ANNUAL REPORT
OSIRIUM 2020

OSIRIUM

> Despite the challenges of the pandemic, 2020 has seen Osirium add a record number of new customers, saw 99% retention among our existing clients, and expanded our network of channel partners both in the UK and overseas.
>
> **David Guyatt, *CEO***

STRATEGIC REPORT
2020 WITH OSIRIUM
AT A GLANCE

Operational Highlights

Business Highlights

- Rapid and effective response to the pandemic, successfully pivoting to digital marketing and virtual events to drive new business
- 28% increase in customer numbers with competitive wins against largest Privileged Access Management ("PAM") players
- 99% SaaS contract renewals from existing customer base with a number of significant expansions secured during the period
- Customers signed across both the private and public sector including one of the UK's largest NHS trusts, a major regional UK ambulance service, and a major UK communications provider
- Substantial channel expansion in UK and across EMEA
- First revenues from the Group's Privileged Endpoint Management ("PEM") product

Financial highlights

- Total recognised revenue increased by 22% to £1.43 million (2019: £1.17 million)
- Total bookings decreased 14% to £1.57 million (2019: £1.82 million)
    - The Group achieved record first and fourth quarters, however the Coronavirus pandemic delayed customer buying decisions, particularly impacting bookings in the second and third quarter
- Deferred revenue increased by 10% to £1.50 million (2019: £1.37 million), providing enhanced visibility of future earnings
- Reduced operating loss of £2.88 million (2019: £3.40 million), in line with management expectations
- Cash balances at 31 December 2020 of £1.48 million (31 December 2019: £3.85 million) reflecting continued investment for long-term growth

Post year-end (Unaudited)

- Continued trading momentum with record first quarter for bookings
- Continued business momentum and further sales with a substantial number of contract wins, particularly with NHS trusts
- Growing pipeline with quality and volume of leads improving as end markets stabilise
- Increased engagement with new and existing channel partners
- Successful fundraise of £2.17 million in April and May 2021 which enables the Group to continue to scale its business in PAM and digital automation, expand the Group's channel partner network and accelerate recruitment, including new hires in the sales, engineering and R&D teams

FINANCIAL HIGHLIGHTS
2019 - 2020

Total Revenue (2019: £1,171,586)

£1,434,875

up 22.5% YoY

Total Revenue Comparison

Increase of £263,289

Total Bookings (2019: £1,815,812)

£1,568,664

down 13.6% YoY

Total Bookings Comparison

Decrease of £247,148

Deferred Revenue (2019: £1,368,826)

£1,502,615

up 9.8% YoY

Deferred Revenue Comparison

Increase of £133,789

Cash and Cash Equivalents
at 31 December (2019: £3,854,922)

£1,482,376

down 61.5% YoY

Cash and Cash Equivalents Comparison

Decrease of £2,372,546

Operating Loss (2019: £3,399,731)

£2,872,376

down 15.4% YoY

Operating Loss Comparison

Decrease of £527,355

OSIRIUM
AND WHAT WE DO

Privileged Access Security
Securing. Protecting. Automating.

From well-established foundations in protecting customers' most valuable assets, Osirium has expanded its portfolio to offer solutions that defend the critical infrastructure, remove local endpoint threats, and deliver an innovative framework for automating essential IT and business processes. The term we use to describe this range of offerings is Privileged Access Security.

Osirium's Privileged Access Security is all about protecting and controlling access to customers' most valuable shared applications, services and devices, while also offering benefits of increased productivity. While Osirium PAM protects and manages administrator accounts from internal and external threats, we see Privileged Access Security building on this base to streamline administrator workloads, securely automate business and IT processes, and remove risky local administrator accounts from endpoints.

The solutions offered in the **Osirium Privileged Access Security** portfolio are:

OSIRIUM **PAM**

Osirium Privileged Access Management
Minimise the risk of security breaches by controlling, securing and auditing the vital assets in privileged accounts.

OSIRIUM **AUTOMATION**

Osirium IT Process Automation
Free up specialist skills and boost security by automating essential IT and business processes.

OSIRIUM **PEM**

Osirium Privileged Endpoint Management
Protect essential desktop applications by removing risky local admin rights.

With a vision that looks beyond pure security, Privileged Access Security is an enabler for digital transformation and business innovation.

What do we mean by "Privilege"?

Privileged accounts describe the vital hubs, switches, servers and systems that make up an organisation's infrastructure. These devices should only be accessed by staff with special ("privileged") administrator skills and rights. Increasingly the target of hackers and cybercriminals, these accounts, if not managed rigorously, can be the source of catastrophic security breaches and operational dysfunction.

Why Privileged Access is an Increasing Issue

Internal security concerns. Malicious external attackers. Weak password policies and practices. Uncontrolled access to the critical infrastructure by vendors and third parties. Too many staff allowed too much elevated privilege. Not enough skilled IT specialists. Ransomware attacks that penetrate the perimeter, move laterally and escalate privileges.

These are the challenges IT and cybersecurity leaders grapple with every day, and which increasingly lead them to Osirium.

74%
of organisations say data breaches are the result of giving too much privileged to third parties (1)

$3.86 million
The average cost of a data breach (3)

70%
of large commercial organizations have dozens of hyperautomation initiatives underway (5)

$5.4bn
by 2025 Estimated PAM market value (2)

49%
of security leaders say their top security priority today is improving the protection of confidential and sensitive data (4)

2025, >50%
of the G2000 will have a dedicated automation group, up from less than 10% in 2020, which culminates in agility and cost efficiencies (6)

(1) Ponemon/SecureLink, A crisis in third-party remote access security, 2021 (2) Kuppinger Cole Trends in Privileged Access Management for the Digital Enterprise, 2020 (3) Ponemon Cost of a Data Breach Report, 2020 (4) IDG Security Priorities 2020 report (5) Gartner, Top 10 Strategic Technology Trends 2021: Hyperautomation (6) How to start executing a successful automation strategy, Gartner, April 2020

Internal. External. Malicious. Accidental. Covering all the angles

Ensuring protection for Privileged Accounts means making sure all the relevant risks of security breaches are addressed.

The challenge for customers is the range of vulnerabilities. Security breaches involving Privileged Accounts can originate from within an organisation or outside. Likewise, they can be malicious or accidental.

Malicious external attacks use techniques such as phishing or malware to penetrate a user's perimeter defences. From there, they can exploit bad practices like password sharing, weak, predictable or re-used passwords to 'move laterally' and access critical systems across the infrastructure. Data theft, hijacking of backup systems, ransomware demands can all follow.

Internal breaches may come about as a result of poor control over vendor or third party contractor access to privileged accounts, or by giving too much privilege to too many staff. These may be deliberate (for example, a disgruntled employee) or accidental (such as over-privileged employees accessing systems they should not). Loss of data, service and reputation rapidly follow.

55%

ATTACK VECTOR ONE
Illegal access through privileged accounts
Sharing accounts
Weak and re-used passwords
Legacy accounts

6%

ATTACK VECTOR TWO
Abuse of authorised role
(don't care if they get caught)

16%

ATTACK VECTOR THREE
Abuse of authorised role
(don't want to get caught)

23%

ATTACK VECTOR FOUR
Over-privileged access
'Have-a-go' heroes
'Do-gooders'

Too much complexity. Too many people. Too much privilege.

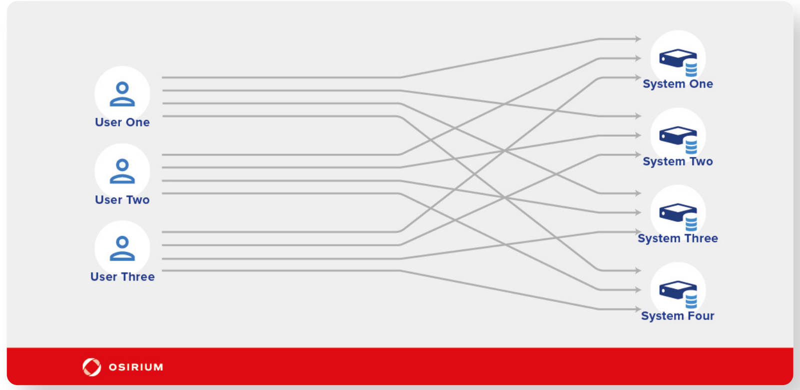
Addressing the Challenge with Osirium PAM.

Why are privileged accounts such a security problem for so many organisations? The reason is that privileged accounts provide access to their critical infrastructure. What's more, the same infrastructure is increasingly the target of malicious attacks by hackers. Sometimes the threat is internal – either from third parties like vendors and contractors who need access to the infrastructure to do their work, or from poor controls allowing too many people too much access to critical systems.

The IT department will rely on system administrators and domain administrators. Increasingly organisations will have administrators outside IT in functions such as HR, Marketing and Finance. That means lots of people, with considerable power and extensive access to extremely valuable and sensitive information.

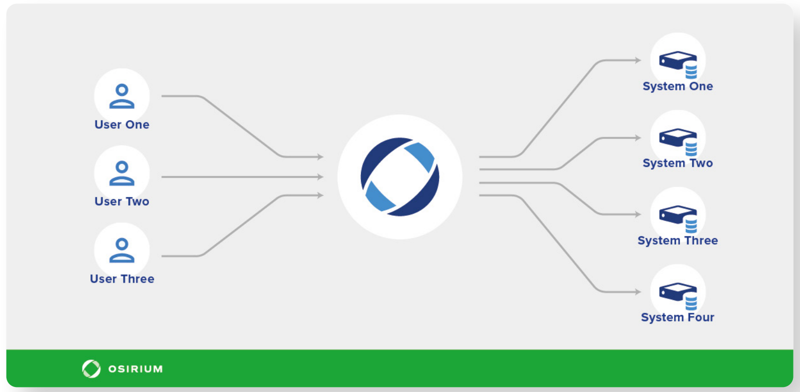
Without Osirium

Keeping control and sight of who has access to what and when rapidly becomes a task of unfathomable complexity.
The result: bad practices like sharing passwords, lax controls, no meaningful auditing. These in turn lead to an increased risk of security breaches, an increasing management burden and costs, negligible visibility, and devastating data loss.



With Osirium

Taking back control: acting as a proxy, the Osirium PAM Solution elegantly manages the control of the Privileged Account environment. At no stage are credentials ever revealed. With simple, intuitive operation, we allow customers to apply the Principal of Least Privilege, ensuring the right administrators have the right degree of privilege, to the right accounts and devices, for the right period of time, with detailed session recording and auditing.



The Result

Substantially improved operations, reduced time and costs, with extensively lower risk of security breaches.

> *Out of the box, the Osirium platform lived up to our expectation. The user interface makes it obvious who can access what, where and when.”*
> *Karim Kronfli, Mnetics*

Osirium Automation: Getting IT work done

Osirium Automation is a powerful solution for automating IT and business processes that traditionally require expert skills. Its flexibility comes from the open, secure Privileged Process Automation (PPA) framework to automate workflows across multiple systems. By hiding the complexity and need for specialist technical knowledge, processes can now be securely delegated and accelerated.

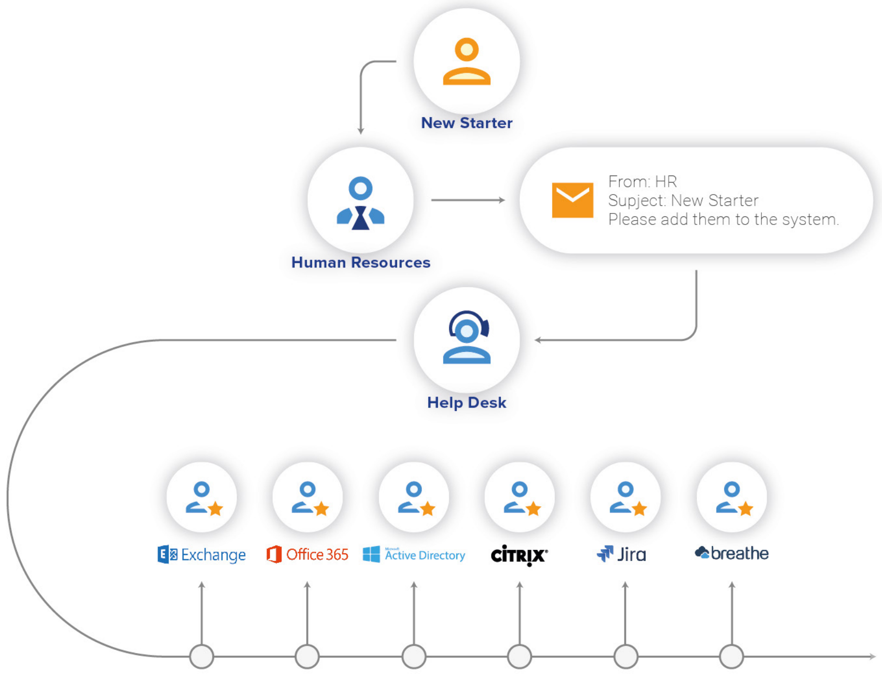
> *Osirium's task automation allows vital processes to be automated and delegated without compromising security"*
> *Dave Pritt, Saunderson House*

Osirium Automation allows IT teams to address a growing challenge: how to face a flood of demands from users across the business to transform the effectiveness of their processes. Automation is increasingly the desired response but needs to be implemented without compromising security. This combination of productivity and security is what Osirium Automation compellingly delivers.

Osirium Automation can be applied to address multiple use cases requiring automation of processes, such as faster operations, compliance tasks like re-certification, improved DevOps, or rigorous compliance.

The case below shows one example. Adding a new starter to a business is a process repeated many times, but each instance involves multiple systems and multiple, probably different, IT specialists. Delays occur if one of the specialists is unavailable. Security breaches occur when over-privileged but under-skilled staff try to address the challenge.

For an instance like this Osirium Automation streamlines the process, allowing it to be delegated from an IT specialist to a Help Desk resource or user within a department. The process is completed more rapidly, costs are lowered, and the IT specialists are free to concentrate on major tasks.



Osirium PEM: Reducing Risk by Removing Local Administrator Accounts

Osirium PEM, with PEM standing for Privileged Endpoint Management, responds to the challenge of having local administrator accounts on the computers that every worker has access to every day.

These local administrator accounts were frequently created to reduce the burden and volume of calls to the IT Help Desk. But these accounts represent a risk, potentially allowing installation of malware by an attacker to gain access to the corporate network.

However, not having local admin rights can hurt user productivity and can also mean a deluge of calls to the help desk to manage these rights.

Osirium PEM allows customers to strike an effective balance between security and productivity. The solution allows organisations to remove local administrator rights from users, while at the same time enabling them to have escalated privileges only for specific processes and executables. The balance tips back towards productivity while increasing the organisation's overall security.

Chairman & Chief Executive's Statement

Simon Lee
Chairman

David Guyatt
Co-founder & CEO

Overview

We are pleased to report the Group's results for the year to 31 December 2020, which demonstrate an effective response to the challenges faced during the period and a return to trading momentum through the second half. Progress continues both domestically and in overseas territories, the latter particularly enabled by the expansion and development of our channel partner network.

Following a record Q1 for bookings, we experienced COVID-related slowdowns in Q2 and Q3 as our customers' immediate priorities shifted, resulting in the delay and postponement of pipeline projects. Despite this setback, we achieved a record Q4 for bookings, reflecting the return of demand for Osirium's products and the stabilisation of our end-markets.

During the period, our customer numbers grew 28%, reflecting the growth in awareness of our offering as we expanded our market presence through a number of significant new contract wins and 'land-and-expand' orders from existing accounts. We are also proud to have achieved 99% SaaS contract renewals from our existing customer base, the best possible endorsement for our proposition.

In line with our strategic focus on growing our presence through "land and expand" opportunities, we secured a number of significant new customers in 2020, securing competitive pitch wins against our largest competitors. The Group further expanded its presence into the healthcare market, as well as strengthening itself in sectors such as telecoms, retail, childcare services and higher education. Business wins of note included deals with a leading healthcare provider, a contract with a major UK communications provider, and two separate regional ambulance services.

Investment for future growth remains a strategic priority for the Group. We have focused on product enhancements within our privileged access suite to drive value for our customers, and investment in our partner network during the year has expanded our addressable market.

Home working has laid bare many of the risks to cybersecurity among organisations, and IT professionals have made PAM a priority to ensure their company data, privileged accounts and regular business processes remain secure. The ease of implementation of our platform, professionalism of our customer engagement, and value of our solutions continue to be key competitive advantages. In contrast to many larger players, Osirium provides the ideal solution for organisations wanting top quality security but without unending complexity, protracted implementation and recurring hidden costs.

The trading momentum we experienced in our record Q4 has carried through to the new financial year, and we continue to focus on new orders and expanding the pipeline of opportunities domestically and overseas through our direct and indirect channels. We are particularly excited by the opportunities available to the Group in healthcare as a result of NHS Digital funding for PAM projects. In Q1, we secured a substantial number of NHS trusts as new customers, including hospitals, regional trusts and ambulance services, and privileged access is now widely recognised as a core requirement of IT security. While we remain cognisant of the ongoing uncertainty surrounding the pandemic, we have a clear strategy in place to capitalise on these opportunities and remain confident in our future prospects.

Results

Total bookings in the period were £1.57m, down 14% (2019: £1.82 million). Recognised revenue for the year was £1.43 million, an increase of 22% (2019: £1.17 million). As a result of the Group's Software-as-a-Service ("SaaS") revenue recognition policy, which recognises revenues over the course of multi-year contracts, deferred revenue increase to circa. £1.50 million (2019: £1.37 million), giving the Company healthy earnings visibility. Cash balances as at 31 December 2020 were £1.48 million (31 December 2019: £3.85 million). The Group's loss before tax for the year was £3.10 million (2019: £3.40m).

The Group spent £1.81m (2019: £1.77m) on direct staff and contractor costs for research and development, of which all was capitalised in both periods. This expenditure pertains to developing the Group's new and enhanced software offerings. The Group continues to invest in new product development, as well as the continual modification and improvement of its current product base to meet technological advances, customer and ever-expanding new market requirements of the rapidly evolving cybersecurity market.

Business model

The Group's revenue model is built around software licenses, with the Group's PAM product charged per device, the Osirium Automation product charged per user and our PEM product charged per protected endpoint. Service revenue comes both from new customers setting out on their initial Osirium deployments and existing customers growing and expanding their use of Osirium's software solutions.

In response to social distancing measures, lockdowns and the postponement of all major industry tradeshows and events, the Group has evolved its marketing strategy with an emphasis on developing new business leads through integrated digital marketing campaigns. The transition to digital marketing has been smooth and these initiatives have proven successful, with digital marketing leads representing 65% of overall sales opportunities in 2020, in comparison to 25% in 2019.

Our channel partner network is becoming an increasingly important route to market. While still in its early stages, initial signs are promising, including increasing numbers who are opting to work with Osirium over some of the larger players in the PAM field. As these networks strengthen and solidify, we expect them to make an increasingly meaningful contribution to bookings in 2021 and beyond.

> *"What struck us with Osirium PAM was not just the breadth of capabilities, but also its flexibility and ease of implementation."*
> *Alex Breedon, Gibtelecom*

Market

PAM has emerged as one of the fastest growing areas of cyber security and risk management software solutions and is now increasingly recognised as a critical service across our end markets, both in the UK and internationally. While there has been a rapidly growing level of awareness of PAM across the UK and the Nordics over the past few years, awareness across the wider EMEA region is catching up. Additionally, the surge in home and remote working has prompted greater awareness of IT and cybersecurity risks posed by these practices.

There remains substantial opportunity for further growth in PAM. KuppingerCole, the international technology research organisation, estimates the market is worth revenue of around $2.20bn per annum, predicted to grow to $5.40bn by 2025.

Equally, the digital process automation market, where our Osirium Automation offering lies, is also experiencing strong growth. Mordor Intelligence, the global market research and consulting firm, expects the digital process automation market to grow from $7.80 billion in 2019 to reach a value of $16.12 billion by 2025.

Chairman & Chief Executive's Statement

Growth strategy

The Group's growth strategy is centred around three core principles: innovation, customer focus and market expansion.

Commitment to innovation

As part of the Group's commitment to innovation and looking for new ways to address security issues, we made several investments into our product suite during the period.

Our PAM capabilities have been strengthened through a number of enhancements. We have enabled clustering of PAM across multiple servers, delivering a high availability and resilience option for customers as they scale operations as PAM is increasingly considered critical for IT and cybersecurity defences. Additional enhancements include a new, intuitive browser-based user experience, an improved Administrator interface, and a new "just-in-time" approval facility to grant access for a limited period of time.

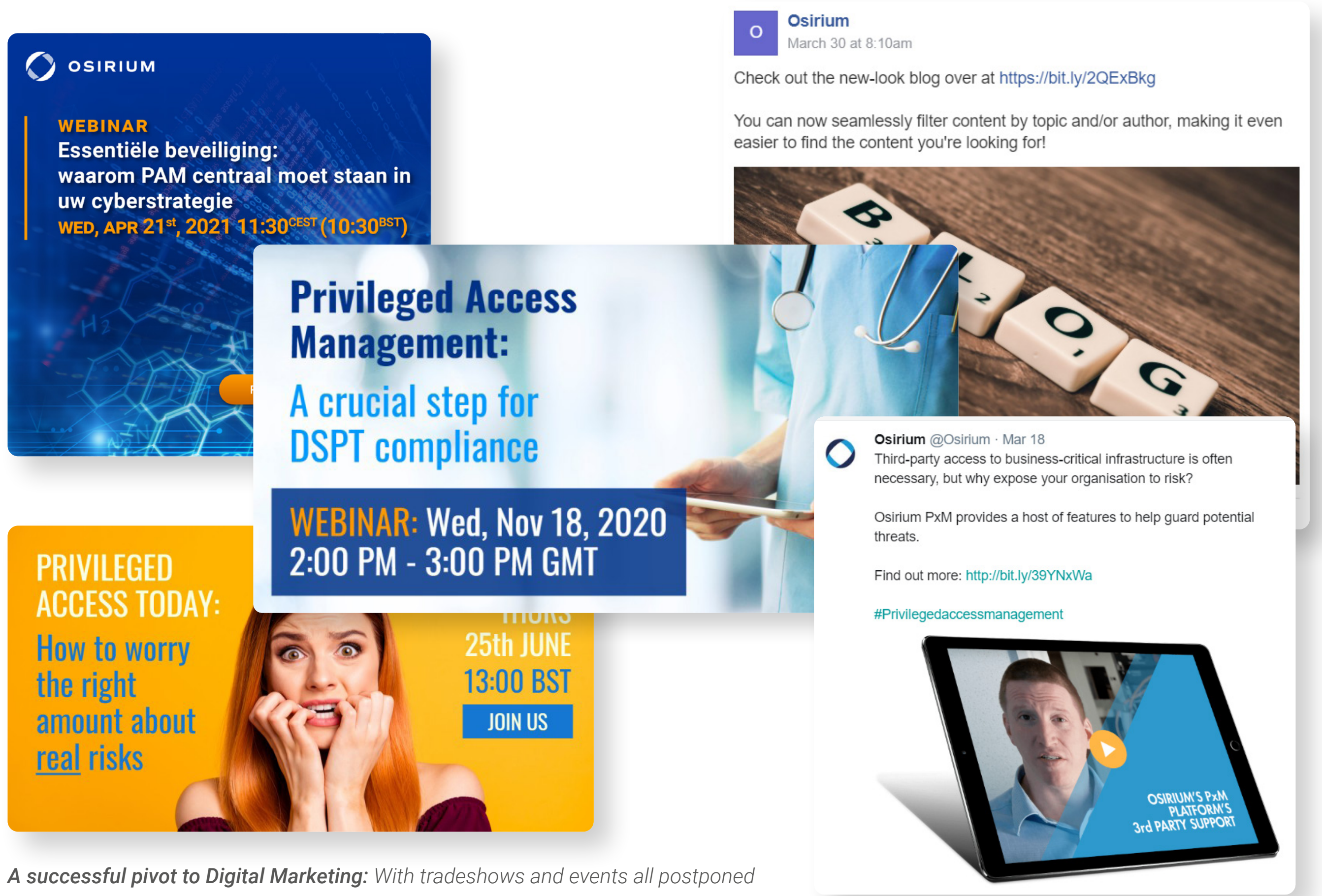
In the course of the year, we repositioned our Privileged Process Automation platform as Osirium Automation, so as to reach out more effectively to customers with business process challenges beyond 'privilege' and security. We introduced an API to allow tasks to be initiated by external systems such as service desk tools (like ServiceNow, for example) or corporate intranet portals. We added Task Scheduling to run recurring tasks at selected times and dates, as well as a built-in Task Builder, a low-code, task development environment to allow customers another option for automating processes by themselves.

To further assist customers in easily and rapidly automating processes with Osirium Automation we launched a Resource Hub with pre-built "Playbooks" – ready made automated processes that customers can choose from – plug-ins to common environments, APIs and documentation so that customers can start to see early value from Automation. We have also created a commercial offering of Osirium PAM bundled with Osirium Automation and seen this drive considerable interest from both existing and new customers.

We have continued to develop the capabilities of Osirium PEM, our solution for Privileged Endpoint Management. A free tool we launched lets prospects assess where local admin accounts have been created and their potential level of risk. We also added a Privileged Process Monitoring facility enabling the monitoring all processes running with elevated privileges and not just those started by Osirium PEM.

In November 2020, Osirium was granted a patent by the US Patent and Trade Mark office for its 'shadow authentication' technology. This is a unique solution to a challenge experienced by Managed Security Service Providers ("MSSPs") in situations where they are not permitted direct access to their customers' Active Directory servers.

> *Working with the Osirium team we had Osirium PAM up and running in under a day. We were able to use the intuitive controls straight away and start testing Osirium PAM against our selected criteria."*
> *Dave Pritt, Saunderson House*



A successful pivot to Digital Marketing: *With tradeshows and events all postponed by the pandemic, the team rapidly switched to a digital marketing model, driving a rich flow of new leads from social media, email, webinars and SEO campaigns.*

Customer focus

Customers value Osirium for its excellent levels of support and the ease of implementation of its platform. This is evidenced by the 99% renewal rate achieved by the Group during the period.

Our "Land and Expand" model is built around securing an initial sale with a customer and then following with additional licences or product orders. This model continues to prove successful. Successes during the period include the expansion of a contract with a healthcare provider for an additional 5,000 PEM endpoints alongside Osirium PAM. With a 28% increase in customer numbers in the year, including 16 new customers, we expect to see further cross-selling and contract expansions as we move through 2021.

An important factor in 2020 in strengthening our relations with end users was the rollout of the Osirium Customer Network. This is an informal programme of workshops and interactive meetings hosted by Osirium where customers share experiences, best practices and lessons learned with our solutions. As well as reinforcing the sense of an Osirium community, the Network helps embed our technology with these customers, accelerate deployments, encourage cross-selling and provide sales references. The increasing participation of customers in the Network is also used by Account Managers as a valuable sales differentiator against the competition.

Market expansion

Our key target market remains mid-tier and upper mid-tier enterprises across the public and private sectors. We have established a presence in industries such as financial services, healthcare, communications and retail, and are continuing to grow our presence in other sectors such as manufacturing, energy, beverages and professional services. We feel that there is a growing awareness of PAM as mission-critical in protecting the infrastructures of upper mid-market clients. The growth we are seeing in the associated digital process automation markets underpins our market opportunity, which we are confident will drive booking levels for the Company's solutions.

Chairman & Chief Executive’s Statement

Partner and reseller network expansion

Growing the Group’s partner and reseller network is a primary strategic aim for Osirium, enabling the Group to scale further. During the period, the Group achieved a significant expansion of this network in line with the growing recognition of PAM as a business-critical security solution both domestically and internationally.

Following a strong H1 which saw 13 new partners signed up, we signed additional new partners in H2. The Group now has over 30 partners across the UK and several overseas territories including Benelux, the Nordics, Eastern Europe and the Middle East, and we expect the number of sales generated through these indirect channels will increase over time.

Our strategic technology alliances strengthen our market position by expanding the range of complementary technologies with which we integrate, opening up new market opportunities, and embedding our technology more tightly in customer environments. During the year, we partnered with cybersecurity and network management firm AppViewX, cybersecurity and digital risk management company RSA, and identity and access management company My1Login.

COVID-19

As previously reported, our priority since the outbreak of the pandemic has been to protect our colleagues, customers and other stakeholders. Due to hard work and dedication of our colleagues, we are proud to report that there has been no compromise on service levels or delivery during the crisis.

We took immediate action to protect our financial position, introducing temporary salary sacrifices at all levels and putting a temporary freeze on new recruitment. As a result, we were not required to make additional cuts, make use of any government financial support or furlough any members of staff.

People

We would like to thank our staff for their support during a year beset with challenges as the resilient performance of the Group would not have been possible without their hard work. We have a talented and stable team and look forward to another year of strategic progress in 2021.

> *“Selecting Osirium PAM wasn’t just about the robustness of the solution and the competitive price. It was also the professionalism of their engagement and the excellence of their support.”*
>
> Mark Grant, NHS Lanarkshire

Current trading and outlook

Moving through 2021, we are seeing continued momentum with a record Q1 and a healthy pipeline of opportunities through our direct and indirect sales channels. While we remain vigilant to the ongoing economic uncertainty and risks to our end markets, we are encouraged by the gradual normalisation of trading conditions.

Home working has laid bare many of the risks to cyber security among organisations, and many have made PAM a priority to ensure their company data, privileged accounts and regular business processes remain secure. The ease of implementation of the Group’s platform and professionalism of customer engagement remains a key competitive advantage. Osirium provides the ideal solution for organisations wanting great quality security but without unnecessary complexity and protracted implementation.

Healthcare, a key target market for the Group, continues to provide exciting opportunities, with a number of deals signed with providers in the public and private sectors during the period. In December 2020, NHS England announced funding for trusts via NHS Digital for PAM projects to protect backups targeted in ransomware attacks. In the first quarter of 2021 the Group secured a substantial number of new NHS accounts and will continue to capitalise on new opportunities in this sector. More widely, we continue to see strong demand across the public and private sectors for our services, with organisations valuing our ease of implementation and levels of customer support alongside our first-class technology.

Post-period end, in April 2021, the Group also raised approximately £2.17m by way of a placing and subscription. These funds will facilitate the next phase of Osirium’s growth primarily through scaling the Group’s business in PAM and digital process automation, expanding the Group’s partner channel network, and accelerating the Group’s recruitment across sales, engineering and R&D. The Board would like to thank all shareholders for their continued support.

Looking ahead, we expect the pandemic to continue to provide uncertainty throughout 2021 with respect to both our direct and indirect sales channels. While the exact timing of deals will remain difficult to predict in the near-term, market conditions are gradually improving, there is momentum in the business, and we have a clear and proven strategy to capitalise on the vast opportunity ahead of us. With privileged access now widely recognised as a core requirement of IT security, the Group is confident in its future prospects and another year of progress in 2021.

Simon Lee, Chairman
10 June 2021

David Guyatt, CEO
10 June 2021

GOVERNANCE
2020 WITH OSIRIUM

Financial Review

Overview

The Group has substantially grown its revenue and customer base during the period, demonstrating greater customer engagement and investment. Bookings represent a key financial measure for the Group and demonstrate the progress the Company achieved in the period under review. Bookings for the 12-month period ended 31 December 2020, represented by total invoiced sales for annual subscriptions, were £1.57 million, a decrease of 14% over the previous year (2019: £1.82 million), the headline bookings total reflected an increase of 28% in total customer numbers.

The Group's revenue recognition policy recognises revenue in equal annual instalments over the course of multi-year contracts. Revenue for the year was £1.43 million, an increase of 22% on the prior year (2019: £1.17 million).

Loss after tax for the group was £2.50m, decreased from the loss of £2.83 million for the year to 31 December 2019. The losses of the Group have decreased due to tight cost control measures introduced in response to the pandemic preserving Cash Resources, despite significant investment in increasing headcount and activity levels in our sales, pre-sales, marketing and engineering departments of the business, building momentum during 2020 ready for 2021.

Revenue Analysis

Revenue for the 12-month period ended 31 December 2020 was £1.43m (2019: £1.17m). The Group's total customer count increased by 16 for the year ended 31 December 2020, up to 62 (2019: 46), with this customer growth reflecting the growing sales momentum experienced by the business as the Group broadens its customer base, and the demand for our PAM, PPA and PEM solutions continues to increase.

Company deferred revenues as at 31 December 2020 were £1.50 million, compared with deferred revenues at the end of December 2019 of £1.37 million, helping provide a degree of visibility and certainty over our future revenue streams.

Taxation

The Group has benefited from the tax relief given on development expenditure, resulting in a research and development tax credit of £591,436 being claimed in respect of the year to 31 December 2020, compared with £557,251 for the previous year to 31 December 2019, illustrating the consistent investment made in the Group's innovative cybersecurity product and its pioneering qualities that is expected to continue going forwards.

Loss per Share

Loss per share for the year on both a basic and fully diluted basis was 13p. In the prior year the basic and diluted loss per share was 19p.

Results and Dividend

The Directors are unable to recommend the payment of a final dividend (2019: £nil).

Research and Development & Capital Expenditure

The group spent £1.81m (2019: £1.77 million) on direct staff and contractor costs for research and development, of which all was capitalised in both periods. This expenditure pertains to developing the Group's new and enhanced software offerings. The Group continues to invest in new product development, as well as the continual modification and improvement of its current product base to meet technological advances, customer and ever-expanding new market requirements of the rapidly evolving cybersecurity market.

Future Developments

The Group has undertaken a strategy to extend its activities to the provision of a full range of Privileged Access Security solutions. Alongside expanding into new geographies and industry sectors, the Group will continue to invest in the development of innovative and differentiated solutions for its growing customer base.

Going Concern

As part of their going concern review the Directors have followed the guidelines published by the Financial Reporting Council entitled "Guidance on the Going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risks (2016)". The Directors have prepared detailed financial forecasts and cash flows looking beyond 12 months from the date of these Financial Statements. In developing these forecasts the Directors have made assumptions based upon their view of the current and future economic conditions that will prevail over the forecast period.

The Group incurred a loss of £2.50m in the year ended 31 December 2020 and had net current assets of £0.15m at that date. The Group's cash and cash equivalents decreased by £2.37m in the same period. Cash and cash equivalents at 31 December 2020 were £1.48m. Subsequent to the balance sheet date the Group raised £2.17m via a share placing, which was in line with the Board's target.

In its assessment, the Board has included consideration of the potential ongoing impact of COVID-19, such as the COVID-related slowdowns experienced in Q2 and Q3 of 2020, and factored this into the financial assessment of the Group. The normalisation of trading conditions in the latter part of the year ended 31 December 2020 resulted in the Group achieving a record level of bookings in Q4 and this level of enhanced bookings has carried through to the start of the new financial year. This early trading momentum, increased number of customers and strong current pipeline of new business supports the Board's business forecasts and underlines their confidence in the Group's ongoing momentum.

On the basis of the above projections, the Directors are confident that Osirium has sufficient working capital to honour all of its obligations to creditors as and when they fall due. The Directors consider it appropriate to continue to adopt the going concern basis in preparing the Financial Statements. Accordingly, the financial statements do not include any adjustments which would be required if the going concern basis of preparation was deemed to be inappropriate. However, if the Group is unable to deliver the anticipated order book and revenue growth, it would give rise to a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

Cash Flow

The Group's cash balances at 31 December were £1.48 million (2019: £3.85 million).

The Group's cash reserves have since been boosted by the fund raise post year end that raised £2.17 million gross cash (before expenses, fees and commissions) in April 2021.

Cash used in operations for the period was £0.97 million (2019: £1.52 million).

Rupert Hutton, CFO
10 June 2020

Key Performance Indicators (KPIs)

Financial KPIs:

The Group's progress against its strategic objectives is monitored by the Board of Directors by reference to KPIs. Progress made is a reflection of the performance of the business since publicly listing and the Group's achievement against its strategic plans. The Group considers major KPIs to be bookings, revenue, loss before tax, channel partners, new customers and sectors, customer renewals, and software evaluations.

- **Bookings:** are monitored on a monthly basis and reported in detail at board meetings. Bookings have decreased by 14% to £1.57 million (not audited) for the year to 31 December 2020 from £1.82 million for the year ended 31 December 2019, a KPI that masks the fact that 16 new customer accounts were added and despite a COVID affected year the business enjoyed a record Q1 and Q4 during the reporting period.

- **Revenue:** As a result of the increase in customer numbers, the revenue KPI is performing well, with total revenue up 22% to £1.43 million (2019: £1.17 million).

- **Operating Loss:** the board are pleased with the reduced operating loss of £2.88 million (2019: £3.40 million), in line with management expectations, caused by a combination of increasing revenues and tight cost control during the COVID-19 pandemic.

Non-financial KPIs include:

- **Channel partners:** the Group has added many additional reseller partners globally, with a focus on Europe and MEA to meet our plan and have also been establishing agreements with both resellers and distributors, who we see as key to opening up new revenue streams.

- **New customers and sectors wins:** we were pleased to add customers in 2020 in new sectors such as Ambulance Services and Private Sector Health Care as well as customers in existing strong sectors. We expect this growth to continue as PAM becomes mainstream and we can independently upsell our PPA and PEM solutions as the first Osirium product into new customer accounts.

- **Customer retention:** 99% of customers were retained in the year, which compares favourably with our SaaS peers highlighting the 'mission-critical' nature of our solution and customer satisfaction.

- **Software Evaluations:** growing company reputation in the PAM marketplace means that customers are increasingly willing to purchase Osirium solutions without requiring a Proof of Concept (POC), however this remains a significant part of the sales process for some customers that we are happy to provide.

The Group also measures and monitors brand recognition and momentum increases in the Osirium name as we continue to build a global brand. Brand recognition includes monitoring Osirium's Search Engine Optimisation Position and quarterly growth in qualified sales leads with a quantified 'call to action'.

How Osirium Manages Risk

Principal Risks and Uncertainties

The Board of Directors, who are responsible for the Group's system of risk management and control, have established a process for identifying and providing oversight to manage principal risks and uncertainties that could have a material impact on the Group's performance. Apart from the normal commercial and economic risks facing any UK based business looking to not only become the dominant company in its home market, but also expand into overseas territories, the major risks to the Group are the:

- Coronavirus remains the Group's principal commercial risk continuing to affect the UK and World economies and business, as does remaining unknown effects of Brexit that are still to be fully understood.
- Loss of a major client and supporter
- Loss of a relationship with a major supplier and
- Development of new technologies that may adversely impact the group's proprietary software

These do not constitute all the risks that the Board has identified but those that the Directors believe currently consider the most material. As part of this risk mitigation planning, the Board has ensured during 2020 that the marketing and sales teams have found new ways of finding and closing new customers who are ready to buy our products and services. The board has also ensured specific relationship management systems are in place for managing both new and existing client and supplier relationships. In addition, research and development into various technologies on an ongoing basis is a key pillar of the Board's strategy.

Other Risks Include:

Competitor Risk

The market for Cyber security software is becoming increasingly competitive. To mitigate against this risk, management feel that the years of investment ahead of the maturing Privileged Access Management market and the continued investment in the product will maintain Osirium's leadership position in this market. The Group also has an increasingly growing customer base which is becomingly diversified, and the Group maintains a customer-centric focus to ensure strong relationships are maintained and deepened across the customer base.

Commercial Relationships

The Osirium software products are developed and released using open source. To mitigate against this risk all elements and components used within the software are kept under constant review. The Group continues to expand the various sales channels and reseller network, so the Group is not dependent on any one partner.

Personnel/Key Executives

The Group's future performance is substantially dependent on the continued services and performance of its Directors and senior management plus its ability to attract and retain suitably skilled and experienced personnel in the future. Although certain key executives and personnel have joined Osirium since flotation, there can be no assurance that the Group will retain their services.
The loss of any key executives or personnel may have a material adverse effect on the business, operations, relationships and/or prospects of the Group. The Group believes that it has the appropriate incentivisation structures to attract and retain the calibre of employees necessary to ensure the efficient management and development of the Group. However, any difficulties encountered in hiring appropriate employees and the failure to do so may have a detrimental effect on the trading performance of the Group. The ability to attract new employees with the appropriate expertise and skills cannot be guaranteed. To this end the Group has introduced a new and enhanced set of benefits for employees which we believe act as a further incentive for gifted employees to stay and build their careers at Osirium.

Customer Attraction, Retention and Competition

The Group's future success depends on its ability to increase sales of its products to new prospects. The rate at which new and existing end customers purchase products and existing customers renew subscriptions depends on a number of factors, including the efficiency of the Group's products and the development of the Group's new offerings, as well as factors outside of the Group's control, such as end customers' perceived need for security solutions, the introduction of products by the Group's competitors that are perceived to be superior to the Group's products, end customers' IT budgets and general economic conditions. A failure to increase sales due to any of the above could materially adversely affect the Group's financial condition, operating results and prospects. The Group's success depends on its ability to maintain relationships and renew contracts with existing customers and to attract and be awarded contracts with new customers. A substantial portion of the Group's future revenues will be directly or indirectly derived from existing contractual relationships as well as new contracts driven at least in part by the Group's ability to penetrate new partners, verticals and territories. The loss of key contracts and/or an inability to successfully penetrate new verticals or deploy its skill sets into new territories could have a significant impact on the future performance of the Group.

Reputation

The Group's reputation, regarding the service it delivers, the way in which it conducts its business and the financial results which it achieves, are central to the Group's future success. We run regular security tests on our own infrastructure, including reviews of our resilience and backup procedures.

The Group's services and software are complex and may contain undetected defects when first introduced, and problems may be discovered from time to time in existing, new or enhanced product iterations. Undetected errors could damage the Group's reputation, ultimately leading to an increase in the Group's costs or reduction in its revenues.

Other issues that may give rise to reputational risk include, but are not limited to, failure to deal appropriately with legal and regulatory requirements in any jurisdiction (including as may result in the issuance of a warning notice or sanction by a regulator or an offence (whether, civil, criminal, regulatory or other) being committed by a member of the Group or any of its employees or directors), money-laundering, bribery and corruption, factually incorrect reporting, staff difficulties, fraud (including on the part of customers), technological delays or malfunctions, the inability to respond to a disaster, privacy, recordkeeping, sales and trading practices, the credit, liquidity and market risks inherent in the Group's business.

Further reputational risks include failure to meet the expectations of the customers, operators, suppliers, employees and intellectual property and technology. The Group's technology is primarily comprised of software and other code ("Software"). Some of the Software has been developed internally and is owned by the Group. Also, some of the Software has been developed by third parties that have licensed rights in the Software to the Group or provided access under free and open source licence. However, a significant proportion of the Software has been developed by third parties and is provided to the Group under licence. It is not uncommon for any company's technology, particularly where it is primarily embodied in Software, to comprise both owned and licensed code. This nevertheless means that the Group's continuing right to use such Software is dependent on the relevant licensors continuing to licence Software to the Group. Again, as is usual, such agreements may be terminated by the licensors due to a breach of their terms by the Group. Any failure by the Group to comply with the terms of the licences granted could, therefore, result in such licences being terminated and the Group no longer being entitled to continue to use the Software in question. Also, use outside of the terms of any relevant licence could expose the Group to legal action for infringement of the rights of the licensor(s). Further, and in any event, the Group may not have adequate measures in place to ensure that its use of third party software complies with all terms under which such software has been licensed to the Group. The Group's facilities could be disrupted by events beyond its control such as fire, pandemics and other issues. The Group undertake nightly backups in 'the cloud' and prepares recovery plans for the most foreseeable situations so that its business operations would be able to continue. This strategic report, as set out on pages 35 to 37, was approved by the board on XX May 2021.

Rupert Hutton, CFO
10 June 2021

Corporate Governance Report

The company has adopted the 2018 Quoted Companies Alliance Corporate Governance Code (the "QCA Code") in line with the London Stock Exchange's changes to the AIM Rules requiring all AIM quoted companies to adopt and comply with a recognised corporate governance code and detail how it complies with that code, and where it departs from its chosen corporate governance code an explanation of the reasons for doing so. The underlying principal of the QCA Code is that "the purpose of good corporate governance is to ensure that the company is managed in an efficient, effective and entrepreneurial manner for the benefit of all shareholders over the longer term". The Board believes this continues to be the most appropriate governance framework for the business. The Board is committed to the ongoing development of our governance reporting to support the ongoing growth of the business. For further details see document on website at https:// osirium.com/investors/corporate-governance.

Board Structure and Committees

The Board is responsible to shareholders for the proper management of the company. The Board comprises 5 directors, two of whom are Executive Directors and three of whom are Non- Executive Directors, reflecting a blend of different experience and backgrounds. The Board considers Simon Lee, Steve Purdham and Simon Hember to be independent Non- Executive Directors under the criteria identified in the QCA Code.

The Board meets regularly and is responsible for strategy, performance, approval of any major capital expenditure and the framework of internal controls. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. Briefing papers are distributed to all Directors in advance of Board meetings. The Board has established Audit and Remuneration Committees with formally delegated duties and responsibilities and with written terms of reference. Each of these Committees meet regularly and at least twice a year. From time to time separate committees may be set up by the Board to consider specific issues when the need arises. Further details on the Audit and Remuneration Committees are set out below.

Audit Committee

The duties of the Audit Committee are to consider the appointment, re-appointment and terms of engagement of, and keep under review the relationship with, the Group's auditors, to review the integrity of the Group's financial statements, to keep under review the consistency of the Group's accounting policies and to review the effectiveness and adequacy of the Group's internal financial controls. In addition, it has received and reviewed such reports as it from time to time requests from the Group's management and auditors. The Audit Committee has met at least twice a year and has unrestricted access to the Group's auditors. The Audit Committee comprises Steve Purdham, Simon Lee and Simon Hember and has been chaired by Simon Lee. The Directors acknowledge that relevant corporate governance guidelines, including the QCA Code, state that the Audit Committee should not be chaired by the Chairman of the company. The Directors have considered the membership of the Audit Committee carefully and have concluded that, given the current composition of the Board, Simon is the most appropriate choice to be its Chairman. The Board regularly reviews the effectiveness of the Audit Committee. Once any further appointments have been made to the Board, the Audit Committee will be reviewed to bring its composition into line with corporate governance best practice guidance.

Remuneration Committee

The Remuneration Committee has responsibility for reviewing and determining, within agreed terms of reference, the Group's policy on the remuneration of Senior Executives, Directors and other key employees and specific remuneration packages for Executive Directors, including pension rights and compensation payments. It is also responsible for making recommendations for grants of options under the New Share Option Scheme. It has met not less than twice a year. The remuneration of Non-Executive Directors is a matter for the Board and no Director may be involved in any discussions as to his or her own remuneration. The Remuneration Committee comprises Steve Purdham, Simon Lee and Simon Hember and is chaired by Steve Purdham.

Determination of Directors' and Senior Management's Salaries

The Remuneration Committee believes that the interests of the executive directors, other Group Company directors, senior management and staff and those of the shareholders and other stakeholders are best aligned by a remuneration policy that provides a base salary together with awards under the Group's Share Option Scheme and/or the award of bonuses paid for through the issue of shares.
The Remuneration Committee reviews and determines annually directors' and senior management's salaries in relation to the tasks and responsibilities involved and the level of comparable salaries in the market place. In particular, the Committee seeks to ensure that salaries are competitive. In its final determination of salaries, the Committee's conclusions are set within what is affordable.

Board of Directors

Simon Lee
Chairman

Simon Lee is an International Advisor to Fairfax Financial where he sits on the Boards of Brit Syndicates Ltd and Fairfax International (Barbados) Ltd. He is also on the Advisory Boards of Sherpa Technology and Perfect Cellar, a Non-executive Director of Atlas Mara Bank and President of Hospice in the Weald. Until December 2013, Simon was Group Chief Executive of RSA Insurance Group PLC, a FTSE 100 company, operating at the time in 32 countries, employing around 23,000 people, writing c. £9 billion p.a. in premiums with assets of c. £21 billion. Previously, Simon spent 17 years with NatWest Group, working in a variety of roles including Chief Executive NatWest Offshore, Head of US Retail Banking, CEO NatWest Mortgage Corporation (US) and Director of Global Wholesale Markets.

David Guyatt
Co-founder & CEO

Co-founder of Osirium, the management team is led by David Guyatt, who has over 30 years' experience in turning next generation IT products into successful technology businesses. He is a recognised pioneer in establishing the content security software market, being a co-founder and CEO of the Content Technologies group, which created MIMEsweeper and became the recognised world leader in content security solutions, with a 40 per cent global market share, and was sold for $1Bn within 5 years, the largest European cyber security acquisition at the time. Previously, David was Sales & Marketing Director at Integralis from 1990 to 1996, as it established itself as Europe's leading IT security integrator - now part of the NTT group.

Rupert Hutton
Chief Financial Officer

Rupert's most recent deal was while he was working at Artilium Plc and was instrumental in the sale to NYSE listed Pareteum for $104.7 million (or £78.0 million). Rupert previously served for 12 years as Finance Director of AIM-quoted Atlantic Global PLC, a cloud-based project portfolio management software company, before being sold in February 2012 to KeyedIn Solutions, an international, US private equity backed software business based in Bloomington, Minnesota. Rupert's early career was served as Group Finance Director of the Milton Keynes and North Bucks Chamber of Commerce Training and Enterprise. Rupert trained with Grant Thornton and has an AMBA accredited Masters in Business Administration and is a Fellow of the Association of Chartered Certified Accountants

Steve Purdham
Non-Executive Director

Steve has spent his entire career in the technology industry, starting with International Computers Limited in 1978 before moving to JSB Computer SystemsLtd. As cofounder of web and email filtering products Surfcontrol, Steve led JSB's flotation on AIM in 1997 as JSB Software Technologies PLC followed byits flotation on EASDAQ and then FTSE Main Market listing in February 2000. Changing its name to SurfControl PLC, the company entered the Techmarkindex and became a FTSE 250 company for a period of time. Acting as its CEO between 2000 and 2005 and then as a non-executive director until 2007, when the company was sold to Websense Inc. for $400 million. He was also a founder investor in WE7 Limited, acting as the company's CEO between 2008 and 2013 when it was sold to Tesco PLC for £10.8 million. Steve is currently Chairman of Westfiled Health and since 2002, held a number of other non-executive directorships including with the Manchester Technology Fund Limited and Identum Limited.

Simon Hember
Non-Executive Director

Simon is Founder and Managing Director of Acumin Consulting. Established in 1998, Acumin is a leading specialist for cybersecurity and information risk management recruitment and executive search operating throughout Europe and the US. Acumin has established relationships with enduser organisations, system integrators, consultancies and vendors across the security industry. Simon has expertise consulting around mergers and acquisitions, facilitating European market entry for high growth companies and working closely with industry leaders and venture capital to create new ventures and business development networks globally. Simon is also Co-Founder and Director of RANT Events, the leading community of senior information security professionals who work within end-user organisations and a Director of Red Snapper Recruitment, which merged with Acumin in July 2015.

Senior Management Team

Andrew Harris
Chief Technical Officer

In a long and distinguished career, including being Technical Director at Integralis, Andrew has invented many leading-edge technologies including IP Network Translation Gateway, Print Symbiont Technologies for LANbased printers and Disaster Master, a technique of continuously updating a backup site with mirrored data.

As one of the Co-Founders and CTO of MIMEsweeper, Andrew was the creator of the world's first content security solution which became the default product in its space. Andrew went on to start WebBrick Systems which was one of the pioneering Home Automation technologies, also a forerunner to what we know as IOT devices today. As Engineering Director, Andrew has created and patented several core components in the Osirium product family.

Catherine Jamieson
Chief Operating Officer

With over 25 years of experience growing start-up businesses, Catherine's career started at Integralis in 1988, when she quickly adopted a sales and customer services role. She moved into more senior sales roles in the early 90's, and established the City Business Unit at Integralis, before accepting the Sales Manager role when the MIMEsweeper solution was launched in 1995.

In 1997, Catherine became the SVP Europe at MIMEsweeper which, under her leadership from 1997-2000, grew the European business from $3 million to over $15 million in three years, consistently achieving revenue growth of over 100% p.a. with over 50 channel partners in 12 countries.
The MIMEsweeper business was sold for $1 billion in 2000. She has since been involved with a few smaller start-up organisations, before joining Osirium in 2010, where she has been responsible for the acquisition of early adopter customers and providing operations support to the business.

Kev Pearce
Professional Services Director

Kev, who co-founded Osirium with David Guyatt, has over 20 years' experience in the planning, deployment and management of corporate IT infrastructure and security projects.

Kev was previously the Head of Consulting at Integralis, Europe's largest Security Solution Provider, which he joined in 1996. Kev has a BEng (Hons) degree in Microelectronic Engineering from Brunel University in 1997 and is also a Chartered Engineer (CEng), a Certified Information Systems Security Professional (CISSP) and holds many vendor specific certifications.

Stuart McGregor
Sales Director

Stuart has over 20 years in the IT industry with a breadth of experience in leading direct and channel sales teams of SaaS and on premise solutions into mid-market and enterprises across EMEA.

Most recently he was Sales Director for Privileged Access Management vendor, Bomgar, where he established an EMEA operation and led the UK and Northern Europe sales teams. Stuart saw local revenues grow by over 600% and sales operations created in UK, Netherlands, Germany and France.

Stuart was also a member of Bomgar's Global Leadership team and managed the integration of sales operations of the acquired Lieberman, Avecto and BeyondTrust businesses. Stuart has also held successful sales and consulting management positions at EMC, UK start-up software company Thunderhead, BroadVision and Oracle.

Chris Heslop
Marketing Director

Chris has over 25 years' experience in EMEA and worldwide enterprise software solutions marketing and sales. At Osirium he leads the Marketing team, with focus on field and product marketing, campaigns and developing the Osirium brand and market presence.

Prior to Osirium Chris served as Marketing Director for the successful MIMEsweeper content security business from early stages to its sale, building up the marketing team from a small, marcoms-orientated team into a global operation encompassing strategy, channels, brand, product, demand generation and communications. He has extensive experience in the industry of leading marketing teams in a variety of sectors, including cybersecurity and supply chain, with senior roles with Vocollect, Honeywell, PolicyMatter and Fujitsu ICL.

Barry Scott
Customer Services Director

Barry's career in IT infrastructure and operations spans more than 30 years, across a wide range of verticals and many different technologies. For the last 16 years, Barry has worked for startup software vendors in the Identity and Access Management (IAM), Privileged Access Management (PAM) and Identity as a Service (IDaaS) fields.

Barry helped to grow those companies across EMEA by building technical teams to fulfil customer pre- and post-sales needs, speaking at events across the region and blogging on topics such as GDPR.

Report of the Directors
for the year ended 31 December 2020

The directors present their report with the financial statements of the company for year ended 31 December 2020.

Principal Activity

The principal activity of the company in the year under review was that of Osirium, which is a UK-based software developer and vendor of Privileged Access Security solutions. Osirium's cloud-based products protect critical IT assets, infrastructure and devices by preventing targeted cyber-attacks from directly accessing Privileged Accounts, removing unnecessary access and powers of Privileged Account users, deterring legitimate Privileged Account users from abusing their roles and containing the effects of a breach if one does happen.

Osirium has defined and delivered what the Directors view as the next generation Privileged Access Management solution. Osirium's award winning Privileged Task Management module further strengthens Privileged Account Security by minimising the cyber-attack surface and delivering an impressive return on investment benefits for customers. Building on Osirium's Privileged Task Management module, in May 2019 Osirium launched Privileged Process Automation, providing a highly flexible platform for automating essential IT processes to set a new benchmark in IT Process Automation. This was followed by the launch of Privileged Endpoint Manage in December 2019, bringing the total portfolio to three complimentary solutions.

Directors

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report. D A Guyatt, R G Hutton, S P G Lee, S Purdham, S E H Hember.

Directors Interests in Shares

Ordinary shares of 1p each as at 31 December 2020. **D A Guyatt*** (1,579,776), **R G Hutton*** (137,142), **S P G Lee** (406,083), **S Purdham** (102,597), **S E H Hember** (103,571).

** And spouses*

Substantial Shareholdings

AS AT 7 JUNE 2021	ORDINAIRY SHARES OF 1P EACH	PERCENTAGE HOLDING
HSBC GLOBAL CUSTODY NOMINEE (UK) LIMITED	4,545,454	15.5%
NORTRUST NOMINEES LIMITED	2,407,724	8.2%
Mr David Ashley Guyatt*	1,579,776	5.4%
THE BANK OF NEW YORK (NOMINEES) LIMITED	1,387,293	4.7%
Harwell Capital SPC	1,224,078	4.2%
SEGURO NOMINEES LIMITED	1,208,927	4.1%
CHASE NOMINEES LIMITED	1,019,156	3.5%
CHASE NOMINEES LIMITED	1,019,155	3.5%
OCTOPUS AIM VCT PLC	928,529	3.2%

** And spouses*

Strategic Report

Information on research and development activities, future developments and post balance sheet events is not included within the Directors' Report as it is instead included within the Strategic Report on pages 4 to 21 in accordance with S414c(11) of the Companies Act 2006.

Financial Risk Management Policies

Details of the main Financial risks facing the Group and the policies to manage these risks are contained in Note 22 of these Financial statements;

Section 172 Companies Act Statement

The statements below are designed to address the reporting requirements of the Board under Section 172 of the Companies Act and the Companies (Miscellaneous Reporting) Regulations 2018. The Directors are well aware of their duty under section 172 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to the areas set out in section 172.

As a people business, the impact of business decisions on our principal stakeholders is always central to the decision making process.

Our key stakeholders and how we engage is summarised in the below table:

Stakeholder Engagement Table

Stakeholder Group	Why they are important	Type of engagement
Employees	The key to delivering the Board's organic growth strategy is to continue to recruit and retain high quality staff. In order for Osirium to be an attractive place for high calibre staff to work, it is essential that Osirium maintains its reputation for delivering software and IT projects of the highest quality. Osirium's most valuable asset is its people, be it the development, sales and marketing consulting or presales teams or the support staff.	Our Company's culture governs how the Group engages with employees – which is to treat all members of the Company fairly and consistently. The Board's intention is to behave responsibly and ethically at all times, in line with Company values, and to ensure that the management teams operate the business in a responsible manner maintaining a reputation for the highest standards of business conduct and good governance as set out in our report and accounts. The Board has demonstrated over the years how much it values its employees. Actions include introducing enhanced employee benefits as the company has grown and resources allow, regular Personnel reviews and Corporate Events - all designed to attract and retain the best staff to Osirium.
Investors/Shareholders	Our investors' continued support is important to the success of the Group and has provided a source of equity to help fund the growth of the business. Shareholders also continue to be a conduit to the Executive Directors on equity market dynamics.	The Board engages with shareholders through the annual and half year results and trading updates, the Annual General Meeting and investor roadshows. The Company provides information to all shareholders and other third parties on an equal basis using the RNS news service.

Report of the Directors
for the year ended 31 December 2020 Continued

Financial Risk Management Policies Continued

Stakeholder Engagement Table Continued

Stakeholder Group	Why they are important	Type of engagement
Customers/Suppliers/ Partners	As a business, we understand the need to foster the Company's business relationships with suppliers, customers and partners to operate a successful business. Our business is centred on high quality customer service, based on being a trusted partner. Suppliers and partners are important in our service delivery and to expand the Group's market reach.	The Group dedicates substantial time, effort and resources in working to develop and maintain strong relationships from which all stakeholders benefit. We have established the Osirium Customer Network, an informal forum for meeting and introducing customers to each other for sharing best practices with Osirium technology. These events are well attended by both new and longer standing Osirium customers. The feedback we receive from customers is that these briefings and interactive workshops have real value. Likewise Osirium runs regular joint seminars with its partners and joint marketing and training events. These enable partners to become skilled in Osirium technologies, differentiate themselves from their competitors, and open up new revenue streams.
Community and Environment	The Board is aware of the Group's environmental responsibilities to ensure the wellbeing of the wider community and the continued viability of the Group.	The nature of the Group's business is fundamentally low impact to the community and the environment. The Osirium working model has always enabled the team to deliver their services using technology that further reduces the environmental impact. As an illustration, many of the team have never needed to commute to work on a daily basis.

Osirium has a clearly stated long term organic growth and a " land and expand" strategy. As such, all significant business decisions consider both the short medium and long term consequences of each decision as part of the strategic decision-making process. The Board's governance framework shows how the Board delegates its authority and each business decision is debated and agreed at a Board meeting and suitably recorded for review. The Board has held 11 board meetings over the year to discuss and agree key decisions made and assess the impact of these decisions on key stakeholder groups.

We have considered the key decisions taken by the Board which will have an impact on the longer-term performance and prospects of the Group. This is summarised in the table on the next page:

Key decisions made in 2020 impacting stakeholders

Significant Event / Decision	Key Stakeholders	Actions and Impacts
Covid pandemic	Employees, Customers, Investors / Shareholders, Customers / Supplier / Partners	• Offices were closed ahead of the Government guidance to ensure staff safety and security with remote and flexible working extended • A Salary Sacrifice scheme was put in place across the Group to ensure no staff were furloughed • Customers were consulted to assess how the Group's technology could facilitate their remote working set-ups as they themselves faced new priorities as a result of the pandemic • The Group's marketing efforts were quickly and successfully pivoted to digital marketing and virtual events to drive new business • The Board quickly made a number of decisions to conserve cash and preserve liquidity • The Board considered its actions to be in the long-term interest of its stakeholders to ensure the stability of the business through the pandemic
New product launches	Employees, Customers, Investors / Shareholders	• Product enhancements and new product development was rolled out in line with customer feedback to ensure it matches customer needs • Development teams were consulted, sales and presales and marketing teams trained to work with the expanded product range. • Investment in product development is continually reviewed as a pillar of Group's growth strategy

Statement of Disclosure of Information to the Auditor

The Directors who were in office at the date of approval of these financial statements confirm that, as far as they are aware, there is no relevant information of which the auditor is unaware. Each of the Directors confirm that they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Post Year End

Osirium has experienced continued trading momentum with a record first quarter for bookings and continued business momentum and further sales with a substantial number of contract wins, particularly with NHS trusts. Osirium has a growing pipeline with quality and volume of leads improving as end markets continue to stabilise with increased engagement with new and existing channel partners.

The board is also pleased to report a successful fundraise of £2.17 million in April and May 2021 which enables the Group to continue to scale its business in PAM and digital automation, expand the Group's channel partner network and accelerate recruitment, including new hires in the sales, engineering and R&D teams.

Annual General Meeting

A resolution to reappoint RSM UK Audit LLP as auditor will be put to the members at the Annual General meeting of the Company which will be held on 22 July 2021 at 11:00 am.

On Behalf of the Board of Directors
David Guyatt, CEO 10 June 2021

FINANCIALS
2020 WITH OSIRIUM

Directors' Responsibilities in Preparation of the Financial Statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. The directors have elected under company law and the AIM Rules of the London Stock Exchange to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The financial statements are required by law and international accounting standards in conformity with the requirements of the Companies Act 2006 to present fairly the financial position and performance of the company and group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and group and of the profit or loss of the group for that period.

In preparing the financial statements, the directors are required to:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and accounting estimates that are reasonable and prudent;

c. state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;

d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Osirium Technologies Plc website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Members of Osirium Technologies PLC

Opinion

We have audited the financial statements of Osirium Technologies Plc (the 'parent company') and its subsidiary (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Company Statement of Financial Position, Consolidated and Company Statement of Changes in Equity, Consolidated and Company Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006 and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to 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.

Material uncertainty related to going concern

We draw attention to the going concern accounting policy in note 1 to the financial statements, which sets out the existence of economic uncertainty and the likely need for the group to increase its order book and to grow its revenue over the next 12 months in order for the group and parent company to continue as a going concern. These conditions indicate that a material uncertainty exists that may cast significant doubt on the group's and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included obtaining evidence of proceeds from the share placing in April 2021, reviewing and evaluating management's forecasts, discussions with management of the current and expected pipeline of new revenue, and gaining an understanding of the external funding currently available to the group and parent company in the forecast period.

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

Summary of our audit approach

Key audit matters	**Group** • Capitalisation of development costs
Materiality	**Group** • Overall materiality: £43,400 (2019: £35,100) • Performance materiality: £32,600 (2019: £26,300) **Parent Company** • Overall materiality: £21,551 (2019: £17,550) • Performance materiality: £16,100 (2019: £13,100)
Scope	Our audit procedures covered, on a sample basis, 100% of revenue, 100% of total assets and 100% of profit before tax.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the group 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 group financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Capitalisation of development costs

Key audit matter description	Refer to page 56 (Accounting Policies – Internally-generated development intangible assets) and page 65 (Note 9 – Intangible assets). As at 31 December 2020, the Group had intangible assets with a net book value of £3,335,455 (2019: £2,936,473) arising from the capitalisation of internally generated development costs. The group capitalises software engineers' costs in accordance with IAS 38 Intangible assets – these include engineers' salaries and consultancy expenses. The percentage of each engineer's salary is capitalised based on estimates of the time spent developing new products. There is a risk that these estimates do not accurately reflect the actual time spent on developing projects.
How the matter was addressed in the audit	**Our audit approach included:** Audit of the amounts capitalised by reference to specific projects commenced, the utilisation of individual engineers and the recognition criteria prescribed in IAS 38 Intangible assets.

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

Independent Auditor’s Report Continued

	Group	Parent Company
Overall materiality	£43,400 (2019: £35,100)	£21,551 (2019: £17,550)
Basis for determining overall materiality	3% of total revenue	2.5% of net assets
Rationale for benchmark applied	Given the group is in the early stages of its life cycle, the key focus for the business and its stakeholders is revenue growth and not on profitability at this stage.	Net assets are considered to be the most appropriate benchmark for the parent company as it is primarily a holding company.
Performance materiality	£32,600 (2019: £26,300)	£16,100 (2019: £13,100)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £2,170 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £1,070 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The group consists of two components, each of which is based in the United Kingdom. Full scope audits were performed for the two components.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors’ Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors’ Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors’ Report.

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

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

Responsibilities of directors

As explained more fully in the directors’ responsibilities statement set out on page 39, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity’s operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

Independent Auditor's Report Continued

The extent to which the audit was considered capable of detecting irregularities, including fraud Continued

The most significant laws and regulations were determined as follows:

Legislation / Regulation	Additional audit procedures performed by the Group audit engagement team included:
International Accounting Standards in conformity with the requirements of the Companies Act 2006	Review of the financial statement disclosures and testing to supporting documentation; Completion of disclosure checklists to identify areas of non-compliance.
Tax compliance regulations; research and development tax claim	Input from a research and development tax expert was obtained regarding the reasonableness of the research and development tax claim during the year; Consideration of whether any matter identified during the audit required reporting to an appropriate authority outside the entity.

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Revenue recognition	The audit procedures performed in relation to revenue recognition included the performance of substantive analytical procedures, review of the cut-off treatment of a sample of contracts around the year-end and a review of the method used to defer and recognise revenue at the appropriate point.
Research and development tax claim	The audit procedures performed in relation to the research and development tax claim were to review the inputs into the claim and consult a research and development tax expert in respect of the amounts being claimed during the year.
Management override of internal controls	Testing the appropriateness of accounting journal entries and other adjustments; Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

William Farren FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants, Portland, 25 High Street, Crawley, West Sussex, RH10 1BG, 10 June 2021

Consolidated Statement of Comprehensive Income

Continuing Operations:

	NOTES	YEAR ENDED 31-12-2020 £	YEAR ENDED 31-12-2019 £
Operations			
Revenue		**1,434,875**	1,171,586
Gross Profit		**1,434,875**	1,171,586
Other operating income		**700**	-
Administrative expenses		**(4,307,952)**	(4,571,317)
Operating Loss		**(2,872,377)**	(3,399,731)
Net finance costs	6	**(222,322)**	(52,162)
Loss Before Tax		**(3,094,699)**	(3,451,893)
Taxation	7	**590,223**	622,514
Loss for the Year Attributable to the Owners of Osirium Technologies PLC		**(2,504,476)**	(2,829,379)
Basic and fully diluted loss per share	8	**(13p)**	(19p)

Consolidated Statement of Financial Position

	NOTES	31-12-2020 £	31-12-2019 £
Assets: Non-Current Assets			
Intangible assets	9	**3,335,455**	2,936,473
Property, plant and equipment	10	**90,530**	77,534
Right-of-use assets	11	**61,329**	110,392
Total Non-Current Assets		**3,487,314**	3,124,399
Current Assets			
Trade and other receivables	13	**818,445**	982,369
Cash and cash equivalents	14	**1,482,376**	3,854,922
Total current assets		**2,300,821**	4,837,291
Total Assets		**5,788,135**	7,961,690
Liabilities: Current Liabilities			
Trade and other payables	16	**2,088,722**	1,889,098
Lease liability	17	**54,958**	33,916
Total current liabilities		**2,143,680**	1,923,014
Non-Current Liabilities			
Deferred tax	21	**-**	-
Lease liability	17	**15,765**	76,973
Convertible loan notes	18	**2,502,883**	2,345,408
Total non-current liabilities		**2,518,648**	2,422,381
Total Liabilities		**4,662,328**	4,345,395
Equity			
Called up share capital	19	**194,956**	194,956
Share premium		**10,635,500**	10,635,500
Share option reserve		**351,547**	337,559
Merger reserve		**4,008,592**	4,008,592
Convertible note reserve		**394,830**	394,830
Retained earnings		**(14,459,618)**	(11,955,142)
Total Equity Attributable to the Owners of Osirium Technologies PLC		**1,125,807**	3,616,295
Total Equity and Liabilities		**5,788,135**	7,961,690

The financial statements on pages 45 to 78 were approved and authorised for issue by the board of directors on 10/6/21.
The accompanying notes are an integral part of these financial statements.

On Behalf of the Board of Directors: **David Guyatt**, CEO 10 June 2021

Company Statement of Financial Position

	NOTES	31-12-2020 £	31-12-2019 £
Assets: Non-Current Assets			
Investment in subsidiary	12	**354,445**	354,445
Current Assets			
Trade and other receivables	13	**2,147,012**	1,997,200
Cash and cash equivalents	14	**956,482**	3,706,558
Total current assets		**3,103,494**	5,703,758
Total Assets		**3,457,939**	6,058,203
Liabilities: Current Liabilities			
Trade and other payables	16	**102,329**	120,028
Total current liabilities		**102,329**	120,028
Non-Current Liabilities			
Deferred tax	21	**-**	-
Convertible loan notes	18	**2,502,883**	2,345,408
Total non-current liabilities		**2,502,883**	2,345,408
Total Liabilities		**2,605,212**	2,465,436
Equity			
Called up share capital	19	**194,956**	194,956
Share premium		**10,635,500**	10,635,500
Share option reserve		**351,547**	337,559
Convertible note reserve		**394,830**	394,830
Retained earnings		**(10,724,106)**	(7,970,078)
Total Equity Attributable to the Owners of Osirium Technologies PLC		**852,727**	3,592,767
Total Equity and Liabilities		**3,457,939**	6,058,203

The financial statements on pages 45 to 78 were approved and authorised for issue by the board of directors on 10/6/21.
The accompanying notes are an integral part of these financial statements. The company has elected to take the exemption under section 408 of the Companies Act 2006 from presenting the parent company profit and loss account. The loss for the parent company for the year was £2,754,028 (2019: £6,319,895).

On Behalf of the Board of Directors
David Guyatt, CEO 10 June 2021

Consolidated Statement of Changes in Equity

	CALLED UP SHARE CAPITAL £	SHARE PREMIUM £	MERGER RESERVE £	SHARE OPTION RESERVE £	CONVERTIBLE NOTE RESERVE £	RETAINED EARNINGS £	TOTAL EQUITY £
Balance at 1 January 2019	135,542	8,968,554	4,008,592	337,559	-	(9,125,763)	**4,324,484**
Changes in Equity							
Issue of share capital	59,414	2,020,091	-	-	-	-	**2,079,505**
Issue costs	-	(353,145)	-	-	-	-	**(353,145)**
Total comprehensive loss	-	-	-	-	-	(2,829,379)	**(2,829,379)**
Equity element of loan notes issued	-	-	-	-	394,830	-	**394,830**
Balance at 31 December 2019	194,956	10,635,500	4,008,592	337,559	394,830	(11,955,142)	**3,616,295**
Changes in Equity							
Total comprehensive loss	-	-	-	-	-	(2,504,476)	**(2,504,476)**
Share option charge	-	-	-	13,988	-	-	**13,988**
Balance at 31 December 2020	194,956	10,635,500	4,008,592	351,547	394,830	(14,459,618)	**1,125,807**

Company Statement of Changes in Equity

	CALLED UP SHARE CAPITAL £	SHARE PREMIUM £	SHARE OPTION RESERVE £	CONVERTIBLE NOTE RESERVE £	RETAINED EARNINGS £	TOTAL EQUITY £
Balance at 1 January 2019	135,542	8,968,554	337,559	-	(1,650,183)	**7,791,472**
Changes in Equity						
Issue of share capital	59,414	2,020,091	-	-	-	**2,079,505**
Issue costs	-	(353,145)	-	-	-	**(353,145)**
Total comprehensive loss	-	-	-	-	(6,319,895)	**(6,319,895)**
Equity element of loan notes issued	-	-	-	394,830	-	**394,830**
Balance at 31 December 2019	194,956	10,635,500	337,559	394,830	(7,970,078)	**3,592,767**
Changes in Equity						
Total comprehensive loss	-	-	-	-	(2,754,028)	**(2,754,028)**
Share option charge	-	-	13,988	-	-	**13,988**
Balance at 31 December 2020	194,956	10,635,500	351,547	394,830	(10,724,106)	**852,727**

Consolidated Statement of Cash Flows & Consolidated Reconciliation of Liabilities

CONSOLIDATED STATEMENT OF CASH FLOWS	NOTES	YEAR ENDED 31-12-2020 £	YEAR ENDED 31-12-2019 £
Cash flows used in operating activities			
Cash used in operations	15	**(967,180)**	(1,517,218)
Tax received	7	**557,251**	472,076
Net cash used in operating activities		**(409,929)**	(1,045,142)
Cash flows used in investing activities			
Purchase of intangible assets	9	**(1,806,146)**	(1,773,395)
Purchase of property, plant and equipment	10	**(68,994)**	(79,428)
Sale of property, plant and equipment	10	**17,537**	431
Interest received	6	**-**	35
Net cash used in investing activities		**(1,857,603)**	(1,852,357)
Cash flows from financing activities			
Share issue		**-**	2,079,505
Share issue costs		**-**	(353,145)
Payment of lease liabilities (net of interest)		**(48,484)**	(60,563)
Issue of loan notes		**-**	2,700,000
Allocation of loan note interest		**(56,530)**	-
Net cash from financing activities		**(105,014)**	4,365,797
(Decrease)/increase in cash and cash equivalents		**(2,372,546)**	1,468,298
Cash and cash equivalents at beginning of year		**3,854,922**	2,386,624
Cash and cash equivalents at end of year		**1,482,376**	3,854,922

CONSOLIDATED RECONCILIATION OF LIABILITIES	AS AT 01-01-2020 £	CASH FLOWS £	NON CASH CHARGES £	AS AT 31-12-2020 £
Cash and cash equivalents				
Cash	3,854,922	(2,372,546)	-	**1,482,376**
Borrowings				
Lease Liability	110,889	(48,484)	8,318	**70,723**
Loan notes	2,345,408	-	157,475	**2,502,883**
	2,456,297	(48,484)	165,793	**2,573,606**

Company Statement of Cash Flows & Company Reconciliation of Liabilities

COMPANY STATEMENT OF CASH FLOWS	NOTES	YEAR ENDED 31-12-2020 £	YEAR ENDED 31-12-2019 £
Cash flows used in operating activities			
Cash used in operations	15	**(2,693,546)**	(2,936,051)
Tax received	7	**-**	-
Interest paid		**-**	(40,238)
Net cash used in operating activities		**(2,693,546)**	(2,976,289)
Cash flows used in investing activities			
Share issue (net of issue costs)		**-**	1,726,360
Issue of loan notes		**-**	2,740,238
Allocation of loan note interest		**(56,530)**	-
Net cash from financing activities		**(56,530)**	4,466,589
(Decrease)/increase in cash and cash equivalents		**(2,750,076)**	1,490,309
Cash and cash equivalents at beginning of year		**3,706,558**	2,216,249
Cash and cash equivalents at end of year		**956,482**	3,706,558

COMPANY RECONCILIATION OF LIABILITIES	AS AT 01-01-2020 £	CASH FLOWS £	NON CASH CHARGES £	AS AT 31-12-2020 £
Cash and cash equivalents				
Cash	3,706,558	(2,750,076)	-	**956,482**
Borrowings				
Loan notes	2,345,408	-	157,475	**2,502,883**

Notes to the Financial Statements

Osirium Technologies PLC is a company incorporated in the United Kingdom under the Companies Act 2006 and listed on the AIM Market. The address of the registered office is One Central Square, Cardiff, CF10 1FS.

1. Significant Accounting Policies

Basis of Preparation

The financial statements have been prepared on a going concern basis under the historical cost convention, and in accordance with International Accounting Standards that are effective or issued and early adopted as at the time of preparing these Financial Statements and in accordance with the provisions of the Companies Act 2006.

Basis of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the subsidiary of Osirium Technologies PLC ('company' or 'parent entity') as at 31 December 2020 and the results of the subsidiary for the year then ended. Osirium Technologies PLC and its subsidiary together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Going concern

As part of their going concern review the Directors have followed the guidelines published by the Financial Reporting Council entitled "Guidance on the Going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risks (2016)". The Directors have prepared detailed financial forecasts and cash flows looking beyond 12 months from the date of these Financial Statements. In developing these forecasts the Directors have made assumptions based upon their view of the current and future economic conditions that will prevail over the forecast period.

The Group incurred a loss of £2.50m in the year ended 31 December 2020 and had net current assets of £0.15m at that date. The Group's cash and cash equivalents decreased by £2.37m in the same period. Cash and cash equivalents at 31 December 2020 were £1.48m. Subsequent to the balance sheet date the Group raised £2.17m via a share placing, which was in line with the Board's target.

In its assessment, the Board has included consideration of the potential ongoing impact of COVID-19, such as the COVID-related slowdowns experienced in Q2 and Q3 of 2020, and factored this into the financial assessment of the Group. The normalisation of trading conditions in the latter part of the year ended 31 December 2020 resulted in the Group achieving a record level of bookings in Q4 and this level of enhanced bookings has carried through to the start of the new financial year. This early trading momentum, increased number of customers and strong current pipeline of new business supports the Board's business forecasts and underlines their confidence in the Group's ongoing momentum.

On the basis of the above projections, the Directors are confident that Osirium has sufficient working capital to honour all of its obligations to creditors as and when they fall due. The Directors consider it appropriate to continue to adopt the going concern basis in preparing the Financial Statements. Accordingly, the financial statements do not include any adjustments which would be required if the going concern basis of preparation was deemed to be inappropriate. However, if the Group is unable to deliver the anticipated order book and revenue growth, it would give rise to a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

New and Amended Standards and Interpretations

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

2. Accounting Policies

Revenue Recognition

Revenue represents net invoiced sales of services, excluding value added tax. Sales of software licence subscriptions are recognised over the period of the contract with the deferred income being recognised in the statement of financial position. Sales of one-off installation services are invoiced and recognised fully on completion of the installation.

Contract Assets

Contract assets are recognised when Osirium has transferred goods or services to the customer but where Osirium is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Functional and Presentational Currency

Items included in the Financial Statements of Osirium are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial information is presented in UK sterling (£), which is the functional and presentational currency of Osirium.

Rounding

The figures in the financial statements of Osirium for the current and preceding year are rounded to nearest whole pound.

Financial Instruments

Financial assets and financial liabilities are recognised in Osirium's statement of financial position when Osirium becomes party to the contractual provisions of the instrument. Financial assets are de-recognised when the contracted rights to the cash flows from the financial asset expire or when the contracted rights to those assets are transferred. Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

Notes to the Financial Statements
Continued

2. Accounting Policies Continued

Financial assets

Trade and Other Receivables
Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less the provision for impairment. Appropriate provisions for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the assets are impaired. The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows interest income is recognised by applying the effective interest rate, except for short term receivables when the recognition of interest would be immaterial. The directors have made an assessment on the amounts due from group undertakings under IFRS 9 for impairment of financial assets. As Osirium is loss making and the likelihood is that a proportion of the amount due from the group undertaking will not be received, the directors have deemed it prudent to account for an impairment of £1,916,126 with this being looked at every 12 months on a continuous basis.

Cash and Cash Equivalents
Cash and cash equivalents comprise cash on hand, demand deposits held on call with banks, and other short- term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are shown in the financial statements as 'cash and cash equivalents'.

Impairment of Financial Assets
Osirium recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon Osirium's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Financial Liabilities and Equity

Trade and Other Payables
Trade payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method; this method allocates interest expense over the relevant period by applying the 'effective interest rate' to the carrying amount of the liability.

Borrowings
Borrowings are recognised initially at fair value less transactions costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of borrowings using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not premeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

Equity
Equity instruments issued by Osirium are recognised at fair value on initial recognition net of transaction costs.

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases used in the computation of the taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that is probable that taxable profits will be available against which is deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit not the accounting profit.

The carrying of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the Statement of Financial Position date. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when it is a legally enforceable right to set off the current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and Osirium intends to settle its current tax assets and liabilities on a net basis.

Notes to the Financial Statements
Continued

2. Accounting Policies Continued

Financial Liabilities and Equity Continued

Property, Plant and Equipment
Plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings - 25% on cost
Computer equipment - 33% on cost

Osirium has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Internally-generated Development Intangible Assets
An internally-generated development intangible asset arising from Osirium's product development is recognised if, and only if, Osirium can demonstrate all of the following:

- The technical feasibility of completing the intangible asset so that it will be available for use of sale.
- Its intention to complete the intangible asset and use or sell it.
- Its ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Internally-generated development intangible assets are amortised on a straight-line basis over their useful lives. Amortisation commences in the financial year of capitalisation. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the year in which it is incurred. The amortisation cost is recognised as part of administrative expenses in the statement of comprehensive income.

Development costs - 20% per annum, straight line

Impairment of Tangible and Intangible Assets
At each statement of financial position date, Osirium reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, Osirium estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Right of Use Assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where Osirium expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Lease Liability
The lease liability is initially measured at the present value of the lease payments during the lease term discounted using the interest rate implicit in the lease, or the incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 7.5%. The lease term is the non-cancellable period of the lease plus extension periods that the Group is reasonably certain to exercise and termination periods that the Group is reasonably certain not to exercise.

Leases are cancellable when each party has the right to terminate the lease without permission of the other party or incurring more than an insignificant penalty. The lease term includes any rent-free periods.

Subsequent measurement of the lease liability
The lease liability is subsequently increased for a constant periodic rate of interest on the remaining balance of the lease liability and reduced for lease payments.

Interest on the lease liability is recognised in profit or loss, unless interest is directly attributable to qualifying assets, in which case it is capitalised in accordance with the Group's policy on borrowing costs.

Employee Benefit Costs
Osirium operates a defined contribution pension scheme. Contributions payable to Osirium's pension scheme are charged to the Statement of Comprehensive Income in the year to which they relate.

Share-based Payments
Osirium issues equity-settled share-based payments to certain employees and others under which Osirium receives services as consideration for equity instruments (options) in Osirium. Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted. The fair value determined at the grant date of equity-settled share-based payments is recognised as an expense in Osirium's Statement of Comprehensive Income over the vesting period on a straight-line basis, based on Osirium's estimate of the number of instruments that will eventually vest with a corresponding adjustment to equity. The expected life used in the valuation is adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

Non-vesting and market vesting conditions are taken into account when estimating the fair value of the options at grant date. Service and non-market vesting conditions are taken into account by adjusting the number of options expected to vest at each reporting date. When the options are exercised Osirium issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

Notes to the Financial Statements Continued

2. Accounting Policies Continued

Financial Liabilities and Equity Continued

Segment 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 that makes strategic decisions.

Financial Risk Factors

Osirium's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. Osirium's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on Osirium's financial performance. Risk management is carried out by management under policies approved by the directors. The directors provide principals for overall risk management, as well as policies covering specific areas, such as, interest rate risk, non-derivative financial instruments and investment of excess liquidity.

Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Osirium Technologies plc, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Critical Accounting Estimates and Judgements

The preparation of the Financial Statements requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at each statement of financial position date and the reported amounts of revenue during the reporting periods. Actual results could differ from these estimates. The directors consider the key areas to be in respect of intangible assets and impairment of intercompany receivables. Information about such judgements and estimations are contained in individual accounting policies (intangible assets (Note 9), and trade and other receivables (Note 13).

IFRS 16 Leases

Right-of-use assets and corresponding lease liabilities are recognised in the statements of financial position. Straight line operating lease expense recognition is replaced with a depreciation charge for the right-of-us assets (included in operating costs) and an interest expense on the recognised lease liabilities (included within finance costs). For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

The Group has used the following practical expedients permitted by the standard:

- Accounting for leases with a remaining lease term of 12 months as at 1 January 2020 as short-term leases;
- Excluding any initial direct costs from the measurement of right-of-use assets;
- Using hindsight in determining the lease term when the contract contains options to extend or terminate the lease; and
- The value of the right of use asset at the transition date has been assessed as equalling the lease liability at that date.

3. Segment Information and Revenue

Management information is provided to the chief operating decision maker as a whole. As a result Osirium is a single operating segment. All revenue is derived from the sale of software subscriptions and consultancy services to the customers in the UK.

The Group had one (2019: two) customer that represented over 10% of total revenue. The total revenue for this customer was £248,000 (2019: £385,990) which represents 17% (2019: 33%) of the Group's total income for the year:

YEAR ENDED 31 DECEMBER 2020	£	%
Customer 1	248,000	17%
Total	248,000	17%

YEAR ENDED 31 DECEMBER 2019	£	%
Customer 1	124,849	11%
Customer 2	261,141	22%
Total	385,990	33%

4. Employees and directors

Employee Remuneration

The aggregate remuneration for employees of the Group during the year was as follows:

GROUP	YEAR ENDED 31-12-2020 £	YEAR ENDED 31-12-2019 £
Wages and Salaries	2,790,593	3,077,226
Social Security Costs	322,321	367,106
Other Pension Costs	177,805	155,411
Subtotal	3,290,719	3,599,743
Less R&D capitalised amounts	(1,673,990)	(1,414,549)
Total	1,616,729	2,185,194

The average number of employees of the Group during the year was as follows:

	YEAR ENDED 31-12-2020	YEAR ENDED 31-12-2019
Directors and Management	5	5
Development	21	22
Sales and Presales	9	12
Support	7	7
Marketing	4	3
Total	46	49

The parent company had no employees in the year (2019: nil)

Notes to the Financial Statements
Continued

4. Employees and Directors Continued

Directors' Remuneration

The remuneration for directors' of the Group during the year was as follows:

YEAR ENDED 31 DECEMBER 2020	SALARIES	BONUS & COMMISSION	CAR BENEFIT	BENEFITS IN KIND	PENSION	TOTAL 2020	TOTAL 2019
S P G Lee	43,333	-	-	-	-	43,333	50,000
D A Guyatt	118,592	32,128	12,000	-	9,987	172,706	282,074
R G Hutton	59,296	6,695	-	647	4,993	71,631	75,330
S Purdham	22,292	-	-	-	-	22,292	20,000
S E H Hember	16,942	-	-	-	1,427	18,368	21,500
Total	260,455	38,823	12,000	647	16,407	328,330	448,904

The figures in the table above are exclusive of Employer's National Insurance but inclusive of Employer's pension contributions.

The number of directors to whom retirement benefits were accruing under was as follows:

GROUP	YEAR ENDED 31-12-2020	YEAR ENDED 31-12-2019
Defined contribution schemes	**3**	3

Key Management Personnel

The directors are considered to be the key management personnel, of the Group and Company along with Kevin Pearce (Professional Services Director), Andrew Harris (Chief Technical Officer), Catherine Jamieson (Chief Operating Officer), Stuart McGregor (Sales Director), and Barry Scott (Customer Services Director).

The remuneration of key management is as follows:

GROUP	YEAR ENDED 31-12-2020 £	YEAR ENDED 31-12-2019 £
Remuneration	**792,910**	1,007,859
Social security costs	**98,549**	125,799
Pension contributions	**42,773**	38,432
Total key management personnel compensation	**934,232**	1,172,090

Osirium currently has no post-employment benefits other than the defined contribution pension scheme which all employees are eligible for.

Directors' Interests in Share Options

The directors' interest in share options is as follows:

	AWARD DATE	PRICE ON AWARD DATE	EXERCISE PRICE	OPTIONS AT 31/12/2020	EXERCISABLE FROM
S P G Lee	06-Apr-16	£1.56	58p	120,000	31-Dec-19
	04-Dec-20	£0.04	35p	26,125	04-Dec-25
				146,125	
D A Guyatt	06-Apr-16	£1.56	58p	410,100	31-Dec-19
	06-Apr-16	£1.56	41p	176,316	31-Dec-19
	04-Dec-20	£0.04	35p	475,000	04-Dec-25
				1,061,416	
R G Hutton	04-Dec-20	£0.04	35p	147,250	04-Dec-25
S Purdham	04-Dec-20	£0.04	35p	26,125	04-Dec-25
S Hember	04-Dec-20	£0.04	35p	26,125	04-Dec-25

No directors exercised any share options in the year (2019: none).

5. Loss from Operations

This is stated after charging:

	YEAR ENDED 31-12-2020 £	YEAR ENDED 31-12-2019 £
Amortisation of development costs	**1,407,164**	1,144,157
Depreciation of fixtures and fittings	**2,912**	3,612
Depreciation of computer equipment	**49,738**	50,771
Depreciation of right-of-use assets	**49,063**	49,063
Loss on disposal of property, plant and equipment	**(14,189)**	(626)
Foreign exchange differences	**(656)**	5,670

Notes to the Financial Statements
Continued

5. Loss from Operations Continued

The group paid the following amounts to its auditors RSM UK Audit LLP in respect of services provided during the year:

GROUP	YEAR ENDED 31-12-2020 £	YEAR ENDED 31-12-2019 £
Auditors remuneration for these accounts	**40,500**	37,000
Auditors remuneration for other services		
EIS fees	**10,400**	4,500
Interim review fee	**5,500**	8,500
Tax fees	**5,000**	-
Total	**61,400**	50,000

6. Net Finance Costs

	YEAR ENDED 31-12-2020 £	YEAR ENDED 31-12-2019 £
Net finance costs		
Loan note interest	**214,005**	40,238
Lease interest	**8,317**	11,959
Deposit interest received	**-**	(35)
Total	**222,322**	52,162

The company had no finance income in the year (2019: £nil).

7. Income Tax

Analysis of Tax Income

GROUP	YEAR ENDED 31-12-2020 £	YEAR ENDED 31-12-2019 £
Current Tax:		
Tax	**(591,436)**	(557,251)
Adjustment for prior year tax	**1,213**	(65,263)
Total current tax	**(590,223)**	(622,514)
Total credit in the statement of comprehensive income	**(590,223)**	(622,514)

For the year ended 31 December 2019 successful R&D tax claims were submitted and paid by HM Revenue & Customs. Management intends to submit similar claims for the 2020 financial year.

Factors Affecting the Tax Income

Tax on the loss before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to losses of the group as follows:

GROUP	YEAR ENDED 31-12-2020 £	YEAR ENDED 31-12-2019 £
Loss before tax	**(3,094,699)**	(3,451,893)
Loss before tax multiplied by the applicable		
Rate of corporation tax of 19% (2019: 19%)	**(587,993)**	(655,860)
Expenses not deductible for tax purposes	**-**	-
Unrelieved tax losses	**587,993**	655,860
Adjustment for prior year tax	**1,213**	(65,263)
R&D tax credit relief	**(591,436)**	(557,251)
Tax Income	**(590,223)**	(622,514)

As at 31 December 2020 the group had unutilised tax losses of £9,940,849 (31 December 2019: £6,573,855) available to offset against future profits. A deferred tax asset has been recognised in respect of tax losses carried forward to the extent that it offsets the deferred tax liabilities in respect of research and development credits and accelerated capital allowances (see note 21).

At Summer Budget 2015, the government announced legislation setting the Corporation Tax main rate (for all profits except ring fence profits) at 19% for the years starting 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020. A further reduction to 17% for the year starting 1 April 2020 was announced at Budget 2016. At Budget 2020, the government announced that the Corporation Tax main rate (for all profits except ring fence profits) for the years starting 1 April 2020 and 2021 would remain at 19%.

Notes to the Financial Statements
Continued

8. Earnings per Share

	YEAR ENDED 31-12-2020 £	YEAR ENDED 31-12-2019 £
Weighted average no. of shares in issue	19,495,655	14,544,452
Weighted average no. of shares for the purposes of basic earnings per share	19,495,655	14,544,452
Effect of dilutive potential ordinary shares:		
Share options	-	-
Weighted average no. of shares for the purposes of diluted earnings per share	19,495,655	14,544,452
Basic losses attributable to equity shareholders	(2,504,476)	(2,829,379)
Losses for the purposes of diluted earnings per share	(2,504,476)	(2,829,379)
Basic loss per share	(13)p	(19)p
Diluted loss per share	(13)p	(19)p

Earnings per share has been calculated using the following methodology:

Basic losses per share are calculated by dividing the losses attributable to ordinary shareholder by the number of weighted average ordinary shares during the year.

Following Share option grants in the period on 14 October 2020 and 4 December 2020, at 31 December 2020, there were 2,979,425 share options outstanding that could potentially dilute basic earnings or losses per share in the future, but are not included in the calculation of diluted losses per share because they are anti-dilutive for the years presented.

9. Intangible Fixed Assets

COST	DEVELOPMENT £
At 1 January 2019	5,919,434
Additions to 31 December 2019	1,773,395
At 1 January 2020	7,692,829
Additions to 31 December 2020	1,806,146
At 31 December 2020	9,498,975
Amortisation	
At 1 January 2019	3,612,199
Charge to 31 December 2019	1,144,157
At 1 January 2020	4,756,356
Charge to 31 December 2020	1,407,164
At 31 December 2020	6,163,520
Net Book Value at 31 December 2019	2,936,473
Net Book Value at 31 December 2020	3,335,455

All development costs are amortised over their estimated useful lives, which is on average 5 years. This reflects the management's best estimate of the period of time over which the group will benefit from the amounts capitalised.

All amortisation has been charged to administrative expenses in the consolidated statement of comprehensive income.

The company had no intangible fixed assets as at 31 December 2020.

Notes to the Financial Statements
Continued

10. Property, Plant and Equipment

	FIXTURES AND FITTINGS £	COMPUTER EQUIPMENT £	TOTALS £
Cost			
At 31 December 2018	15,633	153,766	**169,399**
Additions	2,120	77,308	**79,428**
Disposals	-	(1,662)	**(1,662)**
At 31 December 2019	17,753	229,412	**247,165**
Additions	-	68,994	**68,994**
Disposal	-	(12,212)	**(12,212)**
At 31 December 2020	17,753	286,194	**303,947**
Depreciation			
At 31 December 2018	9,403	107,076	**116,479**
Charge for year	3,612	50,771	**54,383**
Depreciation eliminated on disposal	-	(1,231)	**(1,231)**
At 31 December 2019	13,015	156,616	**169,631**
Charge for year	2,912	49,738	**52,650**
Disposal	-	(8,864)	**(8,864)**
At 31 December 2020	15,927	197,490	**213,417**
Net Book Value at 31 December 2019	4,738	72,796	**77,534**
Net Book Value at 31 December 2020	1,826	88,704	**90,530**

The company had no property, plant & equipment as at 31 December 2020. Depreciation is charged to administrative costs in the consolidated statement of comprehensive income.

11. Right-of-Use Assets

	LEASES OF BUILDING £
Cost	
At 31 December 2018	-
Additions	159,455
At 31 December 2019	159,455
Additions	-
At 31 December 2020	159,455
Depreciation	
At 31 December 2018	-
Charge for year	49,063
At 31 December 2019	49,063
Charge for year	49,063
At 31 December 2020	98,126
Net Book Value at 31 December 2019	110,392
Net Book Value at 31 December 2020	61,329

The group leases land and buildings for its office under an agreement for 4 years running from 2018 to 2022.

12. Investment in Subsidiary

Osirium Technologies PLC has the following investment in its subsidiary:

	COUNTRY OF INCORPORATION	CLASS OF SHARE HELD	OWNERSHIP
Osirium Limited One Central Square, Cardiff, CF10 1FS	England & Wales	Ordinary	100%

Osirium Limited's business activities are the development, sale and consultancy services related to the company's own software products

Movement on cost and net book value of investments in subsidiary:

	OSIRIUM LTD 2020 £	OSIRIUM LTD 2019 £
Net book value of investment in subsidiary	354,445	354,445

Notes to the Financial Statements
Continued

13. Trade and Other Receivables

	GROUP AS AT 31-12-2020 £	GROUP AS AT 31-12-2019 £	COMPANY AS AT 31-12-2020 £	COMPANY AS AT 31-12-2019 £
Current:				
Trade receivables	105,553	206,998	-	-
Other receivables	591,436	565,535	-	-
Prepayments	121,456	209,836	13,671	71,277
Amounts due from group undertakings	-	-	2,133,341	1,925,923
Total	818,445	982,369	2,147,012	1,997,200

As at 31 December 2020 Osirium had no material receivables past due but not impaired (31 December 2019: £nil).

The directors have made an assessment on the amounts due from group undertakings under IFRS 9 for impairment of financial assets. As Osirium is loss making and the likelihood is that a proportion of the amount due from the group undertaking will not be received, the directors have deemed it prudent to account for an impairment of £1,916,126 with this being looked at every 12 months on a continuous basis.

The Directors consider that the carrying value of trade and other receivables approximates their fair value.

Allowance for Expected Credit Losses on Trade Receivables

The group has assessed the expected credit losses for the year ended 31 December 2020 and concluded that there is no material impairment against trade receivables.

14. Cash and Cash Equivalents

	GROUP AS AT 31-12-2020 £	GROUP AS AT 31-12-2019 £	COMPANY AS AT 31-12-2020 £	COMPANY AS AT 31-12-2019 £
Cash and cash equivalents	1,482,376	3,854,922	956,482	3,706,558

The Directors consider that the carrying value of cash and cash equivalents approximates their fair value.

15. Reconciliation of Loss before Income Tax to Cash Used in Operations

	GROUP AS AT 31-12-2020 £	GROUP AS AT 31-12-2020 £	COMPANY AS AT 31-12-2020 £	COMPANY AS AT 31-12-2020 £
Loss before tax	(3,094,699)	(3,451,893)	(2,754,028)	(6,319,896)
Depreciation charges	101,713	103,446	-	-
Amortisation charges	1,407,164	1,144,157	-	-
Share option charge	13,988	-	13,988	-
Profit on disposal of fixed assets	(14,189)			
Net finance costs	222,322	52,162	214,005	40,239
	(1,363,701)	(2,152,127)	(2,526,035)	(6,279,657)
Decrease/(increase) in trade and other receivables	196,895	(83,883)	(149,812)	3,378,161
Increase/(decrease) in trade and other payables	199,626	718,792	(17,699)	(34,555)
Cash used in operations	(967,180)	(1,517,218)	(2,693,546)	(2,936,051)

16. Trade and Other Payables

	GROUP AS AT 31-12-2020 £	GROUP AS AT 31-12-2019 £	COMPANY AS AT 31-12-2020 £	COMPANY AS AT 31-12-2019 £
Current:				
Trade payables	117,817	248,612	13,836	66,529
Social security and other taxes	190,852	109,210	-	-
Other creditors	30,807	18,348	-	-
Accruals and deferred income	1,749,246	1,512,928	88,493	53,499
Total	2,088,722	1,889,098	102,329	120,028

The Directors consider that the carrying value of trade and other payables approximates their fair value.

The amounts above in trade and other payables are all non-interest bearing.

17. Lease Liabilities

	GROUP AS AT 31-12-2020 £	GROUP AS AT 31-12-2019 £
Current		
Lease liability	54,958	33,916
Non-Current		
Lease liability	15,765	76,973

Notes to the Financial Statements
Continued

18. Borrowings

NON-CURRENT LIABILITIES - BORROWINGS	2020 £	2019 £
Balance at 1 January	2,345,408	-
Issue of convertible loan notes	-	2,700,000
Proportion classified as equity	-	(394,830)
Re-allocation of prepayments	(56,530)	-
Interest payable	214,005	40,238
Balance at 31 December	2,502,883	2,345,408

On 21 October 2019 the consolidated entity issued 270 7.5% convertible notes, with a face value of £10,000 each, for total proceeds of £2,700,000. Interest is paid on the redemption date at a rate of 7.5% per annum based on the face value. The notes are convertible into ordinary shares of the parent entity, at any time at the option of the holder, or repayable on 28 October 2024.

The Conversion Rate is whichever of the following ratios includes the lowest principal amount of Notes to be converted into 1 Ordinary Share:

- 40p principal amount of Notes for each 1 Ordinary Share; and
- In the case of an Exit Event:

(a) an amount (in pence) of principal amount of Notes which is equal to the price per Ordinary Share determined by the Exit Event, less a discount of 25% for each 1 Ordinary Share; and

(b) an amount (in pence) of principal amount of Notes which is equal to the placing price of the most recent placing by the Company of Ordinary Shares prior to the Exit Event, less a discount of 25% for each 1 Ordinary Share; and

- In the case of a Corporate Event or Early Conversion Event, an amount (in pence) of principal amount of Notes which is equal to the placing price of the most recent placing by the Company of Ordinary Shares prior to the Corporate Event or Early Conversion Event (as applicable); and

- In the case of a Redemption Conversion:

(a) An amount (in pence) of principal amount of Notes which is equal to the placing price of the most recent placing by the Company of Ordinary Shares prior to the Redemption Conversion; and

(b) An amount (in pence) equal to the average quoted mid-market price of Ordinary Shares over the 90 Business Days immediately preceding the Redemption Conversion.

In all cases fractions of shares shall be disregarded.

The Group determined the convertible loan notes issued to be compound financial liabilities. The Group classified the conversion features of the Loan Notes as equity due to the fixed settlement terms. Accordingly, the proceeds received on issuance were allocated into their liability and equity components.

The market rate used to determine the fair value of the liability component is 10%.

The convertible notes are unsecured.

19. Called up Share Capital

Allotted, issued and fully paid.

NOMINAL VALUE £0.01 PER SHARE	2020 & 2019 NO. OF SHARES	2020 & 2019 £
On incorporation on 3 November 2015	100	1
Shares issued as consideration for Osirium Limited on 6 April 2016	6,548,102	65,481
Shares issued on listing on AIM Exchange on 15 April 2016	3,846,153	38,462
Shares issued on AIM Exchange on 28 March 2018	3,159,856	31,599
Shares issued on AIM Exchange on 25 October 2019	5,941,444	59,413
Total	19,495,655	194,956

Voting rights
Shares rank equally for voting purposes. Each member will have one vote per share held.

Dividend rights
Each share ranks equally for any dividend declared.

20. Reserves

Share Premium
Share premium represents the aggregate amount of premiums received on issuing shares after deduction of attributable expenses and commission.

Share Option Reserve
The share option reserve represents the cumulative amount charged to the income statement in respect of the company's share options.

Merger Reserve
The merger reserve represents the balance of Osirium Limited's reserves after application of merger accounting as part of the group reorganisation.

Retained Earnings
Retained earnings is the balance of profit or loss retained by the group and company net of any distributions made.

Convertible Note Review
The convertible note reserve represents the equity element of the loan notes that were raised in previous year.

Notes to the Financial Statements
Continued

21. Deferred Tax

Deferred tax of £662,589 is provided at 31 December 2020 (2019: £572,661) in respect of timing differences arising on the recognition of development costs and other fixed assets with a net book value of £3,487,314 (2019: £3,014,007).

A deferred tax asset has been recognised in respect of tax losses carried forward to the extent that it offsets the deferred tax liabilities in respect of research and development credits and accelerated capital allowances.

	AS AT 01-01-2020 £	MOVEMENT IN YEAR £	AS AT 31-12-2020 £
Accelerated capital allowances	35,706	(6,853)	28,853
Research and development tax credits	557,930	75,806	633,736
Tax losses	(593,636)	(68,953)	(662,589)
Total	-	-	-

22. Financial Risk Management

Osirium's activities expose it to a variety of financial risk: financial instrument risk, credit risk and liquidity risk. Osirium's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Osirium's financial performance. Osirium's policies for financial risk are outlined below.

Financial Instruments Risk

In common with all other businesses, Osirium is exposed to risks that arise from its use of financial instruments. This note describes Osirium's objectives, policies and processes for managing those risks and the methods used to measure them.

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

- Trade and other receivables
- Cash at bank
- Trade and other payables

Credit Risk

Credit risk is the risk of financial loss to Osirium if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from Osirium's receivables from customers and deposits with financial institutions. Osirium's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Osirium has an established credit policy under which each new customer is analysed for creditworthiness before Osirium's standard payment and delivery terms and conditions are offered. Osirium's review includes external ratings, and in some cases bank references.

An allowance for impairment is made when there is an identified loss event, which based on previous experience, is evidence in the recoverability of the cash flows. The Directors consider the above measures to be sufficient to control the credit risk exposure.

Liquidity Risk

Liquidity risk is the risk that Osirium will not be able to meet its financial obligations as they fall due. Osirium's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or damage to Osirium's reputation.

The Directors manage liquidity risk by regularly reviewing Osirium's cash requirements by reference to short term cash flow forecasts and medium term working capital projections prepared by the Directors.

Consolidated Maturity of Financial Assets and Liabilities

AS AT 31 DECEMBER 2019	LESS THAN 1 MONTH £	1 MONTH TO 1 YEAR £	GREATER THAN1 YEAR £	NO STATED MATURITY £	TOTAL £
Financial Assets:					
Loans and receivables					
Trade and other receivables	206,998	-	-	-	**206,998**
Cash and cash equivalents	3,854,922	-	-	-	**3,854,922**
Total	4,061,920	-	-	-	**4,061,920**
Financial Liabilities:					
Financial liabilities at amortised cost					
Trade and other payables	411,063	-	-	-	**411,063**
Total	411,063	-	-	-	**411,063**

AS AT 31 DECEMBER 2020	LESS THAN 1 MONTH £	1 MONTH TO 1 YEAR £	GREATER THAN 1 YEAR £	NO STATED MATURITY £	TOTAL £
Financial Assets:					
Loans and receivables					
Trade and other receivables	105,553	-	-	-	**105,553**
Cash and cash equivalents	1,482,376	-	-	-	**1,482,376**
Total	1,587,929	-	-	-	**1,587,929**
Financial Liabilities:					
Financial liabilities at amortised cost					
Trade and other payables	394,434	-	-	-	**394,434**
Total	394,434	-	-	-	**394,434**

Notes to the Financial Statements
Continued

22. Financial Risk Management Continued

Company maturity of financial assets and liabilities

AS AT 31 DECEMBER 2019	LESS THAN 1 MONTH £	1 MONTH TO 1 YEAR £	GREATER THAN 1 YEAR £	NO STATED MATURITY £	TOTAL £
Financial Assets:					
Loans and receivables					
Trade and other receivables	-	1,925,923	-	-	**1,925,923**
Cash and cash equivalents	3,706,558	-	-	-	**3,706,558**
Total	3,706,558	1,925,923	-	-	**5,632,481**
Financial Liabilities:					
Financial liabilities amortised at cost					
Trade and other payables	120,028	-	-	-	**120,028**
Total	120,028	-	-	-	**120,028**

AS AT 31 DECEMBER 2020	LESS THAN 1 MONTH £	1 MONTH TO 1 YEAR £	GREATER THAN 1 YEAR £	NO STATED MATURITY £	TOTAL £
Financial Assets:					
Loans and receivables					
Trade and other receivables	-	2,133,341	-	-	**2,133,341**
Cash and cash equivalents	956,482	-	-	-	**956,482**
Total	956,482	2,133,341	-	-	**3,089,823**
Financial Liabilities:					
Financial liabilities amortised at cost					
Trade and other payables	102,329	-	-	-	**102,329**
Total	102,329	-	-	-	**102,329**

All financial assets and liabilities above are held at amortised cost.

23. Capital Management

The prime objective of Osirium's capital management is to ensure that it maintains the financial flexibility needed to allow for value-creating investments as well as healthy statement of financial position ratios. The capital structure of Osirium consists of net debt (borrowings after deducting cash and cash equivalents) and equity (comprising issued capital, capital commitment, reserves and retained earnings).

24. Related Party Disclosures

The following balances were owed to directors in relation to expenses claimed:

	YEAR ENDED 31/12/2020 £	YEAR ENDED 31/12/2019 £
S P G Lee	-	-
D A Guyatt	6,483	2,023
R G Hutton	-	-
S Purdham	-	-
K L Pearce	-	946

Total expenses claimed in the year were as follows:

	YEAR ENDED 31/12/2020 £	YEAR ENDED 31/12/2019 £
S P G Lee	206	638
D A Guyatt	6,483	8,410
R G Hutton	-	8,041
S Purdham	347	946
K L Pearce	950	5,781

Directors' remuneration has been disclosed in Note 4.

Catherine Jamieson, a spouse of a director, was paid a total salary of £116,075 (2019: £181,908). Amounts owed to Catherine Jamieson as at 31 December 2020 were £nil (2019: £426).

Tom Guyatt, an employee of Osirium Limited and son of a Director, was paid a gross salary of £69,386 in 2020 (2019: £79,048). Amounts owed to Tom Guyatt as at 31 December 2020 were £nil (2019: £nil).

Simon Hember is a director in Rant Events Limited which invoiced Osirium Limited £nil (2019: £15,000) in the year for cyber events. There was £nil owing to Rant Events Limited as at 31 December 2020 (2019: £nil).

Simon Hember is also a director in Red Snapper Recruitment Limited which invoiced Osirium Limited £18,000 (2019: £39,000) in the year. There was £nil owing to Red Snapper Recruitment Limited as at 31 December 2020 (2019: nil).

Notes to the Financial Statements Continued

24. Related Party Disclosures Continued

Related party share options issued:

	YEAR ENDED 31/12/2020 £	YEAR ENDED 31/12/2019 £
S P G Lee (Non-executive chairman)	146,125	120,000
D A Guyatt (Chief executive officer)	1,061,416	638,387
R G Hutton (Chief financial officer)	147,250	38,978
S Purdham (Non-exectuive director)	26,125	25,985
S Hember (Non-executive director)	26,125	25,985
K L Pearce (Director in Osirium Limited)	360,634	324,869
C Jamieson (spouse of director)	180,000	103,943
T Guyatt (son of director)	85,500	51,971

25. Share Options

The company issues equity-settled share based payments to certain employees of the group under which the group receives services as consideration for equity instruments (options). Options are exercisable at 35p, 42p, 58p, £1.90 and £1.92 per share.

	YEAR ENDED 31/12/2020		YEAR ENDED 31/12/2019	
	OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE £	OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE £
Granted 6 April 2016	374,046	0.42	374,046	0.42
Granted 6 April 2016	739,254	0.58	739,254	0.58
Granted 12 September 2016	584,673	1.90	584,673	1.90
Granted 26 September 2016	25,985	1.92	25,985	1.92
Granted 14 October 2020	985,500	0.35	-	-
Granted 4 December 2020	880,625	0.35	-	-
Forfeited during the year	(610,658)	(1.90)	-	-
Exercised during the year	-	-	-	-
Outstanding at 31 December 2020	2,979,425	0.42	1,723,958	1.21
Exercisable at 31 December 2020		-	-	-

As at 31 December 2020 none of the share options have been exercised.

The vesting conditions of the share options issued prior to the year ended 31 December 2020 require the group to achieve a turnover target of £12m.

The vesting conditions of the share options issued in the year to 31 December 2020 require the Total Shareholder Return (TSR) is met. The TSR condition is based on the volume weighted average share price (VWAP) over the preceding 30 days.

The estimated fair value of the options granted in the 2016 financial year were calculated by using the Black-Scholes model with the fair value of the options granted in the year to 31 December 2020 being estimated using a Monte Carlo Simulation. The following inputs were used:

	GRANT DATE 06/4/2016	GRANT DATE 06/4/2016	GRANT DATE 14/10/2020	GRANT DATE 04/12/2020
Weighted average share price	£1.56	£1.56	£0.23	£0.22
Weighted average exercise price	0.58p	0.42p	0.35p	0.35p
Expected volatility	40%	40%	78%	78%
Expected life	3.74 yrs	3.74 yrs	5 yrs	5 yrs
Risk free rate	0.50%	0.50%	0.65%	0.61%
Expected dividend yield	0%	0%	0%	0%

Expected volatility was determined by calculating the historical volatility of similar companies share prices over the previous 4-5 years, or over such shorter periods as the available data permitted. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

In the year ended 31 December 2020 the share based payment charge is £13,988 (year ended 31 December 2019: £nil) in relation to the options granted on 14 October 2020 and 4 December 2020. The share based payment charge has been charged to administrative expenses in the statement of comprehensive income and total comprehensive loss.

The charge for the prior years is in relation to the remaining value of the pre-existing share options in Osirium Limited which were replaced by the options in Osirium Technologies Plc issued at 6 April 2016. No charge has been recognised in respect of options granted in the year to 31 December 2016 due to a combination of the share option exercise price being well above the historical average share price and the uncertain timing of the meeting of all vesting conditions, including group turnover of £12,000,000.

26. Ultimate Controlling Party

As at 31 December 2020 Osirium Technologies Plc had no ultimate controlling party.

27. Contingent Liability

The company is included in a group registration for VAT purposes with its fellow subsidiary. All members of the VAT group are jointly and severally liable for the total amount of VAT due and at 31 December 2020, the contingent liability in respect of this group registration was £99,126 (2019: £nil – net receivable position).

Notes to the Financial Statements
Continued

28. Covid and Potential Effects

This past year has seen substantial progress achieved against our growth plans with an expanded product suite, a confident team, and accelerating traction in terms of our market presence.

As previously reported, our priority since the outbreak of the pandemic has been to protect our colleagues, customers and other stakeholders. Due to hard work and dedication of our colleagues, we are proud to report that there has been no compromise on service levels or delivery during the crisis.

We took immediate action to protect our financial position, introducing temporary salary sacrifices at all levels and putting a temporary freeze on new recruitment. As a result, we were not required to make additional cuts, make use of any government financial support or furlough any members of staff.

29. Events Subsequent to the Balance Sheet Date

The board is also pleased to report a successful share placing of £2.17 million in April and May 2021.

NOTICE OF ANNUAL GENERAL MEETING

Osirium Technologies plc

(Incorporated and registered in England and Wales with registered number 09854713)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 2021 Annual General Meeting of Osirium Technologies plc (the "Company") will be held at the Company's offices at Theale Court, 11-13 High Street, Theale, RG7 5AH at 11:00 am on Thursday, 22 July 2021 for the purpose of considering and, if thought fit, passing the following resolutions of which Resolutions 1 to 5 (inclusive) will be proposed as ordinary resolutions and Resolution 6 will be proposed as a special resolution:

Ordinary Resolutions

1 THAT the Company's annual accounts for the financial year ended 31 December 2020 together with the Directors' Report and Audi tor's Report on those accounts be received, considered and adopted.

2 THAT RSM UK Audit LLP be re-appointed as auditors of the Company from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company, and the Directors be authorised to determine their remuneration.

3 THAT Simon Lee who, being eligible, is offering himself for election, be re-appointed as a director of the Company.

4 THAT Rupert Hutton who, being eligible, is offering himself for election, be re-appointed as a director of the Company.

5 THAT the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 to allot shares (or to grant rights to subscribe for or to convert any security into shares) in the Company for all and any purposes approved by the Directors, up to an aggregate nominal value equal to the sum of £195,880, representing two-thirds of the Company's issued share capital at the date of this Notice and so that such authority shall, save to the extent that it is earlier renewed or extended by resolution passed at a general meeting, expire 15 months after the date of the passing of this resolution or, if earlier, at the conclusion of the next annual general meeting of the Company to be held after the passing of this resolution but the Company may, prior to the expiry of such authority, make an offer or agreement which would or might require shares (or rights to subscribe for or to convert any security into shares) in the Company to be allotted after the expiry thereof and the Directors may allot shares (or grant rights) in pursuance of such offer or agreement notwithstanding the expiry of the authority given by this resolution.

Special Resolution

6 THAT, subject to and conditional upon the passing of Resolution 5 above and in addition to any existing authorities in that regard, the Directors be and are hereby empowered pursuant to section 570 of the Companies Act 2006 (the "Act") to allot equity securities (as defined in section 560(1) of the Act) which are the subject of the authority given in accordance with Resolution 5 above for cash, as if section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to:

(a) the grant of options to subscribe, and the allotment of, ordinary shares of £0.01 each in the capital of the Company pursuant to (i) the Osirium Technologies plc Enterprise Management Incentive (EMI) Share Option Plan 2016 adopted by resolution of the Board on 6 April 2016 and (ii) the Osirium Technologies plc Enterprise Management Incentive (EMI) Share Option Plan 2020 – 2025 adopted by resolution of the Board on 31 March 2020;

(b) the allotment of ordinary shares of £0.01 each in the capital of the Company pursuant to the exercise of conversion rights under the terms of the Note instrument dated 21 October 2019 of the Company constituting up to £2,700,000 Convertible Unsecured 7.5% Notes due 2024; and

(c) the allotment otherwise than pursuant to sub-paragraphs (a) and (b) above of equity securities up to an aggregate nominal value of £58,764, representing 20% of the Company's issued share capital at the date of this Notice.

Such authority, unless previously renewed, extended, varied or revoked by the Company in general meeting, shall expire 15 months after the passing of this resolution or, if earlier, at the conclusion of the next annual general meeting of the Company to be held after the passing of this resolution, save that the Company may, prior to the expiry of such authority, make an offer or agreement which would or might require equity securities in the Company to be allotted after the expiry thereof and the Directors may allot equity securities in the Company in pursuance of such offer or agreement notwithstanding the expiry of the authority given by this resolution.

Dated: 10 June 2021
By order of the Board,
Martin Kay, Company Secretary

Registered Office:
One Central Square, Cardiff CF10 1FS

Notes:

1. As at 10 June 2021 (being the latest practicable date before publication of this document), the issued share capital of the Company comprised 29,382,014 ordinary shares of 1 pence each and the total number of voting rights was 29,382,014. There are no shares in the capital of the Company held by the Company in treasury.

2. Shareholders entitled to attend and vote at the Annual General Meeting are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote (including on a poll) on their behalf at the meeting and at any adjournment of it. A personalised form of proxy will be sent to shareholders and a form for use is also available for download at www.osirium.com/investors/reports-accounts/ (the "Form of Proxy"). A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Each proxy should be appointed by a separate Form of Proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of ordinary shares held by you). Alternatively, shareholders can appoint a proxy electronically at www.sharegateway.co.uk using the personal proxy registration code as shown on their Form of Proxy.

3. It is currently envisaged that UK Government's coronavirus restrictions will cease to have applied so that the Annual General Meeting may be run as an open meeting. However, given the current uncertainty, shareholders are encouraged not to attend the Company's office for the meeting in person but instead to attend the meeting via a conference call. Shareholders may register for the call by completing the investor contact form at https://osirium.com/investors/investor-contact/ following which relevant access details will be sent via email. Depending on the then current coronavirus restrictions, shareholders or others attempting to attend the meeting in person may not be permitted entry and the Company reserves the right to put in place appropriate COVID-19 security measures, including maintaining social distancing, the wearing of face coverings where appropriate, mandatory temperature checks as a condition of admission or requiring attendees to produce a recent, valid COVID-19 negative test result, and asking attendees to confirm that they (or members of their household, support bubble or childcare bubble etc.) have not recently developed symptoms or been exposed to someone who has tested positive or is displaying symptoms.

4. The conference call will not include facility for attendees to vote live and, accordingly, all shareholders are encouraged to vote by proxy and appoint the Chairman of the meeting as their proxy for this purpose (rather than their own choice of person) to ensure that their vote is counted.

5. To be valid any Form of Proxy or other instrument appointing a proxy must be received by post at, or (during normal business hours) delivered by hand to, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD by no later than 11:00 am on Tuesday, 20 July 2021, together with, if appropriate, the original power of attorney or other authority (if any) under which the Form of Proxy is signed or a duly certified copy of that power or authority. In the case of a corporation, the Form of Proxy must be executed under its common seal or under the hand of any officer or attorney duly authorised. If, as an alternative to completing your hard-copy proxy form, you appoint a proxy electronically at www.sharegateway.co.uk, to be valid your appointment must be received by no later than 11:00 am on Tuesday, 20 July 2021.

6. The return of a completed Form of Proxy or other such instrument will not prevent a shareholder attending the meeting and voting in person if he/she wishes to do so. Any shareholder who appoints a proxy but who attends in person shall have his/her proxy terminated automatically. If a shareholder submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

7. If two or more persons are joint holders of a share then, in voting on any question, the vote of the senior who tenders a vote (whether in person or by proxy), shall be accepted to the exclusion of the votes of the other joint holder(s). Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

8. A vote withheld option is provided on the Form of Proxy to enable you to instruct your proxy not to vote on any particular resolution, however, it should be noted that a vote withheld in this way is not a 'vote' in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution. If no voting indication is given, your proxy will vote or abstain from voting at his/her discretion. Your proxy will vote (or abstain from voting) as he/she thinks fit in relation to any other matter which is put before the Annual General Meeting.

9. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered in the Company's register of members at the close of business on 20 July 2021 (or, in the event of any adjournment, at the close of business on the date which is two days before the time of the adjourned meeting) shall be entitled to attend, speak and vote at the Annual General Meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

Further Explanatory Notes:

Resolutions 3 and 4

Under the Company' articles of association directors are required to retire every three years. Simon Lee and Rupert Hutton were last re-elected in 2018 and, accordingly, retire at this year's AGM and are standing for re-election. If re-elected they will not be required to stand for re-election until 2024.

Resolution 3 proposes the re-appointment of Simon Lee as a director. Simon's brief biographical details can be viewed at https://osirium.com/osirium/people/simon-lee/.

Resolution 4 proposes the re-appointment of Rupert Hutton as a director. Rupert's brief biographical details can be viewed at https://osirium.com/osirium/people/rupert-hutton/.

Resolutions 5 and 6

These Resolutions renew the Directors' authorities to allot shares in the capital of the Company and to disapply existing shareholders' pre-emption rights.

Resolution 5 seeks renewal of the authority of the Directors to allot shares in the capital of the Company (or to grant rights to subscribe for or convert any securities into shares in the capital of the Company) up to two-thirds of the Company's issued share capital at the date of this Notice in line with guidance issued by the Investment Association. This authority will expire 15 months after the passing of the resolution or, if earlier, at the conclusion of the next annual general meeting of the Company to be held after the passing of the resolution.

Resolution 6 seeks disapplication of shareholders' pre-emption rights in relation to:

(i) option grants under the Company's share option scheme adopted at the time of its IPO in 2016 and the Company's Enterprise Management Incentive (EMI) Share Option Plan 2020 – 2025 adopted by resolution of the Board on 31 March 2020;

(ii) share issues on exercise of the conversion rights of the Company's £2,700,000 Convertible Unsecured 7.5% Notes due 2024, as set out in the Convertible Loan Note Instrument of the Company dated 21 October 2019; and

(iii) share issues for cash up to a nominal value of £58,764, representing 20% of the Company's issued share capital as at today's date and in line with the Pre-Emption Group 1 April 2020 statement to permit flexibility for a fundraise without the need to convene a shareholders' meeting should it be in the interests of the company to further increase its working capital resources following its fundraise earlier this year.

This authority will expire 15 months after the passing of the resolution or, if earlier, at the conclusion of the next annual general meeting of the Company to be held after the passing of the resolution.

Company Information

Directors

D.A. Guyatt
R.G. Hutton
S.P.G. Lee
S. Purdham
S.E.H. Hember

Company Secretary

M. Kay

Registered Office

One Central Square
Cardiff
CF10 1FS

Registered Number

09854713 (England & Wales)

Accountants

Randall & Payne LLP
Chargrove House
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Cheltenham
Gloucestershire
GL51 4GA

Independent Auditor

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Portland
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Crawley
West Sussex
RH10 1BG

Nomad & Broker

Stifel Nicolaus Europe Limited
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EC2V 6ET

Solicitors

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EC4A 3DJ