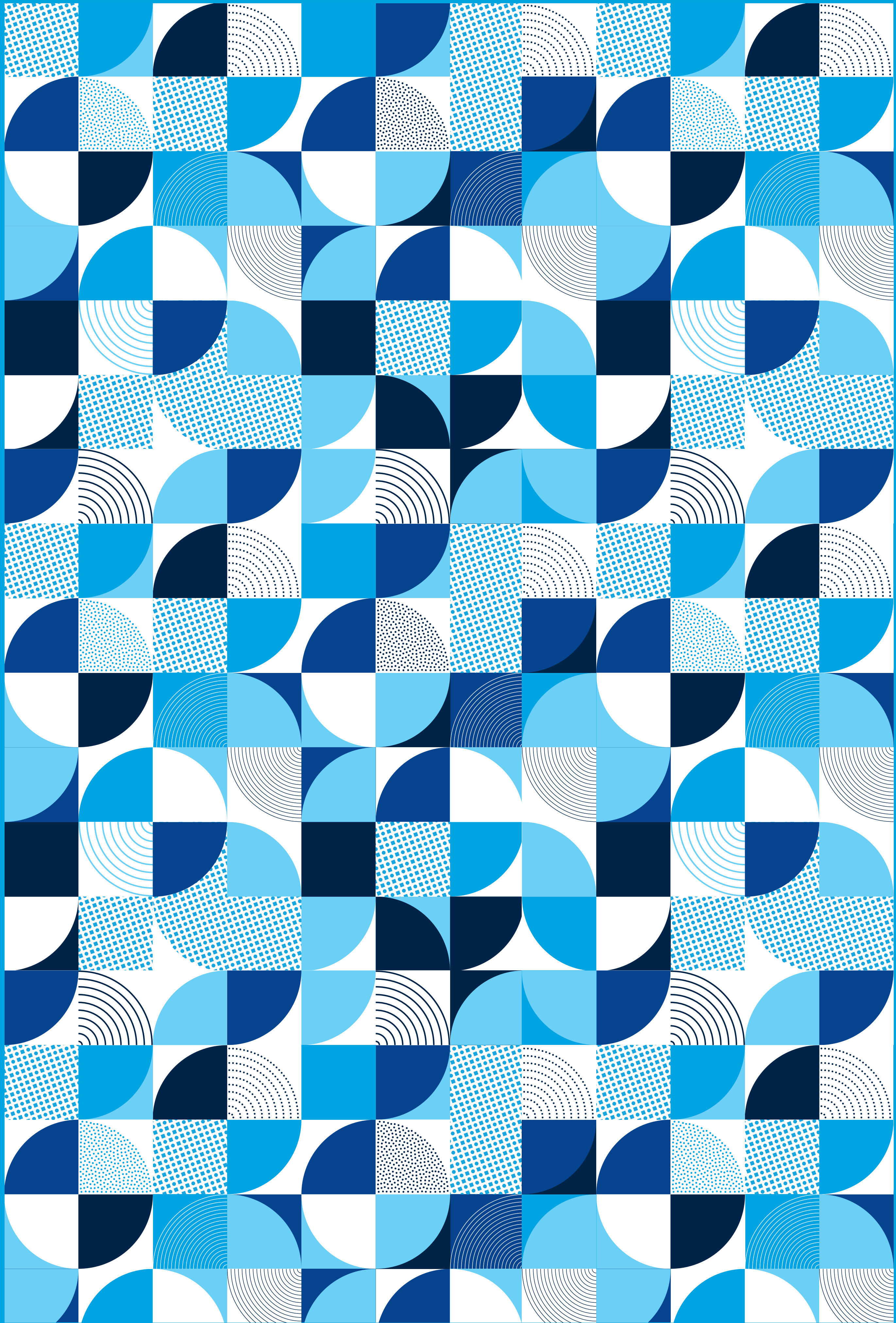
Bboxx
Unlocking potential

Snapshot and Annual Report 2019



Introduction

Bboxx exists to solve a major global problem: energy poverty

Currently, 840 million people live without access to energy, of which 650 million are in Africa. An additional billion people are connected to an unreliable grid.

Our purpose

To transform lives and unlock potential through access to energy.

Our vision

To become a next generation utility platform that every under-served person will use to connect to a utility.

10 years on, we are as passionate about addressing this global problem, as we have ever been.
Read on to find out how . . .

We are trusted

We continuously learn from and understand our customers. Growing together, we are a responsive partner that meets their needs and enables them to unlock and fulfil their potential.

We are ambitious

As a company and as individuals, we constantly strive to develop and grow. We thrive because we are brave in our actions, sure in our responsibilities, quick to act, and relentlessly focused on delivery.

We are open

We are one global team; our shared purpose defines us. We learn from each other's strengths and experiences and thrive in our cultural diversity.

"These achievements and many others reflect the great employees, partners and investors that we have gathered along our journey.

In this report

Unaudited

2019 at a glance

Another year of transforming lives

2019 is a milestone year for our business. There has been a step change for Bboxx.
Bboxx established itself as a true next generation utility. This was achieved through the creation of major partnerships, new government relationships and expansion of our services.
Another year of transforming lives and unlocking potential.

- Internal launch of new Bboxx brand
- Bboxx ePay
- USD 50 Million Series D
- Launch of Bboxx Cook
- Bboxx Connected Community in Togo
- First ever government subsidy
- Global cleantech 100
- Zayed sustainability prize for energy
- USD 31 Million deal with AIIM

2019 numbers

1,091,272
Number of people provided with reliable, affordable, and clean electricity.

11
Countries of operation

$6 million+
Mobile payments processed

30,000
Payments processed daily

$200 million
Outstanding receivables managed

734
Full time employees (85% located in Africa)

$100 million+
Funding raised to date (including Series D - first close)

11
UN Sustainable Development Goals contributed to

374,632 metric tons
CO^2 (Carbon dioxide and black carbon emissions avoided)

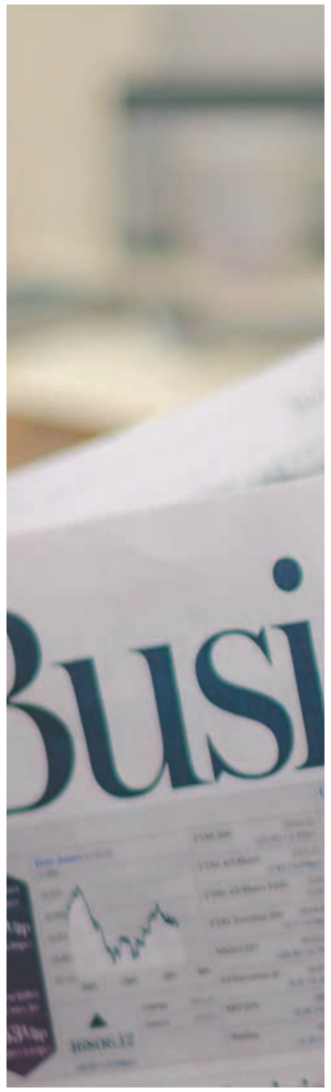
1,012,520
Kerosene lamps replaced

272,818
Number of school children impacted by clean energy

Our financial highlights

January

Closing of a deal for $31 million investment from Africa Infrastructure Investment Managers (AIIM). The investment will provide 10 million people with energy access. AIIM, though its AIIF3 fund, is investing USD 31 million for a minority stake in Bboxx's operations in Rwanda, Kenya and the Democratic Republic of Congo (DRC).

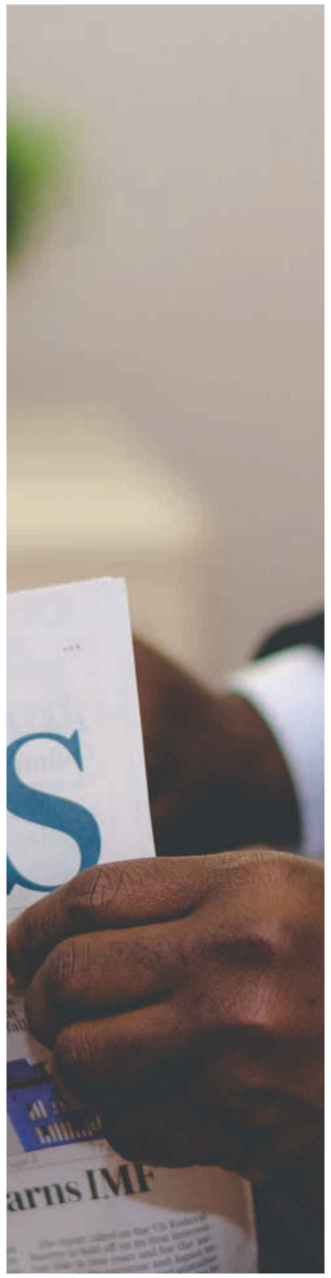


March

Bboxx received the largest crowd-funded debt raise in the history of solar in Africa. Bboxx and Trine's funding initiative has hit the €6 million mark. This aims to accelerate Bboxx's installation of pay-as-you-go solar home systems in Kenya, Rwanda, Togo, the Democratic Republic of Congo, Mali, Senegal and Guinea. This will positively impact the lives of over 200,000 under-served people in these countries.

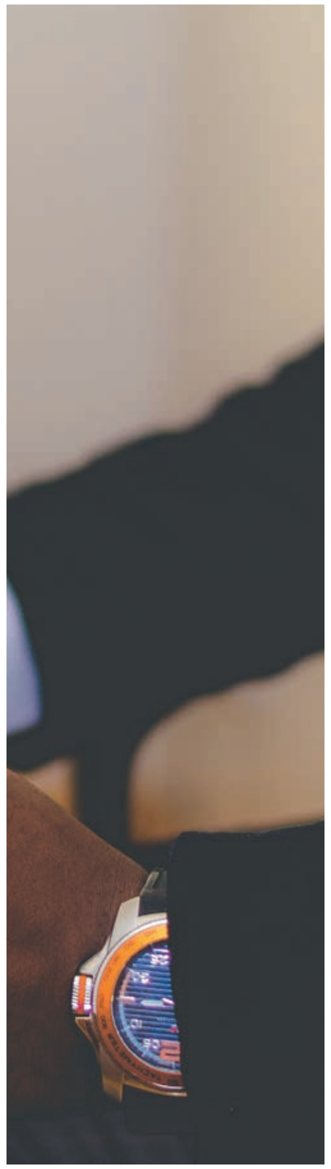
May

Bboxx, has secured a USD$8 million loan from the Facility for Energy Inclusion Off-Grid Energy Access Fund (FEI OGEF). The local currency loan – one of the first to be made since the fund's launch last year – accelerates Bboxx's roll-out of solar home systems across Rwanda.



August

Bboxx closed a $50 million Series D funding round, led by Mitsubishi Corporation: a global, integrated business enterprise head-quartered in Japan. The cash injection will further enable Bboxx's international expansion and fuel its mission to use technology to unlock potential and transform millions of lives worldwide.



Our operational highlights

January

Bboxx was the winner of the prestigious Zayed Sustainability Prize in the Energy category. This is a testament to the way the company is making a meaningful difference to people's lives around the world.

February

Out of more than 13,000 innovators from over 90 countries, Bboxx secured a place in the 2019 Global Cleantech2019 Global Cleantech 100.

March

Bboxx customers in Togo received the first ever government subsidy for the purpose of solar energy payments in Africa. Dubbed the "CIZO Cheque", households with Bboxx solar home systems have been granted a monthly subsidy of 2,000 FCFA (c.$4) over a three-year period. This subsidy will encourage people to opt for clean solar energy as opposed to kerosene.

April

Tomorrow's Connected Community: Bboxx unveils its vision for the "community of the future" for the developing world. It brings Bboxx's mission to life by transforming lives and unlocking the economic potential of entire communities in developing countries through access to energy. Tomorrow's Connected Community is being rolled out in the rural village of Sikpé Afidégnon in Togo, following its inauguration by the H.E. President Faure Gnassingbé, President of the Republic of Togo. The entire village, comprised of 300 houses and 4,000 people in the south of the country, is to be powered by solar electricity including, street lights, households, schools and small shops. The community can also access other utility products and services, such as clean cooking solutions, internet services and water pumps.

July

Bboxx unveiled a new initiative to help tackle the global clean cooking crisis and reducing greenhouse gas emissions - Bboxx Cook provides clean cooking services for both urban and rural areas through LPG and biogas solutions. Bboxx is the first company to combine pay-as-you-go solar energy services with pay-as-you-go cooking solutions.

October

Internal launch of our new Bboxx brand, providing the platform for the future development and growth of the company.

Our footprint

Business overview

Q&A

with Mansoor Hamayun

q

Mitsubishi Corporation became a major investor of Bboxx. What are some of the strategic reasons?

a

The funding is further evidence of Japanese interest in Africa and in PAYG solar energy globally. Mitsubishi Corporation's extensive reach, sector specific and technological expertise will help us to connect with more people without reliable access to modern utilities and services at even greater scale.

We look forward to this next phase of growth that will help us to transform more lives, unlock potential and grow our already global footprint by opening up new markets and further develop our product range.

q

Why has Bboxx started including Mini-grids in its offering this year in Togo?

a

Connected Community demonstrates our ability to supply electricity and other essential utilities to not only individual households, but to entire communities and businesses. We can now truly deliver a decentralised and digitalised future in the developing world at scale. We have shown what can be possible and we look forward to rolling this "community of the future" out across other locations globally.

The launch builds on the success of Tomorrow's Rural Home, which Bboxx unveiled in Kigali, Rwanda, in November 2018. Tomorrow's Connected Community now takes Bboxx's vision several steps further – scaling from the home to the community, leapfrogging the need for traditional, large grid infrastructure.

q

How else is Bboxx displaying this new strategy?

a

The Bboxx Cook initiative in Rwanda is another exciting step for us as a next generation utility. We are showing that our model works: the technology that we have used to provide access to clean, reliable, and affordable electricity is being expanded to include clean cooking solutions and we have big ambitions to deliver other utilities and products in new markets.

Three billion people worldwide lack access to clean cooking solutions. We are steadfast in our mission to use technology to transform lives and unlock potential and Bboxx Cook is fundamental in helping to meet the UN Sustainable Development Goals. We are looking forward to working with additional partners to scale up and deliver on our mission.

q

What is a fundamental step to improve the profitability of your operations?

a

Government involvement and understanding is very valuable to our operations, and Togo has been an excellent part of this. The "CIZO Cheque", a first of its kind subsidy in Togo, is a major stride forward in tackling a key obstacle to achieving universal electrification in Africa; this being that many customers are still living in poverty. Overcoming energy poverty is the first step in overcoming poverty as a whole – as access to electricity brings people into the digital economy and fosters financial inclusion.

This innovative solar subsidy is a key component along the path to achieving 100% electrification at scale and will have a positive knock-on effect to the wider Togolese economy. Access to clean, reliable and affordable electricity has transformational benefits for individuals, communities and SMEs as electricity provides the basic pre-requisite for access to all other modern amenities.

Market overview

$1.75
billion market serving 420 million users

38%
annual increase in PAYGO unit sales

Sector insight	Impact on Bboxx
The off-grid solar sector has grown tremendously over the past 10 years into a vibrant, US$ 1.75 billion annual market, which remains on a solid growth curve. The sector is currently serving 420 million users. From 2017 to 2019, revenues grew rapidly at 30 percent annually, while sales volumes grew at 10 percent annually. A shift towards higher-priced Pay-As-You-Go (PAYGo)–enabled products that provide higher levels of energy service has driven this rapid growth in sector turnover. While pico products comprise around 83 percent of all sales since 2010, the growing reach of larger solar home systems (SHS) products means that over half of off-grid solar customers now receive "Tier 1" access or higher to a clean, modern, and reliable source of electricity.	**Bboxx is well positioned to tackle the change of focus in the PAYGo sector as this has been our core business model now for many years. The bPower50 is a 50W solar system which is bigger than the average.**
As the sector matures, companies are increasingly focused on financial sustainability. Companies are moving into new geographies and under-served markets as established markets become more saturated. They are also accelerating the shift towards larger, higher-margin SHS sales in response to growing consumer demand for appliances and backup systems, which dovetails with their focus on financial sustainability. In addition, two new business models are solidifying: (1)"beyond energy" companies using consumer PAYGo data to offer financing for non-energy products and services and (2) next-generation off-grid utilities.	**Bboxx is looking to grow by moving into new markets, by selecting markets with the highest potential and at opportunity market entry. Bboxx is leading the next-generation off-grid utility model to increase the value per customer and by going into adjacent models.**

823
million users by 2030

Sector insight	Impact on Bboxx
The off-grid solar sector remains on a strong growth trajectory; the sector is projected to serve 823 million users with off-grid solar products by 2030. To sustain the current market growth trajectory, the sector will require an investment of US$ 1.7–2.2 billion in the next five years.	**The core business of Bboxx in the off-grid solar sector still has great potential for growth by electrifying millions of customers.**
Increased specialization across the value chain will drive efficiencies. Previously vertically integrated firms continue to shed value chain operations to increase focus on their core business by partnering more effectively with other players in the value chain. Meanwhile, new companies entering the sector specialize on individual components of the value chain. This will allow companies to more quickly achieve profitability.	**There will be more companies challenging on key parts of the business model of Bboxx. Bboxx will have to be careful in identifying the areas where it can add the most value.**
Chinese manufacturers are engaging directly with end markets. Chinese manufacturers have increase the quality of their own-brand products through local distribution partners and in the future through their own distribution networks, including PAYGo. This will increase competition at the product level and increase the amount of high quality but lower cost products on the market.	**Bboxx will strive to collaborate with Chinese manufacturers in order to make sure we still have a cost competitive offering.**

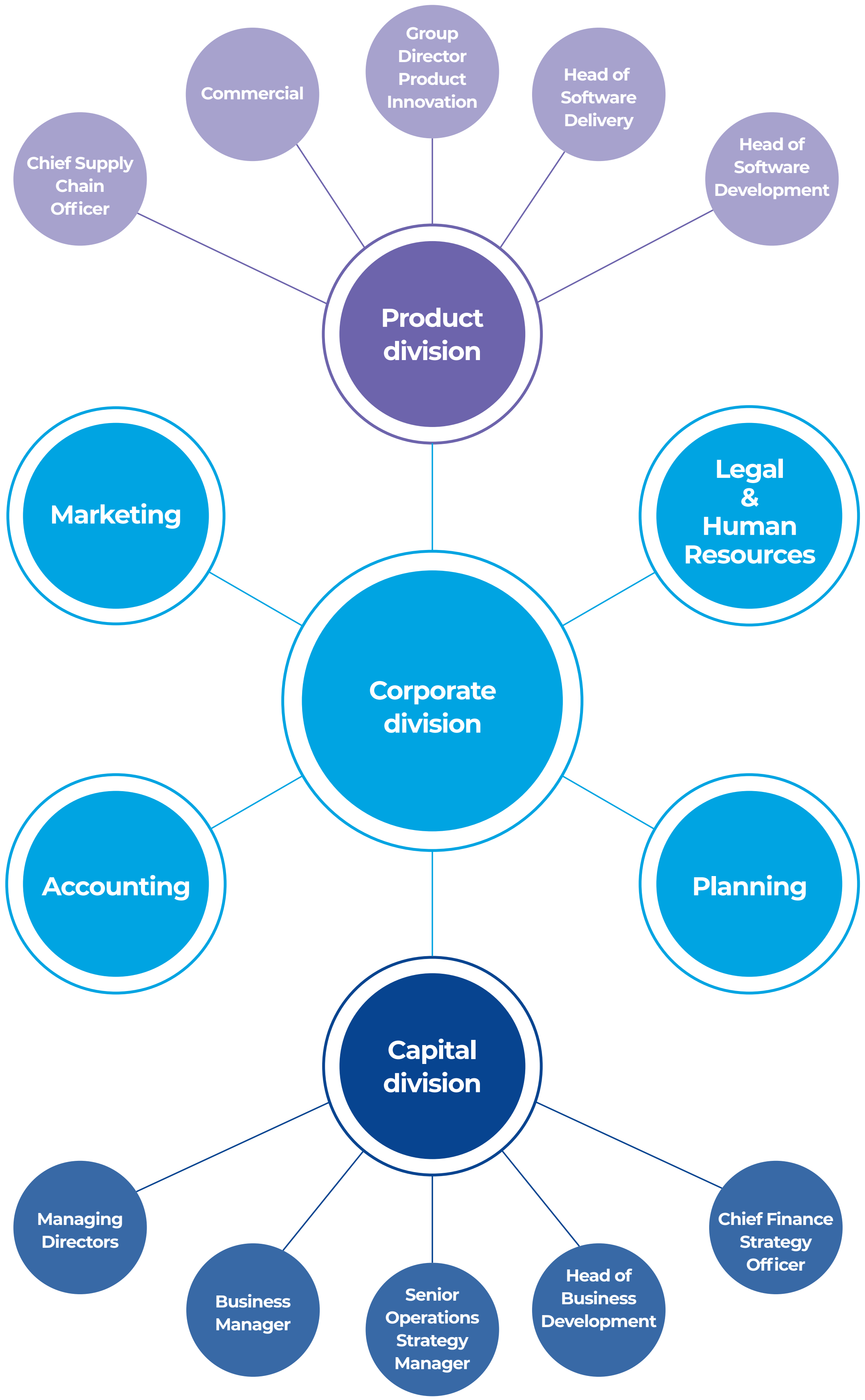
Our business model

Bboxx Ltd and its 100% owned subsidiaries are the core of the group with commercial entities in each country. This structure enables us to expand our business efficiently. Commercial entities are called Next Generation Utilities (NGUs) and categorized into two groups: those with Bboxx equity, and third parties. The business model for Bboxx NGUs and third party NGUs are almost the same. Bboxx Ltd supports NGU operations by providing hardware and software on a commercial basis. The difference is in the NGU's structure.

Bboxx NGUs are established by Bboxx Ltd and equity is provided through its 100% owned subsidiary Bboxx Capital. Core human resources are from Bboxx Ltd and local distribution channels are developed by Bboxx Ltd. Furthermore, a wide range of administrative services including legal, financial, accounting and human resources are provided by Bboxx Ltd. It is hence versatile and NGUs' strategy is closely aligned with the group. Bboxx also expands through third party NGUs because of its scale. It is an established entity with strong local network, and the business can be deployed in a short time at high speed.

We also call Bboxx Ltd and its 100% owned subsidiaries as B2B, and NGUs as B2C. Though they are in the relationship of seller and buyer, one cannot grow without the other.

Our organisation



Corporate division
Supporting the group

Corporate division aims at supporting the group with a range of services such as Marketing, Legal, Accounting and Human Resources. Although at the moment now this is purely a cost centre, we plan in the future to bill for some of those services to NGUs or the relevant divisions.

Product division
Hardware and Software sales as a business model:

As explained above, B2B sells hardware/software and services to B2C, and B2B's profit volume is in the price margin of those sales, however it should not be simply maximised from the seller's point of view. As the solar home system market attracts more competitors, the price should be determined by the market. B2C is the entity facing the market and in the best position to know what the end users want at what price. While Bboxx differentiates itself by its high quality and better service, B2C should know how quality and price can be best balanced.

Capital division
B2C sales and development of NGUs as a business model:

Bboxx is making a strategic balance between being a product/service provider and project developer. A major source of profit should be sales of products and services for solar home systems and related business. Another source of profit is the sales of such business. In other words, Bboxx creates NGUs and sells part of its stake. This build-operate-transfer model does not only create profit upfront but help utilise our cash more efficiently.

Principal Activities

The principal activity of Bboxx Limited (the 'Company') and its group of subsidiaries (together the 'Group') is the manufacture, provision, installation, and maintenance of solar home systems and providing pay as you go access to electric power to customers in developing countries.

As a next generation utility, we provide affordable, reliable, and clean electricity and other utility services to millions who are living without, transforming lives and unlocking the potential of communities, cities, and countries. We are a vertically integrated business, and our business model is based on our physical (distribution network) and digital (Bboxx Pulse®) highways, our bold technology (hardware and software), and our partnerships.

Bboxx is scaling through forging strategic partnerships and its innovative technology Bboxx Pulse®, a comprehensive management platform using IoT technology. The operations of the Group are via subsidiaries in Democratic Republic of Congo, Kenya and Rwanda in addition to selected partners across the African and Asian continents.

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Bboxx also expands through third party NGUs because of their scale. A third party NGU is normally an established entity with strong local networks, and the business can be deployed in a short time at high speed. We also know Bboxx Ltd and its 100% owned subsidiaries as B2B, and NGUs as B2C. Though they are in the relation of seller and buyer, one cannot grow without the other.

Bboxx Ltd has sub-divided its organisation into three departments: Corporate (Marketing, Human Resources, Legal and Accounting), Product division (Hardware and Software) and Capital division (NGU Management). While we are in a rapid expansion phase, large amounts of investment are required at both B2B and B2C levels, and the Group must sustain a deficit. However, it is expected that Bboxx NGUs will first go beyond the break-even point in a few years and will subsequently push up B2B's profitability.

Review of Business

The performance of the Group for the year is set out in the Consolidated Statement of Profit and Loss and Other Comprehensive Income on page 62 of these financial statements. No dividend has been recommended.

2019 has been a milestone year for our business. There has been a step change in Bboxx's positioning and visibility – crossing the threshold from a solar energy provider to being internationally recognised as a next generation utility on the global stage. In the period to December 2019, Bboxx grew to 188,000 active customers spread over 11 markets. In the period since January 2019, the number of customers using the Bboxx Pulse Platform has grown by 113,074 units. Alongside this, the number of active operational partners engaged with the Company has grown by five, with customers installed in Senegal, Mali, Guinea, Cote d'Ivoire and operations additionally now in and around Kinshasa in the Democratic Republic of Congo. This expansion has significantly built up the Company's presence in West Africa as the Company strategy continues to focus on expanding outside of the traditional East African hub.

The Group successfully closed two equity investments into its operational subsidiaries in late 2019. The first with African Infrastructure Investment Managers ('AIIM') into the Democratic Republic of Congo (DRC), Kenya and Rwanda subsidiaries, and the second with EDF into the Togo entity. Further details of these transactions are detailed in the Future Outlook section of this report. Securing the equity investments from strategic partners into the operational portion of the Group has been significant in ratifying the business model of the Group.

In addition, the Company closed its Series D equity funding round in August 2019 which included a substantial cash investment of $28 million from Mitsubishi Corporation. This latest funding round has put the Group in a more robust position for future growth.

The Company's management and Board of Directors is focused for 2020 on continuing to grow the business with a healthy growth plan and a clear path to profitability, both for the operational subsidiaries and for the Group as a whole.

Expansion in our infrastructure continued during 2019 to enable future growth. During the year, Bboxx entered into additional debt agreements totalling c.$10.6 million at both the UK and subsidiary level enabling a significant increase in inventory production and therefore sales to customers.

There is a plan to improve upon the current level of performance and deliver future growth in turnover and profits, as the Group continues to expand into other markets and scale the business in existing markets.

Future Outlook

The Group's mission is to transform lives and unlock potential through access to energy. The Group is in a stage of expansion with new and existing partners. The Group completed a significant implementation agreement with AIIM on the 19th of December 2019 to invest a total of up to $31m over approximately 2 years for an indirect minority stake in Bboxx Capital Rwanda Limited, Bboxx Capital Kenya Limited ('Kenya') and Bboxx Capital RDC SARLU. The Group also entered into a 50% joint venture with EDF International SAS 'EDF' by way of a share subscription by EDF in Bboxx Capital Togo SA ('Togo') for $3m.

The Group closed its Series D equity finance on 19th August 2019. The funding came from existing and new investors, including Mitsubishi Corporation, and will be used to fund further business expansion.

Our strategic aim is to expand rapidly to provide other vital utility services, such as cooking and internet access. The Group has continued to raise finance throughout 2019 to ensure that the operational growth activities in subsidiary entities can continue to expand to profitability at the operational level within the next three years. During 2020, the Group had planned to expand to markets outside of Africa and form partnerships with key businesses to facilitate rapid expansion. The global pandemic of Covid-19 has had the effect of delaying most proposed expansion for 12 months. The business model in the future will move away from wholly owned subsidiaries to focus on the provision of hardware and software to jointly owned operations and/or external customers.

Product division

Market categorisation

There are mainly three categories of solar home systems. The smallest is solar lanterns, which are very affordable, but the capacity is 10W or less and provides power to LED lights. Because of its size and cost, customers do not expect maintenance service for better user experience and the providers try to make the business viable by selling a large volume with small profit margin.

Solar home systems with light bulb, radio, TV, mobile phone charger is the next category, and where we have chosen to be our strategic position. Our recent market study shows this segment has the highest value in the market. The smaller segment may appear attractive as it accounts for slightly more than half of the entire units sold in 2019, but this medium segment occupies almost 70% of the market value due to its higher value per unit. It has been our strategy to target at this segment to establish our business base.

A larger revenue enables us to provide better service to the customers on a long-term basis and in addition, these customers are likely to have larger monthly household incomes, which makes them a target for future value-added services to be provided by the NGU. The largest is a category of 100W or more to support fan, refrigerator, water pump, which we regard as our strategic expansion as described below.

Hardware product range

Over the last 5 years, Bboxx has built its business model around one product, the bPower50, with one business model (energy as a service), providing a clear end customer value proposition of quality, size (larger than competition), and reliability. As we enter the next 5 years of Bboxx's journey, our strategy is to expand the range to ensure that we can adapt to an increasingly global context with new NGUs in previously untapped markets, improving our market share and scale and maintaining and building on our B2B and B2C value propositions.

We have bPower50 as our core product. It serves multiple needs of people who would never have an opportunity to use electric power at home otherwise. The wide range of appliances help dramatically improve a customer's livelihood, and such appliances as shavers can also increase affordability for the customer if he/she chooses to use it to provide barbering service to the neighbourhood.

bPower20 is our next core product which serves customers who cannot afford or do not desire to have a TV. It achieves two high-level goals: affordability and service. By introducing bPower20, we can cover a wider demand of customers with or without TV and rationalise our cost/revenue structure.

Our next target is the largest product category, 100W or more. It will be able to supply enough power for urban or peri-urban lifestyles where the customers cannot rely on stable grid. It can also help customers if they are farmers. A larger solar power unit combined with water pump system can increase agricultural output and it is another example to show how we increase our customers' income by providing tools to be powered by our solar system.

We have already started a pilot project with a strategic partner to develop a larger solar system together with water pump to study its technical and economic feasibility.
As we expand our scope of product and service, it is critical to optimise our corporate resource allocation for development activities. As the strategic importance gains for Pulse, we will introduce a new development policy, adopting white label hardware and combining it with Pulse. It will substantially reduce time and required resources to develop new hardware, but it requires additional attention on how Pulse should be integrated with the original software attached to the hardware. The water pump pilot
will adopt a step-by-step approach to identify the optimum path to be followed for future product integrations.

Software product range

Service is what differentiates us from others in the market. We are closely connected with our devices and customers through Pulse. But Pulse's value is not limited to connectivity; it carries all kinds of data, from battery condition to customer payment history, and it gives us lots of potential to create new services. We utilise machine learning to analyse the rich history of our operational data and accumulate a database which will tell us what the customers may want next and how much credit we can extend to them to address such demand.

To position Pulse as the leading NGU management platform in our sector, we will be pursuing a strategy based on the following areas. Firstly, integrating products other than solar home systems, such as water pumps and satellite TV, will be crucial to ensuring Bboxx can increase revenue by managing greater volumes of products, including other Value-Added Services (VAS). LPG will be added to the system in the near future. The products that form our VAS offering, combined with the utilisation of big data will make us a real next generation utility.

Secondly, Pulse will become more flexible to cope with a greater variety of distribution models. This will be accomplished through a migration of Pulse to a new architecture built around APIs and increased configurability (i.e., optional energy service fee (ESF) and customisable lists).

Finally, we will develop key new features within Pulse that serve to differentiate ourselves from the competition and that help NGUs increase profitability, generating higher Pulse revenue, increasing stickiness of Pulse with existing customers and the attractiveness of Pulse to new customers. Examples of Pulse features that will differentiate us from competition include Emergency Energy, Credit Scoring and On-Bill Financing.

Optimisation of the engineering workforce

As the level of competition intensifies, we have a strategic question to solve on how to source our engineering talents on a global scale. London is our birthplace and will remain the core of our creativity, but the larger our business scope expands, the more resources we need to keep up with the speed and optimisation becomes inevitable. It is our strategic decision to seek engineering skills internationally, developing talent in new locations that will enable us to continue to innovate whilst ensuring our overheads are optimised in the future.

Capital division

Bboxx Capital's mission is to mobilise knowledge, capital and will to end energy poverty in Africa.

We believe that decentralised renewable energy solutions will be the fastest and most sustainable way to energise the large percentage of Africa still lacking sustainable energy solutions. To do this will require US$ 50 billion.

With the progress made over the last decade in the sector, universal energy access across Africa is not a dream anymore and we have a strategy to be leading it. Bboxx Capital already has $200 million under management, 1 million customers electrified and the leading returns in the sector.

Bboxx collects billions of data points every month which is giving us unprecedented insights into off-grid customers across Africa and is helping us shape our product design, distribution strategies and government planning. The Bboxx Capital team has over 50 years of experience in the industry and is focused on three core functions:

1. Business Development and Government Engagement, which are both key to setting the foundations in each market for the sector to scale. This includes the required regulation for the sector, formal government partnerships and a strong alignment with the donor community to bridge some of the initial market gaps. We work with a range of local partners to increase the services we offer to our customers and to speed up our expansion across each market. We have recently partnered with Canal+ and LPG suppliers to provide value added services to our solar home customers and boost the profitability of each customer.
2. 2. Strategy to manage all our data points and define the business models across the different decentralised renewable energy solutions. We operate across a range of technical solutions and geographies making us the most experienced company in Africa. We work across our different investments to share best practices and streamline our operations to allow us to proactively manage all KPIs that drive the business. We collaborate closely with the Product division to provide feedback from the field and help structure the appropriate pricing models to ensure our NGUs' viability while bringing revenues to the Group.
3. 3. Fundraising and governance strategy to bring the level of financial sophistication and trust needed to scale the funding needs across our product range and geographies. We work with a wide range of financial partners and have pioneered innovative structures to meet the needs of our different projects across the continent. Bboxx Capital has put in place the required level of governance to run our different investments in order to attract world leading investors such as EDF and AIIM, who we have strategic joint ventures with.

Bboxx Capital has in-depth experience in the solar home system space and is currently broadening its scope to other decentralised energy assets such as mini-grids, clean cooking and solar water pumps, which will all be integrated and operated on Pulse through our NGUs. We are currently running a range of pilots while bringing strategic partners on Board to be able to ramp up those new revenue streams in 2021 as we leverage our local expertise in certain markets to launch new projects.

Board management

The Bboxx Ltd Board comprises 8 members including founders, shareholders, and independent directors.

The Board meeting is held quarterly to make key decision for the Company. For the past twelve months, the Board discussed such critical matters as follows to ensure survival and growth under the extremely difficult circumstance in 2020; budget and business plan, funding existing NGUs, Cook project, creation/acquisition of new NGUs, alliance with strategic partners, Series D fund raising, actions necessary to grow during the COVID-19 pandemic, among others.

The Board meeting is normally combined with a day-long strategic session, where the management team presents its view on the business situation and insight for long term future. Quality and amount of information is appreciated by the Board members and results in deep understanding of the Company as well as fruitful discussion to give guidance to the management.

Under COVID-19's influence, the Board has been held online and shortened considering the physical comfort of participants. However, quality of discussion has not been compromised, by spending more time for individual briefing before and after the meeting.

Committees

Committees are organised at different layers to assure both accountability and agility.

Committees at the Board level are the Remuneration Committee, Finance and Audit Committee and Governance Committee. The Remuneration Committee is headed by a Board member and held quarterly to provide objective evaluation on performance of the management. The Finance and Audit Committee provides support to the CFO and guidance to the Board on the Company's financial reporting and decision-making. Meetings are held quarterly. The Governance Committee drives consistency in respect of governance and regulatory conduct matters across Bboxx and oversees compliance with the corporate governance principles, culture, and ethical values of the Company in line with strategic priorities. Its chairperson is also a Board member and it convenes at least four times a year.

At the management level is the Investment Committee, and a Risk Committee is under preparation. The Investment Committee was newly introduced in July 2020 to bring cross-divisional analysis and a specialised screening process to business decisions. The application form contains information as to strategic position of the subject, its risk scale, financial return and risk analysis among other relevant information. Financial and legal reviews are conducted, and pre-committee briefing is provided to the members so that the committee is convened for decision, not for discussion. The Risk Committee will be established to analyse and address a wide range of risks of 'business as usual'. It is not only for the Company's commercial activity but administrative work as well. The preparatory work has been under way to identify risk items, review risk weightings and consider possible mitigations.

Business divisions hold operational committees, such as Pricing Committee and Capital Committee. They are not necessarily a place to make decisions but for information sharing, discussion and planning. The Pricing Committee share market intelligence and make a consistent pricing policy to retain global competitiveness of the Company's products and services. The Capital Committee evaluate project priorities and plan the best funding strategy. Their output is provided to the Investment Committee to form a corporate decision.

Terms of Reference

Each organisation within the Company is governed by its terms of reference (ToR). The ToR stipulate its purpose, structure, operation and responsibility. As a dynamic and fast-growing enterprise, Bboxx needs an institution to rely on, and ToR are a very effective tool for all employees to understand how divisions and committees are run.

Compliance with codes and good practice

Compliance is the top priority for Bboxx. As an enterprise operating at a global scale, it is critical for the entire Company to fully understand the rules and regulations of each country and region where it operates, and the management makes every effort to disseminate compliance to the entire Company. As the number of employees grows at offices and shops around the world, there is an increasing demand for even higher levels of training for compliance. The Company's next target is to introduce a world class program to keep all colleagues aware of the risk of misconduct and motivated to comply, so that the Company can grow in a sustainable manner.

Strategic report

The following are the audited annual report and financial statements of Bboxx Limited for the year ended 31 December 2019

Mansoor Hamayun
CEO and Cofounder

Message from the CEO

As a next generation utility, we provide affordable, reliable, and clean electricity and other utility services to many communities who are living without; transforming lives and unlocking the potential of communities, cities, and countries. Bboxx manufactures, distributes and finances decentralised solar powered systems in developing countries. We are a vertically integrated business and our business model is based on our: physical (distribution network) and digital (Bboxx Pulse®) highways, bold technology (hardware and software), and partnerships. Bboxx is scaling by forging strategic partnerships and its innovative technology Bboxx Pulse®, a comprehensive management platform using IoT technology. Through affordable, reliable, and clean utility provision, Bboxx is bringing people into the digital economy, creating new markets, and enabling economic development in both off-grid communities and those living without a reliable grid connection. A customer's journey with Bboxx starts with electricity, yet it opens a whole world of access: to education, agricultural support, gas supply, financing and more...

So far, Bboxx has deployed more than 350,000 solar home systems (SHS), each remotely managed and controlled through our platform called Bboxx Pulse®.

We are working alongside governments and world-class international partners to help achieve the United Nations' Sustainable Development Goals in the next decade, with energy access serving as a catalyst for enabling economic development of communities. We are scaling by partnering with others, such as our joint venture with EDF in Togo, and through the backing of our investors including Mitsubishi Corporation.

Bboxx has over 800 staff across nine offices including in Democratic Republic of Congo, Kenya, Rwanda, and Togo, with its head office in the UK and its manufacturing operations in China. We are driven by our mission to transform lives and unlock potential through access to energy. Together, we work with our shared values of ambition, trust and openness to achieve a better world.

Review of Business

2019 was a year with many highlights. It is fantastic to be able to announce that we installed over 100,000 solar home systems this year, which is an impressive 60% increase on 2018. Achieving this shows the operational excellence the company has reached, physically installing so many systems in multiple locations. At the end of the year, we reached the incredible goal of bringing electricity to 1 million people. This was celebrated in early 2020 as this is a tremendous milestone for the company. We also closed our Series D financing round, led by Mitsubishi Corporation, underlining the progress we have made as a company in the last few years; attracting an investor of such calibre is a fantastic accomplishment. The substantial cash investment of $26m puts the group in a more robust position for future growth.

Expansion in our infrastructure continued during 2019 to enable future growth. During the year, Bboxx entered into additional debt agreements totalling c.$10.6m at both the UK and subsidiary level enabling a significant increase in inventory production and therefore sales to customers.

These achievements and many others reflect the great employees, partners and investors that we have gathered along our journey. Everyone has been crucial in achieving the results of 2019.

Future Outlook

Going forward we need to position Bboxx towards profitability, both at the NGU- and B2B-levels. With business profitability we can prove that the Bboxx model is sustainable. Without that proof, we will never attract the required capital to reach the scale necessary to truly become part of the climate change solution.

Reaching profitability has defined our operational developments and technology improvements in 2020. At the NGU level we are leading

through our transition to lithium and our introduction of bPower20. B2B profitability is very dependent on our existing cost base and there is pressure to find efficiencies across the business in 2020 and future years.

This does rely on having good quality financial reporting.
Improving the work environment and culture is a key target. We have built Bboxx on an amazing culture fostering ambition, trust and openness. As we have grown very quickly, we have to work harder in 2020 and 2021 to bring everyone closer together (albeit virtually).
Our strategic aim is to expand rapidly to provide other vital utility services, such as cooking and mini grids. During 2020, the Group had planned to expand to new markets and form partnerships with key businesses to facilitate rapid expansion. The global pandemic of Covid-19 has delayed most proposed expansion for 12 months. The business model in the future will move away from wholly owned subsidiaries to focus on the provision of hardware and software to jointly owned operations and/or external customers.
We look forward to the year ahead and to building on our heritage. We remain committed to our mission to “unlock potential and transform lives through energy access”.

Principal risks and uncertainties

Through its business activities, the Group is exposed to a variety of operational and financial risks. The business of the Group is retail customer based and the majority of the risks that the business is exposed to are contained and managed within its customer base and operating subsidiaries. Guidelines for risk management have been approved by the Board of Directors and are carried out by the Company's Finance department in cooperation with the local Finance teams of the subsidiaries. In addition to quarterly and ad hoc Board meetings, a monthly shareholders' call is held, and the Group has audit, governance and remuneration committees in place

Operational risk

The operational risks relate to the performance of the customer portfolio and growth of the same portfolio to ensure the company becomes and remains profitable and cash flow positive. The Company has established a solid customer pipeline and is expanding the customer base in new markets, but further growth of the Company will depend on a number of factors such as product demand, access to competitive financing, product pricing, price development for alternative sources of energy, the provision of subsidies to low income customers and the regulatory framework in the relevant market.

Given the growth strategy, there is also a risk that the current operational infrastructure is inadequate to support the Group. The Group has undergone and is continuing with a significant transformation and change agenda which includes the concurrent running of numerous projects. These projects include IT based projects designed to ensure that the Group's infrastructure remains modern and scalable to support the Group's growth strategy. The Group aims to minimise operational failures through the establishment of and subsequent investment in sound robust systems, controls and audit functions.

Currency risk

The Group primarily operates within various African and Asian territories with manufacturing in Asia and research and development in the UK. The product supply chain invoices are in USD hence any amounts owing to product suppliers are subject to exchange rate variations between the local operational currencies and USD. The Group is on an overall level managed as a USD company for currency risk management purposes with primary focus on USD cash flow. The Group manages this exposure with derivative forward currency contracts and a level of financing obtained in USD. The debt portfolio has now been diversified with a view to obtain funding in local currencies directly to the subsidiary company to minimise exposure on local expenditure.

Interest rate risk

The Group is exposed to interest rate risks though funding and cash management activities. The interest rate risk management objective is to minimise interest costs and keep the volatility of future interest payments within acceptable limits. The Group has entered into a variety of debt funding arrangements with fixed interest charges and repayment schedules to ensure that interest costs can be forecast accurately. Liquid assets have primarily floating interest rates.

Credit risk

Credit risk is the risk that the Group's customers or counterparties will cause the company

financial loss by failing to honour their obligations. The Group is exposed to credit risk, including but not limited to local customer repayments, suppliers who are engaged in providing different services, property owners who provide leases to the Group and banks which provide guarantees or asset financing. Insurance companies provide coverage against various risks applicable to the Group's assets.

Liquidity risk

Liquidity risk is the risk that the Company will fail to meet obligations associated with financial liabilities as they become due and is the product of the operational risk factors and the financial risks mentioned above. The Company manages liquidity risk through continuous review of future commitments and sources of liquidity. Cash flow forecasts are prepared, and financing facilities are monitored on a monthly basis. The Company uses non-recourse asset financing with the advantage of a clearly defined and limited risk profile. In this respect, the banks recover the financing solely through the cash flows generated by the individual customers financed. Due to the dynamic nature of the underlying business, the Company maintains flexibility in funding by maintaining availability under credit facilities.

Political risk

The Group holds assets and operates in several jurisdictions, and the Group's operations are subject to international and national laws and regulations applied by government authorities in connection with obtaining various licenses and permits, government guarantees, and other obligations regulated by law. The Group is therefore exposed to changes in the regulatory environment in those jurisdictions and ensures that it is continuously reviewing compliance and regulations.

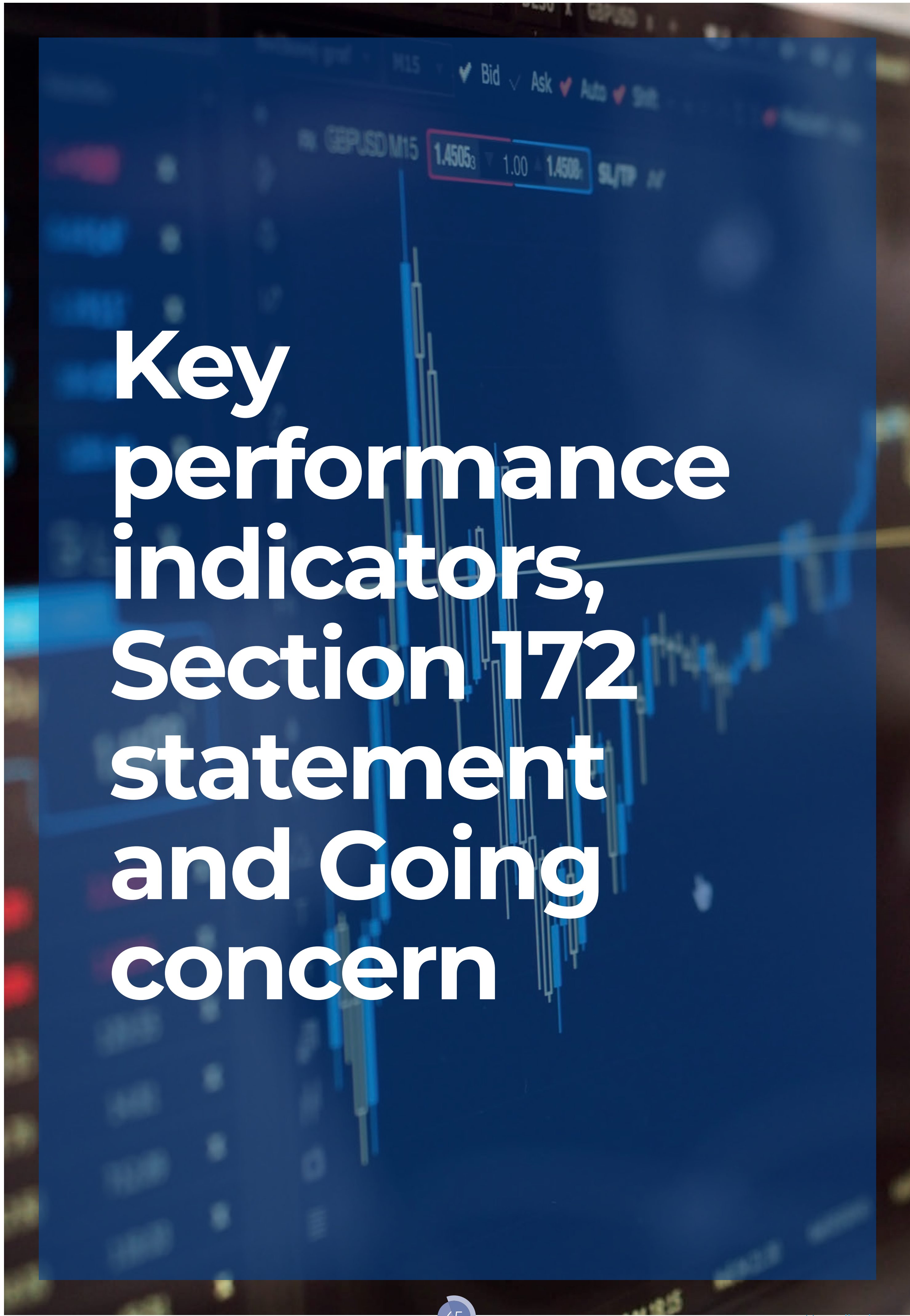
Brexit risk

As an event giving rise to unprecedented levels of uncertainty the full range of possible effects are not known but the Company does not expect Brexit to have a significant impact on its activities as the subsidiaries trade in African countries and supplies are obtained from Asia. The Company has continued to enter into successful financing activities throughout 2019 and there is no evidence that Brexit is impacting the Company's ability to raise funds going forward especially as we are now late in 2020. However, if there is a related impact on the USD exchange rate this will potentially further impact the currency risk as noted.

COVID 19 risk

Since 31 December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions. Bboxx management carried out an extensive scenario analysis in terms of impact and has subsequently seen that its business has proved to be resilient to the impacts of the virus as energy has proved to be an essential commodity.

Bboxx management has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of Bboxx for future periods.



Key performance indicators, Section 172 statement and Going concern

Key performannce indicators

The Directors monitor various financial and non-financial KPIs to manage the Group's performance. The financial KPIs during 2019 included the net change in customers (new sales less repossessions) 82,576 (2018: 50,284), active customer portfolio numbers of 186,527 (2018: 103,952), and average monthly revenue per unit "ARPU" of $12.19 ($17.72). Non-financial KPIs include 374,632 Metric Tons of CO2 savings made by Bboxx products in 2019, over 9.4MWhrs of renewable power produced in 2019 and approximately 272,818 school age children impacted by clean energy.

Section 172 of the Companies Act 2006

It is a requirement that the directors Bboxx, and those of all UK companies, must act in accordance with the Companies Act which includes a duty under Section 172 of that Act to promote the success of the Group. The Board is actively involved in the formulation of the Group's strategy, including consideration of how decisions made will impact the long-term.

We recognise the critically important role that our employees play in the success of the business and ensure that the health, safety and well-being of our employees is a top priority. We also ensure that the dealings with customers, suppliers and other stakeholders are fair and transparent, as we recognise that they are a key part of the success of the business. We demonstrate the positive impact on the communities and environments in which we operate through our primary activity of providing solar home energy solutions.

We behave responsibly and ensure that management operate the business in a responsible manner too, operating within the high standards of business conduct and good governance. The directors understand that they must act in a way that is most likely to promote the success of the company for the benefit of its members.

Going concern

Notwithstanding a loss for the year then ended of $24.4m and operating cash outflows for the year of $25.5m (2018: $12.5m), the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides including the impact of Covid-19, the Group will have sufficient funds, through its operations, from funding from Beyond Energy Investment Limited ("Beyond") on behalf of its shareholder, African infrastructure Investment Managers ("AIIM") and also funding from the sale of a 23% equity stake in Bboxx Kenya for a consideration of approximately $12m, to meet its liabilities as they fall due.

The sale of the stake in Bboxx Kenya is still to be completed. However, an investment agreement has been signed and completion of this transaction is expected on or around 31 December 2020. In the event of the sale proceeds not being received then forecasts are dependent on Beyond not seeking repayment of amounts owed. At 31 December 2019, the total owed to Beyond amounted to $26.1m. Of this amount, and as part of the transaction completed in 2020 whereby Beyond acquired a 40% minority interest in the Group's Kenyan, Democratic Republic of Congo and Rwandan subsidiaries ("NGU's"), $17.1m was converted to equity in the NGUs. Remaining amounts are not repayable before 31 March 2022 and further support will be required at that point from Beyond to delay repayment

or the Group will require further funding to be received, such as from the Kenya equity sale, if any repayment was requested. The ability of Beyond to continue to provide this support is dependent on it receiving support from its ultimate parent company, AIIM. The principal activity of Beyond is that of an investment holding company and currently its sole investments are in the Bboxx NGUs. As with any company placing reliance on other entities for financial support, the directors acknowledge that there can be no absolute certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on these indications the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances represent a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

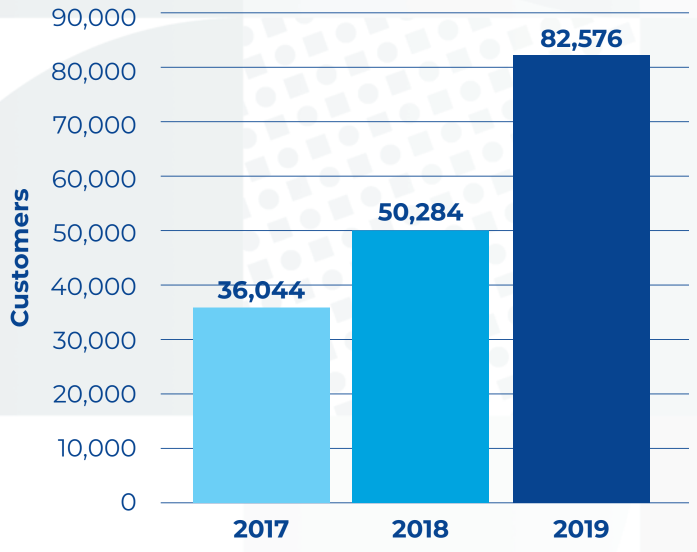
By order of the board

M M Hamayun
Director

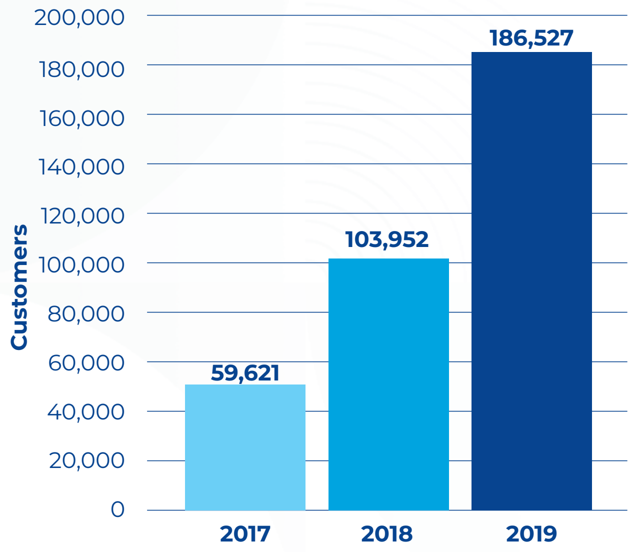
Second Floor, 11 Pilgrim Street, London EC4V 6RN, UK
Date 22 December 2020

Financial KPIs

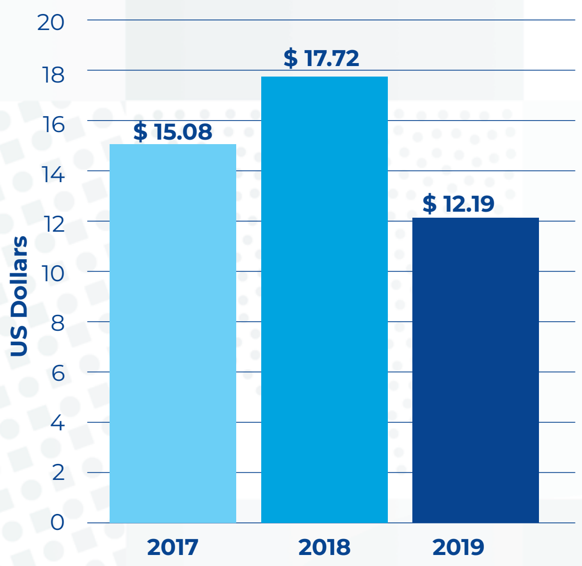
Net change in customers
(New sales less repossessions)



Active customer portfolio numbers



Average monthly revenue per unit "ARPU"



Non-financial KPIs

2019
Over 9.4MWhrs
of renewable power produced

2019
374,632
Metric Tons of CO2 savings made by Bboxx products

2019
Appx 272,818
school aged children impacted by clean energy

Governance report

Directors' Report

The directors present their report and the audited financial statements of the group for the year ended 31 December 2019.

Proposed dividend

The directors do not recommend the payment of a dividend (2018: Nil).

Directors

The directors who held office during the year were as follows:
M M Hamayun
C F Baker-Brian (resigned 12/02/19; reappointed 12/05/19; resigned 12/08/19; reappointed 12/11/19)
L D Van Houcke (appointed 12/02/19; resigned 12/05/19; reappointed 12/08/19; resigned 12/11/19)
C G Cattermole (resigned 26/08/2019)
S P Hegde (resigned 26/08/2019)
C J Schattenmann
L Vincotte (resigned 29/05/2019)
W J P Bennett
S Shah (resigned 26/08/2019)
J F C Broutin (appointed 29/05/2019)
G R L Lacroix (appointed 26/08/2019)
T Makabe (appointed 26/08/2019)
Y Moriizumi (appointed 26/08/2019)

Research and development

The Group's research and development teams are based in the UK and Rwanda and were primarily focused on the development of the Bboxx Home unit and related appliances in addition to the SMART Solar monitoring system. Bboxx Home is an energy solution designed for rural off-grid customers. SMART Solar allows products to be controlled and monitored remotely, extending the life of the battery and offering superior customer service.

Financial instruments

Details of the Group's financial risk management policies and objectives in respect of its use of financial instruments are included in Note 20 with a description of exposure to credit, foreign exchange, interest liquidity and market risk. Also see the strategic report on page 35 for a top-level analysis of the principal risks and uncertainties facing the business.

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors is aware of that information.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 35.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

M M Hamayun
Director

Second Floor, 11 Pilgrim Street, London EC4V 6RN, UK
Date 22 December 2020

Statement of directors' responsibilities in respect of the strategic report, the directors' report and 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 group and parent company financial statements for each financial year. Under that law they have elected to prepare both the group and the parent company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Bboxx Limited

Opinion

We have audited the financial statements of Bboxx Limited ("the company") for the year ended 31 December 2019 which comprise the Consolidated Statement of Profit and Loss and Other Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, Company Balance Sheet, Company Statement of Changes in Equity, Company Cash Flow Statement and related Notes, including the accounting policies in Note 1.

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 2019 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU);
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 to the financial statements which describes the uncertainties related to sale proceeds and repayment of debt. These events and conditions, along with the other matters explained in Note 1, constitute a material uncertainty that may cast significant doubt on the group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements;
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent Auditor's report to the members of Bboxx Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 54, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and 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 they 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

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

James Ledward (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG LLP
2 Forbury Place
33 Forbury Road
Reading
RG1 3AD

Financial report

Consolidated Statement of Profit and Loss and Other Comprehensive Income for year ended 31 December 2019

	Note	2019	2018
		$000	$000
Revenue	1, 3	**27,205**	13,200
Cost of sales		**(14,793)**	(7,321)
Gross profit		**12,412**	5,879
Other operating income	4	**1,407**	1,532
Exceptional income	27	**600**	-
Administrative expenses	5, 6	**(29,897)**	(23,896)
Distribution costs		**(1,282)**	(359)
Operating loss		**(16,760)**	(16,844)
Financial income	7	**91**	576
Financial expenses	7	**(9,986)**	(3,482)
Net financing expense		**(9,895)**	(2,906)
Share of result of equity accounted joint venture & associate		**151**	(42)
Profit on disposal of controlling interest in subsidiary		**-**	3,140
Loss before tax		**(26,504)**	(16,652)
Taxation credit/(expense)	8	**2,130**	(603)
Loss for the year		**(24,374)**	(17,255)
Other comprehensive income/ (loss)			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences – foreign operations		**3,764**	(241)
Taxation on other comprehensive income		**-**	-
Other Comprehensive income/(loss) for the year, net of tax		**3,764**	(241)
Total comprehensive loss for the year attributable to owners of the company		**(20,610)**	(17,496)

The accompanying notes on pages 69 to 111 form part of these financial statements.

Consolidated Balance Sheet At 31 December 2019

	Note	2019	2018
		$000	$000
Non-current assets			
Investments in equity-accounted investees	10	**3,160**	2,958
Property, plant and equipment	9	**20,859**	13,307
Intangible assets		**-**	3
Deferred tax assets	11	**4,689**	3,086
		28,708	19,354
Current assets			
Inventories	12	**12,151**	4,214
Trade and other receivables	13	**8,739**	4,344
Cash and cash equivalents	14	**18,519**	6,884
		39,409	15,442
Total assets		**68,117**	34,796
Current liabilities			
Interest-bearing loans and borrowings	15	**(6,715)**	(27,052)
Trade and other payables	16	**(7,633)**	(5,702)
		(14,348)	(32,754)
Non-current liabilities			
Interest-bearing loans and borrowings	15	**(39,143)**	(8,668)
Deferred tax liabilities	11	**(1,504)**	(1,905)
		(40,647)	(10,573)
Total liabilities		**(54,995)**	(43,327)
Net assets/(liabilities)		**13,122**	(8,531)
Equity attributable to equity holders of the parent			
Share capital	18	**56**	40
Share premium		**78,420**	37,380
Translation reserve		**3,483**	(281)
Share based payment reserve		**3,080**	1,874
Retained earnings		**(71,917)**	(47,544)
Total equity		**13,122**	(8,531)

The accompanying notes on pages 69 to 111 form part of these financial statements.

These financial statements were approved by the board of directors on 22 December 2020 and were signed on its behalf by:

M M Hamayun

Company registered number: 07177839

Consolidated Statement of Changes in Equity

	Share capital	Share premium	Translation reserve	ESOP own share reserve	Retained earnings	Total Equity
	$000	**$000**	**$000**		**$000**	**$000**
Balance at 1 January 2018	39	35,519	(40)	1,091	(30,288)	6,321
Profit or loss for the period	-	-	-	-	(17,255)	(17,255)
Foreign exchange translation differences	-	-	(241)	-	-	(241)
Total comprehensive income for the period	-	-	(241)	-	(17,255)	(17,496)
Issue of Series C shares	1	1,861	-	-	-	1,862
Equity-settled share-based payment	-	-	-	783	-	783
Total contributions by and distributions to owners	1	1,861	-	783	-	2,645
Balance at 31 December 2018	40	37,380	(281)	1,874	(47,543)	(8,530)
Balance at 1 January 2019	**40**	**37,380**	**(281)**	**1,874**	**(47,543)**	**(8,530)**
Profit or loss for the period	-	-	-	-	(24,374)	(24,374)
Foreign exchange translation differences	-	-	3,764	-	-	3,764
Total comprehensive income for the period	**-**	**-**	**3,764**	**-**	**(24,374)**	**(20,610)**
Issue of Series D shares	16	41,040	-	-	-	41,056
Equity-settled share-based payment	-	-	-	1,206	-	1,206
Total contributions by and distributions to owners	**16**	**41,040**	**-**	**1,206**	**-**	**42,262**
Balance at 31 December 2019	**56**	**78,420**	**3,483**	**3,080**	**(71,917)**	**13,122**

The accompanying notes on pages 69 to 111 form part of these financial statements.

Consolidated Cash Flow Statement

for year ended 31 December 2019

	Note	2019	2018
		$000	$000
Cash flows from operating activities			
Loss for the year		**(24,374)**	(17,255)
Adjustments for:			
Depreciation, amortisation and impairment		**4,062**	4,305
Loss on sale of non-current assets		**332**	-
Net finance costs		**7,220**	2,906
Taxation		**(2,130)**	603
Equity settled share-based payments		**1,206**	783
Share of joint venture (profit)/loss after tax		**(202)**	42
Profit on disposal of Togo		**-**	(3,140)
		(13,886)	(11,756)
Increase in trade and other receivables		**(4,507)**	(1,399)
(decrease)/Increase in tax creditor		**-**	1,017
(Increase) in inventories		**(7,937)**	(1,696)
Increase in trade and other payables		**723**	1,936
		(25,607)	(11,898)
Tax paid		**92**	(603)
Net cash from operating activities		**(25,515)**	(12,501)
Cash flows from investing activities			
Purchase of property, plant and equipment	9	**(10,042)**	(10,373)
Purchase of intangible assets		**4**	(5)
Net cash from investing activities		**(10,038)**	(10,378)
Cash flows from financing activities			
Proceeds from the issue of share capital *	18	**26,057**	1,862
Proceeds from new loans		**15**	31,402
Interest paid	15	**(2,978)**	(1,935)
Interest received	7	**91**	48
Repayment of borrowings	15	**(10,598)**	(1,891)
Overdraft disposed of during Togo disposal		**-**	137
Payment of lease liabilities	17	**(550)**	-
Net cash from financing activities		**43,424**	26,812
Net increase in cash and cash equivalents		**7,871**	3,933
Cash and cash equivalents at 1 January		**6,884**	2,873
Effect of exchange rate fluctuations on cash held		**3,764**	79
Cash and cash equivalents at 31 December	14	**18,519**	6,884

The accompanying notes on pages 69 to 111 form part of these financial statements.

* Movement excludes non-cash conversion of debt into equity totalling $14,999k (2018: $nil)

Company Balance Sheet
At 31 December 2019

	Note	2019	2018
		£000	£000
Non-current assets			
Investments	10	**40**	-
Property, plant and equipment	9	**213**	191
Intangible assets		**-**	2
Deferred tax asset	11	**3,535**	2,414
		3,788	2,607
Current assets			
Inter-company receivables	24	**52,750**	18,858
Trade and other receivables	13	**1,404**	873
Cash and cash equivalents	14	**11,050**	1,689
		65,204	21,420
Total assets		**68,992**	24,027
Current liabilities			
Inter-company payables	24	**(28,745)**	(1,636)
Interest-bearing loans and borrowings	15	**(1,294)**	(7,578)
Trade and other payables	16	**(2,024)**	(1,498)
		(32,063)	(10,712)
Non-current liabilities			
Interest-bearing loans and borrowings	15	**-**	(1,611)
		-	(1,611)
Total liabilities		**(32,063)**	(12,323)
Net assets		**36,929**	11,704
Equity attributable to equity holders of the parent			
Share capital	18	**41**	29
Share premium		**60,356**	27,534
ESOP own share reserve		**2,448**	1,533
Retained earnings		**(25,916)**	(17,392)
Total equity		**36,929**	11,704

The accompanying notes on pages 69 to 111 form part of these financial statements.

These financial statements were approved by the board of directors on 22 December 2020 and were signed on its behalf by:

M M Hamayun

Company registered number: 07177839

Company Statement of Changes in Equity

	Share	Share premium	ESOP own share reserve	Retained earnings	Total Equity
	Share	**£000**	**£000**	**£000**	**£000**
Balance at 1 January 2018	**28**	**26,112**	**846**	**(11,787)**	**15,199**
Total comprehensive income for the period					
Profit or loss for the period	-	-	-	(5,606)	(5,606)
Total comprehensive income for the period	-	-	-	(5,606)	(5,606)
Issue of Series C shares	1	1,422	-	-	1,423
Equity-settled share-based payments	-	-	687	-	687
Total contributions by and distributions to owners	1	1,422	687	-	2,110
Balance at 31 December 2018	**29**	**27,534**	**1,533**	**(17,393)**	**11,703**
Balance at 1 January 2019	**29**	**27,534**	**1,533**	**(17,393)**	**11,703**
Total comprehensive income for the period					
Profit or loss for the period	-	-	-	(8,523)	(8,523)
Total comprehensive income for the period	**-**	**-**	**-**	**(8,523)**	**(8,523)**
Issue of Series D shares	12	32,822	-	-	32,834
Equity-settled share-based payments	-	-	915	-	915
Total contributions by and distributions to owners	12	32,822	915	-	33,749
Balance at 31 December 2019	**41**	**60,356**	**2,448**	**(25,916)**	**36,929**

The accompanying notes on pages 69 to 111 form part of these financial statements.

Company Cash Flow Statement
for year ended 31 December 2019

	Note	2019	2018
		£000	**£000**
Cash flows from operating activities			
Loss for the year		**(8,523)**	(5,606)
Adjustments for:			
Depreciation, amortisation and impairment		**185**	20
Net finance costs		**1055**	851
Equity-settled share-based payments	19	**876**	687
Taxation		**(1,495)**	882
		(7,902)	(3,166)
Increase in trade and other receivables		**(531)**	(443)
Increase in tax creditor		**-**	(559)
Increase in inter-company balances		**(6,782)**	(1,739)
Increase in trade and other payables		**369**	176
		(14,846)	(5,731)
Tax paid		**(51)**	(882)
Net cash from operating activities		**(14,897)**	(6,613)
Cash flows from investing activities			
Purchase of property, plant and equipment		**-**	(167)
Purchase of intangible assets		**-**	(4)
Net cash from investing activities		**-**	(171)
Cash flows from financing activities			
Proceeds from the issue of share capital *	18	**20,839**	1,423
Proceeds from new loan	15	**3,570**	6,168
Interest paid		**(389)**	-
Interest received		**841**	-
Repayment of loans		**(603)**	(26)
Net cash from financing activities		**24,258**	7,565
Net increase/(decrease) in cash and cash equivalents		**9,361**	781
Cash and cash equivalents at 1 January		**1,689**	908
Cash and cash equivalents at 31 December	14	**11,050**	1,689

The accompanying notes on pages 69 to 111 form part of these financial statements.

* Movement excludes non-cash £11,995k (2018: £nil) conversion of debt into equity

Notes
(forming part of the financial statements)

1. Accounting policies

Bboxx Limited (the "Company") is a private company incorporated, domiciled and registered in England. The registered number is 07177839 and the registered address is Second Floor, 11 Pilgrim Street, London EC4V 6RN.

The group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group") and equity account the Group's interest in associates and Joint Ventures. They are presented in United States Dollars ("USD") as this is the primary transactional currency of the Group. The parent company financial statements present information about the Company as a separate entity and not about its group and are prepared in pounds sterling ("GBP"), which is also the Company's functional currency.

Both the group and parent company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"). On publishing the parent company financial statements here together with the group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these approved financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these group financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment are discussed in Note 2.

1.1 Going concern

Notwithstanding a loss for the year then ended of $24.4m and operating cash outflows for the year of $25.5m (2018: $12.5m), the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides including the impact of Covid-19, the Group will have sufficient funds, through its operations, from funding from Beyond Energy Investment Limited ("Beyond") on behalf of its shareholder, African infrastructure Investment Managers ("AIIM") and also funding from the sale of a 23% equity stake in Bboxx Kenya for a consideration of approximately $12m, to meet its liabilities as they fall due.

The sale of the stake in Bboxx Kenya is still to be completed. However, an investment agreement has been signed and completion of this transaction is expected on or around 31 December 2020. In the event of the sale proceeds not being received then forecasts are dependent on Beyond not seeking repayment of amounts owed. At 31 December 2019, the total owed to Beyond amounted to $26.1m. Of this amount, and as part of the transaction completed in 2020 whereby Beyond acquired a 40% minority interest in the Group's Kenyan, Democratic Republic of Congo and Rwandan subsidiaries ("NGU's"), $17.1m was converted to equity in the NGUs. Remaining amounts are not repayable before 31 March 2022 and further support will be required at that point from Beyond to delay repayment or the Group will require further funding to be received, such as from the Kenya equity sale, if any repayment was requested. The ability of Beyond to continue to provide this support is dependent on it receiving support from its ultimate parent company, AIIM. The principal activity of Beyond is that of an investment holding company and currently its sole investments are in the Bboxx NGUs. As with any company placing reliance on other entities for financial support, the directors acknowledge that there can be no absolute certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on these indications the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances represent a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1.2 Change in accounting policy

The Group has adopted the following IFRS's in these financial statements, which were adopted from 1 January 2019:

The Group has applied IFRS 16 using the modified retrospective with cumulative effect method – i.e. by recognising the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of equity at 1 January 2019. Therefore, the comparative information has not been restated and continues to be reported under IAS 17. Additionally, the disclosure requirements in IFRS 16 have not been generally applied to comparative information. The details of the significant changes and quantitative impact of the changes are set out below.

a. Definition of a lease

Previously the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4: Determining whether an Arrangement contains a Lease. The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in note 1. On transition to IFRS 16, the Group elected to apply the practical expedient to apply IFRS 16 only to contracts that were previously identified as leases. Contracts that were not previously identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

b. As a lessee

The Group previously classified leases as operating, or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Only finance leases were then recognised on the balance sheet.

Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

Leases classified as operating leases under IAS 17

On transition, for operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1 January 2019.

Right-of-use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments: the Company applied this approach to all other leases.

The Group has used its assessment of whether leases are onerous applying IAS 37 at 31 December 2018 as an alternative to performing an impairment review of the recognised right-of-use assets on the date of transition. The Group has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Group used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular these were:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment);
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

The following table summarises the quantitative impact of adopting IFRS 16 on the Company's financial statements for the year ending 31 December 2019.

	As reported 1 Jan 2019	Adjustment due to the impact of IFRS 16	As at 1 Jan 2019 post adoption of IFRS 16
Balance Sheet	**$000s**	**$000s**	**$000s**
Property, plant and equipment	-	214	214
Trade and other creditors (current)	-	41	41
Trade and other creditors (non-current)	-	173	173
Impact on retained earnings	-	-	-

When measuring the lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted-average rate applied is 11.4%

1.3 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments and financial instruments classified as fair value through the profit or loss or as available-for-sale. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

1.4 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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 over the entity. In assessing control, the Group takes into consideration potential voting rights. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Change in subsidiary ownership and loss of control

Changes in the group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Where the group loses control of a subsidiary, the assets and liabilities are derecognised along with any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Joint Arrangements

A joint arrangement is an arrangement over which the Group and one or more third parties have joint control. These joint arrangements are in turn classified as:

Joint ventures whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities; and

Joint operations whereby the Group has rights to the assets and obligations for the liabilities relating to the arrangement.

Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity.

Application of the equity method to associates and joint ventures

Associates and joint ventures are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the total comprehensive income and equity movements of equity accounted investees, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.5 Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, US dollars, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

The exchange rates applied to these financial statements are as follows:

	2019		2018	
USD translation rates	**Closing**	**Average**	Closing	Average
British Pound (GBP)	**1.32568**	**1.31838**	1.27360	1.31115
Rwandan Franc (RWF)	**0.00108**	**0.00112**	0.00114	0.00117
Kenyan Shilling (KES)	**0.00987**	**0.00983**	0.00987	0.00979
West African Franc (CFA)	**0.00171**	**0.00175**	0.00174	0.00178
Euro (EUR)	**1.12095**	**1.12095**	n/a	n/a

Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the foreign currency translation reserve ('Translation Reserve') or non-controlling interest, as the case may be. When a foreign operation is disposed of, such that control, joint control or significant influence (as the case may be) is lost, the entire accumulated amount in the Translation Reserve, net of amounts previously attributed to non-controlling interests, is recycled to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while still retaining control, the relevant proportion of the accumulated amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while still retaining significant influence or joint control, the relevant proportion of the cumulative amount is recycled to profit or loss.

1.6 Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Investments in joint ventures are accounted for using the equity method and subsidiaries are carried at cost less impairment. Investments in joint ventures and subsidiaries are accounted for in accordance with IFRS 9.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

(b) Subsequent measurement and gains and losses

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities and equity

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Intra-group financial instruments

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

(iii) Impairment

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).
The Group measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

1.7 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that are directly attributable to the acquisition of the asset.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Assets for rental are Group assets which customers lease over an agreed period of time. These are classified from inventory to assets for rental and are depreciated monthly over their economic life. The assets are installed and a sum of money paid in small parts over a fixed period of time, within a staged payment plan of a loan or a hire purchase agreement (instalment plan).

Assets for rental are repossessed from the customer and transferred into inventories at such time when the customer defaults on the agreed payment plan.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

• Plant and equipment	4 years
• Fixtures and fittings	4 years
• Assets held for rental – Control units	10 years
• Assets held for rental – Appliances	3 years
• Computers	2 years
• Right of use asset	over the remaining lease term

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

1.8 Intangible assets and goodwill

Other intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Software 2 years

1.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Provision for damaged inventory is created based on specific items. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition.

1.10 Impairment of non-financial assets excluding inventories and deferred tax assets

Financial assets (including receivables)

At each reporting date the Group assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognised in the statement of profit or loss. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

i. Identification and measurement of impairment

Objective evidence that financial assets are impaired can include significant financial difficulty of the borrower, default or delinquency by a borrower, restructuring of a finance lease receivable by the Group on terms the Group would not otherwise consider, indications that a lessee will enter bankruptcy or other observable data relating to a group of assets such as adverse changes in the payment status of lessee's in the group or economic conditions that correlate with defaults in the group.

The Group considers evidence of impairment for finance lease receivables at a specific asset level.

ii. Individually assessed leases

At each reporting date, the Group assesses on a case by case basis whether there is any objective evidence that these assets are impaired. This procedure is applied to all accounts that are considered individually significant. In determining impairment losses on finance leases, the following factors are considered:

- the Group's aggregate exposure to the customer;
- the amount and timing of expected receipts and recoveries;
- the likely deduction of any costs involved in recovery of amounts outstanding and the ability of the borrower to obtain, and make payments in, the currency of the loan.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell.

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.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.11 Leases (policy applicable from 1 January 2019)

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17.

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

1.12 Leases (policy applicable from 1 January 2019)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise,
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1.13 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.14 Revenue

Revenue comprises income from the outright sale or lease of solar systems and related appliances, and fee income from the provision of software services, via access to a comprehensive management platform named Pulse, which enables the management of customers, products and employees.

On outright sales, revenue is recognised when goods are delivered and installed and when collection is probable.

On the lease of solar systems and related appliances, customers enter into a hire purchase agreement and are entitled to return assets at any time with no further payments falling due and with no penalties incurred. Transactions are classified as operating leases at the inception of the hire purchase agreement as the majority of the risks and rewards of the goods remain within the Group. Income from leases of solar systems and related appliances is recognised over time, as the customer receives the benefit of the Group's services. Upon successful installation, a customer is expected to make a down payment which includes a connection fee. This payment is non-refundable and recognised as income when received on installation.

The Group accounts for its revenue on an accruals basis for all hire-purchase agreements taking credit for all collections that have fallen due, but not for collections which will fall due in the future under contracts in existence at the balance sheet date, as it does not have an unconditional right to consideration at that point as the service has not been performed. No revenue is recognised on nonperforming agreements where payments are over 15 days overdue until payments recommence. An appropriate provision is made against unpaid accounts which have fallen due where it is believed that they may not be recoverable.

Revenue excludes value added tax.

1.15 Grants

Grants received during the year are recognised in the statement of profit or loss and other comprehensive income on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate if there is reasonable assurance that the Group will comply with the conditions associated with the grant.

1.16 Expenses

Operating lease payments - under IAS 17 (2018 only)

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Finance lease payments - under IAS 17 (2018 only)

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Financing income and expenses

Financing expenses comprise interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Financing income comprise interest receivable on funds invested, dividend income, and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Research and development

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated

1.17 Employee Benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Termination benefits

Termination benefits are recognised as an expense in the period when the benefit becomes payable.

Short term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Equity Settled Share-based payment transactions

The grant date fair value of equity-settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

The fair value of the options granted is measured using a valuation model, taking into account the terms and conditions upon which the options were granted. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where the Company grants options over its own shares to the employees of its subsidiaries it recognises, in its individual financial statements, an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in its consolidated financial statements with the corresponding credit being recognised directly in equity. Amounts recharged to the subsidiary are recognised as a reduction in the cost of investment in subsidiary. When the cost of investment in subsidiary has been reduced to nil, the excess is recognised as a creditor.

1.18 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.19 Adopted IFRS not yet applied

The following Adopted IFRSs have been issued but have not been applied by the Group in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- IFRIC 23 Uncertainty over Income Tax Treatments (effective date to be confirmed).
- Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures (effective date to be confirmed).
- Amendments to References to the Conceptual Framework in IFRS Standards (effective date to be confirmed).
- Annual Improvements to IFRS Standards 2015-2018 Cycle (effective date to be confirmed).

2. Accounting estimates and judgements

The Group and Company make estimates and assumptions concerning the future of the business. Estimates and judgements are continually evaluated and are based on historical experience and future events that are considered reasonable under the current market conditions.

The estimates and assumptions that have a significant risk of a material adjustments to the carrying amounts of assets and liabilities are addressed below.

Joint Ventures

Where the Group enters into agreements which change or establish share of ownership, management carefully assesses whether the structure of such agreements constitutes control or joint control. Joint control is defined as the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties who share control. Management carefully considers whether relevant shareholder agreements indicate control or joint control. In the case where joint control is confirmed, the results of the respective entity are equity accounted for in terms of IFRS 11. The entity is otherwise consolidated. This only applies to Bboxx Capital Togo SA in 2019.

Taxation

Judgement is required in determining the income tax expense and related deferred tax due to the complexity of the legislation across the jurisdictions in which the Group operates. The Group and Company will recognise liabilities for anticipated taxation based on estimates of whether additional taxes will be due. Where the final tax treatment of these matters is different to the amounts that were originally recorded, such differences will impact the income and deferred tax provisions in the period in which such determination is made.

The Group and Company recognise a deferred tax asset only if it is considered likely that future taxable profits would be available against which the tax losses can be recovered in the foreseeable future and, therefore, the related deferred tax asset can be realised. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group and Company to recognise the deferred tax assets recorded at the reporting date could be impacted. See note 11.

Fair value

There is estimation uncertainty relating to the fair value calculation of equity-settled share-based payments as the Company is not listed and is currently still in a significant growth phase. The fair value of the equity instruments granted was determined based on a fair value estimate of the market price, and the eventual fair value of the shares issued could significantly change as the business develops and forecast cash flows from operations are updated. The inputs used were a best estimate at the grant date.

3. Revenue

	2019	2018
	$000	$000
Major product and service lines:		
Sale of goods	**14,659**	5,377
Leasing of equipment	**11,720**	7,700
Pulse fees	**826**	123
	27,205	13,200
	2019	2018
	$000	$000
Primary geographical markets:		
UK	**826**	123
Asia	**14,243**	4,072
Rwanda	**4,356**	4,250
Kenya	**6,113**	3,196
DRC	**1,667**	1,010
Togo	**-**	549
	27,205	**13,200**

4. Other operating income

	2019	2018
	$000	$000
Other income	**46**	430
Grant income	**1,361**	1,102
	1,407	1,532

The grant income includes grants from the Shell Foundation totalling $761k (2018: $1,092k) and $nil (2018: $10k) from Energy 4 Impact during the period.

5. Administration expenses and auditors' remuneration

Included in profit/loss are the following:

	2019	2018
	$000	$000
Movement in impairment loss on trade receivables, other receivables and prepayments	**1,086**	2,131
Research and development expensed as incurred	**333**	-
Depreciation on assets	**4,062**	2,535
Equity settled share-based payment expense	**1,206**	783
Auditor's remuneration	**2019**	2019
	$000	$000
Audit of these financial statements	**185**	164
Amounts receivable by the company's auditor and its associates in respect of:		
Audit of financial statements of subsidiaries of the company	**210**	135
Taxation compliance services	**149**	58
Other tax advisory services	**8**	42
	552	399

6. Staff numbers and costs

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2019	2018
	No	No
Directors	**3**	3
Manufacturing	**1**	25
Operations	**331**	336
IT	**82**	65
Administration	**184**	151
	601	580

The aggregate payroll costs of these persons were as follows:

	2019	2018
	$000	$000
Wages and salaries	**14,258**	9,097
Social security costs	**1,012**	613
Contributions to defined contribution plans	**78**	67
Share based payments (See Note 18)	**1,206**	783
Other	**151**	91
	16,705	10,651

Directors' Emoluments are disclosed in Note 24.

7. Net finance costs

Recognised in profit or loss

	2019	2018
	$000	$000
Finance income		
Bank interest	**91**	48
Net foreign exchange gain	**-**	528
	91	576
Finance expense		
Total interest expense on financial liabilities measured at amortised cost	**(8,119)**	(3,482)
Net foreign exchange loss	**(1,867)**	-
Total net finance (expense)/income	**(9,986)**	(2,906)

8. Taxation

Recognised in the income statement

	2019	2018
	$000	$000
Current tax		
Current year	**466**	248
Adjustments for prior years	**(1,118)**	(424)
	(652)	(176)
Deferred tax		
Origination and reversal of temporary differences	**(1,615)**	11
Decelerated capital allowances	**-**	-
De-recognition of previously recognised tax losses	**-**	1501
Recognition of previously unrecognised tax losses	**137**	(733)
Movement in FX rate	**-**	-
	(1,478)	779
Total tax (credit) / expense	**(2,130)**	603

Reconciliation of effective tax rate

	2019	2018
	$000	$000
Loss for the year	**(24,374)**	(17,255)
Total tax (credit) / expense	**(2,130)**	603
Loss excluding taxation	**(26,504)**	(16,652)
Tax using the UK corporation tax rate of 19% (2018: 19%)	**(5,036)**	(3,164)
Effect of tax rates in foreign jurisdictions	**2,577**	203
Reduction in tax rate on deferred tax balances	**190**	121
Non-deductible expenses	**1,392**	455
Tax exempt revenues	**-**	(597)
De-recognition of previously recognised tax losses	**(735)**	1,501
Current year losses for which no deferred tax asset was recognised	**600**	2,508
Adjustments in respect of prior periods	**(1,118)**	(424)
Total tax (credit) / expense	**(2,130)**	603

Reductions in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016, this was substantively enacted on 6 September 2016. These reductions will have an impact on the carrying value of the deferred tax asset recognised for the Company, which has been calculated at 17%, being when the losses are expected to reverse.

The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020.

9. Property, plant and equipment

Group	Right of use assets	Assets held for rental	Plant and equipment	Fixtures & fittings	Total
	$000	$000	$000	$000	$000
Cost					
Balance at 1 January 2018	-	10,398	468	220	11,086
Additions	-	9,502	246	625	10,373
Disposal of Togo	-	(1,740)	-	(136)	(1,876)
Transfers into inventories	-	(1,659)	(253)	-	(1,912)
Balance at 31 December 2018	-	16,501	461	709	17,671
Balance at 1 January 2019	-	16,501	461	709	17,671
Additions	-	9,689	27	326	10,042
Additions through adoption of IFRS 16	1,904	-	-	-	1,904
Transfers into inventories	-	(332)	-	-	(332)
Balance at 31 December 2019	**1,904**	**25,858**	**488**	**1,035**	**29,285**
Depreciation and impairment					
Balance at 1 January 2018	-	(1,849)	(184)	(56)	(2,089)
Depreciation charge for the year	-	(2,184)	(27)	(324)	(2,535)
Disposal of Togo	-	94	-	22	116
Transfers into inventories	-	18	126	-	144
Balance at 31 December 2018	-	(3,921)	(85)	(358)	(4,364)
Balance at 1 January 2019	-	(3,921)	(85)	(358)	(4,364)
Depreciation charge for the year	(428)	(3,457)	(30)	(147)	(4,062)
Transfers into inventories	-	-	-	-	-
Balance at 31 December 2019	**(428)**	**(7,378)**	**(115)**	**(505)**	**(8,426)**
Net book value					
At 1 January 2018	-	8,549	284	164	8,997
At 31 December 2018 and 1 January 2019	-	12,580	376	351	13,307
At 31 December 2019	**1,476**	**18,480**	**373**	**530**	**20,859**

9. Property, plant and equipment (continued)

Company	Right of use asset	Plant and equipment	Fixtures & fittings	Total
	£000	£000	£000	£000
Cost				
Balance at 1 January 2018	-	63	2	65
Additions	-	167	-	167
Balance at 31 December 2018	-	230	2	232
Balance at 1 January 2019	-	230	2	232
Additions	-	-	-	-
Adoption of IFRS 16	331	-	-	331
Disposals	-	(123)	(2)	(125)
Balance at 31 December 2019	**331**	**107**	**-**	**438**
Depreciation and impairment				
Balance at 1 January 2018	-	(23)	-	(23)
Depreciation charge for the year	-	(17)	(1)	(18)
Balance at 31 December 2018	-	(40)	(1)	(41)
Balance at 1 January 2019	-	(40)	(1)	(41)
Depreciation charge for the year	(184)	(1)	-	(185)
Accumulated depreciation on disposal	-	-	1	1
Balance at 31 December 2019	**(184)**	**(41)**	**-**	**(225)**
Net book value				
At 1 January 2018	-	40	2	42
At 31 December 2018 and 1 January 2019	-	190	1	191
At 31 December 2019	**147**	**66**	**-**	**213**

10. Investments in subsidiaries and joint ventures

The Group and Company have the following investments in subsidiaries:

Company and Group	Principal place of business	Registered Office Address	Company Number	2019	2018
Bboxx Capital Ltd	England and Wales	Second Floor, 11 Pilgrim Street, London EC4V 6RN	08453451	100%	100%
Bboxx Asia Ltd	Hong Kong	AO8, 8/F, Shun Luen Factory Building, 86 Tokawan Road, Kowloon, Hong Kong	1703483	100%	100%
Bboxx Africa Management Ltd	Rwanda	Remera-Gasabo, Umujyi wa Kigali, City of Kigali	107488334	100%	100%
Bboxx Connected Community Ltd	England and Wales	9b Power Road, London, England, W4 5PY	12300736	100%	n/a
Bboxx Services France SAS	France	5/7 Boulevard Edgar Quinet Chez G2a, 92700, Colombes, France	851585604	100%	n/a

Group

Company and Group	Principal place of business	Registered Office Address	Company Number	2019	2018
Bboxx Capital Kenya Ltd	Kenya	2nd Floor Laxcon House, Li LR No. 209/2-35/3, Limuru Road, Nairobi	CPR/2013/114769	99%	99%
Bboxx DEARs Kenya LLP	Kenya	2nd Floor Laxcon House, Li LR No. 209/2-35/3, Limuru Road, Nairobi	LLP 2015/72	100%	100%
Bboxx Capital Rwanda Ltd	Rwanda	Remera-Gasabo, Umujyi wa Kigali, City of Kigali	103229410	100%	100%
Bboxx Capital RDC SARLU	Democratic Republic of Congo	22, Avenue Riviera, Q. joly Parc, C/ Ngaliema, Kinshasa, D.R. Congo	CD/KNG/RCCM/17-B-00967	100%	100%
Bboxx Capital Togo SA	Togo	La Poste d'Agoe Zongo, route Eyadema, B.P. 2626 Lome (Togo)	738 245A	50%	50%
Bboxx (Guangzhou) Business Consultancy Services Co, Ltd	People's Republic of China	Room502, No.9 Xi Jiu Street, Baiyun District, Guangzhou	914401010942203532	100%	100%
Bboxx Capital France SAS	France	5/7 Boulevard Edgar Quinet Chez G2a, 92700, Colombes, France	851585950	100%	n/a

The class of shares held in all subsidiaries is Ordinary Shares.

Group composition

The Group holds 100% of the shares in and exercises effective control over all its subsidiaries with the exception of Bboxx Capital Kenya Ltd, where 1% of the shares are held in trust and carry no voting rights or rights to dividends, and Bboxx Capital Togo SA (2019: Profit for the year $1.2m, Share capital and reserves £4m) where it holds 50% of the shares and does not exercise control.

Bboxx Capital Togo SA is a joint venture and has been accounted for using the equity method. The Group has no commitments or contingent liabilities relating to the joint venture.

Beyond Energy Investment Limited is an associate, with the Group holding 30% of its shares, and has been accounted for using the equity method. The Group has no commitments or contingent liabilities relating to the associate.

Carrying amounts

	Group		Company	
	2019	**2018**	**2019**	**2018**
	$000	$000	**£000**	£000
Carrying amount for equity accounted investees (joint venture)	**3,160**	2,958	**-**	-
Investments in subsidiaries	**-**	-	**40**	-
Total	**3,160**	2,958	**40**	-

11. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Movement in deferred tax asset

	Group			Company		
	1 January 2019	Movement recognised in loss for the year	**31 December 2019**	1 January 2019	Movement recognised in loss for the year	**31 December 2019**
	$000	$000	**$000**	£000	£000	**£000**
Property, plant and equipment	(9)	5	**(4)**	(13)	-	**(13)**
Unrealised foreign exchange loss	235	112	**347**	181	-	**181**
General provisions	85	-	**85**	-	-	**-**
Tax losses	2,775	1,486	**4,261**	2,246	1,121	**3,367**
Deferred tax asset	3,086	1,603	**4,689**	2,414	1,121	**3,535**

Movement in deferred tax liability

	1 January 2019	FX revaluation of deferred tax liability	Movement in the year	31 December
	$000	$000	$000	**$000**
Property, plant and equipment	(1,905)	100	301	**(1,504)**
Deferred tax liability	(1,905)	100	301	**(1,504)**

There is no right of offset for the deferred tax assets and liabilities as they arose in different tax jurisdictions.

12. Inventories

	Group	
	2019	**2018**
	$000	$000
Finished goods	**12,151**	4,214
	12,151	4,214

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to $14,793k (2018: $7,321k). The write-down of inventories to net realisable value amounted to $279k (2018: £234k).

13. Trade and other receivables

	Group		Company	
	2019	2018	**2019**	2018
	$000	$000	**£000**	£000
Trade receivables	**4,208**	1,095	**393**	-
Other receivables	**1,582**	2,526	**413**	676
Prepayments and deposits	**2,424**	427	**202**	52
Directors loans (see Note 24)	**525**	184	**396**	145
	8,739	4,232	**1,404**	873

The loss allowance recognised at 31 December 2019 was $1,804k (31 December 2018: $1,933k)

14. Cash and cash equivalents/ bank overdrafts

	Group		Company	
	2019	2018	**2019**	2018
	$000	$000	**£000**	£000
Cash at bank	**18,505**	6,874	**11,050**	1,689
Cash in hand	**14**	10	**-**	-
Cash and cash equivalents per balance sheet and cash flow	**18,519**	6,884	**11,050**	1,689

15. Other interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For information about the Group's exposure to interest rate and foreign currency risk, see Note 20.

	Group		Company	
	2019	2018	**2019**	2018
Non-current liabilities	**$000**	$000	**£000**	£000
Unsecured bank loans	**-**	101	-	-
Unsecured loan notes	**39,143**	8,567	-	1,611
	39,143	8,668	-	1,611

	Group		Company	
	2019	2018	**2019**	2018
Current Liabilities	**$000**	$000	**£000**	£000
Secured bank loans	**-**	-	**-**	-
Unsecured bank loans	**253**	5,882	**-**	-
Unsecured loan notes	**6,462**	21,170	**1,294**	7,578
	6,715	27,052	**1,294**	7,578

Included within unsecured loan notes in 2018, under current liabilities are $10.2m of convertible loan notes which, following the closure of the Series D funding on 21 August 2019, were either repaid or converted into Series D equity at the Series D price.

Group

	Loan currency	Nominal interest rate	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
				2019	**2019**	**2018**	**2018**
				$000	**$000**	**$000**	**$000**
Loan note 1 (UK)	**GBP**	**4.7%-5.4%**	**2022**	**2,339**	**2,339**	1,226	1,226
Loan note 2 (UK)	**EUR**	**6.9%-7.1%**	**2022**	**4,271**	**4,271**	5,677	5,677
Loan note 3 (Asia)	**EUR**	**6.99%**	**2022**	**1,051**	**1,051**	-	-
Loan note 4 (Rwanda)	**GBP**	**14.50%**	**2024**	**5,936**	**5,936**	-	-
Loan note 5 (Kenya)	**GBP**	**13.43%**	**2021**	**3,026**	**3,026**	3,150	3,150
Loan note 6 (Rwanda)	**USD**	**20.00%**	**2021**	**8,959**	**8,959**	2,442	2,442
Loan note 7 (DRC)	**USD**	**20.00%**	**2021**	**1,198**	**1,198**	519	519
Loan note 8 (DRC)	**USD**	**20.00%**	**2021**	**4,666**	**4,666**	952	952
Loan note 9 (Kenya)	**USD**	**20.00%**	**2021**	**12,444**	**12,444**	2,950	2,950
Loan note 10 (UK)	**GBP**	**12.00%**	**2020**	**1,715**	**1,715**	7,840	7,840
Bank loan 1 (Rwanda)	**RWF**	**18.00%**	**2021**	**176**	**176**	911	911
Bank loan 2 (Rwanda)	**RWF**	**18.00%**	**2020**	**77**	**77**	-	-
Bank loan 3 (Rwanda)	**RWF**	**10.00%**	**2019**	**-**	**-**	5,072	5,072
Loan note 11 (UK)	**USD**	**10.00%**	**2019**	**-**	**-**	1,118	1,118
Loan note 12 (UK)	**USD**	**12.50%**	**2019**	**-**	**-**	1,227	1,227
Loan note 13 (UK)	**USD**	**12.50%**	**2019**	**-**	**-**	1,204	1,204
Loan note 14 (UK)	**USD**	**12.50%**	**2019**	**-**	**-**	607	607
Loan note 15 (UK)	**USD**	**10.00%**	**2019**	**-**	**-**	232	232
Loan note 16 (UK)	**USD**	**10.00%**	**2019**	**-**	**-**	60	60
Loan note 17 (UK)	**USD**	**20.00%**	**2019**	**-**	**-**	533	533
				45,858	**45,858**	35,720	35,720

Terms and debt repayment schedule

Company

	Loan currency	Nominal interest rate	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
				2019	**2019**	**2018**	**2018**
				£000	**£000**	**£000**	**£000**
Loan note 10 (UK)	**GBP**	**9-12%**	**2020**	**1,294**	**1,294**	6,156	6,156
Loan note 11	**USD**	**12.50%**	**2019**	**-**	**-**	963	963
Loan note 12	**USD**	**12.50%**	**2019**	**-**	**-**	945	945
Loan note 13	**USD**	**12.50%**	**2019**	**-**	**-**	477	477
Loan note 14	**USD**	**10.00%**	**2019**	**-**	**-**	183	183
Loan note 15	**USD**	**10.00%**	**2019**	**-**	**-**	47	47
Loan note 16	**USD**	**20.00%**	**2019**	**-**	**-**	418	418
				1,294	**1,294**	9,189	9,189

Changes in liabilities from financing activities

	Group	Company
	$000	£000
Balance at 1 January 2019	**35,720**	**9,189**
Changes from financing cash flows		
Proceeds from loans and borrowings	31,402	3,570
Repayment of borrowings	(10,598)	(603)
Total changes from financing cash flows	**20,804**	**2,967**
The effect of changes in foreign exchange rates	**449**	**681**
Other changes		
Converted into equity (Note 18)	(14,999)	(11,995)
Interest and fees expensed	6,268	841
Interest and fees paid	(2,387)	(389)
Arrangement and management fees	3	-
Total other changes	**(11,115)**	**(11,543)**
Balance at 31 December 2019	**45,858**	**1,294**

16. Trade and other payables

	Group		Company	
	2019	2018	**2019**	2018
	$000	$000	**£000**	£000
Trade payables	**1,928**	2,511	**622**	598
Taxation and social security	**392**	132	**-**	-
Other payables	**678**	1,503	**-**	703
Accruals and deferred income	**3,156**	1,556	**1,253**	197
Lease liability (see note 17)	**1,479**	-	**149**	
	7,633	5,702	**2,024**	1,498

17. Leases as a lessee (IFRS 16)

Right of use assets

	Group	Company
	$000	£000
Balance at 1 January 2019	-	-
Additions to right-of-use assets	1,904	**331**
Depreciation charge for the year	(428)	**(184)**
Balance at 31 December 2019	1,476	147

Amounts recognised in profit or loss

The following amounts have been recognised in profit or loss for which the Company is a lessee:

	Group	Company
2019 - Leases under IFRS 16	**$000**	**£000s**
Interest expense on lease liabilities	159	9
Depreciation expense	428	184
Payments on principle of lease	(550)	(191)

Lease Liabilities under IFRS 16

	Group	Company
	$000	**£000s**
2019 - Lease liabilities		
Current	326	149
Non-current	1,153	-
Balance at 31 December 2019	1,479	149

	Group	Company
2019 – Operating leases under IFRS 16	**$000s**	**£000s**
Less than one year	326	149
Between one and five years	603	
More than five years	550	
Balance at 31 December 2019	1,479	149

18. Capital and reserves

Share capital

	Number of shares		At nominal value	
Group	**2019**	2018	**2019**	2018
	No.	No.	**$000**	$000
Ordinary shares	**1,377,482**	1,377,482	**6**	6
Series A shares	**797,330**	797,330	**4**	4
Series B shares	**1,917,214**	1,917,214	**8**	8
Series C shares	**5,510,867**	5,510,867	**22**	22
Series D shares	**4,279,454**	-	**16**	-
On issue at 31 December – fully paid	**13,882,347**	9,602,893	**56**	40

	Number of shares		At nominal value	
Company	**2019**	**2018**	**2019**	**2018**
	No.	No.	**£000**	£000
On issue at 1 January				
Ordinary shares	**1,377,482**	1,377,482	**5**	5
Series A shares	**797,330**	797,330	**2**	2
Series B shares	**1,917,214**	1,917,214	**6**	6
Series C shares	**5,510,867**	5,510,867	**16**	16
Series D shares	**4,279,454**	-	**12**	-
On issue at 31 December – fully paid	**13,882,247**	9,602,893	**41**	29

Movement in shares

During the year, the Company issued 4,279,454 Series D shares for a value of £32,834k ($41,056k), made up of a cash consideration of £20,839k ($26,057k) and a conversion of loan into equity of £11,995k ($14,999k).

Nature and Purpose of Reserves

Share Capital and Share Premium

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. On a liquidation, business or share sale, the assets of the Company remaining shall be applied firstly to Series D shares then Series C, B and A shares then Ordinary Shares.

The holders of Series A shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. Each Series A share is convertible, at the option of the holder, into fully paid Ordinary shares subject to adjustments of the applicable conversion ratio. On a liquidation, business or share sale, the assets of the Company remaining shall be applied firstly to Series D shares then Series C, then B and A (pari passu).

The holders of Series B shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. Each Series B share is convertible, at the option of the holder, into fully paid Ordinary shares subject to adjustments of the applicable conversion ratio. On a liquidation, business or share sale, the assets of the Company remaining shall be applied firstly to Series D shares then Series C, then B and A (pari passu).

The holders of Series C shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. Each Series C share is convertible, at the option of the holder, into fully paid Ordinary shares subject to adjustments of the applicable conversion ratio. On a liquidation, business or share sale, the assets of the Company remaining shall first be applied firstly to Series D shares then Series C.

The holders of Series D shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. Each Series D share is convertible, at the option of the holder, into fully paid Ordinary shares subject to adjustments of the applicable conversion ratio. On a liquidation, business or share sale, the assets of the Company remaining shall first be applied firstly to Series D shares.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Share based payment reserve

The share based payment reserve comprises the charge to equity in relation to the Company' equity-settled share-based payment scheme (Note 19).

19. Share based payments

The group has three separate equity-settled share option plans in force during the year:

- A key management personnel scheme approved on the 5th December 2017
- An employee scheme approved on the 5th December 2017
- An employee and key management personnel scheme approved on August 2019

The amount of share based payment arrangements forfeited during the period was 11,900, no options were exercised, exercisable options at the period end amounted to 669,575 and the weighted average remaining contractual life of share options outstanding at the end of the period was 19 months.

5th December 2017 Key Management Personnel scheme

On the 5th December 2017, the Board approved the adoption of an equity-settled share-option plan in Bboxx Limited for employees of the Group to purchase shares in the Company.

The participants in the key management personnel scheme have the option to purchase a total of 750,000 shares in Bboxx Limited at an exercise price of £0.003 (face value) 10 years from the commencement of the vesting period. The vesting period is from 1 January 2017 to 31 December 2020.

Conditions for vesting are split equally into four categories, being a four-year service period and three performance conditions. Such conditions are not taken into account in the grant date fair value measurement of the services received. All granted options were outstanding at the beginning of the year and are outstanding at the year-end date.

The fair value of the equity instruments granted at 5th December 2017 was determined based on a fair value estimate of the market price with reference to completed share transactions for 9,951,064 shares close to the Grant date. The options were then valued using the Black Scholes option pricing model with the key model inputs being a share price of $6.084 and the exercise price of £0.003

5th December 2017 Employee Scheme

On the 5th December 2017, the Board approved the adoption of an equity-settled share-option plan in Bboxx Limited for employees of the Group to purchase shares in the Company.

The participants in the employee scheme have the option to purchase shares in Bboxx Limited at an exercise price of USD4.225 up to 10 years from the commencement of the vesting period. The vesting period is from 4 years from the date of grant.

Conditions for vesting is a four-year service period All granted options were outstanding at the beginning of the year and are outstanding at the year-end date.

The fair value of the employee equity instruments granted at 5th December 2017 was determined based on a fair value estimate of the market price with reference to completed share transactions for 9,951,064 shares close to the Grant date. The options were then valued using the Black Scholes option pricing model with the key model inputs being a share price of $6.084 and the exercise price of each employee's options.

August 2019 'Series D' Scheme

On the 19 August 2019, the Board approved the adoption of another equity-settled share-option plan in Bboxx Limited for employees of the Group to purchase shares in the Company.

The participants in the employee scheme have the option to purchase shares in Bboxx Limited at an exercise price of $4.04 up to 10 years from the commencement of the vesting period. The vesting period is from 4 years from the date of grant.

The fair value of the employee equity instruments granted at August 2019 was determined based on a fair value estimate of the market price with reference to completed share transactions for 4,279,454 shares close to the Grant date. The key model inputs were a share price of $10.1 and the exercise price of each grant.

The total expense recognised for the year arising from share based payments was $1,206k (£915k) (2018: $783k (£687k)).

20. Financial instrument

a. Fair value estimation

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Valuation models

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, and comparison with similar instruments for which market observable prices exist.

Fair value versus carrying amounts

The fair value of financial assets and liabilities together with their carrying values shown in the statement of financial position are analysed as follows:

Group	Carrying Value		Fair Value	
	2019	2018	**2019**	2018
Assets	**$000**	$000	**$000**	$000
Trade and other receivables	**8,739**	4,344	**8,739**	4,344
Cash and cash equivalents	**18,519**	6,884	**18,519**	6,884
Total financial assets	**27,258**	11,228	**27,258**	11,228
Liabilities				
Trade and other payables	**(7,633)**	(5,702)	**(7,633)**	(5,702)
Loans and borrowings	**(45,858)**	(35,720)	**(45,858)**	(35,720)
Total financial liabilities	**(53,491)**	(41,422)	**(53,491)**	(41,422)
Net financial assets/(liabilities)	**(26,233)**	(30,194)	**(26,233)**	(30,194)

The Group considers the carrying value of all its financial assets and liabilities to be materially the same as their fair value. All financial assets and liabilities are classified as being measured at amortised cost. All the Group's financial instruments are Level 2 (2018: Level 2). There were no transfers between fair value levels during the year. For financial instruments which are recognised on a recurring basis, the Group determines whether transfers have occurred between levels by re-assessing categorisation (based on the lowest-level input which is significant to the fair value measurement as a whole) at the end of each reporting period.

Company	Carrying Value		Fair Value	
	2019	2018	**2019**	2018
Assets	**£000**	£000	**£000**	£000
Trade and other receivables	**1,404**	873	**1,404**	873
Cash and cash equivalents	**11,050**	1,689	**11,050**	1,689
Receivables from related parties	**52,750**	18,858	**52,750**	18,858
Total financial assets	**65,204**	21,420	**65,204**	21,420
Liabilities				
Trade and other payables	**(2,024)**	(1,498)	**(2,024)**	(1,498)
Payables to related parties	**(28,745)**	(1,636)	**(28,745)**	(1,636)
Loans and borrowings	**(1,294)**	(9,189)	**(1,294)**	(9,189)
Total financial liabilities	**(32,063)**	(12,323)	**(32,063)**	(12,323)
	33,141	9,097	**33,141**	9,097

b. Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risks;
- Liquidity risks;
- Currency risks; and
- Market risks.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Group's Directors have overall responsibility of the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risk adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Directors are responsible for monitoring and compliance with the risks management policies and procedures and for reviewing the adequacy of the risks management framework in relation to the risks faced by the Group. The Directors are assisted in these functions by management.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meets its contractual obligations, arising principally from the Group's net investment in finance leases.

Trade debtors are monitored regularly and follow up is made for the outstanding balances. A credit policy has been established and agreed with each customer; standard payment and delivery terms and conditions are offered as per the Group's policies.

The carrying amount of financial assets represents the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date was:

	Group		Company	
	2019	2018	**2019**	2018
Assets	**$000**	$000	**£000**	£000
Trade and other receivables	**8,739**	4,344	**1,404**	873
Cash and cash equivalents	**18,519**	6,884	**11,050**	1,689
Receivables from related parties	-	-	**52,750**	18,858
	27,258	11,228	**65,204**	21,420

Impaired receivables

Impaired receivables are those for which the Group determines that it is probable that it will be unable to collect all receivables due according to the contractual terms of the receivables agreements which constitute finance leases. As per the internal evaluation system these receivables are considered impaired if evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Write off policy for receivables

The Group writes off a receivable (and any related provision for potential losses) when such receivable contract is known to be uncollectible, all necessary means of collection have been exhausted and the final loss has been determined.

The ageing of trade receivables at the reporting date was:

Group	Gross	Impaired	Net
2019	**$000**	**$000**	**$000**
Current	**205**	-	**205**
0-45 days	**2,582**	**(333)**	**2,249**
46- 90 days	**703**	**(97)**	**606**
91 days and above	**2,540**	**(1,392)**	**1,148**
For the year-ended 31 December	**6,030**	**(1,822)**	**4,208**

Group	Gross	Impaired	Net
2018	$000	$000	$000
Current	26	(26)	-
0-45 days	452	(239)	213
46- 90 days	202	(28)	174
91 days and above	1,979	(1,271)	708
For the year-ended 31 December	2,659	(1,564)	1,095

The concentration of credit risk for Group trade receivables at the balance sheet date by geographic region was:

	2019	2018
	$000	$000
Kenya	**1,105**	214
Rwanda	**366**	500
Hong Kong	**2,037**	339
Other	**700**	42
	4,208	1,095

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Typically, the Group ensures that it has sufficient cash on hand to meet expected operational expenses for a period of at least 30 days, including the servicing of debt obligations.

All liquidity policies and procedures are subject to review and approval by the Board of Directors. At present no terms, conditions or circumstances exist which could impair the Group's ability to raise short or long-term funding. The maturity profile of non-derivative financial liabilities based on the contractual cash flows, "undiscounted" including interest and excluding impact of netting is as follows:

Group	Carrying Amount	Less than 1 year	12-24 months	Over 24 months
	$000	**$000**	**$000**	**$000**
Trade and other payables	7,633	7,633	-	-
Loans and borrowings	45,858	6,715	39,143	-
Total financial liabilities	**53,492**	**14,349**	**39,143**	-

Company	Carrying Amount	Less than 1 year	12-24 months	Over 24 months
	£000	**£000**	**£000**	**£000**
Inter-company Payables	28,745	28,745	**-**	-
Trade and other payables	2,024	2,024	**-**	-
Loans and borrowings	1,294	1,294	**-**	-
Total financial liabilities	**32,063**	**32,063**	-	-

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Market risk can further be divided into currency risk and interest rate risk.

Currency risk

The Group primarily operates within various African territories with manufacturing in Asia and research and development in the UK. The product supply chain invoices are in USD hence any amounts owing to product suppliers are subject to exchange rate variations between the local operational currencies and USD. The currencies in which the Group's transactions are primarily denominated are US Dollars (US$), Sterling (£), Rwanda Francs (RWF) and Kenyan Shillings (KSH).

The Group is on an overall level managed as a USD company for currency risk management purposes with primary focus on USD cash flow. The Group manages this exposure with derivative forward currency contracts and a level of financing obtained in USD. The debt portfolio has now been diversified to obtain funding in local currencies directly to the subsidiary company to minimise exposure on local expenditure. Interest on borrowings is denominated in the currency of the borrowing.

In respect of other monetary assets and liabilities denominated in foreign currencies, the

Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The Group's exposure to foreign currency risk is as follows.

31 December 2019	US Dollar	Sterling	Rwandan Francs	Kenyan Shillings	Other	Total
	$000	$000	$000	$000	$000	$000
Cash and cash equivalents	15,649	351	973	1,544	2	18,519
Trade receivables	2,623	18	381	1,105	81	4,208
Trade payables	(780)	(550)	(362)	(188)	(48)	(1,928)
Balance sheet exposure	17,492	(181)	992	2,461	35	20,799

Sensitivity analysis

A 5% percent weakening of the following currencies against the US Dollar at 31 December 2019 would have decreased equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant.

31 December 2019	Equity	Loss for the year
	$000	$000
Sterling	(2,553)	(600)
Rwandan Francs	657	(245)
Kenyan Shillings	279	(215)
Total Impact	(1,617)	(1,060)

A 5% percent strengthening of the above currencies against the US Dollar at 31 December 2019 would have an equal but opposite effect on the above currencies to the amounts shown above, on basis that all other variables remain constant.

Interest risk

The Company holds interest bearing loans as summarised in Note 15 to the accounts. These loans are fixed interest rate loans and as such exposure to fluctuations in market interest rates are deemed to be minimal.

Capital management

The Board of Directors set a debt threshold for the Group. The Group's current capital management strategy reflects the business aim of rapid expansion. With the increase in Group bank debt during 2018 and 2019, internal capital management policies will be aligned to ensure in line with external requirements.

21. Operating leases – under IAS 17 (2018 only)

Non-cancellable operating lease rentals are payable as follows:

	Group	Company
	2018	2018
	$000	£000
Less than one year	322	322
Between one and five years	850	37
More than five years	460	-
	1,632	359

22. Capital Commitments

Group and Company

The Group and Company had no capital commitments at the balance sheet date.

23. Contingent Liabilities

The Group and Company had no contingent liabilities at the year end.

24. Related parties

Key management personnel

Directors of the Company control under 10 per cent of the issued voting shares of the Company. Key management personnel for the purposes of this disclosure are considered to be M M Hamayun, C F Baker Brian and L D Van Houcke.

The compensation of key management personnel (the directors) is as follows:

	2019	2018
	$000	$000
Key management remuneration including social security costs	629	389
Company contributions to money purchase pension schemes	4	2
Share related awards (Note 19)	1,005	611
	1,638	1,002

Note that the figures above include a full year's compensation for the two Directors that rotate on and off the Board on a quarterly basis. No other Directors received remuneration.

Remuneration of highest paid director	2019	2018
	$000	$000
Directors' remuneration	278	173
Company contributions to money purchase pension schemes	2	1
Share related awards (Note 19)	429	204
	709	378

No share options were exercised in the period.

The following unsecured Directors' Loans have also been issued by the Company during the year (2018: $183k):

	Issue Date	Principal	Interest Rate	Due Date
		$000		
M M Hamayun	24 July 2017	50	3.5%	23 July 2022
M M Hamayun	02 January 2019	25	3.5%	01 January 2022
M M Hamayun	04 July 2019	66	3.5%	03 July 2022
M M Hamayun	16 September 2019	9	3.5%	15 September 2022
C F Baker-Brian	24 July 2017	50	3.5%	23 July 2022
C F Baker-Brian	03 January 2019	25	3.5%	02 January 2022
C F Baker-Brian	18 September 2019	75	3.5%	17 September 2022
L D Van Houke	26 July 2017	75	3.5%	25 July 2022
L D Van Houke	03 January 2019	25	3.5%	02 January 2022
L D Van Houke	10 July 2019	41	3.5%	09 July 2022
L D Van Houke	10 July 2019	9	3.5%	09 July 2022

As at 31 December 2019 the balance outstanding was $471k (2018: $183k). Repayment is a lump sum of the principal and interest at the end of the facility period or in share of the Company at a share price to be agreed at the time of repayment.

Intercompany transactions – Company only

Amounts due from/ (to) Group entities	2019	2018
	£000	£000
Amounts due from Group entities		
Bboxx Asia Limited	23,074	15,979
Bboxx Capital Limited	27,839	-
Bboxx Capital Kenya Ltd	520	1,231
Bboxx Capital Rwanda Ltd	-	419
Bboxx DEARs Kenya LLP	11	11
Bboxx Capital Togo SA	-	348
Bboxx Capital RDC SARLU	611	234
Bboxx Africa Management Limited	695	636
	52,750	18,858
Amounts due to Group entities		
Bboxx Asia Limited	(2,710)	-
Bboxx Capital Limited	(24,192)	(257)
Bboxx Capital Kenya Ltd	(58)	-
Bboxx Capital Rwanda Ltd	(1,710)	(1,379)
Bboxx Africa Management Limited	(75)	-
	(28,745)	(1,636)
Net Amounts due from/ (to) Group entities	24,005	17,222

Amounts due to related parties are interest free and repayable on demand with the exception of Bboxx Limited, Bboxx Asia Ltd and Bboxx Capital Kenya Limited, which have a 10% interest rate per annum applied.

25. Ultimate parent company and parent company of larger group

In the opinion of the Directors, there is no ultimate controlling party of the group.

26. Subsequent events

Subsequent to the balance sheet date, the following events occurred:

Additional Fundraising

- Additional debt funding has been raised in 2020: from Trine, to the value of €10m of which €2.3m has been drawn to date by Bboxx Capital Kenya Ltd at an interest rate of 6.5% with an additional 4% fee, due in June 2023; from LionsHead, to the value of $4m of which $2m has been drawn to date by Bboxx Capital DRC S.A.R.L.U at an interest rate of 12%, with interest rolled up, due in October 2025; from SIMA to the value of $1m fully drawn by Bboxx Capital Kenya Ltd at an interest rate of 11.5%, with interest rolled up, due in September 2021.

Incorporation of new Subsidiary

- Bboxx EDF Kenya Ltd (a subsidiary of Bboxx Capital Ltd) was incorporated on 15 September 2020.

Series D Closure

- In June 2020 $1.35m was received from Mitsubishi Corporation as the second instalment for their Series D shares.
- On 25 November 2020 a new investor subscribed for the remaining 473,021 Series D shares for an aggregate subscription price of $4,777,512 with the consideration being received in full in cash. In line with existing Series D shareholders, the new investor received 94,604 Series D Warrants (one warrant for every five Series D Shares)..

Africa Infrastructure Investment Managers (AIIM) Disbursements

- Funding of $31m ("purchase consideration") was agreed with African infrastructure Investment Managers ("AIIM") in December 2018, via the incorporation of Beyond Energy Investment Limited ("Beyond"), an entity 30% owned by Bboxx Limited. An implementation agreement was signed on 19 December 2018, whereby Beyond would acquire a 40% minority interest in the Group's Kenyan, Democratic Republic of Congo and Rwandan subsidiaries ("NGU's"). Purchase consideration was received in advance of this transaction completing.
- Since the beginning of 2019, AIIM has disbursed funds to Bboxx Limited's subsidiaries (Kenya, Rwanda and DRC) for the purposes of capital expenditure and recurring needs. At 31 December 2019, $23.1m had been received and an additional $3m interest accrued. All purchase consideration received is reflected as debt in these Group financial statements.
- Through 2020 $5.9m of disbursements were received from Beyond Energy Investment Ltd to support Bboxx Capital Kenya Limited, Bboxx Capital Rwanda Limited and Bboxx Capital RDC S.A.R.L.U, at values of $2.5m, $0.7m and $2.7m respectively.
- The transaction was completed in October 2020 and as part of the transaction $17.1m of this debt was converted into equity by way of issuance of ordinary shares in the Kenya, Rwanda and DRC subsidiaries. $16.1m remains as debt, including $1.2m accumulated interest in 2020, not repayable before 31 March 2022.

Bboxx Capital Kenya Ltd – part disposal

- On 14 December 2020 an Investment Agreement was signed for the part disposal of an economic interest in Bboxx Capital Kenya Ltd to EDF International SAS whereby EDF will take an indirect 23% stake in the Kenyan entity.
- The transaction will see Bboxx receive an initial consideration of $12m; as well as additional equity funding being injected into Bboxx Capital Kenya Ltd. There is also a potential earn out for Bboxx at the end of 2025 subject to certain performance parameters.
- The transaction is expected to complete on or around 31 December 2020.

Bboxx Capital Togo Ltd – part disposal

- In August 2020 Bboxx Capital Ltd transferred its 50% holding in Bboxx Capital Togo SA to its 100% owned subsidiary, Bboxx Capital France SAS.
- Subsequently on 16 September 2020, Bboxx Capital Ltd transferred 50% of its holding in Bboxx Capital France SAS to Bamboo Energy Fund S.A.; SICAV- RAIF (a Luxembourg Fund) leaving the Group with a 25% stake in Bboxx Togo. The "purchase consideration" was the conversion of a $1.5m loan by BEAM such that the Group were left with a 25% stake in Bboxx Togo.

COVID-19

- Since 31 December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced, or were forced, to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.
- The Group has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Group for future periods.
- The impact of the COVID-19 will be closely monitored and assessed for its impact on the business. The Group has undertaken a variety of measures and implemented contingency plans to mitigate the negative impact of the COVID-19 pandemic. The response plan covers operational risk responses to ensure that the Group will be able to operate. The Directors believes that the disruption will be temporary. In light of the above, the directors have re-assessed the appropriateness of the use of the going concern assumption in the preparation of these financial statements.

27. Exceptional Income

In January 2019 Bboxx was awarded the prestigious Zayed Sustainability Prize for Energy. The prize is one of the most coveted awards globally and it recognises pioneering solutions and technologies that can change the world. It has rewarded innovators and visionaries whose achievements have furthered the "the global proliferation of innovative, impactful and inspirational sustainability solutions" for more than a decade. Bboxx was one of 10 winners in different categories including health, food, water and global high schools from more than 2,100 submissions. As well as the honour, Bboxx was awarded $600,000.

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