Ocean Outdoor Limited
(Formerly Ocelot Partners Limited)

Annual Report and Consolidated Financial Statements
Year ended 31 December 2018

Contents

Ocean Outdoor Limited

Key Highlights

The following headline financial information is on an unaudited pro forma[1] basis of Ocean Outdoor Limited and its subsidiaries ("Ocean", "the Group" or "the Company"), with comparisons between FY18 and FY17. The headline financial information, including Forrest Outdoor Media Limited, the trading entity acquired with Forrest, can be found in the appendix.

Financial reported highlights

- Billings[2] recognised by the Group in FY18 were £70.3m (FY17: £Nil)
- Revenue generated by the business in the year totalled £49.8m (FY17: £Nil)
- Group gross profit was £20.4m (FY17: £Nil)
- Cash on balance sheet of £160.5m, leaving the Group well positioned to continue its organic growth and M&A strategies
- Net assets increased £92.6m to £386.8m (FY17: £294.2m)
- Cash generated from operations totalling £22.4m (FY17: £0.5m)

Financial proforma highlights

- Billings[2] increased 13.7% year on year to £87.8m (FY17: £77.2m)
- Revenue rose 15.2% to £62.2m (FY17: £54.0m)
- Digital billings made up 92.8% of total billings (FY17: 89.1%)
- Gross profit increased by 13.8% to £25.2m (FY17: £22.1m), with a gross profit margin of 40.4% (FY17: 40.9%)
- Adjusted EBITDA[3] up 4.7% to £20.0m, with an adjusted EBITDA margin of 32.2%

Operational highlights

- Acquisition of SCP Acquisition Topco Limited for an enterprise value of approximately £200m on 28 March 2018
- Acquisition of Forrest Media (Holdings) Limited for an enterprise value of approximately £32m on 2 June 2018 expanded the Group's UK Digital Out of Home (DOOH) footprint, adding 77 locations and 91 faces across Scotland, with excellent coverage of Glasgow and Edinburgh
- Launch of three new large format screens at Westfield London, two of which are full motion alongside installation of state-of-the-art screens at two existing marquee assets, Holland Park Roundabout and the Wall at Westfield
- Launch of the first 'Two Towers' structure in Manchester on the key arterial route, the Mancunian Way, as well as a full motion screen outside the key transport hub of Manchester Piccadilly train station
- Two live broadcasts were completed during the first six months - live streaming of the Royal Wedding, as well as the 2018 Grand National, in public outdoor locations
- Pipeline development is strong with over 174 locations in various stages of development

[1] Ocean Outdoor Limited was an investment vehicle in FY17. Due to the acquisition of SCP Acquisition Topco Limited on 28 March 2018 and Forrest Media (Holdings) Limited on 2 June 2018, the consolidated statement of profit and loss presented on page 18 does not provide a year on year comparison for the underlying performance and operations. The financial highlights detailed above are on a pro forma basis for Ocean Outdoor Limited and all subsidiaries in the Group as at 31 December 2018 as if the same subsidiaries had been owned from 1 January 2017.

[2] Billings represent the advertising spend by the advertiser, including fees directly payable by the advertiser to their advertising agency, exclusive of sales tax.

[3] Adjusted EBITDA is the Earnings Before Interest, Tax, Depreciation, Amortisation and adjusted for one off items. See the appendix for reconciliations between profit from operations and Adjusted EBITDA.

Chairman's Statement

It is with pleasure that I present to you, the shareholders, the Report and audited financial statements of Ocean Outdoor Limited for the year ended 31 December 2018.

The Company

On 1 March 2018, Ocean Outdoor Limited (Formerly Ocelot Partners Limited) announced the acquisition of the outdoor media owner Ocean Outdoor from private equity firm Searchlight Capital for an enterprise value of £200m. The transaction closed on 28 March 2018.

These accounts reflect the purchase of SCP Acquisition Topco Limited and its subsidiaries to create Ocean Outdoor on 28 March 2018 and the subsequent acquisition of Forrest Media (Holdings) Limited and its subsidiaries on 2 Jun 2018. As such the reported profit and loss only reflects post acquisition trading. The unaudited appendix provides pro forma comparisons of performance on a full year basis.

Ocean is a pure play operator of premium digital out-of-home advertising in the UK. Ocean's portfolio of digital, full motion screens facilitates connectivity as out-of-home, digital, mobile, online and screen media all converge to create deeper brand experiences. Ocean has created a strong reputation in developing and pioneering new DOOH technologies, research and thought leadership, and for facilitating creativity in digital out-of-home. The Company has assets covering the key cities and retail centres of the UK, including London, Manchester, Birmingham, Edinburgh and Glasgow. Ocean operates some of the UK's most prominent outdoor advertising locations, including Landsec's Piccadilly Lights, the BFI London IMAX, Westfield's Holland Park Roundabout and the Birmingham Media Eyes. Ocean's pioneering content partnerships, such as its work with Team GB for the Summer and Winter Olympics and its innovative collaboration with the British Fashion Council and the BBC, represent ground-breaking initiatives for the sector.

Ocean seeks to build a scale out-of-home media consolidation vehicle. In addition to supporting Ocean's organic growth initiatives, it will pursue strategic and complementary acquisitions intended to enhance its scale, customer offering and deepen its market leadership as demonstrated by the acquisition of Ngage Media and Interbest on 12 March 2019.

Tom Goddard
Chairman
18 March 2019

Report of the directors

The directors present their report together with the audited financial statements for the year ended 31 December 2018.

Status and activities

On 1 March 2018, the company announced the acquisition of advertising site manager SCP Acquisition Topco Limited and its subsidiaries from private equity firm Searchlight Capital for an enterprise value of £200 million. The acquisition was fully settled in cash. As noted in the Company's prospectus, in connection with financing the acquisition, the Company issued additional Ordinary Shares which resulted in the company's then existing shareholders still owning a majority interest in the Company following the acquisition. The transaction closed on 28 March 2018.

Following completion of the transaction Tom Goddard and Tim Bleakley have joined the Company as non-executive Chairman and CEO respectively and the company changed its name to Ocean Outdoor Limited from Ocelot Partners Limited.

With this anchor investment in Ocean, the Company seeks to build a scale out-of-home media consolidation vehicle. In addition to supporting Ocean's organic growth initiatives, the Company will pursue strategic and complementary acquisitions intended to enhance Ocean's scale, customer offering and deepen its market leadership.

In light of this, the company immediately engaged in the acquisition of Forrest Media (Holdings) Limited and its subsidiaries ("Forrest" renamed "Ocean Scotland") which successfully completed on 2 June 2018, with an enterprise value of £32m. Forrest is a leading outdoor operator in Scotland and the acquisition has added significant reach to Ocean's national footprint, adding 77 locations and 91 faces across Scotland and the North of England, with excellent coverage of Glasgow and Edinburgh.

The Group continues to deliver new growth opportunities and search for future acquisition opportunities which is in line with the strategy presented in the Group prospectus. As announced on 12 March 2019, the Group completed the further acquisitions of Interbest and Ngage Media.

Pro forma Profit and Loss

Ocean Outdoor Limited was an investment vehicle in FY17. Due to the acquisition of SCP Acquisition Topco Limited on 28 March 2018 and Forrest Media (Holdings) Limited on 2 June 2018, the audited consolidated statement of profit and loss presented on page 18 does not provide a period on period comparison for the underlying performance and operations. For the benefit of users of the accounts, the unaudited pro forma statements of total comprehensive income can be found in the appendix (refer to page 52), which shows the period on period results on different bases.

Included in the appendix is the profit and loss for SCP Acquisition Topco Limited and its subsidiaries for FY17 and FY18 and Forrest Outdoor Media Limited profit and loss for FY17 and FY18. The appendix shows these periods on a combined basis assuming any subsidiaries acquired during any given period had been acquired on 1 January of the earliest period presented. Also included in the appendix is a hybrid profit and loss showing 12 months profit and loss of Ocean Outdoor Limited, SCP Acquisition Topco Limited and all their subsidiaries (excluding Forrest Outdoor Media Limited) for the 12-month period ended 31 December 2018 combined with the acquisition made in the year, Forrest Outdoor Media Limited with its profit and loss for the 7-month period ended 31 December 2018.

For each profit and loss statement, there is the reconciliation between reported operating profit and Adjusted EBITDA is also presented. The unaudited pro forma 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.

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.

Please see the table below for KPI’s on the reported numbers

KPI’s on Reported figures	**2018**	**2017**
Billings £’000	70,288	-
Revenue £’000	49,795	-
EBITDA £’000	18,557	-
Locations	254	-
Digital % of billings	93%	-

The above table does not allow a period on period comparison and therefore the following table shows the performance of the Group on a proforma basis

KPI’s on Proforma figures	**2018**	**2017**
Billings £’000	87,843	77,245
Revenue £’000	62,218	54,010
Adjusted EBITDA £’000	19,964	19,088
Locations	254	251
Digital % of billings	93%	89%

Results and dividends

The consolidated statement of profit and loss is set out on page 18 and shows the profit for the year.

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the AGM. The Company's current intention is to retain any earnings for use in its business operations, and the Company does not anticipate declaring any dividends in the foreseeable future.

Directors and their interests

The Directors of the Company who served during the period and subsequent to the date of this Report are:

Name	**Position**	**Date of appointment**
Robert D Marcus	Independent Non-Executive Director	**22 February 2017**
Martin HP Söderström	Independent Non-Executive Director	**22 February 2017**
Sangeeta Desai	Independent Non-Executive Director	**27 February 2017**
Aryeh B. Bourkoff	Founder and Non-Executive Director	**22 February 2017**
Andrew Barron	Founder and Non-Executive Director	**20 January 2017**
Tim Bleakley	CEO and Executive Director	**28 March 2018**
Tom Goddard	Non-Executive Chairman	**28 March 2018**
Tim Ebeling	Independent Non-Executive Director	**19 October 2018**
Andrew Miller	Independent Non-Executive Director	**27 November 2018**

Non-Executive Directors or the Company can terminate the appointment by giving three months’ notice.

As at 31 December 2018 the Directors have the following interests in the Company's securities:

Director	No. of Ordinary Shares	Percentage of issued Ordinary Shares	No. of Founder Preferred Shares
Andrew Barron	509,866	0.95%	147,000
Andrew Miller	-	-	-
Aryeh B Bourkoff	1,574,400	2.92%	399,000
Robert Marcus	119,000	0.22%	-
Martin HP Söderström	15,000	0.03%	-
Sangeeta Desai	10,000	0.02%	-
Thomas Ebeling	7,500	0.01%	-
Tom Goddard	232,703	0.43%	-
Tim Bleakley	310,523	0.58%	-

Tim Bleakley also has 1,998,000 hurdle shares, issued by a subsidiary of the Company which will, except in limited circumstances, be settled in ordinary shares of Ocean Outdoor Limited. Tom Goddard also has 1,282,050 hurdle shares, issued by a subsidiary of the Company which will, except in limited circumstances, be settled in ordinary shares of Ocean Outdoor Limited.

Directors' remuneration

Robert Marcus, Martin HP Soderstrom, Sangeeta Desai, Ayreh B Bourkoff and Andrew Barron entered into a Director's letter of appointment with the Company dated 8 March 2017. Thomas Ebeling and Andrew Miller entered into a Director's letter of appointment with the Company dated 19 October 2018 and 27 November 2018 respectively.

Under the letters of appointment, Martin HP Söderström, Sangeeta Desai, Thomas Ebeling and Andrew Miller are entitled to a fee of $75,000 per annum and Robert Marcus is entitled to receive a fee of $90,000 per annum. Robert Marcus, Martin HP Söderström, Sangeeta Desai and Andrew Miller are also entitled to receive an additional fee of $10,000 per annum as Committee members. Tom Goddard, in his role as Chairman, was paid £55,800 in the period 28 March 2018 to the year end. Tim Bleakley, CEO, was paid £237,500 following his appointment as a Director on 28 March 2018.

Andrew Barron and Aryeh B Bourkoff did not receive a fee in connection with their appointment as Non-Executive Directors of the Company.

In addition, all of the Directors are entitled to be reimbursed by the Company for travel, hotel and other expenses incurred by them in the course of their directors' duties relating to the Company.

Share capital

The full details of share capital information is set out in note 16.

Substantial shareholdings

As at 31 December 2018, the following had disclosed an interest in the issued Ordinary Share capital of the Company (being 5% or more of the voting rights in the Company) in accordance with the requirements of the Disclosure and Transparency Rules (the "DTRs"):

Shareholder	Number of Ordinary Shares (1	Notified percentage of voting rights (1
Senator Investment Group LP	6,184,616	11.3%
Anchorage Capital Group, L.L.C.	5,333,333	9.8%
Wellington Management Group LLP	4,315,384	7.9%

As at 31 December 2018 and 25 February 2018, the interest of any person listed in the table above in Ordinary Shares may have increased or decreased without any obligation on the relevant person to make further notification to the Company pursuant to the DTRs.

Change of control

The Company is not party to any significant contracts that are subject to change of control provisions in the event of a takeover bid. There are no agreements between the Company and its Directors or employees providing compensation for loss of office or employment that occurs because of a takeover bid.

Independent Auditors

The previous auditors, PricewaterhouseCoopers LLP, resigned during the year and BDO LLP were appointed by the Board in their place. The Board have reason to believe that BDO LLP conducted an effective audit and have provided the auditors with full access to all of the books and records of the Company.

Corporate Governance Statement

The Company is a British Virgin Islands registered company with a standard listing on the London Stock Exchange. For as long as the Company has a standard listing it is not required to comply or explain non-compliance with the UK Corporate Governance Code (the "Code") issued by the Financial Reporting Council ("FRC") in September 2012. However, the Company is firmly committed to high standards of corporate governance and maintaining a sound framework through which the strategy and objectives of the Company are set and the means of attaining these objectives and monitoring performance are determined.

Relations with Shareholders

The Directors are always available for communication with Shareholders and all Shareholders will have the opportunity, and are encouraged, to attend and vote at the Annual General Meetings of the Company during which the Board will be available to discuss issues affecting the Company.

Statement of going concern

The Directors confirm that, after making an assessment, they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and be able to pay its debts as they fall due. The political and economic uncertainty surrounding Britain's impending exit from the EU (Brexit) is a factor that has been considered. With advertising spend closely correlated to GDP and consumer confidence the outlook may be adversely impacted by a 'no deal' Brexit. It is the view of the Directors that, despite the uncertainty, the Group has sufficient capital to withstand a negative impact. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

Internal control

The Board is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. The Board maintains sound risk management and internal control systems. The Board has reviewed the Company's risk management and control systems and believes that the controls are satisfactory given the nature and size of the Company and its subsidiaries.

Financial Risk Profile

The Company's and Group's financial instruments comprise mainly of cash and cash equivalents, and various items such as payables and receivables that arise directly from the Group's operations. Details of the risks relevant to the Group are included in the notes to the financial statements.

Management Report

For the purposes of compliance with DTR 4.1.5R(2), DTR 4.1.8R and DTR4.1.11R, the required content of the “Management Report” can be found in this Report of Directors.

Principal Risk and Uncertainties

The main risks and uncertainties identified by the Group are as follows:

The Group operates in a highly competitive market

The Group operates in a highly competitive industry and may not be able to maintain or increase its current advertising and sales revenues or market share. The Group competes for advertising revenue with other outdoor advertising operators, as well as with other media, such as radio, newspapers, magazines, television, direct mail, mobile devices and internet-based services. Competitive pressures could cause the Group to lose market share, require it to lower prices, increase marketing expenditures and increase the use of discounting or promotional campaigns, and restrict its ability to increase prices. These or other developments could materially and adversely affect the Group's sales volumes and margins and result in a decrease in its operating results, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is heavily reliant on its relationships with media agencies

The Group is heavily reliant on its relationships with four main media specialist buyers to sell the out-of-home advertising space which it owns and/or manages. Accordingly, the loss of these relationships, a significant change in the terms of these relationships, or any of these agencies encountering financial difficulties could have a materially adverse effect on the Group's business, financial condition and results of operations.

A loss of sites or a failure to renew relevant site agreements may reduce the Group's revenue

The Group gains access to advertising sites through short, medium and long-term contracts or concessions (being comprised of (i) leases, (ii) licences; and (iii) certain commercial site agreements) with asset owners such as local municipalities and commercial landlords. There is no guarantee that such site agreements, including those relating to the Group's iconic sites, will be renewed at all or renewed on terms which are favourable to the Group. If sufficient numbers of site agreements are cancelled, not renewed or sufficient numbers of sites become impaired, it could have an adverse effect on the Group's business, financial condition and results of operations.

The Group's sites and other technology systems and operations could be exposed to damage or interruption

The Group's sites and other technology systems and operations could be exposed to damage or interruption from system failures, computer viruses, cyber-attacks, power or telecommunication providers' failure, fire, natural disasters, terrorist acts, war, or human error. Any interruptions would impact the Group's ability to operate and could result in business interruption, the loss of customers and revenue, damaged reputation and weakening of competitive position and could have a material adverse effect on the Group's business, financial condition and results of operations. There is a risk that, if a cyber-attack is successful, any data security breaches or the Group's inadvertent failure to protect confidential information could result in a loss of information integrity. Breaches of the Group's obligations under applicable laws or client agreements and system outages may potentially have a material adverse impact on the Group's reputation and financial performance.

Changes in technology may impact consumer and advertiser behaviour

The advertising industry will continue to be affected by changes in technology, with these changes likely leading to increasing media options for consumers. If these changes drive advertising away from DOOH advertising, this could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's operations are currently based primarily in the UK and are therefore vulnerable to any adverse developments to the UK economic and market conditions and to the UK legal and regulatory environment

The Group's operations are based primarily in the UK and the business of the Group is therefore exposed to the prevailing economic and market conditions, as well as the legal and regulatory environment, in the UK. Periods of a slowing economy or recession, or periods of economic uncertainty, may be accompanied by a decrease in advertising which would reduce the Group's advertising revenues and have an adverse effect on the Group's revenue, profit margins, cash flow and liquidity. In addition, there has been an increase in political uncertainty as a result of the UK vote in favour of exiting the EU. It is not clear what the impact on the Group (including its business, employees, operations and assets) will be when, the UK leaves the EU, but any such change may have a material adverse effect on the business, financial condition and results of operations of the Group.

Directors' Responsibilities

The directors are responsible for preparing the Directors' report and the financial statements for the Group. The Directors have prepared the financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that year.

The Directors have chosen to use the international financial reporting standards ("IFRS") as adopted by the European union in preparing the Group's financial statements.

international Accounting Standard 1 requires financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRS. A fair presentation also requires the Directors to:

- consistently select and apply appropriate accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- state that the group has complied with IFRS, subject to any material departures disclosed and explained in the financial statements.

The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Stock Exchange. The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of financial statements. Financial information is published on the company's website, www.oceanoutdoor.com. The maintenance and integrity of this website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may occur to the financial statements after they are initially presented on the website, www.oceanoutdoor.com. Legislation in the BVI governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Responsibilities Pursuant to UK Disclosure Guidance and Transparency Regulations

The directors confirm to the best of their knowledge:

- The group financial statements have been prepared in accordance with IFRS adopted by the European union and article 4 of the IAS regulation and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group.
- The annual report includes a fair review of the development and performance of the business and the financial position of the group and the parent company, together with a description of the principal risks and uncertain-ties that they face.

Disclosure of information to Auditors

Each of the persons who is a Director at the date of approval of this Report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

- each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' indemnities

As at the date of this Report, indemnities granted by the Company to the Directors are in force to the extent permitted under BVI law. The Company also maintains Directors' and Officers' liability insurance, the level of which is reviewed annually.

Subsequent events

On 10 January 2019, the Company's ordinary shares were re-admitted to the Standard Listing segment of the Official List of the UK Listing Authority, and trading in its shares recommenced on the London Stock Exchange's Main Market (LSE: OOUT).

In accordance with the London Stock Exchange Admission and Disclosure Standards, the Company announced, pursuant to its articles of association, a tranche of 87,500 founder preferred shares were automatically re-designated as ordinary shares on a one for one basis. This re-designation became effective on 15 January 2019 and admission of the ordinary shares occurred on 22 January 2019.

On 12 March 2019, the Group announced the acquisition of Interbest and Ngage Media, two leading digital out-of-home companies operating across the Netherlands, for a combined cash consideration of approximately £45m using a rate of 0.88:1 EUR:GBP, and a performance-linked earn-out if growth performance targets are met over time. The transactions value Interbest and Ngage, combined, at a 31 December 2018 LTM multiple of 6.9x adjusted EBITDA, before any benefit for synergies. The business combination accounting had not been finalised by the authorisation date of these financial statements.

By order of the Board

Tom Goddard
Chairman
18 March 2019

Corporate Governance Statement

Ocean is committed to maintaining the highest standards of business conduct and ethics, as well as full compliance with all applicable laws, rules and regulations, corporate reporting and disclosure, and all other matters deemed to protect the best interests of the company's shareholders.

At the date of this report, the Company complies with the corporate governance regime applicable to the Company pursuant to the laws of the British Virgin Islands.

In addition, the Company strives for compliance with the U.K. Corporate Governance Code to the greatest extent possible to facilitate effective and prudent management that can contribute to the long-term success of the Company. The Company is not currently compliant with the U.K. Corporate Governance Code and is aware of the following non-compliance issue:

- The U.K. Corporate Governance Code recommends that the chairman should be independent on appointment. As Tom Goddard was previously an employee of Ocean, holding the position as chairman of Ocean, the Company does not comply with this recommendation of the Governance Code. The Board unanimously believes this is in the best interests of the Company and its Shareholders, with Tom Goddard ensuring stability and continuity with clients and strategic and commercial partners. Tom Goddard brings continuity at a time of change and the Company will retain his experience and expertise, which make him particularly well-qualified to act as the Company's Non-Executive Chairman.

Strategic decisions

The Directors are responsible for carrying out the Company's objectives, implementing its business strategy and conducting its overall supervision. Acquisition, divestment and other strategic decisions are considered and determined by the Board. The Board provides leadership within a framework of prudent and effective controls. The Board has established the corporate governance values of the Company and has overall responsibility for setting the Company's strategic aims, defining the business plan and strategy and managing the financial and operational resources of the Company

Through the publication of regular announcements, corporate presentations posted to the company website, and face to face meetings, the board has sought to communicate its strategy, objectives and performance to all shareholders on a timely basis. When shareholders raise concerns with the board over the Group's strategy, objectives or performance, the Board endeavours to actively engage with the shareholders in dialogue.

Board process

The full Board meets formally at regular intervals throughout the year and at such other times as may be necessary to address any significant matters that may arise. The Board communicates regularly between these meetings. On a regular basis the Board is provided with appropriate and timely information relating to all aspects of the Group. In addition, the Directors are free to seek any further information or request specific presentation on matters that they consider necessary in order to discharge their duties effectively. The collective responsibility of the Board ensures that all Directors are involved in the process of arriving at significant decisions.

Nomination Committee

The Nomination Committee is responsible for considering and making recommendations to the Board in respect of appointments to the Board. In carrying out its duties, the Nomination Committee is primarily responsible for identifying and nominating candidates to fill Board vacancies; evaluating the structure and composition of the Board with regard to the balance of skills, knowledge and experience and making recommendations accordingly; giving full consideration to succession planning; and reviewing the leadership of the Group.

Audit and Risk Committee

The Audit and Risk Committee assists the Board in discharging its responsibilities with regard to financial reporting, external and internal controls, including reviewing and monitoring the integrity of the Group's annual and interim financial statements, reviewing and monitoring the extent of the non-audit work undertaken by the Group's external auditors, advising on the appointment of such external auditors, overseeing the Group's relationship with its external auditors, reviewing the effectiveness of the external audit process, and reviewing the effectiveness of the Group's internal control and review function.

The Audit and Risk Committee gives due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the Listing Rules. The Audit and Risk Committee also has responsibility for, among other things, oversight of the Group's risk appetite, risk monitoring and capital management, reviewing the manner in which the members of the Group implement and monitor the adequacy of the Group's risk management framework and ensuring that the Group maintains appropriate levels of capital, as well as advising the Board on its overall risk appetite. The Audit and Risk Committee also reviews the adequacy of security measures, anti-money laundering systems, anti-bribery controls and procedures in place for detecting fraud.

Remuneration Committee

The Remuneration Committee has responsibility for determination of specific remuneration and benefits packages for each of the executive directors and certain senior management of the Group, including pension rights and any compensation payments, and recommending and monitoring the level and structure of remuneration for senior management and the implementation of share options, share incentive plans or other performance related schemes.

Independence of the Board

Tom Goddard, Tim Bleakley, Aryeh B. Bourkoff and Andrew Barron are not considered to be Independent Directors.

The Board considers the Independent Non-Executive Directors to be independent in character and judgment and free from relationships or circumstances which are likely to affect or could appear to affect, their judgment. In addition, when determining the independence of the Independent Non-Executive Directors, the Board had regard to their Letters of Appointment and Initial Option Deeds and, in the case of Mr Marcus, his prior role as Chairman of the Company and his holding of 119,000 Ordinary Shares. The Board believes that the aforementioned factors are not sufficient to have an impact on their independence.

Ethical standards

All Directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group.

External auditors

The Board and the Audit Committee review the performance of the external auditors on an annual basis and normally meet with them during the year to:

- Discuss the external audit plans, identifying any significant changes in structure, operations, internal controls or accounting policies likely to impact on the financial statements and to review the fees proposed for the audit work to be performed.

- Review the periodic reports prior to lodgement and release, and any significant adjustments required as a result of the auditor's findings, and to recommend board approval of these documents, prior to announcement of results.

- Review the results and findings of the auditor, the adequacy of accounting and financial controls, and to monitor the implementation of any recommendations made.

- Review the draft financial report and recommend board approval of the financial report.

- As required, to organise, review and report on any special reviews or investigations deemed necessary by the board.

The Board and Audit Committee specifically assess the independence of the Group's external auditors and in doing so consider the level and nature of non-audit services provided and associated fees, the auditor's rotation arrangements for key audit personnel and areas of potential conflicts of interest.

Communication with shareholders and continuous disclosure

The directors attach importance to the provision of clear and timely information to shareholders and the broader investment community. Information about the company is available on its website (www.oceanoutdoor.com)

Financial reporting – the Company reports to shareholders half-yearly and annually, as required by the LSE rules. The Chairman states to the Board that the company's financial reports present a true and fair view in all material respects of the company's financial condition and operational results and are in accordance with relevant accounting standards.

Equal access policy – the Company has a policy, based on existing policies and practices as a company quoted on the LSE market, that all shareholders and investors have equal access to the company's information, and has procedures to ensure that all price sensitive information will be disclosed to the LSE in accordance with the continuous disclosure requirements of the LSE rules. these procedures include:

- A comprehensive process to identify matters that may have a material effect on the price of the company's shares, notifying them to the LSE, posting them on the company's website, and issuing media releases.
- All information provided to the LSE, and related information (including information provided to analysts and the media), being immediately posted to the company's website www.oceanoutdoor.com/investors/
- The Annual Report is made available to all shareholders. The Board ensures that the annual report includes relevant information about the operations of the Group during the year, changes in the state of affairs of the Group and details of future developments, as well as all required disclosures.

News releases are issued throughout the year and the company maintains a website (www.oceanoutdoor.com/investors/) on which press releases, corporate presentations and the annual report and financial statements are available to view together with the half-yearly financial statements. Enquiries from individual shareholders on matters relating to the business of the company are welcomed. Shareholders and other interested parties can subscribe to receive notification of news updates and other documents from the company via email. In addition, the Executive Directors meet with major shareholders to discuss the progress of the company and provide periodic feedback to the board following meetings with shareholders.

Independent auditor's report to the members of Ocean Outdoor Ltd

Opinion

We have audited the financial statements of Ocean Outdoor Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:
- the financial statements give a true and fair view of the state of the group's affairs as at 31 December 2018 and of the group's profit for the year then ended; and
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union.

Basis for opinion

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with International Standards on Auditing (UK) (ISAs UK). Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

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

Matter	***How we addressed the matter in our audit***
Revenue recognition- Cut-off As detailed in note 2.12, Management make certain judgements in relation to revenue recognition for the treatment of contractual arrangements entered into by trading entities in the group. These include determining Ocean Outdoor's performance obligations in its contracts with customers and whether as at the reporting date, the group has completed its performance obligations. Where these are met, revenues are recognized over time as the customer is assessed to simultaneously receive and consume the economic benefits of the service provided under the contract by the Group's performance. Alternatively, where Ocean Outdoor has not completed its performance obligations prior to the reporting date, revenues are not recognised. Revenue should only be recognised at the time the group delivers advertising services on the sites which have been subject to order bookings over the specific periods ordered by customers. Advertising revenues are invoiced normally in 2-week block periods. This results in a cut off risk at the reporting date in relation to the existence of revenue recognised and completeness of deferred revenue.	We assessed whether the revenue recognition policies adopted by the Group comply with accounting standards. We reviewed a sample of contracts to assess whether: - the revenue had been recognised in accordance with the Group's accounting policy and accounting standards; - appropriate cut off was observed with Ocean Outdoor having completed its performance obligations as stated in the customer contracts prior to the reporting date and if not completed appropriate revenue was deferred; and - any other terms within the contract had any material accounting or disclosure implications We also tested a sample of deferred income balances for completeness and accuracy by checking the calculations of deferred income and agreeing key inputs (contract billing period, number of days deferred at report date and sales prices net of VAT) to supporting documentation.

Acquisition accounting As detailed in note 11 to the financial statements, the Group acquired SCP Acquisition TopCo Group and Forrest Media (Holdings) Limited Group during the year. Consequently, management had to exercise judgement in considering the fair value of the assets and liabilities acquired. Management recognised on acquisition separately identifiable intangible assets in respect of brand and acquired rights over advertising sites, exercising judgment in estimating their fair value. The judgements and estimates in this area, as detailed in note 2.10, include: • underlying cash flow projections, • discount rates applied, and • long term growth rates. There is a risk that this estimate may be materially misstated.	We challenged the methodology and assumptions underpinning the significant judgements and estimates made by management in the assessment of the fair value of the separately identifiable intangible assets acquired by comparison to industry data and our knowledge of the business. In addition, with the assistance of our valuations specialists, we reviewed the methodology deployed. We also considered the completeness of the separately identifiable intangible assets with reference to our understanding of the business and the key reasons for executing the transaction from the acquirer's perspective.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Level of materiality applied and rationale
We consider revenue to be the critical performance measure for the Group. Using this benchmark, we set materiality at £500,000 which represents 1% of revenues.

Performance materiality
The application of materiality at the individual account or balance level is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessment together with the Group's overall control environment, our judgement was that overall performance materiality for the Group should be 70%. As such, performance financial statement materiality was set at £350,000.

Component materiality
We set materiality for each component of the Group based on a percentage of materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £120,000 to £350,000.

Reporting Threshold
We agreed with the Audit Committee that we would report to them all audit differences individually in excess of £15,000. We also agreed to report audit differences below those thresholds that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. The group has 4 significant components which represented the main trading entities in the group, being Ocean Outdoor UK Limited, Signature Outdoor Limited, Mediaco Outdoor Limited, and Forrest Outdoor Media Limited.

Ocean Outdoor Limited (the Company) and the significant components were subject to full scope audits which were performed by BDO LLP. As a result of this approach, all of the Group's Revenue (100%), Total Assets (100%) and Adjusted profit before tax (100%) were subject to audit.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and consolidated financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Nicole Martin (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
18 March 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Ocean Outdoor Limited

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2018

	Note	2018 £'000	Period 20 Jan 2017 to 31 Dec 2017 £'000
Billings		***70,288***	-
Revenue	4	**49,795**	**-**
Cost of sales		**(29,355)**	-
Gross profit		**20,440**	**-**
Administrative expenses		**(15,165)**	(25,954)
Profit / (Loss) from operations	5,6	**5,275**	(25,954)
Other income		**-**	5
Finance expense	7	**(4)**	-
Finance income	7	**1,658**	2,104
Non-cash charge related to warrant redemption liability		**-**	(301)
Profit / (Loss) before tax		**6,929**	(24,146)
Tax expense	8	**(306)**	-
Profit / (Loss) from continuing operations		**6,623**	(24,146)
Total comprehensive income / (loss)		**6,623**	(24,146)

The notes on pages 23 to 51 form an integral part of these financial statements.

Ocean Outdoor Limited

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2018 (Continued)

	Note	2018 £'000	Period 20 Jan 2017 to 31 Dec 2017 £'000
Profit / (loss) for the year attributable to:			
Shareholders of the parent		**6,623**	(24,146)
Total comprehensive income / (loss) attributable to:			
Shareholders of the parent		**6,623**	(24,146)
Earnings / (loss) per share			
Basic earnings / (loss) per share (pence)	17	**13.0p**	(66.8p)
Diluted earnings / (loss) per share (pence)	17	**13.0p**	(66.8p)

The notes on pages 23 to 51 form an integral part of these financial statements.

Ocean Outdoor Limited

Consolidated statement of financial position
As at 31 December 2018

	Note	2018 £'000	2017 £'000
Assets			
Non-current assets			
Property, plant and equipment	9	**31,971**	-
Intangible assets	10	**230,024**	-
		261,995	-
Current assets			
Trade and other receivables	13	**36,718**	58
Cash and cash equivalents		**160,503**	294,576
		197,221	294,634
Total assets		**459,216**	294,634
Liabilities			
Current liabilities			
Trade and other payables	14	**44,729**	88
Tax payable		**3,278**	-
		48,007	88
Non-current liabilities			
Warrant redemption liability		**-**	301
Deferred tax liability	15	**23,579**	-
Total liabilities		**71,586**	389
NET ASSETS		**387,630**	294,245
Equity			
Founder Preferred Share Capital	16	**5,213**	5,213
Ordinary Share Capital	16	**-**	-
Share Premium	16	**375,594**	288,906
Retained earnings		**6,823**	126
TOTAL EQUITY		**387,630**	294,245

The financial statements were approved by the Board of Directors and authorised for issue on 18 March 2019.

T Bleakley
Director

The notes on pages 23 to 51 form an integral part of these financial statements

Ocean Outdoor Limited

Consolidated statement of changes in equity
For the year ended 31 December 2018

Group	Share capital £'000	Founder preferred shares £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
20 January 2017	-	-	-	-	-
Comprehensive income for the period					
Loss for the period	-	-	-	(24,146)	(24,146)
Total comprehensive Income for the period	-	-	-	(24,146)	(24,146)
Contributions by and distributions to owners					
Issue of share capital	-	5,213	288,906	24,188	318,307
Share based compensation – Director's share options charge	-	-	-	84	84
31 December 2017	-	5,213	288,906	126	294,245
1 January 2018	-	5,213	288,906	126	294,245
Comprehensive income for the year					
Profit for the year	-	-	-	6,623	6,623
Total comprehensive Income for the year	-	-	-	6,623	6,623
Contributions by and distributions to owners					
Issue of share capital	-	-	86,688	-	86,688
Share based compensation – Director's share options charge	-	-	-	74	74
31 December 2018	**-**	**5,213**	**375,594**	**6,823**	**387,630**

The notes on pages 23 to 51 form an integral part of these financial statements.

Ocean Outdoor Limited

Consolidated statement of cash flows
For the year ended 31 December 2018

	Note	2018 £'000	Period 20 Jan 2017 to 31 Dec 2017 £'000
Cash flows from operating activities			
Profit / (Loss) for the year		**6,623**	(24,146)
Adjustments for:			
Depreciation of property, plant and equipment	9	**3,195**	-
Amortisation of intangible fixed assets	10	**10,087**	-
Charge related to Founder preferred share		**-**	24,187
Charge related to warrant redemption		**-**	301
Charge related to Director options		**74**	84
Finance income		**(1,658)**	-
Finance expense		**6**	-
Acquisition costs paid		**(5,839)**	-
		12,488	426
Increase in trade and other receivables		**(574)**	(58)
Increase in trade and other payables		**5,732**	89
Decrease in provisions		**301**	-
Cash generated from operations		**17,947**	457
Income taxes paid		**(1,010)**	-
Net cash flows from operating activities		**16,937**	457
Investing activities			
Acquisition of subsidiaries, net of cash acquired	12	**(228,945)**	-
Purchases of property, plant and equipment	9	**(10,405)**	-
Interest received		**1,658**	-
Net cash used in investing activities		**(237,692)**	-
Financing activities			
Issue of Founder Preferred shares		**-**	5,213
Issue of Ordinary shares and warrants	16	**86,688**	296,383
Share issues costs		**-**	(7,477)
Interest paid on loans and borrowings		**(6)**	-
Net cash from financing activities		**86,682**	294,119
Net (decrease) / increase in cash and cash equivalents		**(134,073)**	294,576
Cash and cash equivalents at beginning of year		**294,576**	-
Cash and cash equivalents at end of year		**160,503**	294,576

The notes on pages 23 to 51 form an integral part of these financial statements.

1. General information

The Company was incorporated with limited liability under the laws of the British Virgin Islands under the BVI Companies Act on 20 January 2017. The address of the Company's registered office is Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands. The Ordinary Shares and Warrants were admitted for trading on the Main Market of the London Stock Exchange on 13 March 2017, after raising gross proceeds of US$425,250,000 for a potential acquisition (an Acquisition).

2. Principal accounting policies

The principal accounting policies applied in these financial statements are set out below.

2.1 Basis of preparation

These financial statements are prepared under the historical cost convention and are in accordance with International Financial Reporting Standards as and its interpretations as issued by the European Union ("EU") and those parts of the BVI Business Companies Act applicable under IFRS.

The financial statements are presented in GBP, which is also the functional currency of each entity within the Group. The Company changed its presentational and functional currency from USD to GBP on 28 March 2018. The Company's financial statements for the year ended 31 December 2017 were presented in USD. For comparative purposes, the reported figures have been translated at an exchange rate of 1.41, the spot rate on the date of acquisition, and the point at which the presentational and functional currency changed to GBP.

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

The financial statements are prepared on the historical cost basis with the exception of certain financial instruments which are stated at fair value.

Accounting policies have been consistently applied throughout the periods presented.

This is the first set of the Group's financial statements where IFRS 15 and IFRS 9 have been applied. As required by IAS 8, the nature and effect of these changes and significant changes in accounting policies have been disclosed in note 2.11. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Non-GAAP performance measures

Billings represent the advertising spend by the advertiser, including fees directly payable by the advertiser to their advertising agency, exclusive of sales tax.

Billings is the standard metric used by the out of home advertising industry body "Outsmart" to measure the market size and industry trends. Management consider Billings to be an important metric to assess the performance of the underlying business against industry trends and therefore presents Billings as a Non-GAAP performance measure. Billings is presented for the benefit for users of the accounts but is not a substitute for other standard GAAP measures presented.

2.2 Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future given the cash funds available and the current forecast cash flows. Thus, the Company continues to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Foreign currency translation

Functional and presentation currency
The Company is listed on the main market of the London Stock Exchange. The performance of the Company is measured and reported to the shareholders in GBP, which is the Company's functional currency. The Directors consider GBP as the currency of the primary economic environment in which the Company operates and the one that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the balance sheet date.

2.4 Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the business model and cash flow type under which the assets are held. The Group has not classified any of its financial assets as fair value through other comprehensive income. The Group's accounting policy for each category is as follows:

Amortised cost

These assets are non-derivative financial assets held under the 'hold to collect' business model and attracting cash flows that are solely payments of principal and interest. They comprise trade and other receivables and cash and cash equivalents. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade and other receivables are calculated using an expected credit loss model. Under this model, impairment provisions are recognised to reflect expected credit losses based on a combination of historic and forward-looking information, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net; such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with maturities of three months or less.

2.5 Financial liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Group's accounting policy for each category is as follows:

Other financial liabilities

Other financial liabilities include the following items:

- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method

2.6 Share-based payments

The Founder Preferred Shares (and attached warrants) and director options represent equity-settled share-based arrangements under which the Company receives services as a consideration for the additional rights attached to these equity shares, over and above their nominal price. The fair value of the grant of Founder Preferred Shares (and attached warrants) in excess of any purchase price received is recognised as an expense. In addition, the Company has granted options to the non-executive directors. The management team have been incentivised via the issue of hurdle shares which aligns the long-term interest of the company to deliver shareholder wealth. The fair value of the Founder Preferred Shares (and attached warrants), the options and the hurdle shares is determined using a valuation model.

2.7 Fair Value of Warrants

Warrants not subject to IFRS2 are valued at redemption value of $0.01 as financial instruments. The Warrants are compound financial instruments with a liability recognised and the remainder in equity.

The total amount to be expensed as a respective share-based payment charge is determined by reference to the fair value of the awards granted:

- including any market performance condition;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions. Non-market performance and service conditions are included in assumptions about the number of awards that are expected to vest.

The total expense is recognised in the income statements with a corresponding credit to equity over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. The Company does not begin to recognise expense associated with share-based awards with performance conditions until it is probable that the performance condition will be achieved.

2.8 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors as it is the body that makes strategic decisions. The Board are of the opinion that there was only a single operational segment for FY17 being the investment in US Treasury Bills. As a result, no segment information has been provided for FY17 as the Company only accumulates its funds raised for investment in US Treasury Bills.

For FY18, the Board has elected to aggregate the segmental results of Ocean Outdoor Limited Group (excluding Forrest Media Outdoor) and Forrest Media Outdoor on the basis both businesses provide similar DOOH services in the UK market. Accordingly, the group has been treated as one operational segment for FY18 and the results of the group presented in the financial statements should not be disaggregated further.

2.9 Share capital

Founder Preferred Shares, Ordinary Shares, and Warrants are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

2.10 Critical accounting judgements and key sources of estimation uncertainty

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates and assumptions

- Impairment of goodwill and other intangible assets – Estimation of future cash flows and determination of discount rates (see note 11).
- Depreciation of property, plant and equipment – Estimation of useful lives and residual values (see note 2.20).
- The Group used certain estimates and assumptions in determining the fair value of the intangible assets in respect of brand and acquired rights over advertising sites for the acquisitions made in the year. The estimates and assumptions include underlying cash flow projections, discount rates applied and long term growth rates.

2.11 New accounting standards and interpretations

This is the first set of consolidated financial statements prepared by the Company following the acquisition of SCP Acquisition Topco Limited. The Company applied all applicable standards and applicable interpretations published by the EU for the year ended 31 December 2018

a) *New standards, interpretations and amendments effective from 1 January 2018 that the Group adopted in the year*

The Group has adopted IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers* during the year. The adoption of these new standards has had no impact the opening equity and total comprehensive income previously presented in FY17 in the prior year's financial statements. The Group has not applied any transitional reliefs in its first time adoption of IFRS 9 or IFRS 15.

b) *New standards, interpretations and amendments not yet effective*

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective in future accounting periods that the Group is not adopting early. The most significant of these is IFRS 16 Leases, which is mandatorily effective for periods beginning on or after 1 January 2019.

Adoption of IFRS 16 will result in the Group recognising right-of-use assets and lease liabilities for all contracts that are, or contain, a lease. For leases currently classified as operating leases, under current accounting requirements the Group does not recognise related assets or liabilities, and instead spreads the lease payments on a straight-line basis, disclosing in its annual financial statements the total commitment in note 19.

The Group will be required to apply IFRS 16, as endorsed by the EU, from 1 January 2019 and is in the process of gathering data to estimate the impact on the reported income and net assets. Upon transition to IFRS 16, the Group will be adopting the modified retrospective approach and therefore will recognise leases on balance sheet as at 1 January 2019, measuring the right-of-use assets at the carrying value of the right of use asset depreciated on a straight-line basis over the life of the lease from the lease inception date. This will result in an estimated right of use asset of £84m with a lease liability of approximately £96m on existing leases. Instead of recognising an operating expense for its operating lease payments, the Group will recognise interest on its lease liabilities and amortisation on its right-of-use assets. This will increase reported EBITDA, based on its current lease profile, by an estimated £16m. This amount will depend on the extent to which the Group decides to take advantage of the exemptions available under IFRS 16 for low value assets and short-term leases. The first set of interims prepared under IFRS 16 will be the results presented for the 6-month period ended 30 June 2019.

2.12 Revenue

Substantially all of the Group’s contracts with customers contain a single performance obligation, being the rental of advertising space, and are subject to fixed prices, so removing the judgement that would otherwise be required in determining the transaction price and allocating it across multiple performance obligations. Revenue is recognised on an over time basis. This is because the customer simultaneously receives and consumes the economic benefits provided under the contract by the Group’s performance.

Amounts invoiced in advance of the performance of the advertising rental services are recognised as performance obligations and released to revenue as the group performs the advertising services under the contract.

Revenue represents the amounts (excluding the value added tax) derived from the provision of services to customers during the 52-week period ended 30 December 2018 (2017: 52-week period ended 31 December 2017) net of commissions and discounts. Revenue is recognised on a 52-week period to reflect the period of customer bookings, normally in 2-week blocks. The difference on this basis to recognition of turnover for a full year is immaterial.

2.13 Basis of consolidation

Where Ocean Outdoor Limited (“the Company”) has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The Consolidated Financial Statements presents the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The Consolidated Financial Statements incorporates the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are derecognised from the date on which control ceases.

2.14 Goodwill

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Direct costs of acquisition are recognised immediately as an expense.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date.

2.15 Other intangible assets

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques.

The Group has recognised acquired rights over advertising sites on business combinations as intangible assets. These are amortised over the contractual life of the advertising sites on a straight-line basis, which are typically 10 to 15 years.

The Group has recognised intangible asset in relation to the Ocean brand acquired as part of the business combination. This is amortised over 10 years on a straight-line basis.

2.16 Impairment of non-financial assets (excluding deferred tax assets)

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an individual asset or cash generating units ('CGU') exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed

2.17 Defined contribution schemes

Contributions to defined contribution pension schemes are charged to the consolidated statement of comprehensive income in the year to which they relate.

2.18 Leased assets

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Group (an "operating lease"), the total rentals payable under the lease are charged to the consolidated statement of comprehensive income on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

2.19 Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- The initial recognition of goodwill
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and
- Investments in subsidiaries where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

2.20 Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs.

Depreciation is provided on all items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Site assets

Site build costs	-	Over the length of the lease
Digital signage	-	10 years
Light boxes	-	10 years

Assets under the course of construction are only depreciated once complete.

Equipment

Fixtures and fittings	-	4 years straight line
Computer equipment	-	2 years straight line
Motor vehicles	-	4 years straight line

3. Financial instruments - Risk Management

The Group is exposed through its operations to the following financial risks:

- Credit risk; and
- Liquidity risk.

The Group's operations do not expose it to material foreign currency risk.

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(i) Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables

(ii) Financial instruments by category

Financial assets

	Amortised cost	
	2018 **£'000**	**2017** **£'000**
Cash and cash equivalents	160,503	294,576
Trade receivables	36,718	-
Total financial assets	197,221	294,576

Financial liabilities

	Amortised cost	
	2018 **£'000**	**2017** **£'000**
Trade and other payables	9,170	88
Total financial liabilities	9,170	88

(iii) Financial instruments not measured at fair value

Financial instruments not measured at fair value include certain cash and cash equivalents, trade and other receivables and trade and other payables.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables approximates their fair value.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The Board receives monthly reports from the Group Financial Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted. In respect of the year and period ends presented, £18.2m (2017: £nil) was held on current account with HSBC Bank plc and £142.3m (2017: £294.6m) was held in treasury bills with Barclays Bank plc.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 90 days.

The Board receives rolling 12-month cash flow projections on a monthly basis as well as information regarding cash balances. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

At 31 December 2017	Total £'000	Up to 3 months £'000	Between 3 and 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
Cash and cash equivalents	**294,576**	294,576	-	-	-	-
Trade and other payables	**88**	88	-	-	-	-

At 31 December 2018	Total £'000	Up to 3 months £'000	Between 3 and 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
Cash and cash equivalents	**160,503**	160,503	-	-	-	-
Trade receivables	**32,970**	32,970	-	-	-	-
Trade and other payables	**9,170**	6,855	764	1,280	271	-

Capital Disclosures

The Group's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

4. Revenue

All revenue is recognised on an over time basis from services provided in the UK and to UK based customers.

Analysis of revenue by service type:

	For the year ended 31 Dec 2018 £'000	Period 20 Jan 2017 to 31 Dec 2017 £'000
Rental of advertising space	49,795	-

5. Expenses by nature

	For the year ended 31 Dec 2018 £'000	Period 20 Jan 2017 to 31 Dec 2017 £'000
Employee benefit expenses (note 6)	4,614	18,068
Depreciation of property, plant and equipment (note 9)	3,195	-
Amortisation of intangible assets (note 10)	10,087	-
Operating site lease expense	10,853	-
Site profit share, rates, utilities and maintenance	13,660	-
Profit on disposal of property, plant and equipment	1	-
Acquisition and relisting fees	5,607	-
Auditor remuneration – audit fees		
Ocean Outdoor Limited company audit	-	21
Ocean Outdoor Limited Group audit	220	-
Auditor remuneration – other non-audit services	95	143

6. Employee benefit expenses

	For the year ended 31 Dec 2018 £'000	Period 20 Jan 2017 to 31 Dec 2017 £'000
Wages and salaries	4,001	145
Social security contributions and similar taxes	479	-
Founder Preferred Shares issue	-	17,923
Management incentive scheme	68	-
Defined contribution pension cost	66	-
	4,614	18,068

During the prior year 700,000 founder preferred shares were issued to founder shareholders. The shares may be converted into ordinary shares based on a conversion rate of 1 ordinary share for 1 founder preferred share at a future time at an exercise price of USD 10.50 per share. The issue of the shares was treated for accounting purposes as an equity settled share-based payment. The fair value of the shares of £24,187k was recognised as an expense in full at the grant dates as the shares had no vesting conditions.

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the directors.

	For the year ended 31 Dec 2018 £'000	Period 20 Jan 2017 to 31 Dec 2017 £'000
Wages and salaries	1,234	145
Benefits in kind	35	-
Management incentive scheme (hurdle shares)	68	-
Founder Preferred Shares issue	-	24,187
Defined contribution pension cost	21	-
	1,358	24,332

7. Finance expense and finance income

	For the year ended 31 Dec 2018 £'000	Period 20 Jan 2017 to 31 Dec 2017 £'000
Finance expense		
Interest payable	4	-
Finance income		
Interest receivable and cash and cash equivalents	1,658	2,104

8. Tax

	For the year ended 31 Dec 2018 £'000	Period 20 Jan 2017 to 31 Dec 2017 £'000
Current tax expense		
Current tax charge for the year	2,002	-
Adjustments in respect of prior periods	(2)	-
Total current tax	2,000	-
Deferred tax expense		
Deferred tax credit for the year (see note 15)	(1,694)	-
Total deferred tax	(1,694)	-
Total tax expense	306	-

The group's trading subsidiaries all operated in the UK in FY18. The group pays UK corporation tax on profits from its UK businesses. In FY17, the Company had no subsidiaries. As a BVI registered company, the rate of income tax which applied to the Company for FY17 was 0%. Accordingly, the Company did not incur a charge or credit for corporation tax. The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to the loss for the year are as follows:

	For the year ended 31 Dec 2018 £'000	**Period 20 Jan 2017 to 31 Dec 2017 £'000**
Profit/(Loss) before tax	6,929	(24,416)
Tax using the Company's domestic tax rate of 19% (2017: 0%)	1,317	-
Expenses not deductible for tax purposes	(1,006)	-
Other permanent differences	(5)	-
Total tax expense	306	-

Expenses not deductible for tax purposes

The key contributor to the expenses not deductible for tax purposes is interest disallowable per the corporate interest restrictions rules.
Changes in tax rates and factors affecting the future tax charge

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. Deferred tax assets and liabilities at 31 December 2018 have been calculated taking into consideration the applicable rates when the temporary differences are expected to reverse.

9. Property, plant and equipment

	Site assets £'000	Equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation				
At 20 January 2017	-	-	-	-
At 31 December 2017	-	-	-	-
At 1 January 2018	-	-	-	-
Acquired through business combinations 28/03/18	19,345	211	-	19,556
Acquired through business combinations 2/06/18	5,116	16	73	5,205
Additions	10,349	56	-	10,405
Disposals	(23)	(72)	(12)	(107)
At 31 December 2018	**34,787**	**211**	**61**	**35,059**

	Site assets £'000	Equipment £'000	Motor vehicles £'000	Total £'000
Accumulated depreciation and impairment				
At 20 January 2017	-	-	-	-
At 31 December 2017	-	-	-	-
At 1 January 2018	-	-	-	-
Charge in the year	3,111	59	25	3,195
Disposals	(23)	(72)	(12)	(107)
At 31 December 2018	**3,088**	**(13)**	**13**	**3,088**

	Site assets £'000	Equipment £'000	Motor vehicles £'000	Total £'000
Net Book Value				
At 31 December 2018	**31,699**	**224**	**48**	**31,971**
At 31 December 2017	-	-	-	-

10. Intangible assets

	Brand	Acquired rights over advertising sites	Goodwill	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 20 January 2017	-	-	-	-
At 31 December 2017	-	-	-	-
At 1 January 2018	-	-	-	-
Acquired through business combinations 28/03/18	6,725	118,188	86,638	211,551
Acquired through business combinations 2/06/18	-	18,527	10,033	28,560
At 31 December 2018	**6,725**	**136,715**	**96,671**	**240,111**

	Brand	Acquired rights over advertising sites	Goodwill	Total
	£'000	£'000	£'000	£'000
Accumulated amortisation and impairment				
At 20 January 2017	-	-	-	-
At 31 December 2017	-	-	-	-
At 1 January 2018	-	-	-	-
Charge in the year	500	9,587	-	10,087
At 31 December 2018	**500**	**9,587**	**-**	**10,087**

	Brand	Acquired rights over advertising sites	Goodwill	Total
	£'000	£'000	£'000	£'000
Net Book Value				
At 31 December 2018	**6,225**	**127,128**	**96,671**	**230,024**
At 31 December 2017	-	-	-	-

11. Goodwill and impairment

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows.

The Company made two acquisitions in the year; that of SCP Acquisition Topco Limited and its subsidiaries and that of Forrest Media (Holdings) Limited and its subsidiaries. For the purpose of impairment testing each acquisition was measured on the basis of its value in use based on financial forecasts covering a five-year period. The key assumptions for the value in use calculation are:

- Discount rates
- Growth rates
- Free cash flow

Post-tax discount rates used in the SCP Acquisition Topco Group impairment review were 13.7% and 13.1% for Forrest Media (Holdings) Group.

A long-term growth rate of 3% was used to extrapolate cash flows beyond the five-year forecast period in calculating a terminal value assuming the sale of the business.

The free cash flows used are based on revenue projections less direct and allocated costs established using management approved budgets and forecasts less working capital movements.

These metrics are based on past performance and expectations of future changes in the market. They have been assessed and consideration given to any reasonable possible changes to these assumptions, including the undertaking of a sensitivity analysis.

The surplus headroom above the carrying value of goodwill at 31 December 2018 was satisfactory.

No instances have been identified that could cause the carrying amount of goodwill to exceed its recoverable amount and therefore no impairment has been recognised.

12. Subsidiaries, investments and business combinations

On 26 February 2018, Ocean Outdoor Limited formed Ocean Jersey Topco Limited (formerly Ocelot Partners Bidco Limited), a wholly owned subsidiary, incorporated in Jersey.

On 28 March 2018 the Ocean Outdoor Limited acquired 100% of the share capital and voting rights of SCP Acquisition Topco Limited and its subsidiaries, through Ocean Jersey Topco Limited. The acquired company and its subsidiaries specialise in the development and sale of Out of Home (OOH) displays in the UK and had an enterprise value of £200m. Acquisition related costs of £4.6m were incurred. The transaction was funded using cash on hand.

On 2 June 2018 the Ocean Group acquired 100% of the share capital and voting rights of Forrest Media (Holdings) Limited and its subsidiaries, registered in Scotland, through Ocean Bidco Limited. The acquired company and its subsidiaries specialise in the development and sale of Out of Home (OOH) displays in Scotland and had an enterprise value of £32m. Acquisition related costs of £1.8m 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	Holding 2018	Holding 2017
Ocean Jersey Topco Limited	Jersey	Holding company	100%	-
SCP Acquisition Topco Limited*	England & Wales	Holding company	100%	-
SCP Acquisition Midco Limited*	England & Wales	Holding company	100%	-
SCP Acquisition Bidco Limited*	England & Wales	Holding company	100%	-
Ocean Topco Limited*	England & Wales	Holding company	100%	-
Ocean Bidco Limited*	England & Wales	Holding company	100%	-
Ocean Outdoor UK Limited*	England & Wales	OOH Media Owner	100%	-
Signature Outdoor Limited*	England & Wales	OOH Media Owner	100%	-
Mediaco Outdoor Limited*	England & Wales	OOH Media Owner	100%	-
Forrest Media (Holdings) Limited*	Scotland	Holding company	100%	-
Forrest Media Limited*	Scotland	Holding company	100%	-
Forrest Outdoor Media Limited*	Scotland	OOH Media Owner	100%	-
Forrest Brands Limited*	Scotland	Dormant subsidiary	68%	-

* The shares held in these entities are held indirectly.

The registered address for the Jersey entity is 3rd Floor, 44 Esplanade, St Helier, Jersey, JE4 9WG.
The registered address for 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

SCP Acquisition Topco Limited & subsidiaries

Fair value of assets at 28 March 2018	**Fair value £'000**
Intangible assets	124,913
Tangible fixed assets	19,557
Debtors	22,368
Cash and cash equivalents	12,185
Creditors due within one year	(34,433)
Deferred tax liability	(21,235)
Net assets acquired	123,355
Purchase consideration paid	
Cash	134,198
Creditor settlement	75,795
Total purchase consideration	209,993
Goodwill arising on acquisition	86,638

Forrest Media (Holdings) Limited & subsidiaries

Fair value of assets at 2 June 2018	**Fair value £'000**
Intangible fixed assets	18,527
Tangible fixed assets	5,205
Debtors	13,718
Cash and cash equivalents	1,307
Creditors due within one year	(2,900)
Deferred tax liability	(3,151)
Net assets acquired	32,706
Purchase consideration paid	
Cash	32,444
Receivable settlement	10,295
Total purchase consideration	42,739
Goodwill arising on acquisition	10,033

In Line with IFRS3, Business Combinations, the above intangibles have been calculated using the information currently available. 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.

SCP Acquisition Topco Limited and its subsidiaries contributed £44.8m in revenue and £10.7m to the total group profit from the date of acquisition. Forrest Media (Holdings) Limited and its subsidiaries contributed £5.0m in revenue and £1.1m profit to the group profit from the date of acquisition.

Had the transactions been undertaken at 1 January 2018, SCP Acquisition Topco Limited and its subsidiaries would have generated revenue of £54.6m and a £734k profit, and Forrest Media (Holdings) Limited and its subsidiaries would have generated revenue of £7.6m and contributed £1.3m to profit.

The unaudited trading results for these entities in isolation and as part of the Group can be found in the appendix beginning on page 52.

Cash flows from acquisition transactions

SCP Acquisition Topco Limited	**2018 £'000**
Enterprise value	200,000
Debt-like, cash-like items and working capital	9,993
Purchase consideration settled in cash	209,993
Direct acquisition costs	4,333
Cash balances acquired	(12,185)
Net cash outflow	202,141

Forrest Media (Holdings) Limited	**2018 £'000**
Purchase consideration settled in cash	32,444
Direct acquisition costs	1,506
Cash balances acquired	(1,307)
Net cash outflow	32,643

13. Trade and other receivables

	2018 £'000	2017 £'000
Trade receivables	32,970	-
Prepayments	3,748	58
Total trade and other receivables - Current	36,718	58

The carrying value of trade and other receivables classified as loans and receivables approximates fair value.

The Group does not hold any collateral as security.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors in the countries where the Group operates.

14. Trade and other payables

	2018 £'000	2017 £'000
Trade payables	8,791	-
Other payables	379	88
Accruals	35,559	-
Total Trade and other payables	44,729	88

The accruals balance contains accruals for site rents, site rates, profit shares and volume rebates, including estimates for such items where necessary.

15. Deferred tax

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. Deferred tax assets and liabilities at 31 December 2018 have been calculated taking into consideration the applicable rates when the temporary differences are expected to reverse.

Details of the deferred tax liability, amounts recognised in profit or loss and amounts recognised in other comprehensive income are as follows:

	Asset £'000	Liability £'000	Charged/ (credited) to profit or loss £'000
At 20 January 2017	-	-	-
At 31 December 2017 and 1 January 2018	-	-	-
Arising on business combinations	-	24,386	-
Reversal of temporary timing differences on business combinations	-	(1,715)	(1,715)
Fixed asset and other differences	-	887	-
Reversal of temporary timing differences on fixed asset and other differences	-	21	21
At 31 December 2018	-	23,579	(1,694)

16. Share capital

The authorised shares of the Company are as follows:

Authorised	**2018 £'000**	**2017 £'000**
Unlimited number of Ordinary Shares	-	-

Founder Preferred Shares, no par value	**2018 Number '000**	**2018 £'000**	**2017 Number '000**	**2017 £'000**
Balance at beginning of period	700	5,213	-	-
Issued during the period	-	-	700	5,213
Balance at end of period	700	5,213	700	5,213

Ordinary Shares, no par value	**2018 Number '000**	**2018 £'000**	**2017 Number '000**	**2017 £'000 £'000**
Balance at beginning of period	41,790	288,906	-	-
Issued during the period	12,131	86,688	41,790	288,906
Balance at end of period	53,921	375,594	41,790	288,906

147,000 Founder Preferred Shares were issued on 20 January 2017 at US$10.50 per share and a further 553,000 issued on 8 March 2017, also at US$10.50 per share. There are no Founder Preferred Shares held in Treasury. Each Founder Preferred Share was issued with a Warrant as described below.

41,790,000 Ordinary Shares were issued on 8 March 2017 (41,765,000 were issued in the IPO at US$10.00 per share and 25,000 were issued to the non-founder directors in conjunction with the IPO). There are no Ordinary Shares held in Treasury. Each Ordinary Share was issued with a Warrant as described below. Issue costs of US$10,543,094 were deducted from the proceeds of issue.

Following the acquisition of SCP Acquisition Topco Limited on 28 March 2018, 12,046,994 ordinary shares were issued. 11,171,150 shares were issued as a result of Warrants issued being exercised, 875,844 shares were issued for cash.

Following the acquisition of Forrest Media (Holdings) Limited on 2 June 2018, 59,850 ordinary shares were issued for cash.

24,000 Ordinary Shares were issued to three Non-Executive Directors for remuneration in the year.

As at 31 December 2018, the Company had in issue 53,920,844 Ordinary Shares and 700,000 Founder Preferred Shares. There are no Ordinary Shares held in Treasury. All Warrants previously issued have expired.

Ordinary Shares
Ordinary Shares confer upon the holders (in accordance with the Articles):

a) Subject to the BVI Companies Act, on a winding-up of the Company the assets of the Company available for distribution shall be distributed, provided there are sufficient assets available, to the holders of Ordinary Shares and Founder Preferred Shares pro rata to the number of such fully paid up shares held by each holder relative to the total number of issued and fully paid up Ordinary Shares as if such fully paid up Founder Preferred Shares had been converted into Ordinary Shares immediately prior to the winding-up;

b) the right, together with the holders of the Founder Preferred Shares, to receive all amounts available for distribution and from time to time to be distributed by way of dividend or otherwise at such time as the Directors shall determine, pro rata to the number of fully paid up shares held by the holder, as if the Ordinary Shares and Founder Preferred Shares constituted one class of share and as if for such purpose the Founder Preferred Shares had been converted into Ordinary Shares immediately prior to such distribution; and

c) the right to receive notice of, attend and vote as a member at any meeting of members except in relation to any Resolution of Members that the Directors, in their absolute discretion (acting in good faith) determine is: (i) necessary or desirable in connection with a merger or consolidation in relation to, in connection with or resulting from the Acquisition (including at any time after the Acquisition has been made); or (ii) to approve matters in relation to, in connection with or resulting from the Acquisition (whether before or after the Acquisition has been made).

Founder Preferred Shares
The Founder Preferred Shares have US$nil par value and carry the same rights, including the right to receive dividends, as Ordinary Shares. At the discretion of the holder, the Founder Preferred Shares can be converted into Ordinary Shares on a one-for-one basis.

The Founder Preferred Shares are structured to provide a dividend based on the future appreciation of market value of the Ordinary Shares, thus aligning the interests of the Founders (as defined in the Prospectus) with Ocean Outdoor Limited (formerly Ocelot Partners Limited) investors on a long-term basis. This dividend payment is calculated as follows: the Founder Preferred Shares are divided into eight equal tranches, pro rata to the number of Founder Preferred Shares held by each holder. On each Enhancement Date, the rights which are comprised in one such tranche (the “Enhanced Tranche”) shall be enhanced by increasing the holders of the Enhanced Tranche’s proportionate entitlement to: (a) any assets of the Company which are distributed to members on a winding up of the Company; and (b) any amounts which are distributed by way of dividend or otherwise if and to the extent necessary to ensure that on such Enhancement Date, the Enhanced Tranche has a market value which is at least equal to the market value of the Relevant Number of Ordinary Shares at such time (which for these purposes shall be determined in accordance with sub-section (1) of section 421 of the United Kingdom Income Tax (Earnings and Pensions) Act 2003. So far as possible, any such enhancement shall be divided between the holders of the Enhanced Tranche pro rata to the number of Founder Preferred Shares which are held by them and comprised in the Enhanced Tranche.

As at each Enhancement Date, the Relevant Number of Ordinary Shares means:

a) a number of Ordinary Shares equal to the aggregate number of Founder Preferred Shares comprised in the Enhanced Tranche (subject to adjustment in accordance with the Articles); plus

b) if the conditions for the Additional Annual Enhancement have been met, such number of Ordinary Shares as is equal to the Additional Annual Enhancement Amount divided by the Additional Annual Enhancement Price (any increase in the calculation of the Relevant Number of Ordinary Shares pursuant to this paragraph (b) being referred to as the “Additional Annual Enhancement”); plus

c) if any dividend or other distribution has been made to the holders of Ordinary Shares in the relevant Enhancement Year, such number of Ordinary Shares as is equal to the Ordinary Share Dividend Enhancement Amount at the Ordinary Share Dividend Payment Price (any increase in the calculation of the Relevant Number of Ordinary Shares pursuant to this paragraph (c) being referred to as the “Ordinary Share Dividend Enhancement”).

The conditions for the Additional Annual Enhancement referred to in paragraph (b) above are as follows:

I. no Additional Annual Enhancement will occur until such time as the Average Price per Ordinary Share for any ten consecutive Trading Days following Admission is at least $11.50;

II. following the first Additional Annual Enhancement, no subsequent Additional Annual Enhancement will occur unless the Additional Annual Enhancement Price for the relevant Enhancement Year is greater than the highest Additional Annual Enhancement Price in any preceding Enhancement Year.

In the first Enhancement Year in which the Additional Annual Enhancement is eligible to occur, the Additional Annual Enhancement Amount will be equal to (i) 20 per cent. of the difference between $10.00 and the Additional Annual Enhancement Price, multiplied by (ii) the number of Ordinary Shares outstanding immediately following the Acquisition including any Ordinary Shares issued pursuant to the exercise of Warrants but excluding any Ordinary Shares issued to shareholders or other beneficial owners of a company or business acquired pursuant to or in connection with the Acquisition (the “Preferred Share Enhancement Equivalent”).

Thereafter, the Additional Annual Enhancement Amount will be equal in value to 20 per cent. of the increase in the Additional Annual Enhancement Price over the highest Additional Annual Enhancement Price in any preceding Enhancement Year multiplied by the Preferred Share Enhancement Equivalent.

For the purposes of determining the Additional Annual Enhancement Amount, the Additional Annual Enhancement Price is the Average Price per Ordinary Share for the last 30 consecutive Trading Days in the relevant Enhancement Year (the “Enhancement Determination Period”).

Warrants

The Company issued 42,490,000 Warrants to the purchasers of both Ordinary Shares and Founder Preferred Shares (including the 25,000 Warrants that were issued to non-founder directors in connection with their appointment). Each Warrant had a term of 3 years following an Acquisition and entitled a Warrant holder to subscribe for one-third of an Ordinary Share upon exercise. Warrants were exercisable in multiples of three for one Ordinary Share at a price of US$11.50 per whole Ordinary Share.

On 28 February 2018, an amendment was made to the Warrant subscription price, reducing the cost from US$11.50 per whole ordinary share, to US$10.00 per whole ordinary share. The subscription period was also reduced, resulting in the Warrants expiring prior to the closing of the Share Acquisition on 28 March 2018. As a result, all Warrants previously issued, not exercised at the acquisition date, have expired.

Hurdle shares

Ocean Jersey Topco Limited, a subsidiary of the Company, issued shares to management which can be converted to shares in Ocean Outdoor Limited under certain circumstances. 6,660,000 of these hurdle shares were issued on 28 March 2018. The hurdle shares will only accrue value when the price of Ordinary Shares has increased by at least 10 per cent on a compound basis over a base price of $10.00 per share, for each financial year since the date that the participants acquired the shares (including the financial year in which the Ocean Transaction was completed). 3,330,000 of these shares vest over a four-year period and 3,330,000 vest over a five-year period.

The hurdle shares do not have a right to receive dividend payments, except in the event of a winding-up of Ocean Jersey Topco Limited, or other unusual circumstances.

The hurdle shares do not carry voting rights.

Securities carrying special rights:

Save as disclosed above in relation to the Founder Preferred Shares, no person holds securities in the Company carrying special rights with regard to control of the Company.

Voting rights:

Holders of Ordinary Shares will have the right to receive notice of and to attend and vote at any meetings of members. Each holder of Ordinary Shares being present in person or by proxy at a meeting will, upon a show of hands, have one vote and upon a poll each such holder of Ordinary Shares present in person or by proxy will have one vote for each Ordinary Share held by him. In the case of joint holders of a share, if two or more persons hold shares jointly each of them may be present in person or by proxy at a meeting of members and may speak as a member, if only one of the joint owners is present he may vote on behalf of all joint owners, and if two or more joint holders are present at a meeting of members, in person or by proxy, they must vote as one.

Restrictions on voting:

No member shall, if the Directors so determine, be entitled in respect of any share held by him to attend or vote (either personally or by proxy) at any meeting of members or separate class meeting of the Company or to exercise any other right conferred by membership in relation to any such meeting if he or any other person appearing to be interested in such shares has failed to comply with a notice requiring the disclosure of shareholder interests and given in accordance with the Company's articles of association (the "Articles") within 14 calendar days, in a case where the shares in question represent at least 0.25% of their class, or within seven days, in any other case, from the date of such notice. These restrictions will continue until the information required by the notice is supplied to the Company or until the shares in question are transferred or sold in circumstances specified for this purpose in the Articles.

Rights to appoint and remove Directors

Subject to the BVI Companies Act and the Articles, the Directors shall have power at any time, and from time to time, without sanction of the members, to appoint any person to be a Director, either to fill a casual vacancy or as an additional Director. Subject to the BVI Companies Act and the Articles, the members may by a Resolution of Members appoint any person as a Director and remove any person from office as a Director.

For so long as an initial holder of Founder Preferred Shares (being a Founding Entity together with its affiliates) holds 20% or more of the Founder Preferred Shares in issue, such holder shall be entitled to nominate a person as a Director of the Company and the Directors shall appoint such person. In the event such holder notifies the Company to remove any Director nominated by him the other Directors shall remove such Director, and in the event of such a removal the relevant holder shall have the right to nominate a Director to fill such vacancy.

17. Earnings per share

	For the year ended 31 Dec 2018 £'000	**Period 20 Jan 2017 to 31 Dec 2017 £'000**
Numerator		
Earnings used in basic and diluted EPS	6,623	(24,146)
Denominator	**'000**	'000
Weighted average number of shares used in basic EPS	50,862	36,126
Weighted average number of shares used in diluted EPS	50,862	36,126
Basic EPS (pence)	13.0p	(66.8p)
Diluted EPS (pence)	13.0p	(66.8p)

The 42,490,000 Warrants and 125,000 directors' share options were considered non-dilutive at 31 December 2017. At 31 December 2018, the warrants had expired and the directors' share options, the founder preferred shares and the hurdle shares were currently considered to be non-dilutive. They are expected to become dilutive once in the money.

18. 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.

19. Leases

Operating leases exist as agreements with landlords.

The total future value of minimum lease payments is due as follows:

	2018 £'000	2017 £'000
Not later than one year	15,836	-
Later than one year and not later than five years	58,890	-
Later than five years	50,634	-
	125,360	-

20. Related party disclosures

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

2018	Ordinary Shares Number '000	Founder Preferred Shares Number '000	Warrants Number '000	Options Number '000
Andrew Barron	164.2	-	-	-
Andrew Miller	-	-	-	-
Aryeh B. Bourkoff	493.3	-	-	-
Robert Marcus	9.0	-	-	-
Martin HP Söderström	7.5	-	-	-
Sangeeta Desai	2.5	-	-	-
Thomas Ebeling	7.5	-	-	-
Tom Goddard	232.7	-	-	-
Tim Bleakley	310.5	-	-	-

2017	Ordinary Shares Number '000	Founder Preferred Shares Number '000	Warrants Number '000	Options Number '000
Andrew Barron	345.7	147.0	147.0	-
Andrew Miller	-	-	-	-
Aryeh B. Bourkoff	1,081.1	399.0	399.0	-
Robert Marcus	110.0	-	-	50.0
Martin HP Söderström	7.5	-	-	37.5
Sangeeta Desai	7.5	-	-	37.5
Thomas Ebeling	-	-	-	-
Tom Goddard	-	-	-	-
Tim Bleakley	-	-	-	-

The Founder Preferred Shares issued to Andrew Barron and Aryeh Bourkoff resulted in share-based payments charges (employee benefits costs) of £1.7m and £16.2m in 2017.

The fees paid to directors during the period to 31 December 2018 were as follows:

	2018 £'000	2017 £'000
Andrew Barron	-	-
Andrew Miller	5.0	-
Aryeh B. Bourkoff	-	-
Robert Marcus	64.4	57.9
Martin HP Söderström	53.8	43.4
Sangeeta Desai	53.8	43.4
Thomas Ebeling	8.9	-
Tom Goddard	54.0	-
Tim Bleakley	269.8	-

Robert D Marcus, Martin HP Söderstrom and Thomas Ebeling opted to have their annual remuneration settled by the issue of shares at $10 per share. Robert D Marcus received 9,000 Ordinary Shares and Martin HP Söderstrom and Thomas Ebeling, 7,500 Ordinary Shares each.

The Group paid a transaction fee of £1.0m to LionTree Advisors UK LLP in relation to the acquisition of Forrest Media (Holdings) Limited. Aryeh B. Bourkoff, a Founder and Non-Executive Director of Ocean Outdoor Limited, is the founder and CEO of LionTree LLC, a connected company to LionTree Advisors UK LLP.

21. Events after the reporting date

On 10 January 2019, the Company’s ordinary shares were re-admitted to the Standard Listing segment of the Official List of the UK Listing Authority, and trading in its shares recommenced on the London Stock Exchange's Main Market (LSE: OOUT).

In accordance with the London Stock Exchange Admission and Disclosure Standards, the Company announced, pursuant to its articles of association, a tranche of 87,500 founder preferred shares have been automatically re-designated as ordinary shares on a one for one basis. This re-designation became effective on 15 January 2019 and admission of the ordinary shares occurred on 22 January 2019.

On 12 March 2019, the Group announced the acquisition of Interbest and Ngage Media, two leading digital out-of-home companies operating across the Netherlands, for a combined cash consideration of approximately £45m using a rate of 0.88:1 EUR:GBP, and a performance-linked earn-out if growth performance targets are met over time. The transactions value Interbest and Ngage, combined, at a 31 December 2018 LTM multiple of 6.9x adjusted EBITDA, before any benefit for synergies. The business combination accounting had not been finalised by the authorisation date of these financial statements.

Appendix (unaudited)

The following pages present unaudited financial information on different bases for entities owned by the Group as at 31 December 2018.

Ocean Outdoor Limited

Appendix (unaudited)

Ocean Outdoor Limited and subsidiaries

The results below present the group on a proforma basis. The proforma basis comprises Ocean Outdoor Ltd, the SCP Acquisition Topco Ltd group of companies and the Forrest Media (Holdings) Ltd group of companies as if all owned from 1 January 2017.This allows analysis to ignore and dates of acquisition and assess the underlying performance of the Ocean Outdoor Ltd group of companies.

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

	FY18 £'000	FY17 £'000
Billings	***87,843***	*77,245*
Revenue	**62,218**	54,010
Cost of sales	**(37,055)**	(31,893)
Gross profit	**25,163**	22,117
Administrative and other expenses	**(23,816)**	(22,800)
Profit from operations	**1,347**	(683)
Finance expense	**(5,553)**	(11,868)
Finance income	**1,658**	2,196
Non-cash charge related to Founder Preferred Shares	**-**	(24,188)
Non-cash charge related to warrant redemption liability	**-**	(301)
Loss before tax	**(2,548)**	(34,844)
Tax expense	**(2,303)**	(1,398)
Loss from continuing operations	**(4,851)**	(36,242)
Total comprehensive income	**(4,851)**	(36,242)

	FY18 £'000	FY17 £'000
Profit from operations	**1,347**	(683)
Depreciation	**4,205**	4,021
Profit on disposal	**(2)**	-
Amortisation	**11,364**	5,464
Deal fees	**4,058**	619
Private equity and listed company related expenses	**60**	8,981
Listed costs including foreign exchange	**(1,807)**	-
Other one-off costs	**739**	686
Adjusted EBITDA	19,964	19,088

SCP Acquisition Topco Limited and subsidiaries

The results below present the SCP Acquisition Topco Ltd group of companies on a proforma basis.

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

	FY18 £'000	FY17 £'000
Billings	***77,265***	*67,035*
Revenue	**54,619**	46,458
Cost of sales	**(32,682)**	(27,898)
Gross profit	**21,937**	18,560
Administrative and other expenses	**(13,784)**	(12,777)
Profit from operations	**8,153**	5,783
Finance expense	**(5,553)**	(11,868)
Finance income	**-**	-
Profit before tax	**2,600**	(6,085)
Tax expense	**(1,866)**	(527)
Profit from continuing operations	**734**	(6,612)
Total comprehensive income	**734**	(6,612)

SCP Acquisition Topco Limited and subsidiaries reconciliation of profit from operations to Adjusted EBITDA:

	FY18 £'000	FY17 £'000
Profit from operations	**8,153**	5,783
Depreciation	**3,367**	3,292
Amortisation	**1,277**	5,464
Deal fees	**3,782**	619
Private equity related expenses	**60**	273
Other one-off costs	**739**	686
Adjusted EBITDA	17,378	16,117

Forrest Outdoor Media Limited

The results below present the Forrest Outdoor Media Ltd [group of companies] on a proforma basis.

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

	FY18 £'000	FY17 £'000
Billings	***10,578***	*10,210*
Revenue	**7,600**	7,552
Cost of sales	**(4,373)**	(3,200)
Gross profit	**3,227**	4,352
Administrative and other expenses	**(1,608)**	(2,110)
Profit from operations	**1,619**	2,242
Finance expense	**-**	-
Finance income	**-**	4
Profit before tax	**1,619**	2,246
Tax expense	**(272)**	(418)
Profit from continuing operations	**1,347**	1,828
Total comprehensive income	**1,347**	1,828

Forrest Outdoor Media Limited reconciliation of profit from operations to Adjusted EBITDA:

	FY18 £'000	FY17 £'000
Profit from operations	**1,619**	2,242
Depreciation	**838**	729
Profit on disposal	**(2)**	-
Deal fees	**133**	-
Adjusted EBITDA	**2,588**	2,971

Ocean Outdoor Limited

Appendix (unaudited)

Ocean Outdoor Limited Hybrid

The results below present the group on a hybrid basis. The hybrid basis comprises Ocean Outdoor Ltd and the SCP Acquisition Topco Ltd group of companies it purchased in March 2018 for a full 12months. This is combined with 7 months of Forrest Media (Holdings) Ltd group of companies. There are therefore no comparable results for the prior year.

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

	FY18 £'000
Billings	***84,277***
Revenue	**59,615**
Cost of sales	**(35,378)**
Gross profit	**24,237**
Administrative and other expenses	**(23,262)**
Profit from operations	**975**
Finance expense	**(5,553)**
Finance income	**1,658**
Profit before tax	**(2,920)**
Tax expense	**(2,249)**
Profit from continuing operations	**(5,169)**
Total comprehensive income	**(5,169)**

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

	FY18 £'000
Profit from operations	**975**
Depreciation	**3,897**
Amortisation	**11,364**
Deal fees	**4,058**
Private equity related expenses	**60**
Listed costs including foreign exchange	**(1,807)**
Other one-off costs	**739**
Adjusted EBITDA	**19,286**