

# Ocean Outdoor Limited

## Half Year 2020 Results

Ocean Outdoor Limited (“**Ocean Outdoor**”, “**Ocean**”, “**the Group**” or “**the Company**”), a leading operator of premium Digital Out-of-Home (“DOOH”) advertising, with 4,000 screens across 270 cities in the United Kingdom, the Netherlands, the Nordics and Germany, is pleased to announce its half year results for the six months ended 30 June 2020.

### Financial Highlights

#### Reported basis

- Billings decreased to £44.3m (H1 2019: £50.8m)
- Revenue fell by 2.5% to £36.5m (H1 2019: £37.4m)
- Adjusted EBITDA<sup>2</sup> of £13.7m (H1 2019: £20.3m)
- Cashflow positive over the period due to strong working capital management actions
- Secured £35 million facility, comprising of a term loan and revolving credit facility, with £25 million of the new facility issued under the UK government backed Coronavirus Large Business Interruption Loan Scheme (“CLBILS”)
- Cash on balance sheet of £35.6m. Have drawn £5m of term loan with additional facilities of £30m available, subject to customary bank covenants

#### Proforma basis<sup>1</sup>

- Billings decreased to £44.1m (H1 2019: £75.5m)
- Revenue fell by 41% to £36.2m (H1 2019: £61.8m)
- Adjusted EBITDA<sup>2</sup> of (£4.4m) compared to £14.1m in H1 2019
- Digital billings made up 86% of total billings (H1 2019: 84%)

### Operational Highlights

- Expansion of the Ocean XL network in Scotland, Manchester, Birmingham and Southampton and The Grid network expanding into Norwich
- Roll out of 40 new 65” full motion screens across Canary Wharf
- Appearance of Her Majesty The Queen on the Landsec Piccadilly Lights offering messages of thanks and support to the nation
- Launch of two SME advertising funds in the UK and the Netherlands, offering ad space to businesses impacted by COVID-19 for £14m in the UK and €10m in the Netherlands
- Established 381 digital screens in 18 malls spread over 18 cities in Denmark
- Integration of the four Clear Channel locations in the Netherlands and the launch of the first Bee Hotel in Utrecht
- In Sweden, signed with 17 new shopping centres and installed 75 new screens and in Denmark secured contract for 18 shopping centres across 18 cities
- Unveiling of the Crucial Creative Competition 2020 with a £1m prize fund
- Ocean Outdoor Netherlands appointed strategic media partner for Westfield Mall of the Netherlands
- Over £3 million invested to date in new locations including expansion of the Two Towers<sup>®</sup> concept to Birmingham and large format screens across the Netherlands and roll out of new shopping centres across the Nordics
- Agreed amendments to convert £9m of minimum guaranteed rents to profit share terms for 2020
- Deferred over £6m of rents and profit shares due in Q2 and Q3 2020 to later periods
- Initiated redundancy programmes which will lead to £2.5m of permanent savings in 2021 and beyond
- £9m of the budgeted 2020 overhead has been removed via shorter working weeks, furlough and aggressive cost control measures

### Current Trading and outlook

- Week on week trading improvement since late May
- Q3 tracking at significantly better than Q2
- Forward visibility remains extremely short and advertiser confidence is directly linked to continued changes in government policy on COVID-19 restrictions

**Commenting on the 2020 H1 results, Tim Bleakley, CEO of Ocean Outdoor Limited, said:**

*“It has been an extraordinary six months. Our business and the whole global advertising sector has had to deal with the impact of COVID-19 and react to events, government guidelines and restrictions on a daily basis. Throughout this period, Ocean’s response has been to ensure that Digital out of Home remained an invaluable platform for citizens, governments and advertisers, by delivering value and amplifying messages across multimedia, even when city streets were deserted. The fightback has begun and traffic and pedestrian audiences are starting to return, and each week since late May we have seen a gradual improvement in audiences, advertiser demand and revenues.”*

*“With new contracts won, an expanded network and a strong balance sheet, Ocean is both well poised to take full advantage of the market recovery and in a strong position to withstand any further headwinds.”*

<sup>1</sup> Due to the mid-year acquisition in FY19 of Ngage Media B.V Ocean Outdoor Nederland B.V, DKTD Media B.V, Ocean Outdoor Nordics AB and AdCityMedia AB, the condensed consolidated statement of profit and loss presented on page 11 does not provide a year on year comparison for the underlying performance and operations. The financial highlights detailed above are on a proforma basis for Ocean Outdoor Limited and all subsidiaries in the Group as at 30 June 2020 as if the same subsidiaries had been owned from 1 January 2019, excluding the impact of IFRS16 and using constant currency.

<sup>2</sup> Adjusted EBITDA is the Earnings Before Interest, Tax, Depreciation, Amortisation as adjusted for one off items. See the appendix for reconciliations between profit from operations and Adjusted EBITDA.

There will be a conference call for analysts and investors which will begin at 13:00hrs BST / 08.00hrs ET on the same day. Details for the conference call are as follows:

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**About Ocean Outdoor**

[Ocean Outdoor](#) operates some of the most prestigious digital out-of-home (DOOH) locations in the UK, Northern and Continental Europe. The Group portfolio includes 4,000 screens in seven countries and 270 cities.

In the UK, Ocean operates the most iconic DOOH locations including the BFI IMAX; the Landsec Piccadilly Lights; and has a significant presence in the top 13 UK cities. Ocean's high-profile landlords and partners include Birmingham, Manchester, Glasgow and Southampton City Councils, Landsec, Unibail-Rodamco-Westfield, the BFI and Intu. A continued focus on Ocean's Digital Cities for Digital Citizens philosophy has significantly augmented the Group's position as an operator of high quality DOOH assets. Ocean continues to deliver good organic development through new City tender wins, the rollout of new locations in Scotland, London, the West Midlands and Manchester and significant screen investment.

Strategic acquisitions that complement the existing DOOH portfolio remain a strategic pillar of the growth programme. This continued with three Dutch acquisitions in spring 2019, giving the company a significant share of the Netherlands market where it has become a major DOOH player. These subsidiaries have since been rebranded as Ocean Outdoor Netherlands.

In September 2019, Ocean acquired the assets of Visual Art, a Sweden based independent, pure-play DOOH media and tech group which operates in three Nordic countries (Sweden, Norway, Denmark) and key cities in Germany. This transaction expands Ocean's portfolio across 23 Unibail-Rodamco-Westfield shopping malls in Europe, in addition to holding the exclusive external rights to two of the largest premium urban shopping malls in Europe: Westfield London and Westfield Stratford in the UK.

In February 2020, Ocean closed the acquisition of AdCityMedia, a Sweden-based premium out-of-home and digital screen tech operator focused on large format digital and high-end city centre locations across Sweden, Norway, Denmark and Finland. The combined entities of Visual Art and AdCityMedia, referred to as Ocean Outdoor Nordics, creates the leading DOOH operator in the region.

# Ocean Outdoor Limited

## Business review for the 6 months ended 30 June 2020

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### Chief Executive's review

#### Overview

The first half of the year has been dominated by the Company's response to the coronavirus pandemic and mitigating its impact on the business. However, the business has also continued to deliver on future growth initiatives, which has seen the completion of new infrastructure projects and new contract wins, all of which has put the Group in a stronger position to take full advantage of a market recovery.

After achieving a strong start to 2020, in mid-March we began to see the rapid deterioration in global media and advertising spend, followed by the various government-implemented lockdown measures, which immediately affected the business across all its markets.

To mitigate the impact on the Group we immediately lowered our cost base while protecting the core business. This included cutting all discretionary spend, appropriately managing our headcount through the reduction of employee working hours and utilising the government initiatives put in place across all our territories, including tax deferral and furlough schemes. We also undertook discussions with suppliers and landlords to defer payments and introduced other cash conservation measures.

Whilst the Group's balance sheet was strong at the time the pandemic hit our market, with net cash of almost £20 million, the Board felt it was wise to look at options to further bolster the Group's liquidity. In May, Ocean entered into a £35 million facility agreement, comprising of a term loan and revolving credit facility, with £25 million of the new facility issued under the UK government backed Coronavirus Large Business Interruption Loan Scheme, which increased the Group's liquidity to £67 million.

As previously showcased at the time of Group's full year results in June, despite the significantly lower levels of advertising during the lockdown period, we have found numerous ways to stay ahead in our sector and demonstrate industry leadership. The Group has fully utilised the strength and ability of its premium city centre locations and roadside networks to support corporate and social initiatives, on both a local and national scale, which truly illustrated Ocean's *'Digital Cities for Digital Citizens'* philosophy. Some of the highlights included the messages of support for the health service and essential workers, the Queen's speech showcased on Landsec's Piccadilly Lights along with Captain Tom's charity walk, with the images transcending other media on an international scale.

Another hugely successful initiative was the launch of our SME advertising funds, in both the UK and the Netherlands. The funds have benefitted 561 small businesses and retailers across both countries, and provided £24 million worth of advertising space to businesses in need, which, in turn, has introduced a significant number of new businesses to the benefits of Digital Out-of-Home.

More recently, like many other events, our annual digital creative competition had to adapt this year to the current circumstances. As such, Ocean's £1 million Crucial Creative Competition was initiated, with a focus on rallying advertisers, agencies and communities as markets began to open up. With 140 entries we were once again astounded by the concepts, which continue to improve each year. The competition saw brands and creatives develop campaigns that were relevant and positive to help businesses and people overcome the current uncertainty and emerge with a greater sense of confidence.

#### Financial performance

On a reported basis, the Group saw a decline in billings of £6.5m, representing a fall of 13% when compared to H1 2019. This led to a decrease in revenue of £1.0m, representing a 2.5% decrease. Whilst disappointing declines were seen as a result of COVID-19 and the impact it has had on consumers and the economy, the Group generated a reported Adjusted EBITDA of £13.7m.

# Ocean Outdoor Limited

## Business review for the 6 months ended 30 June 2020

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### **Financial performance** (continued)

The Group has a solid cash position at 30 June 2020 with a cash balance of £35.6m. The Group secured credit facilities in the period of which it has drawn down £5m. Additional financing of up to £30m remains available, subject to customary covenants related to minimum quarterly adjusted EBITDA and cash balances.

It has been a tough H1 2020, especially disappointing given the growth achieved and positive results reported in FY19. However, given the solidity of the Group, it is well positioned to capitalise on opportunities in the remainder of FY20 and beyond, as the economy and the business return to normality.

### **Ocean UK**

As previously highlighted, Ocean UK has delivered multiple high-profile initiatives during the lockdown period, including the Queen's message and a VE Day campaign which both appeared on the Piccadilly Lights and generated global news headlines. As part of our '*Digital Cities for Digital Citizens*' philosophy, multiple campaigns have also been carried across Ocean screens, supporting critical community safety messages, Local Heroes, key workers and services on the front line. We also teamed up with the National Gallery to bring great art to the streets across Birmingham, Edinburgh, Glasgow, Leeds, London, Manchester, Newcastle, Nottingham and Southampton.

Our London office reopened on 25 May 2020 and we have since been able to welcome the majority of our staff back to the office through a managed phased return to make sure it is done in a safe manner.

The pandemic has not delayed our organic expansion plans with new projects already underway, with over £3 million invested to date. In May, we announced plans to introduce touchless advertising screens which will transform audience and brand experiences, particularly in a post COVID-19 environment, by deploying mid-air haptics technology to DOOH. The virtual technology, which does not require any wearables, will be integrated into Ocean's screens in key experiential spaces and deployed on a campaign-by-campaign basis, allowing audiences to trigger or control screen content using hand gestures instead of touch surfaces.

In addition to incorporating new technology, Ocean is also fully utilising the new data support from Route, which measures audiences for out-of-home across the UK. Changes to Route's algorithms and measures are delivering clearer and more granular data, helping Ocean to identify new sites and cities that deliver incremental and unique coverage.

In August we introduced new assets to five cities, including the expansion of our Two Towers® concept to Birmingham City Centre. Modern in design to align with the city's innovative architecture, the portrait style double-sided towers reach 1,146,700 adults a fortnight. Our Two Towers® network also covers Manchester, Leeds and London.

We are also pleased to have just announced the roll-out of our first premium large format DOOH screen in Norwich, one of the UK's top 10 fastest growing cities. It is the only large format full motion screen in the city located above the entrance of the main shopping centre, which is in close proximity to multiple premium retailers and hospitality hotspots which attract an annual footfall of 15 million.

Following the launch of Ocean's XL Network earlier this year, five further locations have been added including two in Southampton, two in Manchester and one in Birmingham - bringing the total number of screens to 19 in four cities, with planning consent for two more in Leeds and Newcastle in 2021.

Ocean's next generation in super-sized, connected DOOH roadside screens is at least 1.5 times larger than a standard 48-sheet. The XL Network provides cover in Glasgow (six screens), Birmingham (six screens), Manchester (five screens) and now Southampton (two screens).

Since the period end, Ocean has partnered with the location marketing technology company Hivestack, a leader in programmatic Digital Out-of-Home advertising. The collaboration will enable marketers to activate Ocean's premium digital locations across the UK. With agencies and advertisers demanding

# Ocean Outdoor Limited

## Business review for the 6 months ended 30 June 2020

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### ***Ocean UK (continued)***

greater flexibility, programmatic technology offers marketers the ability to run highly targeted campaigns that can be turned on or off at the click of a button, giving advertisers a highly effective and low risk route to market.

### ***The Netherlands***

Ocean Outdoor Netherlands reopened at its Amsterdam HQ on 11 May 2020. Like the UK, the Dutch business has been very active during the period in maintaining activity to stay ahead. Over 250 Dutch advertisers made use of the SME support initiative, which has significantly helped brands and organisations stay visible and connect with consumers and customers during a very difficult time.

At the start of January, the Dutch division took over the digital advertising masts portfolio previously owned and operated by Clear Channel Netherlands. The assets include the iconic Triple Digital in Rotterdam, Double Digital in Amsterdam, Diamond in Waddinxveen and the Box, formerly known as 'de Vis', in Amsterdam.

Since the period end, Ocean has secured its first contract win after entering the Netherlands market, with Unibail-Rodamco-Westfield (URW) appointing Ocean as its strategic media partner for Westfield Mall of the Netherlands, the country's largest shopping, dining and leisure destination, located in the Randstad. Ocean's premium DOOH portfolio now covers 24 European URW shopping malls, in addition to holding the exclusive external media rights to two of Europe's largest flagship destinations - Westfield London and Westfield Stratford City in the UK.

In addition to the media partnership deal, incorporating our tech innovation, Ocean has also developed a digital 'Stay Safe' augmented reality tool for Westfield Mall of the Netherlands in response to social distancing requirements, which detects passers-by in the shopping centre and indicates, via the digital screen, when they are too close to each other.

There have been further contract wins since, including the media contract covering all buses and trams in Amsterdam, which includes over 300 vehicles and 1,688 digital screens. We also renewed our contract with property company Kroonenberg Groep for three shopping malls in Amsterdam, covering seven large screens, and one mall in Hilversum, with two large screens.

Whilst live sport has only recently returned, Ocean has managed to continue its association with live sporting events, with Ocean Netherlands streaming highlights and live coverage of this year's Tour de France across the network of large digital screens throughout the country.

### ***Nordics and Germany***

Ocean's business in Sweden continued to operate its office as normal throughout the period. In response to the pandemic, the management team fully utilised government support through the respective government furlough schemes across the region and has renegotiated terms with landlords for 2021, as well as adopting a dedicated COVID-19 marketing plan across the region.

The integration of Visual Art and AdCity Media has gone well, with a number of significant synergy gains realised during the process. Whilst the rebranding process is ongoing, the combined corporate entity has been renamed Ocean Nordics. The creation of the OneOcean programme, to accelerate the process, is delivering new sales training, product structure, brand & culture, market analysis and a new salary model.

There has been a number of excellent organic developments across the region in recent months. In Sweden, we have signed with 17 new shopping malls across major cities, with 75 screens being installed. With these new malls added to the portfolio, Ocean now covers over 100 shopping malls in Sweden and has by far the biggest and strongest shopping/retail network.

# Ocean Outdoor Limited

## Business review for the 6 months ended 30 June 2020

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### ***Nordics and Germany (continued)***

In Denmark, Ocean has extended its coverage across an additional 18 malls in 18 cities, bringing the total to 30 malls in the country, with a combined footfall of 2 million a week.

In Norway, we have won the media contract for Oslo's new bus terminal, which will see the introduction of 28 digital screens. Located in the city centre, it is the largest bus terminal in the country with 55,000 daily travellers.

In Finland, we have added two more shopping malls to the portfolio, both located in Helsinki, with 13 screens in total. Ocean is now operating across 24 shopping malls in the country, with approximately 180 digital and impact screens.

As previously highlighted, the Nordics and Germany have similarly strong underlying industry dynamics to the UK and the Netherlands. With Ocean having consolidated a significant part of the market, it is now well placed to drive organic growth and the further adoption of DOOH across the region.

### ***Outlook***

The Group has been at the forefront of the industry despite the impact of COVID-19 on the sector. Ocean has shown leadership and delivered positive initiatives for people on a local and national scale, all of which has demonstrated the power of Digital Out-of-Home. Whilst this has happened, the Group has continued to execute its organic pipeline, with installations in new locations and large new contracts across all territories. With acquisitions now bedded in, we have created more value from accelerated synergies, brand alignment and their integration, putting the Group in a much stronger position to take advantage of market opportunities.

Whilst financial guidance continues to be withheld, the Board is encouraged by the gradual improving signs since June across all the Group's territories, with sales and bookings improving week by week. The Group's strong balance sheet ensures the Group remains in a sound financial position whilst also providing good levels of flexibility and enabling the business to continue with its investment plans.

**Tim Bleakley**

**Chief Executive**

# Ocean Outdoor Limited

Business review  
for the 6 months ended 30 June 2020

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## Analysis using financial key performance indicators

Directors and managers assess performance using performance indicators at a Group level. The Group's key performance indicators (KPI) are Billings, Revenue and Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation excluding one off items (Adjusted EBITDA). This is generated from the companies within the Group.

## Proforma Profit and Loss

Due to the acquisitions in FY19 of Ngage Media B.V ("Ngage"), Ocean Outdoor Netherlands B.V, DKTD Media B.V ("Beyond"), Ocean Outdoor Nordics VA Holding AB ("Visual Art") and AdCity Media AB ("ACM") at different dates, the consolidated statement of profit and loss presented on page 11 does not provide a period on period comparison for the underlying performance and operations. For the benefit of users of the accounts, proforma statements of total comprehensive income can be found in the appendix, which shows the period on period results on a combined basis assuming subsidiaries acquired during any given period had been acquired on 1 January 2019.

Included in the appendix is a proforma profit and loss for the Group, UK operations, Dutch operations and the Nordic operations for H1 2020 and H1 2019. The Group includes all group companies, UK operations includes what was previously referred to as SCP Acquisition Topco Limited and its subsidiaries and Forrest Media (Holdings) Limited and subsidiaries, the Dutch operations include Ngage, Ocean Outdoor Netherlands and Beyond and the Nordic operations includes Visual Art and ACM.

## Principal Risk and Uncertainties

The main risks and uncertainties identified by the Group remain consistent with those identified in the Financial report for the year ended 31 December 2019.

## Going Concern

The Directors confirm that, after making an assessment, they have a reasonable expectation that the Group has adequate resources to continue in operations existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

## Forward Looking Statement

This report contains certain forward-looking statements. These statements are subject to a number of risks and uncertainties and actual results and events could differ materially from those currently being anticipated. The terms 'expect', 'should be', 'will be' and similar expressions (or their negative) identify forward looking statements. Factors which may cause future outcomes to differ from those foreseen in forward looking statements include, but are not limited to: general economic conditions and business conditions in Ocean's market; the actions of competitors; legislative, fiscal & regulatory developments and the impact of technological change.

Past performance should not be taken as an indication of guarantee of future results, and no representation or warranty, express or implied, is made regarding future performance. These forward-looking statements speak only as of the date of this report and are based on numerous assumptions regarding Ocean's present and future business strategies and the environment in which Ocean will operate in the future. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in the Group's expectations or any change in events, conditions or circumstances on which any such statement is based after the date of this announcement or to update or keep current any other information contained in this interim report.

# Ocean Outdoor Limited

## Business review for the 6 months ended 30 June 2020

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### **Forward Looking Statement** *(continued)*

Nothing in this report should be construed as a profit forecast. All persons, wherever located, should consult any additional disclosures that Ocean may make in any regulatory announcements or documents which it publishes. This announcement does not constitute an invitation to underwrite, subscribe for or otherwise acquire or dispose of any Ocean shares, in the UK, or in the US, or under the US Securities Act 1933 or in any other jurisdiction.

### **Condensed Interim Financial Statements**

The information presented has not been subjected to audit, review or other assurance procedures by an auditor.

# Ocean Outdoor Limited

## Business review for the 6 months ended 30 June 2020

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### Board of Directors

The Directors of Ocean Outdoor Limited as at 16 September 2020 are:

Andrew Barron  
Tim Bleakley  
Aryeh Bourkoff  
Sangeeta Desai  
Thomas Ebeling  
Tom Goddard  
Robert Marcus  
Martin Söderström

### Responsibility Statement

We confirm that to the best of our knowledge:

- a) The Condensed Interim Financial Statements have been prepared in accordance with IAS 34 *'Interim Financial Reporting'* as adopted by the European Union, and give a true and fair view of the assets, liabilities, financial position and loss of the Group; and
- b) This report includes a fair review of the following information as required by:
  - I. DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year, and their impact on the Condensed set of Consolidated Financial statements and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - II. DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group in that period: and any changes in the related party transactions described in the last annual report that could have a material effect on the financial position or performance of the Group in the current period.

By order of the Board

**Tim Bleakley**  
CEO

# Ocean Outdoor Limited

## Unaudited condensed statement of profit or loss and other comprehensive income for the 6 months ended 30 June 2020

	Note	H1 2020 £'000	H1 2019 £'000
<b>Billings</b>		<b>44,348</b>	50,815
<b>Revenue</b>	3	<b>36,471</b>	37,423
Cost of sales		<b>(29,842)</b>	(20,461)
<b>Gross profit</b>		<b>6,629</b>	16,962
Administrative and other expenses		<b>(30,028)</b>	(17,090)
<b>Loss from operations</b>		<b>(23,399)</b>	(128)
Finance expense	4	<b>(6,077)</b>	(4,165)
Finance income		7	338
<b>Loss before tax</b>		<b>(29,469)</b>	(3,955)
Tax expense		<b>(1,422)</b>	(576)
<b>Loss from continuing operations</b>		<b>(30,891)</b>	(4,531)
<b>Other comprehensive income</b>			
Items which will or may be reclassified to profit or loss:			
Exchange gain on translation of foreign operations		597	188
<b>Total comprehensive loss</b>		<b>(30,294)</b>	(4,343)
<b>(Loss) / profit for the year attributable to:</b>			
Shareholders of the parent		<b>(30,891)</b>	(4,531)
<b>Total comprehensive (loss) / income attributable to:</b>			
Shareholders of the parent		<b>(30,294)</b>	(4,343)
<b>Earnings per share</b>			
Basic earnings per share (pence)	15	<b>(0.58)</b>	(0.08)
Diluted earnings per share (pence)	15	<b>(0.58)</b>	(0.08)

# Ocean Outdoor Limited

## Unaudited condensed statement of financial position As at 30 June 2020

	Note	30/06/20 £'000	31/12/19 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment			
- Site assets, equipment and motor vehicles	6	46,975	47,352
- Right of use asset	6	173,599	148,630
Intangible assets	7	356,678	367,407
Investment in associate		13,280	13,297
		590,532	576,686
<b>Current assets</b>			
Trade and other receivables	9	32,949	55,471
Cash and cash equivalents		35,640	26,917
		68,589	82,388
<b>Total assets</b>		659,121	659,074
<b>Current liabilities</b>			
Trade and other payables	10	85,838	76,391
Lease liability	11	27,253	24,187
Tax payable		1,215	5,159
		114,306	105,737
<b>Non-current liabilities</b>			
Other payables	10	3,540	10,501
Lease liability	11	165,501	136,210
Deferred tax liability	12	36,911	37,469
		320,258	289,917
<b>NET ASSETS</b>		338,863	369,157
<b>Equity</b>			
Founder Preferred Share Capital	14	3,909	4,561
Treasury shares	14	(2,417)	(2,417)
Share Premium	16	376,898	376,246
Foreign exchange reserve	16	67	(530)
Retained (deficit) / earnings	16	(39,594)	(8,703)
<b>TOTAL EQUITY</b>		338,863	369,157

# Ocean Outdoor Limited

## Unaudited condensed statement of changes in equity As at 30 June 2020

	Ordinary Share capital £'000	Treasury shares £'000	Ordinary Share premium £'000	Founder Preferred Share Capital £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total equity £'000
<b>Balance at 01 January 2019</b>	-	-	375,594	5,213	-	6,823	387,630
IFRS 16 restatement	-	-	-	-	-	(10,279)	(10,279)
<b>Balance at 01 January 2019 restated</b>	-	-	375,594	5,213	-	(3,456)	377,351
Conversion of Founder preferred to ordinary shares	-	-	652	(652)	-	-	-
Share repurchase	-	(2,417)	-	-	-	-	(2,417)
<b>Comprehensive income for the period</b>							
Loss for the period	-	-	-	-	-	(4,531)	(4,531)
Exchange differences on translating foreign operations	-	-	-	-	188	-	188
<b>30 June 2019</b>	-	(2,417)	376,246	4,561	188	(7,987)	370,591
<b>Balance at 01 January 2020</b>	-	(2,417)	376,246	4,561	(530)	(8,703)	369,157
Conversion of Founder preferred to ordinary shares	-	-	652	(652)	-	-	-
Issue costs	-	-	-	-	-	-	-
<b>Comprehensive income for the period</b>							
Loss for the period	-	-	-	-	-	(30,891)	(30,891)
Other comprehensive income	-	-	-	-	597	-	597
<b>30 June 2020</b>	-	(2,417)	376,898	3,909	67	(39,594)	338,863

# Ocean Outdoor Limited

## Unaudited condensed statement of cash flows for the 6 months ended 30 June 2020

	Note	H1 2020 £'000	H1 2019 £'000
<b>Cash flows from operating activities</b>			
Loss for the period		(30,891)	(4,531)
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	6	4,990	2,750
Depreciation on right of use asset		15,835	7,590
Amortisation of intangible fixed assets	7	12,384	8,526
Finance income		(7)	(338)
Finance expense	4	6,077	4,165
		<hr/>	<hr/>
		8,388	18,162
Decrease in trade and other receivables		22,522	3,329
(Decrease) / increase in trade and other payables		(8,667)	1,500
Increase in deferred tax provisions		308	4,920
		<hr/>	<hr/>
<b>Cash generated from operations</b>		22,551	27,911
Income taxes paid		(4,810)	(812)
Interest paid		(57)	(31)
		<hr/>	<hr/>
<b>Net cash flows from operating activities</b>		17,684	27,068
		<hr/>	<hr/>
<b>Investing activities</b>			
Acquisition of shares in subsidiaries net of cash acquired		(479)	(44,952)
Deferred consideration on subsidiary acquisitions		-	(12,168)
Contingent consideration paid on subsidiary acquisitions		(401)	-
Net cash acquired with subsidiary undertaking		-	1,150
Purchases of property, plant and equipment	6	(3,777)	(2,616)
Interest received		7	338
		<hr/>	<hr/>
<b>Net cash used in investing activities</b>		(4,650)	(58,248)
		<hr/>	<hr/>
<b>Financing activities</b>			
Borrowing		5,000	-
Lease payments		(9,311)	(6,759)
Repayment of creditors on subsidiary acquisitions		-	(2,945)
Purchase of own shares		-	(2,417)
		<hr/>	<hr/>
<b>Net cash (used in)/from financing activities</b>		(4,311)	(12,121)
		<hr/>	<hr/>
<b>Net increase in cash and cash equivalents</b>		8,723	(43,301)
<b>Cash and cash equivalents at beginning of period</b>		26,917	160,503
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of period</b>		35,640	117,202
		<hr/> <hr/>	<hr/> <hr/>

# Ocean Outdoor Limited

## Notes to the interim condensed consolidated financial statements

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### 1 Reporting entity

Ocean Outdoor Limited (the "Company") is registered in the British Virgin Islands and quoted on the London Stock Exchange. The registered office is Kingston Chambers, PO Box 173, Road Town, British Virgin Islands. These unaudited condensed consolidated interim financial statements ("interim financial statements") as at and for the six months ended 30 June 2020 comprise the Company and its subsidiaries (together referred to as the "Group"). The principal activity of the Group in the period under review was that of the development and sale of Out Of Home (OOH) media.

These interim financial statements were authorised for issue by the board of directors on 16 September 2020.

### 2 Basis of preparation and changes to the Group's accounting policies

#### 2.1 Basis of preparation

These interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting"

The interim financial statements do not include all of the information required for a complete set of IFRS financial statements and should be read in conjunction with the Group's last annual financial statements as at and for the period ended 31 December 2019 ("last annual financial statements") and any public announcements made by Ocean Outdoor Limited during the interim reporting period.

Amounts are rounded to the nearest thousand, unless otherwise stated.

#### 2.2 Accounting policies

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective that has materially impacted these interim financial statements.

#### 2.3 Critical accounting judgements and key sources of estimation uncertainty

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 31 December 2019.

#### 2.4 Going concern

The Directors have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The Director's assessment has considered the Group's current financial position, reviewed its budgets and forecasts, ascertained the principal risks and uncertainties (including the impact of COVID-19) and looked at loan facilities available to the Group. New credit facilities in the period were secured, providing additional financing of up to £35m, subject to customary covenants related to minimum quarterly adjusted EBITDA and cash balances, giving the Directors' further assurances over the going concern basis.

# Ocean Outdoor Limited

## Notes to the interim condensed consolidated financial statements

### 2.4 Going concern (continued)

On 11 March 2020, the World Health Organisation announced the pandemic status of COVID-19. Subsequent to this announcement, significant measures have been taken by Governments across Europe, restricting the movement of the people and the forced closure of non-essential business. Given the company operates in the DOOH market, this has impacted on the company's performance in the period. The effect COVID-19 will have on the global economy and the knock-on effect that it has on the medium to long term on consumer and business behaviour cannot yet be quantified.

The Directors of the company recognise COVID-19 has had and will have a significant effect on the results of the business in FY20, with the total impact not yet known. Various scenarios assessing the impact of the sales decline have been modelled, including additional downside stress testing, in line with the FRC guidance issued on 26th March 2020. Even in the most extreme downside conditions considered reasonably possible, the Group will continue to be able to meet its obligations as they fall due.

The modelling takes into consideration the level of cash held by the Group of £35.6m at 30 June 2020, with additional credit facilities available. The following mitigating actions have also been taken by the directors:

- Staff costs were reduced through a structured reduction in working hours and government reimbursement schemes have been utilised where strictly necessary
- All landlords have been contacted with a view to negotiating rent holidays, deferrals and reductions wherever possible
- Capital expenditure has been frozen on all new projects and the site maintenance program has been reduced to the performance of only essential maintenance
- Credit terms have been optimised and extensions agreed with key suppliers

Whilst acknowledging there is significant uncertainty regarding the future impacts of COVID-19, the Directors are satisfied the Group remains well placed to manage its business risks successfully. Therefore, they have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of 12 months from the date of approval of the condensed consolidated financial statements. Accordingly, the condensed consolidated financial statements continue to be prepared on a going concern basis.

### 3 Revenue and segmental information

The Board considers the group to operate in three distinct markets: The United Kingdom, The Netherlands and The Nordics. Accordingly, the group has been treated as three operational segments for H1 20 and the results of the group presented in the condensed consolidated financial statements are disaggregated accordingly. This judgement is consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the board of directors. Each operational segment provides DOOH services to their local market.

The table below splits the segments based on statutory reporting metrics:

	H1 2020 £'000	H1 2019 £'000
Provision of advertising space – United Kingdom	15,199	29,747
Provision of advertising space – Netherlands	7,432	7,676
Provision of advertising space – Nordics	13,840	-
	<hr/>	<hr/>
	<b>36,471</b>	<b>37,423</b>
	<hr/> <hr/>	<hr/> <hr/>

# Ocean Outdoor Limited

## Notes to the interim condensed consolidated financial statements

### 3 Revenue and segmental information (continued)

H1 2020	UK Group £'000	Netherlands £'000	Nordics £'000	Total £'000
Revenue	15,199	7,432	13,840	36,471
Interest	3,908	1,219	950	6,077
Depreciation and amortisation	22,194	4,706	6,309	33,230
(Loss) / profit for the period	(26,874)	(1,846)	(2,171)	(30,891)
Total assets	518,369	65,543	75,209	659,121
Total liabilities	(212,654)	(59,716)	(47,888)	(320,258)

H1 2019	UK Group £'000	Netherlands £'000	Nordics £'000	Total £'000
Revenue	29,747	7,676	-	37,423
Interest	3,553	612	-	4,165
Depreciation and amortisation	16,541	2,325	-	18,866
(Loss) / profit for the period	(6,211)	1,680	-	(4,531)
Total assets	541,274	42,672	-	583,946
Total liabilities	(180,407)	(34,984)	-	(215,391)

### 4 Finance expense

	H1 2020 £'000	H1 2019 £'000
Interest payable under IFRS 16 leases	5,213	3,560
Interest payable on unwinding discounted balances	807	574
Other interest payable	57	31
<b>Total finance expense</b>	<b>6,077</b>	<b>4,165</b>

### 5 Seasonality

In accordance with IAS 34, management has concluded that the Group is not a 'highly seasonal' business. Group revenues and operating profits are however not generated evenly throughout the year. Advertisers allocate their marketing spend based on the ability to maximise the impact on their target consumers, which is derived on events and specific dates at their discretion. As such, there is an element of seasonality within the industry, but this is not consistent year on year. Consequently, the half year results as of 30 June 2020 are not necessarily representative of the expected 2020 full year results. This explanation is provided to allow for a better understanding of the results.

# Ocean Outdoor Limited

## Notes to the interim condensed consolidated financial statements

### 6 Property, plant and equipment

	Site assets £'000	Equipment £'000	Motor vehicles £'000	Total £'000
<b><i>Cost or valuation</i></b>				
<b>At 1 January 2020</b>	55,998	1,065	164	57,227
Additions	3,098	679	-	3,777
Foreign exchange difference	997	41	11	1,049
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>At 30 June 2020</b>	<b>60,093</b>	<b>1,785</b>	<b>175</b>	<b>62,053</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b><i>Accumulated depreciation and impairment</i></b>				
<b>At 1 January 2020</b>	9,664	147	64	9,875
Charge in the period	4,466	498	26	4,990
Foreign exchange difference	189	22	2	214
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>At 30 June 2020</b>	<b>14,319</b>	<b>667</b>	<b>92</b>	<b>15,078</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b><i>Net Book Value</i></b>				
<b>At 30 June 2020</b>	45,776	1,119	81	46,975
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>At 31 December 2019</b>	46,334	918	100	47,352
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# Ocean Outdoor Limited

## Notes to the interim condensed consolidated financial statements

### 6 Property, plant and equipment *(continued)*

	<b>Right of use asset £'000</b>
<b>Cost</b>	
<b>At 1 January 2020</b>	216,384
Additions	36,455
Disposals	-
FX variance	4,782
	<hr/>
<b>At 30 June 2020</b>	257,621
	<hr/> <hr/>
<b>Accumulated depreciation</b>	
<b>At 1 January 2020</b>	67,754
Charge in the year	15,835
Disposals	-
FX variance	433
	<hr/>
<b>At 30 June 2020</b>	84,022
	<hr/> <hr/>
<b>Net Book Value</b>	
<b>At 30 June 2020</b>	173,599
	<hr/> <hr/>
<b>At 31 December 2019</b>	148,630
	<hr/> <hr/>

# Ocean Outdoor Limited

## Notes to the interim condensed consolidated financial statements

### 7 Intangible assets

	Brand £'000	Acquired rights over advertising sites £'000	Goodwill £'000	Total £'000
<b><i>Cost or valuation</i></b>				
<b>1 January 2020</b>	6,725	210,618	179,904	397,247
FX variance	-	869	786	1,655
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 30 June 2020</b>	<b>6,725</b>	<b>211,487</b>	<b>180,690</b>	<b>398,902</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	Brand £'000	Acquired rights over advertising sites £'000	Goodwill £'000	Total £'000
<b><i>Accumulated amortisation and impairment</i></b>				
<b>At 1 January 2020</b>	1,173	28,667	-	29,840
Charge in the period	336	12,048	-	12,384
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 30 June 2020</b>	<b>1,509</b>	<b>40,715</b>	<b>-</b>	<b>42,224</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	Brand £'000	Acquired rights over advertising sites £'000	Goodwill £'000	Total £'000
<b><i>Net Book Value</i></b>				
<b>At 30 June 2020</b>	<b>5,216</b>	<b>170,772</b>	<b>180,690</b>	<b>356,678</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>At 31 December 2019</b>	<b>5,552</b>	<b>181,951</b>	<b>179,904</b>	<b>367,407</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# Ocean Outdoor Limited

## Notes to the interim condensed consolidated financial statements

### 8 Subsidiaries, investments and business combinations

The principal subsidiaries and associates of the Group which have been included in these condensed consolidated financial statements, are as follows:

Name	Country of incorporation and principal place of business	Nature of business	Ownership 30/06/20	Ownership 31/12/19
<b>Subsidiary companies</b>				
Ocean Jersey Topco Limited	Jersey	Holding co.	100%	100%
SCP Acquisition Topco Limited <sup>1,2</sup>	England & Wales	Holding co.	-	100%
SCP Acquisition Midco Limited <sup>1,2</sup>	England & Wales	Holding co.	-	100%
SCP Acquisition Bidco Limited <sup>1</sup>	England & Wales	Holding co.	100%	100%
Ocean Topco Limited <sup>1</sup>	England & Wales	Holding co.	100%	100%
Ocean Bidco Limited <sup>1</sup>	England & Wales	Holding co.	100%	100%
Ocean Outdoor UK Limited <sup>1</sup>	England & Wales	OOH Media Owner	100%	100%
Signature Outdoor Limited <sup>1</sup>	England & Wales	OOH Media Owner	100%	100%
Mediaco Outdoor Limited <sup>1</sup>	England & Wales	OOH Media Owner	100%	100%
Forrest Media (Holdings) Limited <sup>1,2</sup>	Scotland	Holding co.	-	100%
Forrest Media Limited <sup>1,2</sup>	Scotland	Holding co.	-	100%
Forrest Outdoor Media Limited <sup>1</sup>	Scotland	OOH Media Owner	100%	100%
Ocean Brands Limited <sup>1</sup>	Scotland	Dormant subsidiary	68%	68%
Ngage Media B.V <sup>1</sup>	Netherlands	OOH Media Owner	100%	100%
Ocean Outdoor Nederland B.V <sup>1</sup>	Netherlands	OOH Media Owner	100%	100%
DKTD Media B.V <sup>1</sup>	Netherlands	OOH Media Owner	100%	100%
Ocean Outdoor Nordics AB <sup>1,3</sup>	Sweden	Holding co.	100%	100%
Ocean Outdoor Sweden AB <sup>1</sup>	Sweden	Holding co.	100%	100%
Global Agencies Stockholm AB <sup>1</sup>	Sweden	OOH Media Owner	100%	100%
Ocean Outdoor Denmark A/S <sup>1</sup>	Denmark	OOH Media Owner	100%	100%
Ocean Outdoor Finland Oy <sup>1</sup>	Finland	OOH Media Owner	100%	100%
Gudfar & Son AB <sup>1</sup>	Sweden	OOH Media Owner	100%	100%
Ocean Outdoor Germany GmbH <sup>1</sup>	Germany	OOH Media Owner	100%	100%
AdCityMedia AB <sup>1</sup>	Sweden	OOH Media Owner	99.41%	97.46%
GM-Gruppen Moving Message AB <sup>1</sup>	Sweden	OOH Media Owner	99.41%	97.46%
Ocean Outdoor Norway A/S <sup>1</sup>	Norway	OOH Media Owner	99.41%	97.46%
All in Media Sverige AB <sup>1</sup>	Sweden	OOH Media Owner	99.41%	97.46%
ACM AB <sup>1</sup>	Sweden	OOH Media Owner	99.41%	97.46%
<b>Associate companies</b>				
Visual Art Sweden AB	Sweden	Holding co.	49.99%	49.99%
Visual Art International Holding AB	Sweden	OOH Media Owner	49.99%	49.99%
Visual Art Germany GmbH	Germany	OOH Media Owner	47.49%	47.49%
Visual Art USA Inc.	USA	OOH Media Owner	49.99%	49.99%
Visual Art Norway AS	Norway	OOH Media Owner	49.99%	49.99%

<sup>1</sup> The shares held in these entities are held indirectly.

<sup>2</sup> Company dissolved in the reporting period

<sup>3</sup> Formerly known as Ocean Outdoor Nordics VA Holding AB.

# Ocean Outdoor Limited

## Notes to the interim condensed consolidated financial statements

### 9 Trade and other receivables

	2020 £'000	2019 £'000
Trade receivables	25,605	54,124
Prepayments	7,344	1,347
	32,949	55,471

### 10 Trade and other payables

	2020 £'000	2019 £'000
<u>Due within one year:</u>		
Trade payables	33,021	33,854
Other payables	588	8,056
Contingent consideration	10,582	5,070
Accrued consideration	148	627
Accruals	36,581	28,784
Bank loan	4,918	-
	85,838	76,391
<u>Due after more than one year:</u>		
Other payables	226	2,956
Contingent consideration	3,314	7,545
	3,540	10,501

### 11 Lease liability

	Lease Liability £'000
As at 1 January 2020	
- Current liability	24,187
- Non-current liability	136,210
Additions	36,455
Interest payable	5,213
Lease payments	(9,311)
	192,754
As at 30 June 2020	192,754
Current liability	27,253
Non-current liability	165,501
	192,754

# Ocean Outdoor Limited

## Notes to the interim condensed consolidated financial statements

### 12 Deferred tax

	Asset £'000	Liability £'000	Charge / (credit) to profit or loss £'000
<b>At 1 January 2020</b>	-	37,469	-
Reversal of temporary timing differences on business combinations	-	(2,561)	(2,561)
Deferred tax rate adjustment from 17% to 19%	-	2,869	2,869
Reversal of temporary timing differences on fixed asset and other differences	-	(866)	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>At 30 June 2020</b>	<u>          </u>	<u>36,911</u>	<u>308</u>

Deferred tax assets and liabilities at 31 December 2019 were calculated taking into consideration the applicable rates when the temporary differences are expected to reverse. On 11 March 2020, the UK corporation tax rate was confirmed as being maintained at 19% from 1 April 2020 onwards. This resulted in the UK deferred tax balances being reassessed at 19% rather than 17%.

### 13 Notes to the cashflow

The cashflow statement format is consistent with that presented at 31 December 2019. During period the significant non-cash transactions that affected the cashflow were as follows:

	H1 2020 £'000	H1 2019 £'000
Contingent consideration recognition on business combination	-	11,334
Interest payable on contingent consideration	807	574
Exchange rate variances	6,226	210
IFRS 16 right of use asset additions	36,455	82,217
IFRS 16 right of use liability recognised	36,455	94,532
IFRS 16 interest payable	5,213	3,560
	<u>          </u>	<u>          </u>

### 14 Share capital

The movement in shares of the Company in the period are as follows:

<b>Founder Preferred Shares, no par value</b>	<b>2020 Number '000</b>	<b>2020 £'000</b>	<b>2019 Number '000</b>	<b>2019 £'000</b>
Balance at beginning of period	612	4,561	700	5,213
Ordinary share conversion	(87)	(651)	(88)	(652)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Balance at end of period	<u>525</u>	<u>3,910</u>	<u>612</u>	<u>4,561</u>

# Ocean Outdoor Limited

## Notes to the interim condensed consolidated financial statements

### 14 Share capital (continued)

Ordinary Shares, no par value	2020 Number '000	2020 £'000	2019 Number '000	2019 £'000
Balance at beginning of period	54,009	376,246	53,921	375,594
Founder Preferred Share conversion	87	651	88	652
Issued during the period	-	-	-	-
	<u>54,096</u>	<u>376,897</u>	<u>54,009</u>	<u>376,246</u>

On 15 January 2020, a tranche of 87,500 Founder Preferred Shares were re-designated as Ordinary Shares on a one for one basis.

Treasury Shares	2020 Number '000	2020 £'000	2019 Number '000	2019 £'000
Balance at beginning of period	397	2,417	-	-
Shares bought back and held in treasury	-	-	397	2,417
	<u>397</u>	<u>2,417</u>	<u>397</u>	<u>2,417</u>

### 15 Earnings per share

	H1 2020 £'000	H1 2019 £'000
<i>Numerator</i>		
Earnings used in basic and diluted EPS	(30,891)	(4,531)
	<u>(30,891)</u>	<u>(4,531)</u>
<i>Denominator</i>	'000	'000
Weighted average number of shares used in basic EPS	53,251	53,612
	<u>53,251</u>	<u>53,612</u>
Weighted average number of shares used in diluted EPS	53,251	53,612
	<u>53,251</u>	<u>53,612</u>
Basic EPS (pence)	(0.58)p	(0.08)p
	<u>(0.58)p</u>	<u>(0.08)p</u>
Diluted EPS (pence)	(0.58)p	(0.08)p
	<u>(0.58)p</u>	<u>(0.08)p</u>

# Ocean Outdoor Limited

## Notes to the interim condensed consolidated financial statements

### 16 Reserves

The following describes the nature and purpose of each reserve within equity:

<b>Reserve</b>	<b>Description and purpose</b>
<i>Treasury share reserve</i>	Amount paid by the company to purchase shares its own shares.
<i>Share premium</i>	Amount subscribed for share capital in excess of nominal value.
<i>Retained earnings</i>	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.
<i>Foreign exchange reserve</i>	Foreign exchange gains and losses on translation of subsidiary undertakings into the presentational currency of the Group.

### 17 Related party transactions

During the period the Company issued the following Shares, Warrants and Options to directors of the Company:

<b>2020</b>	<b>Ordinary Shares Number '000</b>	<b>Founder Preferred Shares Number '000</b>	<b>Warrants Number '000</b>	<b>Options Number '000</b>
Andrew Barron	18	(18)	-	-
Aryeh B. Bourkoff	50	(50)	-	-
	<u>68</u>	<u>(68)</u>	<u>-</u>	<u>-</u>
	<u><u>68</u></u>	<u><u>(68)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>2019</b>				
	<b>Ordinary Shares Number '000</b>	<b>Founder Preferred Shares Number '000</b>	<b>Warrants Number '000</b>	<b>Options Number '000</b>
Andrew Barron	18	(18)	-	-
Aryeh B. Bourkoff	50	(50)	-	-
	<u>68</u>	<u>(68)</u>	<u>-</u>	<u>-</u>
	<u><u>68</u></u>	<u><u>(68)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

The basis and nature of other transactions between the Group and the Directors of the company did not change significantly for the half year ended 30 June 2020 when compared to the year ended 31 December 2019.

# Ocean Outdoor Limited

## Notes to the interim condensed consolidated financial statements

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### 18 Significant events

Following the COVID-19 pandemic, there are a number of factors that will determine the overall impact it will have on the Group. At the balance sheet date there were no indicators of impairment on any of the Group assets. The Group has undertaken a number of acquisitions in the last two years, with the consideration paid often derived from a multiple of the entity's EBITDA. Given the impact of COVID-19 on EBITDA, this could lead to an indicator of impairment of intangible assets held by the Group. The Group will continue to assess the impact of COVID-19 on the business combinations, and all other Group assets, for any indicators that they are held at carrying values in excess of their fair value.

# Ocean Outdoor Limited

## Appendix

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The following pages present unaudited proforma financial information for entities owned by the Group as at 30 June 2020. This allows analysis and assessment of the underlying performance of operations, ignoring timing differences relating to the date of acquisition.

H1 2020 and H1 2019 financials are provided for comparison. The financials are presented applying IFRS 16 accounting standard which came in to effect 1 January 2019. Also presented are the H1 2020 and H1 2019 financials under the previous accounting standard, applying constant currency ("CC") to eliminate foreign exchange variances.

There is also a reconciliation of Profit from operations to Adjusted EBITDA.

Ocean Group	28
Ocean Group Reported Adjusted EBITDA to Proforma Adjusted EBITDA reconciliation	29
Ocean Outdoor Limited and UK operating subsidiaries	30
Ocean Netherlands	31
Ocean Nordics	32

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# Ocean Outdoor Limited

## Appendix

### Ocean Outdoor Limited and subsidiaries

The results below present the Group on an unaudited proforma basis. The unaudited proforma basis comprises all Group subsidiaries as if they were owned from 1 January 2019.

	IFRS 16 H1 2020 £'000	IFRS 16 H1 2019 £'000	CC H1 2020 £'000	CC H1 2019 £'000
<b>Billings</b>	<b>44,348</b>	75,482	<b>44,104</b>	75,482
<b>Revenue</b>	<b>36,471</b>	61,850	<b>36,236</b>	61,850
Cost of sales	<b>(29,842)</b>	(32,780)	<b>(31,727)</b>	(36,862)
<b>Gross profit</b>	<b>6,629</b>	29,070	<b>4,509</b>	24,988
Administrative and other expenses	<b>(30,028)</b>	(24,574)	<b>(30,175)</b>	(24,759)
<b>(Loss) / profit from operations</b>	<b>(23,399)</b>	4,496	<b>(25,666)</b>	228
Finance expense	<b>(6,077)</b>	(5,406)	<b>(859)</b>	(818)
Finance income	<b>7</b>	338	<b>7</b>	338
<b>Loss before tax</b>	<b>(29,469)</b>	(572)	<b>(26,518)</b>	(251)
Tax expense	<b>(1,422)</b>	(671)	<b>(1,423)</b>	(671)
<b>Loss from continuing operations</b>	<b>(30,891)</b>	(1,243)	<b>(27,941)</b>	(922)
<b>Total comprehensive loss</b>	<b>(30,891)</b>	(1,243)	<b>(27,941)</b>	(922)
	IFRS 16 H1 2020 £'000	IFRS 16 H1 2019 £'000	CC H1 2020 £'000	CC H1 2019 £'000
<b>(Loss) / profit from operations</b>	<b>(23,399)</b>	4,496	<b>(25,666)</b>	228
Depreciation	<b>20,825</b>	16,206	<b>5,003</b>	3,632
Profit on disposal	-	-	-	-
Amortisation	<b>12,405</b>	8,547	<b>12,405</b>	8,547
Deal fees	<b>3,236</b>	737	<b>3,236</b>	737
Debt facility fees	<b>465</b>	-	<b>465</b>	-
Currency movements	<b>(9)</b>	430	<b>(9)</b>	430
Other one-off costs	<b>163</b>	500	<b>163</b>	500
<b>Adjusted EBITDA</b>	<b>13,686</b>	30,916	<b>(4,403)</b>	14,074

# Ocean Outdoor Limited

## Appendix

### Ocean Outdoor Limited and subsidiaries

The table below reconciles the reported profit from operations to Reported Adjusted EBITDA and then reconciles Reported Adjusted EBITDA to the Proforma Adjusted EBITDA.

	H1 2020 £'000	H1 2019 £'000
<b>Reported loss from operations</b>	<b>(23,399)</b>	(128)
Depreciation on right of use asset	15,835	7,590
Depreciation of site assets, equipment and motor vehicles	4,990	2,750
Amortisation	12,405	8,526
Post-acquisition add-backs	3,855	1,525
	<hr/>	<hr/>
<b>Reported Adjusted EBITDA</b>	<b>13,686</b>	20,263
IFRS 16 adjustment - pre acquisition	-	10,653
	<hr/>	<hr/>
<b>Proforma Adjusted EBITDA with IFRS 16</b>	<b>13,686</b>	30,916
Deduct site rents (2019: post acquisition)	(18,126)	(10,059)
Deduct site rents (2019: pre acquisition)	-	(10,653)
Foreign exchange variance	37	-
Add acquisitions' pre acquisition profit from operations	-	3,729
Add pre acquisition add-backs	-	141
	<hr/>	<hr/>
<b>Full year Proforma Adjusted EBITDA</b>	<b>(4,403)</b>	14,074
	<hr/> <hr/>	<hr/> <hr/>

# Ocean Outdoor Limited

## Appendix

### Ocean Outdoor Limited and UK operating subsidiaries

The results below present the Ocean Outdoor Limited and UK operating subsidiaries on an unaudited proforma basis.

	IFRS 16 H1 2020 £'000	IFRS 16 H1 2019 £'000	CC H1 2020 £'000	CC H1 2019 £'000
<b>Billings</b>	<b>22,276</b>	42,641	<b>22,277</b>	42,641
<b>Revenue</b>	<b>15,199</b>	29,747	<b>15,198</b>	29,747
Cost of sales	(15,851)	(16,765)	(16,400)	(18,671)
<b>Gross (loss) / profit</b>	<b>(652)</b>	12,982	<b>(1,202)</b>	11,076
Administrative and other expenses	(20,908)	(15,402)	(21,187)	(15,585)
<b>Loss from operations</b>	<b>(21,560)</b>	(2,420)	<b>(22,389)</b>	(4,509)
Finance expense	(3,908)	(3,553)	(810)	(574)
Finance income	-	338	-	338
<b>Loss before tax</b>	<b>(25,468)</b>	(5,635)	<b>(23,199)</b>	(4,745)
Tax expense	(1,405)	(576)	(1,405)	(576)
<b>Loss from continuing operations</b>	<b>(26,873)</b>	(6,211)	<b>(24,604)</b>	(5,321)
<b>Total comprehensive loss</b>	<b>(26,873)</b>	(6,211)	<b>(24,604)</b>	(5,321)
	IFRS 16 H1 2020 £'000	IFRS 16 H1 2019 £'000	CC H1 2020 £'000	CC H1 2019 £'000
<b>Loss from operations</b>	<b>(21,560)</b>	(2,420)	<b>(22,389)</b>	(4,509)
Depreciation	9,831	8,027	3,202	2,272
Amortisation	12,384	8,526	12,384	8,526
Deal fees	3,236	737	3,236	737
Debt facility fees	465	-	465	-
Currency movements	(9)	430	(9)	430
Other one-off costs	163	358	163	358
<b>Adjusted EBITDA</b>	<b>4,510</b>	15,658	<b>(2,948)</b>	7,814

# Ocean Outdoor Limited

## Appendix

### Ocean Netherlands

The results below present Ocean Netherlands (Interbest, Ngage and Beyond Outdoor) on an unaudited proforma basis, translated into GBP, using reported exchange rates under IFRS 16, and using constant currency rates for the financials reported using the previous accounting standard.

	IFRS 16 H1 2020 £'000	IFRS 16 H1 2019 £'000	CC H1 2020 £'000	CC H1 2019 £'000
<b>Billings</b>	<b>7,670</b>	12,760	<b>7,661</b>	12,760
<b>Revenue</b>	<b>7,432</b>	12,022	<b>7,424</b>	12,022
Cost of sales	<b>(5,714)</b>	(6,234)	<b>(6,844)</b>	(6,899)
<b>Gross profit</b>	<b>1,718</b>	5,788	<b>580</b>	5,123
Administrative and other expenses	<b>(2,351)</b>	(3,022)	<b>(2,348)</b>	(3,024)
<b>(Loss) / profit from operations</b>	<b>(633)</b>	2,766	<b>(1,768)</b>	2,099
Finance expense	<b>(1,219)</b>	(1,099)	<b>(19)</b>	(138)
Finance income	<b>6</b>	-	<b>6</b>	-
<b>(Loss) / profit before tax</b>	<b>(1,846)</b>	1,667	<b>(1,781)</b>	1,961
Tax expense	-	-	-	-
<b>(Loss) / profit from continuing operations</b>	<b>(1,846)</b>	1,667	<b>(1,781)</b>	1,961
<b>Total comprehensive (loss) / income</b>	<b>(1,846)</b>	1,667	<b>(1,781)</b>	1,961
	IFRS 16 H1 2020 £'000	IFRS 16 H1 2019 £'000	CC H1 2020 £'000	CC H1 2019 £'000
<b>(Loss) / profit from operations</b>	<b>(633)</b>	2,766	<b>(1,768)</b>	2,099
Depreciation	<b>4,685</b>	3,843	<b>1,309</b>	906
Amortisation	<b>21</b>	21	<b>21</b>	21
Other one-off costs	-	141	-	141
<b>Adjusted EBITDA</b>	<b>4,073</b>	6,771	<b>(438)</b>	3,167

# Ocean Outdoor Limited

## Appendix

### Ocean Nordics

The results below present Ocean Nordics (Visual Art media sales and ACM) on an unaudited proforma basis, translated into GBP, using reported exchange rates under IFRS 16, and using constant currency rates for the financials reported using the previous accounting standard.

	IFRS 16 H1 2020 £'000	IFRS 16 H1 2019 £'000	CC H1 2020 £'000	CC H1 2019 £'000
<b>Billings</b>	<b>14,402</b>	20,081	<b>14,166</b>	20,081
<b>Revenue</b>	<b>13,840</b>	20,081	<b>13,614</b>	20,081
Cost of sales	<b>(8,277)</b>	(9,781)	<b>(8,483)</b>	(11,294)
<b>Gross profit</b>	<b>5,563</b>	10,300	<b>5,131</b>	8,789
Administrative and other expenses	<b>(6,769)</b>	(6,150)	<b>(6,640)</b>	(6,150)
<b>(Loss) / profit from operations</b>	<b>(1,206)</b>	4,150	<b>(1,509)</b>	2,639
Finance expense	<b>(950)</b>	(754)	<b>(30)</b>	(106)
Finance income	<b>1</b>	-	<b>1</b>	-
<b>(Loss) / profit before tax</b>	<b>(2,155)</b>	3,396	<b>(1,538)</b>	2,533
Tax expense	<b>(17)</b>	(95)	<b>(18)</b>	(95)
<b>(Loss) / profit from continuing operations</b>	<b>(2,172)</b>	3,301	<b>(1,556)</b>	2,438
<b>Total comprehensive (loss) / income</b>	<b>(2,172)</b>	3,301	<b>(1,556)</b>	2,438
	IFRS 16 H1 2020 £'000	IFRS 16 H1 2019 £'000	CC H1 2020 £'000	CC H1 2019 £'000
<b>Profit from operations</b>	<b>(1,206)</b>	4,150	<b>(1,509)</b>	2,639
Depreciation	<b>6,309</b>	4,336	<b>492</b>	454
<b>Adjusted EBITDA</b>	<b>5,103</b>	8,486	<b>(1,017)</b>	3,093