16 September 2019

Ocean Outdoor Limited

("Ocean", "Ocean Outdoor" or the "Company" and, together with its subsidiaries, the "Group")

Results for the six-month period ended 30 June 2019

Ocean Outdoor Limited (LSE: OOUT), a leading operator of premium Digital Out-of-Home ("DOOH") advertising in the United Kingdom and Europe, is pleased to announce its results for the six-month period ended 30 June 2019.

The following headline financial information is on a proforma basis for Ocean Outdoor Limited and its subsidiaries, with comparisons between the H1 2019[1] and H1 2018 periods. Further details can be found in the appendix.

Financial highlights

- Billings increased to £55.5m (H1 2018: £47.4m)
- Revenue rose 16% to £41.9m (H1 2018: £36.0m)
- Digital billings made up 85% of total billings (H1 2018: 82%)
- Gross profit growth, excluding the impact of IFRS 16, of 19.0% to £16.1m (H1 2018: £13.5m), with a gross profit margin of 38.3% (H1 2018: 37.4%)
- Adjusted EBITDA[2] up 21.7% to £11.0m, with an Adjusted EBITDA margin of 26.3%
- Cash on balance sheet of £117.2m, leaving the Group well positioned to continue its organic growth and M&A strategies

Operational highlights

- Acquisition of Ngage Media B.V ("Ngage") and Interbest B.V ("Interbest") for a combined initial cash consideration of approximately £45m, adding 163 screen locations to the Ocean portfolio and provides excellent growth opportunities in the Netherlands
- Acquisition of DKTD Media B.V ("Beyond Outdoor"), adding another 8 screen locations in the Netherlands
- Launch of the 'Manchester Media Wall', a premium quality full motion digital screen measuring over 141.6m^2 on Trinity way in central Manchester
- Awarded long-term contract with Glasgow City Council, to redevelop and introduce new roadside and city centre large format screens
- Exclusive long-term contract secured with Southampton City Council to provide digital city centre large format screens
- Commenced rollout of 128 roadside digital 6-sheet faces across the Midlands
- Signed partnership with Phoenix Metropolis Media, extending Ocean's global alliance of premium digital screens to China
- Signed sponsorship deal with Jaguar Land Rover for Ocean's UK wide coverage of the Wimbledon Tennis Championships
- Sponsorship deal with DS Automobiles in association with Ocean's coverage of Formula E
- Successful extension of the iconic BFI IMAX contract

Outlook

On 15 May 2019, the Group stated that for the full year 2019, it anticipates revenue growth will be in the high single digits. Based on the development pipeline and the market outlook, the Group believes that high single digit revenue growth for Ocean in FY19 remains appropriate.

Commenting on the 2019 H1 results, Tim Bleakley, CEO of Ocean Outdoor Limited, said:

"It has been an excellent first half with the Group delivering good levels of organic growth. We are particularly pleased with the early progress and contribution of Interbest, Ngage Media and Beyond Outdoor, which have given us a significant share of the Dutch market. The acquisitions are performing well and we have realised a number of synergies.

"The integration of Forrest Media into the Ocean Group and the continued focus on our Digital Cities for Digital Citizens philosophy has led to revenue and profit increasing double digit. We continue to trade in line with expectations and are extremely excited for the future of the business in the UK and overseas."

[1] *For comparative purposes, the proforma H1 2019 figures are at constant currency, excluding IFRS 16 accounting.*

[2] *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.*

Analysts and investors are invited to participate in Ocean's Investor Call, which will begin today at 1.00pm BST/8.00am ET. Conference details for the investor call are as follows:

Standard International Access
+44 (0) 20 3003 2666

UK Toll Free
0808 109 0700

USA Toll Free
1 866 966 5335

Password: OCEAN OUTDOOR

For further information please contact:

Ocean Outdoor	020 7292 6161
Tim Bleakley, CEO	
Susann Jerry, Head of Communications	
Yellow Jersey PR	020 3004 9512
Charles Goodwin, Georgia Colkin, Joe Burgess	

The financial information in the Chief Executive's review is on a proforma basis of Ocean Outdoor Limited and its subsidiaries, with comparisons between the H1 2019 and H1 2018 periods, unless otherwise stated. The proforma financials can be found in the appendix to the condensed interim financial statements.

Chief Executive's review

Overview

I am pleased to report that the Group has had an excellent first half in terms of both financial and operational performance. Revenue grew by 16.3% to £41.9m, with the Group generating an Adjusted EBITDA of £11.0m, up 21.7% H1 2018.

Ocean has continued to execute its three-pillar strategy, with good organic development following city tender wins, the rollout of new locations and screen upgrades and completing our three Dutch acquisitions. These have immediately made Ocean one of the major DOOH players in the Netherlands.

Ocean Scotland (formerly Forrest Outdoor Media) is proving to be an excellent addition and has significantly augmented the Group's position as an operator of high-quality digital out of home assets across the UK. The seamless integration of Ocean Scotland into the Group has been extremely pleasing and it is now contributing significant returns. Ocean Scotland's revenue increased by 40% on H1 2018 and digital billings have increased from 81% in H1 2018 to 89%. Such positive results provide further assurances over the Group's acquisition strategy, both in its ability to identify suitable targets, and in its subsequent capability to execute the consolidation of operations.

As the Group scales and increasingly looks outside the UK for growth opportunities, the Board felt it was essential to create a distinct Group management team. This will allow the senior leadership team to take on Group wide roles as we integrate our recent Dutch acquisitions and step up our international growth ambitions. To this end, we have also recently announced the appointment of a new UK senior management team to lead the core business.

We have also continued to build our content strategy by securing new brand sponsors. Extending our association with Formula E and broadcasting race highlights, Ocean signed a sponsorship agreement with DS Automobiles, whilst Jaguar Land Rover sponsored Ocean's coverage of the Wimbledon Tennis Championships. We are also proud to be the official media partner to Team GB and have recently seen the "It's Only One Year To Go" campaign go live across 20 digital roadside and city centre screens in nine cities, marking 365 days to the opening of the summer 2020 Tokyo Olympic Games.

Financial performance

It has been an incredibly positive financial performance from the Group for H1 2019, especially given the economic uncertainty surrounding the UK. Despite this uncertainty, with the quality of the sites and locations of the Group, we have increased our billings, revenue and Adjusted EBITDA as brands focus on premium locations and campaigns. We are growing both organically and through our acquisition strategy as we continue to fulfil our objectives.

On a proforma basis for the UK business, revenue has increased from £25.5m in H1 2018 to £29.7m in H1 2019, representing growth of 16.4%, and Adjusted EBITDA rising 10.3%.

On a proforma basis for the Group, including the Dutch businesses, revenue has increased from £36.0m in H1 2018 to £41.9m in H1 2019, representing growth of 16.3%, and Adjusted EBITDA rising 21.7%.

The Group holds cash on the balance sheet of £117.2m leaving the Group well positioned to continue its organic growth and M&A strategies.

Portfolio

Our organic expansion gathered momentum during the period with the award of two long-term city contracts. Ocean now has a presence in 12 of the UK's major cities with a total of 288 UK locations (H1 2018: 254).

In January we announced the award of a long-term contract with Southampton City Council. Work is already underway, upgrading existing and developing new roadside sites across Southampton city centre. The first digital screen is expected to go live in late 2019 with new sites to follow after.

In May, the Company announced the award of long-term agreements as media partner to City Property (Glasgow) LLP, working in partnership with Glasgow City Council. Work has commenced to introduce new roadside and city centre digital advertising locations, with the roll out beginning in late 2019.

Ocean has commenced a major development project in Birmingham, collaborating with its partners Esprit Digital and Samsung, to rollout 128 roadside digital 6-sheet faces which are replacing existing locations on key roads across the city.

In August, Ocean unveiled a new digital screen in The Kensington Arcade, London. The Arcade forms part of the entrance to High Street Kensington tube station, providing exposure to both domestic and international consumers in one of London's most exclusive areas.

Acquisitions

Strategic acquisitions that complement our existing DOOH focused portfolio is a key pillar of the Group's stated growth strategy. In line with this, in March we completed the acquisitions of Ngage Media and Interbest, two major outdoor operators in the Netherlands, for a combined initial consideration of approximately £45 million. Interbest is the country's biggest independent roadside operator with 90 digital and static OOH masts in prime locations on the busiest road and motorway networks. Ngage Media is a 100 percent pure play digital operator with 73 large full motion digital screens in 50 locations.

In May, the Group increased its digital portfolio through the acquisition a further Dutch operator, DKTD Media B.V ("Beyond Outdoor"), adding an additional 8 large roadside locations, covering the Randstad megalopolis of Amsterdam, Rotterdam, The Hague and Utrecht.

The acquisitions were funded through the Group's existing cash resources and are accretive to earnings. Incremental commercial synergies from combining these companies within the Group's portfolio have been identified, such as revenue synergy and enhanced buying power for digital screen procurement.

Outlook

Advertising spend has remained robust within digital out of home driven by the medium's unique ability to instantly deliver high impact branding at scale in an increasingly reactive marketing environment. Whilst Ocean is cautious given the level of macro and political uncertainty, which is impacting parts of the UK economy, the Board is pleased with the first half performance and believes the Group is on track to meet its full year guidance, being high single digit revenue growth in FY19.

Tim Bleakley
CEO

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), the number of locations as well as digital billings as a percentage of total billings. This is generated from the companies within the Group.

Proforma Profit and Loss

Ocean Outdoor Limited was an investment vehicle until 28 March 2018. Due to the acquisition of SCP Acquisition Topco Limited on 28 March 2018, Forrest Media (Holdings) Limited on 2 June 2018, Interbest and Ngage Media on 11 March 2019 and Beyond Outdoor on 29 May 2019, the condensed statement of profit and loss shown below does not provide a period on period comparison for the Group’s underlying performance and operations. For the benefit of users of the accounts, the proforma statements of total comprehensive income can be found in the appendix.

The appendix shows H1 figures on a combined basis assuming any subsidiaries acquired were part of the Group from 1 January of the earliest period presented. Included in the appendix is also a reconciliation between reported operating profit and Adjusted EBITDA. The proforma financial information has been provided for illustrative purposes only and by its nature addresses a hypothetical situation and does not purport to represent the Company's actual financial position or results.

The appendix also presents statements for comprehensive income adjusted for the impact of IFRS 16 and any currency variations.

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 2018.

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.

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 of 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.

Board of Directors

The Directors of Ocean Outdoor Limited as at 16 September 2019 are:

Andrew Barron
Tim Bleakley
Aryeh Bourkoff
Sangeeta Desai
Thomas Ebeling
Tom Goddard
Robert Marcus
Andrew Miller
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;

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 2019

	Note	**H1 2019 £'000**	H1 2018 £'000
Billings		***50,815***	*18,398*
Revenue	3	**37,423**	13,078
Cost of sales		**(20,461)**	(8,043)
Gross profit		**16,962**	5,035
Administrative and other expenses		**(17,090)**	(5,801)
Loss from operations		**(128)**	(766)
Finance expense	4	**(4,165)**	(5)
Finance income		**338**	1,160
Foreign exchange gains / (losses)		**-**	7,827
(Loss) / profit before tax		**(3,955)**	8,216
Tax expense		**(576)**	(263)
(Loss) / profit from continuing operations attributable to owners of the company		**(4,531)**	7,953
Other comprehensive income / (expense), net of tax:			
(Loss) / profit for the period		**(4,531)**	7,953
Exchange differences on translation of foreign operations		188	-
Total comprehensive income / (loss) attributable to owners of the company		**(4,343)**	7,953

Earnings per share

Basic earnings / (loss) per share (pence)		**(0.08)**	0.16
Diluted earnings / (loss) per share (pence)		**(0.08)**	0.16

Ocean Outdoor Limited

Unaudited condensed statement of financial position
As at 30 June 2019

	Note	30/06/19 £'000	31/12/18 £'000
Assets			
Non-current assets			
Property, plant and equipment	6	**148,522**	31,971
Intangible assets	7, 8	**281,228**	230,024
		429,750	261,995
Current assets			
Trade and other receivables	9	**36,994**	36,718
Cash and cash equivalents		**117,202**	160,503
		154,196	197,221
Total assets		**583,946**	459,216
Liabilities			
Current liabilities			
Trade and other payables	10	**62,468**	44,729
Tax payable		**2,601**	3,278
Lease liability		**17,482**	-
		82,551	48,007
Non-current liabilities			
Lease liability		**104,341**	-
Deferred tax liability	11	**28,499**	23,579
Total liabilities		**215,391**	71,586
NET ASSETS		**368,555**	387,630
Issued capital and reserves attributable to owners of the parent			
Ordinary Share capital	12	**-**	-
Treasury shares		**(2,417)**	-
Founder Preferred Share Capital		**4,561**	5,213
Share premium		**376,246**	375,594
Foreign exchange reserve		**188**	-
Retained earnings		**(10,023)**	6,823
TOTAL EQUITY		**368,555**	387,630

Ocean Outdoor Limited

Unaudited condensed statement of changes in equity
As at 30 June 2019

	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
Balance at 01 January 2018	-	-	288,906	5,213	-	126	294,245
Issue of shares	-	-	86,500	-	-	-	86,500
Issue costs	-	-	-	-	-	-	-
Share-based compensation							
Director options	-	-	-	-	-	-	-
Comprehensive income for the period							
Loss	-	-	-	-	-	7,953	7,953
30 June 2018	-	-	375,406	5,213	-	8,079	388,698
Balance at 01 January 2019	-	-	375,594	5,213	-	6,823	387,630
IFRS 16 restatement (Note 2)	-	-	-	-	-	(12,315)	(12,315)
Balance at 01 January 2019 restated	-	-	375,594	5,213	-	(5,492)	375,315
Conversion of Founder preferred to ordinary shares	-	-	652	(652)	-	-	-
Share repurchase	-	(2,417)	-	-	-	-	(2,417)
Comprehensive income for the period							
Loss for the period	-	-	-	-	-	(4,531)	(4,531)
Exchange differences on translating foreign operations	-	-	-	-	188	-	188
30 June 2019	-	(2,417)	376,246	4,561	188	(10,023)	368,555

Ocean Outdoor Limited

Unaudited condensed statement of cash flows
for the 6 months ended 30 June 2019

	Note	**H1 2019** **£'000**	H1 2018 £'000
Cash flows from operating activities			
(Loss) / profit for the period		**(4,531)**	7,953
Adjustments for:			
Depreciation of property, plant and equipment	6	**10,340**	912
Amortisation of intangible fixed assets	7	**8,526**	-
Finance income		**(338)**	(1,160)
Finance expense	4	**4,165**	5
Tax		**576**	263
(Increase) / Decrease in trade and other receivables		**3,329**	(28,023)
Increase / (Decrease) in trade and other payables		**5,634**	40,487
Increase in provisions		**4,920**	-
Cash generated from operations		**32,621**	20,437
Income taxes paid		**(1,388)**	(255)
Finance expense on IFRS 16 leases	4	**(3,560)**	-
Interest payable on unwinding discounted balances	4	**(574)**	-
Net cash flows from operating activities		**27,099**	20,182
Investing activities			
Acquisition of subsidiaries net of cash acquired	8	**(44,952)**	(244,813)
Deferred consideration on subsidiary acquisitions	8	**(12,168)**	-
Net cash acquired with subsidiary undertaking		**1,150**	-
Purchases of property, plant and equipment	6	**(2,616)**	(164)
Interest payable	4	**(31)**	(5)
Interest received		**338**	1,160
Net cash used in investing activities		**(58,279)**	(243,822)
Financing activities			
Issue of Founder Preferred Shares and warrants		**-**	-
Issue of Ordinary Shares and warrants		**-**	86,500
Lease payments		**(6,759)**	-
Repayment of creditors on subsidiary acquisitions		**(2,945)**	-
Purchase of own shares		**(2,417)**	-
Net cash (used in)/from financing activities		**(12,121)**	86,500
Net increase in cash and cash equivalents		**(43,301)**	(137,140)
Cash and cash equivalents at beginning of period		**160,503**	294,576
Cash and cash equivalents at end of period		**117,202**	157,436

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 2019 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 2019.

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 2018 ("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 2018, except for the adoption of:

- a foreign currency translation policy following the acquisition of foreign subsidiaries
- new standards effective as of 1 January 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.

The Group has adopted the following policies:

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Sterling (GBP), which is Ocean Outdoor Limited's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are recognised in profit or loss.

2.2 Accounting policies *(continued)*

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, are recognised in other comprehensive income.

IFRS 16 "Leases"

The Group applies, for the first time, IFRS 16 Leases ("IFRS 16") that requires restatement of previous financial statements. As required by IAS 34, the nature and effect of these changes are disclosed below.

IFRS 16 supersedes IAS 17 Leases. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied with the cumulative effect of initially applying the standard recognised at the date of initial application. In compliance with the standard, IFRS 16 has only been applied to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

2.2 Accounting policies *(continued)*

The effect of adoption IFRS 16 as at 1 January 2019, increase/(decrease) is as follows:

	£'000
Assets	
Right-of-use asset	83,961
Prepayments	(1,744)
Total assets	82,217
Liabilities	
Lease liability	95,295
Accruals	(1,735)
Other payables	972
Total liabilities	94,532
Total adjustment to equity; IFRS 16 Restatement	12,315

a) Nature of the effect of adoption of IFRS 16

The Group has lease contracts for various items of plant, machinery, vehicles and other equipment. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.
A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease.
Finance leases were capitalised at the commencement of the lease at the inception date fair value of the lease or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability.
In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

- *Leases previously classified as finance leases*
  The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases. No finance leases were recognised under IAS 17 on 1 January 2019.

- *Leases previously accounted for as operating leases*
  The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the carrying amount as if the standard had always been applied. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

2.2 Accounting policies *(continued)*

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with terms that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

Based on the above, as at 1 January 2019 ('000's);

- A right-of-use asset of £83.96m was recognised and presented separately in the statement of financial position. No lease assets, previously recognised as finance leases, have been reclassified from Property, plant and equipment.
- Lease liabilities of £95.30m were recognised.
- Prepayments of £1.74m related to previous operating leases were derecognised.
- Accruals decreased by £1.74m and other payables increased by £0.97m due to previous operating leases being derecognised.

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018 as follows:

	£'000
Operating lease commitments as at 31 December 2018	**125,360**
Weighted average incremental borrowing rate as at 1 January 2019	6.5%
Discounted operating lease commitments at 1 January 2019	95,295
Current liability	10,076
Non-current liability	85,219
Lease liability recognised at 1 January 2019	**95,295**

2.2 Accounting policies *(continued)*

b) Summary of new accounting policies

Set out below are the new accounting policies of the Group upon adoption of IFRS 16, which have been applied from the date of initial application:

- *Right-of-use assets*
  The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

- *Lease liabilities*
  At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

- *Short-term leases and leases of low-value assets*
  The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below £5,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

- *Significant judgement in determining the lease term of contracts with renewal options*
  The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.
  The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

2.2 Accounting policies *(continued)*

c) Amounts recognised in the statement of financial position and profit or loss

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

	Right-of-use asset £'000	**Lease liabilities £'000**
As at 1 January 2019	83,961	95,295
Additions:		
Lease additions	396	396
Subsidiary acquisition	31,815	31,815
Depreciation expense	(7,545)	-
Finance expense	-	3,560
Foreign exchange difference	(45)	(15)
Payments	-	(9,238)
As at 30 June 2019	**108,582**	**121,813**
Current	-	17,472
Non-current	108,582	104,341
	108,582	**121,813**

The Group recognised rental expenses from short-term leases of £0.17m for the six months ended 30 June 2019.

3 Revenue and segmental information

In 2018, the Board elected to aggregate the results of the Group and Forrest Outdoor Media on the basis both businesses provide similar DOOH services in the UK market. Accordingly, the group was treated as one operational segment for FY18 and the results of the group presented in the financial statements were not disaggregated further.

Following the acquisition of three Dutch businesses in 2019, the Directors feel the Group now has two distinct reporting segments; UK operations and Dutch operations.

The directors consider that the Group comprises of two operating segments, this being the rental and sale of advertising space in the UK and in the Netherlands ("NL"). 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.

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

	H1 2019 UK £'000	**H1 2019 NL £'000**	**H1 2019 Total £'000**	**H1 2018 UK £'000**	**H1 2018 NL £'000**	**H1 2018 Total £'000**
Revenue	29,747	7,676	**37,423**	13,078	-	**13,078**

4 Finance expense

	2019 £'000	2018 £'000
Interest payable under IFRS 16 leases	**3,560**	-
Interest payable on unwinding discounted balances	**574**	-
Other interest payable	**31**	5
Total finance expense	**4,165**	5

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 2019 are not necessarily representative of the expected 2019 full year results. This explanation is provided to allow for a better understanding of the results.

6 Property, plant and equipment

Cost or valuation	Site assets £'000	Motor vehicles £'000	Equipment £'000	Right of use asset £'000	Total £'000
At 1 January 2019	51,333	130	875	-	52,338
Additions on acquisition of:					
Ngage Media B.V	1,106	102	1,024	4,201	6,433
Interbest B.V	4,189	-	-	27,614	31,803
DKTD Media B.V	1,717	9	-	-	1,726
Additions	2,513	5	98	84,357	86,973
At 30 June 2019	**60,858**	**246**	**1,997**	**116,172**	**179,273**

Accumulated depreciation and impairment	Site assets £'000	Motor vehicles £'000	Equipment £'000	Right of use asset £'000	Total £'000
At 1 January 2019	19,634	82	651	-	20,367
Charge in the period	2,720	26	71	7,545	10,362
Foreign exchange difference	(22)	-	(1)	45	22
At 30 June 2019	**22,332**	**108**	**721**	**7,590**	**30,751**

Net book value	Site assets £'000	Motor vehicles £'000	Equipment £'000	Right of use asset £'000	Total £'000
At 30 June 2019	**38,526**	**138**	**1,276**	**108,582**	**148,522**
At 31 December 2018	31,699	48	224	-	31,971

7 Intangible assets

Cost or valuation	Brand £'000	Acquired rights over advertising sites £'000	Goodwill £'000	Total £'000
1 January 2019	6,725	136,715	96,671	240,111
Acquired through business combinations:				
Ngage Media B.V	-	11,712	6,400	18,112
Interbest B.V	-	25,551	14,542	40,093
DKTD Media B.V	-	978	547	1,525
At 30 June 2019	**6,725**	**174,956**	**118,160**	**299,841**

Accumulated amortisation and impairment	Brand £'000	Acquire rights over advertising sites £'000	Goodwill £'000	Total £'000
At 1 January 2019	500	9,587	-	10,087
Charge in the period	336	8,190	-	8,526
At 30 June 2019	**836**	**17,777**	**-**	**18,613**

Net Book Value	Brand £'000	Acquired rights over advertising sites £'000	Goodwill £'000	Total £'000
At 30 June 2019	**5,889**	**157,179**	**118,160**	**281,228**
At 31 December 2018	6,225	127,128	96,671	230,024

8 Subsidiaries, investments and business combinations

On 11 March 2019 the Group acquired 100% of the share capital and voting rights of Interbest B.V and Ngage Media B.V, companies registered in the Netherlands, through Ocean Bidco Limited. The acquired companies specialise in the development and sale of Out Of Home (OOH) displays in the Netherlands and had a combined enterprise value of £45m using a rate of 0.88:1 EUR: GBP. Acquisition related costs of £0.6m were incurred. The transaction was funded using cash on hand with a performance-linked earn-out payable if growth performance targets are met over time.

On 29 March 2019 the Group acquired 100% of the share capital and voting rights of DKTD Media B.V (trading as Beyond Outdoor), a company registered in the Netherlands, through Ocean Bidco Limited. The acquired company specialises in the development and sale of Out Of Home (OOH) displays in the Netherlands and had an enterprise value of £3.5m using a rate of 0.88:1 EUR:GBP. Acquisition related costs of £0.2m were incurred. The transaction was funded using cash on hand.

The principal subsidiaries of the Group, all of which have been included in these Consolidated Financial Statements, are as follows:

Name	Country of incorporation and principal place of business	Nature of business	Ownership 2019	Ownership 2018
Ocean Jersey Topco Limited	Jersey	Holding co.	100%	100%
SCP Acquisition Topco Limited*	England & Wales	Holding co.	100%	100%
SCP Acquisition Midco Limited*	England & Wales	Holding co.	100%	100%
SCP Acquisition Bidco Limited*	England & Wales	Holding co.	100%	100%
Ocean Topco Limited*	England & Wales	Holding co.	100%	100%
Ocean Bidco Limited*	England & Wales	Holding co.	100%	100%
Ocean Outdoor UK Limited*	England & Wales	OOH Media Owner	100%	100%
Signature Outdoor Limited*	England & Wales	OOH Media Owner	100%	100%
Mediaco Outdoor Limited*	England & Wales	OOH Media Owner	100%	100%
Forrest Media (Holdings) Limited*	Scotland	Holding co.	100%	100%
Forrest Media Limited*	Scotland	Holding co.	100%	100%
Forrest Outdoor Media Limited*	Scotland	OOH Media Owner	100%	100%
Forrest Brands Limited*	Scotland	Dormant subsidiary	68%	68%
Ngage Media B.V*	Netherlands	OOH Media Owner	100%	-
Interbest B.V*	Netherlands	OOH Media Owner	100%	-
DKTD Media B.V*	Netherlands	OOH Media Owner	100%	-

* The shares held in these entities are held indirectly.

The registered address for the entity incorporated in Jersey is 3rd Floor, 44 Esplanade, St Helier, Jersey, JE4 9WG.
The registered address entities incorporated in England & Wales is 25 Kingly Street, London, W1B 5QB.
The registered address for entities incorporated in Scotland is 7 Seaward Street, Paisley Road, Glasgow, G41 1HJ.
The registered address for Ngage Media B.V is Het Mediapark, Rijk de Gooyersteeg 2, Hilversum, 1217 ZR, Netherlands.
The registered address for Interbest B.V and DKTD Media B.V is Olympic Stadium 37 Amsterdam, 1076 DE, Netherlands.

8 Subsidiaries, investments and business combinations *(continued)*

Ngage Media B.V

Fair value of assets at 11 March 2019	**Fair value £'000**
Tangible fixed assets	2,232
Debtors	1,317
Cash and cash equivalents	397
Creditors due within one year	(2,114)
Net assets acquired	1,832
Purchase consideration paid	
Cash	11,411
Deferred consideration	6,542
Total purchase consideration	17,953
Intangible arising on acquisition	16,121

Interbest B.V

Fair value of assets at 11 March 2019	**Fair value £'000**
Tangible fixed assets	4,189
Debtors	1,691
Cash and cash equivalents	282
Creditors due within one year	(3,638)
Net assets acquired	2,524
Purchase consideration paid	
Cash	32,647
Deferred consideration	5,626
Total purchase consideration	38,273
Intangible arising on acquisition	35,749

8 Subsidiaries, investments and business combinations *(continued)*

DKTD Media B.V

Fair value of assets at 11 March 2019	Fair value £'000
Intangible assets	-
Tangible fixed assets	1,726
Debtors	597
Cash and cash equivalents	471
Creditors due within one year	(2,845)
Net liabilities acquired	(51)
Purchase consideration paid	
Cash	1,307
Total purchase consideration	1,307
Goodwill arising on acquisition	1,358

In Line with IFRS3, Business Combinations, the intangibles above have been calculated using the information currently available, with transaction costs recognised in the profit and loss. These values may be adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date during the measurement period which shall not exceed one year from the acquisition date.

Ngage Media B.V contributed £2.25m in revenue and £0.3m profit from the date of acquisition. Interbest B.V contributed £5.3m in revenue and £1.35m profit from the date of acquisition. DKTD Media B.V contributed £0.12m in revenue and £0.05m loss from the date of acquisition.

Had the transactions been undertaken at 1 January 2019 the contribution to the Group would have been as follows; Ngage Media B.V would have generated revenue of £3.41m and a £0.28m profit; Interbest B.V would have generated revenue of £7.92m and a £1.75m profit; and DKTD Media B.V would have generated revenue of £0.74m and a £0.3m to loss.

The unaudited trading results for these Dutch entities can be found in the appendix.

8 Subsidiaries, investments and business combinations *(continued)*

Cash flows from acquisition transactions

Ngage Media B.V	**2019 £'000**
Purchase consideration settled in cash	11,411
Direct acquisition costs	314
Cash balances acquired	(397)
Net cash outflow	11,328
Deferred consideration	6,542
Net cash outflow including deferred consideration	17,870

Interbest B.V	**2019 £'000**
Purchase consideration settled in cash	32,647
Direct acquisition costs	243
Cash balances acquired	(282)
Net cash outflow	32,608
Deferred consideration	5,626
Net cash outflow including deferred consideration	38,234

DKTD Media B.V	**2019 £'000**
Purchase consideration settled in cash	1,307
Direct acquisition costs	180
Cash balances acquired	(471)
Net cash outflow	1,016

Summary of Ngage Media B.V, Interbest B.V and DKTD Media B.V	
Total net cash outflow	44,952
Total deferred consideration on subsidiary acquisition	12,168

9 Trade and other receivables

	2019	2018
	£'000	£'000
Trade receivables	**32,922**	32,970
Prepayments	**4,072**	3,748
Total trade and other receivables	**36,994**	36,718

10 Trade and other payables

	2019	2018
	£'000	£'000
Trade payables	**17,513**	8,791
Other payables	**681**	379
Accruals	**44,274**	35,559
Total Trade and other payables	**62,468**	44,729

11 Deferred tax

	Asset £'000	**Liability £'000**	**Credit to profit or loss £'000**
At 1 January 2019	-	23,579	-
Arising on business combinations	-	6,369	-
Reversal of temporary timing differences on business combinations	-	(1,449)	(1,449)
Fixed asset and other differences	-	-	-
Reversal of temporary timing differences on fixed asset and other differences	-	-	-
At 30 June 2019	-	28,499	(1,449)

12 Share capital

The authorised shares of the Company are as follows:

Authorised	2019 £'000	2018 £'000
Unlimited number of Ordinary Shares	-	-

Founder Preferred Shares, no par value	2019 Number '000	2019 £'000	2018 Number '000	2018 £'000
Balance at beginning of period	700	5,213	700	5,213
Ordinary share conversion	(88)	(652)	-	-
Balance at end of period	612	4,561	700	5,213

Ordinary Shares, no par value	2019 Number '000	2019 £'000	2018 Number '000	2018 £'000
Balance at beginning of period	53,921	375,594	41,790	288,906
Founder Preferred Share conversion	88	652	-	-
Issued during the period	-	-	12,131	86,688
Balance at end of period	54,009	376,246	53,921	375,594

On 15 January 2019, a tranche of 87,500 Founder Preferred Shares were re-designated as Ordinary Shares on a one for one basis.

On 19 March 2019, the Company announced a discretionary share buyback programme through its investment bank to purchase up to an aggregate amount of $25,000,000 of Ordinary Shares. The arrangement allows the investment bank to purchase up to 5,000,000 Ordinary Shares in the Company during open periods of the Company until 30 September 2019. The price limits of Regulation (EU) No 596/2014 of 16 April 2014 (as amended) in relation to market abuse apply. The sole purpose of these share purchases is to reduce the Company's share capital. Any Ordinary Shares purchased by the Company will be held in treasury.

Treasury Shares	2019 Number '000	2019 £'000	2018 Number '000	2018 £'000 £'000
Balance at beginning of period	-	-	-	-
Shares bought back and held in treasury	397	2,417	-	-
Balance at end of period	397	2,417	-	-

13 Earnings per share

	H1 2019 £'000	H1 2018 £'000
Numerator		
Earnings used in basic and diluted EPS	(4,531)	7,953
Denominator	**'000**	'000
Weighted average number of shares used in basic EPS	53,612	48,791
Weighted average number of shares used in diluted EPS	53,612	48,791
Basic EPS (pence)	(0.08)p	0.16p
Diluted EPS (pence)	(0.08)p	0.16p

14 Reserves

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

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.
Foreign exchange	Gains or losses arising from the translation of the financial statements of foreign operation, the functional currency of which is different from the presentation currency of the Group.
Treasury shares	Amounts paid to repurchase share capital of the company, exclusive of transaction fees.

15 Related party transactions

The basis and nature of transactions between the Group and the Directors of the company did not change significantly for the half year ended 30 June 2019 when compared to the year ended 31 December 2018.

During H1 2018 a transaction fee totalling £1.0m was payable to LionTree Advisors UK LLP in relation to the acquisition of Forrest Media (Holdings) Limited. No such fees were payable in H1 2019.

16 Events after the reporting date

On 13 September 2019, the Group announced the acquisition of Visual Art, a leading media sales and digital signage across Sweden, with start-up operations in Denmark, Finland and Germany. It is intended to separate the digital signage business post completion. This will leave a media sales business and a digital signage business. The Group will own 100% of the media sales business and 50% of the digital signage business.

The media sales business was acquired for a cash consideration of approximately £56.3m (€63m), and a performance-linked earn-out if growth performance targets are met over time. The transaction values Visual Art media sales, at a forecast 31 December 2019 adjusted EBITDA multiple of 10.0x. The business combination accounting had not been finalised by the authorisation date of these financial statements.

Ocean Outdoor Limited

Appendix

The following pages present unaudited financial information on different bases for entities owned by the Group as at 30 June 2019.

Ocean Outdoor Limited

Appendix

Ocean Outdoor Limited and subsidiaries

The below is on a proforma basis for Ocean Outdoor Limited and all subsidiaries in the Group as at 30 June 2019 as if the same subsidiaries had been owned from 1 January 2018. Using this basis, the H1 2019 results have been prepared using two methodologies:

a) using statutory reporting standards.
b) using constant currency and excluding IFRS 16.

The Dutch entities transact in Euro's. Therefore, to allow comparison and remove any foreign exchange gains or losses, constant currency has been used. The H1 2019 figures have been translated using the H1 2018 average rate, 0.8796 EUR to GBP.

	H1 2019 £'000	**Constant currency, excluding IFRS 16 H1 2019 £'000**	H1 2018 £'000
Billings	***55,446***	***55,541***	*47,381*
Revenue	**41,814**	**41,904**	36,038
Cost of sales	**(23,044)**	**(25,666)**	(22,546)
Gross profit	**18,770**	**16,238**	13,492
Administrative and other expenses	**(18,424)**	**(18,632)**	(13,810)
Profit / (loss) from operations	**346**	**(2,394)**	(318)
Finance expense	**(4,652)**	**(713)**	(5,618)
Finance income	**338**	**338**	1,160
Loss before tax	**(3,968)**	**(2,769)**	(4,776)
Tax expense	**(576)**	**(576)**	(778)
Loss from continuing operations	**(4,544)**	**(3,345)**	(5,554)
Total comprehensive loss	**(4,544)**	**(3,345)**	(5,554)

Ocean Outdoor Limited

Appendix

Ocean Outdoor Limited and subsidiaries

Ocean Outdoor Limited and subsidiaries reconciliation of profit from operations to Adjusted EBITDA:

	H1 2019 £'000	**Constant currency, excluding IFRS 16 H1 2019 £'000**	H1 2018 £'000
Profit / (loss) from operations	**346**	**(2,394)**	(318)
IFRS 16 reversal			
Rent reversal	**(11,446)**	**-**	-
Depreciation on right of use asset	**8,685**	**-**	-
Foreign exchange differences	**21**	**-**	-
Depreciation	**3,185**	**3,185**	2,909
Amortisation	**8,547**	**8,547**	5,763
Deal fees	**737**	**737**	5,121
Private equity related expenses and listed company credit	**-**	**-**	(5,132)
Other one-off costs	**264**	**264**	697
Currency movements on deferred consideration	**431**	**431**	-
One-time relisting fees	**235**	**235**	-
Adjusted EBITDA	**11,005**	**11,005**	9,040

Due to the addition of the three Dutch subsidiaries in the year, the H1 2018 comparatives for the Group differ to those reported in the H1 2018 proforma appendix, as these subsidiaries are now included.

In the prior year H1 2018 proforma appendix, the Group was comparing its performance with its performance in H1 2017. As the company was not listed in 2017, it was deemed appropriate to add back listed costs in 2018 to Adjusted EBITDA to allow comparison of the underlying performance. Now there are comparable periods where listed costs have been incurred, these costs are no longer added back to Adjusted EBITDA.

The reconciliation above arrives at H1 2019 Adjusted EBITDA, excluding the effects of IFRS 16 accounting. If IFRS 16 accounting was applied, the £11.4m rent addback of would be excluded, resulting in an Adjusted EBITDA of £22.4m.

Ocean Outdoor Limited

Appendix

<u>Ocean Outdoor Limited and its UK subsidiaries</u>

The below is on a proforma basis for Ocean Outdoor Limited and its UK subsidiaries in the Group as at 30 June 2019 as if the same subsidiaries had been owned from 1 January 2018. Using this basis, the H1 2019 results have been prepared using two methodologies:

a) using statutory reporting standards.
b) excluding IFRS 16.

	H1 2019 £'000	**Excluding IFRS 16, H1 2019 £'000**	H1 2018 £'000
Billings	***42,641***	***42,641***	*35,995*
Revenue	**29,747**	**29,747**	25,545
Cost of sales	**(16,765)**	**(18,671)**	(15,747)
Gross profit	**12,982**	**11,076**	9,798
Administrative and other expenses	**(15,402)**	**(15,585)**	(10,680)
Loss from operations	**(2,420)**	**(4,509)**	(882)
Finance expense	**(3,553)**	**(574)**	(5,552)
Finance income	**338**	**338**	1,160
Loss before tax	**(5,635)**	**(4,745)**	(5,274)
Tax expense	**(576)**	**(576)**	(666)
Loss from continuing operations	**(6,211)**	**(5,321)**	(5,940)
Total comprehensive loss	**(6,211)**	**(5,321)**	(5,940)

Ocean Outdoor Limited

Appendix

Ocean Outdoor Limited and its UK subsidiaries reconciliation of loss from operations to Adjusted EBITDA:

	H1 2019 £'000	**Excluding IFRS 16, H1 2019 £'000**	H1 2018 £'000
Loss from operations	**(2,420)**	**(4,509)**	(882)
IFRS 16 reversal:			
Rent reversal	**(7,844)**	**-**	-
Depreciation on right of use asset	**5,755**	**-**	-
Depreciation	**2,272**	**2,272**	2,033
Amortisation	**8,526**	**8,526**	5,421
Deal fees	**737**	**737**	5,121
Private equity related expenses and listed company credit	**-**	**-**	(5,132)
Other one-off costs	**122**	**122**	522
Currency movements on deferred consideration	**431**	**431**	-
One-time relisting fees	**235**	**235**	-
Adjusted EBITDA	**7,814**	**7,814**	7,083

In the prior year H1 2018 proforma appendix, the Group was comparing its performance with its performance in H1 2017. As the company was not listed in 2017, it was deemed appropriate to add back listed costs in 2018 to Adjusted EBITDA to allow comparison of the underlying performance. Now there are comparable periods where listed costs have been incurred, these costs are no longer added back to Adjusted EBITDA.

Ngage Media B.V, Interbest B.V and DKTD Media B.V (Constant currency)

The below is on a proforma basis for Dutch only operations of the Group as at 30 June 2019 as if the same subsidiaries had been owned from 1 January 2018. Using this basis, the H1 2019 results have been prepared using two methodologies:

a) using statutory reporting standards.
b) using constant currency and excluding IFRS 16.

The Dutch entities transact in Euro's. Therefore, to allow comparison and remove any foreign exchange gains or losses, constant currency has been used. The H1 2019 figures have been translated using the H1 2018 average rate, 0.8796 EUR to GBP.

	H1 2019 £'000	**Constant currency, excluding IFRS 16 H1 2019 £'000**	H1 2018 £'000
Billings	***12,805***	***12,900***	*11,386*
Revenue	**12,067**	**12,157**	10,493
Cost of sales	**(6,279)**	**(6,995)**	(6,799)
Gross profit	**5,788**	**5,162**	3,694
Administrative and other expenses	**(3,022)**	**(3,047)**	(3,130)
Profit from operations	**2,766**	**2,115**	564
Finance expense	**(1,099)**	**(139)**	(66)
Finance income	**-**	**-**	-
Profit before tax	**1,667**	**1,976**	498
Tax expense	**-**	**-**	(112)
Profit from continuing operations	**1,667**	**1,976**	386
Total comprehensive income	**1,667**	**1,976**	386

Ocean Outdoor Limited

Appendix

Dutch subsidiaries reconciliation of profit from operations to Adjusted EBITDA:

	H1 2019 £'000	**Constant currency, excluding IFRS 16 H1 2019 £'000**	H1 2018 £'000
Profit from operations	**2,766**	**2,115**	564
IFRS 16 reversal			
Rent reversal	**(3,602)**	**-**	-
Depreciation on right of use asset	**2,930**	**-**	-
Foreign exchange differences	**21**	**-**	-
Depreciation	**913**	**913**	876
Amortisation	**21**	**21**	342
Other one-off costs	**142**	**142**	175
Adjusted EBITDA	**3,191**	**3,191**	1,957