

13 September 2021

BrandShield Systems plc

("BrandShield," the "Company," or the "Group")

Half year results for the six months ended 30 June 2021

BrandShield Systems plc (AIM: BRSD), a leading provider of cybersecurity solutions from brand protection to online threat hunting, in fast-growing markets including cybersecurity, e-commerce and technology-enabled businesses, announces its results for the six months ended 30 June 2021.

Financial highlights

- Annual Recurring Revenue¹ ("ARR") at 30 June 2021 was \$3.89m, up 65% compared to June 2020 (June 2020: \$2.35m), and up 18% vs. December 2020 (December 2020: \$3.28m)
- Strong momentum continued with the August 2021 ARR figure at \$4.32m, up 79% vs. August 2020 and up 31% vs. December 2020
- Delivered revenues of \$1.77m in H1 2021, up 64% vs. H2 2020
- Cash of \$2.07m at period end (31 Dec 2020: \$3.20m)

Operational highlights

- Strong new business momentum achieved in the first half of 2021, increasing by 23 customers in the period to 100 customers, with growth continued to 108 customers by end of August 2021
- BrandShield continues to broaden its sector reach servicing clients across the financial, services, pharmaceutical, fashion, cryptocurrency, entertainment, sports, and cosmetics sectors
- 52% increase in headcount to 44 (December 2020: 29) primarily in the operational, sales and marketing functions, to further expand the company's sales footprint and drive additional ARR growth
- Cutting edge Image Recognition and OCR technologies launched in January 2021 and extended to cover social media platforms in March 2021.

Post period-end and Outlook

- Sustained traction for BrandShield's products has continued into the second half of 2021 as the Company's focus on the top line and customer conversion comes into fruition
- New business pipeline remains strong reflecting ongoing market demand for BrandShield's cybersecurity solutions of Brand Protection and Online Threat Hunting
- BrandShield remains well-placed to benefit from these trends as R&D continues to underpin the Company's market leading proposition

- The Board is confident in the Company continuing to trade strongly in the second half of 2021 and performing in-line with expectations for the full year

Yoav Keren, Chief Executive Officer of BrandShield, commented:

“We are delighted to report strong trading across the first six months of 2021. With the successful listing on AIM now behind us, our team has been able to fully focus on building out our sales footprint and further expanding our market reach.

“The strong customer traction experienced already this year is not only representative of the demand for cybersecurity solutions across the market, but also the quality of our solutions and the value we create for organisations wishing to protect their brands online. We look forward to further updating shareholders on our ongoing progress and believe we are ideally placed to grow.”

¹Annual Recurring Revenue is a non GAAP measure and a industry specific measure

Enquiries:

BrandShield Systems plc +44 (0)20 3143 8300
Yoav Keren, CEO

Spark Advisory Partners Limited (Nominated Adviser) +44 (0)20 3368 3554
Neil Baldwin / Andrew Emmott / James Keeshan

Shore Capital (Joint Broker) +44 (0)20 7408 4090
Toby Gibbs / James Thomas (Corporate Advisory)
Henry Willcocks (Corporate Broking)

Tennyson Securities (Joint Broker) +44 (0)20 3368 3554
Peter Krens

Vigo Consulting (Financial Public Relations) +44 (0)20 7390 0237
Jeremy Garcia / Antonia Pollock
brandshield@vigoconsulting.com

About BrandShield

BrandShield is a leading cybersecurity company founded in Israel by cybersecurity experts that protect the world's largest brands and consumers from phishing attacks, online fraud, and other online threats posed by dangerous cybercriminals. Through its AI/ML platform, BrandShield identifies, tracks, and eliminates online threats for global brands and organizations, including Bristol Myers Squibb, Levi's, NewBalance, Swisscom, and the Pharmaceutical Security Institute. BrandShield is quoted on the London Stock Exchange AIM under ticker symbol BRSD. To learn more about BrandShield, please visit the company website at www.BrandShield.com.

Chief Executive Officer's review

Introduction

Focus for the first half of 2021 remained on continuing the rapid expansion of BrandShield's offering worldwide and in turn driving growth of the Company's Annual Recurring Revenue ("ARR") to \$3.89m representing 18% growth relative to December 2020, and 65% growth versus the same period in the prior year, the key KPI for the Group. This was underpinned by the conversion of clients across a number of sectors and the ongoing investment in and expansion of the Company's marketing and sales functions. This positive trend has continued through August 2021, with ARR up 79% from August 2020, to \$4.32m. Traditionally Q4 is the quarter which delivers the greatest growth for the Company.

Revenues for the six months ended 30 June 2021 increased 64% to \$1.77m compared to H2 2020 (\$1.08m), with the Group reporting a loss for the period of \$1.77m (H1 2020: loss of \$0.55m), which was in-line with management's expectations. As at 30 June 2021, the Group had cash of \$2.07 million (31 Dec 2020: \$3.2m).

The Company secured a number of contracts in the period with clients from a broad range of sectors. These have included new or extended contracts with companies operating in the financial services, pharmaceutical, fashion, crypto, entertainment, sports, and cosmetics sectors. In June 2021, the Company announced that it had successfully removed 98% of online threats to its client, Bang & Olufsen, demonstrating the significant value that BrandShield is able to deliver. The threats that Bang & Olufsen faces includes counterfeit products, trademark and copyright infringements across rogue websites, impersonation and fraud, all of which BrandShield's platform successfully mitigated.

Market dynamics

It has been widely reported that the Covid-19 pandemic has accelerated digitisation with the growth in e-commerce being a clear example of this. In the US in 2020, e-commerce represented over 21% of purchases, a significant increase from 15.8% prior to the outbreak in 2019. Alongside this growth, there has been a significant increase in associated fraudulent activity as cyber criminals seek to exploit individuals through the use of phishing scams, impersonation and counterfeiting.

Therefore, the opportunity for BrandShield is significant, and growth in our key target markets is showing no signs of abating and is apparent across myriad sectors – as demonstrated by the diverse nature of our new business wins in H1 2021 – including pharmaceutical companies engaged in the development of vaccines.

Our unique proposition

We believe that our technology is well-placed to lead this transition as enterprises increase their online protection and move from focusing on internal cyber security to requiring solutions for external threats, providing comprehensive brand protection and online threat hunting solutions. BrandShield's market leading solutions are underpinned by:

- A mature product, creating higher barriers to entry
- Ongoing investment in R&D to ensure market leadership is maintained
- AI/ML powered technology
- Strong threat network detection capabilities
- Unique image recognition and Optical Character Recognition (OCR) – focusing on detection of emerging threats on social media and ecommerce marketplaces

- Big data investigation tools with multi-brand and platform capabilities

In addition, BrandShield adopts a multi-layered approach to the detection and mitigation of online threats, which includes: Data, Analysis, Prioritisation, Interface and Action.

Strategy

As reiterated at the time of the Company's full year results in June, following the completion of the RTO transaction the Board is almost entirely focused on the expansion and development of BrandShield's software solutions. Therefore, any investments that the Company holds are viewed as tangential and the focus will be on releasing these investments including its legacy assets.

The acquisition of further clients is the priority as the Company seeks to increase Annual Recurring Revenue from clients in a variety of sectors. This is being achieved through the expansion of the marketing and sales functions within the Company, fuelled by the fundraise undertaken at the time of the RTO and ongoing strong Revenue Growth from our expanding customer base. Central to the Company's growth are the following strategic priorities:

- Continue to invest in and grow the sales and marketing teams
- Specific expansion of the sales teams in the US and UK
- Establishing a broader marketing footprint
- Expansion of advertising, sales promotion and digital marketing campaigns
- Ongoing B2B public relations and brand building activities

Product development

As announced in January 2021, the Company began the deployment of cutting-edge Image Recognition and Optical Character Recognition ("OCR") on its online brand protection platform. Our image recognition technology detects images which are similar or identical to those copyrighted by the Company's customers. Our technology is able to then link these images to global networks of fraudulent activity across hundreds of ecommerce marketplaces. Traditionally, image infringement identification involves the manual review of thousands of individual listings across platforms, but BrandShield's technology streamlines this process exponentially.

In March 2021, these capabilities were extended to cover social media platforms ensuring that BrandShield's product offering remains at the cutting edge of the sector. This technology allows the text within social media posts or images to be interrogated. This adds a further layer of abuse identification for use against those fraudsters that attempt to hide brand names and product descriptions within an image of posts or profile photos rather than in separate, purely textual fields.

Furthermore, in April 2021, we launched the External Threat Protection Test, which is the first free platform of its kind which assists companies in identifying cyber vulnerabilities. This platform is designed with proprietary AI and machine learning capabilities and is designed to enable online companies to understand their exposure in seconds and how they might mitigate this risk.

Key hires

The US accounts for the majority of the Company's client base, and in July 2021, the Group appointed Harel Kodesh as a non-executive Director. Harel, who is based in Silicon Valley, brings a wealth of experience to BrandShield, particularly in terms of driving the rapid growth of technology companies. In addition, during the first half of the year, the Company has also established physical sales and

marketing presences in the UK and US, both of which are converting clients in these core territories for the Group.

Outlook

The Company has made a strong start to 2021 with management focus on both revenue growth and new business development as a key near term priority and is actively expanding its global marketing and sales functions accordingly.

The increasing awareness of cyber related crimes and other threats to brands is driving further demand for brand protection and online threat hunting solutions, such as BrandShield. The Board is confident in the Group's future prospects and to its ongoing rapid expansion, and looks forward to reporting on this for the full year 2021.

The Company remains confident in trading in line with the expectations for the full year 2021 and in the growth prospects in the medium-term.

Yoav Keren
Chief Executive Officer
13 September 2021

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION ON BRANDSHIELD
SYSTEMS PLC FOR THE 6 MONTH PERIOD ENDED 30 JUNE 2021

CONSOLIDATED INCOME STATEMENT

For the periods ended 30 June

	Note	Unaudited Period ended 30 June 2021 \$	Unaudited Period ended 30 June 2020 (*) \$
Revenue	3	1,770,298	1,509,745
Cost of sales		(831,575)	(573,382)
Gross profit		<u>938,723</u>	<u>936,363</u>
Administrative expenses	4	(2,817,231)	(1,456,754)
Loss from operations		<u>(1,878,508)</u>	<u>(520,391)</u>
Net finance income/(expense)		112,169	(34,070)
Loss before tax		<u>(1,766,339)</u>	<u>(554,461)</u>
Tax expense		-	-
Loss for the period		<u><u>(1,766,339)</u></u>	<u><u>(554,461)</u></u>
Basic and diluted earnings per share (cent)	5	<u><u>(0.015)</u></u>	<u><u>(236.35)</u></u>

(*) Comparative figures relate to BrandShield Ltd. See basis of preparation Note 1 and Note 2.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the periods ended 30 June

	Unaudited Period ended 30 June 2021	Unaudited Period ended 30 June 2020
	\$	\$
Loss for the period	(1,766,339)	(554,461)
Other comprehensive income: Items that will or may be reclassified to profit or loss:		
Other comprehensive income (loss)	82,965	(102,890)
Total comprehensive loss	(1,683,374)	(657,351)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June

	Note	Unaudited Period ended 30 June 2021 \$	Audited Year ended December 31, 2020 (**) \$
Non-current assets			
Property, plant and equipment		68,029	35,872
Financial assets at fair value through profit or loss	13	4,216,526	4,153,602
		<u>4,284,555</u>	<u>4,189,474</u>
Current assets			
Trade and other receivables	6	914,113	465,911
Financial assets at fair value through profit or loss		21,055	20,741
Other financial assets		94,104	18,373
Cash and cash equivalents	7	2,066,847	3,198,525
Assets classified as held for sale		346,449	341,279
		<u>3,442,568</u>	<u>4,044,829</u>
Total assets		<u>7,727,123</u>	<u>8,234,303</u>
Current liabilities			
Trade and other payables	8	2,284,389	1,557,587
		<u>2,284,389</u>	<u>1,557,587</u>
Non-current liabilities			
Other payables		281,102	275,756
		<u>281,102</u>	<u>275,756</u>
Total liabilities		<u>2,565,491</u>	<u>1,833,343</u>
Net assets		<u>5,161,632</u>	<u>6,400,960</u>
Equity attributable to owners of the parent			
Share capital	11	10,161,657	9,246,267
Share premium	11	28,937,881	27,353,294
Reverse acquisition reserve		(22,797,972)	(20,653,597)
Other reserves		2,341,446	3,101,442
Retained earnings		(13,481,380)	(12,646,446)
Total equity		<u>5,161,632</u>	<u>6,400,960</u>

(**) Comparative figures are that of the Group. See basis of preparation Note 1 and Note 2.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Unaudited

	Share capital \$	Share premium \$	Reverse acquisition reserve	Other reserves \$	Retained earnings \$	Total \$
Balance as at 1 January 2020	678	5,859,765	-	921,982	(9,350,340)	(2,567,915)
Loss for the period ended June 30, 2020	-	-	-	-	(554,461)	(554,461)
Share options issued	-	-	-	203,359	-	203,359
Exchange differences on translation	(2)	755	-	(103,643)	-	(102,890)
Balance as at June 30, 2020	676	5,860,520	-	1,021,698	(9,904,801)	(3,021,907)

	Share capital \$	Share premium \$	Reverse acquisition reserve	Other reserves \$	Retained earnings \$	Total \$
Balance as at 1 January 2021	9,246,267	27,353,294	(20,653,597)	3,101,442	(12,646,446)	6,400,960
Loss for the period ended June 30, 2021	-	-	-	-	(1,766,339)	(1,766,339)
Share based payments	-	-	-	56,436	-	56,436
Issue of shares in relation to warrants and options exercise	52,968	334,642	-	(608,630)	608,630	387,610
Exchange differences on translation	862,422	1,249,945	(2,144,375)	(207,802)	322,775	82,965
Balance as at June 30, 2021	10,161,657	28,937,881	(22,797,972)	2,341,446	(13,481,380)	5,161,632

(*) Comparative figures relate to BrandShield Ltd.

UNAUDITED CONSOLIDATED CASH FLOW STATEMENTS
For the periods ended 30 June

	Unaudited Period ended 30 June 2021	Unaudited Period ended 30 June 2020
	\$	\$
Cash flows from operating activities		
Loss for the year	(1,766,339)	(554,461)
Adjustments for:		
Depreciation	4,946	4,046
Share based payment expense	56,436	203,359
Net finance expense	-	34,070
Foreign exchange on operations	-	(23,094)
Increase in trade and other receivables	(523,934)	(209,828)
Increase/ (Decrease) in trade and other payables	732,148	(280,481)
Net cash flows from operating activities	(1,496,743)	(826,389)
Investing activities		
Purchase of property, plant and equipment	(37,103)	(6,422)
Net cash used in investing activities	(37,103)	(6,422)
Financing activities		
Proceeds from issue of convertible loans	-	1,000,000
Proceeds from exercised warrants	387,610	
Net interest and finance income	-	-
Net cash used in financing activities	387,610	1,000,000
Net increase (decrease) in cash and cash equivalents	(1,146,236)	167,189
Cash and cash equivalents at beginning of period	3,198,525	360,641
Foreign exchange differences on cash	14,558	6,584
Cash and cash equivalents and end of period	2,066,847	534,414

Comparative figures relate to BrandShield Ltd.

Non-cash transactions

The Company operates an equity-settled, share-based scheme under which the Company receives services from employees as consideration for equity instruments (options) of the Company. The value of the employee services received is expensed in the Income Statement and its value is determined

by reference to the fair value of the options granted, calculated using the Black Scholes model. In the period to 30 June 2021 19,221,890 options were issued at a fair value of 0.075 USD per option.

NOTES TO THE FINANCIAL INFORMATION

1. General information and basis of preparation

The principal activity of BrandShield Systems plc (the 'Company') is the development of a brand protection and online threat hunting solution to prevent, detect and remove online threats, through its research and development centre in Israel.

Basis of preparation

The condensed consolidated interim financial statements ("Interim Financial Statements") of the Group have been prepared in accordance with the AIM Rules for Companies and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. They have been prepared under the assumption that the Group operates on a going concern basis. As permitted, the Group has chosen not to fully adopt IAS 34 in preparing the Interim Financial Statements. The Interim Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

The Interim Financial Information has been prepared under the same basis of preparation and accounting policies as adopted in the audited annual financial statements for the period to 31 December 2020, which were authorised by the Board on 20 June 2021. The Interim Financial Statements should be read in conjunction with these annual financial statements.

The interim financial information is presented in US Dollars.

Going concern

The Directors, having made appropriate enquiries, consider that adequate resources exist for the Company to continue in operational existence for the foreseeable future, and that therefore, it is appropriate to adopt the going concern basis of preparation in the interim financial information for the period ended 30 June 2021.

Critical accounting estimates

The preparation of Interim Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The key assumptions used in preparation of the Interim Financial Information are in conformity with the assumptions used in the annual financial statements unless otherwise stated.

Accounting policies

The same accounting policies, presentation and methods of computation have been followed in the Interim Financial Statements as were applied in the Company's audited annual financial statements. No new standards were adopted in the period. There are no new standards issued but not yet effective that have been early adopted or are expected to have a material impact on the Company.

2. Reverse acquisition and AIM listing

On 1 December 2020, the Company acquired the entire issued share capital not already owned of BrandShield Limited, a private company incorporated in Israel, by way of a share for share exchange.

Although the transaction resulted in BrandShield Limited becoming a wholly-owned subsidiary of the Company, the transaction constitutes a reverse acquisition in as much as the shareholders of BrandShield Limited own a substantial majority of the outstanding ordinary shares of the Company and 5 out of 6 members of the Board of Directors of the Company are BrandShield Limited shareholders and management.

In substance, the shareholders of BrandShield Limited acquired a controlling interest in the Company and the transaction has therefore been accounted for as a reverse acquisition. As the Company previously discontinued its investment activities and was engaged in acquiring BrandShield Limited and raising equity financing to provide the required funding for the operations of the acquisition and re-listing on the main market of the LSE, it did not meet the definition of a business according to the definition in IFRS 3.

Accordingly, this reverse acquisition does not constitute a business combination and was accounted for in accordance with IFRS 2 Share-based payment and IFRIC guidance, with the difference between the equity value given up by the BrandShield Limited shareholders and the share of the fair value of net assets gained by the BrandShield Limited shareholders charged to the statement of comprehensive income as the cost of acquiring an AIM quoted listing.

Following the completion of the transaction the Company changed its name to BrandShield Systems plc.

On 1 December 2020, the Company issued 65,751,476 shares for the remaining 221,224 shares of BrandShield Limited not already owned.

On 1 December 2020, the quoted share price of BrandShield Systems plc was £0.20 and therefore this valued the investment in BrandShield Limited at \$17,543,504 (£13,150,295).

Because the legal subsidiary, BrandShield Limited, was treated as the accounting acquirer and the legal Parent Company, BrandShield Systems plc, was treated as the accounting subsidiary, the fair value of the shares deemed to have been issued by BrandShield Limited was calculated at \$8,640,831 (£6,477,011) based on an assessment of the purchase consideration for an 100% holding in BrandShield Systems plc.

As the accounting acquirer, the comparative information in the Income Statement and Statement of Comprehensive income, is that of BrandShield Limited, in line with the presentation in the annual financial statements.

3. Revenue

Revenue is generated from the sale of online monitoring services. In the period ended 30 June 2021, 94.8% of sales were made overseas (The period ended 30 June 2020: 92%). The majority of overseas sales are made in the USA.

4. Administrative expenses

	Unaudited Period ended 30 June 2021	Unaudited Period ended 30 June 2020
	\$	\$
Salaries	1,439,671	624,147
Professional fees	320,476	172,482
Advertising and Marketing	447,004	210,939
Rent and utilities	138,150	15,715
Office and miscellaneous	135,108	98,119
Other expenses	336,822	335,352
	<u>2,817,231</u>	<u>1,456,754</u>

5. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Unaudited Period ended 30 June 2021	Unaudited Period ended 30 June 2020 (*)
	\$	\$
Loss attributable to equity holders of the Company	1,766,339	554,461
Weighted average number of shares	<u>116,043,727</u>	<u>234,590</u>
Earnings per share (cents)	<u>(0.015)</u>	<u>(236.35)</u>

Since the Company is loss making, the share options, warrants and convertible loans currently in issue are non-dilutive.

(*) Comparative figures relate to BrandShield Ltd., prior the RTO (see note 2).

6. Trade and other receivables

	Unaudited Period ended 30 June 2021	Audited Year ended 31 December 2020
	\$	\$
Trade receivables	856,022	410,265
Other receivables	58,091	55,646
	<u>914,113</u>	<u>465,911</u>

7. Cash and cash equivalents

	Unaudited Period ended 30 June 2021	Audited Year ended 31 December 2020
	\$	\$
Cash and cash equivalents	2,066,847	3,198,525
	<u>2,066,847</u>	<u>3,198,525</u>

8. Trade and other payables

	Unaudited Period ended 30 June 2021	Audited Year ended 31 December 2020
	\$	\$
Trade payables	172,910	410,613
Amounts due to related parties	53,528	7,817
Salaries, accruals and taxes	422,925	722,981
Royalties Payable	270,911	27,719
Deferred revenue	1,364,115	388,457
	<u>2,284,389</u>	<u>1,557,587</u>

9. Related party transactions

BrandShield Limited is connected to its predecessor Domain the Net Technologies Limited (the "Related Party"), a company registered in Israel. BrandShield Limited demerged from the Related Party in 2013 and has directors in common. Furthermore, the two parties share a number of

operational costs, including sharing rental costs. There is a formal agreement between the company and its related party (signed 17 May 2020).

BrandShield Limited is connected to its parent company BrandShield Systems plc. There is a formal service agreement between the two companies (signed July 25 2021).

BrandShield Limited is connected to its subsidiary BrandShield Inc.

10. Share based payments

The Company operates an equity-settled, share-based scheme under which the Company receives services from employees as consideration for equity instruments (options and warrants) of the Company. The fair value of the third party suppliers' services received in exchange for the grant of the options is recognised as an expense in the Income Statement or charged to equity depending on the nature of the service provided. The value of the employee services received is expensed in the Income Statement and its value is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability or sales growth targets, or remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

The fair value of the share options and warrants are determined using the Black Scholes valuation model at the date of grant.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense or charge is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the Income Statement or equity as appropriate, with a corresponding adjustment to a separate reserve in equity.

When the options are exercised, the Company issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium when the options are exercised.

11. Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

	Number of Ordinary shares	Number of Deferred shares	Share capital \$	Share premium \$	Total \$
As at 1 January 2020	234,590	-	678	5,859,765	5,860,443
Conversion of loans	43,459	-	187	3,054,050	3,054,237
Transfer of BrandShield Limited paid up capital to Reverse Acquisition Reserve 1 Dec 2020	(278,049)	-	(865)	(8,913,815)	(8,914,680)
Issued capital of BrandShield Systems Plc at acquisition 1 Dec 2020	32,385,056	32,385,056	8,155,038	7,197,504	15,352,542
Issue of shares for acquisition of subsidiary 1 Dec 2020	65,751,476	-	877,175	16,666,329	17,543,504
Issue of shares for cash 1 Dec 2020	16,000,000	-	214,054	3,868,362	4,082,416
Fair value of broker warrants	-	-	-	(386,388)	(386,388)
Expiry of warrants	-	-	-	7,487	7,487
As at 31 December 2020	114,136,532	32,385,056	9,246,267	27,353,294	36,599,561
Issue of shares for warrants	3,814,389	-	52,968	334,642	387,610
Exchange differences on translation	-	-	862,422	1,249,945	2,112,367
As at 30 June 2021	117,950,921	32,385,056	10,161,657	28,937,881	39,099,538

The issued capital of the Group for the period 1 January 2019 to 1 December 2020 is that of BrandShield Limited. Upon completion of the acquisition (December 2020) the share capital of BrandShield Limited was transferred to the Reverse acquisition reserve and the share capital of BrandShield Systems Plc was brought to account.

12. Financial assets at fair value through profit and loss

The Company reviews the fair value of its unquoted equity instruments at each Statement of Financial Position date. This requires management to make an estimate of the value of the unquoted securities in the absence of an active market.

The Company follows the guidance of IFRS 9 to determine when an investment at fair value through profit or loss is impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of the short-term business outlook for the investee, including factors such as industry and sector performance and operational and financing

cash flow. Management also consider external indicators such as technological advances and trends, commodity prices, investment performance and demand for the underlying commodity. Financial assets held at fair value through profit or loss are assessed individually.

	Unaudited Period ended 30 June 2021	Audited Year ended 31 December 2020
	\$	\$
Opening balance	4,153,602	7,396,259
Transfer to investment in subsidiary	-	(3,489,633)
Fair Value adjustments	-	(100,814)
Transfer to Assets Classified as Held for Sale	-	(341,279)
Foreign exchange	62,924	689,069
Closing balance	<u>4,216,526</u>	<u>4,153,602</u>

Financial assets include the following:

Unlisted securities	Unaudited Period ended 30 June 2021	Audited Year ended 31 December 2020
	\$	\$
UK	4,216,526	4,153,602
Africa	-	-
Israel	-	-
	<u>4,216,526</u>	<u>4,153,602</u>

At 30 June 2021, the Directors' view of fair value of the Company's investment in WeShop Ltd is \$4,216,526 (\$4,153,602 at 31 December 2020). This remains in line with the aggregate cost of investment. While WeShop remains pre revenue the Directors continue to believe that social commerce represents an exciting and authentic digital shopping opportunity, particularly post Covid which has driven more traffic on line and away from the high street. While the Directors are hopeful of a deliverable transaction at an attractive valuation they consider it prudent to continue to fair value the asset at cost.

13. Subsequent events

No subsequent events were identified between the reporting period and issue of the interim financial information.

14. The interim report is available on www.brandshield.com .