

#### Order Book

At the end of 2021 the Order book amounted to €3,012k. It corresponds mainly to revenue signed but not yet recognized on the software part, which is subscribed for commitments from 12 to 72 months, commitments which are accounted for over time. The Order book is down 27% compared to December 31, 2020 (€4,120k at that date). This is because our major customers are waiting for the R&D developments that will enable the industrialization of the deployment of XpertEye solutions on a large scale in their organizations. They have postponed decisions on orders expected in Q4 2021 in order to deploy remote collaboration solutions that meet their interoperability needs in their information systems.

#### Evolution of the client portfolio

At the end of December 2021, the Group had 490 customers, of which 160 were new. During the year, the Group strengthened its position with existing customers, won new customers and signed new technological and commercial partnerships, several of which are currently being finalized. The churn rate remains limited to 2.5% of the 2020 revenue and corresponds mainly to "small customers" representing an average of €2,260 of revenue per customer.

#### Sales evolution by geographic area

The evolution of the activity by region remained relatively identical to that observed in 2020. Europe and France remain the main drivers of growth (68% of sales, including €2,700k of sales in France). There is a favourable trend in Asia (+15.3%), but this remains below the Group's expectations.

#### Payroll and Result evolution

The operating loss for the year is €9,511k compared to €7,316k in 2020. The +33.2% increase in gross margin enabled the Group to absorb part of the increase in payroll (+39.6% to €9,707k), which represents the main expense item linked to the acceleration of recruitment in all departments.

The recruitment campaign has been very active in 2021 with the strengthening of the R&D teams by +21 employees and +19 employees in Sales & Marketing. In these areas, the Group has achieved 72% of its recruitment objectives. 20% of the workforce is international.

Over the next few quarters, the Group will adapt its recruitment according to the progress of R&D work and the growth of the business. The organization has been strengthened and the Group's headcount, including interim staff and long-term consultants before being recruited, reached at the end of the year 184, compared to 120 at the end of the previous year. Without Interim staff and long-term consultants, the Group's headcount of full-time equivalents is 170 employees at the end of 2021 compared to 113 at the end of 2020 (see note 7.4 to the consolidated financial statements).



## Strategic report (continued)

### Consolidated Income Statement (continued)

The table below summarises the group headcounts per department:

	Dec. 31 2020	Dec. 31 2021	Gap	Contrib.
R&D	48	69	21	38%
Sales & Marketing	45	64	19	35%
Cyber, IT, Supply chain	20	35	15	19%
G&A	7	16	9	9%
<b>Total</b>	<b>120</b>	<b>184</b>	<b>64</b>	<b>100%</b>

#### Research and Development costs

The other income for an amount of €4,095k in 2021 increased by +74% compared to 2020. It corresponds mainly to the development costs capitalised for the research and development (see note 7.2 of the consolidated financial statements) accelerated in 2021 with the recruitment of 21 employees in R&D and the objective to constantly improve and add new technological bricks to XpertEye Solutions.

### Consolidated balance sheet

Total consolidated assets amounted to €38,223k.

Consolidated Non-current assets are mainly attributable to Intangible fixed assets.

Consolidated Current assets are mainly composed of Trade receivables and related accounts.

On 31 December 2021, total shareholders' equity amounted to €26,901k, up €20,860k compared with December 31, 2020, following the €35,101k capital increase (net of issue costs) carried out as part of the IPO on Euronext in July 2021.

In addition, as part of the Group's reorganization prior to the IPO, on January 7, 2021, a capital reduction was carried out in favor of Guillemot Brothers Limited by charging €3,977k to the current account.

Financial debts, which amount to €2,624k, have decreased by €2,222k compared to December 31, 2020, and are explained by the repayment of loan maturities and the full repayment of our authorized overdraft.

### Consolidated Cash-Flow

The Group improved its operational cash flow at €(4,740)k (compared to €(5,813)k in 2020), thanks to a favourable change in Working Capital Requirement (+€1,661k). Cash flows from investing activities amounted to €(5,222)k, up €2,227k compared to 2020, due mainly to higher capitalised development costs.

Cash flow from financing activities amounted to €29,672k due to the €35,1M fundraising (net of IPO costs) less the repayment of part of the financial debt.

The gross cash position was €20.6m on 31 December 2021, compared with €2.4m on 31 December 2020, giving the Group the flexibility to pursue its development.

## Strategic report (continued)

### Risks and uncertainties

The Group has performed a review of the key risks which could have a significant adverse impact on its activities, its financial standing or its results. The Group has not identified any other significant risks other than those detailed below.

Principal risk are indicated by (\*)

### Risks linked to sectors of activities

#### Technological risk (\*)

The Group is a publisher and supplier of software solutions associated with video tools and dedicated to the connected work solutions market. The markets in which the Group operates are marked by rapid technological change, the rapid obsolescence of existing technologies and frequent new product launches. As a result, the Group's offering must constantly be adapted to meet the complex needs of its customers operating in different industries. In addition, the software published by the Group must constantly adapt to the evolution and lifecycle of the hardware supports as well as those of the interfacing with the third-party systems used by the customers. The evolution of one or more hardware components may also make it necessary to update the software published by the Group. In order to maintain its competitive position, the Group must be able to anticipate technological developments and rapidly evolving standards and norms and enhance the functionality of its existing products to meet the demands of its customers. It shall as well be able to design, develop, improve and market new products in a timely and cost-effective manner. The Group's future development and revenue streams therefore depend to a large extent on the financial and human resources allocated to research and development activities. The newly developed solutions may not be the most suitable for the needs of customers, particularly in terms of their evolution over time, and may not allow the synergies expected by the Group. The Group could fall behind in its developments and arrive on the market with an obsolete technology or one in which one of its competitors is already very well established, or develop products based on standards or platforms that would not ultimately be those chosen by its customers. In Q4 of 2021, the Group faced a technological issue with the delays of the XpertEye solution's latest versions resulting in the Group's review of its objectives and forecast for 2021/2022. The development costs could also be too high in relation to the price at which the Group might wish to market its products. As new mobile terminals, new platforms and new connected objects are developed, the Group could likewise encounter difficulties in developing new solutions adapted to these terminals, platforms and objects. If the Group is unable to respond appropriately to these situations, this would have an adverse effect on the Group's business, revenues, results, financial condition, prospects and development.

#### ❖ *Risks relating to the continuity of the Group's software.*

The software developed and marketed by the Group may be subject to errors, defects and bugs that must be corrected within the timeframes and conditions stipulated in the contracts concluded with its customers. In the event of a failure in the performance of service levels and response times, the Group could incur contractual liabilities and could be required to incur additional costs necessary to correct such anomalies. In addition, any failure in the performance of its services carries a reputational risk with customers.

## Strategic report (continued)

### Risks and uncertainties (continued)

#### ❖ *Risks related to technological developments*

Finally, the Group is exposed to the risk of inadequacy of the existing infrastructure in the face of an increase in user flows. In 2020 and 2021, the Group entered into agreements with partners who have taken into account its increased activity. Since the first quarter of 2021, the Group has dedicated and scalable servers at BT Blue (formerly Bretagne Telecom) and Microsoft Azure. The information systems management, operations and research and development teams are working together to automate the automatic resizing of resources to meet customer demand. Pending this automation, daily monitoring of platform usage is carried out, and resource adjustments are made directly by the operations information systems department.

### Cybersecurity risk (\*)

The Group's activities are largely dependent on computerized facilities and data in digital format. It is therefore not technically possible to guarantee the error-free, uninterrupted operation and availability or absolute security of its information systems and solutions. Due to the nature of its activities, the Group is exposed to the risk of various types of IT incidents that could lead to the accidental or voluntary disclosure of confidential and/or business secret information. Incidents may be of internal origin (including non-compliance with internal security policies by the Group's staff) or external (cyber attacks, attempted phishing, intrusion into information systems, etc.). In some cases, these IT incidents may also result in a breach of personal data within the meaning of the regulations applicable in this area. In addition, the development of the Group's security technologies and products depends on the general development of the market for security solutions for networks and connected objects, on its acceptance by users and on customer demand. Due to its rapid growth, the Group has equipped itself with computerized solutions that enable it to respond rapidly to the needs of the Group's various core businesses. Since 2020, the information systems department has undertaken to standardize the rules for accessing these solutions by using SSO for all its solutions. The security policy applied to user accounts makes it possible to reduce or even cancel the risks associated with this segmentation. This work was finalized in 2021.

Additional security risks may exist and apply to the Group, particularly in the context of the use of external hosting platforms (e.g. cloud), and given that most of the solutions developed by the Group use the cloud. As a result, the Group is exposed to the risks of failure of the external hosting provider. The Group has taken out the necessary cybersecurity insurance policies to cover such risks, particularly for the research and development subsidiary and the subsidiary in charge of network and IT security.

## Strategic report (continued)

### Risks and uncertainties (continued)

#### Procurement risks (\*)

##### ❖ *Dependence upon certain suppliers*

The Group may be exposed to a situation of dependence on certain suppliers or subcontractors, in particular with regards to the Company's research and development activities. The products delivered to the Group by its suppliers may not meet the Group's needs for its operations, both in terms of quantity and quality, or may not comply with legislative or regulatory or contractual requirements. The Group is therefore exposed to a risk of supply disruption from its suppliers that could significantly affect the Group's business even if contractual clauses and redundancy guarantee the Group against this eventuality. The Group is also exposed to the risk of losing orders, suffering a delivery default or delay, seeing price variations affect components, and suffering an increase in working capital requirements, even if certain contractual clauses guarantee against this eventuality. Finally, the Group could find itself in a situation where, in the event of insufficient access to immediately available products, it would have to obtain supplies from non-certified or limited-certified suppliers in the relevant markets. Furthermore, products that were previously certified may no longer be certified in the future. In this case, the Group will have to adapt and may distribute products in a given market only to the extent that they are certified in that market.

##### ❖ *Industry competition risk*

The Group operates in the new technologies market and more specifically in the connected work solutions market. The use cases for the solutions proposed by the Group are various and the competitors are numerous, operating in a large number of different activities, such as remote assistance, remote training, inspection, telemedicine, video-conferencing, instruction, etc.)

This market is highly competitive. This competition is following an exponential trend and could see the arrival of new players with large resources, a reputation and a customer base sometimes larger than that of the Group.

If the Group is unable to remain competitive with its current or future competitors, or if it is confronted with competitors who are more successful, particularly because of their size or the resources they are able to mobilize to develop new solutions and/or pre-empt new markets, this will adversely affect its market share, turnover, results, financial situation, prospects and development.

## Strategic report (continued)

### Risks and uncertainties (continued)

#### Financial risks

##### ❖ *Risks related to the capitalisation of research and development costs*

The Group's future development and revenue streams rely to a large extent on the financial and human resources allocated to research and development activities. Research and development costs can, under certain conditions, be capitalised and thus spread over its useful economic life. In the event that the Group does not meet the necessary documentary and other criterias defined by accounting standards, these research and development costs may not be capitalised, which would have the effect of reducing the operating result for the period concerned.

##### ❖ *Transfer pricing policy rules*

The Group is subject, also due to its international activity, to transfer pricing rules, which can be particularly complex and give rise to divergent interpretations between the jurisdictions in which the Group is established. The absence, inadequacy or evolution of its transfer pricing policy as well as changes in tax regulations, or in their interpretation, could have a material adverse effect on the Group's tax position, its effective tax rate or the amount of taxes and other compulsory levies to which it is subject, as well as on its reporting obligations.

A challenge to its tax position by the relevant authorities could result in the Group paying additional taxes, potentially significant reassessments and penalties, or increasing the cost of its products or services in order to pass on these taxes, which could have a material adverse effect on its business, results, financial condition and prospects.

Therefore, in order to limit such impacts, the Group endeavours to monitor and anticipate the risks of changes in tax rules, tax rates or regulations, particularly in terms of transfer pricing, with the assistance of specialised tax firms. The loss position limits this risk at the present time.

#### Legal risks (\*)

##### ❖ *Intellectual property*

The Group's business and success are dependent on the software solutions it develops and owns. Its technology is protected through a combination of intellectual property rights, primarily copyrights, trademarks and domain names. The Group's software is made available through contracts under which the Group or its subsidiaries grant their customers a right to use the software, via transferable user licences to end users, without the right to reproduce, modify or adapt the software and, more generally, without transferring ownership and intellectual property rights relating to the software, with the exception of the assignment of intellectual property rights granted to certain customers over the results obtained and/or generated by the use of the software under the licence.

## Strategic report (continued)

### Risks and uncertainties (continued)

The Group relies, to a large extent, on the exclusive exploitation rights conferred by its intellectual property and, in particular, the copyrights on the software it develops. The Group's commercial success and viability in the medium and long term will depend on its ability to develop products protected by its own copyrights that do not conflict with copyrights held by third parties. As trademarks are important elements for the identification of the Group's products, trademarks have been filed and registered in France (INPI), China (CNIPA/TMO), Hong Kong (The government of the Hong Kong Special Administrative Region), the European Union (EUIPO), the United Kingdom (IPO), the United States of America (USPTO) as well as in Australia (WIPO).

However, the Group may not be able to obtain, maintain or fully protect, for each of its rights, the scope of protection (particularly in terms of geographical coverage or coverage of products and services) adequate to ensure a competitive advantage. The costs related to its defence or to the payment of damages and interest in the event of an unfavourable outcome for the Group may have negative consequences on the Group's activities and financial standing.

#### ❖ *Use of open source and availability of source code*

The use by the Group of open source components may represent (i) an operational and commercial risk depending on the type of open source components integrated and the conditions and limitations provided for in the corresponding licence and (ii) a legal risk in the event of compulsory disclosure of the source code related to the open source component modified and improved by the Group or in the event of non-compliance with the conditions imposed by each open source licence, in particular in terms of distribution and subsequent marketing.

The open source components used by the Group (i) are not directly related to the "core business" solutions as developed and marketed by the Group and made available to customers and (ii) are limited to bricks that are easily and technically replaceable, without impacting the continuity of the Company's or its subsidiaries' activities.

In addition, the Group is exposed to a known and current risk of default and contractual liability under a guarantee granted to a recurring customer on the absence of recourse to open source components and software as part of the products and services provided by the Group to this customer.

Finally, in the event of bankruptcy, change of principal activity or cessation of business of the Group, certain contracts concluded with its customers and/or suppliers grant the customer and/or supplier a right to access the source code filed by the Company with the Agency for the Protection of Programs ("APP") in order to ensure only the continuity of their services for the duration of the contract.

## **Strategic report (continued)**

### **Risks and uncertainties (continued)**

#### *❖ Risks related to the protection of personal data*

The Group operates in a market that has seen a strengthening of the applicable regulations on the protection of personal data, which has resulted in the effective implementation of a global compliance program, monitoring of this compliance and adaptation to changes in the requirements imposed by the applicable regulations.

Despite these efforts, the Group remains exposed to the risk of complaints and legal action by third parties, control by the competent authorities and sanctions, including financial sanctions, which may be made public and which may result in reputational risk for the Group.

Given the location of some of its service providers acting as subcontractors, the Group is currently exposed to the risk of non-compliance of certain transfers of personal data outside the European Economic Area with the requirements arising from the RGPD reinforced by the "Schrems II" ruling of the Court of Justice of the European Union ("CJEU") of 16 July 2020.

With more international regulations regarding the protection of personal information with China's PIPL in November 2021 and Japan's amended APPI in April 2022, the Company also has to adapt its privacy policy on a global scale.

### **Risks linked to key personnel and recruitment (\*)**

During 2021, the Group has had to enhance and increase recruitments of qualified personnel in order to accompany and support the development of its activities as it expands into areas that require additional skills. The Group is in competition with other companies to recruit and retain such talents and may not be able to attract or retain them. This inability could limit or delay the operation of its technological platform or prevent the development or marketing of its products and thus have a significant adverse effect on the Group, its business, results, prospects, ability to achieve its objectives, financial situation and/or development. The Group's recruitment campaign for 2021 is further detailed in the Statement of Comprehensive income, Payroll and Result evolution, p6.

### **Risks linked to Covid-19**

In the face of the 2020 - 2021 health crisis linked to Covid-19, the Group has taken the necessary measures to ensure the protection of its employees and the continuity of its business. The impact of Covid-19 is being closely monitored by the Group to assess the situation and take all necessary measures. The Group has therefore been able to use its IT infrastructure and digital co-working solutions to allow most of its teams to work remotely in order to maintain high levels of productivity in a particularly difficult context. As of the date of publication of this document, the Group estimates that the Covid-19 epidemic has had a limited overall impact on its business. Especially, the Covid-19 is expected to have had limited impact on the Group's main asset for which the widespread lockdowns linked to the crisis have had a positive impact on engagement regarding global companies' needs for remote assistance, and on revenue. It is however impossible as of the date hereof to determine whether this impact will be sustainable.



## Strategic report (continued)

### Risks and uncertainties (continued)

#### Risks linked to Ukraine conflict

The conflict in Ukraine, which broke out in February 2022, has limited impact on the activity of the Group as the Group doesn't trade with companies in Russia, Belarus or Ukraine, doesn't have subsidiaries or assets in Russia, Belarus or Ukraine, and is not linked with organisations or individuals under sanctions.

#### Section 172 Statement

In accordance with the Companies Act 2006 (Act), the Directors are required by law to act in good faith to promote the success of the Group for the benefit of the shareholders as a whole and are also required to have regard to the following:

- The likely long-term consequences of any decision:  
Strategic Report: Recent events and outlook, pages 4 and 5;
- The interests of the Group's employees:  
The Board has a good relationship with the Group's employees and maintains constructive dialogue through members of the executive team. Appropriate remuneration and incentive schemes are maintained to align employees' objectives with those of the Group. The Group's first commitment in its Corporate Social Responsibility action plan is to care about employees' well-being and be aligned with values such as team spirit, agility and passion.
- The need to foster the Group's business relationships with suppliers, customers and others:  
Strategic Report: Procurement Risks, page 11;  
The Group endeavours to maintain good relationships with its suppliers and customers by contracting on fair business terms and responding promptly to inquiries. One of the Group's values is also to remain customer-centric in order to deliver on time and on cost. Furthermore, customers and suppliers were involved in the Group's CSR consultation. The Group's CSR team, upon decision of the Board, takes it upon itself to contact employees but also suppliers and customers (stakeholders) for a CSR evaluation, the aim being to ensure that the Group's commitments on the CSR strategy are well known and respected: (1) promote the well-being of employees, (2) improve the environmental impact of our value chain, (3) federate and engage responsibly and ethically with stakeholders, and (4) facilitate professionals' lives in the field by offering innovative solutions. Feedback from stakeholders enables the Board to set up a materiality matrix, a tool that makes it possible to identify and prioritize the issues that are most important to and will benefit the Group and its stakeholders.



## Strategic report (continued)

### Section 172 Statement (continued)

- The impact of the Group's operations on the community and the environment:  
The Group's commitment to its stakeholders has been fairly taken into account with a determined "raison d'être" (purpose) centred on stakeholders and the environment "Enhance professionals' life while preserving the planet". In 2021, the Group also took part in a carbon footprint assessment which was a starting point to build our climate strategy. Therefore, the Group committed, through the recognised framework Science Based Targets, to reduce CO2 emissions from scope 1 and 2 by 42% by 2030. This is in line with the Paris Agreement that 175 countries signed with the aim of maintaining the world temperatures under 1.5°C. Finally, one of the aims of the XpertEye solution is to allow stakeholders to reduce their carbon footprint by avoiding excess travel. The Group's CSR actions and engagements can be found on the website: <https://www.amaxperteye.com/rse/?lang=fr>
- The desirability of the Group to maintain a reputation for high standards of business conduct:  
The Board recognises the importance of maintaining high standards of business conduct. The Group operates a Code of Conduct applicable to its employees, suppliers and customers, directors and executive officers. The Group also ensures its suppliers' ethical and fair practices.
- The need to act fairly between shareholders of the Group:  
The Board endeavours to treat its shareholders equally and to make significant efforts to ensure effective engagement with both institutional and private shareholders.

By order of the board



**Christian Guillemot**

Director

6 May 2022

## Directors' report

The Board of Directors present their directors' report and the financial statements of the Group for the year ended 31 December 2021.

### Proposed dividend

A distribution of €3,977k occurred in 2021 (2020 : nil). The Strategic Report provides details of the Group's performance in the year and its expectations for 2022.

### Directors

The directors who held office during the whole year were Christian Guillemot, Claude Guillemot, Gerard Guillemot, Michel Guillemot, Yves Guillemot, Etienne Guillemot, with the exception of Pascale Laverriere, Nami Itoh and Christine Chan who were all appointed on 21 May 2021.

### Going Concern

The financial statements have been prepared on a going concern basis. In adopting the going concern basis, the directors have considered the business activities as set out in the Strategic report on pages 4 to 7, the financial position of the Group, its cash flows, liquidity position and borrowing facilities as set out in the Consolidated Financial Statements on pages 33 to 89, the Group's principal risks and uncertainties as set out on pages 10 to 16.

At the end of December 2021, the Group had available liquidity of €20.6m and undrawn credit lines of €12.3m. Furthermore, In February 2022, the Group has obtained a new loan from BPI for an amount of €2m in order to finance the group's research and development.

After making different scenario and forecasts on the level of activity and revenues due to the uncertainties linked to the risks described on pages 10 to 16, and especially the technological risk already faced by the Group in 2021, the directors believe that the Group is well placed to manage its financing and other significant risks satisfactorily and that the Group will be able to operate within the level of its facilities for the foreseeable future, being a period of at least 12 months from the approval of the financial statements.

In addition to the base case scenario, the directors reviewed two further scenarios as part of its going concern assessment. The first scenario would assume that the Group wouldn't successfully complete its R&D work in time therefore making it impossible to roll out its solutions on an industrial scale, In this case the Group would just maintain the same level of revenue for 2022 and 2023 as 2020 and 2021 at about €6.5 M. The least favourable second case scenario, which is not considered likely but however included in the assessment, assumes a revenue for 2022 and 2023 equivalent to the backlog known at the year-end date of some € 3M. In those two scenarios, recruitment would be frozen and the second one would also lead to other operational costs savings of 15% allowing the Group to continue its business for at least the next 12 months from the approval of the financial statements with its financial resources (cash and credit lines).

For this reason, the directors consider it appropriate for the Group to adopt the going concern basis in preparing its financial statements.

## **Directors' report (continued)**

In the longer term, in the base case scenario; the Group forecasts anticipate generating the first positive cash-flows during 2026, and estimates negative cash-flows of €(42)M over the next five years. To support this requirement, the objective of the Group is to maintain the level of credit lines around €20M, guaranteed by Guillemot Brothers Limited or pledged securities from Ubisoft Entertainment SA or Guillemot Corporation Limited, all three of these companies being related parties. Furthermore, the Group intends to investigate, in a few years, the use of factoring of trade receivables, or will potentially look to raise funds via convertible bonds.

### **Future developments and Research and Development Activities**

Future developments and the Group's approach on research and development activities are discussed in the Strategic Report on pages 4 to 17.

### **Financial Instruments**

Details of the use of financial instruments by the Group are contained in note 21 of the consolidated financial statements.

### **Post Balance Sheet Events**

To retain employees and interest them in AMA's development, the Company has set up a stock option plan concerning 5% of AMA capital (1,134,000 shares). Stock options were granted on 31 January 2022. They mature after a six-year period and the vesting period is two years as of the grant date, subject to employees' continued presence in the Group.

The conflict in Ukraine, which broke out in February 2022, is a subsequent event that has not led to any adjustments to the financial statements for the year ended 31 December 2021. The Group estimates that this conflict has limited impact on its activity as it doesn't trade with companies in Russia, Belarus or Ukraine, doesn't have subsidiaries or assets in Russia, Belarus or Ukraine, and is not linked with organisations or individuals under sanctions. Consequently, balance sheet assets and liabilities and income statement income and expenses as at 31 December 2021 were recognised and measured without the need to take this event or its consequences into account.

### **Disclosure of information to auditors**

Mazars LLP was appointed as the statutory auditor during the year. The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

By order of the board, 6 May 2022

A handwritten signature in black ink, appearing to read 'Christian Guillemot', with a large, sweeping loop at the end.

**Christian Guillemot** - Director

## **Statement of directors' responsibilities in respect of the annual report and the financial statements**

The directors are responsible 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 financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the UK.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the UK;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

## **Independent auditor's report to the members of AMA CORPORATION Plc**

### **Opinion**

We have audited the financial statements of AMA Corporation Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash-flow statement, the parent company statement of financial position, the parent company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statement is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice) and as applied in accordance with the provisions of the Companies Act 2006

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 year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

## **Independent auditor's report to the members of AMA CORPORATION Plc (continued)**

Our audit procedures to evaluate the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern;
- Evaluating the directors' method to assess the group's and the parent company's ability to continue as a going concern;
- Reviewing the directors' going concern assessment, which incorporated severe but plausible scenarios;
- Evaluating the key assumptions used and judgements applied by the directors in forming their conclusions on going concern including the review of the liquidity forecasts prepared until June 2023 and obtaining the supporting documentation on credit lines available; and
- Reviewing the appropriateness of the directors' disclosures in the financial statements.

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

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

### **Key audit matters**

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

## Independent auditor's report to the members of AMA CORPORATION Plc (continued)

Key Audit Matter	How our scope addressed this matter
<p><b>Revenue recognition (Group)</b></p> <p>AMA Corporation PLC (the Group) has reported revenues of €6.6m (2020: €6.4m). We assessed revenue recognition as a fraud risk as revenue forms the basis for certain of the Group's key performance indicators, both in external communications and for management incentives.</p> <p>The main revenue streams are software service access rights, along with maintenance, technical support and hosting services. Accordingly, there is a risk that revenue is recognised at an incorrect invoice/contract amount, is not recorded in the appropriate accounting period (cut-off) and nor is in line with the provisions of IFRS 15.</p>	<p>Our audit procedures included, but were not limited to:</p> <p><b>Walkthroughs, substantive testing, controls and cut-off</b></p> <ul style="list-style-type: none"> <li>Performing test of details of revenue recognised during the year and around, focussing on the review of contracts with customers to ensure that revenue is recorded as per the contract fair value price, recognised in a manner that reflects the way in which performance obligations are fulfilled and in line with the provisions of IFRS 15 or equivalent.</li> <li>Reviewing design and implementation of the key controls in operation in the revenue cycle throughout the year.</li> </ul> <p><b>Management override</b></p> <ul style="list-style-type: none"> <li>Identifying and investigating manual journal entries posted to revenue we consider to be non-standard through management enquiries and tracing to supporting documents.</li> </ul> <p><b>Disclosures</b></p> <ul style="list-style-type: none"> <li>We considered the adequacy of the Group's disclosures relating to revenue recognition in note 7.1 which includes critical accounting estimates and judgements.</li> </ul> <p><b>Our observations</b></p> <ul style="list-style-type: none"> <li>We did not identify any material issue on revenue recognition.</li> </ul>
<p><b>Intangible assets: development capitalised costs (Group and Company) and intellectual property (Company)</b></p> <p>Intangible assets of €6.9m (2020: €5.5m) include net development costs of €6.8m (2020: €5.4m) and are included in the Group's consolidated balance sheet and in the Company balance sheet.</p>	<p>Our audit procedures included, but were not limited to:</p> <p><b>Reviewing indicator of impairment</b></p> <p>We have confirmed management's position on the indicator of impairment identified in October 2021, being the turnover warning, and the need to test for impairment the carrying value of intangible assets as at 31 December 2021 at Group and Company level.</p>

<p>In addition, in the company financial statements, intangible assets include an intellectual property asset for £2.3m (2020: £2.6m).</p> <p>We include the quantification and recoverability of these development costs as a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• a risk that capitalised costs do not meet the criteria for capitalisation (existence) as per the provisions of IAS38; and</li> <li>• the estimation involved in determining the future performance of the Cash Generating Unit (CGU) and whether an impairment may be required in accordance with IAS 36 in relation to all intangible assets.</li> </ul>	<p><b>Challenging the Fair value calculation methodology provided by management</b></p> <p>Management assessed 'recoverable amount' of the intangible asset at 'the higher of its fair value less costs of disposal and its value in use.' The Group has applied the fair value less costs to disposal approach in assessing the recoverable amounts of intangible assets. The fair value has been based on an assessment of a multiple of revenues by comparing with comparable listed companies.</p> <p>Our procedures in relation to the management assessment included:</p> <ul style="list-style-type: none"> <li>• Challenging the methodology used by management in determining the fair value of the intangible assets in accordance with IAS 36.</li> <li>• Discussing the challenge on applying a Discounted cashflow (DCF) model compliant with the requirements of IAS 36.</li> <li>• Assessing the fair value less cost of sales valuation performed by management based on revenue multiples.</li> </ul> <p><b>Reviewing the key assumptions in the fair value less cost of sales valuation</b></p> <p>We evaluated the key underlying assumptions used in the valuations including the following:</p> <ul style="list-style-type: none"> <li>• We assessed the appropriateness of the key assumptions used in the 2022, 2023 and 2024 revenue forecasts including revenue growth by assessing this against the results achieved in Q1 2022;</li> <li>• We challenged the multiple benchmarks provided by the client , with the involvement of our internal valuation specialists, by reference to comparable market data;</li> <li>• We independently performed downside sensitivity analysis on the revenue forecasts used in the model, including combinations thereof, to understand the parameters that, should they arise, cause an impairment of the development costs;</li> <li>• We challenged management on the available future funding to sustain the revenue growth used in management's forecast.</li> </ul>
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	<p><b>Assessing the development costs capitalised</b></p> <p>Assessing the capitalised costs against IAS 38 to ensure these costs have been capitalised only after technical and commercial feasibility of the asset for sale or use has been established through performing the following procedures;</p> <ul style="list-style-type: none"> <li>• Understanding the methodology applied by management to capitalise internal costs focusing on development vs non-development time and timesheet process.</li> <li>• Testing a sample of payslips to ensure accuracy of costs capitalised.</li> <li>• Ensuring that the financial ratio applied to other costs capitalised is consistent with the ratio used on payroll costs capitalised.</li> </ul> <p><b>Disclosures</b></p> <p>We considered the adequacy of the Group's disclosures relating to impairment in note 11.3 which includes critical accounting estimates and judgements; and</p> <p>We considered the adequacy of the Group's disclosures relating to development costs capitalised in note 11.1 which includes critical accounting estimates and judgements.</p> <p><b>Our observations</b></p> <p>We did not identify any material issue on capital costs existence and valuation of intangible assets.</p>
<p><b>Investment in subsidiary undertakings (Company)</b></p> <p>Investment in subsidiary undertakings of £724k (2020: £425k) are included in the company balance sheet.</p> <p>There is a risk that there are indicators that an impairment exists at the balance sheet date. An indicator of impairment could be significant losses being made by the subsidiaries, which are expected to continue for the foreseeable future, or the loss of a large customer. Where it has been assessed that an impairment may exist then the recoverable amount of the asset should be calculated. This may be calculated by using a discounted cash flow or an assessment</p>	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• Reviewing and discussing with management their assessment as to whether there is an indicator for impairment.</li> <li>• Reviewing and challenging the impairment test provided by the management and challenging the main inputs including the net asset value calculation used as a proxy of the fair value of the subsidiaries.</li> </ul> <p><b>Disclosures</b></p> <p>We considered the appropriateness of the related disclosures provided in note 1.7 in the Company financial statements.</p>

of the fair value less cost of disposals to calculate a present value for the life of the asset for each cash generating unit.	<b>Our observations</b> We did not identify any material issue on valuation of investment in subsidiary undertakings.
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## Our application of materiality and an overview of the scope of our audit

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

### Group materiality

Overall materiality	€564k
How we determined it	1.5% of total assets
Rationale for benchmark applied	<p>The users are the directors but also the potential investors and the banks and other stakeholders.</p> <p>The key aggregates for users are likely to be turnover which provides an indication as to the success of the software developed and the total assets due to the fact that significant expenses are capitalised in relation to development costs. These capitalised development costs represent the 'value' of the business.</p> <p>The Group is still at an early stage of development and therefore the users are likely to be less focused on profit indicators such as PBT and EBITDA.</p> <p>The significant investments made to the development costs (payroll costs and other expenses) contribute to a significant increase of fixed assets while the increased turnover resulting from these investments are expected to be generated in future years. Therefore, we have determined that total assets represent the most appropriate benchmark for the calculation of the materiality.</p> <p>We have set materiality close to the mid-range of our benchmark for total assets on the following consideration:</p> <p>a) AMA Corporation Plc was recently listed and is now trading as a public entity since July 2021.</p> <p>b) based on the overall understanding of the Group, the management structure is not complex.</p> <p>In addition, management have the appropriate experience and qualifications for this size of entity.</p>

	<p>c) The scope of the consolidation is considered straight forward with no complex consolidation adjustment.</p> <p>d) The financing arrangement of the group is Equity with comparatively minimal external debt.</p>
Performance materiality	<p>Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole.</p> <p>We set performance materiality at €395k, which represents 70% of overall materiality.</p> <p>We have determined that a 70% performance materiality would correctly reflect the relative immaturity of the Group control environment. We haven't considered this audit as an initial audit engagement since Mazars LLP performed a non-statutory audit of AMA Corporation Plc Group financial statements for year-ended 31 December 2019 and 31 December 2020.</p>
Reporting threshold	<p>We agreed with the directors that we would report to them misstatements identified during our audit above €16.9k as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.</p>

#### Parent company materiality

Overall materiality	£259k
How we determined it	1% of total assets
Rationale for benchmark applied	<p>The users are the directors but also the potential investors, banks and other stakeholders.</p> <p>The key indicators for users are likely to be net assets or total assets as the Company is a holding company of the patented technology and the investments in all subsidiary undertakings.</p> <p>The significant investments made in development costs (payroll costs and other expenses) contribute to a significant increase of fixed assets while the increased turnover resulting from these investments is expected to be generated in future years. Therefore, we have determined that total assets represents the most appropriate benchmark for the calculation of the materiality.</p> <p>We have set materiality close to the mid-range of our benchmark for total assets on the following consideration:</p>

	<p>a) AMA Corporation Plc was recently listed and is now trading as a public entity since July 2021.</p> <p>b) based on the overall understanding of the Group, the management structure is not complex.</p> <p>In addition, management have the appropriate experience and qualifications for this size of entity.</p> <p>c) The financing arrangement of the company is Equity with minimal external debt.</p>
Performance materiality	<p>Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole.</p> <p>We set performance materiality at £181k, which represents 70% of overall materiality.</p> <p>We have determined that a 70% performance materiality would correctly reflect the relative immaturity of the Company control environment. We haven't considered this audit as an initial audit engagement since Mazars LLP performed a non-statutory audit of AMA Corporation Plc consolidated financial statements for year-ended 31 December 2019 and 31 December 2020.</p>
Reporting threshold	<p>We agreed with the directors that we would report to them misstatements identified during our audit above £5.4k as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.</p>

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements, such as assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of our risk assessment, our understanding of the group and the parent company, their environment, controls, and critical business processes, to consider qualitative factors to ensure that we obtained sufficient coverage across all financial statement line items.

## Independent auditor's report to the members of AMA CORPORATION Plc (continued)

Our group audit scope included an audit of the group and the parent company financial statements. Based on our risk assessment, AMA Corporation Plc, AMA SA and AMA R&D, were subject to full scope audit performed by the group audit team. The table below summarizes the group audit scope:

Entities	Percentage of group revenue	Percentage of group PBT	Percentage of group total assets	Procedures
AMA Corporation Plc (UK)	0%	-14%	61%	Full Scope Procedures
AMA Inc (USA)	27%	-17%	6%	Audit of one or more account balances, classes of transactions
AMA Xpert Eye GmbH (Germany)	19%	-10%	2%	Audit of one or more account balances, classes of transactions
AMA SA (France)	43%	61%	16%	Full Scope Procedures
AMA R&D (France)	0%	48%	3%	Full Scope Procedures
AMA OPS (France)	0%	30%	12%	Audit of one or more account balances, classes of transactions
Total Coverage	89%	98%	100%	

At the parent company level, the group audit team tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

### Other matter

Without qualifying our opinion, we draw attention to the accounting policies on page 92 to the Company financial statements and the fact that the comparative information in the Company accounts was unaudited as the Company was entitled to exemption from audit for the year ended 31 December 2020.

### Other information

The other information comprises the 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. 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 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.

## **Independent auditor's report to the members of AMA CORPORATION Plc (continued)**

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

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

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

### **Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement set out on page 20, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Independent auditor's report to the members of AMA CORPORATION Plc (continued)**

### **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 the financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the group and the parent company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, anti-money laundering regulation and Euronext Growth Market regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the group and the parent company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and the parent company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to research and development costs capitalized and to impairment of non-current assets, revenue recognition (which we pinpointed to the cut-off) and significant one-off or unusual transactions.



## **Independent auditor's report to the members of AMA CORPORATION Plc (continued)**

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

The risks of material misstatement that had the greatest effect on our audit are discussed in the "Key audit matters" section of this report.

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

### **Use of the audit 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.



Richard Karmel (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
30 Old Bailey  
London  
EC4M 7AU  
6 May 2022



## CONSOLIDATED INCOME STATEMENT

	Notes	31 Dec. 2021	31 Dec. 2020
		€ 000	€ 000
Revenue	7.1	6,572	6,432
Cost of sales	7.3	(2,202)	(3,102)
Other income	7.2	4,095	2,350
Other purchases and external expenses	7.3	(4,648)	(2,747)
Personnel expenses	7.4.	(9,707)	(6,953)
Amortisation and depreciation of property, plant and equipment and intangible assets	11. and 12.	(3,144)	(2,526)
Other expenses	7.3	(477)	(770)
<b>Operating loss</b>		<b>(9,511)</b>	<b>(7,316)</b>
Financial income	8.	86	28
Financial expense	8.	(370)	(322)
<b>Net financial expense</b>		<b>(284)</b>	<b>(294)</b>
<b>Loss before taxation</b>		<b>(9,795)</b>	<b>(7,609)</b>
Taxation	9.1	(42)	196
<b>Loss for the year</b>		<b>(9,837)</b>	<b>(7,413)</b>
<b>Profit (loss) for the year:</b>			
Attributable to owners of the Group		(9,878)	(7,551)
Attributable to non-controlling interests	5.4	41	137
<b>Earnings per share</b>			
Basic earnings per share (in euros) <sup>(1)</sup>	10.1	(0.50)	(0.19)
Diluted earnings per share (in euros)	10.2	(0.50)	(0.19)

The notes on pages 39 to 89 form an integral part of the financial statements

*(1) Earnings per share as at 31 December 2020 were restated retrospectively to take into account the capital transaction of 21 May 2021, which reduced the par value of shares while multiplying the number of shares by 8*

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	31 Dec. 2021	31 Dec. 2020
		€ 000	€ 000
<b>Loss for the year</b>		<b>(9,837)</b>	<b>(7,413)</b>
Remeasurements of the net defined benefit liability (asset) (actuarial gains and losses)	7.4.3	32	(20)
Deferred tax on actuarial gains and losses		(8)	5
<b>Total items that may not be recycled through profit and loss</b>		<b>24</b>	<b>(15)</b>
Foreign currency translation differences		30	(27)
<b>Total items subsequently recycled through profit and loss</b>		<b>30</b>	<b>(27)</b>
<b>Total comprehensive income/(loss), net of tax</b>		<b>54</b>	<b>(42)</b>
<b>Total comprehensive loss</b>		<b>(9,784)</b>	<b>(7,455)</b>
<b>Attributable to:</b>			
Owners of the Group		(9,828)	(7,585)
Non-controlling interests		44	130

The notes on pages 39 to 89 form an integral part of the financial statements

## CONSOLIDATED BALANCE SHEET

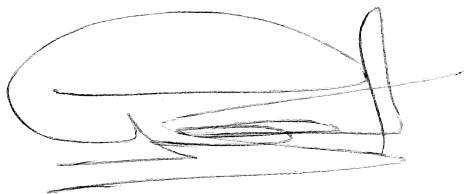
		31 Dec. 2021	31 Dec. 2020
		€ 000	€ 000
Intangible assets	11.1.	6,867	5,461
Property, plant and equipment	11.2.	2,221	832
Right-of-use assets	12.	2,050	1,110
Financial assets	13.	168	108
Deferred tax assets	9.3	598	504
Other non-current assets		-	-
<b>Non-current assets</b>		<b>11,903</b>	<b>8,014</b>
Inventories	14.	1,683	1,661
Research tax credit receivable		266	-
Trade receivables and related accounts	15.	1,996	3,672
Other current assets	15.	1,733	1,834
Cash and cash equivalents	16.	20,641	2,368
<b>Current assets</b>		<b>26,320</b>	<b>9,536</b>
<b>Total assets</b>		<b>38,223</b>	<b>17,550</b>
		31 Dec. 2021	31 Dec. 2020
Share capital	17.1	3,207	6,245
Share premium and reserves		34,161	0
Foreign currency translation reserve		67	40
Retained earnings		(10,143)	500
<b>Equity attributable to owners of the Group</b>		<b>27,293</b>	<b>6,784</b>
<b>Non-controlling interests</b>	5.4	<b>(392)</b>	<b>(745)</b>
<b>Total shareholders' equity</b>		<b>26,901</b>	<b>6,039</b>
Non-current loans and borrowings	19.	852	2,397
Lease liabilities	12. & 19.2	1,119	675
Defined benefit liability	7.4.	185	171
Deferred tax liabilities	9.3.	3	2
<b>Non-current liabilities</b>		<b>2,160</b>	<b>3,245</b>
Bank overdrafts	16.	0	1,128
Current tax liabilities		49	46
Current loans and borrowings	19.	1,772	1,321
Lease liabilities	12. & 19.2	958	449
Trade and other payables	20.	1,943	974
Contract liabilities (deferred income)	7.1.	2,130	2,487
Current provisions	18.	381	538
Other current liabilities	20.	1,929	1,324
<b>Current liabilities</b>		<b>9,162</b>	<b>8,267</b>
<b>Total liabilities</b>		<b>11,322</b>	<b>11,511</b>
<b>Total shareholders' equity and liabilities</b>		<b>38,223</b>	<b>17,550</b>

## CONSOLIDATED BALANCE SHEET (continued)

The notes page 39 to 89 form part of these financial statements.

These financial statements were approved and authorised for issue by the board of directors on 6 May 2022

and were signed by:

A handwritten signature in black ink, appearing to read 'Christian Guillemot', with a large, stylized initial 'C'.

Christian Guillemot

Director

AMA Corporation Plc  
Company No. 10341359

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Equity attributable to owners of the Group					Non-controlling interests	Total equity
		Share capital	Share premium	Foreign currency translation reserve	Retained earnings	Total		
		€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
<b>Balance at 31 Dec. 2019</b>		<b>5,420</b>	<b>0</b>	<b>64</b>	<b>(1,005)</b>	<b>4,479</b>	<b>(629)</b>	<b>3,849</b>
Profit (loss) for the year					(7,551)	(7,551)	137	(7,413)
Other comprehensive income				(24)	(10)	(34)	(7)	(42)
<b>Profit / (loss) and other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>(24)</b>	<b>(7,561)</b>	<b>(7,585)</b>	<b>130</b>	<b>(7,455)</b>
Capital increase		825				825		825
Waiver of Guillemot Brothers' shareholder loan					8,800	8,800		8,800
Increase in non-controlling interests with no change in control	5.4.				49	49	(75)	(26)
Decrease in non-controlling interests with no change in control	5.4.				201	201	(177)	24
Equity-settled share-based payments					15	15	6	22
<b>Total transactions with owners of the Group</b>		<b>825</b>	<b>0</b>	<b>0</b>	<b>9,066</b>	<b>9,891</b>	<b>(246)</b>	<b>9,645</b>
						<b>0</b>		<b>0</b>
<b>Shareholders' equity at 31 Dec. 2020</b>		<b>6,245</b>	<b>0</b>	<b>40</b>	<b>500</b>	<b>6,784</b>	<b>(745)</b>	<b>6,039</b>
Profit / (loss) for the year					(9,878)	(9,878)	41	(9,837)
Other comprehensive income				28	23	50	3	54
<b>Profit / (loss) and other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>28</b>	<b>(9,856)</b>	<b>(9,828)</b>	<b>44</b>	<b>(9,784)</b>
Capital increase	17.1	940	34,161			35,101		35,101
Capital reduction allocated to Guillemot Brothers' shareholder loan	19.	(3,977)			3,977	0		0
Distribution					(3,977)	(3,977)		(3,977)
Decrease in non-controlling interests with no change in control	5.4.				(672)	(672)	330	(342)
Equity-settled share-based payments	7.4.				2	2	0	2
Other changes (*)					(116)	(116)	(22)	(138)
<b>Total transactions with owners of the Group</b>		<b>(3,037)</b>	<b>34,161</b>	<b>0</b>	<b>(787)</b>	<b>30,337</b>	<b>309</b>	<b>30,646</b>
<b>Shareholders' equity at 31 Dec. 2021</b>		<b>3,207</b>	<b>34,161</b>	<b>67</b>	<b>(10,143)</b>	<b>27,293</b>	<b>(392)</b>	<b>26,901</b>

The notes page 39 to 89 form part of these financial statements.

## CONSOLIDATED CASH FLOW STATEMENT

	Notes	31 Dec. 2021	31 Dec. 2020
		€ 000	€ 000
<b>Loss for the year</b>		<b>(9,837)</b>	<b>(7,413)</b>
<i>Adjustments for:</i>			
– Depreciation of right of use assets	12.	881	542
– Depreciation of property, plant and equipment	11.2	677	522
– Amortisation of intangible assets	11.1	1,591	1,462
– Net financial expense	8	284	293
– Loss or gain on sale of property, plant and equipment	11.2	130	9
– Cost of share-based payment	7.4.4	2	22
– Income tax expense / (income)	9.1	42	(196)
– Other non-cash items		(171)	464
<b>Total adjustments</b>		<b>3,436</b>	<b>3,118</b>
<b>Operating cash flow before change in working capital and income tax</b>		<b>(6,401)</b>	<b>(4,296)</b>
<i>Effect of changes in:</i>			
– Inventories	14.	(230)	(705)
– Trade receivables and related accounts	15.	1,589	(3,174)
– Contract liabilities	7.1	(426)	1,848
– Advances and downpayments	20.	(79)	(146)
– Trade payables and related accounts	20.	955	548
– Provisions and employee benefits	7.4.3	45	47
– Other receivables/current liabilities		(192)	66
<b>Total changes</b>		<b>1,661</b>	<b>(1,517)</b>
<b>Operating cash flow before income tax paid</b>		<b>(4,740)</b>	<b>(5,813)</b>
Income tax paid	9.1	(362)	427
<b>Net cash used in operating activities</b>		<b>(5,102)</b>	<b>(5,385)</b>
Acquisition of property, plant and equipment and intangible assets	11.	(1,503)	(926)
Disposals of property, plant and equipment and intangible assets	11.	7	21
Capitalised development costs	11.	(3,670)	(2,280)
Investment grants (incl. Research tax credit offsetting capitalised costs)		0	259
Acquisition of financial assets		(77)	(43)
Disposal of financial assets		20	16
Net interest received		2	2
<b>Net cash provided by (used in) investing activities</b>		<b>(5,222)</b>	<b>(2,951)</b>
Capital increase	17.	34,948	825
Proceeds from new loans and borrowings	19.	986	8,694
Repayment of loans and borrowings	19.	(5,205)	(1,523)
Payment of lease liabilities	12.	(860)	(532)
Acquisition of non-controlling interests	6.4	(75)	(2)
Interest paid on loans and bank overdrafts	19.	(110)	(146)
Interest paid on lease liabilities	12.	(13)	(14)
<b>Net cash provided by (used in) financing activities</b>		<b>29,672</b>	<b>7,301</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>19,348</b>	<b>(1,036)</b>
Cash and cash equivalents at January 1		1,240	2,342
Effect of movements in exchange rates on cash held		53	(67)
<b>Cash and cash equivalents at 31 December</b>		<b>20,641</b>	<b>1,240</b>

The notes page 39 to 89 form part of these financials' statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Presentation of the Group

AMA Corporation Ltd ("the Company") is domiciled in the United Kingdom. The Company's registered office is located in London. The consolidated financial statements comprise those of the Company and its subsidiaries (together referred to as "the Group").

The Group is a software developer and systems integrator for collaborative work, providing advanced, highly-secure remote solutions for connected devices. The Group's XpertEye suite provides augmented reality, dynamic workflow management, and dynamic online scheduling and planning. Combined with smart glasses or other camera sources (endoscope, microscope, dermatoscope, etc.), these innovative solutions enable experts and on-site technicians to share data and knowledge in real time, making remote support easier and more effective for users. They meet an increasing need for smart workplace transformation in companies seeking to boost productivity and competitiveness in a wide range of areas such as remote support, training, testing and healthcare.

### 2. Basis for preparation

#### 2.1. Statement of compliance

The Company's financial statements for the year ended 31 December 2021 have been prepared in accordance with UK-adopted International Financial Reporting Standards (IFRSs), as issued by the International Accounting Standards Board (IASB), and in accordance with the Companies Act 2006. UK-adopted IFRSs that are effective for the year ended 31 December 2021 have also been approved by the European Union.

#### 2.2. Changes in accounting standards

The following new standards, amendments and interpretations were published and mandatory at 31 December 2021:

- Amendments to IAS 39, IFRS 7, IFRS 9, IFRS 4 and IFRS 2: IBOR Reform - Phase 2
- Amendment to IFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021

These amendments had no impact.

The IFRIC's final agenda decision issued on 24 May 2021 on Attributing Benefit to Periods of Service (particularly retirement benefits) under IAS 19 has no material impact for the Company.

The IFRIC's final agenda decision of 16 March 2021 on accounting for Configuration or Customisation costs in a Cloud Computing or "Software as a Service (SaaS)" arrangement (IAS 38 Intangible Assets) has no material impact for the Company.

The following are the main new standards, amendments and interpretations that had been published but were not mandatory as of 31 December 2021. The Company has not opted for early application:

Amendments to IAS 37 – Onerous Contracts — Cost of Fulfilling a Contract (effective for annual reporting periods beginning on or after 1 January 2022)

- Amendments to IAS 16 – Property, Plant and Equipment — Proceeds before Intended Use (effective for annual reporting periods beginning on or after 1 January 2022)
- Amendments to IFRS 3 – Updating a Reference to the Conceptual Framework (effective for annual reporting periods beginning on or after 1 January 2022)
- Annual improvements to IFRS – Cycle 2018-2020 (effective for annual reporting periods beginning on or after 1 January 2022)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual reporting periods beginning on or after 1 January 2023 pending adoption by the European Union)
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies (effective for annual reporting periods beginning on or after 1 January 2023 pending adoption by the European Union)
- Amendments to IAS 8 – Definition of Accounting Estimates (effective for annual reporting periods beginning on or after 1 January 2023 pending adoption by the European Union)
- Amendments to IAS 1 – Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual reporting periods beginning on or after 1 January 2024 – proposed amendments at draft stage – pending adoption by the European Union).

The expected impacts from these amendments are not deemed to be material.

### 2.3. Use of judgments and estimates

In preparing these consolidated financial statements, management has made judgments and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Estimates may be revised if the circumstances on which the estimate was based change and new information is provided. Actual values may differ from estimates if assumptions or conditions change. The impact of changes in estimates is recognised prospectively. Consequently, a change in conditions may lead to different estimates in the Company's financial statements in the future.

#### ▪ *Judgments*

Information on the judgments relating to accounting policies with the most significant impact on the amounts recognised in the consolidated financial statements is included in the following notes:

Note 5 – Scope: determining whether the Group controls its subsidiary less than 50%-held

Note 7.1 – Revenue recognition: determining performance obligations and the timing for recognising the revenue allocated to each

Note 11 – Development costs: determining whether capitalization criteria were met

Note 12 – Lease term: determining whether the Group is reasonably certain to exercise extension options.

#### ▪ *Assumptions and uncertainties relating to estimations*

Information on the assumptions and uncertainties relating to estimations entailing a significant risk of material adjustments to the carrying amount of assets and liabilities for the year ended 31 December 2021 is included in the following notes:

Note 11.3 – Impairment tests: main assumptions in order to measure the recoverable amounts.

Note 14. – Inventories and work in progress: estimates of inventory impairment, based on a case-by-case analysis of inventories to determine whether they are obsolete



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Other assumptions and estimates for the year ended 31 December 2021 are included in the following notes:

Note 7.4.3. – Measurement of the obligations relating to defined benefit plans: estimate of main actuarial assumptions (discount rate, salary increase rate and mortality rate)

Note 7.4.4. – Share-based payment: determining the fair value of free preference shares based on a discounted cash flows, main assumptions being the discount rate, the long-term growth rate and other key operational assumptions

Notes 9.3 and 9.4. – Recognition of deferred tax assets: availability of future taxable profit based on business plans against which it is possible to use tax loss carryforwards and deductible temporary differences

Note 12. – Leases: main assumptions, in particular discount rates and lease terms

Note 18. – Provisions and contingent liabilities: provision estimates (number of Google Pixel telephones and estimated purchase costs).

### 2.4. Functional and presentation currency

The consolidated financial statements are presented in euros, which is the Company's functional currency. All amounts in the consolidated financial statements have been rounded to the nearest thousand, unless otherwise indicated. Company's financial statements included at the back of this annual report are presented in Pounds Sterling.

### 2.5. Foreign currencies

#### 2.5.1. Foreign currency transactions

Transactions denominated in foreign currencies are translated into the respective functional currencies of Group companies using the exchange rates effective at the transaction dates. The functional currency of Group entities is their local currency, except in the case of the holding company AMA Corporation Plc whose functional currency is the euro.

Monetary items are translated using the closing rate effective at the reporting date. Non-monetary items measured based on historical cost, denominated in foreign currencies, are translated using the exchange rates effective at the transaction dates.

The corresponding foreign currency translation gains or losses are recognised in net financial income and expense.

#### 2.5.2. Foreign operations

The assets and liabilities of foreign operations are translated into euros at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into euros at the exchange rates at the dates of the transactions. Foreign currency differences are recognised in Other Comprehensive Income (OCI) and accumulated in the translation reserve, except to the extent that the translation difference is allocated to Non-Controlling Interests.

### 2.6. Basis of measurement

The consolidated financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit and loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the group financial statements. (Refer to the Directors' Report page 17)

### 3. Significant events of the period

In 2021:

- In the context of the COVID-19 pandemic, the Group implemented the various regulatory and financial measures to continue operating as usual. This situation had no significant impact on the Group's consolidated financial statements.
- The capital transactions performed by AMA Corporation Plc were:
  - On 7 January 2021, AMA Corporation Plc reduced capital by allocating £3,600k to the Guillemot Brothers current account (€3,977k at the spot exchange rate);
  - On 19 May 2021, non-controlling interests were acquired:
    - Contribution in kind of 415 AMA Research and Development SAS shares, valued at €111k, paid by the issue of 57,650 AMA Corporation Plc shares;
    - Contribution in kind of 414 AMA Opérations SAS shares, valued at €48k, paid by the issue of 25,179 AMA Corporation Plc shares;
  - On 21 May 2021, the par value of shares was reduced while the number of shares was multiplied by 8. Since then, the par value of the shares has been £0.125.
    - Following these transactions, AMA Corporation Plc share capital amounts to £2,083k (€2,427k), or 16,662,632 shares.
  - On 1 July 2021, AMA Corporation Plc increased capital by issuing 5,457,390 new shares at a price of €6.60 in connection with its initial public offering on Euronext Growth Paris. Gross proceeds from the new share issue amounted to approximately €36m.
  - On 4 August 2021, AMA Corporation Plc partially exercised its greenshoe option leading to the issue of 335,793 additional new shares at the IPO price of €6.60 per share, for a total of €2.2m.
  - Costs relating to this initial public offering (underwriting, legal counsel, communication, audit, etc.) were deducted from the issue premium for approximately €3.2m.
- The Company started restructuring the Group to increase its equity interest in subsidiaries.
- On 11 August 2021, the Group opened AMA XpertEye K.K., a new distribution subsidiary in Tokyo, to enable XpertEye solutions to rapidly deploy services for the Japanese market.
- On 10 September 2021, AMA Corporation Plc repaid €3.2m of the Guillemot Brothers Ltd shareholder loan.
- On 27 December 2021, the Group opened AMA Xperteye SL, a new distribution subsidiary in Barcelona to enable XpertEye solutions to rapidly deploy services for the Spanish market.
- In 2021, €227,000 of the previously recognised provision for the replacement of Google Pixel telephones was reversed. An additional €71k in provisions were recognised to cover the costs of replacing telephones delivered in early 2021.
- The Group was not materially affected by Brexit.
- On 29 October 2021, the Group released its revised product roadmap and revenue assumptions for 2021 and 2022, initially estimated at more than €15m and €32m, respectively. The Group expects to resume sustained growth in the second half of 2022 due to the completion of R&D work that will make it possible to roll out its solutions on an industrial scale.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

In 2020:

- In the context of the COVID-19 pandemic, and the lockdown measures decided by the French government between 17 March and 28 October 2020, the Group implemented the various regulatory and financial measures to continue operating as usual. This situation had no significant impact on the Group's consolidated financial statements.
- A shareholder loan was granted by Guillemot Brothers Ltd for €7,300k. The loan was later fully waived. In addition, Guillemot Brothers Ltd granted a £900k (€970k) debt waiver advance, which was attributed to the £3,600k (€4,004k) capital reduction of 7 January 2021 and recorded in the Guillemot Brothers Ltd current account. The Group took out a €400k loan with CIC (fixed interest rate) with a term of 59 months. The first repayment date was 31 December 2020 (see Note 19.2).
- A second preference share plan was granted on 1 January 2020 to certain employees of AMA SA (see Note 7.4.2).
- An impairment loss of €537k was recognised relating to Google Pixel telephone inventory that had to be replaced due to the release of the XpertEye Advanced solution in 2021 (see Note 18).

### 4. Subsequent events

To retain employees and interest them in the Group's development, the Company has set up a stock option plan concerning 5% of AMA Corporation Plc capital (1,134,000 shares). Stock options were granted on 31 January 2022. They mature after a six-year period and the vesting period is two years as of the grant date, subject to employees' continued presence in the Group. The estimation of the related impact is in progress.

The conflict in Ukraine, which broke out in February 2022, has had a limited impact on the activity of the Group as the Group doesn't trade with companies in Russia, Belarus or Ukraine, doesn't have subsidiaries or assets in Russia, Belarus or Ukraine, and is not linked with organisations or individuals under sanctions. Consequently, this event has not led to any adjustments to the financial statements for the year ended 31 December 2021.

### 5. Consolidation scope

#### 5.1. Accounting policies relating to the consolidation scope

##### Consolidation of subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has power over an entity, is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements as of the date control is obtained and ends when control ceases.

The Group only owned a 48% ownership interest in Ama XpertEye Ltd (UK) as at 31 December 2020. Nevertheless, management determined that the Group had control over the entity given the significant operational and financial dependency of the entity to the rest of the Group.

All balance sheet assets and liabilities, transactions and income and expense relating to intercompany transactions are eliminated (except for gains or losses resulting from transactions denominated in foreign currencies).

## 5.2. Consolidation scope

The consolidated companies are as follows:

Company Name	Country	Business activity	31 Dec. 2021			31 Dec. 2020		
			Percentage interest	Percentage control	Consolidation method	Percentage interest	Percentage control	Consolidation method
AMA CORPORATION Plc	UK	Parent company	Parent company	Parent company	FC	Parent company	Parent company	FC
AMA SA	France	Distribution & support functions	84,32 %	92,02 %	FC	68,75 %	68,75 %	FC
AMA Research and Development	France	Research & development	98,40 %	100,00 %	FC	71,97 %	75,15 %	FC
AMA Operations	France	Logistics	98,40 %	100,00 %	FC	72,03 %	75,21 %	FC
AMA XPERTEYE INC	USA	Distribution	85,50 %	85,50 %	FC	70,70 %	70,70 %	FC
AMA XPERTEYE SRL	Romania	Distribution	85,56 %	85,56 %	FC	70,00 %	70,00 %	FC
AMA XPERTEYE GMBH	Germany	Distribution	85,50 %	85,50 %	FC	70,00 %	70,00 %	FC
AMA XPERTEYE Ltd	UK	Distribution	85,00 %	85,00 %	FC	47,87 %	47,87 %	FC
AMA XPERTEYE Limited	Hong Kong	Distribution	85,00 %	85,00 %	FC	70,00 %	70,00 %	FC
AMA XPERTEYE	China	Distribution	100,00 %	100,00 %	FC	100,00 %	100,00 %	FC
AMA OEIL DE L'EXPERT CANADA*	Canada	Distribution	59,02 %	70,00 %	FC	48,12 %	70,00 %	FC
AMA XPERTEYE K.K.	Japan	Distribution	85,00 %	85,00 %	FC	N/A	N/A	N/A
AMA XPERTEYE SL	Spain	Distribution	100,00 %	100,00 %	FC	N/A	N/A	N/A

\* AMA OEIL DE L'EXPERT CANADA is indirectly held through AMA SA.

FC: fully consolidated

## 5.3. Changes in consolidation scope

In 2021, the subsidiary AMA Xperteye K.K. was created, as well as AMA Xperteye Sociedad Limitada (SL) in Spain. The changes in non-controlling interests without a loss of control that were recognised in equity were as follows:

In 2021 the Group acquired the following additional equity interests:

- 15.57% in AMA SA
- 26.43% in AMA Research and Development
- 26.37% in AMA Operations
- 14.80% in AMA Xperteye Inc
- 15.55% in AMA Xperteye Srl
- 15.55% in AMA Xperteye GmbH
- 15% in AMA Xperteye Limited (in Hong Kong)
- 37.13% in AMA Xperteye Ltd (in the United Kingdom)
- 10.90% in AMA l'œil de l'expert (in Canada)

The main variations in the scope of consolidation involve related parties (Christian Guillemot and Guillemot Brothers Ltd) (see note 22).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

In 2020:

- The Group acquired additional equity interests of 23%, 26% and 1% respectively in AMA Operations, AMA Research and Development and AMA Xperteye Ltd for the UK entity.
- The Group's shareholding in AMA SA was diluted by 6% following the acquisition of free preference shares by employees.

### 5.4. Non-controlling interests

Changes in the Group's equity interests in a subsidiary that do not result in a loss of control are recognised as equity transactions.

The following table provides a summary of information relating to Group subsidiaries with significant non-controlling interests after eliminating intercompany transactions:

31 Dec. 2021	AMA SA	AMA Operations	AMA Research and Development	Other distribution subsidiaries	Total
	€ 000	€ 000	€ 000	€ 000	€ 000
<b>Percentage non-controlling interests</b>	<b>16%</b>	<b>2%</b>	<b>2%</b>	<b>N/A</b>	
Non-current assets	1,563	1,508	449	356	3,875
Current assets	5,501	481	777	1,564	8,323
Non-current liabilities	969	766	214	188	2,137
Current liabilities	5,750	1,013	(85)	1,466	8,144
<b>Net assets</b>	<b>346</b>	<b>209</b>	<b>1,097</b>	<b>266</b>	<b>1,917</b>
Net assets attributable to non-controlling interests	54	3	18	38	113
Revenue	2,740	0	0	3,571	6,311
Profit / (loss) for the year	101	77	(41)	116	252
Other comprehensive income	8	4	11	12	36
<b>Profit / (loss) and other comprehensive income</b>	<b>110</b>	<b>81</b>	<b>(30)</b>	<b>128</b>	<b>288</b>
Net profit / (loss) allocated to non-controlling interests	17	1	(0)	26	44

31 Dec. 2020	AMA SA	AMA Operations	AMA Research and Development	Other distribution subsidiaries	Total
	€ 000	€ 000	€ 000	€ 000	€ 000
<b>Percentage non-controlling interests</b>	<b>31%</b>	<b>28%</b>	<b>28%</b>	<b>N/A</b>	
Non-current assets	805	569	378	229	1,982
Current assets	4,142	307	206	3,372	8,027
Non-current liabilities	2,632	346	196	63	3,237
Current liabilities	1,792	354	(139)	3,366	5,374
<b>Net assets</b>	<b>522</b>	<b>176</b>	<b>527</b>	<b>172</b>	<b>1,398</b>
Net assets attributable to non-controlling interests	163	49	148	45	405
Revenue	2,104	0	0	4,234	6,338
Profit / (loss) for the year	303	52	38	82	475
Other comprehensive income	(6)	(2)	(6)	(10)	(24)
<b>Profit / (loss) and other comprehensive income</b>	<b>297</b>	<b>50</b>	<b>32</b>	<b>72</b>	<b>451</b>
Net profit / (loss) allocated to non-controlling interests	93	14	9	14	130

The US and German subsidiaries are the most significant entities included within "Other distribution subsidiaries".

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 6. Segment information

#### 6.1. Operating segments

In accordance with IFRS 8, an operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are regularly reviewed by the entity's chief operating decision maker;
- for which discrete financial information is available.

The Group's chief operating decision maker refers to the members of the Executive Committee and the Board of Directors.

The Group comprises ten distribution subsidiaries, covering three geographic areas corresponding to the following segments:

- Europe, which includes subsidiaries in France, Germany, the UK, Romania and Spain and which primarily invoice customers in Europe;
- North America, which includes subsidiaries in the United States and Canada and which primarily invoice customers in the North American area;
- Asia, which includes subsidiaries in Hong Kong, Shanghai and Japan and which primarily invoice customers in the Asia area.

The subsidiaries in each geographic area correspond to operating segments with similar economic characteristics.

All of the subsidiaries offer similar products and services but are strategically monitored by geographic area.

Information relating to each operating segment is presented below. Operating income and adjusted EBITDA for each segment are used to measure performance as management considers that this information is the most relevant for understanding the earnings of each segment compared with earnings from other entities. Adjusted EBITDA is defined as operating income plus depreciation, amortisation and impairment of property, plant and equipment and intangible assets, and share-based payment expenses.

The other items in the income statement, including financial income and expenses as well as taxes, are included within "Registered office, support functions and intragroup".

The "Cost of Sales" in the income statement is equal to the sum of "Merchandise purchases" and "Change in inventories" (included in the Profit margin in the segment information table below) and "Inventory impairment" (excluded from the Profit margin).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31 Dec. 2021	Europe	North America	Asia	Registered office, support functions and intragroup	Total
	€ 000	€ 000	€ 000	€ 000	€ 000
Revenue from external customers	4,259	1,708	415	190	6,572
Merchandise purchases	(1,567)	(776)	(183)	79	(2,447)
Change in inventories	0	0	23	196	219
Depreciation of leased Xperteye equipment	(94)	(239)	(42)	103	(273)
<b>Profit margin on purchase of consumables, excluding inventory impairment</b>	<b>2,598</b>	<b>693</b>	<b>213</b>	<b>567</b>	<b>4,072</b>
<b>Inventory impairment</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26</b>	<b>26</b>
Other income	0	0	3	4,093	4,095
Other purchases and external expenses	(904)	(432)	(357)	(2,682)	(4,375)
Employee benefits	(1,925)	(691)	(292)	(6,800)	(9,707)
Other amortisation/depreciation of property, plant and equipment and intangible assets	(215)	(62)	(56)	(2,812)	(3,144)
Other expenses	(61)	(1)	28	(443)	(477)
Intersegment transactions*	797	584	478	(1,859)	0
<b>Operating income / (loss)</b>	<b>291</b>	<b>91</b>	<b>17</b>	<b>(9,910)</b>	<b>(9,511)</b>
-Amortisation/depreciation of property, plant and equipment and intangible assets	309	301	98	2,709	3,417
- Share-based payment				1	1
<b>Adjusted EBITDA</b>	<b>599</b>	<b>393</b>	<b>115</b>	<b>(7,200)</b>	<b>(6,093)</b>

In 2021, the increased profit margin on purchase of consumables compared to 2020 is explained by a favourable product mix, with higher sales of software (see Note 7.1).

31 Dec. 2020	Europe	North America	Asia	Registered office, support functions and intragroup	Total
	€ 000	€ 000	€ 000	€ 000	€ 000
Revenue from external customers	4,174	1,815	360	83	6,432
Merchandise purchases	(2,316)	(985)	(212)	(295)	(3,807)
Change in inventories	0		47	586	633
Depreciation of leased Xperteye equipment	(102)	(206)	(35)	143	(200)
<b>Profit margin on purchase of consumables, excluding inventory impairment</b>	<b>1,756</b>	<b>624</b>	<b>161</b>	<b>517</b>	<b>3,058</b>
<b>Inventory impairment</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>72</b>	<b>72</b>
Other income	5	0	0	2,345	2,349
Other purchases and external expenses	(780)	(235)	(241)	(1,292)	(2,547)
Employee benefits	(1,515)	(385)	(289)	(4,763)	(6,953)
Other amortisation/depreciation of property, plant and equipment and intangible assets	(209)	(47)	(22)	(2,248)	(2,526)
Other expenses	(75)	(15)	4	(684)	(770)
Intersegment transactions*	1,081	94	412	(1,587)	0
<b>Operating income / (loss)</b>	<b>263</b>	<b>36</b>	<b>25</b>	<b>(7,640)</b>	<b>(7,316)</b>
-Amortisation/depreciation of property, plant and equipment and intangible assets	311	253	56	2,106	2,726
- Share-based payment				11	11
<b>Adjusted EBITDA</b>	<b>574</b>	<b>289</b>	<b>81</b>	<b>(5,523)</b>	<b>(4,579)</b>

\*Reinvoicing between the AMA Corporation Plc parent company or AMA SA and distribution subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Profit margin on purchase of consumables, excluding inventory impairment for 2020, was negatively impacted by a €370k expense to replace defective M300 inventory with M400 inventory. Without this expense, profit margin would have amounted to €3,428k, corresponding to a 53% profit margin.

### 6.2. Geographic information

Data relating to revenue per geographic area, based on the entity issuing the invoices, break down as follows:

	31 Dec. 2021	31 Dec. 2020
	€ 000	€ 000
UK	221	141
France	2,740	2,104
USA	1,702	1,815
Romania	141	178
Germany	1,347	1,833
Hong Kong	154	266
China	261	94
Canada	7	-
Japan	-	-
Spain	-	-
<b>Total revenue</b>	<b>6,572</b>	<b>6,432</b>

Revenue growth mainly concerned France and China.

In other geographic areas, it remained stable or fell.

Non-current assets by geographic area were as follows:

	31 Dec. 2021	31 Dec. 2020
	€ 000	€ 000
UK	8 136	6 151
France	3 520	1 752
Other countries	248	111
<b>TOTAL</b>	<b>11 903</b>	<b>8 014</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 7. Operating data

#### 7.1. Revenue

##### *Revenue*

In accordance with IFRS 15 "Revenue from Contracts with Customers", revenue is recognised when each performance obligation is fulfilled, which is when control of the goods or service is transferred to the customer in exchange for the amount of consideration to which the Group expects to be entitled.

The Group provides customers with a comprehensive service suite, including access rights to XpertEye software in SaaS mode primarily, along with maintenance, technical support and hosting services. These may be combined with equipment, such as smart glasses connected to a dedicated smartphone, microscopes, endoscopes or other equipment. There are three types of offers:

- **Lite - "Bring Your Own Device"**: browser-based solution enabling customers to work together remotely on any of their own compatible devices, including smartphones, tablets and portable computers, over a secure connection. No equipment is provided by the Group.
- **Essential**: Plug & Play remote maintenance and support solution using autonomous smart glasses provided by the Group and featuring XpertEye software in SaaS mode.
- **Advanced**: remote maintenance and support solution with advanced functionalities, enabling users to connect several external video sources, including smart glasses, microscopes, endoscopes and cameras, using a dedicated smartphone.

Management exercised its judgment and determined that revenue was primarily generated by the following performance obligations, based on below-mentioned considerations:

- XpertEye solution:
  - Equipment sales (smart glasses, smartphones, tablets, cameras and other accessories). This is a distinct performance obligation from XpertEye software access since i) XpertEye software can be used without dedicated equipment by direct browser connection (Lite formula) and ii) smart glasses and smartphones, without XpertEye software, have their own features. The link is functional, not transformative. Revenue is recognised on the date control is transferred, which corresponds to the date of delivery to the customer.
  - Sale of services corresponding to SaaS access to XpertEye software ("on-premises" solutions are not material) and associated services (technical support for customers, maintenance and hosting where applicable). The SaaS solution and associated services are distinct performance obligation which are performed over the same periods, at a similar pace. Revenue is recognised overtime as costs are relatively stable throughout the contract.
  - "Pilot" contracts (option including a trial period of 1 to 12 months) comprising:
    - Equipment leases, corresponding to a distinct lease component within the scope of IFRS 16, classified as an operating lease, with lease payments recognised on a straight-line basis;
    - Access to XpertEye software in SaaS mode, and services relating to maintenance, technical support for customers and hosting. which are distinct performance obligations, which are performed over the same periods, at a similar pace Revenue is recognised overtime;

- Sales of other one-off services, including training and project management, which are distinct performance obligations with revenue being recognised on the date the services are rendered.

Contracts correspond to purchase orders associated with general terms and conditions of sale, as well as, in certain cases, framework agreements with no volume commitments. Contracts may be entered into for up to 72 months and are generally not cancellable without the payment of significant penalties.

Transaction prices are fixed and are subject to non-significant penalties for late delivery.

There is no major issue regarding price allocation among the various services as separate contractual prices are provided for separate services, with different recognition timing, and generally correspond to the standalone sales price.

The costs of obtaining and fulfilling contracts are expensed as it occurs.

Costs of obtaining and performing contracts are not significant.

The Group acts as principal when purchasing and selling equipment. Xperteye software is installed on equipment before resale. Additionally, AMA has primary liability to end customers (warranty and after-sales service), bears inventory risk, and sets equipment prices at its own discretion.

The warranties granted to customers on the equipment (smart glasses, smartphones, tablets, cameras and other accessories) correspond to the warranties granted by the manufacturers and can range from 1 to 2 years for a material defect. AMA takes care of the after sales service between the customer and the manufacturer.

There are no other material agent/principal considerations.

Revenue is split as follows:

	31 Dec. 2021	31 Dec. 2020
	€ 000	€ 000
Software & support services	2,516	969
Equipment sales	2,994	3,833
Pilot contracts	772	1,204
<b>XpertEye solution revenue</b>	<b>6,281</b>	<b>6,006</b>
Other services	291	426
<b>Total revenue</b>	<b>6,572</b>	<b>6,432</b>

Revenue grew by 2.2%, driven by higher revenue from “Software & support services” (+160%), which accounted for 38% of total revenue at 31 December 2021 compared with 15% at 31 December 2020.

This shift towards a higher proportion of software in the product mix reflects the recognition, on a percentage-of-completion basis, of subscriptions taken out for terms of up to 72 months.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### *Contract liabilities*

Services invoiced at the start of the period (primarily annually) that mainly relate to software and directly associated services, and which have not yet been recognised under revenue are recognised under prepaid income, i.e. contract liabilities.

Changes in contract liabilities (prepaid income) is split as follows:

	31 Dec. 2021	31 Dec. 2020
	€ 000	€ 000
<b>Contract liabilities at 1 January</b>	<b>2,487</b>	<b>703</b>
Increase in amounts received, net of revenue recognised for the period	1,704	2,293
Revenue recognised for the period included in opening amount	(2,062)	(509)
<b>Contract liabilities at 31 December</b>	<b>2,130</b>	<b>2,487</b>

### *Order book*

"Order book" refers to the aggregate amount of services still to be performed at the reporting date under contracts with customers as defined in IFRS 15, i.e. contracts creating enforceable rights and obligations between the parties.

Revenue from such contracts relates to the software and ancillary services provided under firm, multi-annual orders at the reporting date, as invoicing is generally performed on an annual basis.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

At 31 December 2021:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	TOTAL
	€ 000	€ 000	€ 000	€ 000
Total amount of transaction price allocated to incomplete services at the reporting date	2,219	615	178	3,012

At 31 December 2020:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	TOTAL
	€ 000	€ 000	€ 000	€ 000
Total amount of transaction price allocated to incomplete services at the reporting date	2,839	1,008	272	4,120

The lower order book at 31 December 2021, compared with 31 December 2020, is due to the mismatch between the product roadmap and developments expected by our customers to roll out our solutions on a larger scale within their organisations.

### *Major customers*

In 2021, proceeds from a single customer in the Group's Europe operating segment accounted for approximately 6% of total Group revenue.

In 2020, proceeds from a single customer in the Group's Europe operating segment accounted for approximately 12% of total Group revenue.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 7.2. Other income

Capitalised production reflects capitalised development costs.

Operating grants that offset expenses incurred by the Group are recognised in profit or loss under other income on a systematic basis in the periods in which the expenses are recognised.

Investment grants are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; subsequently, they are recognised in profit or loss under other income on a systematic basis over the useful life of the asset.

The French research tax credit (CIR) is accounted for as a government grant. More specifically, it is recognised as an investment grant as it offsets capitalised development costs.

Other income breaks down as follows:

	31 Dec. 2021	31 Dec. 2020
	€ 000	€ 000
Capitalised own production	3,670	2,280
Operating grants	196	69
Other operating income	230	1
<b>Total other operating income</b>	<b>4,095</b>	<b>2,350</b>

Other income mainly comprises the reversal of the €227k provision for Google Pixel telephones.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 7.3. Operating expenses

Operating expenses break down as follows:

		31 Dec. 2021	31 Dec. 2020
		€ 000	€ 000
Merchandise purchases		(2,447)	(3,807)
Change in inventories		219	633
Inventory impairment		26	72
<b>Total cost of sales</b>		<b>(2,202)</b>	<b>(3,102)</b>
<b>Total employee benefits</b>	7.4.3.	<b>(9,707)</b>	<b>(6,953)</b>
Non-stock purchases		(322)	(203)
Lease expenses	12	(372)	(300)
General sub-contracts		(835)	(112)
Professional fees		(1,117)	(500)
Travel & entertainment		(373)	(294)
Trade fairs & marketing fees		(346)	(255)
Other		(1,282)	(1,083)
<b>Total other purchases and external expenses</b>		<b>(4,648)</b>	<b>(2,747)</b>
<b>Total amortisation and depreciation of property, plant and equipment, intangible and right of use assets</b>	11 & 12	<b>(3,144)</b>	<b>(2,526)</b>
Taxes		(197)	(155)
Other		(279)	(615)
<b>Total other expenses</b>		<b>(477)</b>	<b>(770)</b>

At 31 December 2021, “General sub-contracts” mainly reflected the employees seconded from digital services companies to support the Company’s R&D development.

The increase in “Professional fees” relates to the secondment of a sales representative and project manager in Japan from a consulting firm. This item also includes fees relating to the Company’s listing (Audit, Advisory and financial communication) and consulting services for the ISO certifications obtained in 2021 (ISO 27001 and 9001).

“Other”, under Other purchases and external expenses, relates to recruitment costs (approximately €270k), temporary employment costs (approximately €200k), interest on guarantees provided by Guillemot Brothers (€133k), transport costs (€130k), telephony (€120k) and renovation and cleaning.

At 31 December 2020, “Other”, under Other purchases and external expenses, related to recruitment and temporary employment costs (approximately €345k), transport costs (€260k), guarantees provided by Guillemot Brothers and other banking services (€169k), telephony (€130k), maintenance and insurance costs.

The €615k in other expenses primarily comprised provisions of €537k relating to Google Pixel telephone inventory that had to be replaced due to the release of the XpertEye Advanced solution in 2021 (see Note 18).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### Statutory Audit fees

The Group paid the following fees to its statutory auditors in 2021 and 2020:

	31 Dec. 2021	31 Dec. 2020
	€ 000	€ 000
Statutory audit of the group and company financial statements	83	-
Services provided by associated firm in the statutory audit of subsidiary undertakings	20	-
Non-statutory audit services	203	-
<b>Statutory audit fees</b>	<b>306</b>	<b>-</b>

The Non-statutory audit services in 2021 were in respect of audit services provided to facilitate the IPO in July 2021.

### 7.4. Personnel and headcount

#### 7.4.1. Headcount

Headcount corresponds to full-time equivalents including employees on fixed-term contracts, open-ended contracts and similar in the various foreign countries where the Group operates.

	31 Dec. 2021	31 Dec. 2020
Managers	126	88
Other employees	44	25
<b>Total headcount at 31 December</b>	<b>170</b>	<b>113</b>
<b>Average headcount in the period</b>	<b>141</b>	<b>104</b>

The Company's organisation was reinforced in 2021, with Group headcount increasing to 170 at year-end, excluding external sub-contractors (for an average headcount of 166), compared with 113 at prior year end (for an average headcount of 104 in 2020). 36% of employees at 31 December 2021 worked in R&D (versus 37% in 2020), 35% in sales (versus 37% in 2020), 20% in operations (versus 18% in 2020) and the rest in administrative and financial departments.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 7.4.2. Personnel expenses

Personnel expenses are recognised as the related service is provided.

Personnel expenses break down as follows:

	31 Dec. 2021	31 Dec. 2020
	€ 000	€ 000
Wages and salaries	(6,812)	(4,913)
Social security costs expect post-employment expenses	(2,416)	(1,678)
Post-employment defined contribution expenses	(433)	(294)
Post-employment defined benefit expenses	(45)	(47)
Equity-settled share-based payments	(2)	(22)
<b>Total</b>	<b>(9,707)</b>	<b>(6,953)</b>

The increase in personnel expenses mainly reflected the higher number of employees (see Note 7.4.1).

Details on key management personnel compensation are presented in Note 7.4.5.

### 7.4.3. Employee benefits

#### Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### Defined benefit plans

The Group's defined benefit obligations correspond to retirement indemnities paid to employees in France.

The Group's obligations relating to defined benefit plans are recognised under liabilities and estimated using the actuarial valuation method. Actuarial valuations are based on assumptions with



regard to employee turnover, mortality, salary increases and the discount rate. The actuarial valuation method used is the Projected Unit Credit Method, based on the final monthly salary.

The service cost is recognised under personnel expenses. It includes the current service cost and past service cost resulting from plan amendments or curtailments, recognised in full in profit or loss for the period in which they occur, and gains or losses on plan settlements.

The interest cost, corresponding to the measurement to present value of the obligations, is recognised in net financial income or expense.

Actuarial gains and losses arising from remeasurements of liabilities are recognised under other items of comprehensive income and may not to be recycled through profit or loss.

The IFRIC's final agenda decision issued on 24 May 2021 on Attributing Benefit to Periods of Service (particularly retirement benefits) under IAS 19 has no material impact for the Company.

### Defined contribution plans

Contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is possible.

### Retirement benefits

Changes in the present value of the retirement benefit obligation is split as follows:

	Defined benefit obligations	
	31 Dec. 2021	31 Dec. 2020
	€ 000	€ 000
<b>Balance at 1 January</b>	<b>171</b>	<b>104</b>
<b>Recognised under net income</b>		
Current service cost	45	47
Past service cost		
Interest cost	2	1
<b>Total</b>	<b>46</b>	<b>47</b>
<b>Included in other comprehensive</b>		
Actuarial losses / (gains)	(32)	20
<b>Total</b>	<b>(32)</b>	<b>20</b>
<b>Other</b>		
Benefits paid		
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 December</b>	<b>185</b>	<b>171</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The entity is exposed to:

- Interest risk: a decrease in the bond interest rate will increase the plan liability but this will be partially offset by an increase in the return on the plan's debt investments.
- Longevity risk: the present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
- Salary risk: the present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The main actuarial assumptions used at the reporting date were as follows:

	31 Dec. 2021	31 Dec. 2020
Discount rate	0.98%	0.34%
Salary increase rate	2.00%	2.00%
Retirement age	67 years	67 years
Mortality rate	AMA mortality table	AMA mortality table

The discount rate was determined based on the yield of long-term high-grade corporate bonds with maturities equivalent to the term of the obligations in question.

The duration is the weighted average term of the retirement benefit obligation (period between the current date and probable date of payment of the retirement benefit). The duration was 24 years at 31 December 2021, compared with 27 years at 31 December 2020.

At the reporting date, reasonably possible changes to one of the relevant actuarial assumptions would have affected the retirement benefit obligation as follows (other assumptions remaining constant):

	31 Dec. 2021		31 Dec. 2020	
	Increase	Decrease	Increase	Decrease
	€ 000	€ 000	€ 000	€ 000
Discount rate (change of 50 basis points)	(21)	24	(21)	N/A
Salary increase rate (change of 50 basis points)	25	(22)	25	(24)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 7.4.4. Share-based payment

Free preference shares are granted to AMA SA employees under equity-settled share-based plans.

The fair value determined at the grant date (fair value of the shares less the present value of future dividends estimated over the vesting period) is expensed, with the offsetting amount recognised as an increase in equity, over the vesting period. The amount expensed is adjusted to reflect the rights for which it is estimated that service conditions will be fulfilled, so that the amount ultimately recognised is based on the rights that actually meet service conditions at the acquisition date.

The fair value of free preference shares was estimated based on discounted cash flows, main assumptions being the discount rate, the long-term growth rate and other key operational assumptions.

Certain employees of the AMA XpertEye Inc., AMA Xperteye Srl, AMA XpertEye Gmbh and AMA XpertEye Ltd UK subsidiaries hold ordinary shares issued by these companies. As these investments are held *pari passu*, at a value deemed to correspond to their fair value, and are settled in equity, no expense was recognised in the statement of comprehensive income in accordance with IFRS 2 Share-based Payment.

#### Free shares

On 2 July 2018 and 1 January 2020, the Group set up free preference share plans for AMA SA employees. The vesting period is two years as of the grant date, at the end of which ownership of the preference shares is transferred to the beneficiaries (vested date), subject to their continued presence as Group employees.

In 2021, no other plans were attributed to key management personnel or senior managers.

The main characteristics and conditions relating to the granting of free shares in connection with these plans are as follows:

	Number of shares granted	Grant date	Vesting conditions	Contractual term of the	Fair value	Expected yield
2018 free share plan	580,000	July 2, 2018	Presence in the company	24 months	0.1380	-
2020 free share plan	21,000	January 1, 2020	Presence in the company	24 months	0.1509	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

In 2021 and 2020, changes in the number of free shares were as follows:

	31 Dec. 2021	31 Dec. 2020
	<i>options nb</i>	<i>options nb</i>
<b>Outstanding at 1 January</b>	<b>20,500</b>	<b>563,000</b>
Lapsed during the period	-	(563,000)
Granted during the period	-	20,500
<b>Outstanding at 31 December</b>	<b>20,500</b>	<b>20,500</b>

In financial years 2021 and 2020, €2k and €22k, respectively, were expensed.

### 7.4.5. Key management personnel compensation (related parties)

Key management personnel, corresponding to members of the Management Board and Board of Directors, received the following compensation:

	31 Dec. 2021	31 Dec. 2020
	€ 000	€ 000
Short-term employee benefits and contributions to defined contribution plans	1,224	845
Post-employment benefits under defined benefit plans	21	16
Share-based payment	-	12
<b>Total</b>	<b>1,246</b>	<b>874</b>

In 2021, the Management Board welcomed four new members (the directors of HR, Legal Affairs, Product Marketing and Marketing and Communication), which explains the increase in compensation for the period.

Compensation of the Group's key management personnel includes salaries, non-cash benefits and contributions to post-employment defined benefit and defined contribution plans (see Note 7.4.2.) and share-based payments (see Note 7.4.4.).

Liabilities relating to post-employment defined benefit plans for key management personnel amounted to €90k at 31 December 2021 and €61k at 31 December 2020.

The highest paid director received €163k (2020: €130k)

The statutory directors received no emoluments for services provided to the company or the group (2020: nil).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 8. Net financial income and expense

#### Foreign exchange gains and losses

Foreign exchange gains and losses on all Group transactions denominated in foreign currencies are recognised in profit or loss and presented under 'net financial income (expense)'.

#### Interest expense

Income and expenses from loans, financial debt and lease liabilities are recognised in accordance with the effective interest rate method.

Group financial income and expense is split as follows:

	31 Dec. 2021	31 Dec. 2020
	€ 000	€ 000
Interest expense on loans	(90)	(102)
Interest expense on Guillemot Brothers' shareholder loan	(33)	(58)
Foreign exchange losses	(245)	(161)
Other interest expense	(2)	(1)
<b>Interest and related expenses</b>	<b>(370)</b>	<b>(322)</b>
Foreign exchange gains	84	26
Other financial income	2	2
<b>Interest and related income</b>	<b>86</b>	<b>28</b>
<b>Total</b>	<b>(284)</b>	<b>(294)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 9. Taxation

#### Taxation

Taxation includes current tax expense (income) and deferred tax expense (income), calculated in compliance with the legal provisions of the country where the income is taxed. Current and deferred taxes are recognised in profit and loss, except if they relate to items recognised in other comprehensive income, directly in equity or in connection with business combinations.

The Group deems that French value-added business tax (CVAE) meets the definition of corporate tax as described in IAS 12.2 (Taxes based on taxable profit).

#### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

#### Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are only recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which they can be used. Future taxable profit is determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profit adjusted for reversals of existing temporary differences is used, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profit improves.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply when the assets are used or liabilities settled, using tax rates enacted or substantively enacted at the reporting date, and reflecting uncertainty relating to income taxes, if any.

Deferred tax assets and liabilities are offset only if certain criteria are met.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 9.1. Taxation

	31 Dec. 2021	31 Dec. 2020
	€ 000	€ 000
<b>Current tax expense</b>	<b>(78)</b>	<b>(75)</b>
<b>Deferred tax credit</b>	<b>56</b>	<b>321</b>
<b>French value-added business tax (CVAE)</b>	<b>(19)</b>	<b>(50)</b>
<b>TOTAL</b>	<b>(42)</b>	<b>196</b>

Deferred tax credit is only recognised in the French subsidiaries AMA SA and AMA Research and Development (see note 9.3).

Deferred taxes were determined considering the new tax regulation adopted in France in 2022, that will decrease the corporate income tax rate from 28% to 25%. Also, the Finance Act 2021 confirmed an increase of UK corporation tax rate from 19% to 25% with effect from 1 April 2023. This change of tax rates had no material impact.

### 9.2. Tax proof

Reconciliation of the effective and theoretical tax rates was as follows:

	31 Dec. 2021	31 Dec. 2020
	€ 000	€ 000
Loss before income tax	(9,795)	(7,609)
Normative tax rate	19%	19%
<b>Theoretical tax expense</b>	<b>1,861</b>	<b>1,446</b>
<b>Reconciliation with the effective tax rate</b>		
- Research tax credit (CIR)	92	49
- Waiver of AMA S.A. shareholder loan by AMA Corp		(96)
- Changes in unrecognised losses	(1,888)	(1,234)
- Tax rate differences excluding UK	(41)	(19)
- Other differences	(66)	50
<b>Income tax (expense) / income</b>	<b>(42)</b>	<b>196</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 9.3. Breakdown of assets (liabilities), net of deferred tax

Changes in deferred tax balances break down as follows:

	31 Dec. 2020	Change in profit or loss	Change in OCI	Change in shareholders ' equity	31 Dec. 2021		
					Net	Deferred tax assets	Deferred tax liabilities
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
Deferred tax assets relating to tax loss carryforwards	408	20	0	0	428	428	(0)
Defined benefit liabilities	43	12	(8)	0	46	46	0
Elimination of gains from intercompany transactions	50	27	0	0	77	77	0
Finance lease adjustments (IFRS 16)	3	4	0	(0)	7	6	(1)
Other adjustments	(3)	(7)	0	46	36	40	4
Impact of change in tax rate					0	0	0
<b>TOTAL DEFERRED TAX</b>	<b>502</b>	<b>56</b>	<b>(8)</b>	<b>45</b>	<b>595</b>	<b>598</b>	<b>3</b>

	31 Dec. 2019	Change in profit or loss	Change in OCI	Change in shareholders ' equity	31 Dec. 2020		
					Net	Deferred tax assets	Deferred tax liabilities
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
Deferred tax assets relating to tax loss carryforwards	111	298	0	0	408	408	(0)
Defined benefit liabilities	26	12	5	0	43	43	0
Elimination of gains from intercompany transactions	42	9	0	0	50	50	0
Finance lease adjustments (IFRS 16)	1	2	0	0	3	3	(0)
Other adjustments	(4)	1	0	0	(3)	(0)	3
Impact of change in tax rate					0	0	0
<b>TOTAL DEFERRED TAX</b>	<b>175</b>	<b>321</b>	<b>5</b>	<b>0</b>	<b>502</b>	<b>504</b>	<b>2</b>

Deferred tax assets relating to tax loss carryforwards primarily relate to AMA SA and AMA Research and Development. These tax loss carryforwards were capitalised as the tax planning prepared by the Group expects them to be partially or fully recovered within the next four years at most.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 9.4. Unrecognised deferred tax assets

AMA Corporation Plc tax losses were not capitalised at 31 December 2021 or 31 December 2020. Professional practice recommends capitalising tax losses if they are likely to be recovered within the next four years.

	31 Dec. 2021		31 Dec. 2020		31 Dec. 2019		Expiry of tax loss carryforward
	Gross values	Tax impact	Gross values	Tax impact	Gross values	Tax impact	
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
UK	21,250	4,038	18,364	3,489	11,408	2,167	N/A
France	6,245	1,561	-	-	1,156	289	N/A
<b>TOTAL</b>	<b>27,495</b>	<b>5,599</b>	<b>18,364</b>	<b>3,489</b>	<b>12,564</b>	<b>2,457</b>	

In the United Kingdom, tax loss carryforwards amounting to a maximum of £5,000k may be used annually, and 50% beyond this threshold.

In France, tax loss carryforwards amounting to a maximum of €1,000k may be used annually, and 50% beyond this threshold.

### 9.5. Uncertainty over corporation tax treatments

The Group had no material uncertainty over corporation tax treatments within the meaning of IFRIC 23.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 10. Earnings per share

#### 10.1. Basic earnings per share

Basic earnings per share is calculated using the earnings attributable to holders of ordinary shares and the weighted average number of outstanding ordinary shares as follows.

Earnings per share has been retrospectively restated to take into account the capital transaction of 21 May 2021, which reduced the par value and multiplied the number of shares by 8.

Earnings attributable to holders of ordinary shares (basic):

	31 Dec. 2021	31 Dec. 2020
	€ 000	€ 000
Net earnings attributable to owners of the Company	(9,878)	(7,551)
<b>Net earnings attributable to holders of ordinary shares</b>	<b>(9,878)</b>	<b>(7,551)</b>

Weighted average number of ordinary shares (basic):

	31 Dec. 2021	31 Dec. 2020
	shares no	shares no
Ordinary shares at 1 January	44,800,000	38,892,720
Capital decrease	(28,800,000)	
Capital increase	6,455,815	5,907,280
<b>Weighted average number of ordinary shares at 31 December</b>	<b>19,867,607</b>	<b>39,442,987</b>
<b>Earnings per share in €</b>	<b>(0.50)</b>	<b>(0.19)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 10.2. Diluted earnings per share

Diluted earnings per share is calculated using the earnings attributable to holders of ordinary shares and the weighted average number of outstanding ordinary shares as follows, adjusted for the effects of all potentially dilutive ordinary shares.

Diluted earnings per share was retrospectively restated to take into account the capital transaction of 21 May 2021 which reduced the par value and multiplied the number of shares by 8.

Earnings attributable to holders of ordinary shares (diluted):

	31 Dec. 2021	31 Dec. 2020
	€ 000	€ 000
Net earnings attributable to holders of ordinary shares (basic)	(9,878)	(7,551)
<b>Net earnings attributable to holders of ordinary shares (diluted)</b>	<b>(9,878)</b>	<b>(7,551)</b>

Weighted average number of ordinary shares (diluted):

	31 Dec. 2021	31 Dec. 2020
	shares no	shares no
Weighted average number of ordinary shares (basic)	19,867,607	39,442,987
<b>Weighted average number of ordinary shares (diluted) at 31 December</b>	<b>19,867,607</b>	<b>39,442,987</b>
<b>Earnings per share in €</b>	<b>(0.50)</b>	<b>(0.19)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 11. Intangible assets and property, plant and equipment

#### 11.1. Intangible assets

##### Research and development costs

Research costs are expensed as they are incurred.

Development costs are capitalised and recognised as intangible assets if and only if the costs can be reliably measured and the Group can demonstrate the technical and commercial feasibility of the product or process, its probable future economic benefits, its intention, and the availability of sufficient resources to complete development and use or sell the asset. If these conditions are not met, development costs are expensed as they are incurred. After initial recognition, development costs are recognised at cost less accumulated amortisation and impairment.

Management applied its judgment in order to determine whether the above-mentioned criteria were met for each development project. In particular, Management distinguished between significant upgrades of the XpertEye solution, for which development costs are capitalized, and minor updates and correction of bugs, for which costs are expensed. Also, management support that significant upgrades generate incremental economic benefits.

State investment grants are initially recognised at fair value in deferred income if there is reasonable assurance that they will be received and the Group will meet their conditions. They are then deducted from subsidised assets, leading to a reduction in the related depreciation expense. The research tax credit is treated as a State grant. It is therefore recognised as an investment grant since it offsets capitalised development costs and is deducted from net assets.

The main impairment indicators that can trigger an impairment test are problems of technical feasibility and lack of market opportunities.

##### Other intangible assets

Other intangible assets mainly comprise software licences. They have a finite useful life and are recognised at cost less accumulated amortisation and impairment.

##### Amortisation

Amortisation is calculated on a straight-line basis over the estimated useful life of the assets.

The estimated useful lives for the current and comparative reporting periods are:

- Development costs: 5 years
- Software: 1-5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if necessary.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Intangible assets are split as follows:

	31 Dec. 2020	Additions	Disposals	Amortisation for the period	Others changes	Reclassifications	31 Dec. 2021
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
Development costs	6,669	2,526	0		0	862	10,057
Concessions, licences and similar rights	0	28	(44)		0	80	64
Software	462	50	0		(95)	(35)	382
Intangible assets in progress	1,058	669	(51)		(119)	(906)	655
Other intangible assets	1	0	0		0	0	1
<b>Intangible assets (gross)</b>	<b>8,190</b>	<b>3,273</b>	<b>(96)</b>	<b>0</b>	<b>(214)</b>	<b>0</b>	<b>11,158</b>
Amortisation of development costs	(2,360)		0	(1,560)	0	0	(3,920)
Amortisation of concessions, licences and similar rights	0		0	(8)	0	0	(8)
Amortisation of software	(369)		0	(23)	30	0	(363)
Amortisation of other intangible assets	(1)		0	0	0	0	(1)
<b>Amortisation/impairment of intangible assets</b>	<b>(2,730)</b>	<b>0</b>	<b>0</b>	<b>(1,591)</b>	<b>30</b>	<b>0</b>	<b>(4,291)</b>
<b>Total net value</b>	<b>5,461</b>	<b>3,273</b>	<b>(96)</b>	<b>(1,591)</b>	<b>(184)</b>	<b>0</b>	<b>6,867</b>

	31 Dec. 2019	Additions	Disposals	Amortisation for the period	Others changes	Reclassifications	31 Dec. 2020
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
Development costs	5,077	1,202			0	390	6,669
Concessions, licences and similar rights	0				0		0
Software	460	3			0		462
Intangible assets in progress	503	946			0	(390)	1,058
Other intangible assets	1				0		1
<b>Intangible assets (gross)</b>	<b>6,041</b>	<b>2,150</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,190</b>
Amortisation of development costs	(1,198)			(1,161)			(2,360)
Amortisation of concessions, licences and similar rights	0			0			0
Amortisation of software	(69)			(301)			(369)
Amortisation of other intangible assets	(1)			(0)			(1)
<b>Amortisation/impairment of intangible assets</b>	<b>(1,268)</b>	<b>0</b>	<b>0</b>	<b>(1,462)</b>	<b>0</b>	<b>0</b>	<b>(2,730)</b>
<b>Total net value</b>	<b>4,773</b>	<b>2,150</b>	<b>0</b>	<b>(1,462)</b>	<b>0</b>	<b>0</b>	<b>5,461</b>

Additions in development costs and intangible assets in progress mainly reflect XpertEye upgrades. In the Cash-Flow Statement, Capitalised development costs include Development costs, Intangible assets in progress less the research credit tax, as assets are booked at their net value in the Balance Sheet. Other changes are linked to changes on the consolidation scope.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 11.2. Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and impairment.

The proceeds or loss from the disposal of property, plant and equipment is recognised under net earnings.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets.

The estimated useful lives for the current and comparative reporting periods are:

- XpertEye equipment: 2 years
- Other equipment and tooling: 2-5 years
- Office and computer equipment: 2-5 years
- Furniture: 3-10 years
- Transport equipment: 2 to 4 years
- Technical and general improvements: 3 to 14 years
- Other fixtures, fittings and equipment : 3 to 10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if necessary.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Property, plant and equipment breaks down as follows:

	31 Dec. 2020	Additions	Disposals	Depreciation for the period	Effects of changes in foreign exchange	Reclassifications	31 Dec. 2021
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
XpertEye equipment - rental use	872	126	(91)	0	0	83	990
XpertEye equipment - internal use	639	193	(24)	0	0	133	942
Technical facilities, equipment and tooling	124	24	0	0	(0)	0	148
Transportation equipment	56	0	(19)	0	0	0	37
Computer equipment	483	617	(15)	0	6	0	1,091
Advances and downpayments for a real estate project	0	817	0	0	0	0	817
Fixtures, fittings and equipment	258	119	0	0	1	0	378
<b>Property, plant and equipment (gross value)</b>	<b>2,432</b>	<b>1,895</b>	<b>(148)</b>	<b>0</b>	<b>7</b>	<b>216</b>	<b>4,403</b>
Dep. XpertEye equipment - rental use	(500)	0	50	(268)	0	0	(718)
Dep. XpertEye equipment - internal use	(509)	0	14	(169)	0	0	(664)
Dep. of technical facilities, equipment and tooling	(103)	0	0	(31)	0	0	(134)
Dep. of transportation equipment	(50)	0	18	(5)	0	0	(37)
Dep. of computer equipment	(301)	0	15	(164)	(3)	0	(453)
Dep. of other FFE	(136)	0	0	(40)	0	0	(176)
<b>Depreciation/impairment of property, plant and equipment</b>	<b>(1,600)</b>	<b>0</b>	<b>98</b>	<b>(677)</b>	<b>(3)</b>	<b>0</b>	<b>(2,182)</b>
<b>Total net value</b>	<b>832</b>	<b>1,895</b>	<b>(50)</b>	<b>(677)</b>	<b>5</b>	<b>216</b>	<b>2,221</b>

Other fixtures, fittings and equipment correspond to work done in AMA offices.

	31 Dec. 2019	Acquisitions	Disposals	Depreciation for the period	Effects of changes in foreign exchange	Reclassifications	31 Dec. 2020
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
XpertEye equipment - rental use	504	457	(90)	0	0	0	872
XpertEye equipment - internal use	561	130	(51)	0	0	0	639
Technical facilities, equipment and tooling	94	30	(0)	0	(0)	0	124
Transportation equipment	56	0	0	0	0	0	56
Computer equipment	317	168	0	0	(2)	0	483
Fixtures, fittings and equipment	243	16	0	0	(1)	0	258
<b>Property, plant and equipment (gross value)</b>	<b>1,775</b>	<b>802</b>	<b>(141)</b>	<b>0</b>	<b>(4)</b>	<b>0</b>	<b>2,432</b>
Dep. XpertEye equipment - rental use	(371)	0	76	(204)	0	0	(500)
Dep. XpertEye equipment - internal use	(365)	0	32	(177)	0	0	(509)
Dep. of technical facilities, equipment and tooling	(85)	0	0	(18)	0	0	(103)
Dep. of transportation equipment	(39)	0	0	(11)	0	0	(50)
Dep. of computer equipment	(226)	0	2	(79)	1	0	(301)
Dep. of other FFE	0	0	0	0	0	0	0
<b>Depreciation/impairment of property, plant and equipment</b>	<b>(1,187)</b>	<b>0</b>	<b>111</b>	<b>(526)</b>	<b>2</b>	<b>0</b>	<b>(1,600)</b>
<b>Total net value</b>	<b>587</b>	<b>802</b>	<b>(30)</b>	<b>(526)</b>	<b>(2)</b>	<b>0</b>	<b>832</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 11.3. Impairment tests

In accordance with IAS 36 “Impairment of assets”, the Group regularly checks for indications of impairment to intangible assets and property, plant and equipment with finite useful lives. If an indication of impairment is found, the Group tests for impairment to measure whether the carrying amount of the assets (or groups of assets corresponding to cash-generating units) is higher than the recoverable amount of the assets, defined as the higher of value in use or fair value less disposal costs.

The Group has tested intangible assets for impairment as it was considered the turnover warning in Q4 2021 was an indicator of impairment. The Group assessed ‘recoverable amount’ of the asset at ‘the higher of its fair value less costs of disposal and its value in use.’ The Group has applied the fair value less costs to disposal approach in assessing the recoverable amounts of intangible assets. The fair value has been based on an assessment of a multiple of revenues by comparing with comparable listed companies. Based upon the calculated recoverable amount management believe that no impairment of the intangibles assets is required

### 12. Leases

When a contract is signed, the Group determines whether it is or contains a lease.

The contract is or contains a lease if it grants the right to use an identified asset for a period of time in return for payment. To assess whether or not a contract grants the right to control an identified asset throughout the asset’s useful life, the Group examines whether: i) the contract involves use of an identified asset, ii) the Group has the right to enjoy almost all economic benefits from the use of the asset throughout its useful life, and iii) the Group has the right to make decisions concerning the use of the asset.

The Group recognises a “right-of-use” asset and a lease liability on the date the contract comes into effect. The “right-of-use asset” is initially measured at cost, i.e. the initial amount of the lease liability restated for any lease payments that have already been made at the commencement date, plus any initial direct costs incurred by the lessee, and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the site on which it is located, less any lease incentives received.

The right-of-use asset is then depreciated on a straight-line basis from the commencement of the lease term, unless the lease stipulates that ownership of the underlying asset shall be transferred to the Group when the lease expires, or the cost of the “right-of-use” asset takes into account the fact that the Group will exercise a purchase option. In that case, the “right-of-use” asset is depreciated over the useful life of the underlying asset, determined on the same basis as the useful life of property, plant and equipment. Additionally, the “right-of-use” asset is regularly written down if impairment losses occur and is adjusted for some remeasurements of the lease liability.

At the commencement date, the lease liability is measured at the present value of lease payments over the lease term that have not yet been paid at that date. The discount rate used is the interest



rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group generally uses the latter as its discount rate.

Management determines the incremental borrowing rates from interest rates granted by various sources of external financing, for a term similar to that of the lease.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or to not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extend (or not terminated). The following factors are in general most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate);
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate);

Otherwise, the Group considers all factors including historical lease durations and the cost and business disruption required to replace the leased asset. The lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under the residual value guarantee;
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option; payments made during the renewal period if the Group is reasonably certain to extend the lease; and payments of penalties for terminating the lease, unless the Group is reasonably certain not to terminate the lease.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured to reflect changes to future lease payments: from a change in an index or a rate; from a change in amounts the Group expects to be payable under the residual value guarantee; if the Group reassesses the likelihood that it will exercise the option to purchase the underlying asset or extend or terminate the lease; or if in-substance fixed lease payments are revised.

When the lease liability is remeasured, the carrying amount of the right-of-use asset is adjusted, or if the carrying amount of the right-of-use asset is reduced to zero, the remaining amount of the remeasurement is recognised in profit or loss.

The Group has chosen not to recognise a right-of-use asset or lease liability for short-term leases with a term of 12 months or less, or for leases of low-value assets (less than €5 thousand). These lease payments are recognised as expenses.

The Group recognises deferred tax assets and liabilities for lease liabilities and right-of-use assets, respectively, considering that tax deductions are applied to liabilities.

The Group is also a lessor as explained in Note 7.1.

In the course of its business, the Group leases premises and vehicles and accesses dedicated servers with a lease component.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For office space, lease terms are 1 to 5 years. Until 2020, there were french-specific “3-6-9-year” leases, for which a nine-year term is generally used, given the lack of penalties and material economic incentives in accordance with the position of the IASB Interpretations Committee and the conclusions of the French Accounting Standards Authority (ANC) on the topic. Immovable improvements are not material and have a similar useful life to the residual value of the leases. This mainly concerns fixed lease payments that depend on an index.

Leases for vehicles and IT equipment feature fixed lease payments and terms of approximately three years. Early termination options are not reasonably certain to be exercised.

The leases for dedicated servers feature fixed lease payments. They have terms ranging from 12 to 60 months and are tacitly renewed. Renewal is not deemed reasonably certain. For these leases, the Group has chosen not to separate the service components, but rather to recognise all components as a single lease component.

Right-of-use assets break down as follows:

	Land and buildings	Vehicles	Servers	Other	TOTAL
	€ 000	€ 000	€ 000	€ 000	€ 000
<b>Balance at 31 Dec. 2019</b>	<b>674</b>	<b>43</b>	<b>533</b>	<b>0</b>	<b>1,249</b>
Depreciation for the period	(281)	(47)	(214)	0	(542)
Additions to right-of-use assets	120	63	233	0	416
Foreign currency gains (losses)	(14)	0	0	0	(14)
<b>Balance at 31 Dec. 2020</b>	<b>500</b>	<b>59</b>	<b>552</b>	<b>0</b>	<b>1,110</b>
Depreciation for the period	(427)	(66)	(387)	(0)	(881)
Additions to right-of-use assets	1,031	159	928	6	2,124
Derecognition of right-of-use assets	(276)	0	(52)	0	(328)
Foreign currency gains (losses)	24			0	24
<b>Balance at 31 Dec. 2021</b>	<b>852</b>	<b>151</b>	<b>1,041</b>	<b>5</b>	<b>2,050</b>

The increase in right-of-use assets in the 2021 reporting period was mainly due to a €929k increase in server leases; €390k for a renegotiated office lease in France; and €365k in new property leases in other countries.

The related impact on profit and loss and cash flow is as follows:

- Amounts recognised in net profit (loss)

### Amounts recognised in net profit (loss)

	31 Dec. 2021	31 Dec. 2020
	€ 000	€ 000
Interest on lease liabilities	(13)	(14)
Depreciation charge	(881)	(542)

The expense recognised for leases of low-value assets or leases for less than one year is not material.

- Amounts recognised under cash flows:

### Amounts recognised under cash flows

	31 Dec. 2021	31 Dec. 2020
	€ 000	€ 000
Total cash outflows attributable to leases	860	532

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 13. Financial assets

Unconsolidated equity investments are recognised at fair value through profit or loss.

Loans and guarantees are initially recognised at fair value and subsequently at amortised cost.

Financial assets break down as follows:

	31 Dec. 2021	31 Dec. 2020
	€ 000	€ 000
Non-consolidated equity investments	4	4
Loans, guarantees and other receivables - non-current	164	104
<b>Financial assets</b>	<b>168</b>	<b>108</b>

### 14. Inventories and work in progress

Inventories are measured at the lower of cost or net realisable value. The cost of inventories is determined using the weighted average cost method.

Estimates of inventory impairment are based on a case-by-case analysis of inventories to determine whether they are obsolete.

	31 Dec. 2021	31 Dec. 2020
	€ 000	€ 000
Gross amount	2,286	2,276
Impairment	(603)	(615)
<b>Net</b>	<b>1,683</b>	<b>1,661</b>

Inventories mainly comprise glasses and accessories.

In 2019, merchandise inventories were written down by €687 thousand, of which €561k for glasses and €126k for accessories. The largest impairment related to VUZIX M300 glasses, amounting to €324k, due to atypical circumstances. The release of the VUZIX M400 model made the Group's M300 glasses inventories obsolete. The Group had recently acquired large inventories of the now obsolete model. Negotiations began with Vuzix at the end of 2019 to exchange M300s for M400s. On 7 September 2020, 395 Vuzix M300 glasses were exchanged for 119 M400 glasses, leading to a €185k reversal of impairment. Overall, the impairment loss for glasses decreased by €135k, offset by an additional impairment loss of €21k for cameras and €41k for cases and accessories.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

In 2021, an additional impairment loss of €76k was recognised for a few products (Iristick glasses, cases, etc.). An €88k reversal was recorded for other products, of which €88k since the products were sold in 2021 (e.g. Google Glasses and some Pixels).

Inventory is regularly reviewed to identify discontinued items or items that pose resale difficulties.

### 15. Trade and other receivables, other current assets

Trade receivables and other operating receivables are initially recognised at fair value, and subsequently at amortised cost, which is generally their nominal amount.

In accordance with IFRS 9, the Group applies the simplified approach to measure trade receivables, and recognises the loss allowance at an amount equal to lifetime expected credit losses.

Unrecoverable losses are historically low. Receivables are regularly reviewed to identify potential litigation risks and credit risk. Disputed receivables are generally written off.

Trade receivables and other current assets break down as follows:

	31 Dec. 2021	31 Dec. 2020
	€ 000	€ 000
Trade and other receivables	2,064	3,702
Impairment of receivables for expected losses	(68)	(29)
<b>Total trade and other receivables</b>	<b>1,996</b>	<b>3,672</b>
<b>Current tax receivables</b>	<b>266</b>	<b>0</b>
Prepaid expenses	443	327
State receivables (excl. income tax) - current	941	317
Staff and social security receivables	48	33
Guillemot Brothers Ltd shareholder loan	0	970
Other current assets	301	187
<b>Total other current assets</b>	<b>1,733</b>	<b>1,834</b>

Note 21.2.3 contains further information on the impairment of trade receivables and the Group's exposure to credit risk.

The high amount of trade receivables at 31 December 2020 is mainly due to the €925k order placed by the Group's top customer in December.

The decrease in trade receivables at 31 December 2021 reflects a slowdown in business at the end of the year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 16. Cash and cash equivalents

Cash and cash equivalents comprised funds held at banks. Cash equivalents are short-term, highly liquid investments that are easily convertible into a known cash amount and subject to negligible risk of change in value. At 1 January 2020, 31 December 2020 and 31 December 2021, the Group had no cash equivalents.

In the cash flow statement, this line item corresponds to cash and cash equivalents after deducting bank overdrafts.

	31 Dec. 2021	31 Dec. 2020
	€ 000	€ 000
Bank accounts	20,641	2,368
Demand deposits	0	0
<b>Cash and cash equivalents reported in the statement of financial position</b>	<b>20,641</b>	<b>2,368</b>
Bank overdrafts repayable on demand and used for cash management purposes	(0)	(1,128)
<b>Cash and cash equivalents reported in the statement of cash flows</b>	<b>20,641</b>	<b>1,240</b>

The sharp increase in cash was due to the Company's funding round for its initial public offering on 1 July 2021.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 17. Equity

#### 17.1. Share capital

Share capital comprises ordinary shares.

Capital increase costs are recognised in equity.

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

AMA Corporation Plc's share capital breaks down as follows:

	Shares capital 31 Dec. 2021			Share premium		
	Nb of shares	€ 000	€ 000	Nb of shares	€ 000	€ 000
Shares outstanding at 1 January	5,600,000		6,245	4,861,590		5,420
Capital reduction	(3,600,000)		(3,977)			
Contribution of equity interests by AMA R&D and AMA OPS	82,829		97			62
Multiplication of shares by 8	14,579,803					
Initial public offering	5,793,183		843			34,099
Capital increase						
<b>Shares outstanding at 31 December – fully paid</b>	<b>22,455,815</b>	<b>3,207</b>	<b>34,161</b>	<b>5,600,000</b>	<b>6,245</b>	

The par value of ordinary shares is £0.125.

On 7 January 2021, AMA Corporation Plc performed a share capital reduction (reduction of 3,600,000 shares) by allocation to the Guillemot Brothers current account.

On 19 May 2021, AMA Corporation Plc acquired additional shares in AMA Research and Development and AMA Operations, settled through a capital increase (issue of 57,650 shares for the contribution in kind of AMA Research and Development shares and issue of 25,179 shares for the contribution in kind of AMA Operations shares).

On 21 May 2021, the par value of the shares was reduced, multiplying the number of shares by 8.

For its initial public offering, AMA Corporation Plc performed a capital increase by issuing 5,457,390 new shares on 1 July 2021. On 4 August 2021, AMA Corporation Plc partially exercised its greenshoe option leading to the issue of 335,793 additional new shares.

In 2020, AMA Corporation Plc performed a capital increase of £738k (€824k).

#### 17.2. Capital management

The Group's policy is to maintain a solid capital base in order to keep the trust of investors, creditors and the market, as well as to support future business development. The Group's business activities are also financed through bank loans and credit facilities.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 18. Provisions and contingent liabilities

A provision is recognised when the Group has a legal or constructive obligation at the reporting date, as a result of a past event, which will probably result in an outflow of resources in an amount that can be reliably estimated.

The amount provisioned is the best estimate of the expenditure needed to settle the present obligation at the reporting date.

Provisions for Google Pixel telephones are measured by management based on the number of Google Pixel telephones in inventory and the amount of purchase costs of new telephones bought in replacement

In 2020, a €538k provision was recognised for the upcoming replacement of Google Pixel telephones purchased by clients. The XpertEye Advanced APK (Android Package Kit), developed in 2020 and slated for release in 2021, will not be compatible with the Google Pixel currently embedded in the XpertEye Advanced solution, or compatibility would require overly costly development.

In 2021, €227k of the previous provision for the replacement of Google Pixel telephones were reversed (reversal of provision used) due to the replacement of the Google Pixel telephones for some of our customers.

An additional €70k in provisions were recognised over the reporting period to cover the costs of replacing telephones delivered in 2021 before the APK release.

This results in a provision of €381k as at December 31, 2021.

### 19. Loans and borrowings

#### 19.1. Main terms and conditions

Financial liabilities are initially recognised at fair value less transaction costs, and subsequently at amortised cost using the effective interest rate method.

In accordance with the IFRS 1 exemption for government loans, starting from the transition date, the Group chose to apply IFRS 9 and IAS 20 prospectively to BPI interest-free loans taken out before the transition date. Accordingly, these loans were carried at their nominal amount. They were not remeasured at fair value at the date of initial recognition and no grant component was recognised.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The terms and conditions of current loans are as follows:

	Currency	Annual nominal interest rate	Year of maturity	Nominal value	31 Dec. 2021 Carrying amount	31 Dec. 2020 Carrying amount	31 Dec. 2019 Carrying amount
				€ 000	€ 000	€ 000	€ 000
BPI France €500 thousand loan	EUR	Fixed rate	2023	500	175	275	325
CIC €1,500 thousand loan	EUR	Fixed rate	2022	1 500	152	459	611
BPO €1,000 thousand loan	EUR	Fixed rate	,	1 000	173	426	548
BPI €750 thousand loan	EUR	Fixed rate	2023	750	375	525	600
CREDIT COOP €500 thousand loan	EUR	Fixed rate	2022	500	500	500	500
CIC €500 thousand loan	EUR	Fixed rate	2022	500	169	281	336
BPO €900 thousand loan	EUR	Fixed rate	2023	900	560	815	900
CIC €400 thousand loan	EUR	Fixed rate	2024	400	293	392	
Options credit line	EUR	Fixed rate	2019	20			2
<b>Total bank loans</b>				<b>6 070</b>	<b>2 397</b>	<b>3 672</b>	<b>3 822</b>
BNP credit line	EUR	Floating rate	2023	1 333			
Société Générale credit line	EUR	Floating rate	2023	2 000			
Arkéa credit line	EUR	Floating rate	2022	5 000			
Crédit Agricole credit line	EUR	Floating rate	Undetermined	2 500		1 124	
LCL credit line	EUR	Floating rate	Undetermined	1 500			
Other - accrued interest	EUR					4	3
<b>Total available credit lines</b>				<b>12 333</b>	<b>-</b>	<b>1 128</b>	<b>3</b>
Current account with AMA CORP	EUR / GBP	Floating rate		170	170	0	531
<b>Total Guillemot Brothers' current account</b>				<b>170</b>	<b>170</b>	<b>0</b>	<b>531</b>
<b>Total</b>				<b>18 573</b>	<b>2 567</b>	<b>4 801</b>	<b>4 356</b>

Fixed rates range from 0% to 1.5%, while floating rates range from EURIBOR 3M +1.2% to +1.5%.

The guarantees and security received are broken down as follows:

	Nominal value	31 Dec. 2021 Carrying amount	% carrying amount for guarantees and security	Joint and several guarantee	Pledging of shares	Total
	€ 000	€ 000		Guillemot Brothers Ltd	Guillemot Brothers SAS	Guillemot Brothers Ltd
	€ 000	€ 000		€ 000	€ 000	€ 000
BPI France €500 thousand loan	500	175	-			
CIC €1,500 thousand loan	1 500	152	150%	228	-	228
BPO €1,000 thousand loan	1 000	173	50%	87	-	-
BPI €750 thousand loan	750	375	-	-	-	-
CREDIT COOP €500 thousand loan	500	500	100%		500	-
CIC €500 thousand loan	500	169	150%	253	-	253
BPO €900 thousand loan	900	560	50%	280	-	-
CIC €400 thousand loan	400	293	150%	440	-	440
Options credit line	20	0	-	-	-	-
<b>Total bank loans</b>	<b>6 070</b>	<b>2 397</b>		<b>1 288</b>	<b>500</b>	<b>921</b>
BNP credit line	1 333		100%	1 333		
Société Générale credit line	2 000		100%	2 000		
Arkéa credit line	5 000		150%			7 500
Crédit Agricole credit line	2 500		100%	2 500		
LCL credit line	1 500		100%	1 500		
Other - accrued interest						
<b>Total available credit lines</b>	<b>12 333</b>	<b>-</b>		<b>7 333</b>	<b>-</b>	<b>7 500</b>
<b>Total</b>	<b>18 403</b>	<b>-</b>		<b>8 621</b>	<b>500</b>	<b>8 421</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 19.2. Change in loans and borrowings distinguishing cash and non-cash flows

Changes to loans and borrowings and lease liabilities in 2021 and 2020 were as follows:

	31 Dec. 2020	Cash flows			Changes in non-cash flows							31 Dec. 2021
		Cash inflows from new debt	Interest paid	Repaymen t of borrowings	Foreign exchange gains (losses)	Interest expense	Diminution de capital	Impact of IFRS 16 - Leases	Capital reduction by allocation to GB current account	Sharehold er loan - debt waiver	Reclass.	
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
Bank loans	2,397	0		(1,275)	0	0					(270)	852
Current account with Guillemot Brothers Ltd	0	0		0	0					0	0	0
<b>Total non-current borrowings and financial liabilities</b>	<b>2,397</b>	<b>0</b>	<b>0</b>	<b>(1,275)</b>	<b>0</b>	<b>0</b>		<b>0</b>		<b>0</b>	<b>(270)</b>	<b>852</b>
<b>Non-current lease liabilities</b>	<b>675</b>	<b>2,124</b>	<b>(13)</b>	<b>(860)</b>	<b>11</b>	<b>13</b>		<b>(332)</b>			<b>(497)</b>	<b>1,119</b>
Bank loans	1,275	9	(111)	0	1	111					270	1,555
Accrued loan interest	1	1		0	0						0	2
Other financial liabilities due within one year	45	8		(9)	2						0	45
Current account with Guillemot Brothers Ltd	(0)	0		(3,807)	0				3,977	0	0	170
<b>Total current borrowings and financial liabilities</b>	<b>1,321</b>	<b>18</b>	<b>(111)</b>	<b>(3,816)</b>	<b>2</b>	<b>111</b>	<b>0</b>	<b>0</b>	<b>3,977</b>	<b>0</b>	<b>270</b>	<b>1,772</b>
<b>Current lease liabilities</b>	<b>449</b>	<b>0</b>		<b>0</b>	<b>11</b>			<b>0</b>			<b>497</b>	<b>958</b>

At 31 December 2021, “repayment of borrowings” amounted to €1,275k. This amount doesn’t include repayment of lease liabilities. The Company also repaid €3,807k of the Guillemot Brothers Limited loan. The Company did not draw down any of its available credit facilities.

	31 Dec. 2019	Cash flows			Changes in non-cash flows							31 Dec. 2020
		Cash inflows from new debt	Interest paid	Repayment of borrowings	Foreign exchange gains (losses)	Interest expense	Diminution de capital	Impact of IFRS 16 - Leases	Capital reduction by allocation to GB current account	Sharehold er loan - debt waiver	Reclass.	
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
Bank loans	2,798	400		(549)	0	0					(252)	2,397
Current account with Guillemot Brothers Ltd	0	0		0	0					0	0	0
<b>Total non-current borrowings and financial liabilities</b>	<b>2,798</b>	<b>400</b>	<b>0</b>	<b>(549)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>(252)</b>	<b>2,397</b>
<b>Non-current lease liabilities</b>	<b>816</b>	<b>416</b>	<b>(14)</b>	<b>(532)</b>	<b>(6)</b>	<b>14</b>		<b>0</b>			<b>(20)</b>	<b>675</b>
Bank loans	1,024	0	(146)	0	0	146					252	1,275
Accrued loan interest	2	0		(1)	0						0	1
Other financial liabilities due within one year	25	24		(4)	(1)						0	45
Current account with Guillemot Brothers Ltd	531	8,270		0	0					(8,801)	0	0
<b>Total current borrowings and financial liabilities</b>	<b>1,582</b>	<b>8,294</b>	<b>(146)</b>	<b>(5)</b>	<b>(1)</b>	<b>146</b>	<b>0</b>	<b>0</b>		<b>(8,801)</b>	<b>252</b>	<b>1,321</b>
<b>Current lease liabilities</b>	<b>437</b>	<b>0</b>		<b>0</b>	<b>(8)</b>						<b>20</b>	<b>449</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

At 31 December 2020, “repayment of borrowings” (excluding lease liabilities) amounted to €554k. The cash flow statement presents repayment of €1,523k. The difference is due to the €970k change in the outstanding balance of the Guillemot Brothers Limited shareholder loan over the 2020 reporting period.

### 20. Trade accounts payable, other current liabilities

Trade payables are initially recognised at fair value, and subsequently at amortised cost, which is generally their nominal amount.

Trade payables and other current liabilities break down as follows:

	31 Dec. 2021	31 Dec. 2020
	€ 000	€ 000
<b>Total trade payables</b>	<b>1,943</b>	<b>974</b>
Staff and social security payables - current	972	735
Tax payables (excl. corporation tax)	931	461
Prepaid income (excl. client contracts)	-	112
Other payables - current	26	16
<b>Total other liabilities</b>	<b>1,929</b>	<b>1,324</b>
<b>Total</b>	<b>3,872</b>	<b>2,298</b>

The increase in trade payables and other liabilities was mainly due to an increase in accrued invoices.

At AMA Corporation Plc accrued invoices went from €6k in 2020 to €393k in 2021 and mainly comprise fees in connection with the initial public offering. At AMA SA and AMA Research and Development, accruals for merchandise/services received at 31 December 2021 but not invoiced increased by €328k (purchases of merchandise, securities on Guillemot Brothers Limited loans in 2020 and 2021, computers, etc.).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 21. Financial instruments and risk management

#### 21.1. Classification and fair value of financial instruments

The fair value hierarchy is as follows:

- Level 1: fair value based on quoted prices traded in active markets
- Level 2: fair value measured based on observable inputs (other than the quoted prices included in level 1)
- Level 3: fair value measured using valuation techniques based on unobservable inputs

	Accounting category	Fair value level	31 December 2021		31 December 2020	
			Carrying amount	Fair value	Carrying amount	Fair value
			€ 000	€ 000	€ 000	€ 000
Loans and guarantees	Amortised cost	Level 2 - Note 2	164	164	104	104
Non-consolidated equity investments	Fair value through P&L	Level 3 - Note 3	4	4	4	4
<b>Total non-current financial assets</b>			<b>168</b>	<b>168</b>	<b>108</b>	<b>108</b>
Trade and other receivables	Amortised cost	Note 1	1,996	1,996	3,672	3,672
Guillemot brothers shareholders loan	Amortised cost	Note 1	0	0	970	970
Cash and cash equivalents	Amortised cost	Note 1	20,641	20,641	1,240	1,240
<b>Total current financial assets</b>			<b>22,637</b>	<b>22,637</b>	<b>5,882</b>	<b>5,882</b>
<b>Total assets</b>			<b>22,805</b>	<b>22,805</b>	<b>5,989</b>	<b>5,989</b>
Bank loans and other financial liabilities	Amortised cost	Level 2 - Note 5	852	870	2,397	2,558
Current account with Guillemot Brothers Ltd	Amortised cost	Level 2 - Note 5	-	-	-	-
<b>Total non-current financial liabilities</b>			<b>852</b>	<b>870</b>	<b>2,397</b>	<b>2,558</b>
<b>Non-current lease liabilities</b>	Amortised cost	Level 2 - Note 4	<b>1,119</b>	<b>N/A</b>	<b>675</b>	<b>N/A</b>
Bank loans and other financial liabilities	Amortised cost	Level 2 - Note 5	1,602	1,617	1,321	1,313
Current account with Guillemot Brothers Ltd	Amortised cost	Level 2 - Note 5	170	170	- 0	- 0
Trade payables	Amortised cost	Note 1	1,943	1,943	974	974
<b>Total current financial liabilities</b>			<b>3,715</b>	<b>3,730</b>	<b>2,295</b>	<b>2,287</b>
<b>Current lease liabilities</b>	Amortised cost	Level 2 - Note 4	<b>958</b>	<b>N/A</b>	<b>449</b>	<b>N/A</b>
<b>Total liabilities</b>			<b>4,567</b>	<b>4,600</b>	<b>4,692</b>	<b>4,845</b>

Note 1 - The carrying amount of current financial assets and liabilities is deemed to be approximately their fair value.

Note 2 - The difference between the carrying amount and fair value of loans and guarantees is deemed immaterial.

Note 3 - The fair value of unconsolidated equity investments is immaterial.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 4 - As allowed for under IFRS, the fair value of lease liabilities and their level in the fair value hierarchy is not presented.

Note 5 - The fair value of loans and borrowings was estimated using future cash flows discounted at a market rate.

### 21.2. Risk management

The Group is exposed to interest rate risk, currency risk, credit risk and liquidity risk.

#### 21.2.1. Interest rate risk

The Group has fixed-rate loans and a shareholder loan (current account) with Guillemot Brothers Ltd, as well as variable credit facilities (EURIBOR plus a percentage). At 31 December 2021 and 2020, the Group had no instruments hedging its exposure to interest rate risk.

The main characteristics of the interest rates of financial instruments are presented in Note 19.1

##### *Analysis of interest rate sensitivity of variable-rate instruments*

A reasonably likely change of 50 basis points to interest rates at the reporting date would increase (or decrease) net income by the amounts shown in the table. For the purposes of this analysis, all other variables were held constant, particularly exchange rates.

A 50bp change in the interest rate would have no material impact on consolidated net profit or loss.

##### *Impact of IBOR reform*

The main benchmark interest rates are being reformed around the world. For example, some interbank offered rates (IBOR) will be replaced by other risk-free rates in an endeavour known as IBOR reform. Through its financial instruments, the Group is exposed to IBORs that are slated for replacement or modification under the reform, which is affecting all markets.

The Group estimates that the IBOR reform will not affect its management of risk, particularly as it has no hedge accounting.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 21.2.2. Currency risk

The Group is exposed to currency risk insofar as the functional currency used by Group entities differs from the currency used to recognise certain sales, purchases, payables and receivables. The functional currencies of the Group's entities are local currencies, except for the holding company AMA Corporation Plc, which uses the euro as its functional currency. The main currencies in which these transactions are recognised are the euro (EUR), US dollar (USD) and pound sterling (GBP).

At 31 December 2021 and 2020, the Group had no instruments hedging its exposure to currency risk.

The quantitative data used to analyse the Group's exposure to currency risk is summarised below.

	At 31 December 2021							
(000 of foreign currency)	EUR	GBP	USD	CNY	RON	HKD	CAD	JPY
Trade and other receivables	0	0	0	19	0	0	0	0
Other current assets	0	79	0	240	0	0	121	0
Cash and cash equivalents	28	98	638	0	0	140	0	0
Loans and borrowings	900	(5)	213	0	0	0	0	0
Trade and other payables	30	0	453	0	0	171	108	0
Other current liabilities	58	0	0	0	0	0	0	0

	At 31 December 2020							
(000 of foreign currency)	EUR	GBP	USD	CNY	RON	HKD	CAD	JPY
Trade and other receivables	0	0	0	21	0	75	N/A	N/A
Other current assets	0	0	0	233	0	413	N/A	N/A
Cash and cash equivalents	57	109	382	0	0	183	N/A	N/A
Loans and borrowings	59	0	0	0	0	0	N/A	N/A
Trade and other payables	637	(19)	(102)	726	49	0	N/A	N/A
Other current liabilities	30	25	17	0	212	123	N/A	N/A

The following exchange rates were applied for the main currencies.

	Average exchange rate		Spot exchange rate at the reporting date	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
<i>Euro</i>				
EURO	1.00	1.00	1.00	1.00
USD	1.18	1.14	1.13	1.23
RON	4.92	4.84	4.95	4.87
GBP	0.86	0.89	0.84	0.90
HKD	9.20	8.85	8.83	9.51
CNY	7.63	7.87	7.19	8.02
CAD	1.48	1.55	1.44	1.56
JPY	130.70	121.78	130.38	126.49

A reasonably possible strengthening (or weakening) of the euro, US dollar or pound sterling exchanged against other currencies at 31 December would affect the valuation of the financial instruments in foreign currencies, and net income in the amounts shown below. For the purposes of this analysis, all other variables were held constant, particularly interest rates, and the impact of forecast sales and purchases were not taken into account.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

<u>31 Dec. 2021</u>	<u>Net income</u>	
	<u>Increase</u>	<u>Decrease</u>
	€ 000	€ 000
<i>EUR (10% change)</i>	274	(335)
<i>USD (10% change)</i>	37	(31)
<i>RON (10% change)</i>	0	0
<i>GBP (10% change)</i>	23	(19)
<i>HKD (10% change)</i>	(0)	0
<i>CNY (10% change)</i>	4	(3)
<i>CAD (10% change)</i>	0	(0)
<i>JPY (10% change)</i>	0	0

<u>31 Dec. 2020</u>	<u>Net income</u>	
	<u>Increase</u>	<u>Decrease</u>
	€ 000	€ 000
<i>EUR (10% change)</i>	202	(247)
<i>USD (10% change)</i>	42	(35)
<i>RON (10% change)</i>	11	(9)
<i>GBP (10% change)</i>	13	(10)
<i>HKD (10% change)</i>	6	(5)
<i>CNY (10% change)</i>	(7)	5
<i>CAD (10% change)</i>		
<i>JPY (10% change)</i>		

### 21.2.3. Credit risk

Credit risk is the risk of financial loss the Group would incur if a client or counterparty to a financial instrument defaulted on its contractual obligations. The carrying amounts of financial assets represent maximum exposure to credit risk.

#### *Cash and cash equivalents*

The Group's cash and cash equivalents are held with top-ranking banking counterparties and financial institutions.

The Group deems that its cash and cash equivalents present almost no credit risk, given the credit ratings of its counterparties.

#### *Trade receivables and contract assets*

The Group's exposure to credit risk is mainly influenced by individual client characteristics. However, Management also considers factors that could impact the credit risk of its clients, such as default risk inherent to specific industries or countries in which clients do business.

The Group considers the following as constituting an event of default for internal credit risk management when a financial asset is more than 360 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

This risk is limited to the extent that the Group's clients are major businesses with no solvency problems. The Group limits its exposure to credit risk relating to trade receivables by establishing a maximum payment term of 90 days.

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over three years past due, whichever occurs sooner. The measurement of expected credit losses is a function of the probability of default, loss given default and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and is adjusted for forward-looking estimates of the current and future economic environment.

At 31 December 2020 and 31 December 2021 no receivables were written off or identified as credit-impaired. At 31 December 2021 and 31 December 2020, impairment losses of €68k and €29k, respectively, were recognised.

The aging of receivables was as follows:

31 December 2021	Gross carrying amount	Impairment	Net value
	€ 000	€ 000	€ 000
Current (not overdue)	1,003	-	1,003
Overdue 30 days or less	144	-	144
Overdue more than 30 days and less than 60 days	126	-	126
Overdue more than 60 days and less than 90 days	40	-	40
Overdue more than 90 days	541	(68)	473
<b>TOTAL</b>	<b>1,855</b>	<b>(68)</b>	<b>1,787</b>

31 December 2020	Gross carrying amount	Impairment	Net value
	€ 000	€ 000	€ 000
Current (not overdue)	2,346		2,346
Overdue 30 days or less	482		482
Overdue more than 30 days and less than 60 days	174		174
Overdue more than 60 days and less than 90 days	95		95
Overdue more than 90 days	226	(29)	196
<b>TOTAL</b>	<b>3,323</b>	<b>(29)</b>	<b>3,293</b>

### Liquidity risk

Liquidity risk is the risk that the Group might have difficulty meeting its obligations pertaining to financial liabilities that are settled by outflows of cash or other financial assets. To manage liquidity risk, the Group's objective is to ensure, to the greatest possible extent, that it has sufficient liquidity to settle these liabilities when they fall due under normal or "strained" conditions without incurring unacceptable losses or damaging the Group's reputation.

The Group uses activity-based costing for its products and services, which in turn helps it manage cash flow requirements and optimise cash-on-cash returns. Additionally, the Group has large credit facilities with financial institutions (see Note 19.1).

Residual contractual maturities of financial liabilities at the reporting date are as follows: These amounts – expressed gross and not measured to present value – comprise contractual interest payments.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31 December 2021	Carrying amount	Total	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
Bank loans	2 407	2 414	1 559	644	212	0
Current account with Guillemot Brothers Ltd	170	170	170	0	0	0
Lease liabilities	2 077	2 088	975	700	414	0
Trade and other payables	1 943	1 943	1 943	0	0	0
Other financial liabilities	47	47	47	0	0	0
<b>Total financial liabilities</b>	<b>6 640</b>	<b>6 662</b>	<b>4 693</b>	<b>1 343</b>	<b>625</b>	<b>0</b>

31 December 2020	Carrying amount	Total	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
Bank loans	3 672	3 729	1 308	1 556	865	0
Current account with Guillemot Brothers Ltd	(0)	(0)	(0)	0	0	0
Lease liabilities	1 124	1 145	454	306	385	0
Trade and other payables	974	974	974	0	0	0
Other financial liabilities	46	46	46	0	0	0
<b>Total financial liabilities</b>	<b>5 819</b>	<b>5 893</b>	<b>2 781</b>	<b>1 862</b>	<b>1 250</b>	<b>0</b>

### 22. Related-party transactions

Guillemot Brothers Ltd, is the main shareholder of the Group and has its head office in the United Kingdom. The company Guillemot Brothers SAS is a company belonging to the Guillemot Brothers Ltd group.

Transactions with Guillemot Brothers Ltd include the shareholder loans (current accounts) it has granted to AMA Corporation Plc. Guillemot Brothers Ltd and Guillemot Brothers SAS provide security to loans and credit facilities of AMA SA. Costs arising from these guarantees are rebilled to AMA SA.

Balance sheet and income statement balances relating to Guillemot Brothers Ltd and Guillemot Brothers SAS are as follows:

	31 Dec. 2021	31 Dec. 2020
	€ 000	€ 000
Current account	(170)	970
Trade and other payables	(160)	
Interest expense	(33)	(58)
Operating expenses	(92)	(101)

The remuneration of key management personnel is presented in Note 7.4.5.

Furthermore, in 2021, AMA Corporation Plc acquired shares from Guillemot Brothers Limited for €106k and from Christian Guillemot for €237k, on an arm's length basis.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 23. Off-balance sheet commitments

Off-balance sheet commitments are as follows:

- Commitments given: none
- Commitments received (AMA SA):

<b>31 Dec. 2021</b>	<b>Credit amount</b>	<b>Amount used</b>	<b>Remainder</b>	<b>Joint guarantees</b>	<b>Pledge of securities</b>
	€ 000	€ 000	€ 000	€ 000	€ 000
Borrowings	2,397	2,397	-	1,788	921
Credit subscribed	12,333	-	12,333	7,333	7,500
<b>Total</b>	<b>14,731</b>	<b>2,397</b>	<b>12,333</b>	<b>9,121</b>	<b>8,421</b>

<b>31 Dec. 2020</b>	<b>Credit amount</b>	<b>Amount used</b>	<b>Remainder</b>	<b>Joint guarantees</b>	<b>Pledge of securities</b>
	€ 000	€ 000	€ 000	€ 000	€ 000
Borrowings	3,672	3,672	-	2,716	1,596
Credit subscribed	14,000	-	14,000	9,000	7,500
<b>Total</b>	<b>17,672</b>	<b>3,672</b>	<b>14,000</b>	<b>11,716</b>	<b>9,096</b>

## PARENT COMPANY STATEMENT OF FINANCIAL POSITION

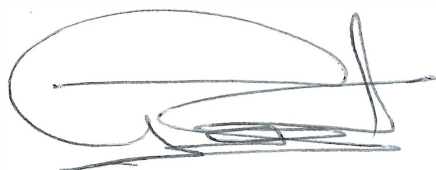
		2021		2020 (restated) (unaudited)		2019 (restated) (unaudited)	
	Notes	£	£	£	£	£	£
<b>Non-current assets</b>							
Brand	4		2,294,797		2,630,734		2,985,658
Other intangible	4		6,583,947		4,850,968		4,020,697
<b>Total intangible assets</b>			<b>8,878,744</b>		<b>7,481,702</b>		<b>7,006,355</b>
Property, plant and equipment	5		7,067		10,002		-
Investments	6		724,356		425,983		696,294
			<b>9,610,167</b>		<b>7,917,687</b>		<b>7,702,649</b>
<b>Current assets</b>							
Trade and other receivables	8	1,347,105		992,877		210,087	
Cash and cash equivalents		14,941,435		232,950		471,148	
		<b>16,288,540</b>		<b>1,225,827</b>		<b>681,235</b>	
<b>Current liabilities</b>	9	(2,101,125)		(2,539,879)		(2,543,572)	
<b>Net current assets/(liabilities)</b>			<b>14,187,415</b>		<b>(1,314,052)</b>		<b>(1,862,337)</b>
<b>Total assets less current liabilities</b>			<b>23,797,582</b>		<b>6,603,635</b>		<b>5,840,312</b>
<b>Equity</b>							
Called up share capital	10		2,806,977		5,600,000		4,861,590
Share premium account	11		29,352,413		-		-
Retained earnings	11		(8,361,808)		1,003,635		978,722
<b>Total equity</b>			<b>23,797,582</b>		<b>6,603,635</b>		<b>5,840,312</b>

The notes page 92 to 104 form part of these financial statements.

The Company has elected to take the exemption permitted under Section 408 of the Companies Act 2006 not to present the Company's profit and loss account. The Company's loss for the year was £9,171k (2020: £7,798k). No dividends were received in the year from the subsidiary undertakings (2020: €0k)

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the board of directors and authorised for issue on 6 May 2022 and are signed on its behalf by:



Christian Guillemot - Director  
AMA Corporation Plc  
**Company Registration No. 10341359**

## PARENT COMPANY STATEMENT OF CHANGE IN EQUITY

		Share capital	Share premium account	Foreign exchange translation reserve	Retained earnings	Total
	Notes	£	£	£	£	£
<b>Balance at 1 January 2020 (as previously stated)</b>		4,861,590	-	-	978,722	5,840,312
Prior period restatement	13	-	-	(123,851)	123,851	-
<b>Balance at 1 January 2020 (as restated) (unaudited)</b>		<u>4,861,590</u>	<u>-</u>	<u>(123,851)</u>	<u>1,102,573</u>	<u>5,840,312</u>
<b>Year ended 31 December 2020:</b>						
Loss for the year	13	-	-	-	(7,798,004)	(7,798,004)
Other comprehensive income:						
Foreign exchange translation reserve	13	-	-	(97,475)	-	(97,475)
<b>Total comprehensive income for the year</b>		-	-	-	(7,798,004)	(7,895,479)
Issue of share capital	13	738,410	-	-	-	738,410
Waiver of shareholder loan		-	-	-	7,920,392	7,920,392
<b>Balance at 31 December 2020 (as restated) (unaudited)</b>		<u>5,600,000</u>	<u>-</u>	<u>(221,326)</u>	<u>1,224,961</u>	<u>6,603,635</u>
	Notes	Share capital	Share premium account	Foreign exchange translation reserve	Retained earnings	Total
		£	£	£	£	£
<b>Year ended 31 December 2021:</b>						
Loss for the year		-	-	-	(9,171,490)	(9,171,490)
Other comprehensive income:						
Foreign exchange translation reserve		-	-	(193,953)	-	(193,953)
<b>Total comprehensive income for the year</b>		-	-	(193,953)	(9,171,490)	(9,365,443)
Issue of share capital	10	806,977	29,352,413	-	-	30,159,390
Reduction of shares	10	(3,600,000)	-	-	3,600,000	-
Distribution		-	-	-	(3,600,000)	(3,600,000)
<b>Balance at 31 December 2021</b>		<u>2,806,977</u>	<u>29,352,413</u>	<u>(415,279)</u>	<u>(7,946,529)</u>	<u>23,797,582</u>

The notes page 92 to 104 form part of these financial statements.

## PARENT COMPANY NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting policies

#### Company information

AMA Corporation PLC is a private company limited by shares incorporated in England and Wales.

The registered office is Flat 3-2 Cresswell Gardens, London, SW5 0BJ

#### 1.1 Accounting convention

AMA Corporation Plc prepares its first financial statements that comply with FRS 101 for the year ended 31 December 2021. The date of transition to FRS 101 is 1 January 2021. The transition to FRS 101 has resulted in only one change in accounting policies compared to those used previously as mentioned in note 19.

The comparative information in the accounts was unaudited as the company was entitled to exemption from audit.

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK ("Adopted IFRSs") but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The financial statements are prepared in sterling whilst the functional currency of the company is euro. The balance sheet has been restated at the closing exchange rate and the profit and loss has been restated at the average exchange rate, equity has been presented at the historical cost. All exchange differences have been adjusted through the currency translation reserve and are shown under other comprehensive income. Monetary amounts in these financial statements are rounded to the nearest £.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cashflow statement and related notes;
- Comparative year reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel

The accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these financial statements.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. (Refer to the Directors' Report page 17)

#### 1.3 Revenue

In accordance with IFRS 15, revenue is recognised when each performance obligation is fulfilled, which is when control of the goods or service is transferred to the customer in exchange for the amount of consideration to which the company expects to be entitled.

## PARENT COMPANY NOTES TO THE FINANCIAL STATEMENTS (continued)

### 1 Accounting policies (continued)

#### 1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets comprise primarily of development costs related to the research and development activities of the company ("Research&Development intangible assets"), and of trademarks, licences and customer-related intangible assets ("Brand"). Such assets are defined as having finite useful lives and the costs are amortised on a straight-line basis over their estimated useful lives of 5 and 10 years respectively. Intangible assets are stated at cost less amortisation and are reviewed for impairment whenever there is an indication that the carrying value may be impaired.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases, and are included in the administrative expenses in the Statement of Comprehensive Income:

Brand	10 years straight line
Research&Development intangible assets	5 years straight line

#### 1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Motor vehicles - Right of Use asset	3 years straight line
-------------------------------------	-----------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to profit or loss.

## **PARENT COMPANY NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **1 Accounting policies (continued)**

#### **1.6 Investment**

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised as a profit or loss. Investments in equity shares which are not publicly traded, and where fair value cannot be measured reliably, are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

#### **1.7 Financial instruments**

##### ***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

## PARENT COMPANY NOTES TO THE FINANCIAL STATEMENTS (continued)

### 1 Accounting policies (continued)

#### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### **1.8 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.9 Distribution**

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

#### **1.10 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

#### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

## PARENT COMPANY NOTES TO THE FINANCIAL STATEMENTS (continued)

### 1 Accounting policies (continued)

#### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.13 Leases

When a contract is signed, the Company determines whether it is or contains a lease.

The contract is or contains a lease if it grants the right to use an identified asset for a period of time in return for payment. To assess whether or not a contract grants the right to control an identified asset throughout the asset's useful life, the Company examines whether: i) the contract involves use of an identified asset, ii) the Company has the right to enjoy almost all economic benefits from the use of the asset throughout its useful life, and iii) the Company has the right to make decisions concerning the use of the asset.

The Company recognises a "right-of-use" asset and a lease liability on the date the contract comes into effect. The "right-of-use asset" is initially measured at cost, i.e. the initial amount of the lease liability restated for any lease payments that have already been made at the commencement date, plus any initial direct costs incurred by the lessee, and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the site on which it is located, less any lease incentives received.

The right-of-use asset is then depreciated on a straight-line basis from the commencement of the lease term, unless the lease stipulates that ownership of the underlying asset shall be transferred to the Company when the lease expires, or the cost of the "right-of-use" asset takes into account the fact that the Company will exercise a purchase option. In that case, the "right-of-use" asset is depreciated over the useful life of the underlying asset, determined on the same basis as the useful life of property, plant and equipment. Additionally, the "right-of-use" asset is regularly written down if impairment losses occur and is adjusted for some remeasurements of the lease liability.

At the commencement date, the lease liability is measured at the present value of lease payments over the lease term that have not yet been paid at that date. The discount rate used is the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company generally uses the latter as its discount rate.

Management determines the incremental borrowing rates from interest rates granted by various sources of external financing, for a term similar to that of the lease.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or to not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extend (or not terminated). The following factors are in general most relevant:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate);
- if any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate);

Otherwise, the Company considers all factors including historical lease durations and the cost and business disruption required to replace the leased asset. The lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under the residual value guarantee;



## PARENT COMPANY NOTES TO THE FINANCIAL STATEMENTS (continued)

- The exercise price of a purchase option if the Company is reasonably certain to exercise that option; payments made during the renewal period if the Company is reasonably certain to extend the lease; and payments of penalties for terminating the lease, unless the Company is reasonably certain not to terminate the lease.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured to reflect changes to future lease payments: from a change in an index or a rate; from a change in amounts the Company expects to be payable under the residual value guarantee; if the Company reassesses the likelihood that it will exercise the option to purchase the underlying asset or extend or terminate the lease; or if in-substance fixed lease payments are revised.

When the lease liability is remeasured, the carrying amount of the right-of-use asset is adjusted, or if the carrying amount of the right-of-use asset is reduced to zero, the remaining amount of the remeasurement is recognised in profit or loss.

### 1.14 Foreign exchange

Transactions in currencies other than euros are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss. Differences on exchange arising from the retranslation of the company's undertakings between from the functional currency to the presentation currency at the year-end rates are recognised in other comprehensive income. All other translation differences are reflected in the profit or loss.

## 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### **Capitalisation of development costs**

Research costs are expensed as they are incurred.

Development costs are capitalised and recognised as intangible assets if and only if the costs can be reliably measured and the Company can demonstrate the technical and commercial feasibility of the product or process, its probable future economic benefits, its intention, and the availability of sufficient resources to complete development and use or sell the asset. If these conditions are not met, development costs are expensed as they are incurred. After initial recognition, development costs are recognised at cost less accumulated amortisation and impairment.

Management applied its judgment in order to determine whether the above-mentioned criteria were met for each development project. In particular, Management distinguished between significant upgrades of the XpertEye solution, for which development costs are capitalized, and minor updates and correction of bugs, for which costs are expensed. Also, management support that significant upgrades generate incremental economic benefits.

The main impairment indicators that can trigger an impairment test are problems of technical feasibility and lack of market opportunities.

## **PARENT COMPANY NOTES TO THE FINANCIAL STATEMENTS (continued)**

### ***Impairment of Intangible Asset***

The Company has tested intangible assets for impairment as it was considered the turnover warning in Q4 2021 was an indicator of impairment. The Company assessed 'recoverable amount' of the asset at 'the higher of its fair value less costs of disposal and its value in use.' The Company has applied the fair value less costs to disposal approach in assessing the recoverable amounts of intangible assets. The fair value has been based on an assessment of a multiple of revenues by comparing with comparable listed companies. Based upon the calculated recoverable amount management believe that no impairment of the intangibles assets is required

### ***Leases***

The company has entered into a contract with a vehicle leaser for a car leasing on a three-year period. The directors assessed that the Company has the right to obtain substantially all of the economic benefits from the use of this vehicle. As a result, the directors concluded that this contract contains a lease.

### ***Impairment on investment***

An impairment has been recognised in the company financial statements in relation to investments held in AMA SA based on the Net Assets of these subsidiary as of 31st December 2021 and on assumptions made by directors, [linked to the use of net assets as the best approach to determine the recoverable value of the investments.](#)

## PARENT COMPANY NOTES TO THE FINANCIAL STATEMENTS (continued)

### 3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

Their aggregate remuneration comprised:

	2021	2020 (unaudited)
	£	£
Wages and salaries	68,210	81,967
Social security costs	21,019	17,900
Pension costs	-	900
	<u>89,229</u>	<u>100,767</u>

The statutory directors received no emoluments for services provided to the company or the group (2020: nil).

### 4 Intangible fixed assets

	Brand	R&D - Acquired	R&D - Internally generated	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2021	3,549,246	1,700,835	5,336,065	10,586,146
Additions	-	-	3,276,606	3,276,606
Disposals	-	-	(80,271)	(80,271)
At 31 December 2021	<u>3,549,246</u>	<u>1,700,835</u>	<u>8,532,400</u>	<u>13,782,481</u>
<b>Amortisation and impairment</b>				
At 1 January 2021	918,512	880,320	1,305,612	3,104,444
Amortisation charged for the year	335,937	321,969	1,141,387	1,799,293
At 31 December 2021	<u>1,254,449</u>	<u>1,202,289</u>	<u>2,446,999</u>	<u>4,903,737</u>
<b>Carrying amount</b>				
At 31 December 2021	<u>2,294,797</u>	<u>498,546</u>	<u>6,085,401</u>	<u>8,878,744</u>
At 31 December 2020 (unaudited)	<u>2,630,734</u>	<u>820,515</u>	<u>4,030,453</u>	<u>7,481,702</u>

The Company has tested intangible assets for impairment as it was considered the turnover warning in Q4 2021 was an indicator of impairment. The Company assessed 'recoverable amount' of the asset at 'the higher of its fair value less costs of disposal and its value in use.' The Company has applied the fair value less costs to disposal approach in assessing the recoverable amounts of intangible assets. The fair value has been based on an assessment of a multiple of revenues by comparing with comparable listed companies. Based upon the calculated recoverable amount management believe that no impairment of the intangibles assets is required

## PARENT COMPANY NOTES TO THE FINANCIAL STATEMENTS (continued)

### 5 Property, plant and equipment

	Motor vehicles - Right of Use £
<b>Cost</b>	
At 1 January 2021 and 31 December 2021	10,288
<b>Depreciation and impairment</b>	
At 1 January 2021	286
Depreciation charged in the year	2,935
At 31 December 2021	3,221
<b>Carrying amount</b>	
At 31 December 2021	7,067
At 31 December 2020 (unaudited)	10,002

### 6 Investments

		2021 £	2020 (unaudited) £
	Notes		
Investments in subsidiaries	13	724,356	425,983

#### Movements in non-current investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 January 2021	425,983
Additions	6,910,475
Impairment	(6,612,102)
At 31 December 2021	724,356
<b>Carrying amount</b>	
At 31 December 2021	724,356
At 31 December 2020 (unaudited)	425,983

In December 2021, the Company waived an amount of 7,700,000€ loan granted to AMA SA, in order to improve its subsidiaries' financial position. Following an impairment test based on the net asset value, the value of AMA SA shares has been subject to an impairment at 31 December 2021 for the same amount of 7,700,000€ (£6,612,102).

## PARENT COMPANY NOTES TO THE FINANCIAL STATEMENTS (continued)

### 7 Subsidiaries

Name of undertaking	Registered office	Nature of business	Class of Shares held	% Held	
				Direct	Indirect
AMA Operations SAS	130 rue Eugene Pottier, Immeuble Le Calypso, 35000 Rennes, France	Computer programming	Ordinary Shares	89.82	89.82
AMA Research and Development SAS	130 rue Eugene Pottier, Immeuble Le Calypso, 35000 Rennes, France	Computer programming	Ordinary Shares	89.82	89.82
AMA SA	130 rue Eugene Pottier, Immeuble Le Calypso, 35000 Rennes, France	Wholesale of computers, computer software and peripherals	Ordinary Shares	84.32	84.32
AMA Xperteye GmbH	Im Mediapark 8, 50670 Koln, Germany	Sale and distribution of the Xperteye solution (smart glasses collaboration technology) in Germany	Ordinary Shares	85.50	85.50
AMA Xperteye Inc	400 Tradecenter, Suite 4880, Woburn, MA, 01801-7468, United States	Sale and distribution of the Xperteye solution (smart glasses collaboration technology) in the USA	Ordinary Shares	85.50	85.50
AMA Xperteye Limited	Albert House, 256-260 Old Street, London, E1CV 9DD	Sale and distribution of the Xperteye solution (smart glasses collaboration technology) in the UK	Ordinary Shares	85.00	85.00
AMA Xperteye SRL	7A Sos. Bucuresti, Ploiesti, Floor 5, office 1, Bucarest, 013682, Romania	Sale and distribution of the Xperteye solution (smart glasses collaboration technology) in Romania	Ordinary Shares	85.56	85.56
AMA Xperteye Limited - Hong Kong	Unit 7107B, Level 71, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong	Sale and distribution of the Xperteye solution (smart glasses collaboration technology) in Hong Kong	Ordinary Shares	85.00	85.00
AMA L'oeil de l'expert – Canada*	300 - 204 Rue du St-Sacrement, Montréal, QC, H2Y 1W8, Canada	Sale and distribution of the Xperteye solution (smart glasses collaboration technology)	Ordinary shares	-	59.02
AMA Xperteye - Shanghai	Room 713, Floor 7, No 8 Hua Jing Road, China (Shanghai) Free Trade Zone	Sale and distribution of the Xperteye solution (smart glasses collaboration technology) in Shanghai	Ordinary Shares	100.00	100.00
AMA Xperteye KK	Yamashiro Bldg. 7F, 1-15-16 Minami-Aoyama, Minato-ku, Tokyo, 162-0825, Japan	Sale and distribution of the Xperteye solution (smart glasses collaboration technology)	Ordinary Shares	85.00	85.00
AMA Xperteye SL	Calle Serrano, 90, Planta 6, Madrid, 28006, Spain	Sale and distribution of the Xperteye solution (smart glasses collaboration technology)	Ordinary Shares	100.00	100.00

\* AMA OEIL DE L'EXPERT CANADA is indirectly held through AMA SA.

### 8 Trade and other receivables

	2021	2020
	(unaudited)	
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	1,294,222	952,044
Other receivables	40,803	27,684
Prepayments and accrued income	12,080	13,149
	<u>1,347,105</u>	<u>992,877</u>

Amount owed by group undertakings are interest free, unsecured and repayable on demand.

## PARENT COMPANY NOTES TO THE FINANCIAL STATEMENTS (continued)

### 9 Current liabilities

	Notes	2021 £	2020 (unaudited) £
Lease liabilities	13	6,440	10,007
Trade payables		78,134	31,199
Amounts owed to group undertakings		1,685,212	2,491,760
Other payables		1,546	1,340
Accruals and deferred income		329,793	5,573
		<u>2,101,125</u>	<u>2,539,879</u>

Amount owed by group undertakings are interest free, unsecured and repayable on demand.

### 10 Share Capital

	2021 £	2020 (unaudited) £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
22,455,815 Ordinary shares of €0.14 each	<u>2,806,977</u>	<u>5,600,000</u>

During the year the company completed a capital reduction, in January 2021, which reduced the share capital in place by £3,600,000.

In May 2021, AMA Corporation Plc acquired additional shares in AMA Research and Development SAS and AMA Operations SAS, which were remunerated through a capital increase (issue of 57,650 shares for the contribution in kind of the AMA Research and Development SAS securities and issue of 25,179 shares for the contribution in kind of the AMA Operations SAS securities). This resulted in the creation of a share premium reserve of £52,834.

In May 2021, the £1 ordinary shares were each split into 8 shares of £0.125. This resulted in 16,662,632 shares being in existence at this time.

Additionally, following its conversion to a Public Limited Company, a further 5,793,183 shares were issued for a total consideration of £32,853,803. This resulted in the creation of a share premium reserve of £29,352,413, and a total of 22,455,815 shares being in existence as at the year-end.

## **PARENT COMPANY NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **11 Reserves**

#### **Equity reserve**

Share capital represents the nominal value of shares that have been issued.

The share premium reserve represents the difference between the par value of the shares issued and the subscription or issue price.

The profit and loss account represents all accumulated net gains and losses.

The other reserves are distributable and linked to a capital contribution from the parent company.

### **12 Ultimate controlling party**

The company's immediate parent is Guillemot Brothers Limited, registered in England and Wales.

### **13 Prior period adjustment and Transition to FRS 101**

#### **A – Currency exchange translation difference**

The 'Foreign currency translation reserve' and 'Profit and Loss Reserves' as at 1 January 2020 have been restated to correctly reflect the foreign currency exchange differences from previous years as other comprehensive income which will create a separate reserve shown within equity rather than shown as an expenses in the profit or loss account. The net impact of the restatement in 2019 and 2020 on equity is nil and the impact on profit or loss is £97,475 for 2020.

#### **B – Transition to FRS 101**

AMA Corporation Plc was not previously required to recognise Right of Use Assets and the respective Lease Liability as the company was reporting under FRS 102. As part of the transition from FRS 102 to FRS 101, IFRS 16 is now applicable. There was no Right of Use asset and Lease Liability in the opening balance sheet at 31 December 2020. Right of Use Assets with carrying value of £10,002 and a Lease Liability of £10,007 have been recognised in in the balance sheet at 31 December 2020. The net impact of £5 has been recognised in the profit or loss.

## Reconciliation of equity

	At 1 January 2020 £	At 31 December 2020 £
Capital and reserves (as previously stated)	5,840,312	6,603,640
IFRS 16 Leases	-	(5)
Capital and reserves (as restated)	<u>5,840,312</u>	<u>6,603,635</u>

## Reconciliation of profit or loss for the year

	Year ended 31 December 2020
Loss for the year (as previously stated)	(7,895,474)
IFRS 16 Leases	(5)
Reclassification of currency translation difference to other comprehensive incomes	97 475
Loss for the year (as restated)	<u>(7,798,004)</u>

## 14 Subsequent Events

To retain employees and interest them in the Group's development, the Company has set up a stock option plan concerning 5% of AMA Corporation Plc capital (1,134,000 shares). Stock options were granted on 31 January 2022. They mature after a six-year period and the vesting period is two years as of the grant date, subject to employees' continued presence in the Group.

The conflict in Ukraine, which broke out in February 2022, has limited impact on the activity of the company as the company doesn't trade with companies in Russia, Belarus or Ukraine, doesn't have subsidiaries or assets in Russia, Belarus or Ukraine, and is not linked with organisations or individuals under sanctions. Consequently, this event has not led to any adjustments to the financial statements for the year ended 31 December 2021.