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RNS Final Results

2022 ANNUAL REPORT AND ACCOUNTS AND FINANCING

SUPPLY@ME CAPITAL PLC

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28 April 2023

Supply@ME Capital plc

(the "**Company**", "**Supply@ME**" or "**SYME**" and, together with its subsidiaries, the "**Group**")

2022 Annual Report and Accounts and Financing

SYME, the fintech business which provides an innovative fintech platform (the "**Platform**") for use by manufacturing and trading companies to access Inventory Monetisation© ("**IM**") solutions enabling their businesses to generate cashflow, is pleased to announce its 2022 Annual Report and Accounts providing the Group's final results for the year ended 31 December 2022 and Financing - details of which are set out in Appendices 1 and 2 to this announcement.

2022 Annual Report and Accounts highlights:

The below consolidated financial summary of the Group's income statement is presented distinguishing the continuing operations (being the Group's Inventory Monetisation segment) and the discontinued operations consisting in TradeFlow Capital Management Pte ltd and its subsidiaries (the "**TradeFlow Group**"). The consolidate financial summary of the Group's balance sheet includes the total assets and liabilities from both continuing and discontinued operations.

Consolidated financial summary:

	2022 **£m**	2021 £m
Continuing operations		
Revenue from continuing operations	**0.1**	0.3
Adjusted operating loss[1]	**(4.6)**	(4.0)
(Loss) before tax from continuing operations	**(7.7)**	(7.0)
(Loss) from discontinued operations[2]	**(2.2)**	(5.1)
Total loss for the year	**(9.9)**	(12.5)
Total assets	**8.3**	10.5
Net (liabilities)	**(2.0)**	(1.4)

[1] Adjusted operating loss is the operating (loss) from continuing operations before impairment charges.

[2] Discontinued operations relate to the operations of the TradeFlow Group and these have been presented in line with IFRS 5 ("Non-current Assets Held for Sale and Discontinued Operations"). The prior year's income statement has been represented to aid comparability in line with the standard. Revenue from discontinued operations for the year ended 31 December 2022 was £0.6m (for the year ended 31 December 2021: £0.2m).

Operational matters:

	As at 21 April 2023	As at 24 May 2022
Warehoused Goods monetisation pipeline	£374.6m	£164.8m

The pipeline KPI represents the current potential value of warehoused goods inventory to be monetised rather than pipeline revenue expected to be earned by the Group (being the Company and its subsidiaries). As such, this provides a good indicator of the level of demand for the Groups warehoused goods monetisation services. This pipeline represents the value as at most practical date possible prior to the issue of this annual report (being 24 May 2022).

Financing highlights:

- A Subscription by our strategic, long-term shareholder and partner, Venus Capital, for up to 4,500,000,000 Subscription Shares at a Subscription Price of 0.05 pence **-** a premium of 5% to the closing price per share on 27 April 2023. This is within the existing shareholder authorities and prospectus headroom.
- The issuance of up to 2,250,000,000 New Warrants to Venus Capital, each exercisable into one New Warrant Share, at a price of 0.065 pence, on the same terms as those issued in connection with the Capital Enhancement Plan.
- An agreement with Venus Capital to extend the final exercise date of outstanding Venus Capital Warrants from 31 December 2025 by 12 months to 31 December 2026.
- A commitment by the Company in due course to convene a general meeting of holders of Open Offer Warrants in order to seek a special resolution to approve the extension of the final exercise date of all outstanding 268,985,037 Open Offer Warrants from 31 December 2025 for 12 months to 31 December 2026.
- The Company has undertaken with Venus Capital that it will not before the first anniversary of the Subscription Agreement allot, issue or agree (conditionally or otherwise) to allot or issue, any new shares or other securities convertible or exchangeable into shares save pursuant to Subscription Agreement or pursuant to its existing obligations to do so in relation to exercise of outstanding warrants, earn-out obligations and staff incentive schemes.
- TAG Unsecured Working Capital Loan Agreement to provide up to £2,800,000 as flexible facility aimed at supporting the Group working capital and growth capital needs up to 31 January 2024.

Alessandro Zamboni, CEO of SYME, said: *"2022 has given us the ability to prove out the Supply@ME model. The importance of completing our first inventory monetisation cannot be overstated. It opens the gates to corporates globally, and is highly scalable.*

The time and effort invested in making this first transaction a reality was enormous - I can't thank my colleagues enough for their hard work, ingenuity and persistence in that regard. I understand that the delays have been frustrating for our shareholders, and we share these frustrations. While the achievement of visible milestones has not always been as swift as we would have liked, our progress is now evident. We have never lost sight of the need to create value and we will do everything we can to repay the trust placed in us in 2023 and beyond.

The Financing announced today, the Subscription element of which was priced at a premium of 5% to the closing price per share on 27 April 2023 from our strategic, long-term shareholder and partner, Venus Capital S.A., demonstrates the Board's commitment to its Capital Enhancement Plan strategy of steering clear of highly dilutive convertible loan facilities, and will enable us to maintain our singular focus on completing inventory monetisation transactions and building our deal pipeline in the year ahead.

In keeping with the Board's desire to keep the interests of shareholders aligned, we will in due course convene a general meeting of holders of Open Offer Warrants in order to seek a special resolution to approve the extension of the final exercise date of all outstanding 268,985,037 Open Offer Warrants from 31 December 2025 for 12 months to 31 December 2026."

Albert Ganyushin, Chairman, SYME, said: *"The first monetisation in Italy was crucial to providing potential partners with the reassurance that this is a model that works. This should now allow us to forge ahead with the White Label proposition, providing banks and other financial institutions with access to our technology and platform for them to deploy with their customer bases. Shareholders will, understandably, also want to see progress in our financial performance. While this will not be immediately visible, it will naturally follow the business developments that have taken place this year. Supply@ME has made progress in proving its concept, with a successful initial transaction, and has learned from the challenges which all start-up businesses face. The business is now actively pursuing clear opportunities for growth, with the support and backing of blue-chip global businesses."*

Legal notices:

An electronic copy of the 2022 Annual Report and Accounts will shortly be available for inspection on the Company's website at https://www.supplymecapital.com/investors/ and will be submitted to the National Storage Mechanism maintained by the Financial Conduct Authority ("**FCA**") and will be available for inspection at https://data.fca.org.uk/#/nsm/nationalstoragemechanism. A hard copy version of the 2022 Annual Report and Accounts will be dispatched to those shareholders who have elected to receive paper communications in due course.

The Supplementary Prospectus is a regulatory requirement under the Prospectus Regulation Rules of FCA, following the announcement of the publication of the 2022 Annual Report and Accounts and the Financing. The Supplementary Prospectus is supplemental to, and should be read in conjunction with, the Prospectus. An electronic copy of the Supplementary Prospectus will be made available for inspection on the Company's website at https://www.supplymecapital.com/investors/ and will be submitted to the National Storage Mechanism maintained by the FCA and will be available for inspection at https://data.fca.org.uk/#/nsm/nationalstoragemechanism.

For the purposes of UK MAR, the person responsible for arranging release of this announcement on behalf of SYME is Alessandro Zamboni, CEO.

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MHP Group, SupplyME@mhpgroup.com

Notes:

SYME and its operating subsidiaries provide its Platform for use by manufacturing and trading companies to access inventory trade solutions enabling their businesses to generate cashflow, via a non-credit approach and without incurring debt. This is achieved by their existing eligible inventory being added to the Platform and then monetised via purchase by third party Inventory Funders. The inventory to be monetised can include warehoused goods waiting to be sold to end-customers or goods that are part of a typical import/export transaction. SYME announced in August 2021 the launch of a global Inventory Monetisation programme which will be focused on both inventory in transit monetisation and warehoused goods monetisation. This programme will be focused on creditworthy companies and not those in distress or otherwise seeking to monetise illiquid inventories.

APPENDIX 1 - 2022 ANNUAL REPORT AND ACCOUNTS

Highlights

While 2021 was the year in which the various components that make up the Supply@ME Capital Plc platform and model came together, 2022 was when we proved the concept worked. We facilitated the first inventory monetisation transaction and forged a partnership that provides the funding to complete several more. We overcame the hurdle that has held the business back, namely, reluctance to finalise transactions with a platform that did not have a clear track record. This applied to both corporates and funders.

There is now momentum, we have a clear pipeline of inventory to monetise in our core markets. Funder discussions have become more focused and interest from potential client companies has increased significantly.

Our platform has been enhanced and we have continued to add additional expertise to our team. Our business is now being tested and refined through the experiences of third parties, both corporates and funders, and while our processes will continue to be enhanced, this is no longer the primary focus. We are now building on the lessons learned, to realise the opportunities presented following the proof of concept, and grow the business. Progress will not always be as fast as we would like, but it will now be more discernible to external stakeholders. The investments we have made in our technology and capabilities are beginning to generate clear returns. While these have not yet been reflected in our financial results, the rapid expansion of our pipeline is indicative of the heightened interest in the services we offer.

Chairman's Statement

Dear Shareholders,

I am proud to share my first statement as the Chair of Supply@ME. I will start, as is tradition, by talking about why I joined.

The vision Alessandro and his team have for Supply@ME is compelling. When I started to get under the skin of the issue which Supply@ME is committed to solving it seems so simple yet, at least until this year, it has not been achieved anywhere with any satisfaction. The problem is common across every business that retains physical goods - historically, inventory has been an unattractive asset to fund for financial institutions. It has been perceived as high risk and liable to fraud due to an inability to effectively monitor stock levels.

Traditional inventory financing options, which heavily discount the value of inventory, are offered with multiple covenants, or are linked to a receivables facility. This impacts businesses' ability to generate cash flow until goods are sold. Supply@ME sought to combine three elements to solve this long-standing problem for businesses and enable them to unlock capital trapped in unsold inventory:

- Use of advanced monitoring technology on a unit basis gives financial institutions and other funders greater risk transparency and as a result they can provide funding at a more competitive level;

- Unique accounting, legal and technology framework enables clients to sell eligible inventory as a true legal sale transaction without incurring debt; and

- Unparalleled understanding of this market issue and a drive to solve this common, but complex, problem efficiently, with use of modern dedicated technology resulting in an effective funding solution.

With a potential addressable market worth trillions, the potential for Supply@ME was clear, the business just needed to prove it.

The second, equally compelling reason, was the people which the business has attracted. The calibre is impressive. I felt that if anyone could provide a solution to a decades old problem, it was the team Supply@ME has assembled. They have built an experienced panel of Directors and advisors in the appropriate areas of expertise, who each have an acute focus on governance matters. Since I have joined this process has continued.

The Board has been strengthened with the appointment of Alexandra Galligan and we will continue to expand our headcount to reflect the broadening needs of the business and as more and more revenue streams come online.

John Collis and Tom James will be missed as Board members. Yet a restructuring of our relationship with TradeFlow and clear demarcation between the fund and fintech business was essential and will enable both businesses to realise their full potential.

I was fortunate to join in time to be a part of the key moments for the business which have seen Supply@ME transition to a new stage where it is positioned for scaling. A key indication of this development was the signing of our loan facility with Banco BPM. Enhancing our capital position was a crucial stepping stone in lowering the cost of capital for the Group. As part of the broader plan to re-capitalise the Company to lower the cost of capital and minimise dilution to the shareholders, we have also completed equity financing with Venus and repaid and closed the Mercator facility during 2022.

Also announced on 28 April 2023, the Company has agreed new equity subscription agreement with gross proceeds of up to £2.2m and has entered into a unsecured working capital loan agreement with the AvantGarde Group S.p.A ("TAG") of up to £2.8m. Both these facilities are essential to support the working capital and growth needs of the Group over the coming months. The unsecured working capital loan agreement with TAG represents a material related party transaction for the purposes of the Disclosure and Transparency Rules and as such the independent Directors consider this transaction to be fair and reasonable from the perspective of the Company and its Shareholders who are not a related party.

2022 has been a year punctuated by milestones for Supply@ME, which highlight the progress being made. The first monetisation in Italy was crucial to providing potential partners with the reassurance that this is a model that works. This should now allow us to forge ahead with the white-label proposition, shareholders will, understandably, also want to see progress in our financial performance. While this will not be immediately visible, it will naturally follow the business developments that have taken place this year. Supply@ME has made progress in proving its concept, with a successful initial transaction, and has learned from the challenges which all start-up businesses face. The business is

now aggressively pursuing clear opportunities for growth, with the support and backing of blue-chip global businesses.

Expansion in our core markets of Italy and the UK will continue and we are now targeting the facilitation of monetisations in our next tier of growth geographies. Success in 2023 will be the strengthening of our core markets and the addition of new territories. We will also judge ourselves on the uptake of our white-label proposition and the completion of agreements for its use.

I joined Supply@ME because it is an exciting, unique, fintech start-up, led by an experienced and ambitious leadership team, that opens up inventory as a new asset class and solves a problem for businesses that would otherwise hinder their growth. In the coming months, I believe we can begin to shed our start-up tag. It is an exciting time for Supply@ME and I am looking forward to the challenges and opportunities to come as we scale.

Albert Ganyushin, Chairman, Supply@ME

CEO Statement

Dear Shareholders,

As the world learned to live with Covid-19, businesses will have begun 2022 hoping that the worst was behind them. Sadly, for many, this has not been the case.

Inflation and energy prices have meant that costs have continued to rise. As 'just in time' has given way to the more cautious 'just in case' stocking approach, hedging against now common disruptions in supply chains, holding more inventory means more costs. The value of what Supply@ME offers has become even more pronounced. Any business which holds non-perishable stock, from heavy manufacturing and chemicals to high fashion and luxury goods, can improve their cash flow and unlock much needed working capital.

In last year's report, I talked about the lessons we had learned. Many of these involved adjusting to the significantly altered supply chain landscape and focusing on how we could best support businesses. I am immensely proud that, this year, our development reached a new stage, putting what we learned into practice.

2022 has given us the ability to prove the Supply@ME model. The importance of completing our first inventory monetisation cannot be overstated. It opens the gates to corporates globally. The time and effort invested in making this first transaction a reality was enormous. I understand that the delays have been frustrating for our shareholders, and we share these frustrations. Supply@ME's model is highly innovative; it provides a much-needed solution to a longstanding problem which has impeded the growth of many businesses. However, encouraging uptake of any innovation takes time.

While 2021 was a formative year for our business, much of this year was spent educating our potential partners and markets, significantly improving the understanding and confidence in the service we offer. Our business and proposition has grown every day. This progress is incremental and cannot always be quantified or communicated in a manner that would be perceptible to external stakeholders, yet, when we take a step back, the milestones achieved provide clear evidence of how far the business has come and its potential in the months and years ahead.

The first and most obvious achievement was the inaugural inventory monetisation using our Platform. We have refined every aspect of our business processes to streamline onboarding and monitoring. The monetisation of €1.6 million of inventory with funding from the VeChain Foundation enabled us to put the Platform and our systems to the test. The fact that this monetisation occurred with funds from an NFT issuance is a testament to the agility and scalability of our model.

As we observed in early 2023, it also opened a new source of funding, cryptocurrencies, alongside more traditional markets. Supply@ME was founded to help businesses grow by providing access to its Platform in order to facilitate funding to the monetisation of their inventory. We are now doing this in Italy and over time will add more and more countries and clients.

The problem Supply@ME solves is common across every business that retains physical goods and, in time, we want to provide the means for businesses globally to improve their working capital positions by facilitating access to funding based exclusively on the value of their inventory. To achieve that goal, we needed to prove that the model worked. VeChain and our initial client enabled us to do that.
Securing the wider partnership with the VeChain Foundation was, arguably, as pivotal as our first inventory monetisation transaction. This, combined with the work underway to agree the first commitment by a consortium of European Investors to fund a dedicated new transaction, completes our initial phase of development. We have proven the offer to client companies and secured the backing of funders both traditional and non. This endorsement of our business model has been crucial in developing further conversations with potential funders. For Supply@ME to realise its ambitions, we needed the ability to scale through a committed pool of funders with appetites aligned to our growing pipeline of potential client companies.

The impact this progress has had on discussions with potential corporate clients has been immense. They have changed the tone of conversations with potential partners and businesses can now see how the platform performs. Supply@ME offers a significantly more cost-effective option for businesses than traditional financing, without businesses incurring debt. For corporates, it is not overstating to say that it had appeared too good to be true. There was, understandably, scepticism until they saw the process in action. Those doubts have now been removed. Supply@ME now has a clear trajectory aimed at working with stable of funders with an appetite to monetise the inventory of businesses in the UK and Italy, with new geographies expected to be added in the future. Our pipeline of corporates is more robust than ever and with clear proof of concept in our initial target markets, we are now primed to realise our business' potential.

The first monetisation was made possible through the Global Inventory Fund created with TradeFlow. Since joining the Supply@ME Group, Tom James and John Collis have been instrumental in the Group's development and I am grateful for their support. Changes in the fund management industry and feedback from potential funders highlighted the need to restructure the relationship between the Supply@ME platform and TradeFlow. This will benefit both businesses and enable us and TradeFlow to realise our full potential.

Anyone who has followed Supply@ME will know that management's faith in our model has never wavered. While the achievement of visible milestones has not always been as swift as we would have liked, our progress is now clear. I am truly grateful for the dedication of the Supply@ME team, the support of our growing list of partners and of our shareholders. We have never lost sight of the need to create value and we will do everything we can to repay the trust placed in us in 2023 and beyond.

Alessandro Zamboni, CEO

Investment Case

Supply@ME has worked tirelessly to create a solution that can capitalise on a growing market opportunity. The business is now better placed than ever to do so, with a concept that is proven following the execution of the first inventory monetisation transaction. We are committed to delivering shareholder value and ensuring the shareholders benefit as the business scales.

Reasons to invest

1. **Novel and innovative solution**

We have created a novel solution for creditworthy companies to optimise inventory management and improve cash flow.

Our platform enables on-boarding of eligible clients who then use the platform to facilitate a legal true-sale transaction of eligible inventories with the ability to request to repurchase as required, in order to release value from their inventory and satisfy their working capital needs.

A data and analytics driven technology solution embedded in the platform enables selection, monitoring and management of eligible inventories on a unit basis and provides the digital knowledge base for successful funding transactions facilitated by the platform.

2. **Clear gap in the market**

Inventory financing is a very large market opportunity worth trillions but it is also a naturally difficult one for traditional banks to address due to information asymmetry issues and complexity.

This makes it an attractive market for a disruptive fintech company aiming to use technology to solve the problem of inventory funding and we are one of the first movers in a market where the current funding solutions are not fit for purpose.

The small number of alternative, non-bank, funding solutions focus predominantly on larger ticket investment grade companies and do not rely on a technology platform, which impedes their ability to access smaller transactions and scale.

3. **Scale of opportunity and ability to grow**

At Supply@ME we have created a highly scalable, global business. We've built a team of subject matter experts and our inventory analytics specialists able to manage complex due diligence processes, using proprietary techniques.

We have an exciting pipeline of monetisation opportunities, which demonstrates the strong level of demand for the Group's warehoused goods monetisation services.

4. **Solid foundations built**

We have spent the time over the last five years investing in the platform and solution, building solid foundations from which to grow.

This initial hard work and heavy lifting has now been completed, positioning Supply@ME for future growth.

5. **Concept proven and multi market ready**

With the completion of the inaugural Inventory Monetisation transaction in September 2022, we now have a fully proven concept and clear demonstration that the model is working.

With a transaction now completed in Italy, we are ready to expand, with our White-Label proposition providing banks and other financial institutions with access to our technology and platform.

Business Model Canvas: Our Value Proposition

Inventory Funders

Supply@ME creates a market

For existing and potential funders, we are opening up a new asset class and offering access to an untapped alternative to receivables, with strong returns. Corporates across the globe are taking a multilayered approach to improving their supply chain resilience. These steps have included increasing inventory levels, with the incumbent cost of storing this inventory also increasing. The impact on cash flow and the demand for funding to alleviate this has never been greater. There is now an abundance of highly profitable, long-established manufacturing and trading businesses which present an opportunity for investors, particularly those comfortable with receivables, to generate strong returns by underwriting their inventories via the Supply@ME platform.

It offers diversification

Supply@ME offers investors further diversification through an asset class which has limited correlation with other types of securities. Real assets have historically exhibited a lower correlation to a wide variety of investment alternatives, with returns varying depending on the type of real asset. The performance drivers for real assets are fundamentally different from other types of securities. By expanding into asset classes with lower correlations, such as the warehoused goods in funded business' inventories, investors may benefit from greater diversification. Real assets have also exhibited a greater ability to hedge inflation than the broader equity and fixed income markets. Finally, real assets typically offer stronger returns during periods when inflation is rising.

And overcomes the fraud risk which has prevented the growth of this asset class to date

Supply@ME's proprietary technology enables real time monitoring of stock levels and whereabouts, mitigating the fraud risk which has prevented the development of this asset class. Traditional financial institutions are not specialists in inventory. Historically, the risk of fraud due to infrequent and imprecise monitoring combined with the unattractive prospect of disposing of unsold inventory has reduced engagement with this asset, with lenders offering restrictive terms and unattractive rates. However, the need for a commercial facility for inventory is clear. Supply@ME has developed systems and technology which remove the barriers to entry and provide certainty and security for funders.

Client Companies

Supply@ME solves a problem for client companies and facilitates growth

The problem which Supply@ME solves is common across every business that retains physical goods - historically, inventory has been an unattractive asset to fund for financial institutions. It has been perceived as high risk and liable to fraud due to the reasons stated above. Supply@ME is providing a means for businesses globally to improve their capital positions by providing access to funding based exclusively on the value of their inventory. In turn, businesses can deploy these funds to facilitate growth.

Flexible

Any business which retains physical goods can avail and benefit. Supply@ME can fund a portion of a business' inventory or the entirety. The process can be completed and funds released within 40 days and a typical contract lasts for three years across three annual sales cycles. It is intended to offer funders certainty through seamless integration with a business' existing stock monitoring systems, without creating friction or delaying processes for the businesses which hold the stock. Furthermore, Supply@ME's sophisticated monitoring tools mean it does not need to take physical ownership of any stock; stock remains in the warehouse of the funded business.

Cost-effective

Supply@ME offers a significantly more cost-effective option for businesses than traditional financing, without businesses incurring debt.

Traditional inventory financing options heavily discount the value of the inventory, are offered with multiple covenants, or are only available on receivables. This has impacted businesses' ability to generate cash flow until goods are sold. The Supply@ME solution can offer 80-90% of the value of the stock with fewer conditions. As a legal true sale of the inventory, Supply@ME's solution also means that businesses do not incur debt, further improving their capital positions.

Straightforward

We have invested heavily in our inventory monitoring technology to ensure that it plugs seamlessly into existing systems and enhances monitoring.

Traditional financial institutions are not specialists in inventory. Historically, the risk of fraud due to infrequent and imprecise monitoring combined with the unattractive prospect of disposing of unsold inventory has reduced engagement with this asset, with lenders offering restrictive terms and unattractive rates. However, the need for a commercial facility for inventory is clear. Supply@ME has developed systems and technology which remove the barriers to entry and provide certainty and security for funders.

For shareholders

Supply@ME has proven its concept, with a successful initial transaction, and has learned from the challenges which all start-up businesses face. The business is now aggressively pursuing clear opportunities for growth, with the support and backing of global businesses.

The completion of the inaugural inventory monetisation transaction was a watershed moment, providing irrefutable proof of concept and removing the barrier which had prevented many corporates from engaging. This prompted a significant increase in interest, with many corporates renewing engagement, particularly in the UK and Italy. The business is now on a clear growth trajectory.

Supply@ME has first mover advantage, few competitors in its target geographies, and has spent several years familiarising corporates in multiple sectors with how the Supply@ME platform works. This has enabled the business to build a pipeline of client companies in multiple countries.

We have also attracted a highly experienced panel of directors and advisors in the appropriate areas of expertise, who each have an acute focus on governance matters.

As the business has grown and adapted, it has attracted an increasingly high calibre of people - including Albert Ganyushin (former Euronext and NYSE), Alexandra Galligan, Amy Benning, Nicola Bonini, Mark Kavanagh, Stuart Nelson and Alice Buxton - recognised experts in their respective

fields. Their experience has contributed to our significant progress, providing market knowledge and know how to the business.

Country Breakdown

Core Markets

Italy
As the awareness of our Inventory Monetisation Platform, and its associated offer grows, following the inaugural Italian transaction, there is increasing interest from larger corporates, with greater levels of monetisable inventory. Discussions have also been reignited from businesses, which had first been introduced to Supply@ME before the pandemic and with the success of our first Inventory Monetisation (IM), have got back in contact. Our pipeline of Italian corporates is growing and we are developing the options to facilitate further IMs with VeChain and also with traditional Inventory Funders.
The publication of the Pegno non Possessorio (the "PNP Regulation") in the Official Journal of the Italian Republic in January is providing increased opportunities for our self-funding and white-label business model.
We also expect the PNP Regulation will create further opportunity for traditional Inventory Funders to invest in IM transactions considering the proposed improvements to the legal enforceability of guarantees over the inventory, through the arrangement of self-funding and/or white-label agreements, which leverage the Platform.

Client companies originated in Italy of GBP equivalent £162.5 mil as at 21 April 2023 (43% of the current pipeline)

United Kingdom
Origination in the UK has continued to grow with client companies ready for on-boarding and progressing through the due diligence process. Client companies have been sourced through Supply@ME's strong relationships held with a global eco-system of introducers which have also enabled the growth in a wider European portfolio of client companies; including opportunities in France and Germany. There are several larger ticket opportunities to monetise inventory subject to the appropriate structure and funding being in place. As the Company continues to onboard the existing pipeline and build its track record, this will unlock further related client company opportunities.

Client companies originated through the UK of GBP equivalent £212.1 mil as at 21 April 2023 (57% of the current pipeline)

Future Markets

Middle East and North Africa (MENA)
The focus of our pipeline, at the moment, is on European markets. However, we continue to view the MENA region, particularly the UAE as a key growth market in the longer term. Following last year's successful transaction between TradeFlow and Cargoes Finance by DP World, we are in discussion towards a first transaction in relation to the core Supply@ME offering. Additionally, we remain in contact with a bank operating in Saudi Arabia regarding a white-label tender, though that has been delayed for operational reasons due to the bank's business priorities.
Finally, with the objective of prioritising the traditional funding routes and optimising its capability plan, the Company temporarily placed the Shariah project on hold, waiting for the optimal time to go to market.

United States
The Company intends to conclude the project started with a Big 4 consultancy firm aimed at conducting a dedicated assessment regarding the application of the IM framework under the US GAAP. We continue to work with Anthony Brown, consulting company Epicirean Brands and The Trade Advisory, to engage with potential Inventory Funders and white-label partners on how best to structure the first IM transaction in US.

Revenue Streams
During 2022 we have continued to enhance our business model, with continued differentiation of the pure fintech business (our Platform being our people and our software) from the inventory funding structure. The Platform has, an intrinsic value and can be used by other operators (such as banks or other debt funders) to improve inventory backed or based facilities. We consider it to be an enabler of

each transaction. We continue to focus on growing the following active, and future, revenue streams from the Groups continuing operations:

C.IM

"Captive" inventory monetisation platform servicing ("C.IM"): this is revenue generated through the use of the Platform to facilitate inventory monetisation transactions performed by the Global Inventory Funding route and its Inventory Funders. This revenue is generated by the Group's Supply@ME operating subsidiaries. Revenue will be earned in relation to the following activities:

> origination and due diligence (pre-inventory monetisation); and

> monitoring, controlling and reporting (post-inventory monetisation). During the year ended 31 December 2022, the Group recognised £0.1m of C.IM revenue relating to due diligence fees, origination fees, IM Platform usage fees and IM service fees. When fully delivered, this stream is expected to generate revenues of approximately 1-3% of the gross value of the inventories monetised (purchase price plus VAT).

WL.IM

"White-label" inventory monetisation platform servicing ("WL.IM"): this is the revenue to be generated through the use of the Platform by third parties who choose to employ the self-funding model. When delivered, this stream is expected to generate recurring software-as-a-service revenues of approximately 0.5-1.5% of the value of each Inventory Monetisation transaction (the amount of funding provided). No WL.IM revenue was recognised by the Group during the year ended 31 December 2022.

Over the last two years of test marketing and exploration it has become clear there is a need for any regulated asset management structure involved in transactions to be separate from the core Supply@Me business. This segregation unlocks the opportunity to work with a broader range of asset managers. It also leads to the conclusion that once the TradeFlow buy back is complete the Investment Advisory ("IA") revenue stream will be discontinued.

Supply@ME's focus remains on maintaining, growing and converting a pipeline of corporates with monetisable stock, whilst attracting new Inventory Funders, starting with smaller transactions, to build a track record, and then moving to monetisations of larger values of inventory.

With the inaugural IM completed and others in process of being arranged, the foundations of positive track record are being laid by Supply@ME with the expectation that it would become progressively easier to attract new Inventory Funders to IM transactions. The appetite of Inventory Funders has also driven the Supply@ME origination team to assess potential IM amounts over GBP/EUR/USD 10m and, subject to the appropriate structure and funding being in place, there are a number of larger ticket opportunities at various stages of discussion and included in the pipeline.

The market need for inventory solutions with a proven technology platform and infrastructure from day one is continuing to drive forward opportunities for Supply@ME's client company origination and for self-funding opportunities with global and local banks. As client companies are onboarded to the Platform this allows for the generation of due diligence fees and, once the client companies have signed binding IM agreements, origination fees.

Supply@ME has continued to work diligently to build quality portfolios of client companies to attract additional Inventory Funders. Leveraging the first IM transaction made in 2022, Supply@ME, as the provider of the Platform and inventory servicer, is now working on the following funding routes:

Inventory Funders via the Global Inventory Fund ("GIF")

In addition to the existing Cayman-based structure serviced by APEX Group, advised by TradeFlow, SYME is evaluating the option of sponsoring the creation of an independent inventory trading business (consisting of a group of operating stock companies across the targeted jurisdictions) and, in the future, a European structure together with a market-leading fund service provider and to build, progressively, a multi-asset management model where the Group can also cooperate with further European and UK authorised asset managers.

Special situations / deals

Supply@ME also recognises the importance of allowing initial traditional Inventory Funders to build up a bespoke funding structure on top of the stock companies (trading companies which deliver the IM transactions by using the Platform). This route can be built through dedicated securitisation issuances or similar direct investing structures, which are still being considered.

Direct partnerships with banks

Global and local banks have expressed an interest in using the Platform to directly serve their clients. Supply@ME has developed two alternative approaches for such banks, including the "self-funding" model (where a bank will be able to use the Platform, including the legal and accounting framework provided by Supply@ME, to fund companies that are already clients of such bank) or the "white-label" model (where a bank will only use the technology components of the Platform to fund directly such bank's existing clients).

Token route

As per the RNS of 21 December 2022, the Company aims to involve multiple liquidity providers to deploy new IM transactions (including crypto asset managers and direct investors through liquidity pools partnerships) in line with the goals of Phase Two of the Strategic Agreement with VeChain Foundation ("VeChain"). In this regard, Supply@ME is compiling, from its global pipeline, a portfolio of potential client companies with up to approximately US$50m of inventory to be monetised across such portfolio. This reflects the residual commitment of US$8.5m budgeted by VeChain and, the objective to raise additional capital from the VeChain community and other crypto/digital assets investors.

Financial review

	2022	2021	Movement
	£ m	£ m	£m
Continuing operations			
Revenue from continuing operations	0.1	0.3	(0.2)
Operating loss from continuing operations before impairment charges	**(4.6)**	**(4.0)**	**(0.6)**
Impairment charges	(1.1)	(1.8)	0.7
Operating (loss) from continuing operations	**(5.7)**	**(5.8)**	**0.1**
Finance costs	(2.0)	(1.2)	(0.8)
(Loss) before tax from continuing operations	**(7.7)**	**(7.0)**	**(0.7)**
Income tax	-	(0.4)	0.4
(Loss) after tax from continuing operations	**(7.7)**	**(7.4)**	**(0.3)**
Loss from discontined operations	(2.2)	(5.1)	**2.9**
Total loss for the year	**(9.9)**	**(12.5)**	**2.6**

			Movement
	Pence	Pence	Pence
Total earning/(loss) per share (EPS)	(0.023)	(0.37)	0.014

The Group's consolidated financial statements for the year ended 31 December 2022 ("FY22") have been prepared in line with International Financial Reporting Standards ("IFRS"). Given the activities that commenced in the second half of 2022 with respect to the proposed restructuring the Company's ownership with TradeFlow (the "TradeFlow Restructuring"), and the fact that as at 31 December 2022 agreement in principle had been reached with respect to the specific proposal in place at this time, the TradeFlow operations have been classified as discontinued operations and assets held for resale in line with the requirements of IFRS 5 ("Non-current Assets Held for Sale and Discontinued Operations"). The prior year income statement has been represented to aid comparability in line with the standard.

Subsequent to the agreement in principle referred to above, on 24 March 2023, the Company announced the TradeFlow directors, being Tom James and John Collis, provided written notice of their intention to exercise their rights to buy back 100% of the share capital of TradeFlow (the "Buy Back"), pursuant to certain earn-out arrangements entered into in connection with the Company's acquisition of TradeFlow, the completion of which was announced on 6 July 2021. As a result of the exercise of the Buy Back, the details of the TradeFlow Restructure now need to be renegotiated, and a new independent valuation of the TradeFlow operations needs to be completed. As at the date of these consolidated financial statements, these activities had not been completed and were still ongoing.

Revenue from continuing operations

	2022 £000	2021 £000	Movement £000
Revenue			
Due Diligence fees	102	279	(177)
Inventory Monetisation fees	36	-	36
Total revenue from continuing operations	**138**	**279**	**(141)**

The table above provides a break down of the Group's revenue from inventory monetisation activities during the current financial year. Revenue is recognised in accordance with IFRS 15 ("Revenue from Contracts with Customers") and more details on the Group's revenue recognition policies can be found in the note 2 to the consolidated financial statements.

During FY22, the Group recognised £0.1m (for the year ended 31 December 2021 ("FY21"):: £0.3m) of Inventory Monetisation revenue, of which the majority related to due diligence fees. In line with IFRS 15 ("Revenue from Contracts with Customers") the Group recognised these revenues when the due diligence

services have been delivered and the Group's performance obligation has been satisfied. During the current financial year, the Group has continued to carry out, and charge for due diligence activities, and the £0.1m recognised reflects the value of those due diligence activities completed during FY22.

The reduction in the due diligence fees recognised during FY22 is primarily the result of the majority of the Group's efforts in the first half of the year, being focused on the finalisation of the strategic alliance with VeChain, alongside the efforts required to identify the most suitable client company to participate in the inaugural IM transaction and to flex the established processes and procedures to meet the requirements of the VeChain Agreement. This resulted in no due diligence revenue being recognised in the first half of 2022.

As a result of the completion of the of the inaugural IM transaction which was facilitated using the Group's IM Platform, new revenues were recognised for the first time in respect of origination fees, IM Platform usage fees and IM service fees. These fees related to the following activities:

1) ***Origination fees*** **-** the origination of the contracts between the client company wishing to have their inventory monetised and the independent stock (trading) company that purchased the inventory from the client company. In line with IFRS 15 ("Revenue from Contracts with Customers") the Group recognised these revenues at the point in time they are due to be received from the client;
2) ***IM Platform usage fees*** **-** usage of the Group's IM Platform, under a Software as a Service ("SaaS") contract, by the independent stock (trading) company to facilitate the purchase of the inventory from the client company. In line with IFRS 15 ("Revenue from Contracts with Customers") the Group recognised these revenues over the time period they related to.
3) ***IM service fees*** **-** the support and administration activities, such as the monitoring of the inventory purchased, that the Group performs in connection with the use of the Group's IM Platform. In line with IFRS 15 ("Revenue from Contracts with Customers") the Group recognised these revenues over the time period they related to.

While the new IM revenue items were not significant in terms of value during FY22, the ability of the Group to successfully facilitate the first IM transaction was a significant business milestone.

Operating loss from continuing operations before impairment charges

During the year ended 31 December 2022 the Group continued to focus on refining and developing the business model, with significant amount of time and effort having been spent on the achieved milestones of securing a strategic alliance agreement with VeChain and finalising the contractual commitment package to deploy the inaugural IM transaction. Given the Group's innovative IM Platform and business model, the execution of both these commitments required discussions and negotiations that ran longer than the Company had originally expected.

The Group recorded an operating loss from continuing operations before impairment charges for FY22 of £4.6m (FY21: £4.0m loss). This increase is largely due to:

- An increase in staff and contractor costs of £0.9m in FY22 as the Group built out its leadership, business operations and finance teams. The majority of the build out took place during the second half of FY21 or early in FY22, with the full year impact of the costs being seen for the first time in FY22. Additionally, the Group focused on developing its ICT architecture during 2022 with the support of specific contractors. The investment in staff and contractor costs is expected to give the Group a strong foundation as it enters the next stage of development and growth.
- An increase in professional and legal fees of £0.4m in FY22 as the Group undertook the Capital Enhancement Plan which required the preparation and publication certain regulatory documents associated with the open offer and share issues. Additionally, certain professional and legal fees were incurred during the second half of 2022 in respect of the TradeFlow Restructuring.
- These increases were offset by a decrease in the amortisation of the internally developed IM Platform of £0.3m following this being fully impaired as at 31 December 2021.

Impairment charges from continuing operations

	2022 £000	2021 £000
Impairment charges from continuing operations	1.1	1.8
	1.1	**1.8**

The impairment charges of £1.1m recognised during FY22 from continuing operations relate to the impairment of the Group's internally developed IM platform at 31 December 2022 following an impairment test in line with IAS 36 ("Impairment of Assets"). This followed the conclusion that indicators of impairment were present, which included the prior and current year losses being generated by the assets held by the Group's Italian operating subsidiaries. In line with the going concern statement, set out in note 2 to the consolidated financial statements, there is currently a material uncertainty with respect to both the future timing and growth rates of the forecast cash flows arising from the use of the internally developed IM Platform intangible asset. As such, the Directors have prudently decided to continue to impair the full carrying amount of this asset of £1.1m as at 31 December 2022.

Discontinued Operations

The revenue and operating loss of the TradeFlow operations for the year ended 31 December 2022 are shown in the table below. It should be noted that as TradeFlow was acquired by the Group in July 2021, the prior year figures include the six months of results that were consolidated by the Group, whereas the current year figures include a full year of results.

	2022 £000	2021 £000
Revenue from discontinued operations	629	259
Operating (loss) from discontinued operations before acquisition relation costs and impairment charges	**(1,054)**	**(438)**
Transaction costs	-	(2,009)
Amortisation of intangible assets arising on acquisition	(846)	(391)
Acquisition related earn-out payments	710	(1,410)
Impairment charges	(765)	(800)
Operating (loss) from discontinued operations	**(1,955)**	**(5,048)**

TradeFlow's investment advisory revenue arises from investment advisory services provided in TradeFlow's capacity as investment advisor to its well-established USD fund and its growing EUR fund. In line with IFRS 15 ("Revenue from Contracts with Customers") these revenues are recognised when the investment advisory services have been delivered and the Group's performance obligation has been satisfied.

The acquisition related costs in FY22 arose in connection with the TradeFlow acquisition that was completed in July 2021. Further details are set out below:

- Amortisation of intangible assets arising on acquisition of £0.8m. These costs related to the intangible assets recognised by the Group in connection with the TradeFlow acquisition, which had an initial fair value of £6.9m. The £0.8m represents the amortisation charge arising on these assets for the year ended 31 December 2022; and

- Acquisition related earn-out costs of (£0.7m). Elements of the consideration payable for the TradeFlow acquisition require post-acquisition service obligations to be performed by the earn-out shareholders over a three-year period. While these legally form part of the consideration costs under IFRS 3 ("Business Combinations"), they must be accounting for as deemed remuneration through the statement of comprehensive income. The credit of £0.7m recognised in the income statement for the year ended 31 December 2022 represents the reversal of amounts previously recognised in the income statement in relation to the FY22 and FY23 earn-out payments, slightly offset by the additional amount in respect of FY21 earn-out payments recognised in the current financial year. The reversal reflects the fact that the earn-out milestone targets were not met in FY22 and managements expectation that these targets will be met in 2023 is now remote.

The discontinued operations impairment charge relates to the goodwill recognised on the TradeFlow acquisition. As at 30 June 2022, management carried out an impairment test in line with IAS 36 ("Impairment of Assets") on the TradeFlow Cash Generated Unit ("**CGU**"). This followed the conclusion that indicators of impairment were present, including under performance against forecast for the first half of 2022. The result of this impairment test was that the recoverable amount of the TradeFlow CGU was determined to be lower than the net invested capital value held on the balance sheet at 30 June 2022 by £0.8m and as such an impairment charge has been recognised for this amount.

An additional impairment assessment was carried out as at 31 December 2022, however due to the classification as discontinued operation, this assessment was carried out in accordance with IFRS 5 ("Non-current Assets Held for Sale and Discontinued Operations"). This required management to consider the fair value of the TradeFlow operations, being what would be the agreed price between two market participants. As the details of the Buy Back are still being considered and finalised as at the date of these financial statements, management considered the specifics set out in the TradeFlow Restructuring share purchase agreement that had been agreed in principle as at 31 December 2022. Taking this into consideration, no additional impairment charges were recognised as at 31 December 2022.

Group Funding Facilities utilised during the year

Capital Enhancement Plan

During FY22, the Company entered into a subscription agreement with Venus Capital S.A. ("Venus Capital"), which raised £6.7m through the issue of new equity capital. This new equity capital enabled the Company to settle the outstanding loan notes and convertible loan notes with Mercator Capital Management Fund LP ("Mercator") in cash rather than by the further conversion of the convertible loan notes into new ordinary shares. During the year ended 31 December 2022, the Company issued a total of 14,350,000,000 new ordinary shares to Venus in line with the mandatory and optional equity tranches outlined in the subscription agreement.

In connection with the Capital Enhancement Plan, the Company also executed a convertible loan note agreement with Venus Capital, under which the Company, issued to Venus Capital convertible loan notes worth £1.9m during FY22. These convertible loan notes were split as £0.4m to cover the fees associated with the Venus Capital subscription and convertible loan note agreements, and £1.5m covering a working capital funding facility which was received in cash during the second half of FY22. As at 31 December 2022, the full £1.9m of this convertible loan note liability had been extinguished through the issue of 3,897,484,385 new ordinary shares. The conversion to new ordinary shares was at a fixed price of 0.05pence. The interest expense recognised in respect of these convertible loan notes in FY22 was £0.1m.

The subscription agreement with Venus Capital also required the Company to issue warrants in connection with the equity share issues made under the Venus Capital subscription agreements. During the year ended 31 December 2022 a total of 8,175,000,000 share warrants were issued by the Company to Venus Capital. These share warrants had a total fair value of £4.8m. As at 31 December 2022, all of these share warrants remain outstanding.

The Capital Enhancement Plan also included the Open Offer made by the Company to its existing retail shareholders during the second half of 2022. The Open Offer provided the ability for existing retail shareholder to purchase additional new ordinary shares on the same conditions agreed with Venus Capital. The Open Offer resulted in the issue of 641,710,082 new ordinary shares and raised £0.3m for the Company. The Open Offer also required the issue of warrants to the retail shareholders and during the year ended 31 December 2022 a total of 320,855,008 share warrants were issued by the Company to retail shareholders. These share warrants had a total fair value of £0.3m. As at 31 December 2022, a total of 271,347,008 share warrants remained outstanding.

The total share issues costs incurred in connection with the Capital Enhancement Plan during FY22 was £5.6m including £5.1m relating to the fair value of the warrants issued, £0.4m relating the fees charged by Venus Capital and £0.1m of other share issue costs. This has been accounted for as a £4.0m reduction to share premium and a £1.6m reduction to retaining losses during FY22. The reduction to share premium amount has been limited to the increase to share premium recorded during the same period in respect of the various equity issues making up the Capital Enhancement Plan.

Mercator funding facilities

Prior to the cash repayment of outstanding loan note and convertible loan balance with Mercator Capital Management LP ("Mercator") following the execution of the Capital Enhancement Plan, the Group continued to make monthly repayments under the loan note facility through the issue of a convertible loan note.

The movement in loan note liability to Mercator during the current financial year are set out in the table below:

	Mercator loan notes
	£m
Loan note liability at 1 January 2022	5.7

Amortisation of finance costs during the period (recognised in the income statement)	1.1
Less: settlements made via issue of convertible loan notes	(4.6)
Less: repayments made in cash	(2.2)
Loan note liability at 31 December 2022	**-**

In connection with the drawdown of the Mercator loan note facility during 2021, the Company also issued share warrants representing 20% of the total amounts drawn down. The fair value of these warrants was capitalised at the time of issue and this, together with the other capitalised finance costs relating to the loan note facility and are being recognised over the term of the loan notes using the effective interest rate method. The total of these finance costs recognised during FY22 is £1.1m.

Following the issue of £4.6m of convertible loan notes to Mercator in lieu of cash repayments during the year, these were subsequently settled as follows:

a) the conversion of £1.3m in principal amount of convertible loan notes into 1,400,898,372 new ordinary shares; and
b) a repayment in cash of £3.4m in principal amount of convertible loan notes.

The movement in convertible loan note liability to Mercator during the current financial year are set out in the table below:

	Mercator convertible loan notes £m
Convertible loan note liability at 1 January 2022	-
Monthly loan note settlements made via issue of convertible loan notes	4.6
Finance costs satisfied via the issue of convertible loan notes	0.1
Less: convertible loan notes converted into ordinary shares	(1.3)
Less: convertible loan notes repaid in cash	(3.4)
Convertible loan note liability at 31 December 2022	**-**

The Mercator convertible loan notes do not have any interest costs in addition to that of the Mercator loan notes, however finance costs of £0.8m were recognised during the current financial year as a result of:

- Additional commitment fees and late payment interest charges of £0.5m, or which £0.4m was paid in cash and the remaining £0.1m was settled through the issue of convertible loan notes; and
- The fair value of the warrants of £0.2m issued in connection with the convertible loan notes.

Both costs have been fully recognised in the income statement during FY22 given the liability to which they relate has been extinguished by 31 December 2022. This amount, together with the finance costs of £1.1m in respect of the Mercator loan notes, resulted in a total finance cost of £1.9m in respect of the Mercator funding facilities during the year ended 31 December 2022.

TradeFlow long term borrowings

On the 1 April 2022, TradeFlow entered into a new long term loan facility with its existing finance provider, and in connection with this, chose to settle its existing unsecured loan note facility ahead of its maturity date on the 23 October 2022. The key terms of the new long term loan facility are set out below;

- A principal amount of US$3.8m;
- A maturity date of 31 March 2026;
- An additional redemption premium cost of US$0.2m which is payable at the time the principal is repaid; and
- Interest at a fixed rate of 7.9% per annum.

Finance costs recognised during the year ended 31 December 2022 relating to TradeFlow long term borrowings total £0.2m and relates to accrued monthly interest amounts and the recognition of the redemption premium costs over the expected life of the loan using the effective interest rate method. The early settlement of the existing unsecured loan note facility accounted for additional finance costs of £0.1m being recognised in relation to the acceleration of the redemption premium cost due on repayment of the principal of the existing loan note facility.

Other long term funding

On 13 October 2022, the Company announced that its subsidiary, Supply@ME Technologies S.r.l, had entered into a new long term loan facility with Banco BPM S.p.A (the "Banco BPM Facility"). The obligations of Supply@ME Technologies S.r.l under the Banco BPM Facility are guaranteed by the Company. The key commercial terms of the Banco BPM Facility include:

- €1 million in principal amount;
- 275 basis points over Euribor interest rate; and
- a five-year repayment term (the final payment to be made on 11 October 2027), including an initial six months of interest only repayments, followed by 54 months of combined principal and interest repayments.

The proceeds of this loan have been used to support the continued investment into the Group's IM Platform, the ownership of which was transferred to Supply@ME Technologies S.r.l prior to the execution of the Banco BPM Facility.

Cash flow

The Group decreased its net cash balance by £1.1m (year ended 31 December 2021: £1.1m increase) due to proceeds from the Capital Enhancement Plan share issues of £7.0m, the proceeds from the Venus Capital convertible loan notes of £1.5m, and net proceeds from the TradeFlow and Banco BPM Facility long term borrowing of £2.3m, offset by the following items:

- Repayments made on the Mercator loan note and convertible loan note facilities of £5.6m;
- Additional finance costs paid in cash related to the Mercator loan note and convertible loan note facilities of £0.4m;
- Share issues cost paid in cash of £0.2m;
- Net outflows from operating activities of £4.5m (year ended 31 December 2021: £3.9m net outflow) as the Group's operating expenses increased primarily due to growing headcount, together with spend on IT contractor specialists and professional and legal fees; and
- Increased investment in the Group's IM Platform of £1.2m (year ended 30 December 2021: £4.6m).

	2022 £000	**2021 £000**

Net cash flow from operating activities	(4.5)	(3.9)
Net cash flow from investing activities	(1.2)	(4.6)
Net cash flow from financing activities	4.6	9.6
Net increase in cash and cash equivalents	**(1.1)**	**1.1**
Cash and cash equivalents at 1 January 2022	1.7	0.6
Cash and cash equivalents as at 31 December 2022	**0.6**	**1.7**

Net liabilities

As at 31 December 2022 net liabilities were £2.0m (31 December 2021: net liabilities of £1.4m). The £0.6m increase in net liabilities reflects:

- A decrease in the Group's intangible assets and goodwill of £1.5m due to amortisation of £0.9m and impairment charges of £1.8m during the year ended 31 December 2022. This was offset by additions to the Group's IM Platform of £1.2m during the period;
- A decrease in amounts outstanding under the Mercator loan note and convertible loan facilities of £5.7m in aggregate. This is due to the settlement activities described above;
- An increase in long terms borrowings of £2.6m, due to a £1.8m increase in TradeFlow long term borrowing following the loan refinancing, and an £0.8m increase in borrowings as a result of the new Banco BPM Facility; and
- A £2.2m decrease in working capital primarily due to the overall net cash outflows from operations.

Going Concern

The Board's assessment of going concern and the key considerations thereto are set out in the Directors' Report and note 2 to the consolidated financial statements for the year ended 31 December 2022.

Related Parties

Note 28 to the to the consolidated financial statements for the year ended 31 December 2022 contains details of the Group's related parties.

Subsequent events

Note 30 of the to the consolidated financial statements for the year ended 31 December 2022 contains details of all subsequent events.

Financial Statements

The final results announcement for the year ended 31 December 2022 is prepared in accordance with UK adopted International Accounting Standard and does not include all the information required for full annual financial statements. This announcement should be read in conjunction with the 2022 Annual Report and Accounts. The accounting policies adopted in this announcement are consistent with the Annual Report and Accounts for the year ended 31 December 2022.

The financial information has been extracted from the financial statements for the year ended 31 December 2022, which have been approved by the Board of Directors and on which the auditors have reported on with a qualified opinion. The audit report was qualified on the basis that: "*During the year, the classification and presentation requirements of IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) were met for the group's wholly owned subsidiary TradeFlow Capital Management Pte. Limited ("TradeFlow"). Subsequent to the year-end on 24 March 2023, the TradeFlow option holders provided written notice to the company of their intention to exercise their right to acquire 100% of the share capital under the original share purchase agreement (see note 27 for details). The fair value to be calculated under the terms of the share purchase agreement is to be determined by a third party valuer and has not yet been finalised.*

With respect to the group financial statements, we were unable to obtain sufficient appropriate audit evidence regarding the fair value of the disposal group at 31 December 2022 and any resulting impact on the statement of comprehensive income.

With respect to the parent company balance sheet, we were unable to obtain sufficient appropriate evidence regarding the carrying value of the investment in the Tradeflow subsidiary in the parent company balance sheet and any impact it may have on retained earnings.

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

The audit report also included a material uncertainty relating to going concern. Full details of the audit report can be seen in the 2022 Annual Report and Accounts.

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2022

	Note	Year ended 31 December 2022	Year ended 31 December 2021
		£ 000	£ 000
Continuing operations			
Revenue	3	138	279
Cost of sales		(338)	(804)
Gross (loss)/profit		(200)	(525)
Administrative expenses	6	(4,460)	(3,468)
Other operating income	5	9	-
Operating loss from continuing operations before impairment charges	3	(4,651)	(3,993)
Impairment charges	6	(1,078)	(1,773)
Operating loss from continuing operations		(5,729)	(5,766)
Finance costs	6	(1,982)	(1,255)
Loss before tax from continuing operations		(7,711)	(7,021)
Income tax	10	-	(399)
Loss after tax from continuing operations		(7,711)	(7,420)
Discontinued operations			
Loss from discontinued operations	27	(2,167)	(5,067)
Total loss for the year		(9,878)	(12,487)
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translating foreign operations		(539)	6
Total comprehensive loss for the year		(10,417)	(12,481)
Loss attributable to:			
Owners of the company		(10,417)	(12,481)
Earnings/(loss) per share		**Pence**	**Pence**
Basic and diluted loss per share - continuing operations	12	(0.018)	(0.022)
Basic and diluted loss per share - discontinued operations	12	(0.005)	(0.015)
Basic and diluted loss per share - total	12	**(0.023)**	**(0.037)**

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 31 December 2022

	Note	As at 31 December 2022 £ 000	As at 31 December 2021 £ 000
Non-current assets			
Intangible assets and goodwill	13	-	7,895
Tangible assets		7	17
Other non-current assets		19	-
Total non-current assets		**26**	**7,912**
Current assets			
Trade and other receivables	14	1,219	896
Cash and cash equivalents		257	1,727
		1,476	2,623
Assets of disposal group held for sale	27	6,844	-
Total current assets		**8,320**	**2,623**
Total assets		**8,346**	**10,535**
Current liabilities			
Trade and other payables	18	4,587	3,500
Loan notes	16	-	5,732
		4,587	9,232
Liabilities of disposal group held for sale	27	4,561	-
Total current liabilities		**9,148**	**9,232**
Net current liabilities		**(828)**	**(6,609)**
Non-current liabilities			
Long-term borrowings	16	748	1,284
Provisions	19	468	340
Deferred tax liabilities	11	7	1,104
Total non-current liabilities		1,223	2,728
Net liabilities		(2,025)	(1,425)
Equity attributable to owners of the parent			
Share capital	15	5,897	5,486

	Note		
Share premium		25,269	18,171
Share-based payment reserve	26	5,871	2,018
Other reserves		(11,413)	(10,891)
Retained losses		(27,649)	(16,209)
Total equity		(2,025)	(1,425)

The above consolidated statement of financial position should be read in conjunction with the accompanying notes. The consolidated financial statements on pages 100 to 151 of the 2022 Annual Report and Accounts were approved and authorised for issue by the Board on 28 April 2023 and signed on its behalf by:

Alessandro Zamboni
Chief Executive Officer and Executive Director

David Bull
Independent Non-Executive Director and Chair of Audit Committee

Supply@ME Capital Plc

Company registration number: 03936915

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2021

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	Note	Share capital £ 000	Share premium £ 000	Other reserves £ 000	Share-based payment reserve £ 000	Merger reserve £ 000	Reverse takeover reserve £ 000	Forex reserve £ 000	Retained losses £ 000	Total £ 000
At 1 January 2021		5,420	11,820	4	-	223,832	(237,835)	13	(3,706)	(452)
Loss for the year		-	-	-	-	-	-	-	(12,487)	(12,487)
Forex retranslation difference		-	-	-	-	-	-	5	1	6
Loss for the year and total comprehensive income		-	-	-	-	-	-	5	(12,486)	(12,481)
Issuance of new shares	25	66	6,351	-	-	3,073	-	-	-	9,490
Issue of warrants	25			-	608	-	-	-	-	608
Credit to equity for acquisition related earn-out payments	25			-	1,410	-	-	-	-	1,410
Legal reserve movement		-	-	17	-	-	-	-	(17)	-
At 31 December 2021		5,486	18,171	21	2,018	226,905	(237,835)	18	(16,209)	(1,425)

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

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2022

	Note	Share capital £ 000	Share premium £ 000	Other reserves £ 000	Share-based payment reserve £ 000	Merger reserve £ 000	
At 1 January 2022		5,486	18,171	21	2,018	226,905	(
Loss for the year		-	-	-	-	-	
Forex retranslation difference		-	-	-	-	-	
Loss for the year and total comprehensive income		5,486	18,171	21	2,018	226,905	(
Issuance of new shares	15	406	10,396	-	-	-	
Costs incurred in connection with the issuance of new ordinary shares		-	(4,024)	-	-	-	
Credit to equity for issue of warrants	26	-	-	-	5,292	-	
Exercise of Open Offer Warrants	15	1	31	-	(40)	-	
Credit to equity for prior year acquisition related earn-out payments		-	-	-	172	-	
Settlement of prior year acquisition related earn-out payments	15	4	695	-	(699)	-	
Debit to equity for current year and future acquisition related earn-out payments		-	-	-	(883)	-	
Equity settled employee share based payment schemes		-	-	-	11	-	
Pension plan actuarial gain or loss		-	-	16	-	-	
Subsidiaries disposed of during the year		-	-	-	-	-	
At 31 December 2022		5,897	25,269	37	5,871	226,905	(

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

Consolidated Statement of Cash Flows for the Year Ended 31 December 2022

	Year ended 31 December 2022 £ 000	Year ended 31 December 2021 £ 000
Cash flows from operating activities		
Loss before interest and tax for the year from continuing operations	(5,729)	(5,766)
Loss before interest and tax for the year from discontinued operations	(1,955)	(5,048)
Total loss before interest and tax	**(7,684)**	**(10,814)**
Adjustments for non-cash acquisition related costs and impairment charges		
Acquisition related transaction costs	-	1,900
Acquisition related earn-out payments	(710)	1,410
Amortisation of intangible assets arising on acquisition	846	391
Impairment charges	1,843	2,573
	(5,705)	**6,274**
Other non-cash adjustments	(134)	(70)
Other depreciation and amortisation	51	396
Increase to provisions	110	52
Decrease/(increase) in accrued income	(38)	(46)
Decrease/(increase) in trade receivables	(44)	505
Increase in trade and other payables	1,158	77
Other decreases/(increases) in net working capital	337	(158)
Net cash flows from operations	**(4,265)**	**(3,784)**
Finance costs paid in cash	(14)	(2)
Income taxes paid in cash	(276)	(89)
Net cash flow from operating activities	**(4,555)**	**(3,875)**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(4)	(7)
Acquisition of intangible assets	(1,175)	(1,020)
Increase in other non-current assets	(18)	-
Cash consideration on acquisition of Tradeflow, net of cash acquired	-	(3,523)
Net cash flows from investing activities	**(1,197)**	**(4,550)**
Cash flows from financing activities		
Cash inflow from convertible loan notes	1,500	5,000
Net cash inflow from new long-term borrowings	2,334	-
Cash inflow from issue of new ordinary shares	7,013	-
Net cash inflow from Mercator loan notes	-	6,629
Other finance costs paid in cash	(425)	(25)
Cash repayment of loan notes and convertible loan notes	(5,572)	(2,016)
Cost of share issue paid in cash	(231)	-
Net cash flows from financing activities	**4,619**	**9,588**
Net (decrease)/increase in cash and cash equivalents	(1,133)	1,163
Foreign exchange differences to cash and cash equivalents on consolidation	(13)	12
Cash and cash equivalents at 1 January	1,727	552
Cash and cash equivalents at 31 December	**581**	**1,727**

Significant non-cash transactions

During the year, the Group issued 20,553,126,359 new ordinary shares in the Company. Of this total, 5,511,908,277 new ordinary shares were not issued in exchange for cash:

1. 1,400,898,372 new ordinary shares were admitted to trading during the year to fulfil the conversion of Mercator Capital Management Fund LP ("Mercator") convertible loan notes. These new ordinary shares were issued to extinguish £1,356,666 principal value of convertible loan notes that had previously been issued to Mercator;
2. 213,525,520 new ordinary shares were issued to settle the acquisition related earn-out payments for the financial year ended 31 December 2021. The fair value of these acquisition related earn-out payments that had been recorded as the share-based payment reserve was £699,000;

3. 3,897,484,385 new ordinary shares were issued to fulfil the conversion of Venus Capital S.A. ("Venus Capital") convertible loan notes issued during the year. These new ordinary shares were issued to extinguish £1,917,500 principal value of convertible loan notes that had previously been issued to Venus.

Further details of share issues can be found in note16. Further details of the convertible loan note facilities can be found in note 17.

The reconciliation of the movement in net debt is set out in note 24.

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

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2022

1 General information

Supply@ME Capital plc is a public limited company incorporated in England and Wales. The address of its registered office is 27/28 Eastcastle Street, London, W1W 8DH, United Kingdom. Supply@ME Capital's shares are listed on the Standard List of the main market of the London Stock Exchange.

These consolidated financial statements have been prepared in accordance with UK adopted International Accounting Standards.

The financial statements of the Group, consisting of Supply@ME Capital plc (the "Company") and its subsidiaries (the "Group"), are presented in Pounds Sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise stated.

These consolidated financial statements have been prepared in accordance with the accounting policies set out below, which have been consistently applied to all the years presented.

2 Accounting policies

Going concern

As at 31 December 2022 the Group had a cash and cash equivalents balance from continuing operations of £257,000. In addition, cash balances from discontinued operations were £324,000 as at 31 December 2022. These total combined cash and cash equivalent balances of £581,000 compared to a consolidated cash balance £1,727,000 as at 31 December 2021. The Group's consolidated net current liabilities of £828,000 as at 31 December 2022, compared to a consolidated net current liability position of £6,609,000 as at 31 December 2021. The Group has posted a total comprehensive loss for the year ended 31 December 2022 of £10,417,000 (2021: comprehensive loss of £12,481,000) and retained losses as at 31 December 2022 were £27,649,000 (31 December 2021: retained losses £16,209,000).

During the year, the Company continued to source additional funds with the primary aim of allowing it to repay the outstanding loan note and convertible loan note balances that were outstanding with Mercator Capital Management Fund LP ("Mercator"). Additionally, the focus was to move to a more stable source of funding to support the working capital needs of the Group and the continued investment into the Group's Inventory Monetisation Platform. These new sources of funding included both a subscription of new equity into the Company and traditional bank financing from Banco BPM, the third largest banking group in Italy. Further details of the cash inflows as a result of the new funding sources, and the cash outflows due to the repayment of the Mercator funding facility can be found in consolidated statement of cash flows and in the various notes to these consolidated financial statements.

Following the 31 December 2022, the Company has been continuing to explore additional options of funding to support the ongoing working capital needs of the Group while a track record of positive revenue generation is established. As at the date of issue of these consolidation financial statements, the Company also announced the following binding commitments:

1) A new unsecured working capital loan agreement of up to £2,800,000 from the AvantGarde Group S.p.A ("TAG") (the "TAG Working Capital facility") which will be received in tranches up to 31 January 2024 and shall be repayable on 1 February 2028; and
2) A new equity subscription agreement with irrevocable commitments to subscribe for 4,500,000,000 new ordinary shares in the Company at a price of 0.05 pence per share, providing the Company with gross proceeds of £2,250,000 (the "Subscription Agreement").

Further details of each of the TAG Working Capital facility and the Subscription Agreement can be found in note 30 to these consolidated financial statements.

Taking into consideration the factors above and in order to consider their assessment of the Group as a going concern, the Directors have reviewed the forecast cash flows for the next 12 months from approval of these consolidated financial statements. The cash flow forecasts take into account that the Group meets its day to day working capital requirements through its available and committed cash resources. The Directors have prepared the forecast using their best estimates, information and judgement at this time, including the TAG Working Capital facility and the Subscription Agreement referred to above. The Directors have also considered the expected cash flows arising from TradeFlow's investment advisory services as well as from the use of the Group's innovative Platform to facilitate inventory monetisation transactions ("C.IM" revenue stream). This reflects the fact that the Directors expect the Group to fully operationalise the business model in the near future, following the completion of the first IM transaction in 2022, and that currently TradeFlow still currently remains a fully owned subsidiary of the Group.

Despite the facts outlined above, there continues to be an absence of a historical track record relating to multiple inventory monetisation transactions being facilitated by the Group's Platform and the Group being cash flow

positive. As such the Directors have prudently identified uncertainty in the cash flow model. This uncertainty arises with respect to both the future timing and growth rates of the forecast cash flows arising from the Group's multiple inventory monetisation revenue streams. In this regard, if these future revenues are not secured as the Directors envisage, it is possible that the Group will have a shortfall in cash and require additional funding during the forecast period. In addition the cash inflows arising from the TAG Working Capital facility and the Subscription Agreement have not yet been fully received. These amounts have been factored into the cash flow forecast in line with the contractual commitments received from the various counterparties. As such, there is a risk that these cash flows might not be received or might not reach the Group in the time frame expected despite the various contractual commitments in place.

On the basis of the factors identified in the above paragraph, the Directors believe there are material uncertainties which may cast significant doubt upon the entities ability to continue as a going concern.

The Directors do however remain confident in the business model and believe the Group could be managed in a way to allow it to meet its ongoing commitments and obligations through mitigating actions including cost saving measures and securing alternative sources of funding should this be required. This includes the application by certain of the Company's subsidiaries to access specialised loans for SME businesses provided by Italian commercial banks with the support of government guarantees. These such loans will allow the Group to access a lower cost of capital.

As such the Directors consider it appropriate to prepare these annual consolidated financial statements on a going concern basis and have not included the adjustments that would result if the Company and Group were unable to continue as a going concern.

Adjusted performance measures
Management believes that adjusted performance measures provide meaningful information to the users of the accounts on the operating performance of the business. Accordingly, the adjusted measure of operating profit from continuing operations excludes, where applicable, transaction costs, amortisation of intangible assets arising on acquisitions, acquisition related earn-out payments and impairment charges. These terms are not defined terms under IFRSs and may therefore not be comparable with similarly titled profit measures reported by other companies. They are not intended to be a substitute for, or superior to, GAAP measures. The items excluded from adjusted results are those items that are charged to the consolidated statement of comprehensive income in accordance with IFRS 3 ("Business Combinations") or which arise due to the impairment of the Group's intangible assets or investments. They are not influenced by the day-to-day operations of the Group.

Basis of consolidation
The Group financial statements consolidate those of the Company and its subsidiary undertakings drawn up to 31 December 2022. Subsidiaries are entities over which the Group has control. Control comprises an investor having power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

On 1 July 2021 the Company completed the acquisition of the entire share capital of Tradeflow Capital Management Pte. Ltd. ("TradeFlow") by way of cash and share consideration. As such from this date TradeFlow became a fully owned subsidiary of the Company and formed part of the Group's consolidated financial performance and position from the date of acquisition.

During the second half of 2022, the Directors began the process of the proposed restructuring the Company's ownership with TradeFlow ("TradeFlow Restructuring") and as a result the TradeFlow business has been classified as held for sale / a discontinued operation as at 31 December 2022 in line with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". This is due to the fact that TradeFlow was available for immediate sale in its present condition and it was highly probable that that sale would be completed.

Supply@ME Technologies S.r.l. was incorporated by the Company in Italy on 25 March 2022 for the purpose of holding the Group's intellectual property rights relating to the Platform together with future developments in a dedicated entity. On 9 September 2022, Supply@ME S.r.l. assigned the intellectual property rights to Supply@ME Technologies S.r.l. As both Supply@ME S.r.l and Supply@ME Technologies S.r.l are 100% owned subsidiaries of the Company, this was an intragroup reassignment.

On the 10 August 2022, Supply@ME S.r.l. sold one of it's 100% owned subsidiaries, Supply@ME Stock Company 1 S.r.l. to Cayman Emerging Manager Platform (3) SPC - Global Inventory Monetisation Fund 1 S.P. for consideration of €1,000. Prior to the sale, Stock Company 1 S.r.l. was a non-trading entity. As at 31 December 2022, Supply@ME S.r.l. continued to own Supply@ME Stock Company 2 S.r.l. and Supply@ME Stock Company 3 S.r.l., both of which are also non-trading entities.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

New and revised accounting standards and interpretations
Management has concluded that to date there has been no impact on the results or net assets of the Company as a result of adopting new or revised accounting standards.

New standards, interpretations and amendments not yet effective
At the date of authorisation of the Group's financial statements there have been no new standards, amendments or interpretations to existing standards that have been published by the International Accounting Standards Board.

Business Combinations
The acquisition of subsidiaries and businesses are accounted for using the acquisition method under IFRS 3 "Business Combinations".

Measurement of consideration
The consideration for each acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred to former owners and equity instruments issued by the Group in exchange for control of the acquiree.

Acquisition related earn-out payments (deemed remuneration)
In accordance with the IFRS Interpretations Committee's interpretation of paragraph B55 of IFRS 3 ("Business Combinations"), the cost of the business combination excludes consideration which requires post-acquisition service obligations to be performed by the selling shareholders.

In the event that the deemed remuneration is to be equity settled under IFRS 2 ("Share-Based Payments"), the fair value is determined at the grant date and then charged to the consolidated statement of comprehensive income over the period of the service obligations.

Fair value assessment
Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Where the fair value of the assets and liabilities at acquisition cannot be determined reliably in the initial accounting, these values are considered to be provisional for a period of 12 months from the date of acquisition. If additional information relating to the condition of these assets and liabilities at the acquisition date is obtained within this period, then the provisional values are adjusted retrospectively. This includes the restatement of comparative information for prior periods.

Intangible assets arising on business combinations are recognised initially at fair value at the date of acquisition. Subsequently they are carried at cost less accumulated amortisation and impairment charges.

Goodwill
Goodwill arises where the consideration of the business combination exceeds the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. This is recognised as an asset and is tested annually for impairment. The identifiable assets and liabilities acquired are incorporated into the consolidated financial statements at their fair value to the Group.

Transaction costs
Transaction costs associated with the acquisition are recognised in the consolidated statement of comprehensive income as incurred and separately disclosed due to the nature of this expense.

Intangible assets

Goodwill
Goodwill arising on consolidation is recognised as an asset.

Following initial recognition, goodwill is subject to impairment reviews, at least annually, and measured at cost less accumulated impairment losses. Any impairment is recognised immediately in the consolidated statement of comprehensive income and is not subsequently reversed.

Other intangible assets

a) Internally developed Inventory Monetisation ("IM") platform
The core activity of the existing Supply@ME business is the creation and marketing of a software-driven secure platform (the "IM Platform") that can be used for the facilitation, recording and monitoring of IM transactions between third party client companies and segregated trading companies (known as stock companies). The software modules which form part of the IM Platform can also be used, through a White-label model, by third party banks in order for them to deploy their own inventory backed financial products. The internally generated IM Platform includes not only the software but also:
   - the methodologies and business policies underpinning each IM transaction
   - the legal and accounting frameworks required to support each IM transaction
   - the technical infrastructure (cloud environment, distributed ledger technology) used to support each IM transaction.

   Associated with this core activity are significant product development requirements to address compliance with legal, regulatory, accounting, valuation and insurance criteria. The three main categories of cost are: Software and infrastructure development, intellectual property (IP) related costs and professional fees related to the development of legal and accounting infrastructure.

   These costs are capitalised and initially measured at cost and are amortised over their estimated useful economic lives, considered to be 5 years, on a straight-line basis. Amortisation of this internally developed IM platform is charged within cost of sales in the consolidated statement of comprehensive income.

   Amortisation methods and useful lives are reviewed at each reporting date and adjusted if appropriate. The carrying amount is reduced by any provision for impairment where necessary.

b) Acquired intangible assets
Intangible assets arising on business combinations are recognised initially at fair value at the date of acquisition. Subsequently they are carried at cost less accumulated amortisation. Amortisation of acquired intangible assets is charged within administrative expenses in the consolidated statement of comprehensive income but is excluded from the adjusted operating profit measures as described above.

   The estimated useful lives of the acquired intangible assets are set out below:

Customer relationships	13 years
Brand (TradeFlow)	5 years
Commodity Trade Risk Management ("CTRM") software	5 years
Artificial Intelligence and back-office ("AI") software	5 years

   Amortisation methods and useful lives are reviewed at each reporting date and adjusted if appropriate. The carrying amount is reduced by any provision for impairment where necessary.

Impairment
At each balance sheet date, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its' carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

Revenue recognition

Revenue for the Group is measured at the fair value of the consideration received or receivable. The Group recognises revenue when the performance obligation is satisfied, the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. Currently all the Group's revenues are recognised at a point in time when the relevant performance obligation has been satisfied.

The Group recognises revenue from the following activities:

a) **Captive inventory monetisation platform servicing ("C.IM") - Due diligence fees:**
   This revenue arises from due diligence services performed by the Group in relation to the potential client companies. This due diligence covers topics such as the client's financial information, operations, credit rating and analysis of its inventory.

   Given the stage of the Group's development, and the evolution of the Group's contracting arrangements, the due diligence revenues recognised by the Group to date have been limited. Further details are provided below:

   Historical contractual arrangements **-** Prior to June 2020, the Group's contractual arrangements required the client to make a down payment intended to remunerate the Group for the due diligence services being provided. However, these agreements did not clearly identify the Group's performance obligation and such down payments were also refundable under certain circumstances and up to the point when the Platform was able to be used for the first time by the client companies.

   Due to the above circumstances, these down payments have not been recognised as revenue under IFRS 15 ("Revenue from Contracts with Customers") until the specific performance obligation, being the use of the Group's Platform for the first time, has been satisfied by the Group. Until such time, these amounts have been recognised as deferred income in the balance sheet, or as other payables in the case where a refund has been requested (due to the current delays being experienced by the Group), but not yet paid as at the balance sheet date.

   Current contractual arrangements **-** Post June 2020, the Group updated its contractual arrangements to specifically identify a separate performance obligation in relation to the completion of the due diligence services being provided by the Group, also considering the actual benefits the client companies can directly obtain from such activities, even in the case where the inventory monetisation transaction does not take place. In these contracts, the due diligence fees are paid in advance by the client companies, and the revenue is recognised when the Group has successfully fulfilled its performance obligation, being the completion of the due diligence service and communication to the client in this respect through the issuance of a detailed due diligence report. Prior to the completion of the performance obligation, the due diligence fees received are held on the balance sheet as deferred income.

   In order to conclude if the performance obligations have been successfully fulfilled,
   management currently assess this on a client-by-client basis to ensure that the control of the due diligence has been transferred to the client company. In developing this accounting policy management have made the assessment that the due diligence services result in a distinct beneficial service being provided to client companies as the information provides insight into their business which can also be used for alternative purposes as well (such as client companies business and operational optimisation). This is also referred to the critical accounting judgements and sources of estimation uncertainty note.

   Specific contractual arrangements with related party originator **-** During 2020, the Group entered into an origination contract with 1AF2 S.r.l in connection with the identification of potential client companies. Also, during 2020, 1AF2 S.r.l merged with The AvantGarde Group S.p.A ("TAG"). As set out in the related party note to these accounts (note 29), both 1AF2 S.r.l and TAG are related parties of the Group.

   Under this origination contract it was the originators responsibility to carry out the due diligence services. However, given the Group already had this expertise the originator chose to contract with the Group to perform the due diligence services on their behalf. In this case the Group acts as a service provider to the originator, with the completion of single due diligence activities the identified performance obligation.

   This specific contract stipulated a fee to cover the performance of due diligence services for a specific number of clients. This fee was paid at the date the contract was signed. Management's judgement was that the provision of each of the individual due diligence reviews represented a distinct performance obligation under IFRS 15 ("Revenue from Contracts with Customers").

   As such, the fees received in advance were held on the balance sheet as deferred income, and the revenue was recognised in line with the completion of each of the due diligence reviews, specifically where the performance obligation had been satisfied being the completion and communication of the due diligence results.

   During FY22, this contractual arrangement did not generate any revenue for the Group (2021: 33% of Group Revenue).

b) **Captive inventory monetisation platform servicing ("C.IM") - Origination fees:**
This revenue arises from origination of the contracts between the client company wishing to have their inventory monetised and the independent stock (trading) company that purchased the inventory from the client company. Given the stage of the Group's development, and the evolution of the Group's contracting arrangements, as at 31 December 2022, the Group had only facilitated one IM transaction over its IM Platform and therefore had received origination fees from just one client company. The non-refundable origination fees received from the client company relates to the fee payable to the Group at the point in time the client company enters into binding contracts with the stock (trading) company to purchase its inventory. Management have considered the activities it is required to carry out in exchange for the receipt of these origination fees and have concluded that they do not relate to any specific transfer of asset from the Group to the client company. As a result, management concluded there is no separately identifiable performance obligation carried out by the Group associated with this fee and have recognised the non-refundable origination fee as revenue at the point in time that the fee becomes receivable from the client company. This is consistent with the fact that there are no performance obligations that remain to be completed by the Group relating to this fee at this point in time.

c) **Captive inventory monetisation platform servicing ("C.IM") - IM Platform usage fees:** This revenue arises from usage of the Group's IM Platform by the independent stock (trading) company to facilitate the purchase of the inventory from the client company. Given the stage of the Group's development, and the evolution of the Group's contracting arrangements, as at 31 December 2022, the Group had facilitated one IM transaction over its IM Platform and therefore had received IM Platform usage fees from the independent stock (trading) company in respect of one IM transaction only. Management concluded that the usage of the IM Platform granted by the Group to the stock (trading) company represented a Software as a Service ("Saas") contract and as such the annual IM Platform usage fees are recognised over time in line with the time period covered by the contract as required by IFRS 15 ("Revenue from Contracts with Customers"). As the annual IM Platform usage fees are received by the Group at the beginning of the annual period, any unrecognised amounts are held on the balance sheet as deferred income.

d) **Captive inventory monetisation platform servicing ("C.IM") - IM service fees:** This revenue arises as a result of the service fees charged by the Group to the independent stock (trading) company as remuneration for the support and administration activities, such as the monitoring of the inventory purchased, the Group performs in connection with the use of the Group's IM Platform. Given the stage of the Group's development, and the evolution of the Group's contracting arrangements, as at 31 December 2022, the Group had facilitated one IM transaction over its IM Platform and therefore had received IM service fees from the independent stock (trading) company in respect of one IM transaction only. Management concluded that the support and administration activities performed in exchange for these fees represent separately identifiable performance obligation and as such the annual fees are recognised over time in line with the time period covered by the contract as required by IFRS 15 ("Revenue from Contracts with Customers"). As the service fees are received following the year end of the independent stock (trading) company, these fees are accrued up to the point the fees are received and then any unrecognised amounts are held on the balance sheet as deferred income.

e) **Investment Advisory ("IA") fees:** This revenue arises from investment advisory services provided by the Group's wholly owned subsidiary, TradeFlow, in its capacity as investment advisor of the Global Inventory Fund (more specifically, at the date of this report to its well-established CEMP - USD/ EUR Trade Flow Funds Segregated Portfolios). Investment Advisory fees are generated on a monthly basis through investment advisory agreements and are generally based on an agreed percentage of the valuation of Assets Under Management ("AUM") during the relevant period. Investment Advisory fees are recognised as the service is provided and it is probable that the fee will be collected. As these fees are generally received following the particular period to which they relate, any amounts that have been recognised as revenue but not yet received, are recorded on the balance sheet as accrued income.

Cost of Sales
Cost of sales represents those costs that can be directly related to the sales effort. At this early stage in the Group's development, the cost of sales includes both the costs of the work force who are engaged in the due diligence related processes, and the amortisation of the costs relating to the internally developed IM platform. Management regard both as the direct costs associated with generating the C.IM revenue; in line with similar fintech companies.

Leases
The Group has entered into short term lease contracts (as defined by IFRS 16 "Leases") in respect of one property only and as such, at this time, the Group does not have any material lease arrangements that would be required to be accounted for under IFRS 16 ("Leases"). For these leases the costs are recognised in the consolidated statement of comprehensive income in the period which is covered by the term of the lease.

Property, Plant and equipment
Recognition and measurement
All property, plant and equipment is stated at cost less accumulated depreciation and impairment. The costs of the plant and equipment is the purchase price plus any incidental costs of acquisition. Depreciation commences at the point the asset is brought into use.

If there is any indication that an asset's value is less than it's carrying amount an impairment review is carried out. Where impairment is identified an asset's value is reduced to reflect this.

The residual values and useful economic lives of plant and equipment are reviewed by management on an annual basis and revised to the extent required.

Depreciation
Depreciation is charged to write off the cost, less estimated residual values, of all plant and equipment equally over their expected useful lives. It is calculated at the following rates:

- Computers and IT equipment at 33% per annum.

Tax
The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the statement of financial position method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on tax rates that have been enacted or substantively enacted at the statement of financial position date. Deferred tax and current tax are charged or credited to profit or loss, except when it relates to items charged or credited in other comprehensive income or directly to equity, in which case the deferred tax is also recognised in other comprehensive income or equity respectively.

In line with IAS 1 "Presentation of Financial Statements" the deferred tax assets have been classified as non-current assets.

Cash and cash equivalents

Cash and other short-term deposits in the Statement of Financial Position comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less and where there is an insignificant risk of changes in value. In the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

Functional and presentational currencies

The consolidated financial statements are presented in pounds sterling (£), the Company's functional currency.

Foreign currency

The main currencies for the Group are the euro (EUR), pounds sterling (GBP), US dollars (USD) and Singapore dollars (SGD).

Foreign currency transactions and balances

Items included in the consolidated financial statements of each of the Group's subsidiaries are measured using their functional currency. The functional currency of the parent and each subsidiary is the currency of the primary economic environment in which the entity operates.

Foreign currency transactions are translated into the functional currency using the average exchange rates in the month. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss.

Share capital, share premium and brought forward earnings are translated using the exchange rates prevailing at the dates of the transactions.

See applicable exchange rates to GBP used during FY22 and FY21 below:

	2022		2021	
	Closing	**Average**	**Closing**	**Average**
SGD	1.6218	1.7221	1.8195	1.8487
EUR	1.1276	1.1780	1.1907	1.1592
USD	1.2102	1.2495	1.3477	1.3775

Consolidation of foreign entities:

On consolidation, results of the foreign entities are translated from the local functional currency to pounds sterling, the presentational currency of the Group, using average exchange rates during the period. All assets and liabilities are translated from the local functional currency to pounds sterling using the reporting period end exchange rates. The exchange differences arising from the translation of the net investment in foreign entities are recognised in other comprehensive income and accumulated in a separate component of equity.

Employee benefits

Short-term employee benefits

The Group accounts for employee benefits in accordance with IAS 19 ("Employee Benefits").

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution pension obligations

The Group accounts for retirement benefit costs in accordance with IAS 19 ("Employee Benefits").

Contributions to the Group's defined contributions pension scheme are charged to profit or loss in the period in which they become payable.

Financial assets

Classification

Financial assets currently comprise trade and other receivables, cash and cash equivalents.

Recognition and measurement

Loans and receivables

Loans and receivables are mainly contractual trade receivables and are non-derivative financial assets with fixed or determinable payments that do not have a significant financial component and are not quoted in an active market. Accordingly, trade and other receivables are recognised at undiscounted invoice price. A reserve for credit risk is made at the beginning of each transaction and adjusted subsequently through profit and loss.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 ("Financial Instruments") using the lifetime expected credit losses. During this process the probability of the non-payment of trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are reported in a separate provision account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

Classification

Financial liabilities comprise trade and other payables, loan notes, long-term borrowings, convertible loan notes and derivative financial instruments.

Recognition and measurement

Trade and other payables

Trade and other payables are initially recognised at fair value less transaction costs and thereafter carried at amortised cost.

Derivative financial instruments

The Group's derivative financial instrument is a historic convertible loan note that was both issued and then cleared in the past by a debt for equity swap, and warrants were issued with options to acquire shares that are accounted for at fair value, with changes in value taken through profit and loss. The release of the fair value discount on the debt for equity swap has been taken to the income statement as these warrants expired during the prior financial year.

Loan note and long-term borrowings

Interest bearing loan notes and long-term borrowings are initially recorded at the proceeds received, net of direct issue costs (including commitment fees, introducer fees and the fair value of warrants issued to satisfy issue costs). Finance charges, including direct issue costs, are accounted for on an amortised cost basis to the consolidated statement of comprehensive income using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. The carrying value of the loan notes have been adjusted to take for the fair value of principal repayments made since inception.

Convertible loan notes

Convertible loan notes issued by the Group are recorded at the fair value of the convertible loan notes issued, net of direct issue costs including commitment fees. Finance charges, including direct issue costs, are accounted for on an amortised cost basis to the consolidated statement of comprehensive income using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. The carrying value of the convertible loan notes have been adjusted to take into account of the fair value of those notes that have been converted into new ordinary shares since inception.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation and the amount can be reliably estimated.

Share-based payments

Equity-settled share-based payments relate to the acquisition related earn-out payments, warrants issued in connection with the cost of issuing loan notes, convertible notes and new ordinary shares during the relevant year.

Share warrants

Certain equity-settled share-based payments relate to the warrants issued in connection with the cost of issuing loan notes, convertible loan notes and new equity. These equity-settled share-based payments are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of these equity-settled share-based transactions are set out in note 26.

The fair value determined at the grant date of the equity-settled share-based payments relating to the warrants issued in connection with the issue of loan notes or convertible loan notes are netted off against the fair value of the underlying loan notes, convertibles loan notes to which they directly relate. The fair value is then expensed together with the other related finance costs on an amortised cost basis to the Group's income statement using the effective interest method.

The fair value determined at the grant date of the equity-settled share-based payments relating to the warrants issued in connection with the issue of equity are netted off against the amount of share premium that is recognised in respect of the share issue to which they directly relate. Any amounts in excess of the share premium recognised, are netted off against retained losses.

In respect of the share-based payments, the fair value is not revised at subsequent reporting dates, however, the fair value is released from the share-based payment reserve at the point in time that any of the warrants are exercised by the third party holder.

Employee share schemes

Grants made to certain employees of the Group will result in a charge recognised in the Group's income statement. Such grants will be measured at fair value at the date of grant and will be expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest. Vesting assumptions are reviewed during each period to ensure they reflect current expectations.

Full details of the Group's share-base payments refer to note 26.

Acquisition related earn-out payments

In addition, the Group recognises a share-based payment reserve in connection with acquisition related earn-out payments arising from the acquisition of TradeFlow. The fair value of these earn-out payments has been measured using the same methods as outlined above. Given the service conditions related to these payments are linked to one of the Group's current subsidiaries, the share-based payment expense is recognised within the consolidated financial statements as an increase to the share-based payment reserve and through the Group's income statement. The fair value determined at the grant date of these equity-settled share-based payments are recognised over the vesting period on a straight-line basis, based on the estimate of equity instruments that will eventually vest. Vesting assumptions are reviewed during each period to ensure they reflect current expectations and any changes required to true-up the related share-based payment reserve are recognised through the Group's income statement in the relevant period.

Discontinued Operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that decisions to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

A disposal group qualifies as a discontinued operation if it is a component of an entity that either has been disposed or, is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the income statements. All other notes in the financial statements include amounts for continuing operations, unless otherwise mentioned.

The Board considered that in light of the TradeFlow Restructuring that commenced during the second half of 2022, the TradeFlow operations meet the criteria to be classified as held for sale at 31 December 2022 as at this date the details of the TradeFlow Restructuring had all been agreed in principle between the parties and was expected to be completed post year end together with the publication of the 2022 Annual Report and Accounts. As a result the TradeFlow operations were available for immediate sale in its present condition and it was highly probable that that sale would be completed within 12 months of 31 December 2022.

On 24 March 2023, the Company announced the TradeFlow directors, being Tom James and John Collis, provided written notice of their intention to exercise their rights to buy back 100% of the share capital of TradeFlow (the "Buy Back")pursuant to certain earn-out arrangements entered into in connection with the Company's acquisition of TradeFlow, the completion of which was announced on 6 July 2021 ("Completion"). As a result of the exercise of the Buy Back, the details of the TradeFlow Restructure, that had been agreed in principle prior to year end, now need to be renegotiated, and a new independent valuation of the TradeFlow operations needs to be completed. As at the date of these consolidated financial statements, these activities had not been completed and were still ongoing.

Equity

"Share capital" represents the nominal value of equity shares issued.

"Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares net of expenses of the share issue.

"Other reserves" represents legal reserves in respect of Supply@ME S.r.l. In accordance with Article 2430 of the Italian Civil Code, Supply@ME S.r.l., a limited liability company registered in Italy, with a corporate capital of euro 10,000 or above shall annually allocate as a legal reserve an amount of 5% of the annual net profit until the legal reserve will be equal to 20% of corporate capital.

"Share-based payment reserve" represents the credit adjustments to equity in respect of the fair value of outstanding share-based payments including acquisition related earn-out payments, warrants issued in connection with the cost of issuing loan notes, convertible notes and new equity, and employee share schemes.

"Merger relief reserve" represents the excess of the value of the consideration shares issued to the shareholders of Supply@ME S.r.l. upon the reverse takeover over the fair value of the assets acquired.

"Reverse takeover reserve" represents the accounting adjustments required to reflect the reverse takeover upon consolidation. Specifically, removing the value of the "investment" in Supply@ME S.r.l., removing the share capital of Supply@ME S.r.l. and bringing in the pre-acquisition equity of Supply@ME Capital plc.

"FX reserves" represents foreign currency translation differences on consolidation of subsidiaries reporting under a different functional currency to the parent company.

"Retained losses" represents retained losses of the Group. As a result of the reverse takeover, the consolidated figures include the retained losses of the Group only from the date of the reverse takeover together with the brought forward losses of Supply@ME S.r.l.

Critical accounting judgements and sources of estimation uncertainty

The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise their judgement in the process of applying the accounting policies which are detailed above. These judgements are continually evaluated by the Directors and management and are based on experience to date and other factors, including reasonable expectations of future events that are believed to be reasonable under the circumstances.

The key estimates and underlying assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

A number of these key estimates and underlying assumptions have been considered for the first time this financial year as a result of specific transactions outlined in these consolidated financial statements. The Directors have evaluated the estimates using historical experience and other methods considered reasonable specific to the circumstances. The Directors have also but also in consultation with third-party experts where appropriate. These estimates will be evaluated on an ongoing basis as required.

The Group believes that the estimates and judgements that have the most significant impact on the annual results under IFRS are as set out below:

Judgements

Internally developed intangible assets
The cost of an internally generated IM platform comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. During the period judgement was required to distinguish those costs that were capable of being capitalised under IAS 38 ("Intangible assets") and that costs that related to research activities, the cost of which has been recognised as an expense during the relevant period.

The Directors noted that the plan giving rise to the IM Platform asset remains, with an unchanged technical feasibility and the identification of a growing market. Additionally, the IM platform is now utilised following the facilitation of the first IM transaction announced during 2022. Despite this, management considered the material uncertainties with respect to both the future timing and growth rates of the forecast discounted cash flows arising from the use of the IM Platform following the delays experienced in the delivery of the business plan to date. This has resulted in an impairment of internally generated IM Platform as at 31 December 2022.

Revenue recognition - assessment of performance obligations

- The Directors are required to make a judgement as to if the due diligence services represent a distinct performance obligation under IFRS 15 ("Revenue from Contracts with Customers"). The Board and management have concluded that this is indeed the case due to the distinct beneficial service being provided to client companies through the delivery of the due diligence report which provide insight and information into the business.
- The Directors are required to make a judgement as to if the receipt of non-refundable origination fees received from the client companies represent a distinct performance obligation under IFRS 15 ("Revenue from Contracts with Customers"). The Board and management have concluded that no separately identifiable performance obligation is carried out by the Group associated with this fee.

Accounting for acquisition related earn-out payments
The terms of the agreement to acquire TradeFlow included acquisition related earn-out payments that, together with the initial cash payment and issue of equity, form the total legal consideration agreed between the parties. The acquisition related earn-out payments are determined by reference to pre-determined revenue milestone targets in each of the 2021, 2022 and 2023 financial years. These payments may be forfeited by the selling shareholders should they, in certain circumstances, no longer remain employed prior to the end of each earn-out period. Under the IFRS Interpretations Committee's interpretation of paragraph B55 of IFRS 3 ("Business Combinations"), the Directors have concluded that the inclusion of the substantive post-acquisition service conditions requires the fair value of these earn-out payments to be accounted for as a charge to the income statement (as deemed remuneration) rather than as consideration.

Discontinued operations
The Board considered that in light of the TradeFlow Restructuring that commenced during the second half of 2022, the TradeFlow operations meet the criteria to be classified as held for sale at 31 December 2022 as at this date the details of the TradeFlow Restructuring had all been agreed in principle between the parties and was expected to be completed post year end together with the publication of the 2022 Annual Report and Accounts. As a result the TradeFlow operations were available for immediate sale in its present condition and it was highly probable that that sale would be completed within 12 months of 31 December 2022. As disclosed above the final terms of the sale are still being finalised following the triggering of the Buy Back. On this basis, the fair value less costs to sell used in these consolidated financial statement has been determined by reference to the specific terms and conditions of the Tradeflow Restructuring that had been agreed in principle prior to the triggering of the Buy Back.

Estimates

Intangible assets in a business combination
On the acquisition of a business the identifiable intangible assets may include customer relationships, brands and internally generated software. The fair value of certain of these assets is determined by discounting estimated future net cash flows generated by the asset where no active market for the asset exists. The use of different assumptions for the expectations of future cash flows and the discount rate would change the valuation of the intangible assets, with a resultant impact on the goodwill or gain on acquisition recognised.

On acquisition the Group recognised intangible assets of £6,888,000, representing customer relationships (£4,829,000), Brand ("TradeFlow") (£205,000), CTRM software (£1,429,000) and AI software (£425,000).

Customer relationships
The most significant intangible asset recognised is relationships with customers, in this case being potential investors to the Global Inventory programme (more specifically, at the date of this report to its well-established CEMP - USD/ EUR Trade Flow Funds Segregated Portfolios) for which TradeFlow acts as an investment advisor. A model was used that present valued the earnings forecast to be generated by the investor relationships, net of a reasonable return on other assets also contributing to that stream of earnings. The significant assumptions used in this model were as follows:

Discount rate - 25%
Annual customer attrition rate - 5%

If the discount rate was adjusted by 2.5% the impact on the value of the asset would be approximately plus or minus £769,000 and £605,000 respectively. If the annual customer attrition rate was adjusted by 2.5% the impact on the value of the asset would be approximately plus or minus £989,000 and £824,000 respectively

Brand
The brand has been valued by present valuing the saved costs by owning the brand rather than paying a royalty to licence the brand. The significant assumptions used in this model were as follows:

Discount rate - 25%
Royalty rate - 1%

If the discount rate was adjusted by 2.5% the impact on the value of the asset would not be impacted. If the royalty rate was adjusted by 1% the impact on the value of the asset would be approximately plus or minus £220,000.

CTRM software
CTRM software has been valued by present valuing the saved costs by owning the software rather than paying a royalty to licence the software. The significant assumptions used in this model were as follows:

Discount rate - 25%
Royalty rate - 7%

If the discount rate was adjusted by 2.5% the impact on the value of the asset would be approximately plus or minus £110,000. If the royalty rate was adjusted by 1% the impact on the value of the asset would be approximately plus or minus £220,000.

AI software
AI software has been valued with reference to the costs that would have to be expended in order to recreate the asset. The cost assumptions were based on historical costs and as such there we no significant judgemental or subjective assumptions.

Useful Economic Lives of Acquired Intangibles
On acquisition, the useful economic lives of acquired intangibles, which are key estimates, are assessed by management. The estimated useful lives of the acquired intangible assets are set out below:

Customer relationships	13 years
Brand (TradeFlow)	5 years
CTRM software	5 years
AI software	5 years

These useful economic lives have been based on the following factors:

- Customer relationships - the period over which 95% of the value of the customer relationships is expected to be achieved.
- Brand, CTRM software and AI software - the specific characteristics of the asset, its life to date and benchmarking to market data for comparable acquisition transactions.

We have outlined below a sensitivity analysis detailing the impact of changing the useful economic lives of each of the acquired intangibles would have on the amortisation charged to profit or loss for the year ended 31 December 2022:

	Decreasing useful life by 3 years	**Increasing useful life by 3 years**
	Approximate increase in amortisation (£000)	*Approximate decrease in amortisation (£000)*
Customer relationships	81	100
Brand (TradeFlow)	58	19
CTRM software	406	130
AI software	121	39
Total	**666**	**287**

Valuation of acquisition related earn-out payments
The acquisition related earn-out payments described above, are able to be settled in either cash or equity. The contracts governing the acquisition of TradeFlow however contain conflicting terms with respect to which party has the right to decide whether to settle the earn-out payments in cash or shares. After taking legal advice, management have concluded that the choice is at the discretion of the Company, and that it is the Company's current intention to settle these payments in equity, capturing them within the scope of IFRS 2 ("Share-based payments").

As such the Directors were required to determine the fair value of the equity-settled share-based payments at the date on which they were granted. This valuation needed to take into account the following market conditions related to these earn-out awards:

- The number of shares to be issued will be determined using the Volume Weighted Average Price ("VWAP") over the 20 dealing days to the end of the relevant financial year subject to a floor of 1p. In addition, the number of shares will be enhanced by 50% if the VWAP is greater than 1p; and

- That 50% of any earn-out shares may not be sold for 12 months following the award but are not contingent on continued employment.

Judgement was required in determining the most appropriate inputs into the valuation model (refer to detail in note 26) used and the key judgemental input was the expected volatility rate of the Company's share price over the relevant period and the assumption applied in the model was 90%, with 162% applied for any required holding period. This assumption reflects the Company's actual volatility from the date of listing through the grant date, and the Company's actual volatility for a 12 month period prior to the grant date, respectively. Given the Group's early stage of development, it was concluded that the Group's actual volatility was the most appropriate rate to use. If the expected volatility rates were adjusted by plus 10%, then the impact on the fair value credit recognised in the income statement in the current year would have been approximately minus £61,000. If the expected volatility rates were adjusted by minus 10%, then the impact on the fair value credit recognised in the income statement in the current year would have been approximately plus £51,000. These calculations assume that the volatility rates had also been adjusted by similar percentages in the prior year given that the current year fair value credit resulted partly from an adjustment to charges recognised in the prior year.

If management had reached the alternative conclusion that the choice to settle in either cash or shares is at the discretion of the TradeFlow shareholder, they would have been accounting for under IFRS 2 ("Share-based payments"). The impact would be to increase the acquisition related earn-out credit recognised in the current financial year by approximately £1.9 million. Similar to above, these calculations assume that the alternative conclusion had been reached in the prior year given that the current year fair value credit resulted partly from an adjustment to charges recognised in the prior year.

Valuation of share warrants issued
During the year the Company issued share warrants in connection with the loan notes, certain convertible loan notes and new equity that were also issued during the year ended 31 December 2022. As these share warrants were issued as a cost of securing the debt and equity funding facility they fall into the scope of IFRS 2 ("Share-based payments"). As such the Directors were required to determine the fair value of the equity-settled share-based payments at the date on which they were granted. Judgement was required in determining the most appropriate inputs into the valuation models (Black Scholes) used and the key judgemental input was the expected volatility rate of the Company's share price over the relevant period and the assumption applied in the models were between 97% - 88% and were based the actual volatility of the Company's share price from the date of the RTO to the date at which the relevant valuation model was run.

The fair value cost of those share warrants that were issued connection with debt funding were recognised in the consolidated income statement. If the expected volatility rate was adjusted by plus 10%, then the impact on the fair value recognised in the income statement in the current year would have been approximately plus £23,000 (2021: £71,000). If the expected volatility rate was adjusted by minus 10%, then the impact on the fair value recognised in the income statement in the current year would have been approximately minus £24,000 (2021: £76,000).

The fair value cost of those share warrants that were issued connection with equity funding during the current year were recognised as debits to equity on the consolidated balance sheet. If the expected volatility rate was adjusted by plus 10%, then the impact on the fair value recognised as the initial debit to equity in the current year would have been approximately plus £307,000. If the expected volatility rate was adjusted by minus 10%, then the impact on the fair value recognised as the initial debit to equity in the current year would have been approximately minus £328,000.

3 Segmental reporting

IFRS 8 ("Operating segments") requires the Group's operating segments to be established on the basis of the components of the Group that are evaluated regularly by the chief operating decision maker, which has been determined to be the Board of Directors. At this early stage of development, the Group's structure and internal reporting is continually developing. Prior to the acquisition of TradeFlow on 1 July 2021, the Board considered that the Group operated in a single business segment of due diligence and all activities were undertaken in Italy.

Following the acquisition, the Board of Directors managed the Group as two operating segments being inventory monetisation (currently comprising largely of the Group's Italian operating subsidiary) and investment advisory (comprising the TradeFlow operations), alongside the head office costs (comprising the Company). To date the inventory monetisation segment has been focused on the development of the IM platform, the provision of due diligence services and the facilitation of the initial IM transaction that took place during 2022.

Following the work carried out in respect of the TradeFlow Restructuring, and the announcement on the 24 March 2023 regarding the 100% buy back option exercised by the TradeFlow directors, the TradeFlow operations have been classified as a discontinued operation under IFRS 5 ("Non-current assets held for sale and discontinued operations"). As such the Group has reverted back to a single segment from its continuing operations for financial the year ended 31 December 2022, being inventory monetisation, alongside the head office costs (largely compromising the Company).

The key metrics assessed by the Board of Directors include revenue and adjusted operating profit (before deemed cost of listing, acquisition related costs and impairment charges) which is presented below. Revenue is presented by basis of recognition and by service line, in accordance with IFRS 15.

Year ended 31 December 2022	**Inventory Monetisation £ 000**	**Head office £ 000**	**Consolidated Group - *continuing operations* £ 000**
Revenue from continuing operations			
Due Diligence fees	102	-	102
Inventory monetisation fees	36	-	36
Revenue from continuing operations	**138**	**-**	**138**
Operating loss from continuing operations before impairment charges	**(1,308)**	**(3,343)**	**(4,651)**

All the Group's revenue from due diligence fees is recognised at a point in time. Of the revenue generated from inventory monetisation fees, £20,000 is generated from origination fees which is recognised at a point in time, and the remaining £16,000 is generated from usage of the Group's IM Platform and services provided by the Group in connection with the IM transaction. This £16,000 of revenue is recognised over time and the amount recognised in the current financial year relates to the performance obligations satisfised prior to 31 December 2022.

As at 31 December 2022	**Inventory Monetisation £ 000**	**Head office £ 000**	**Consolidated Group - *continuing operations* £ 000**
Balance sheet			
Assets	635	867	1,502
Liabilities	(4,773)	(1,037)	(5,810)

Net assets / (liabilities)	(4,138)	(170)	(4,308)

Geographical analysis

The Group's inventory monetisation operation is currently predominately located in Europe, while the investment advisory operations (classified as a discontinued operation) are currently predominately located in Singapore.

Comparative segmental reporting

Year ended 31 December 2021	Inventory Monetisation £ 000	Investment Advisory £ 000	Head office £ 000	Consolidated Group £ 000
Revenue				
Due Diligence fees	279	-	-	279
Investment Advisory fees	-	259	-	259
Revenue by operating segment	**279**	**259**	**-**	**538**
Operating loss before deemed cost of listing and acquisition related costs and impairment charges	**(1,071)**	**(407)**	**(2,953)**	**(4,431)**

All the Group's revenue is recognised at a point in time.

As at 31 December 2021	Inventory Monetisation £ 000	Investment Advisory £ 000	Head office £ 000	Consolidated Group £ 000
Balance sheet				
Assets	802	181	9,552	10,535
Liabilities	(4,363)	(1,526)	(6,071)	(11,960)
Net assets / (liabilities)	**(3,561)**	**(1,345)**	**3,481**	**(1,425)**

The Company completed the acquisition of TradeFlow in 1 July 2021 and therefore the above tables include the results from this date and the assets / (liabilities) only as at 31 December 2021.

Geographical analysis

The Group's inventory monetisation operation is currently predominately located in Europe, while the investment advisory operations are currently predominately located in Singapore.

4 Finance costs

	2022 £ 000	2021 £ 000
Interest expense - loan notes / convertible loan notes	1,969	1,252
Interest expense - long-term borrowings	13	89
Total finance costs	**1,982**	**1,341**

5 Other operating income

	2022 £ 000	2021 £ 000
Interest receivable	6	-
Other operating income	3	-
	9	-

6 Operating loss

The Group's operating loss from continuing operations for the year has been arrived at after charging (crediting):

	2022 £ 000	2021 £ 000
Amortisation of internally developed IM platform (note 13)	47	391
Depreciation	4	2
Staff costs (note 8)	2,061	1,402
Professional and legal fees	2,194	1,772
Contractor costs	274	44
Insurance	100	123
Training and recruitment costs	4	75

In addition to the above, the Group incurred the following costs from continuing operations relating to impairment charges as detailed below:

	2022 £ 000	2021 £ 000
Impairment charges (note 13)	1,078	1,773
Total impairment charges	**1,078**	**1,773**

The following acquisition related costs and impairment charges have been recognised in the discontinued operations:

	2022 £ 000	2021 £ 000
Transaction costs (note 25)	-	2,009
Amortisation of intangible assets arising on acquisition (note 13)	846	391
Acquisition related earn-out payments (note 26)	(710)	1,410
Impairment charges (note 13)	765	800
	901	**4,610**

7 Auditors' remuneration

During the year, the Group obtained the following services from the Group's auditor, at the costs detailed below:

	2022 £ 000	2021 £ 000
Fees payable to the Company's auditors for the audit of the consolidated financial statements	100	75
Fees payable to the Company's auditors and its associates for other services to the Group:		
Audit of the Companies subsidiaries	34	29
Audit fees relating to prior periods	24	30
Total audit fees	**158**	**134**
Non-audit assurance services	25	-
Total audit and non-audit assurance related services	**183**	**134**

8 Staff costs

The aggregate payroll costs (including directors' remuneration) included within continuing operations were as follows:

	2022 £ 000	2021 £ 000
Wages, salaries and other short term employee benefits	1,783	1,164
Social security costs	203	153
Post-employment benefits	76	86
Total staff costs	**2,061**	**1,402**

The aggregate payroll costs (including directors' remuneration) included within discontinued operations were as follows:

	2022 £ 000	2021 £ 000
Wages, salaries and other short term employee benefits	680	312
Social security costs	27	13
Total staff costs - discontinued operations	**706**	**325**

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

	2022 No.	2021 No.
Executive directors	3	2
Finance, Risk and HR	5	2
Sales and marketing	4	4
Legal	1	2
Operations and Platform development	13	9
Total average number of people employed	**26**	**19**

9 Key management personnel

Key management compensation (including directors):

	2022 £ 000	2021 £ 000
Wages, salaries and short-term employee benefits	1,521	890
Social security costs	111	60
Post-employment benefits	42	60
Total key management compensation	**1,674**	**1,010**

Key management personnel consist of the Company leadership team and the Directors.

No retirement benefits are accruing to Company Directors under a defined contribution scheme (2021: none), however the Chief Executive Officer received cash in lieu of payments to a defined contribution pension scheme

of £12,420 during the year (2021: £49,310). This was allowable under his director's employment contract.

The Directors' emoluments are detailed in the Remuneration Report of the Annual Report and Accounts for the year ended 31 December 2022.

10 Income tax

Tax charged in the income statement:

	2022	2021
	£ 000	£ 000
Current Taxation		
UK Corporation tax	-	-
Foreign taxation paid/(receivable) by subsidiaries - continuing operations	-	399
Foreign taxation paid/(receivable) by subsidiaries - discontinued operations		(67)
	-	332

The tax on loss before tax for the period is more than (2021 - more than) the standard rate of corporation tax in the UK of 19% (2021 - 19%).

The differences are reconciled below:

	2022	2021
	£ 000	£ 000
Loss before tax	9,877	12,155
Corporation tax at standard rate - 19%	(1,877)	(2,309)
Effect of expenses not deductible in determining taxable profit (tax loss)	817	929
Increase in tax losses carried forward which were unutilised in the current year	1,612	616
Tax adjustments in respect of foreign subsidiaries (timing differences)	-	1,096
Over provision of tax in prior years	(1)	-
Income not taxable	(452)	-
Deferred tax not recognised	(131)	-
Differences between UK and foreign tax legislation	31	
Total tax charge	**(1)**	**332**

11 Deferred tax

The following are the deferred tax (liabilities)/assets have been recognised by the Group and movements thereon during the current and prior year:

	Deferred tax liability arising on acquired intangible assets £ 000	Deferred tax asset arising on short-term timing differences £ 000	Total £ 000
As at 1 January 2021	-	**394**	**394**
Arising on acquisition of TradeFlow	(1,171)	-	(1,171)
Additions	-	24	24
Credit / (charge) to income	67	(254)	(187)
Impairment	-	(164)	(164)
As at 31 December 2021	(1,104)	-	**(1,104)**
As at 1 January 2022	**(1,104)**	-	**(1,104)**
Credit / (charge) to income	144	-	144
Reclassified to assets of disposal group held for sale	960	-	960
As at 31 December 2022	-	-	-

The deferred tax liability arises on the acquisition of TradeFlow in 2020 and in particular on the fair value uplift that was applied to the acquired intangible assets. This deferred tax liability will be released in line with the amortisation profile of the acquired intangible assets. The balance as at 31 December 2022 has been reclassified to assets of disposal group held for sale.

The deferred tax asset previously recognised related to short term timing differences arising from revenue recognition, amortisation costs and IAS 19 timing differences. As at 31 December 2022 the Directors reviewed the carrying amount of all deferred tax assets to determine whether sufficient future taxable income will be generated to permit the use of the existing deferred tax assets. In order to be prudent, and to follow a consistent approach used to determine the impairment of the Group's internally generated IM platform asset (refer to note 13 for further details), the Directors reached the conclusion to impair the full carrying value of the deferred tax assets as at the year-end date. No further deferred tax assets have been recognised in the current financial year due to the fact that the Group's track record of successful IM facilitation is still being established.

In addition, unrecognised deferred tax assets, relating to tax losses carried forward across the Group have not been recognised due to uncertainty over the timing and extent of future taxable profits. The losses can be carried forward indefinitely and have no expiry date. The total approximate tax losses carried forward across the Group

as at 31 December 2022 were £16.8 million, being £13.7 million relating to continuing operations and £3.1 million relating to discontinued operations.

12 Earnings per share

The calculation of the basic earnings/(loss) per share (EPS) is based on the total loss for the year of £9,878,000 (2021 - loss £12,487,000) and on a weighted average number of ordinary shares in issue of 43,240,915,594 (2021 - 33,921,396,568). The basic EPS is (0.023) pence (2021 - (0.037) pence).

The calculation of the basic earnings/(loss) per share (EPS) from continuing operations is based on the total loss for the year from continuing operations of £7,711,000 (2021 - loss £7,420,000) and on a weighted average number of ordinary shares in issue of 43,240,915,594 (2021 - 33,921,396,568). The basic EPS from continuing operations is (0.018) pence (2021 - (0.022) pence).

The calculation of the Basic earnings/(loss) per share (EPS) from discontinued operations is based on the total loss for the year discontinued operations of £2,167,000 (2021 - loss £5,067,000) and on a weighted average number of ordinary shares in issue of 43,240,915,594 (2021 - 33,921,396,568). The basic EPS from discontinued operations is (0.005) pence (2021 - (0.015) pence).

The Company has share warrants and employee share scheme options in issue as at 31 December 2022, which would dilute the earnings per share if or when they are exercised in the future. Further details of these share warrants and employee share scheme options can be found in note 26.

No dilution per share was calculated for 2022 and 2021 as with the reported loss they are all anti-dilutive.

13 Intangible assets

	Customer Relation-ships £ 000	**Brand £ 000**	**CTRM Software £ 000**	**AI Software £ 000**	**Goodwill £ 000**	**Internally developed IM platform £ 000**	**Total**
Cost or valuation							
At 1 January 2021	-	-	-	-	-	1,524	1,524
Arising of acquisition of Tradeflow	4,829	205	1,429	425	2,199	-	9,087
Additions	-	-	-	-	-	1,020	1,020
At 31 December 2021	4,829	205	1,429	425	2,199	2,544	11,631
Additions	-	-	-	-	-	1,125	1,125
Reclassified to assets of disposal group held for sale	(4,829)	(205)	(1,429)	(425)	(2,199)	-	(9,087)
At 31 December 2022	-	-	-	-	-	3,669	3,669
Amortisation							
At 1 January 2021	-	-	-	-	-	380	380
Amortisation charge	186	20	143	43	-	391	783
At 31 December 2021	**186**	**20**	**143**	**43**	**-**	**771**	**1,163**
Amortisation charge	401	44	309	92	-	47	893
Reclassified to assets of disposal group held for sale	(587)	(64)	(452)	(135)		-	(1,238)
At 31 December 2022	-	-	-	-	-	818	818
Impairment							
At 1 January 2021	-	-	-	-	-	-	-
Impairment charge	-	-	-	-	800	1,773	2,573
At 31 December 2021	**-**	**-**	**-**	**-**	**800**	**1,773**	**2,573**
Impairment charge					765	1,078	1,843
Reclassified to assets of disposal group held for sale	-	-	-	-	(1,565)	-	(1,565)
At 31 December 2022	-	-	-	-	-	2,851	2,851
Net Book Value							
At 31 December 2022	-	-	-	-	-	-	-
At 31 December 2021	4,643	185	1,286	382	1,399	-	7,895

The following intangible assets arose on the acquisition of TradeFlow during the prior period; Customer relationships, Brand, Commodity Trade Risk Management ("CTRM") software, Artificial Intelligence and back-office ("AI") software and Goodwill. The carrying value of these assets at the date of acquisition is shown in the table above. As at 31 December 2022, the TradeFlow operations were reclassified as discontinued operations and as such the net book value of the intangible assets relating to the TradeFlow operations have been reclassified to assets of disposal group held for sale at this date.

Impairment assessment - Internally developed IM Platform

The Directors considered the continued current year losses of the Group's Italian subsidiary, to which the Internally developed IM platform relates, and the full impairment of this intangible asset in the prior year, as an impairment indicators and therefore, in accordance to IAS 36 ("Impairment of Assets"), considered if as at 31 December 2022, this intangible asset required further impairment of the additions during the year or if some so the prior year impairment could be reversed.

The full going concern statement, set out in note 2, noted there is currently an absence of a historical recurring track record relating to inventory monetisation transactions being facilitated by the Group's Platform, the generation of the full range of fees from the use of its Platform from more than one inventory monetisation transaction, and the Group being cash flow positive. As such the Directors have prudently identified a material uncertainty in relation to the going concern statement. The Directors have also concluded that these uncertainties also apply to the discounted cash flow model used in this impairment test also. In particular, there is uncertainty that arises with respect to both the future timing and growth rates of the forecast discounted cash flows arising from the use of the Internally developed IM Platform intangible asset.

As such, the Directors have prudently decided to continue to impair the full carrying amount of this asset as at 31 December 2022. This impairment loss may subsequently be reversed and if so, the carrying amount of the asset will be increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the investment in prior years.

Impairment assessment - TradeFlow

The Directors considered the underperformance of TradeFlow compared to the forecast for the year ended 31 December 2022 (included in the independent valuation report prepared for the purposes of the acquisition) to be an impairment indicator. In particular, the Directors noted that the earn-out milestone target, which had been set in line with the forecast referred to above, for the year ended 31 December 2022 had not been achieved. Therefore, in accordance with IAS 36 ("Impairment of Assets") and IFRS 5 ("Non-current Assets Held for Sale and Discontinued Operations"), management have considered the need for further impairment during the current financial year.

During the preparation of the interim financial statements this included a full IAS 36 ("Impairment of Assets") impairment test being carried out using an updated cash flow forecast that the TradeFlow CGU is expected to generate during the period to FY25 in its current conditions. This reforecast has been prepared by the Directors of TradeFlow and factored in reduced revenues, higher operating losses for the first two years of the reforecast and lower operating profits for the remaining periods. This reforecast is considered to be based on a set of reasonable assumptions given the current expectations for TradeFlow's growth and development in the future.

The Directors prudently applied a 25% discount rate in order to be consistent with the approach followed at 31 December 2021 and also to be consistent with the independent purchase price accounting exercise carried out in respect of the TradeFlow acquisition in the prior financial year. Using these assumptions, the recoverable amount has been identified as the value in use, equal to the sum of the discounted future cash flows (including a terminal value and terminal value growth rates of 2.5%) that the TradeFlow CGU will be able to generate according to management estimates in its current condition. This recoverable amount of the TradeFlow CGU was determined to be lower than its carrying amount on the balance sheet at 30 June 2022 by £765,000.

As such, in accordance with IAS 36 ("Impairment of Assets"), an impairment charge of £765,000 has been recognised against the value of the goodwill initially recognised in line with IFRS 3 ("Business Combinations"). This impairment charge has also been recognised in the profit and loss in the current financial year.

As described earlier in these consolidated financial statements, during the second half of 2022, the Directors began the process of the TradeFlow Restructuring, and as detailed in notes 2 and 27 the TradeFlow operations have been classified as a discontinued operation as at 31 December 2022 in accordance with IFRS 5 ("Non-current Assets Held for Sale and Discontinued Operations"). When carrying out the impairment assessment of the TradeFlow CGU as at 31 December 2022, management was required to consider the fair value less cost to sell of the TradeFlow operations, which given the classification as a discontinued operation, is assumed to be the agreed price between two market participants.

Further to the TradeFlow Restructuring activities, on the 24 March 2023, that the TradeFlow Directors had provided written notice to the Board of their intention to exercise their rights to buy back 100% of the share capital of TradeFlow, pursuant to certain earn-out arrangements entered into in connection with the Company's acquisition of TradeFlow (the "Buy Back"), the completion of which was announced on 6 July 2021.

Given the proximity of this Buy Back announcement to the date of publication of these consolidated financial statements, details of the Buy Back are still being considered and finalised as at the date of these financial statements. As such, management instead considered the specifics set out in the TradeFlow Restructuring share purchase agreement that had been agreed in principle between the Company and the TradeFlow directors, Tom James and John Collis, who together acted as the buyers (the "Buyers"), prior to the Buy Back being exercised (the "TradeFlow SPA"). These specifics included that the:

a) TradeFlow SPA set out the total legal consideration for the 81% of the TradeFlow business and required an amount of £2,000,000 to be payable to the Company by the TradeFlow directors as a result of the TradeFlow Restructuring;
b) Based on the amount agreed in a) above, the estimated fair value of 100% of the TradeFlow CGU is assumed to be £2,469,000;
c) This value was compared to the net asset value of the TradeFlow operations in the consolidated financial statements as at 31 December 2022. This net asset value was £2,311,000.

As the estimated fair value of the TradeFlow CGU exceeded the net asset value of the TradeFlow operations in the consolidated Group financial statements as at 31 December 2022, no additional impairment charges were recognised during the second half of 2022.

14 Trade and other receivables

	As at 31 December 2022 £ 000	As at 31 December 2021 £ 000
Trade receivables	7	13
Contract assets	-	84
Other receivables	1,179	727
Prepayments	33	72
Total trade and other receivables	1,219	896

15 Share capital

Allotted, called up and fully paid shares

	As at 31 December 2022		As at 31 December 2021	
	No. 000	£ 000	No. 000	£ 000
Equity			-	-
Ordinary shares of £0.00002 each	56,621,568	1,132	36,068,442	721
Deferred shares of £0.04000 each	63,084	2,523	63,084	2,523
2018 Deferred shares of £0.01000 each	224,194	2,242	224,194	2,242

	56,908,846	5,897	36,355,720	5,486

Reconciliation of allotted, called up and full paid

	2022		2021	
	No. 000	**£ 000**	**No. 000**	**£ 000**
Ordinary shares as at 1 January	36,355,720	5,486	33,042,223	5,420
New ordinary shares issued to fulfil the conversion of Mercator Capital Management Fund LP convertible loan notes	1,400,898	28	680,791	14
New ordinary shares issued to Venus Capital S.A. in connection with the Capital Enhancement Plan	14,350,000	287		
New ordinary shares issued to settle the FY21 acquisition related earn-out payments	213,526	4		
New ordinary shares issued in connection with Open Offer completed during the year	641,710	13		
New ordinary shares issued to fulfil the conversion of Open Offer warrants	49,508	1		
New ordinary shares issued to fulfil the conversion of Venus Capital S.A. convertible loan notes	3,897,484	78		
New ordinary shares issued to fulfil the conversion of Negma Group Limited convertible loan notes			1,319,706	26
New ordinary shares issued as consideration for acquisition of TradeFlow			813,000	16
New ordinary shares issued as consideration for support with the TradeFlow acquisition			500,000	10
Total at 31 December	**56,908,846**	**5,897**	**36,355,720**	**5,486**

New shares allotted during the current financial year

New ordinary shares issued to fulfil the conversion of Mercator Capital Management Fund LP ("Mercator") convertible loan notes

- On 13 January 2022, the Company allotted 594,664,101 new ordinary shares as a result of the conversion of £678,333 of the convertible loan notes issued and subscribed by Mercator.
- On 28 February 2022, the Company allotted 489,787,922 new ordinary shares as a result of the conversion of £500,000 of the convertible loan notes issued and subscribed by Mercator.
- On 29 March 2022, the Company allotted 316,446,349 new ordinary shares as a result of the conversion of £178,333 of the convertible loan notes issued and subscribed by Mercator.

New ordinary shares issued to Venus Capital S.A. ("Venus") in connection with the Capital Enhancement Plan

On 27 April 2022, the Company announced its Capital Enhancement Plan pursuant to which it would enter into a subscription agreement with Venus and undertake an open offer to existing shareholders, in order to raise up to £7,500,000 in new equity capital (the "**Capital Enhancement Plan**"). This new equity capital enabled the Company to settle the outstanding loan notes and convertible loan notes with Mercator in cash rather than by the conversion of the convertible loan notes into new ordinary shares. During the currentl financial year ended 31 December 2022, the following share issues were made to Venus in line with subscription agreement dated 26 April 2022, and the subsequent amendment agreement dated 21 July 2022 and the side letter agreement dated 3 October 2022:

- On 26 April 2022, the Company issued 2,770,000,000 of new ordinary shares to Venus in exchange for £1,385,000.
- On 10 May 2022, the Company issued 550,000,000 of new ordinary shares to Venus in exchange for £275,000.
- On 18 July 2022, the Company issued 1,350,000,000 of new ordinary shares to Venus in exchange for £675,000.
- On 5 September 2022, the Company issued 950,000,000 of new ordinary shares to Venus in exchange for £475,000.
- On 11 October 2022, the Company issued 8,730,000,000 of new ordinary shares to Venus in exchange for £4,365,000. As at 31 December 2022 £500,000 of this amount is included with other receivables.

New ordinary shares issued in connection with the TradeFlow FY21 acquisition related earn-out payment

- On 19 July 2022, the Company issued 213,525,520 of new ordinary shares in settlement of the TradeFlow acquisition related earn-out for FY21.

New ordinary shares issued in connection with Open Offer completed on 17 August 2022

- On 18 August 2022, the Company issued 641,710,082 of new ordinary shares as a result of an Open Offer issue in exchange for £306,029.

New ordinary shares issued to fulfil the conversion of Open Offer warrants

Further to the issue of new ordinary shares on the 18 August 2022 as a result of the Open Offer, the Company also issued 320,855,008 warrants to certain qualifying shareholders who participated in its open offer (the "Open Offer Warrants"). Following the issue of the Open Offer Warrants, certain holders have elected to exercise their Open Offer Warrants and this resulted in the following share issues during the current financial year:

- On 2 September 2022, the Company issued 5,064,230 of new ordinary shares as an Open Offer Warrant conversion.
- On 17 September 2022, the Company issued 8,058,388 of new ordinary shares as an Open Offer Warrant conversion.
- On 27 September 2022, the Company issued 1,608,176 of new ordinary shares as an Open Offer Warrant conversion.
- On 11 October 2022, the Company issued 30,897,410 of new ordinary shares as an Open Offer Warrant conversion.
- On 21 October 2022, the Company issued 2,190,452 of new ordinary shares as an Open Offer Warrant conversion.
- On 7 November 2022, the Company issued 615,335 of new ordinary shares as an Open Offer Warrant conversion.
- On 26 November 2022, the Company issued 512,454 of new ordinary shares as an Open Offer Warrant conversion.

- On 8 December 2022, the Company issued 561,555 of new ordinary shares as an Open Offer Warrant conversion.

New ordinary shares issued to fulfil the conversion of Venus convertible loan notes

In connection with the Capital Enhancement Plan, the Company also issued convertible loan note to the value of £1,917,500 to Venus during the year. Further details of the Venus convertible loan notes can be found in note 8 to these financial statements. The Venus convertible loan notes were settled through the issue of the following new ordinary shares:

- On 6 October 2022, the Company issued 3,048,986,302 of new ordinary shares to Venus Capital for the conversion of Tranche B convertible loan notes with a principal value of £1,500,000.
- On 11 October 2022, the Company issued 848,498,083 of new ordinary shares to Venus Capital the conversion of Tranche A convertible loan notes with a principal value of £417,500.

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences, and restrictions:

The Ordinary shares carry rights to participate in dividends and distributions declared by the Company and each share carries the right to one vote at any general meeting. There are no rights of redemption attaching to the Ordinary shares.

Deferred shares have the following rights, preferences, and restrictions:

The deferred shares carry no rights to receive any dividend or distribution and carry no rights to vote at any general meeting. On a return of capital, the Deferred shareholders are entitled to receive the amount paid up on them after the Ordinary shareholders have received £100,000,000 in respect of each share held by them. The Company may purchase all or any of the Deferred shares at an appropriate consideration of £1.

2018 Deferred shares have the following rights, preferences, and restrictions:

The deferred shares carry no rights to receive any dividend or distribution and carry no rights to vote at any general meeting.

16 Loan notes and Long-Term Borrowings

Loan notes

On 29 September 2021, the Company announced it had entered a loan note facility with Mercator Capital Management Fund LP ("Mercator"). The new loan note facility consisted of a short-term loan with the following key terms:

- Initial draw down of £5 million, with a further £2 million available within 60 days subject to certain conditions precedent which were subsequently met;
- 12-month term, with an interest rate of 10%;
- The principal and interest to be repaid on a monthly basis; and
- Warrants will be issued representing 20% of both tranches. The warrants will have a term of 3 years from issue and an exercise price of 130% of the lowest closing VWAP over the ten trading days immediately preceding the issue of the warrants.

The loan note facility was linked to a convertible loan note facility also entered into with Mercator, which was able be used should the Company elect not to repay any of the interest or principal relating to the loan notes in cash. The Mercator convertible loan note facility was for the same aggregate value as the loan facility including interest, being £7.7 million, and was able to be drawn in tranches equal to the monthly loan repayments. Further details of the Mercator convertible loan notes can be found in note 17.

To assist with the key objective of the Capital Enhancement Plan, which was to enable the Company, at its election, to settle the outstanding Mercator loan notes and convertible loan notes in cash rather than by the conversion into new ordinary shares of the Company, the Company and Mercator signed an amendment agreement on 26 April 2022 (the "**Mercator Amendment**"). To assist with the final settlement of the outstanding Mercator loan notes and convertible loan notes, the Company and Mercator signed a further Addendum Deed on 3 October 2022 (the "**Addendum Deed**").

Pursuant to both the original agreement dated 29 September 2021, the Mercator Amendment and the Addendum Deed, the Group repaid the following monthly instalments of the loan note liability over the year ended 31 December 2022:

- The January, February and March monthly repayments of £678,333 per month were settled through the issue of convertible loan notes, in lieu of cash repayments, to Mercator.

- The April monthly repayment was paid in cash on 10 June 2022, in accordance with the Mercator Amendment referred to above. This was for an amount of £678,333, plus an additional late payment interest charge of £72,767.

- The May and June monthly payments were settled together on the 10 June 2022 through the issue of convertible loan notes to the value of £1,502,198, in lieu of cash repayments, to Mercator. This combined repayment was in accordance with the Mercator Amendment and included additional late payment interest charges of £145,532.

- In line with the Mercator Amendment, each of the July, August and September monthly repayments were made through a part issue of convertible loan notes of £400,000 each and through a part cash payment of £278,333 each. Each of these monthly repayments incurred additional interest charges in line with the Mercator Amendment. The total additional interest for these three months totalled £86,000.

- In October 2022, the Company exercised the repayment option that was agreed as part of the Addendum Deed entered into on 3 October 2022. Under this option the Company, made the final October monthly payment of £678,333 in cash. This payment incurred an addition interest charge of £20,000.

The settlements in lieu of cash were made in order to allow the Group to preserve cash for working capital requirements and to facility further new strategic initiatives.

The loan notes were initially recorded at the proceeds received, net of direct issue costs (including commitment fees, introducer fees and the fair value of warrants issued to satisfy issue costs). The finance charges, including direct issue costs, are accounted for on an amortised cost basis using the effective interest method. The effective interest rate applied was 47.5%. The additional late payment interest charges have been recorded as finance costs in the periods in which they were incurred and have not been included in the effective interest rate calculation.

Further details on the fair value of the warrants are set out in note 26.

The movement in the loan notes during the current financial year are set out in the table below:

	2022	2021
	£ 000	£ 000

Loan note liability at 1 Jan	5,732	-
Initial drawdown net of commitment, introducer fees and fair value of warrants issued in connection with the loan notes	-	4,209
Second drawdown net of commitment and introducer fees	-	1,900
Amortisation of finance costs during the period (recognised in the income statement)	1,051	540
Less: repayments made via issue of convertible loan notes	(4,592)	(917)
Less: repayments made via cash	(2,191)	-
Loan note liability at 31 December	**-**	**5,732**

Long-Term Borrowings

	As at 31 December 2022 £ 000	As at 31 December 2021 £ 000
Unsecured loan notes	-	1,263
Other bank borrowings (non-current portion)	748	21
Total long-term borrowings	748	1,284

TradeFlow entered into an unsecured loan note subscription agreement on 23 October 2020 and this was recognised by the Group from the date of acquisition. This loan note was for a principal amount of USD 1,700,000. The terms of this agreement require the principal to be repaid as one lump sum on the 23 October 2023 along with an additional cost of issue of USD 300,000. As at 31 December 2022 TradeFlow is disclosed as a discontinued operation under IFRS 5 ("Non-current assets Held for Sale and Discontinued Operations") and as such equivalent liability have been disclosed in aggregate as liabilities of disposal group held for sale (refer to note 27 for more information).

On 13 October 2022, the Company announced that its subsidiary, Supply@ME Technologies S.r.l, had entered into a new long term loan facility with Banco BPM S.p.A (the "Banco BPM Facility"). The obligations of Supply@ME Technologies S.r.l under the Banco BPM Facility are guaranteed by the Company. The key commercial terms of the Banco BPM Facility include:

a) €1 million in principal amount;
b) 275 basis points over Euribor interest rate; and
c) a five-year repayment term (the final payment to be made on 11 October 2027), including an initial six months of interest only repayments, followed by 54 months of combined principal and interest repayments.

Fees totalling €52,000 were incurred in connection with the arrangement of the Banco BPM Facility. These costs have been capitalised and will be spread over the term of the Banco BPM Facility. The amount include in the table above represents the non-current portion of the Banco BPM Facility.

17 Convertible loan notes

As at 31 December 2022, the convertible loan note liability was nil (31 December 2021:nil). However, during the current financial year, the Company entered into two different convertible loan arrangements. These are set out below:

Mercator convertible loan notes

As set out in Note 16 the loan note facility the Company entered into with Mercator is linked to a convertible loan note facility also with Mercator.

The Mercator convertible loan notes contain the following key terms:

- They were each to be issued at par value;
- Each convertible loan note had a 12-month term, a conversion price of 85% of the lowest 10 day closing VWAP prior to the issue of the conversion notice and was able to be convertible at the holders request;
- Warrants are to be issued for 20% of each tranche. The warrants will have a term of 3 years from issue and an exercise price of 130% of the lowest closing VWAP over the ten trading days immediately preceding the request to issue a new tranche. Under the terms of amendment Mercator Amendment no further warrants were required to be issued on the monthly repayments due following April 2022.

During the year ended 31 December 2022, the Company issued convertible loan notes to Mercator to the value of £4,737,000 which included the monthly repayments of £4,592,000 made by way of convertible loan notes (as set out in Note 6 above) and the additional interest charge due on the May and June repayments of £145,532.

Of the £4,737,000 of convertible loan notes issued during the year, £3,381,000 was repaid in cash and the remaining £1,357,000 was converted into ordinary shares in the Company.

The Mercator convertible loan notes did not have any annual interest costs in addition to the loan notes but did have costs relating to commitment fees and late payment interest charges of £571,000 and the fair value of the warrants of £236,000 associated with issue of the convertible loan notes. All these costs have been recognised in the income statement in the current year given the liability to which they relate has been extinguished (2021: £113,000). Further details on the fair value of the warrants are set out in note 23 to the Group consolidated financial statements.

The movement in Mercator convertible loan note liability during the current financial period is set out in the table below:

	£ '000
Mercator convertible loan note liability at 1 January 2022	-
Monthly loan note repayments made via issue of convertible loan notes	4,592
Financial costs satisfied via the issue of convertible loan notes	145
Less convertible loan notes converted into ordinary shares	(1,356)
Less convertible loan notes repaid in cash	(3,381)
Mercator convertible loan note liability at 31 December 2022	-

Venus convertible loan notes

In connection with the Capital Enhancement Plan announced by the Company on 26 April 2022, the Company executed a new convertible loan note agreement with Venus Capital S.A. ("Venus"), under which the Company, at its discretion, could issue to Venus convertible loan notes up to £1,950,000 in aggregate principal amount. These convertible loan notes were split into two tranches being:

1. The Tranche A Venus convertible loan notes up to the value of £417,500 which could be issued by the Company to cover the fees associated with the Venus equity subscription (£342,500) and convertible loan agreements (£75,000). The former fees were required to be paid by the Company, proportionally, in line with when new ordinary shares were issued to Venus under the Capital Enhancement Plan. The obligation to pay the later fees arose at the point the Company executed of the working capital facility which is referred to below; and
2. The Tranche B Venus convertible loan notes which could be issued by the Company to receive a working capital facility of up to £1,500,000.

In order to preserve the Company's cash balance, the full £417,500 of fees were settled by the issue of the Tranche A convertible loan notes to Venus between the period the 19 July 2022 and the 10 October 2022. These convertible loan notes are repayable in shares with a maturity date of 31 December 2025 and incur a 10% per annual interest rate. The cost of the Tranche A Venus convertible loan notes associated with the Venus equity subscription (£342,500) was offset against the share premium in accordance with IAS 32 ("Financial Instruments"). The cost of the Tranche A Venus convertible loan notes associated with the arrangement of the working capital facility with Venus (£75,000) was recorded as finance costs in the income statement given these directly related to the cost of drawing down on this financing facility. These costs were recognised in line with the draw down of the working capital facility.

Additionally, during July and August 2022, the Company drew down a total of £1,500,000 Tranche B convertible loan notes from Venus in the form of the working capital facility. These convertible loan notes were also repayable in shares with a maturity date of 31 December 2025 and incur a 10% per annual interest rate.

The settlement of both the Tranche A and Tranche B Venus convertible loan notes took place in October 2022 as follows:

a. On 3 October 2022, the Company and Venus entered into the side letter agreement, pursuant to which and conditional on the admission subject to the Prospectus issued on the 3 October 2022, £1,500,000 in principal amount of Tranche B Venus convertible loan notes, plus accrued interest of £25,000, were converted into 3,048,986,302 new ordinary shares which were issued to Venus at a price of 0.05 pence per share on the 6 October 2022; and
b. On the 10 October 2022, in line with the side letter agreement referred to above, and conditional on the secondary admission subject to the Prospectus issued on the 3 October 2022, £417,500 in principal amount of Tranche A Venus convertible loan notes, plus accrued interest of £7,000, (including £61,500 in principal amount of Tranche A Venus CLNs to be issued and immediately converted, not attracting interest) converted into 848,498,083 new ordinary shares which were issued to Venus at a price of 0.05 pence per share on the 11 October 2022.

Both interest costs referred to above have been recognised in the income statement during the current financial period. As at 31 December 2022, there were no amounts outstanding under the Venus convertible loan note facility (31 December 2021: nil).

	£ '000
Venus convertible loan note liability at 1 January 2022	-
Tranche A Venus convertible loan notes	418
Tranche B Venus working capital convertible loan notes	1,500
Interest cost associated with Tranche A and B convertible loan notes	32
Repayment of Venus convertible loan notes via the issue of new ordinary share	(1,950)
Venus convertible loan note liability at 31 December 2022	-

Historical convertible loan notes

In addition to the above, the Company also had historical convertible loan notes and associated derivative financial instruments that expired during the financial year ended 31 December 21 resulting in a credit to the income statement in the prior year in respect of the outstanding fair value of £24,000. There were no amounts recorded in the income statement in the current financial year.

18 Trade and other payables

	As at 31 December 2022 **£ 000**	**As at 31 December 2021** **£ 000**
Trade payables	2,209	1,086
Other payables	747	588
Current portion of long term borrowings	158	-
Social security and other taxes	977	994
Accruals	402	437
Contract liabilities	94	395
	4,587	3,500

19 Provisions

	Post-employment benefits £ 000	**Provision for risks and charges £ 000**	**Provision for VAT and penalties £ 000**	**Total £ 000**
At 1 January 2021	32	36	267	335
Released to profit and loss	-	-	(58)	(58)
Provided for in the year	26	51	-	77
Payments	(11)	-	-	(11)
Actuarial (gain)/loss	(3)	-	-	(3)
At 31 December 2021	44	87	209	340
Forex retranslation adjustment	2	5	12	19

At 1 January 2022	46	92	221	359
Released to profit and loss	-	(19)	(20)	(39)
Provided for in the year	22	12	144	178
Payments	(8)	-	-	(8)
Actuarial (gain)/loss	(22)	-	-	(22)
At 31 December 2022	38	85	345	467

Post-employment benefits
Post-employment benefits include severance pay and liabilities relating to future commitments to be disbursed to employees based on their permanence in the company. This entirely relates to the Italian subsidiary where severance indemnities are due to each employee at the end of the employment relationship.

Post-employment benefits relating to severance indemnities are calculated by estimating the amount of the future benefit that employees have accrued in the current period and in previous years using actuarial techniques. The calculation is carried out by an independent actuary using the "Projected Unit Credit Method".

Provision for risks and charges
Provision for risks and charges includes the estimated amounts of penalties for payment delays referring the tax payables recorded in the Italian subsidiary financial statements which, at the closing date, are overdue.

Provision for VAT and penalties
In advance of the Group's first monetisation transaction, a number of advance payments have been received by the Group's Italian subsidiary from potential client companies in accordance with agreed contractual terms. These payments have been recognised as revenue in accordance with local accounting rules. These advance payments, for which an invoice has not yet been issued, have been made exclusive of VAT. As at 31 December 2022, the Group has included a provision relating to a potential VAT liability, including penalties, in respect of these advance payments of £201,000 (31 December 2021: £209,000). The reduction in the provision during the year represents the fact that some of these payments have been refunded, at the customer's request, and therefore the potential VAT liability has been removed.

At the point in the future when the associated monetisation transaction takes place, the potential VAT liability will be settled by the Group. At this same point in time, the Directors expect to be able to recover the VAT from the client companies as invoices in respect of the monetisation transactions are issued. The timing of these future monetisation transactions currently remains uncertain and as such no corresponding VAT receivable has been recognised as at 31 December 2022, however there is a contingent asset of £143,000 as at 31 December 2022 (31 December 2021: £149,000) in respect of this.

From time to time, during the course of business, the Group maybe subject to disputes which may give rise to claims. The Group will defend such claims vigorously and provision for such matters are made when costs relating to defending and concluding such matters can be measured reliably. There were no cases outstanding as at 31 December 2022 that meet the criteria for a provision to be recognised.

An additional amount of £144,000 was added to the provision during the current financial year to reflect the fact that the Italian intercompany invoice was issued late and this balance reflects potential VAT penalties that may arise due to the timing of the invoice.

20 Pension and other schemes

Defined contribution pension scheme
The Group operates a defined contribution pension scheme. The assets of the scheme are recognised as being held separately from those of the Group and Company and will be paid over to an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund.

The total pension charge for the year represents contributions payable by the Group to the scheme and amounted to £76,000 (2021: £86,000).

Contributions totalling £9,000 (2021: £21,000) were payable to the scheme at the end of the year and are included in creditors. This has been paid post year end.

21 Capital commitments

There were no capital commitments for the Group at 31 December 2022 or 31 December 2021.

22 Contingent liabilities

There were no contingent liabilities for the Group at 31 December 2022 or 31 December 2021.

23 Financial instruments

Financial assets

	Carrying value		**Fair value**	
	As at 31 December 2022	**As at 31 December 2021**	**As at 31 December 2022**	**As at 31 December 2021**
	£ 000	**£ 000**	**£ 000**	**£ 000**
Financial assets at amortised cost:				
Cash and cash equivalents	257	1,727	257	1,727
Trade receivables	7	13	7	13
Other receivables	1,179	727	1,179	727
	1,443	2,467	1,443	2,467

Valuation methods and assumptions: The directors believe due to their short term nature, the fair value approximates to the carrying amount.

Financial liabilities

	Carrying value		Fair value	
	As at 31 December 2022 £ 000	**As at 31 December 2021 £ 000**	**As at 31 December 2022 £ 000**	**As at 31 December 2021 £ 000**
Financial liabilities at amortised cost:				
Loan notes	-	5,732	-	5,732
Long-term borrowings	906	1,284	906	1,284
Trade payables	2,209	1,086	2,209	1086
Other payables	747	588	747	588
	3,862	8,690	3,862	8,690

Valuation methods and assumptions: The directors believe that the fair value of trade and other payables approximates to the carrying value.

There are no financial liabilities that are carried at fair value through the profit and loss as at 31 December 2022 (31 December 2021:nil).

Risk management

The Group is exposed through its operations to the following financial risks: credit risk, foreign exchange risk, and liquidity risk.

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing these risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements. There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

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

- trade receivables;
- cash at bank; and
- trade and other payables.

General objectives, policies and processes

The board had overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it had delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The board received monthly reports from the Chief Financial Officer through which it reviewed the effectiveness of the processes put in place and the appropriateness of the objectives and policies it had set. The overall objective of the board was to set polices that sought to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

Interest rate risk

At present the directors do not believe that the Group has significant interest rate risk and consequently does not hedge against such risk. Cash balances earn interest at variable rates.

The Group's interest generating financial assets from continuing operations as at 31 December 2022 comprised cash and cash equivalents of £257,000 (2021: £1,727,000). Interest is paid on cash at floating rates in line with prevailing market rates.

The Group's interest generating financial liabilities from continuing operations as at 31 December 2022 comprised long term borrowings of £906,000 (2021 - loan notes of £5,732,000 and long term borrowings of £1,284,000).

Sensitivity analysis

At 31 December 2022, had the LIBOR 1 MONTH rate of 0.01609 (2021 - 0.01047) increased by 1% with all other variables held constant, the increase in interest receivable on financial assets would amount to approximately £nil (2021 - £nil). Similarly, a 1% decrease in the LIBOR 1 MONTH rate with all other variables held constant would result in a decrease in interest receivable on financial assets of approximately £nil (2021 - £nil).

Credit risk and impairment

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings take into account local business practices. The Group has a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. To manage this, the Group has made sure that they use reputable banks.

The Group's Chief Financial Officer monitors the utilisation of the credit limits regularly.

The Group's maximum exposure to credit by class of individual financial instrument is shown in the table below:

	Carrying value as at 31	Maximum exposure as at 31	Carrying value as at 31	Maximum exposure as at 31

	December 2022 £ 000	December 2022 £ 000	December 2021 £ 000	December 2021 £ 000
Cash and cash equivalents	257	257	1,727	1,727
Trade receivables	7	7	13	13
	264	264	1,740	1,740

As at 31 December 2022, the assets held by the Group are not past due or impaired.
Trade receivables are all considered to be low risk and have been fully repaid since year end.

Foreign exchange risk
Foreign exchange risk arises because the Group has operations located in various parts of the world whose functional currency is not the same as the functional currency in which the Group operates. Although its global market penetration reduces the Group's operational risk, in that it has diversified into several markets, the Group's net assets arising from such overseas operations are exposed to currency risk resulting in gains or losses on retranslation into sterling. Only in exceptional circumstances would the Group consider hedging its net investments in overseas operations as generally it does not consider that the reduction in foreign currency exposure warrants the cash flow risk created from such hedging techniques.

The Group's policy is, where possible, to allow Group entities to settle liabilities denominated in their functional currency (primarily Euros or Pound Sterling) with the cash generated from their own operations in that currency. Where Group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them) cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

Currency profile
Financial assets
- Cash and cash equivalents Sterling: £229,000 (2021 - £1,585,000)
- Cash Euro: £28,000 (2021 - £92,000)
- Cash US Dollar: £nil (2021 - £44,000)
- Cash Singapore Dollar: £324,000 (2021 - £5,000)- Trade receivables Sterling: £nil (2021 - £nil)
- Trade receivables Euro: £7,000 (2021 - £13,000)
- Trade receivables Singapore Dollar: £1,000 (2021 - £4,000)

Financial liabilities
- Trade payables Sterling: £482,000 (2021 - £193,100)
- Trade payables Euro: £1,727,000 (2021 - £879,000)
- Trade payables Singapore Dollar: £6,000 (2021 - £14,000)

TradeFlow financial assets and liabilities have been included within the currency disclosures above. TradeFlow financial assets and liabilities form part of the of the assets/liabilities held for disposal groups within the statement of financial position.

Sensitivity analysis

At 31 December 2022, if Sterling had strengthened by 10% against the below currencies with all other variables held constant, loss before tax for the year would have been approximately
- EUR: £60,000 higher (2021 - £131,000 higher).
- Singapore Dollar: £69,000 higher (2021 - £51,000 higher)

Conversely, if the below currencies had weakened by 10% with all other variables held constant, loss before tax for the year would have been approximately:
- EURO: £60,000 lower (2021 - £131,000 lower).
- Singapore Dollar: £60,000 lower (2021 - £51,000 lower)

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

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

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

There were no undrawn facilities at 31 December 2022 or 31 December 2021.

At 31 December 2022	Up to 3 months £ 000	Between 3 and 12 months £ 000	Between 1 and 2 years £ 000	Between 2 and 5 years £ 000	Over 5 years £ 000
Liabilities					
Long-term borrowings	-	158	189	559	
Trade and other payables	2,209	747	-	-	-
Social security and other taxes	977	-	-	-	-
Total liabilities	3,186	905	189	559	-

At 31 December 2021	Up to 3 months £ 000	Between 3 and 12 months £ 000	Between 1 and 2 years £ 000	Between 2 and 5 years £ 000	Over 5 years £ 000
Liabilities					
Loan notes	1,493	4,239	-	-	-
Loans and borrowings	-	2	1,269	13	
Trade and other payables	1,674	-	-	-	-

Social security and other taxes	994	-	-	-	-
Total liabilities	4,161	4,241	1,269	13	-

Capital risk management

The Group's capital management objectives are to ensure the Group is appropriately funded to continue as a going concern and to provide an adequate return to shareholders commensurate with risk. The Group defines capital as being total shareholder's equity. The Group's capital structure is periodically reviewed and, if appropriate, adjustments are made in the light of expected future funding needs, changes in economic conditions, financial performance and changes in Group structure. As explained in notes 16 and 17, the Group has currently entered into external debt finance by way of loan notes, long term borrowings and convertible loan notes.

The Group adheres to the capital maintenance requirements as set out in the Companies Act.

Capital for the reporting periods under review is summarised as follows:
- Net liabilities: (£2,025,000) (2021: (£1,425,000))
- Cash and cash equivalents: £257,000 (2021: 1,727,000)

24 Net debt

The Group reconciliation of the movement in net debt is set out below:

	Cash at bank £ 000	Loan notes £ 000	Convertible loan notes £ 000	Total long-term borrowings £ 000	Total £ 000
At 1 January 2022	1,727	(5,732)	-	(1,284)	(5,289)
Net cash flows	(1,133)	-	(1,500)	(2,403)	(5,036)
Convertible loan notes issued as repayment of loan notes, share issue costs and/or interest	-	-	(5,187)	-	(5,187)
Amortisation of finance costs	-	(1,051)	-	(356)	(1,407)
Cash repayments made during the year	-	2,191	3,381		5,572
Repayment of convertible loan notes via share issues	-	-	3,306		3,306
Repayment of loan notes via issue of convertible loan notes	-	4,592	-	-	4,592
Reclassification of disposal group held for sale	-	-		3,171	3,171
Foreign exchange	(13)	-	-	(34)	(47)
As at 31 December 2022	581	-	-	(906)	(325)

	Cash at bank £ 000	Loan notes £ 000	Convertible loan notes £ 000	Long-term borrowings £ 000	Total £ 000
At 1 January 2021	552	-	-	(22)	530
Net Cash flows	686	(6,629)	(5,000)	-	(10,943)
Fair value of warrants	-	520	-	-	520
Amortisation of finance costs	-	(540)	(600)	-	(1,140)
Cash repayments	-	-	2,016		2,016
Non cash repayments	-	917	3,584	-	4,501
Arising on acquisition	477	-	-	(1,229)	(752)
Foreign exchange	12	-	-	(33)	(21)
As at 31 December 2021	1,727	(5,732)	-	(1,284)	(5,289)

25 Business combinations

On 1 July 2021, the Group completed the acquisition of the entire issued share capital of TradeFlow Capital Management Pte. Ltd ("TradeFlow"). TradeFlow is a leading Singapore-based fintech-powered commodities trade enabler focused on small and medium size entities. The Board approved the acquisition by the Group to complement its global offering of its "warehouse goods" inventory monetisation platform with the TradeFlow offering of monetising "in-transit" inventory (in particular, commodities). It was also expected the acquisition generate a number of attractive synergy benefits for Group from both a funding and customer origination perspective.

TradeFlow owns 85% of the issued share capital of Tijara Pte. Limited and 50% of the issued share capital of TradeFlow Capital Management Systems Pte. Limited. Both of these companies are at very early-stage of their development and their results and balances as at both 31 December 2021 and 31 December 2022 are immaterial to the Group.

The net asset amounts in respect of the identifiable assets acquired and liabilities which have recognised in the financial statements are set out in the table below. These are based on a fair valuation of the acquired identifiable net assets as at the acquisition date. The assets and liabilities recognised as a result of the acquisition on 1 July 2021 are:

	Book Value £ 000	Fair value Adjustment £ 000	Fair Value £ 000
Net assets / (liabilities) acquired			
Cash and cash equivalents	477	-	477
Accrued income	47	-	47
Trade and other receivables	6	-	6
Property, plant and equipment	9	-	9
Trade and other payables	(137)	-	(137)
Long-term borrowings	(1,229)	-	(1,229)

Intangible assets			
Customer relationships		4,829	4,829
Brand - "TradeFlow"		205	205
CTRM Software		1,429	1,429
AI Software		425	425
Deferred tax liability		(1,171)	(1,171)
Total identifiable net (liabilities) / assets acquired	**(827)**	**5,717**	**4,890**

Satisfied by:

Consideration under IFRS 3:

	£'000
Cash consideration	4,000
Equity instruments (813,000,000 new ordinary shares)	3,089
Total consideration	**7,089**
Goodwill recognised on acquisition	**2,199**

Consideration accounted as deemed remuneration

Acquisition related earn-out recognised in the prior financial year	1,410
Acquisition related earn-out recognised in the current financial year	(710)
Acquisition related earn-out expected to be recognised in future periods	-
	700

The goodwill arising is attributable to:

- the significant amount of knowledge, experience and expertise acquired through the TradeFlow workforce, and in particular the earn-out shareholders;
- the anticipated future profit from growth opportunities; and
- synergies expected to be realised with the Group.

The goodwill arising from the acquisition has been allocated to the TradeFlow Cash Generated Unit ("CGU"). Fair value adjustments of £6,888,000 have been recognised for acquisition-related intangible assets and related deferred tax of £1,171,000 as at 1 July 2021. Details of intangible assets recorded can be found in note 13

As detailed above, elements of the consideration payable for this acquisition require post-acquisition service obligations to be performed by the earn-out shareholders over a three-year period. These amounts are accounted for as deemed remuneration (see notes 2 and 27) as required by IFRS 3 ("Business Combinations").

Transaction costs of £2,009,000 have been charged to the statement of comprehensive income during the year ended 31 December 2021. Of these costs, £1,900,000 represented the fair value of 500,000,0000 new ordinary shares issued as consideration to third party intermediaries who either introduced TradeFlow to the Company or who provided due diligence activities in respect of the TradeFlow business, market, sector and geographic location. The remaining £109,000 related to legal fees that were directly associated with the acquisition.

During the second half of 2022, the Directors began the process of the proposed restructuring the Company's ownership with TradeFlow ("TradeFlow Restructuring") and as a result the TradeFlow business has been classified as held for sale / a discontinued operation as at 31 December 2022 in line with IFRS 5 ("Non-current Assets Held for Sale and Discontinued Operations"). This is due to the fact that TradeFlow was available for immediate sale in its present condition and it was highly probable that sale would be completed. Further details are set out in note 27.

26 Share-based payments

Share warrants issued to Mercator

As explained in note 17, during the year the Group entered into a funding facility with Mercator which included the Group issuing loan notes in exchange for funding. These loan notes linked to a convertible loan note facility, which was able to be used should the Group elect not to repay any of the interest or principal relating to the loan notes in cash. Both the loan note and convertible loan note agreements required share warrants to be issued representing 20% of the face value of any loan notes or convertible loans issued. The warrants have a term of 3 years from issue and an exercise price of 130% of the lowest closing VWAP over the ten trading days immediately preceding the issue of the warrants. Under the terms of amendment agreement signed with Mercator dated 26 April 2022, no further warrants were required to be issued on the monthly repayments due following April 2022.

The total number of share warrants issued during the current financial year was 439,040,922, which together with the total of 522,791,511 issued in the prior financial year takes the total number of share warrants issued to Mercator as at 31 December 2022 to 961,832,433 (31 December 2021: 522,791,511). Details of the outstanding share warrants issued to Mercator are set out in the table below.

Date of issue	Principal value of warrants issued (£ 000)	Number of warrants	Exercise price	Fair value (£000)	Amount recognised in during FY22 (£ 000)	Amount recognised in during FY21 (£ 000)
1 October 2021	1,400	443,726,030	£0.00316	520	343	177
1 November 2021	92	29,197,856	£0.00314	42	-	42
1 December 2021	92	49,867,625	£0.00184	46	-	46
4 January 2022	136	77,763,767	£0.00174	83	83	-
2 February 2022	136	79,179,799	£0.00171	54	54	-
4 March 2022	136	105,948,198	£0.00128	44	44	-
10 June 2022	149	176,149,157	£0.00085	55	55	-
Total	**2,141**	**961,832,433**		**844**	**579**	**265**

As these share warrants were issued as a cost of securing the funding facility they are classified as share-based payments. As such, the Directors were required to determine the fair value of the equity-settled share-based payments at the date on which they were granted. The fair value was determined using a Black Sholes model and the key judgemental assumptions have been detailed in note 2.

The total fair value of the above share warrants issued during the current financial year is £236,000 (2021:£608,000). In the prior year, a fair value amount of £520,000 related to warrants that were issued in connection with the loan notes and this fair value was netted off the initial proceeds received on the balance sheet. This amount is being amortised to the income statement using the effective interest rate method and £343,000 was recognised in the income statement for the period ended 31 December 2022 (2021: £177,000). The remaining £236,000 (2021: £88,000) related to those warrants issued in connection with the convertible loan notes, this amount was expensed fully in the income statement in the current year given the liability to which they relate has been extinguished (2021: £88,000).

Share warrants issued to Venus under Capital Enhancement Plan
As set out in note 1, on the 27 April 2022, the Group announced it had entered into a subscription agreement with Venus in connection with the Capital Enhancement Plan. The subscription agreement specified that the Group was required to issue one warrant for every two shares issued in connection with the mandatory tranches of the new shares issues. This was a total of 2,950,000,000 share warrants. The subscription agreement specified that the Group was required to issue one warrant for every five shares issued in connection with the optional tranches of the new shares issues. This was a total of 1,500,000,000 share warrants Additionally, an amount of 3,250,000,000 share warrants were to be issued to Venus in connection with the signing of the subscription agreement on 26 April 2022. As such the Group issued a total of 8,175,000,000 share warrants to Venus during the year ended 31 December 2022, and as at the year end date, these all remain outstanding. The warrants issued to Venus can be exercised at any time up to 31 December 2025 and have an exercise price of 0.065 pence per warrant.

As these share warrants were issued as a cost of issuing new ordinary shares to Venus they fall into of scope of IFRS 2 ("Share-based payments"). As such, the Directors were required to determine the fair value of the equity-settled share-based payments at the date on which they were granted. The fair value was determined using a Black-Sholes model and the key judgemental assumptions have been detailed in note 2.

The total fair value of the above share warrants to be issued to Venus at 31 December 2022 is £4,795,000 (31 December 2021: nil). Given this amount directly related to the cost of issuing new ordinary shares to Venus, an amount of £3,204,000 has been offset against the share premium balance as at 31 December 2022 (31 December 2021: nil) in accordance with IAS 32 "Financial Instruments". This amount was offset against the related share premium that was created in connection with the relevant issue of ordinary share to Venus. The remaining fair value amount of £1,591,000 has been recognised in retained losses.

Share warrants issued to retail shareholders under the Open Offer
On 22 July 2022, the Group announced the Open Offer, giving existing shareholders the opportunity to subscribe for up to 641,710,082 new ordinary share in the Group on the basis of one Open Offer share for every 66 existing ordinary shares held at an offer price of 0.05 pence per Open Offer share. The Open Offer closed on 17 August 2022 and on 18 August 2022, the Group announced it would allot and issue 641,710,082 new ordinary shares to those qualifying shareholders and that this would raise £320,855 gross (and £269,855 net of fees and expenses) for the Group.

In addition to the new ordinary share that were issued, the Group also issued 320,855,008 warrants to the qualifying shareholders on the basis of one warrant for every two ordinary shares received as a result of the Open Offer. The warrants issued to Venus can be exercised at any time up to 31 December 2025 and have an exercise price of 0.065 pence per warrant.

As these share warrants were issued as a cost of issuing the new Open Offer ordinary shares they fall into of scope of IFRS 2 ("Share-based payments"). As such, the Directors were required to determine the fair value of the equity-settled share-based payments at the date on which they were granted. The fair value was determined using a Black-Sholes model and the key judgemental assumptions have been detailed in note 2.

The total fair value of the above share warrants to be issued in connection with the Open Offer was £261,000 (31 December 2021: nil). Given this amount directly related to the cost of issuing new Open Offer ordinary shares, the amount of £247,000 has been offset against the share premium balance as at 31 December 2022 (31 December 2021: nil) in accordance with IAS 32 "Financial Instruments". This amount was offset against the related share premium that was created in connection with Open Offer share issue. The remaining fair value amount of £14,000 has been recognised in retained losses.

Subsequent to the issue of the Open Offer warrants, and prior to 31 December 2022, an amount of 51,869,971 of these warrants have been converted in exchange for new ordinary shares and as at 31 December 2022 there is a balance of 268,985,037 Open Offer warrants which remained outstanding. On the exercise of the Open Offer warrants, the fair value amount is reclassified from the share-based payment reserve to retained losses.

A summary of the share warrants outstanding as at 31 December 2022 is detailed in the table below:

	Number of warrants outstanding at 31 December 2022	**Number of warrants outstanding at 31 December 2021**
Share warrants issued to Mercator	961,832,433	522,791,511
Share warrants issued to Venus	8,175,000,000	-
Share warrants issued to retail shareholders	268,985,037	-
Total	**9,405,817,470**	**522,791,511**

A summary of the fair value of the share warrants issued during the period are detailed in the table below:

	FY 2022 (£ 000)	**FY 2021 (£ 000)**
Share warrants issued to Mercator	236	608
Share warrants issued to Venus	4,795	-
Share warrants issued to retail shareholders	261	-
Total	**5,292**	**608**

Acquisition related earn-out payments
In addition, the Group recognised a share-based payment reserve in connection with acquisition related earn-out. Given the service conditions related to these payments the Group records this amount as a share-based payment expense through the income statement and through the share-based payment reserve.

The terms of the TradeFlow acquisition included related earn-out payments that, together with the initial cash payment and issue of equity, form the total legal consideration agreed between the parties. Further details are set out below.

This acquisition related earn-out payments are determined by reference to pre-determined revenue milestone targets in each of the 2021, 2022 and 2023 financial years. These payments may be forfeited by the selling shareholders should they, in certain circumstances, no longer remain employed prior to the end of each earn-out period. As such, under the IFRS Interpretations Committee's interpretation of paragraph B55 of IFRS 3 ("Business Combinations"),

the fair value of these earn-out payments have been accounted as a charge to the income statement (as deemed remuneration) rather than as consideration.

The terms of the agreements also allow this acquisition related earn-out payments to be settled in either cash or equity at the discretion of the Company. As it is the Company's current intention to settle these payments in equity, they have been fair valued at the grant date in line with IFRS 2 ("Share-based payments"). When the Company settles the earn-out payment in shares, the number of shares to be issued will be determined using the Volume Weighted Average Price ("**VWAP**") over the 20 dealing days to the end of the relevant financial year subject to a floor of 1p. In addition, the number of shares will be enhanced by 50% if the VWAP is greater than 1p. Finally, 50% of any earn-out shares may not be sold for 12 months following the award but are not contingent on continued employment. The 2021 earn-out payment was settled through the issue of new ordinary shares on the 18 July 2022.

Considering the factors above, the fair value of the earn-out payments at grant date (being 1 July 2021) has been estimated using a Monte Carlo simulation model. These earn-out payments, to be settled by way of equity, have market conditions associated with them including the future share price. As part of the valuation, a further discount has been applied to the 50% which are subject to lock in provisions, and this discount factor has been calculated using a Finnerty model, being a variant of the Black Scholes model.

The key judgemental assumptions associated with this valuation have been detailed in note 2. The models above have assumed the non-market conditions surrounding these earn-out payments / awards will be met and as such the impact of the revision of the original estimates, if any, will be recognised in the income statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

The expense recognised in the income statement during the year ended 31 December 2021 was £1,410,000. This reflected managements best estimate at the time of the earn-out payments that would be required to be settled in relation to FY21, FY22 and FY23.

During the preparation of these consolidated financial statements, management concluded the continued underperformance of TradeFlow compared to the forecast for the year ended 31 December 2022 (included in the independent valuation report prepared for the purposes of the Acquisition) resulted in the FY22 acquisition related earn-out targets of TradeFlow not being achieved. This led the Directors to revise their IFRS 2 judgements in connection with the FY22 acquisition related earn-out payments and the likelihood of FY23 acquisition related earn-out targets being met is now considered to be remote.

As a result the Directors revised their IFRS 2 judgements in respect of the acquisition related earn-out payments to be made in connection with the FY22 and FY23 revenue targets of TradeFlow. This resulted in an amount of £833,000 being reversed from the share-based payment reserve in relation to the FY22 and FY23 acquisition related earn-out payments. As the FY21 acquisition related earn-out payment was settled during the current financial year, an additional amount was added to the share-based payment reserve of £172,000 which covered the amounts to be recognised in FY22 in line with the estimated vesting date of March 2022. The net amount that was recognised in the income statement during the year ended 31 December 2022 was £710,000. As this relates to the TradeFlow operations, it has been recognised through the loss from discontinued operations in the current year.

The settlement of the FY21 acquisition related earn-out payment occurred in July 2022 when the Group had sufficient equity headroom to issue the Tom James and John Collis, the directors of TradeFlow, with 213,525 of new ordinary shares. The fair value of the FY21 acquisition related earn-out payments that was recognised in the year ended 31 December 2021 was £699,000. At the point this was settled in shares, the relevant share-based payment reserve was released and the corresponding increase in share capital and share premium was recognised.

Employee share scheme awards
On 31 October 2022, the Group awarded an LTIP conditional on performance conditions, being the achievement of specified Total Shareholder Return ("TSR") (market condition) performance, as well as continued employment. The TSR performance related to a three year period over the 2022, 2023 and 2024 financial years and the required TSR performance is set out in the table below with the adjusted share price measurement period being the average closing mid-market price of a share over a three month period ending on the last dealing day of the performance period:

Adjusted share price per share	Percentage of TSR award vesting
Below 0.6945 pence	0%
Equal to 0.6945 pence	25%
1 penny or greater	100%

Vesting is on a straight-line basis between target levels.

The vesting date of these share awards is 31 October 2025, and the continued employment covers up until this date. The share awards issued to the Chief Executive Officer are subject to an additional 2 years holding period following the vesting date.

For those share schemes with market related vesting conditions, the fair value is determined using the Monte Carlo model at the grant date. The following table lists the inputs to the model used for the awards granted in the year ended 31 December 2022 based on information at the date of grant:

LTIP awards (granted on 31 October 2022)	TSR element
Share price at date of grant	0.08 pence
Award price	0.002 pence
Volatility	116.38%
Life of award	3 years
Risk free rate	3.34%
Dividend yield	0%
Fair value per award	0.0245 pence

The additional holding period applicable to the share awards issued to the Chief Executive Officer have been valued using the Finnerty model. The following table lists the inputs to the model used for the awards granted in the year ended 31 December 2022 based on information at the date of grant:

LTIP awards (granted on 31 October 2022)	TSR element additional holding period
Share price at date of grant	0.08 pence
Award price	0.08 pence
Volatility	116.73%
Life of holding period	2 years
Risk free rate	3.60%
Dividend yield	0%
Fair value per award with holding period	0.0208 pence

These awards will be equity-settled by award of ordinary shares. The total share-based payment charge recognised in the consolidated income statement for the year ended 31 December 2022 is £11,000 (2021: nil). As all social

security charges with respect to the share awards will be the responsibility of the employee, no expense has been recognised by the Group in respect of these charges.

The following table summarised the movements in the number in share awards issued by the Company:

	2022	2021
Outstanding at 1 January	-	-
Conditionally awarded in year	874,783,094	-
Exercised	-	-
Forfeited or expired in year	-	-
Outstanding at 31 December	**874,783,094**	**-**
Exercisable at the end of the year	**-**	**-**

All of the outstanding share awards as at 31 December 2022 related to the share awards issued on the 31 October 2022.

27 Discontinued Operations

During the second half of 2022, the Directors began the process of the TradeFlow Restructuring, and as detailed in notes 2 and 3, the Board considered the TradeFlow operations meet the criteria to be classified as held for sale at 31 December 2022 in accordance with IFRS 5 ("Non-current Assets Held for Sale and Discontinued Operations"). This is due to the fact that as at this date the details of the TradeFlow Restructuring had all been agreed in principle between the parties and was expected to be completed post year end together with the publication of the 2022 Annual Report and Accounts. As a result the TradeFlow operations were available for immediate sale in its present condition and it was highly probably that that sale would be completed at 31 December 2022. With the classification as discontinued operations, the TradeFlow operations have been excluded from the segmental reporting note (note 3).

Further to the TradeFlow Restructuring activities, on the 24 March 2023, that the TradeFlow Directors, being Tom James and John Collis, had provided written notice to the Board of their intention to exercise their rights to buy back 100% of the share capital of TradeFlow, pursuant to certain earn-out arrangements entered into in connection with the Company's acquisition of TradeFlow (the "Buy Back"), the completion of which was announced on 6 July 2021. As a result of the exercise of the Buy Back, the details of the TradeFlow Restructure, that had been agreed in principle prior to year end, now need to be renegotiated, and a new independent valuation of the TradeFlow operations needs to be completed. Given the proximity of this Buy Back announcement to the date of publication of these consolidated financial statements, details of the Buy Back are still being considered and finalised as at the date of these financial statements.

The results of the TradeFlow operations for the year are presented below:

	2022 £000	2021 £000
Revenue	629	259
Administration expenses	(1,705)	(697)
Other operating income	22	
Operating loss before acquisition relation costs and impairment charges	**(1,054)**	**(438)**
Transaction costs (note 25)	-	(2,009)
Amortisation of intangible assets arising on acquisition (note 25)	(846)	(391)
Acquisition related earn-out payments (note 26)	710	(1,410)
Impairment charges (note 13)	(765)	(800)
Operating loss	**(1,955)**	**(5,048)**
Finance costs (refer below)	(356)	(86)
Loss before tax	**(2,311)**	**(5,134)**
Deferred tax credit (note 11)	144	67
Loss for the year	**(2,167)**	**(5,067)**

The major classes of assets and liabilities of the TradeFlow operations as held for sale as at 31 December 2022 are as follows:

	31 December 2022 £000
Assets	
Intangible assets (note 13)	6,283
Tangible assets	4
Trade and other receivables	101
Contract assets	132
Cash and cash equivalents	324
Assets of disposal group held for sale	**6,844**
Liabilities	
Trade and other payables	429
Long term borrowings (refer below)	3,171
Deferred tax liability (note 11)	960
Liabilities of disposal group held for sale	**4,560**
Net assets	**2,284**

The net cash flows from the TradeFlow operations were as follows:

	2022 £000	2021 £000
Net cash flows from operating activities	(1,228)	(387)
Net cash flows from investing activities	(1)	-
Net cash flows from financing activities	1,517	-

Net cash inflows/(outflows)	288	(387)

Financial instruments

Financial assets

	Carrying value	Fair value
	As at 31 December 2022	As at 31 December 2022
	£ 000	£ 000
Financial assets at amortised cost:		
Cash and cash equivalents	324	324
Trade receivables	1	1
Other receivables	29	29
	354	**354**

Financial liabilities

	Carrying value	Fair value
	As at 31 December 2022	As at 31 December 2022
	£ 000	£ 000
Financial liabilities at amortised cost:		
Loan notes	-	-
Long-term borrowings	3,171	3,171
Trade payables	6	6
Other payables	196	196
	3,372	**3,372**

TradeFlow long term borrowings

On 1 April 2022, TradeFlow settled the outstanding unsecured loan notes earlier than the original maturity date of 23 October 2023. This involved the settlement of the principal amount of USD$1,700,000, the additional redemption premium cost of USD $300,000 and accrued interest of USD $100,000. These loan term borrowings were replaced by a new long term loan facility, with the same third party, for USD $3,800,000, which has a maturity date of 31 March 2026. The new long term borrowings bears a simple fixed interest rate of 7.9% per annum and has an additional redemption premium cost of USD$200,000 which is payable at the time the principal is repaid. In accordance with IFRS 9 ("Financial Instruments") the new long term loan facility resulted in a substantial modification to the previous loan note facility.

Both the unsecured loan notes and the new loan facility include a redemption premium cost which is payable together with the settlement of the principal amount of the facility. This redemption premium cost is recognised over the expected life of the facility using the effective interest rate method. Due to the early settlement of the unsecured loan notes this resulted in the unrecognised portion of the redemption premium cost being accelerated. This contributed an additional finance cost of £128,000 during the year ended 31 December 2022.

As at 31 December 2022, the Group has recognised outstanding monthly accrued interest on the new long term loan facility of £186,000 within trade and other payables. An additional amount of £30,000 relating to the amortisation of the redemption premium cost has been recognised as part of the unsecured loan balance at 31 December 2022.

28 Related Party Transactions

During the year to 31 December 2022, the following are treated as related parties:

Alessandro Zamboni

Alessandro Zamboni is the Chief Executive Officer of the Group and is also the sole director of The AvantGarde Group S.p.A as well as holding numerous directorships across companies including RegTech Open Project S.p.A. Both of these entities are related parties due the following transactions that took place over the current or prior financial year.

The AvantGarde Group S.p.A ("TAG") and its subsidiaries

As at 31 December 2022 TAG held 22.5% of the Company's total ordinary shares issued in Supply@ME Capital plc (as at 31 December 2021: 35.3%).

As announced in the RNS issued on 24 December 2020, 1AF2 S.r.l. and TAG previously merged. Alessandro Zamboni was also a director of 1AF2 S.r.l. During 2020, the Group entered into an origination contract with 1AF2 S.r.l. in connection with the identification of potential client companies. Under this origination contract it was the related party's responsibility to carry out due diligence services. However, given the Group already had this expertise they chose to contract with the Group to perform the due diligence services on their behalf.

This specific contract stipulated a fee to cover the performance of due diligence services for a specific number of clients. This fee was paid at the date the contract was signed. As such, the fees received in advance were held on the balance sheet as deferred income, and the revenue was recognised in line with the completion of each of the due diligence reviews. During the period ended 31 December 2022, nil (period ended 31 December 2021 £175,000) of the Group's revenue related to client companies originated by TAG (previously 1AF2 S.r.l) as

referred to above, and for which the Group was contracted to carry out due diligence services. This revenue was recognised in line with the Group's revenue recognition policy set out in note 2.

In addition to the above, following the reverse takeover in March 2020, the Group entered into a Master Service Agreement with TAG in respect of certain shared service to be provided to the Group. During the period ended 31 December 2022, the Group incurred expenses of £70,000 (period ended 31 December 2022: £129,000) to TAG in respect of this agreement.

Following the above transactions with TAG the Group has a net amount receivable of £9,000 as at 31 December 2022 (net amount payable of £64,000 as at 31 December 2021).

The TAG Group includes other companies which the Group had entered into transactions with. These companies include the Future of Fintech S.r.l. and RegTech Open Project S.p.A ("**RTOP**"), a regulatory technology company focussed on the development of an integrated risk management platform for Banks, Insurance Companies and Large Corporations. Alessandro Zamboni is also the sole director of both these companies.

In July 2022, the Company entered into an agreement with RTOP, pursuant to which RTOP was engaged to build and create a number of modules for the Company, including "data factory" (i.e., data ingestion and business rule application), and, during the year ended 31 December 2022, £270,000 has been paid by the Company to RTOP pursuant to that agreement. As at 31 December 2022 there is an outstanding amount accrued by the Group of £58,000 to RTOP in relation to this specific agreement.

As at 31 December 2021 there is an outstanding amount owed by the Group of £5,000 to RTOP in relation historical amounts owing for regulatory technology professional services provided to the Group.

As at 31 December 2022 there were no outstanding amounts between the Group and Future of Fintech as the amount that had been outstanding had been fully provided against (31 December 2021: amount owed to the Group of £6,000 in relation to severance pay accrued by former employees which had been transferred to the Group).

Eight Capital Partners Plc

David Bull is an Independent Non-Executive Director and audit committee chair was the CEO of Eight Capital Partners PLC from 22 June 2021 until 12 August 2022. Following the reverse takeover in March 2020, the Company entered into a Master Service Agreement with Eight Capital Partners Plc in respect of certain shared service to be provided to the Group. During the year, this agreement was terminated and the Group paid £3,000 (2021: £72,000) to Eight Capital Partners Plc in respect of this agreement. As at 31 December 2022 there was no amount outstanding amount owed by the Group (31 December 2021: £8,000).

Westcott Hill Limited

Albert Ganyushin was appointed as the Independent Chair of the Company on 6 June 2022. Albert is also a director of Westcott Hill Limited. Prior to his appointment Albert carried out a strategic review of the Group focusing on the long-term business objectives and its governance requirements. This strategic review was contracted by the Company with Westcott Hill Limited and the Group recorded an expense of £12,000 in relation to this review. As at 31 December 2022 there was no amount outstanding amount owed by the Group (31 December 2021: nil).

29 Controlling party

At 31 December 2022 the Directors do not believe that a controlling party exists.

30 Subsequent events

Board restructuring

On 15 March 2023 Andrew Thomas. a Non-Executive Director at the time, resigned from the Board of Directors of the Group in order to focus on his other business interests.

On 16 March 2023, Alexandra Galligan was appointed to the Board of Directors as a new independent Non-Executive Director.

On 23 March 2023 Dr Tom James and John Collis resigned from the Board of Directors of the Group.

Shares issued post year relating to Open Offer Warrant Conversions

- On 10 January 2023, the Company announced the exercise of 67,471 Open Offer Warrants by certain Qualifying Shareholders, and the issue of 67,471 Open Offer Warrant Shares.
- On 30 January 2023, the Company announced the exercise of 1,800,019 Open Offer Warrants by certain Qualifying Shareholders, and the issue of 1,800,019 Open Offer Warrant Shares.
- On 2 March 2023, the Company announced the exercise of 494,481 Open Offer Warrants by certain Qualifying Shareholders, and the issue of 494,481 Open Offer Warrant Shares.

TradeFlow Buy Back

On the 24 March 2023, that the TradeFlow Directors, being Tom James and John Collis, had provided written notice to the Board of their intention to exercise their rights to buy back 100% of the share capital of TradeFlow, pursuant to certain earn-out arrangements entered into in connection with the Company's acquisition of TradeFlow (the "Buy Back"), the completion of which was announced on 6 July 2021. As a result of the exercise of the Buy Back, the details of the TradeFlow Restructure, that had been agreed in principle prior to year end, now need to be renegotiated, and a new independent valuation of the TradeFlow operations needs to be completed. Given the proximity of this Buy Back announcement to the date of publication of these consolidated financial statements, details of the Buy Back are still being considered and finalised as at the date of these consolidated financial statements.

TAG unsecured Working Capital loan agreement

On the 28 April 2023, the Company and TAG entered into a fixed term unsecured working capital loan agreement (the "TAG Working Capital facility"). Under the TAG Working Capital facility, TAG shall provide, subject to customary restrictions, a facility of up to £2,800,000, in tranches up to 31 January 2024, to cover the Company's interim working capital and growth needs.

The due date for repayment by the Company of amounts (if any) drawn under the TAG Working Capital facility shall be 1 February 2028. Any sums drawn under the Working Capital facility shall attract a non-compounding interest rate of 10% per annum, and any principal amount (excluding accrued interest) outstanding on 1 February 2028 shall attract a compounding interest rate of 15% per annum thereafter. Interest will be due to be paid annually on 31 March of each relevant calendar year.

New Equity Subscription Agreement

On the 28 April 2023, the Company and Venus Capital entered into a new subscription agreement, pursuant to which Venus Capital committed to subscribe for 4,500,000,000 new Ordinary Shares (the "Subscription Shares") at £0.0005 per Subscription Share (the "Subscription Agreement"). The issue of the Subscription Shares will be over two tranches as set out below:

- an initial tranche of 3,375,000,000 Subscription Shares for gross proceeds of £1,687,500 gross (or £1,603,125 net of a 5% commission chargeable by Venus Capital) expected to be admitted to a Standard Listing and to trading on the Main Market on or around 10 May 2023; and
- a second tranche of up to 1,125,000,000 Subscription Shares for proceeds of up to £562,500 gross (or up to £534,375 net a 5% commission chargeable by Venus Capital), for which admission to a Standard Listing and to trading on the Main Market may be sought by the Company until a long stop date of 31 May 2023.

In additional to the commission chargeable by Venus Capital set out above:

- £112,500 will be paid to Venus Capital in respect of agreed costs and expenses incurred by Venus Capital in connection with the Subscription Agreement; and
- New warrants will be issued to Venus at a ratio of one warrant for every two Subscription shares issued under the Subscription Agreement. The new warrants are each exercisable into one new Ordinary Share at a price equal to 0.065 pence per share up to a final exercise date of 31 December 2026

The fees referred to above were agreed through the commission and fee letter signed with Venus Capital and the new warrant instrument agreement, both of which were also dated 28 April 2023

In connection with the above, the final exercise date of the existing 8,175,000,000 warrants issued to Venus Capital in connection with the Capital Enhancement Plan have been extended from 31 December 2025 for 12 months to 31 December 2026, through a deed of amendment to the existing warrant instruments.

Other corporate activities

Discussions are currently ongoing with a significant creditor of the Group regarding a reduction to the total amount owed and included in the financial statements as at 31 December 2022 of £1.0m. To date no agreement has been reached.

APPENDIX 2 - FINANCING

Subscription Agreement

The Company and Venus entered into an English law governed subscription agreement dated 28 April 2023 (the "**Subscription Agreement**"), pursuant to which Venus irrevocably committed to subscribe for up to 4,500,000,000 new Ordinary Shares (the "**Subscription Shares**") in aggregate at £0.0005 per Subscription Share (the "**Subscription Price**") (the "**Subscription**"), comprising:

- an initial tranche ("**Initial Tranche**") of 3,375,000,000 Subscription Shares for proceeds of £1,687,500 gross (or £1,603,125 net of a 5% commission chargeable by Venus ("**Share Commission**"), detailed below), expected to be admitted to a Standard Listing and to trading on the Main Market on or around 10 May 2023 ("**Primary Subscription Admission**"), which will represent approximately 5.63% of the number of Ordinary Shares to be in issue on Primary Subscription Admission, at which point it is expected that Venus will hold 11,275,000,000 Ordinary Shares equating to 18.79% of the issued Ordinary Shares to be in issue on Primary Subscription Admission; and

- a Secondary Tranche ("**Secondary Tranche**") of up to 1,125,000,000 Subscription Shares for proceeds of up to £562,500 gross (or up to £534,375 net of Share Commission), for which admission to a Standard Listing and to trading on the Main Market may be sought by the Company until a long stop date of 31 May 2023 ("**Secondary Subscription Admission**"), which will represent approximately 1.84% of the number of Ordinary Shares to be in issue on Secondary Subscription Admission, subject to a restriction applicable to Venus (and any persons acting in concert with it (or deemed or presumed to be so acting)) to remain below the 30% mandatory bid threshold under Rule 9.[i]

Pursuant to the Subscription Agreement, the Company shall pay £112,500 to Venus in respect of agreed costs and expenses incurred by Venus in connection therewith.

The Company has undertaken with Venus that it will not before the first anniversary of the Subscription Agreement allot, issue or agree (conditionally or otherwise) to allot or issue, any new shares or other securities convertible or exchangeable into shares save pursuant to Subscription Agreement or pursuant to its existing obligations to do so in relation to exercise of outstanding warrants, earn-out obligations and staff incentive schemes.

The Subscription Shares will, on issue, rank *pari passu* in all respects with the Existing Ordinary Shares.

Pursuant to the Subscription Agreement, the Company gave certain customary representations, warranties and undertakings in favour of Venus, and Venus provided a customary sanctions confirmation to the Company.

Venus does not have any statutory right of withdrawal upon the publication of any supplementary prospectus to the Prospectus dated 3 October 2022.

The Subscription is not being underwritten.

The Subscription Shares were not contemplated by the Prospectus and are therefore an additional issue of Ordinary Shares that was not known at the time of the publication of the Prospectus.

Venus Commission and Fee Letter

Subject to an English law governed letter agreement between the Company and Venus dated 28 April 2023 (the "**Venus Commission and Fee Letter**"), the Company agreed in connection with the structuring of the Subscription to pay to Venus:

- a Share Commission equal to 5% of the aggregate subscription price at which the Subscription Shares are issued, to the extent issued; and
- to the extent that the Company decides that it does not require any portion of the proceeds from the Secondary Tranche, the Company shall be required to pay Venus a break fee of £56,250 or the *pro rata* proportion thereof.

New Warrant Instrument

Pursuant to a warrant instrument executed by the Company as a deed poll on 28 April 2023 (the "**New Warrant Instrument**"), the Company agreed to issue up to 1,687,500,000 warrants to Venus in respect of the Initial Tranche and up to 562,500,000 warrants to Venus in respect of the Secondary Tranche (if applicable) (the "**New Warrants**").

The New Warrants are each exercisable into one new Ordinary Share ("**New Warrant Shares**") at a price equal to 0.065 pence per share up to a final exercise date of 31 December 2026.

The New Warrants are freely transferrable.

Definitions

Unless the context requires otherwise, each of the following expressions has the following meanings in this section entitled "New Warrant Instrument":

"**Allotment Date**"	the date of the allotment and issue of any New Warrant Shares subject to a notice of exercise delivered to the Company or receipt by the Company in cleared funds of the aggregate Subscription Price, whichever is the later.
"**Certificate**"	a certificate evidencing the Subscription Rights for the time being vested in the relevant Warrant Holder in the form, or substantially in the form, set out in the New Warrant Instrument.
"**Conditions**"	the terms and conditions attached to the New Warrants set out in the second schedule to the Certificate, as the same may from time to time be altered in accordance with the provisions of this New Warrant Instrument.
"**Final Exercise Date**"	31 December 2026.
"**Notice of Exercise**"	a notice of exercise of a New Warrant in the form set out in the first schedule to the Certificate.
"**Special Resolution**"	a resolution passed at a meeting of the Warrant Holders by a majority of not less than 75% of the votes cast upon a show of hands or, if a poll is demanded, by a majority of not less than 75% of the votes cast on a poll.
"**Subscription Period**"	the period from the date of issue of the New Warrants until the earlier of the date that no further Subscription Rights are exercisable or the Final Exercise Date.
"**Subscription Price**"	0.065 pence per New Warrant Share, being the price which the relevant Warrant Holder is required to pay the Company on subscription of a New Warrant Share, fully paid, upon exercising the Subscription Rights.
"**Subscription Rights**"	the rights for the time being conferred by the New Warrants to subscribe for New Warrant Shares which are constituted by virtue of the provisions of the New Warrant Instrument.
"**Warrant Holder**"	in relation to a New Warrant the person in whose name such New Warrant is registered for the time being in the Warrant Register.
"**Warrant Register**"	the register of persons for the time being entitled to the benefit of the Warrants to be maintained pursuant to the provisions of the New Warrant Instrument.

Constitution and form of the New Warrant

The New Warrant Instrument confers the right on the Warrant Holder to exercise each New Warrant in cash at the Subscription Price for one New Warrant Share at any time during the Subscription Period.

Pursuant to the New Warrant Instrument, no application will be made for the New Warrants to be listed or dealt on any recognised investment exchange (as that term is defined in FSMA).

Certificates

The Company shall maintain the Warrant Register in accordance with the conditions of the New Warrant Instrument. Entitlement to the Subscription Rights and other rights attaching to the New Warrants shall be evidenced by the issue to the relevant Warrant Holder of a Certificate. Where a Warrant Holder has transferred,

or exercised its Subscription Rights in respect of, some of the New Warrants comprised in a Certificate only, it shall be entitled to receive a new Certificate for the balance of such New Warrants.

Subscription Price

The Subscription Price for each Warrant Share shall be 0.065 pence, which shall not be subject to any adjustment.

Exercise

Subscription Rights shall be exercisable at any time from time to time during the Subscription Period in whole or in part or parts.

The exercise of Subscription Rights shall be effected by the delivery to the Registrars of the original Certificate and a duly completed Notice of Exercise and the requisite remittance of the Subscription Price. Once lodged, a Notice of Exercise will be irrevocable except with the consent of the Company. Compliance must also be made with any statutory requirements for the time being applicable.

The date of the allotment and issue of any New Warrant Shares subject to a Notice of Exercise shall be the Allotment Date.

Within 5 Business Days of delivery to the registrars of a valid Notice of Exercise for less than the number of New Warrants the Warrant Holder holds, as evidenced by the accompanying Certificate, the Registrars will issue the Warrant Holder with a new Certificate for the balance of New Warrants not subscribed for.

Each New Warrant will immediately be cancelled once the Subscription Rights attaching thereto have been exercised and New Warrant Shares allotted pursuant to such exercise.

New Warrant Shares allotted will be credited as fully paid and rank *pari passu* in all respects with the Ordinary Shares, save that, as is customary, they will not rank for any dividends or other distributions declared in respect of a record date falling on or before the Allotment Date.

If, at the time of issue of the New Warrant Shares, the Ordinary Shares (or any of them) are quoted on the Official List of the FCA or permission has been granted for dealings therein on any other recognised stock exchange in any part of the world, the Company will apply to such body for permission to deal in or for quotation or admission of such New Warrant Shares and shall use its reasonable endeavours to secure such permission, quotation or admission, as the case may be.

Any Subscription Rights not exercised prior to the expiry of the Subscription Period and the New Warrants attached to such Subscription Rights will lapse and terminate immediately on such expiry without further notice and shall be of no further force or effect whatsoever.

Winding up

If an effective resolution is passed on or before the last day of the Subscription Period for the voluntary winding up of the Company, then the Company shall give notice to the Warrant Holders stating that such a resolution has been passed and a Warrant Holder shall be entitled at any time within three months after receipt of such notice to be treated as if such Warrant Holder had, immediately before the date of passing of the winding up resolution, exercised such Warrant Holder's New Warrants.

The Warrant Holder shall be entitled to receive out of the assets which would otherwise be available in the liquidation to the Shareholders such an amount receivable out of the assets which would otherwise be available in the liquidation to the Shareholders had the Warrant Holder been a holder of and paid for the Ordinary Shares to which the Warrant Holder would have become entitled by virtue of such exercise, after deduction from such sum an amount equal to the moneys which would have been payable in respect of such shares if the New Warrants had been exercised.

The right to exercise the New Warrants will not be permitted in the case of a voluntary winding up for the purpose of reconstruction, amalgamation or merger on terms sanctioned by a Special Resolution of the Warrant Holders in which case the Warrant Holders will be entitled to a substituted warrants of the value of the New Warrant immediately prior to such voluntary winding up.

Takeovers

If at any time an offer or invitation is made by the Company to the Shareholders for the purchase by the Company of any of its Ordinary Shares, the Company shall simultaneously give notice thereof to each Warrant Holder who shall be entitled, at any time whilst such offer or invitation is open for acceptance, to exercise its Subscription Rights to the extent that such rights have not been exercised or lapsed prior to the record date of such offer or invitation so as to take effect, in so far as is reasonably practicable, as if it had exercised its rights immediately prior to the record date of such offer or invitation.

If at any time an offer is made to all Shareholders (or all Shareholders other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the issued share capital of the Company and the Company becomes aware that as a result of such offer the right to cast a majority of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror and/or such persons or companies as aforesaid. Further, to the extent that any Subscription Rights not been exercised within one month after such offer shall lapse and no longer be exercisable.

Transfer and transmission of New Warrants

Each New Warrant will be registered and will, subject to applicable laws or regulations, be transferable by instrument of transfer in any usual or common form.

The provisions and restrictions governing transfer of Ordinary Shares in the Articles shall apply to the transfer of New Warrants, and accordingly no transfer of New Warrants may be registered unless a transfer of Ordinary Shares would be permitted. When a Warrant Holder transfers part only of its holding of the New Warrants the old certificate shall be cancelled and a new certificate for the balance of such New Warrants issued without charge.

No beneficial interest in any New Warrant shall be disposed of without the presentation for registration of a transfer and certificate in respect of such New Warrant in accordance with these particulars.

Modification of rights

A modification of the New Warrant Instrument including all or any of the rights attached to the New Warrants (including the Subscriptions Rights) therein may from time to time be altered or abrogated. Such modifications may only be effected by way of a deed poll executed by the Company and save in the case of a modification of a minor nature, with the prior sanction of a Special Resolution of the Warrant Holders.

Deed of Amendment to Venus Warrant Instrument

Pursuant to a deed of amendment to the Venus Warrant Instrument executed by the Company as a deed poll on 28 April 2023 (the "**Deed of Amendment to the Venus Warrant Instrument**"), the Company committed to extend the final exercise date of all outstanding 8,175,000,000 Venus Warrants from 31 December 2025 for 12 months to 31 December 2026.

Pursuant to the terms of the Venus Warrant Instrument, holders of the Venus Warrants received the Deed of Amendment to the Venus Warrant Instrument in accordance with paragraphs 17 and 18 of Schedule 3 of the Venus Warrant Instrument, and provided a written special resolution confirming, *inter alia*, agreement to the extension of the final exercise date of all outstanding 8,175,000,000 Venus Warrants from 31 December 2025 for 12 months to 31 December 2026.

The Company shall in due course convene a general meeting of holders of Open Offer Warrants in order to seek a special resolution (*i.e.*, a resolution by a majority of not less than 75% of the votes cast upon a show of hands or, if a poll is demanded, by a majority of not less than 75% of the votes cast on a poll) to approve the extension of the final exercise date of all outstanding 268,985,037 Open Offer Warrants from 31 December 2025 for 12 months to 31 December 2026.

TAG Unsecured Working Capital Loan Agreement

On 28 April 2023, the Company and TAG entered into an English law governed fixed term unsecured working capital loan agreement, cast as a deed, which comprises a material related party transaction for the purposes of DTR 7.3 and was, accordingly, voted upon by the independent Directors (excluding Alessandro Zamboni, who constituted a "related party" (as such term is defined in IFRS)) (the "**TAG Unsecured Working Capital Loan Agreement**"), and such independent Directors consider such material related party transaction in respect of the TAG Unsecured Working Capital Loan Agreement to be fair and reasonable from the perspective of the Company and its Shareholders who are not a related party.

Pursuant to the TAG Unsecured Working Capital Loan Agreement, TAG shall provide, subject to customary restrictions, a facility of up to £2,800,000 to cover the Company's interim working capital needs in tranches up to 31 January 2024 (the "**TAG Unsecured Working Capital Loan Facility**" and, together with the Subscription, and the entry into the Venus Commission and Fee Letter, the New Warrant Instrument, the Deed of Amendment to the New Warrant Instrument, the "**Financing**").

The due date for repayment by the Company of amounts (if any) drawn under the TAG Unsecured Working Capital Loan Agreement shall be 1 February 2028. Any sums drawn under the TAG Unsecured Working Capital Loan Agreement shall attract a non-compounding interest rate of 10% per annum, and any principal amount (excluding accrued interest) outstanding on 1 February 2028 shall attract a compounding interest rate of 15% per annum thereafter.

Pursuant to the TAG Unsecured Working Capital Loan Agreement, the Company gave certain customary warranties and undertakings to TAG, and TAG gave certain customary warranties to the Company.

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[i] In each case, assuming that no additional Ordinary Shares are issued by the Company between the date of this Supplementary Prospectus and Primary Subscription Admission or Secondary Subscription Admission, as applicable

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