

**SAPO PLC**

**Interim Report**

Six months ended 30 June 2020

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## Directors and Advisers

### Directors

Keith Harris (Executive Chairman)  
Selwyn Lewis (Non-executive Director)  
Michael Langoulant (Non-executive Director)

all of the registered office below

### Registered Office

Millennium House  
46 Athol Street  
Douglas  
Isle of Man IM1 1JB

### Administrator and Registrar

Mainstream Fund Services (IOM) Limited  
Millennium House  
46 Athol Street  
Douglas  
Isle of Man IM1 1JB

### Aquis Exchange Corporate Adviser

Alfred Henry Corporate Finance Limited  
Finsgate 5-7  
Cranwood Street  
London  
EC1V 9EE

### Auditor

Jeffreys Henry LLP  
Finsgate 5-7  
Cranwood Street  
London  
EC1V 9EE

## Chairman's Statement

In my statement in our Company's Annual Report and Financial Statements for the year ended 31 December 2019, I reported on the progress your board was making in achieving the first objective of our investment strategy. I am pleased to be able now to report further significant progress in this pursuit. I refer you to my letter to Shareholders contained in the Admission Document, dated 23 September 2020, seeking *inter alia* your approval for the acquisition of Secure Web Services Limited and a consequent increase in our share capital which will in part fund the acquisition and provide working capital to finance its growth. If approved, this acquisition and attendant fund raising will be our first step in developing the market for rural broadband services in the UK.

**Keith Harris**

Chairman

28 September 2020

## Consolidated Income Statement

	Note	(Unaudited) Period from 1 January 2020 to 30 June 2020 £'000	(Unaudited) Period from 1 January 2019 to 30 June 2019 £'000	(Audited) Year ended 31 December 2019 £'000
Revenue		-	-	-
Total revenue		-	-	-
Cost of sales		-	(10)	(25)
<b>Gross loss</b>		-	<b>(10)</b>	<b>(25)</b>
Other administration fees and expenses		(156)	(84)	(352)
<b>Administrative expenses</b>		<b>(156)</b>	<b>(84)</b>	<b>(352)</b>
<b>Operating loss</b>		<b>(156)</b>	<b>(94)</b>	<b>(377)</b>
Finance income		5	1	10
Foreign exchange gain/(loss)		(30)	10	(5)
<b>Net finance income/(expense)</b>		<b>(25)</b>	<b>11</b>	<b>5</b>
<b>Loss before income tax</b>		<b>(181)</b>	<b>(83)</b>	<b>(372)</b>
Income tax expense		-	-	-
<b>Loss for the period</b>		<b>(181)</b>	<b>(83)</b>	<b>(372)</b>
<b>Attributable to:</b>				
- Owners of the Parent		(181)	(83)	(372)
		<b>(181)</b>	<b>(83)</b>	<b>(372)</b>
<b>Basic and diluted loss per share (pence) attributable to the owners of the Parent during the period</b>	3	<b>(0.10)</b>	<b>(0.13)</b>	<b>(0.42)</b>

## Consolidated Statement of Comprehensive Income

	(Unaudited) Period from 1 January 2020 to 30 June 2020	(Unaudited) Period from 1 January 2019 to 30 June 2019	(Audited) Year ended 31 December 2019
Note	£'000	£'000	£'000
<b>Loss for the period</b>	<b>(181)</b>	<b>(83)</b>	<b>(372)</b>
<b>Other comprehensive expense</b>			
Items reclassified to profit and loss	-	-	-
Accumulated foreign exchange differences arising on subsidiary operations reclassified from equity to profit and loss	-	-	-
<b>Other comprehensive expense for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive expense for the period</b>	<b>(181)</b>	<b>(83)</b>	<b>(372)</b>
<b>Total comprehensive expense attributable to:</b>			
- Owners of the Parent	(181)	(83)	(372)
	<b>(181)</b>	<b>(83)</b>	<b>(372)</b>

## Consolidated Balance Sheet

Note	(Unaudited) As at 30 June 2020 £'000	(Unaudited) As at 30 June 2019 £'000	(Audited) As at 31 December 2019 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Subscriptions due	950	-	750
<b>Current assets</b>			
Trade and other receivables	7	17	547
Cash at bank	303	1	94
	<b>310</b>	<b>18</b>	<b>641</b>
Assets of disposal group classified as held for sale	-	436	-
<b>Total current assets</b>	<b>310</b>	<b>454</b>	<b>641</b>
<b>Total assets</b>	<b>1,260</b>	<b>454</b>	<b>1,391</b>
<b>Equity</b>			
Capital and reserves attributable to owners of the Parent:			
Issued share capital	1,873	623	1,663
Retained earnings	(719)	(267)	(556)
<b>Total equity</b>	<b>1,154</b>	<b>356</b>	<b>1,107</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	106	98	284
<b>Total current liabilities</b>	<b>106</b>	<b>98</b>	<b>284</b>
<b>Total liabilities</b>	<b>106</b>	<b>98</b>	<b>284</b>
<b>Total equity and liabilities</b>	<b>1,260</b>	<b>454</b>	<b>1,391</b>

The financial statements were approved and authorised for issue by the Board of Directors on 28 September 2020 and signed on its behalf by:

**Keith Harris**  
Director

**Selwyn Lewis**  
Director

## Consolidated Statement of Changes in Equity

	Attributable to owners of the Parent		Total £'000
	Share capital £'000	Retained earnings/(deficit) £'000	
<b>Unaudited</b>			
Balance at 1 January 2019	623	(184)	439
<b>Comprehensive expense</b>			
Loss for the period	-	(83)	(83)
Total comprehensive expense for the period	-	(83)	(83)
<b>Balance at 30 June 2019</b>	<b>623</b>	<b>(267)</b>	<b>356</b>
<b>Audited</b>			
Balance at 1 January 2019	623	(184)	439
<b>Comprehensive expense</b>			
Loss for the period	-	(372)	(372)
Total comprehensive expense for the period	-	(372)	(372)
<b>Transactions with owners</b>			
Issue of shares	1,040	-	1,040
Total transactions with owners	1,040	-	1,040
<b>Balance at 31 December 2019</b>	<b>1,663</b>	<b>(556)</b>	<b>1,107</b>
<b>Unaudited</b>			
Balance at 1 January 2020	1,663	(556)	1,107
<b>Comprehensive expense</b>			
Loss for the period	-	(181)	(181)
Total comprehensive expense for the period	-	(181)	(181)
<b>Transactions with owners</b>			
Issue of shares	210	18	228
Total transactions with owners	210	18	228
<b>Balance at 30 June 2020</b>	<b>1,873</b>	<b>(719)</b>	<b>1,154</b>



## Consolidated Cash Flow Statement

	(Unaudited) Period from 1 January 2020 to 30 June 2020	(Unaudited) Period from 1 January 2019 to 30 June 2019	(Audited) Year ended 31 December 2019
Note	£'000	£'000	£'000
<b>Cash flows from operating activities</b>			
Loss for the period before tax	(181)	(83)	(372)
Adjustments for:			
Finance income	(5)	(1)	(10)
Foreign exchange (gain)/loss	30	(10)	5
<b>Operating loss before changes in working capital</b>	<b>(156)</b>	<b>(94)</b>	<b>(377)</b>
Decrease in trade and other receivables	507	47	11
Increase/(decrease) in trade and other payables	(170)	15	137
<b>Cash generated from/(used in) operations</b>	<b>181</b>	<b>(32)</b>	<b>(229)</b>
Interest received	-	-	-
<b>Net cash generated from/(used in) operating activities</b>	<b>181</b>	<b>(32)</b>	<b>(229)</b>
<b>Cash flows from financing activities</b>			
Issue of shares	28	-	290
<b>Net cash generated from financing activities</b>	<b>28</b>	<b>-</b>	<b>290</b>
Net increase/(decrease) in cash and cash equivalents	209	(32)	61
Cash and cash equivalents at beginning of the period	94	33	33
<b>Cash and cash equivalents at end of the period</b>	<b>303</b>	<b>1</b>	<b>94</b>

## Notes to the Financial Statements

### 1 General Information

These interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2019 which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union.

The interim financial statements for the six months ended 30 June 2020 are unaudited and have not been reviewed by the Company’s auditors Jeffrey’s Henry LLP. The comparative interim figures for the six months ended 30 June 2019 are also unaudited.

### 2 Basis of preparation

The accounting policies applied by the Group in the preparation of these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2019.

### 3 Basic and diluted loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Group by the weighted average number of shares in issue during the period.

	Period ended 30 June 2020 (Unaudited)	Period ended 30 June 2019 (Unaudited)	Year ended 31 December 2019 (Audited)
Loss attributable to equity holders of the Company (£'000)	(181)	(83)	(372)
Weighted average number of shares in issue (thousands)	178,853	62,293	87,896
<b>Basic loss per share (pence per share)</b>	<b>(0.10)</b>	<b>(0.13)</b>	<b>(0.42)</b>

The Company has no dilutive potential ordinary shares; the diluted loss per share is the same as the basic loss per share.