19 February 2019

Maestrano Group PLC ("Maestrano" or the "Company" or the "Group")

Interim Accounts and Trading Update

Maestrano Group PLC (AIM: MNO), the Artificial Intelligence platform for transport corridor analytics, announces unaudited results for the six months ending 31 December 2019.

GBP 000's	Six months to December 2018	Six months to December 2019	% Change	% Change constant currency
Total revenue	444	319	-28%	-27%
Cost of sales	158	103	-35%	-34%
Total expenses	1,958	934	-53%	-52%
Other income	376	339	- 9%	-6%
EBITDA	-1,296	-380	71%	57%

* Constant currency reflects the results had the underlying transactional currencies, (i.e. USD, AUD and GBP) remained constant across the full financial year.

Key Financial Highlights

- Total revenue down 28% in reported currency and 27% at constant currency. This decline reflects the ending of the contract with a major US bank. Revenue contribution from the Airsight acquisition commenced 1 November 2019.

- Total expenses decreased by 53% (52% at constant currency) as the Company decreased headcount and other overheads following the ending of the contract with a major US bank.

- Underlying EBITDA before unusual one-off items was a loss of £380K, a 71% improvement driven by the changes in resources noted above.

- Cash balance at 31/12/19 was £1,947,940. Net Assets £2,955,869.

Review of operations by the Chief Executive Officer
31 December 2019

Maestrano Group Plc ("the Group") provided a Master Data Management Platform that enabled medium to large enterprises to offer a differentiated service to their SMB customers, and until November 2019 had generated the majority of our revenue from one large US bank customer. That contract ended during the half year ended 31 December 2019, and accordingly no further revenue will be generated.

After evaluating other acquisition opportunities, the Company decided to acquire Airsight Holdings Pty and following a shareholder vote subsequently completed the acquisition on 31 October 2019. The Group now offers a patented cloud-based platform for master data management and business analytics, together with specialist hardware and software for capturing, analysing and reporting on large datasets within the transport and infrastructure sectors, employing sophisticated artificial intelligence algorithms.

Overview of results
We have been able to make good progress throughout the subsequent period integrating operations and preparing a new operating model. The Company achieved a significant new contract in November 2019, and also was able to announce two further major contracts wins immediately following the end of the period to end 31 December 2019.
Revenue for the half year comprised the final revenues emanating from the major US bank customers together with the first two months of revenues contribute from the Airsight businesses:

	Six Months to 31 December 2019 £ '000	Six Months to 31 December 2018 £ '000	Change
Enterprise implementation	196	405	-52%
Enterprise subscriber	4	39	-91%
Airsight revenues (November & December only)	119	0	
Total Revenue	**319**	**444**	**-28%**

Underlying EBITDA for the period was a loss of £0.30 million.

Ongoing operations
The Company now operates from offices in Newcastle, New South Wales in Australia, has staff in the UK, and currently has customers in Australia, New Zealand, Japan and other Asian countries. The company has reduced headcount and expenses to conserve cash and is investing in a renewed growth strategy following the Airsight acquisition. As of 31 December 2019, the Company had cash and receivables totalling £2.07m.

Outlook
The Company has spent significant time integrating operations and preparing for future opportunities and is now looking forward to progressing these in 2020 and beyond.

Although the Company is not currently generating revenues from its banking, accounting and distribution verticals, it is looking at a number of options to rebuild its activities in these segments. In addition, the Airsight business gives the Company new technologies and new markets in infrastructure and transportation. The staff are energised by the progress currently being made and the prospects for growth in the future.

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Andrew Pearson
Chief Executive Officer
19 February 2020

Maestrano Group plc
Review of operations by the Audit Committee Chair
31 December 2019

As noted above this period has been focused on integrating the acquired business and preparing an operating model for ongoing operations.
A summary of the Group's results are as follows:

	Six Months to 31 December 2019 £ '000	Six Months to 31 December 2018 £ '000	Change
Enterprise implementation	196	405	-52%
Enterprise subscriber	4	39	-91%
Airsight (from 1 November)	119	0	
Total Revenue	**319**	**444**	**-28%**
Direct Cost of sale	103	158	-35%
Gross Margin	**216**	**286**	**-24%**
Employee expenses	445	1,399	-68%
Occupancy expenses	107	118	-9%
Professional Fees	286	290	-1%
Other operational expenses	96	151	-36%
Total expenses	**934**	**1,958**	**-53%**
Other income	338	370	-9%
Interest income	1	6	-91%
EBITDA (earnings before interest expenses, taxation, depreciation and amortisation adjusted for other one-off items	**(380)**	**(1,296)**	**71%**
Depreciation	4	7	-43%
Finance Costs	1	0	
Other non-operating costs		0	
Loss before income tax expenses	**(385)**	**(1,303)**	**70%**
Income tax		0	
Loss after income tax expense	**(385)**	**(1,303)**	**70%**

Revenue
Total revenue for the period decreased by 28% to £0.32 million. The reduction of revenue following completion of implementation projects has been compensated by revenue from activities by Airsight Holdings for the two months since acquisition.

Operating expenses
Overall operating, restructuring, and acquisition expenses decreased by £1.03 million compared to the previous corresponding period ("pcp") primarily as a result of decreases in staff costs and property rent. Staff expenses decreased £0.95 million to £0.45 million as the Group reduced its Maestrano staffing and offset by the inclusion of Airsight staff from November 2019.

Other income derived from government research and development grants received in the period decreased slightly to £0.34 million compared to £0.37 million in the pcp. This income is primarily received in the first-half of each financial year.

Underlying EBITDA for the period was a loss of £0.30 million due to the reduced costs noted above.

Finance and other non-operating expenditure were immaterial for the period.

The loss after tax for the period was £0.38 million an improvement of 71% compared to pcp.

Balance sheet, cash and working capital
The Group balance sheet remained strong with cash resources of £1.95 million as at 31 December 2019. Cash outflow from operating activities was £0.27 million.

The operating cash flow was negatively impacted by the trading for the period as well as a decrease in Maestrano liabilities (payment of Trade and other payables).

Underlying basis of EBITDA
The Group manages its operations by looking at the underlying EBITDA which excludes the impact of a number of one-off and non-cash items as this, in the Board's opinion, provides a more representative measure of the Group's performance. A reconciliation between the reported loss before tax and underlying EBITDA is included at note 6 to the financial statements.

Jonathan Macleod
Chair of Board Audit Committee
19 February 2020

Maestrano Group plc
Consolidated statements of profit and loss and other comprehensive income
For the period ended 31 December 2019

	Note	Unaudited six months ended 31 December 2019	Unaudited six months ended 31 December 2018	Audited year ended 30 June 2019
		£	£	£
Revenue from contracts with customers	4	199,475	444,046	905,400
Airsight (from 1 November)		119,292	-	
Total Revenue		**318,767**	**444,046**	**905,400**
Direct Cost of sale		(102,669)	(158,030)	(376,637)
Gross Margin		**216,099**	**286,017**	**528,763**
Employee expenses		(445,375)	(1,398,655)	(2,510,810)
Occupancy expenses		(107,090)	(118,485)	(235,721)
Professional Fees		(285,979)	(290,057)	(534,768)
Other operational expenses		(96,068)	(150,788)	(346,765)
Total expenses		**(934,513)**	**(1,957,985)**	**(3,628,064)**
Other income	5	337,798	370,190	413,649
Interest income		553	5,656	29,286
Underlying EBITDA (earnings before interest expenses, taxation, depreciation and amortisation adjusted for other one-off items		**(380,063)**	**(1,296,122)**	**(2,656,366)**
Depreciation		(4,016)	(6,544)	(35,056)
Finance Costs		(564)	0	0
Other non-operating costs		0	0	0
Loss before income tax expenses		**(384,643)**	**(1,302,666)**	**(2,691,422)**
Income tax			0	0
Loss after income tax expense for the period		**(384,643)**	**(1,302,666)**	**(2,691,422)**
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation		(13,659)	(12,723)	(11,668)
Total comprehensive income for the period		(398,302)	(1,315,389)	(2,703,090)
Loss for the period attributable to:				
Non-controlling interest		0	0	
Owners of Maestrano Group plc		(384,643)	(1,302,666)	(2,679,754)
		(384,643)	(1,302,666)	(2,679,754)
Total comprehensive income for the period is attributable to:				
Non-controlling interest		0	0	0
Owners of Maestrano Group plc		(398,302)	(1,315,389)	(2,691,422)
		(398,302)	(1,315,389)	(2,691,422)
Basic earnings per share (pence per share)	15	(0.26)	(1.63)	(3.35)
Diluted earnings per share (pence per share)	15	(0.26)	(1.63)	(3.35)

The above consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Maestrano Group plc
Consolidated balance sheet as at 31 December 2019

	Note	Unaudited		Audited
		December 31		June 30
		2019	2018	2019
Assets		£	£	£
Non-current assets				
Intangibles		1,049,272	8,496	0
Lease Assets		202,538		
Property, plant & equipment		49,600	33,589	12,961
Total non-current assets		1,301,411	42,085	12,961
Current assets				
Trade and other receivables	7	116,974	172,964	492,785
Contract assets		0	134,841	0
Other	8	47,589	144,310	61,873
Cash and cash equivalents		1,947,940	3,764,770	2,247,201
Total current assets		2,112,503	4,216,885	2,801,859
Total Assets		**3,413,913**	**4,258,970**	**2,814,820**
Liabilities				
Current liabilities				
Trade and other payables	9	101,873	300,163	259,336
Contract liabilities			3,797	0
Lease Liabilities		202,538		
Borrowings		31,059	0	0
Employee benefits		122,574	82,134	65,275
Income Tax		0	0	
Total current liabilities		458,045	386,094	324,611
Net assets/(liabilities)		**2,955,869**	**3,872,876**	**2,490,209**
Equity				
Share Capital		1,460,853	800,403	800,403
Share premium account		7,781,194	7,583,057	7,583,057
Other reserves	10	2,156,240	2,170,102	2,164,523
Accumulated losses		(8,442,418)	(6,680,686)	(8,057,774)
Equity/(deficiency) attributable to the owners of Maestrano Group plc		2,955,869	3,872,876	2,490,209
Non-controlling interest		0	0	0
Total equity/(deficiency)		2,955,869	3,872,876	2,490,207

The above consolidated balance sheet should be read in conjunction with the accompanying notes

The interim financial statements of Maestrano Group plc (company number 1109701 (England and Wales)) were approved by the Board of Directors and authorised for issue on 19 February 2020. They were signed on its behalf by:

Ian Buddery	Jonathan Macleod
Chairman	Director

19 February 2020

Maestrano Group plc
Consolidated statements of changes in equity
For the period ended 31 December 2019

Unaudited six months ended 31 December 2018	**Share Capital**	**Share premium account***	**Other reserves**	**Accumulated Losses**	**Non Controlling Interest****	**Total deficiency in equity**
	£	£	£	£	£	£
Balance at 1 July 2018	800,403	7,583,057	2,176,191	(5,378,020)	0	5,181,631
Loss after income tax expense for the period				(1,302,666)	0	(1,302,666)
Other comprehensive income for the period, net of tax			(12,723)			(12,723)
Total comprehensive income for the period	0	0	(12,723)	(1,302,666)	0	(1,315,389)
Transactions with owners in their capacity as owners:						
Share-based payments (note 16)			6,634			6,634
Balance at 31 December 2018	800,403	7,583,057	2,170,102	(6,680,686)	0	3,872,876

Unaudited six months ended 31 December 2019	**Share Capital**	**Share premium account***	**Other reserves**	**Accumulated Losses**	**Non Controlling Interest****	**Total deficiency in equity**
	£	£	£	£	£	£
Balance at 1 July 2019	800,403	7,583,057	2,164,523	(8,057,774)	0	2,490,209
Loss after income tax expense for the period				(384,643)	0	(384,643)
Other comprehensive income for the period, net of tax			(13,659)			(13,659)
Total comprehensive income for the period	0	0	(13,659)	(384,643)	0	(398,302)
Transactions with owners in their capacity as owners:						
Acquisition Airsight Holdings	660,450	198,135	0			858,585
Share-based payments (note 16)			5,411			5,411
Balance at 31 December 2019	1,460,853	7,781,192	2,156,275	(8,442,417)	0	2,955,869

Audited year ended 30 June 2019	Share Capital	Share premium account*	Other reserves	Accumulated Losses	Non Controlling Interest	Total deficiency in equity
	£	£	£	£	£	£
Balance at 1 July 2018	800,403	7,583,057	2,176,191	(5,378,020)	0	5,181,631
Loss after income tax expense for the period				(2,679,754)	0	(2,679,754)
Other comprehensive income for the period, net of tax			(11,668)			(11,668)
Total comprehensive income for the period	0	0	(11,668)	(2,679,754)	0	(2,691,422)
Transactions with owners in their capacity as owners:						
Share-based payments (note 16)			0			0
Balance at 30 June 2019	800,403	7,583,057	2,164,523	(8,057,774)	0	2,490,209

* The share premium account is used to recognise the difference between the issued share capital at nominal value and the capital received, net of transaction costs

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Maestrano Group plc
Consolidated statements of cash flows
For the period ended 31 December 2019

	Unaudited six months ended December 31		Audited year ended June 30
	2019	2018	2019
	£	£	£
Cash flows from operating activities			
Loss before income tax expense for the period	(384,643)	(1,302,666)	(2,679,754)
Adjustments for:			
Depreciation and amortisation	4,016	6,544	35,056
Share-based payments	5,411	6,634	0
Foreign exchange differences		(10,102)	(10,958)
Interest received	(553)	(5,656)	(29,286)
Interest unwind on convertible note			
Interest and other finance costs			
	(375,769)	(1,305,246)	(2,684,942)
Change in operating assets and liabilities:			
Decrease/(increase) in trade and other receivables	427,729	(22,558)	(342,379)
Decrease/(increase) in contract assets	0	(65,886)	68,955
Increase/(decrease in lease assets)	(202,538)		
Decrease/(increase) in other operating assets	40,073	(35,240)	47,196
(Decrease)/Increase in trade and other payables	(419,559)	50,784	9,956
Decrease/(increase) in contract liabilities	0	(24,007)	(27,804)
Increase/(decrease) in lease liabilities	202,538		
Increase (decrease) in employee benefits	57,299	(9,935)	(26,794)
	(270,227)	(1,412,088)	(2,955,812)
Interest Received	553	5,656	29,286
Interest and other finance costs paid		0	0
Income taxes paid	0	(30,612)	(30,612)
Net cash used in operating activities	(269,674)	(1,437,044)	(2,957,138)
Cash flows from investing activities			
Payments for property, plant and equipment	(12,684)	(31,815)	(29,337)
Net cash used in investing activities	(12,684)	(31,815)	(29,337)
Cash flows from financing activities			
Proceeds from sale of shares		0	0
Repayment lease arrangements	(16,903)		
Net cash from financing activities	(16,903)	0	0
Net increase/(decrease) in cash and cash equivalents	(299,261)	(1,468,859)	(2,986,475)
Cash and cash equivalents at the beginning of the financial period	2,247,201	5,236,040	5,236,040
Effects of exchange rate changes on cash and cash equivalents		(2,411)	(2,364)
Cash and cash equivalents at the end of the financial period	1,947,940	3,764,770	2,247,201

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes

Maestrano Group plc
Notes to the consolidated financial statements
For the period ended 31 December 2019

Note 1. General information

The financial statements cover Maestrano Group plc ('Company') as a consolidated entity consisting of Maestrano Group plc and the entities it controlled at the end of, or during, the period (referred to as the 'Group'). The financial statements are presented in Pound Sterling, which is Maestrano Group plc's functional and presentation currency.

The Company was incorporated on 6 December 2017 as a private company, Maestrano Group Limited. On 11 May 2018, the Company converted to a public company, Maestrano Group plc and on 30 May 2018 was admitted onto the Alternative Investment Market ('AIM'). On 19 April 2018, as part of a group reorganisation, the Company acquired 100% of the ordinary shares of Maestrano Pty Ltd from the existing shareholders and became the immediate and ultimate parent of the Group. On 31 October 2019, Maestrano Group plc acquired 100% of the shares in Airsight Holdings Pty Limited, an Australian based company.

Maestrano Group plc is a listed public company limited by shares, incorporated and domiciled in England and Wales. Its registered office and principal place of business are:

Registered office	Principal place of business
10 John Street	2/2 Frost Drive
London WC1N 2EB	Mayfield West NSW 2304
United Kingdom	Australia

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements. The financial statements were authorised for issue, in accordance with a resolution of directors, on 19 February 2019. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These financial statements for the interim half-year reporting period ended 31 December 2019 have been prepared in accordance with International Accounting Standards IAS 34 'Interim Financial Reporting'.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by the Company during the interim reporting period.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Significant accounting policies (continued)

The following Accounting Standards and Interpretations are most relevant to the Group:

IFRS 9 Financial Instruments
The Group has adopted IFRS 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

IFRS 15 Revenue from Contracts with Customers
The Group has adopted IFRS 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's balance sheet as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a

contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Impact of adoption
IFRS 9 and IFRS 15 were adopted using the full retrospective approach. The impact of adoption on opening accumulated losses as at the transition date of 1 July 2017 was £nil. There has been no material impact on adoption of IFRS 9 and IFRS 15, other than the changes to disclosure as required by these standards, which includes:

● reclassifying accrued revenue as contingent assets;
● reclassifying deferred revenue as contingent liabilities; and
● showing interest income on the face of profit or loss.

IFRS 16 Leases

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities
for all leases, together with options to exclude leases where the lease term is 12 months or less, or
where the underlying asset is of low value.

(a) Transition Method and Practical Expedients Utilised

The Group adopted IFRS 16 using the modified retrospective approach, with recognition of transitional adjustments on the date of initial application (1 July 2019), without restatement of comparative figures.

IFRS 16 provides for certain optional practical expedients, including those related to the initial
adoption of the standard. The Group applied the following practical expedients when applying IFRS
16 to leases previously classified as operating leases under IAS 17:

• Apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
• Exclude initial direct costs from the measurement of right-of-use assets at the date of initial
application for leases where the right-of-use asset was determined as if IFRS 16 had been applied since the commencement date;
• Reliance on previous assessments on whether leases are onerous as opposed to preparing an
impairment review under IAS 36 as at the date of initial application; and
• Applied the exemption not to recognise right-of-use assets and liabilities for leases with less
than 12 months of lease term remaining as of the date of initial application.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership.

Under IFRS 16, the Group recognizes right-of-use assets and lease liabilities for most leases.

However, the Group has elected not to recognise right-of-use assets and lease liabilities for some
leases of low value assets based on the value of the underlying asset when new or for short-term
leases with a lease term of 12 months or less.

On adoption of IFRS 16, the Group recognised right-of-use assets and lease liabilities in relation to
leases of office space, heavy equipment and automobiles, which had previously been classified as
operating leases.

The lease liabilities were measured at the present value of the remaining lease payments, discounted
using the Group's incremental borrowing rate as at 1 July 2019. The Group's incremental
borrowing rate is the rate at which a similar borrowing could be obtained from an independent
creditor under comparable terms and conditions.

The right-of-use assets were measured as follows:
(a) Office space: Right-of-use assets are measured at an amount equal to the lease liability,
adjusted by the amount of any prepaid or accrued lease payments.
(b) All other leases: the carrying value that would have resulted from IFRS 16 being applied
from the commencement date of the leases, subject to the practical expedients noted
above.

The following table presents the impact of adopting IFRS 16 on the statement of financial position
as at 31 December 2019 relating to Airsight leases:

Right-of-use assets GBP 202,538
Deferred tax assets 0
Lease liabilities (202,538)
Net reduction in retained earnings 0

(b) Significant Accounting Policies subsequent to Transition

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:
• Leases of low value assets; and
• Leases with a term of 12 months or less.
Lease liabilities are measured at the present value of the contractual payments due to the lessor
over the lease term, with the discount rate determined by reference to the rate inherent in the
lease unless (as is typically the case) this is not readily determinable, in which case the group's

incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:
• amounts expected to be payable under any residual value guarantee;
• the exercise price of any purchase option granted in favour of the group if it is reasonable certain to assess that option;
• any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:
• lease payments made at or before commencement of the lease;
• initial direct costs incurred; and
• the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or rate or when there is a change in the assessment of the term of any lease.

Going concern
The financial statements have been prepared assuming the Group will continue as a going concern. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future. In assessing whether the going concern assumption is appropriate, the directors have considered the Group's existing working capital and are of the opinion that the Group has adequate resources to undertake its planned program of activities for the 12 months from the date of approval of these financial statements. Further details of the directors' considerations in relation to going concern are included in the directors' report.

Note 3. Operating segments

Identification of reportable operating segments

The Group operates in one segment being provision of data integration and analytic services. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The operating segment information is the same information as provided throughout the consolidated financial statements and are therefore not duplicated.

Note 4. Revenue from contracts with customers

	Unaudited six months ended December 31		**Audited year ended June30**
	2019	**2018**	**2019**
	£	£	£
Enterprise implementation	195,919	309,129	851,699
Enterprise subscriber & services	3,556	134,917	53,701
Airsight Holdings	119,292		
Revenue from contracts with customers	318,767	444,046	905,400

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Unaudited six months ended December 31		**Audited year ended June 30**
Geographical regions	**2019**	**2018**	**2019**
	£	£	£
United Kingdom	-	-	-
Australia	318,767	181,055	325,174
United States of America	-	261,472	578,707
Middle East and Africa	-	1,519	1,519
	318,767	444,046	905,400

Enterprise implementation and enterprise subscriber income are recognised as revenue over time as opposed to a point in time. Airsight revenue is recognised when work has been completed and invoiced.

Note 5. Other income	**Unaudited six months ended December 31**		**Audited year ended June 30**
	2019	**2018**	**2019**
	£	£	£
Government grants and rebates	337,798	370,190	425,317
	337,798	370,190	425,317

Government grants and rebates predominantly relates to research and development rebates.

Note 6. EBITDA reconciliation (earnings before interest expense, taxation, depreciation and amortisation)

	Unaudited six months ended December 31		**Audited year ended June 30**
	2019	**2018**	**2019**
EBITDA reconciliation	£	£	£
Loss before income tax	(380,643)	(1,302,666)	(2,679,754)
Add: Interest expense	564	0	0
Add: Depreciation and amortisation	4,016	6,544	35,056
EBITDA	(384,643)	(1,296,122)	(2,644,698)

	Unaudited six months ended December 31		**Audited year ended June 30**
	2019	**2018**	**2019**
Underlying EBITDA reconciliation	£	£	£
EBITDA	(384,643)	(1,296,122)	(2,644,698)
IPO	0	0	73,063
Restructuring costs and Enterprise Investment Scheme set-up costs; acquisition costs	84,990	0	
Underlying EBITDA	(299,653)	(1,296,122)	(2,571,635)

The financial statements include both the statutory financial statements and additional performance measures of EBITDA and Underlying EBITDA. The directors believe these additional measures provide useful information on the underlying trend in operational performance going forward without these unusual and other one-off items.

Note 7. Current assets - trade and other receivables

	Unaudited six months ended December 31		Audited year ended June 30
	2019	2018	2019
	£	£	£
Trade receivables	116,974	131,714	479,355
Other receivables	0	41,250	13,430
	116,974	172,964	492,785

Note 8. Current assets - other

	Unaudited six months ended December 31		Audited year ended June 30
	2019	2018	2019
	£	£	£
Prepayments	14,865	71,512	61,873
Staff Loans		72,798	0
Inventory	32,723	0	0
	47,589	144,310	61,873

Loans to former Maestrano staff (who were retrenched as a result of the change in business operations) were written off at 31.12.2019 in lieu of compensation payments.

Note 9. Current liabilities - trade and other payables

	Unaudited six months ended December 31		Audited year ended June 30
	2019	2018	2019
	£	£	£
Trade payables	44,893	62,792	65,352
Accrued expenses	106,323	159,945	190,656
Other payables	(49,344)	77,426	3,328
	101,873	300,163	259,336

Note 10. Equity - other reserves

	Unaudited six months ended December 31		Audited year ended June 30
	2019	2018	2019
	£	£	£
Foreign currency reserve	260,989	273,628	274,683
Share-based payments reserve	5,411	6,634	0
Capital reorganisation reserve	1,889,840	1,889,840	1,889,840
	2,156,240	2,170,102	2,164,523

Movements in reserves
Movements in each class of reserve during the current financial period are set out below:

Unaudited six months ended 31 December	Foreign Currency	Share-based payments	Capital reorganisation	Total
	£	£	£	£
Balance as at 1 July 2019	274,683	-	1,889,840	2,164,523
Foreign currency translation	(13,694)	-	-	(13,694)
Share-based payment	0	5,411	-	5,411
Balance at 31 December 2019	260,989	5,411	1,889,840	2,156,240

Note 11. Equity – dividends

There were no dividends paid, recommended or declared during the current or previous financial period.

Note 12. Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Note 13. Contingent liabilities

The Group had no material contingent liabilities as at 31 December 2019, 30 June 2019 and 31 December 2018.

Note 14. Related party transactions

Parent entity
The parent entity and ultimate parent entity is Maestrano Group plc. There is no ultimate controlling party.

Transactions with related parties
There were no transactions with related parties during the current and previous financial period.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 15. Earnings per share	**Unaudited six months ended December 31**		**Audited year ended June 30**
	2019	**2018**	**2019**
	£	£	£
Loss after income tax	(384,643)	(1,302,666)	(2,679,754)
Non-controlling interest		0	
Loss after income tax attributable to the owners of Maestrano Group plc	(384,632)	(1,302,666)	(2,679,754)
	Number	**Number**	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	146,085,369	80,040,331	80,040,331
Weighted average number of ordinary shares used in calculating diluted earnings per share	146,085,369	80,040,331	80,040,331
	Pence	**Pence**	**Pence**
Basic earnings per share	(0.26)	(1.63)	(3.35)
Diluted earnings per share	(0.26)	(1.63)	(3.35)

Options and convertible notes have not been included in the diluted earnings per share as they are anti-dilutive

Note 16. Share-based payments

A share option plan has been established by the Group, whereby the Group may, at the discretion of the Board of Directors,
grant options over the ordinary shares in the Company to certain key management personnel and staff of the Group. The options
are issued for nil consideration and are granted in accordance with performance guidelines established by the Board of Directors.

All options granted previously were forfeited or cancelled by June 2019

Set out below are summaries of options granted currently under the plan:

2019

Grant date	Expiry date	Exercise price	Balance at the start of the period	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the period
1/07/2019	30/06/2021	£ 0.0130	0	5,082,222	-	-	5,082,222

For the options granted during the current financial period, the valuation model inputs used to determine the fair value at the grant time, are as follows:

Grant Date	Expiry Date	Share price at grant date	Exercise Price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
1/07/2019	30/06/2021	£ 0.0138	£ 0.0130	100%	0	2.90%	£ 0.005

The share-based payment expense during the financial period for this plan is £ 5,411

Note 17. Events after the reporting period

No matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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About Maestrano

Maestrano offers a patented cloud-based platform for master data management and business analytics, together with specialist hardware and software for capturing, analysing and reporting on large datasets within the transport sector, employing sophisticated artificial intelligence algorithms.
Further information on the Company is available at: www.maestrano.com