NS Final Results

2023 ANNUAL REPORT AND ACCOUNTS

SUPPLY@ME CAPITAL PLC

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF REGULATION 2014/596/EU, WHICH IS PART OF UNITED KINGDOM DOMESTIC LAW PURSUANT TO THE MARKET ABUSE (AMENDMENT) (EU EXIT) REGULATIONS (*SI 2019/310*) ("UK MAR"). UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION (AS DEFINED IN UK MAR) IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

1 May 2024

Supply@ME Capital plc

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

2023 Annual Report and Accounts

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 2023 Annual Report and Accounts providing the Group's final results for the year ended 31 December 2023.

2023 Annual Report and Accounts Highlights:

The below consolidated financial summary of the Group's income statement items are presented distinguishing the continuing operations (being the Group's Inventory Monetisation segment) and the discontinued operations consisting of TradeFlow Capital Management Pte Ltd. and its subsidiaries (the "**TradeFlow Group**"). The results of the TradeFlow Group were consolidated by the Group up to 30 June 2023, at which point the Group completed the disposal of an 81% stake in the TradeFlow Group. Following the 30 June 2023, the TradeFlow Group was no longer consolidated by the Group and instead the fair value of the Group's remaining 19% stake was recognised as an investment in the consolidated statement of financial position, with the gain on sale of the 81% stake being recognised in the Group's statement of comprehensive income.

The consolidated financial summary of the Group's balance sheet items includes the total assets and liabilities from both continuing and discontinued operations as at 31 December 2022, but only the total assets and liabilities from continuing operations as at 31 December 2023.

Consolidated financial summary:

	2023 £000	2022 £000
Continuing operations		
Revenue from continuing operations	**158**	138
Adjusted operating loss[1]	**(3,625)**	(4,651)
(Loss) before tax from continuing operations	**(4,160)**	(7,711)
(Loss) from discontinued operations	**(185)**	(2,167)
Total loss for the year	**(4,345)**	(9,878)
Total assets	**2,184**	8,346
Net (liabilities)	**(3,807)**	(2,025)

[1] *Adjusted operating loss is the operating (loss) from continuing operations before impairment charges and fair value adjustments.*

Operational matters:

	As at 19 April 2024	As at 21 April 2023
Warehoused Goods monetisation pipeline	£330.7 million	£374.6 million

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 Group's warehoused goods monetisation services. This pipeline represents the value as at the most practicable date possible prior to the issue of this annual report (being 19 April 2024) and has been calculated on a consistent basis as the prior year comparative. It should be noted that of the current pipeline figure of £330.7 million, there is one single client that accounts for approximately 57% of the total pipeline.

As referenced in the business, trading and funding update announcement issued by the Company on 29 February 2024, the Group is in the process of conducting a full review of its pipeline and is progressing with requesting a formal letter of interest from each client company in its pipeline for which there is currently not a signed term sheet in place. At the date of this announcement, approximately 9% of the £330.7 million current pipeline figures are supported by either signed term sheets or the signed new letter of interest. This percentage is expected to grow as the new process becomes fully embedded.

Alessandro Zamboni, CEO of SYME, said: *"I am pleased to report that SYME has made tangible progress during 2023, and following the announcements we have made already in 2024 regarding the commitment for the first White-Label transaction and the opportunity to commence work with the investment banking industry, we are excited about what lies ahead in 2024. The first two successfully executed Inventory Monetisation transactions confirm our model is an effective solution for our corporate clients. Additionally, I believe the Inventory Monetisation transactions are a safe asset class for inventory funders, and those who have already joined us on our journey are receiving attractive returns on their investments. This leads me to conclude the Group is better positioned now than ever before in terms of commercial opportunities despite the challenges we have experienced with our corporate funding in recent months.*

The team are now prioritising the completion of the first White-Label transaction, the implementation of the security token and the IM securitisation programmes. Alongside this, we are focused on ensuring our corporate funding is sufficient to implement these priorities as the Group moves towards the breakeven. Looking further ahead, we hope to be able to generate sufficient returns for our loyal shareholders which includes both institutional and retail investors."

Albert Ganyushin, Chairman, SYME, said: *"The progress with the White-Label IM in partnership with a leading commercial bank, tokenisation backed by leaders in digital asset finance and now the agreement with a neo bank to fund companies from our Italian pipeline, clearly demonstrates the market relevance of our innovative product, which is evidently gaining traction with leading players in their respective market segments. The team managed to overcome many challenges in 2023 and put in place foundations for SYME to start delivering in 2024 on its tremendous potential of reaching a large addressable market."*

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

Legal notices:
An electronic copy of the 2023 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 2023 Annual Report and Accounts will be dispatched to those shareholders who have elected to receive paper communications in due course.

Forward looking statements and other important information:
This document contains forward looking statements, which are statements that are not historical facts and that reflect Supply@ME's beliefs and expectations with respect to future events and financial and operational performance. These forward looking statements involve known and unknown risks, uncertainties, assumptions, estimates and other factors, which may be beyond the control of Supply@ME and which may cause actual results or performance to differ materially from those expressed or implied from such forward looking statements. Nothing contained within this document is or should be relied upon as a warranty, promise or representation, express or implied, as to the future performance of Supply@ME or its business. Any historical information contained in this statistical information is not indicative of future performance.
The information contained in this document is provided as of the dates shown. Nothing in this document should be construed as legal, tax, investment, financial, or accounting advice, or solicitation for or an offer to invest in Supply@ME.

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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 warehouse goods waiting to be sold to end-customers or goods/commodities that are part of a typical import/export transaction.

2023 ANNUAL REPORT AND ACCOUNTS

Highlights

During 2022 Supply@ME demonstrated that the concept of Inventory Monetisation works. Building on this progress, during 2023 and early 2024 the business has continued to learn and develop its track record. This had been demonstrated by the first traditional monetisation of inventory in Italy and the signing of agreement for monetisation of inventory in the UK. The strategic partnership with a group of private investors and subject matter experts of working capital solutions to launch an independent Swiss-based trading business ("**CH Trading Hub**") and the secured commitment of USD$5 million from an asset manager specialised in digital assets to start the overall US$100 million security token issuance also demonstrates progress. In addition, the Group has successfully agreed the first White-Label commitment with Banco BPM S.p.A ("**BBPM**") to fund up to €10 million of an existing client's inventory, launching a new revenue stream for the Company. This is complimented by the recent announcement of the relationship between Supply@ME and an Italian neo bank to provide funding, initially for €35 million as part of an overall programme up to €135 million, of inventory in relation to the Supply@ME Italian client pipeline.

This announcement, together with the full Annual Report and Accounts for the year ended 31 December 2023, explains the foundations which have been established to enable delivery of the business model to clients with a wide range of inventory through the development of methodologies across varying business models. It will also highlight the opportunities available through the development of our delivery model in collaboration with the CH Trading Hub and the possibilities available through traditional and non-traditional funding routes. Taking these factors together, the Board believes this outlines why the Group's current financial performance does not demonstrate its longer-term potential.

Chairman's Statement

Dear Shareholders,

I am pleased to share this statement after my first full year as Chair of Supply@ME. The reasons I joined the Company continue to hold true, the passion and enthusiasm of the team and desire to help Supply@ME with its mission of unlocking barriers for investors to be able to fund inventory and ultimately help businesses access a new type of working capital solution.

The unique solution which Supply@ME offers is starting to gain traction in the market which is demonstrable by the tangible progress made during 2023 of the first traditional Inventory Monetisation being executed in Italy. A further such transaction was also fully contracted with the first UK Company during 2023, albeit there has been a delay in execution of this transaction largely as a result of the IM being managed alongside an existing floating charge facility which has required the client company to gain specific waivers from existing lenders. While this has resulted in delay to completing the deal, it nonetheless serves as further proof an IM transaction model can work in the UK, including alongside existing financing facilities. To deliver the first IM transactions the Group has connected through its IM Platform the client company, inventory funder and stock company to facilitate the execution of the IM transactions. This in itself requires confidence from all stakeholders in the accountancy, legal and technology frameworks and internal processes designed to facilitate Inventory Monetisation transactions over the Platform. I look forward to seeing both the client and inventory funder base grow as the model begins to scale.

The increased interest in tokenisation of assets is an area of opportunity for Supply@ME, which will be discussed in more detail in this year's Annual Report and Accounts. The viability of tokenisation of inventory had already been demonstrated by the Group's strategic partnership with VeChain Foundation ("**VE Chain**") and was further solidified by the progress made in structuring a security token framework with the CH Trading Hub, owned by Société Financière Européenne S.A. ("**SFE**"), which will allow a first security token issuance up to USD$100 million to be subscribed in tranches, largely by institutional investors who are active in the digital asset markets.

A significant milestone for the Company has been the signing of the first White-Label commitment from BBPM to fund up to €10 million of inventory of an existing client of the bank. This in my view will open up an additional market for the Supply@ME Platform and will create the opportunity for the Group to work closely with a range of established financial institutions and their existing client base using the Group's unique model. The agreement with BBPM also recognises the deep expertise of the team as inventory servicing specialists.

Despite the positive steps set out above, 2023 has not been without it challenges, the Board and team have invested a significant amount of time focusing on ensuring the Group has sufficient funding to realise its potential, potential which is not representative of either the financial results or the diminishing share price during 2023. I would like to take the opportunity to thank our shareholders for their continued support and appreciation of the potential of our unique product.

I am excited about the prospects for 2024, we have a market relevant product, which is gaining recognition and interest, a strong team who have pulled together to weather some challenging waters and I look forward to seeing the Supply@ME Group reach its large addressable market.

Albert Ganyushin, Chairman, Supply@ME

CEO Statement

Dear Shareholders,

In 2022 we proved the Supply@ME model through conducting the first IM transaction using funds from a non-fungible tokens ("**NFT**") issuance. From the work that the team and I have conducted during 2023 and to date in 2024, I strongly believe there continue to be huge opportunities for the applicability for our model through tokenisation which will be discussed in this year's Annual Report and Accounts.

Following the inaugural IM transaction, we continued the progress into 2023 and have taken the IM model to institutional investors. Firstly, through the Open Market Inventory Monetisations taking place that were announced during 2023, and the agreement with the Italian neo bank recently announced. Secondly, by the accumulation of work conducted during the year which resulted in the signing of the White-Label commitment from BBPM to deliver inventory funding to an existing client of BBPM through our IM Platform. The significance of the engagement of institutional investors and highly reputable banks in these transactions cannot be understated. It demonstrates the credibility of the model we have been working to develop.

We made changes to our business model during 2023 in recognition of the evolution of the regulation of the fund management industry and to cater to the needs of potential inventory funders who wanted to see a segregated structure of the Platform provider, the Supply@ME Group and the investment adviser, previously TradeFlow Capital Management Pte. Limited ("**TradeFlow**") and their Cayman-based global inventory fund ("**GIF**"). This separation came about as the result of the disposal of the 81% stake in the TradeFlow business which was completed on 30 June 2023 (the "**TradeFlow Restructuring**"). The TradeFlow Restructuring is expected to create value for shareholders by eliminating any perception of conflicts of interest between the two businesses and providing both businesses with greater commercial opportunities through the clear differentiation of responsibilities of the individual entities.

During 2023 and early 2024 Supply@ME has developed an alternative IM infrastructure through collaboration with a group of private investors and subject matter experts of working capital solutions to launch, the CH Trading Hub, to replace the GIF. The CH Trading Hub, owned by SFE, is assuming control of the independent stock companies from the GIF to manage the overall trading businesses using the Platform and the associated inventory servicer activities provided by the Group. This structure is designed to enable us to scale the offering of the Group as specialist inventory servicer with a stable partner in the CH Trading Hub. We share more detail about this structure in the Our Delivery Model section of this announcement.

Additionally, the CH Trading Hub will handle the token route. In this regard, the Group is studying together with VE Chain how to implement the phase 2 within the strategic agreement signed and it is working with the CH Trading Hub to launch a security token framework which will allow up to US$100m to be issued and subscribed, mostly by institutional investors active in the digital asset markets. The security token is expected to be issued by a vehicle sponsored by SFE and be tradeable on authorised digital asset exchanges. The first tranche of this can be seen by the recent announcement of a secured commitment of USD$5 million from an asset manager specialised in digital assets.

Despite the positive steps set out above, 2023 was a challenging year for the Company from a funding perspective, which has impacted the team. I want to take this opportunity to thank the Board and the Supply@ME team for their ongoing support and commitment to our unique product. I am proud of how the team has collaborated to navigate these challenges and the unwavering commitment shown to creating our Inventory Monetisation product.

I am excited to take the Group forward into 2024, we are focused on continuing to evolve the processes, technologies and methodologies which support our various client's business models and inventory types and ultimately create a new market for inventory funding. Whether that be through Open Market Inventory Monetisations, tokenisation of inventory as an asset and democratisation of the sale of this through digital asset exchanges, or White-Label transactions with financial institutions, the progress that is being steadily made should start to show through the expansion of our track record and our ability to first breakeven, and then to scale.

Alessandro Zamboni, CEO

Our delivery model

During 2023 we have continued to enhance our business operating model with continued development of our FinTech IM Platform, including not only the underlying software but also the supporting processes, methodologies, and legal framework.

The inventory funding framework evolved further in 2023 through the launch of an independent CH Trading Hub. The CH Trading Hub, owned by SFE has purchased certain independent stock companies, to meet the needs of specific IM transactions, and is in the process of assuming control of the existing independent stock companies from the GIF. The CH Trading Hub will also incorporate new independent stock companies as required in the future.

The advantages to the Supply@ME Group of this new collaboration with the CH Trading Hub are detailed below:

- Firstly, the CH Trading hub is located in Switzerland which is traditionally an important trading hub (in particular for raw materials and commodities) and a region establishing itself as a global leader in the custody of digital assets partly through its creation of a digital asset ecosystem that allows for innovation and diversity within a clear regulatory framework[1]. These characteristics are more desirable to potential inventory funders compared to the previous location of the GIF, being the Cayman Islands. The CH Trading Hub has already seen increased interest from potential inventory funders as a result of this new structure.

- Secondly, this change responds to an evolution in the regulation of the fund management industry. In particular, the Monetary Authority of Singapore, Singapore's financial regulator, had advised that TradeFlow should separate its licensed fund management activities from the rest of the TradeFlow business. Potential inventory funders had also provided feedback that the segregation of the Platform provider and the investment adviser would help to eliminate any perceived conflicts of interest between these two roles. The completion of the TradeFlow Restructuring on 30 June 2023 resulted in the clear differentiation of the responsibility of both Supply@ME and TradeFlow, and lead to the opportunity to collaborate with a group of private investors and subject matter experts in working capital solutions to launch the CH Trading Hub.

The intention is that the CH Trading Hub, through its ownership of the independent stock companies, will act as an asset (inventory) management group and invest its equity capital to build up a dedicated internal structured financing team and provide, when needed, equity capital for specific IM transactions. The CH Trading Hub also has ownership of a dedicated securitisation company authorised in Luxembourg which it intends to leverage to help facilitate the access of inventory funders to the IM transaction, through both the traditional and token financing routes.

As a result of the above, the CH Trading Hub is working closely with the Group to maximise the opportunity for the IM Platform and to constitute an Inventory Monetisation infrastructure which can be used by both banks for their White-Label offering, and investment banks, security token arrangers and other inventory funders to adopt and implement ad-hoc Inventory Monetisation programmes. In the case of the White-Label offering it allows banks to leverage their already wide client base, and in the case of other potential inventory funders it allows them to work closely with Supply@ME to access its pipeline of client companies who have already expressed interest in unlocking their working capital through Inventory Monetisation.

In a typical Open Market IM transaction (being an IM transaction from the pipeline originated by the Group and funded by third-party investors), Supply@ME acts as the due diligence provider and originator in respect of the client company, and as the IM Platform provider and inventory servicer in respect of the independent stock company. For each Open Market IM transaction, the Group generates revenues from the following activities:

- Pre-Inventory Monetisation activities carried out directly with the client company wishing to have their inventory monetised, including due diligence in respect of the client company itself and its potential eligible inventory, and origination of the full IM contracts with the relevant stock company; and

- Post-Inventory Monetisation activities carried out directly with the relevant stock company including the usage of the Supply@ME platform under a Software as a Service (**"SaaS"**) contract and the support and administration activities such as the monitoring, controlling, and reporting on the inventory monetised.

This model can be flexed and adapted based on the requirements of the inventory funders particularly in the case of White-Label partners. For example, the level of due diligence required on a particular client company may vary if it is already a client of a White-Label inventory funder, or they may not require the use of a stock company in a particular structure, in which case some of the post-Inventory Monetisation fees (such as the SaaS license fee) may be charged directly to the White-Label inventory funder rather than to the relevant stock company.

During 2023, the Supply@ME platform has further developed its White-Label offering. Coupled with security protocols and other Platform modules the Group has a clear understanding of the costs and timelines to deliver modules for a White-Label partner which will sit within a ring-fenced set of Microsoft Azure resources. This is in part due to the Group establishing its own dedicated Microsoft Azure cloud environment which allows for multi-tenancy, meaning that true White-Label capabilities exist in deploying a 'just tech' solution to any partners should they wish to proceed directly and not through an independent stock company.

White-Label partners, with training and support from the Supply@ME team, can acquire the necessary Platform modules and manage their own Inventory Monetisation solutions using their own personnel and entity structures as agreed with each White-Label partner. In this scenario, the Supply@ME team will be able to provide on-going training and Platform module support to provide an optimal solution for any White-Label partner with the adaptability to meet their individual requirements.

Pre-Inventory Monetisation activities:

Due Diligence and Origination

The Group works both directly, and with an ecosystem of partners, to identify client companies who are interested in Inventory Monetisation, detail of 2023 client company pipeline can be seen above.

After initial discussions with the client the appropriate inventory model is applied, and the Supply@ME team then, with secure data sharing and collaboration of the client, carry out an early-stage in-depth analysis of sales history, historical inventory data, and future projected sales which then allows an initial value of eligible monetisable inventory to be determined. During this stage, the Group's inventory analysis expertise is used to assess this data on a granular level which includes breaking the initial eligible inventory down to an individual Stock Keeping Units (**"SKUs"**) level.

With our Customer Relationship Management (**"CRM"**) Module, we track each client's progress through the origination phase, assigning tasks to individuals as necessary and tracking completion off those tasks. This module also gives greater oversight on pipeline activities and prioritisation, and understanding of inventory attrition rates as the client progresses through the due diligence process. With our secure data sharing tool, we ensure bank level security when a client is sharing data with us, and provide user only access that is truly necessary. With our e-signature tool, we can adhere to all the necessary jurisdiction guidelines around e-signatures, including ID verification using government issued ID documents.

This detailed assessment further filters out and identifies typical ineligible inventory items according to the Supply@ME Inventory due diligence parameters (or **"Risk Appetite"**). Further consideration is also given to inventory turns, forecast and historical sales, margins, seasonality, rates of obsolescence, and criticality of the SKU to the client. The selected SKUs chosen meet the Group, the stock company, and the inventory funder's Risk Appetite.

The result of this detailed analysis in a list of qualifying SKUs that are considered as eligible items for a potential Inventory Monetisation transaction. Alongside this, an in depth analysis is then completed on the client's business (e.g. credit analysis) and processes including, for example, how they track and store inventory, manage orders, and deliver orders etc. Additionally, analysis is carried out in terms of potential remarketers that can be used to mitigate the risk for the inventory funders of the disposal of any unsold goods, where required. Each deal is then run through the stock company's cashflow model to ensure sustainability parameters are not breached.

Once the above due diligence analysis is complete this is shared with the client and with any potential inventory funders. Once a specific inventory funder accepts a specific client company, the process moves from the due diligence to the contracting phase, and it is here that the formal commercial contract between the client company and the relevant stock company governing the IM transaction are negotiated and finalised.

Lastly, once the contracts are signed by the stock company and the client company, training is given on the Trading Module to ensure a best in class user experience for the client in uploading their first, and subsequent files. The client is then ready to carry out their first IM.

Post-Inventory Monetisation activities

Platform and Inventory Service Provider

The Supply@ME IM Platform is crucial to the overall IM transaction as it is through this software technology that the inventory being monetised is recorded, monitored and reported on. In order to have usage of the Platform, the relevant stock company will pay a licence fee to the Group. In addition to the usage of the Platform, the stock company also relies on the Group's expertise in monitoring, controlling, and reporting on the eligible inventory items post monetisation as part of the inventory servicer activities provided. To facilitate these activities, throughout the course of a contract the client company must provide inventory data extracted from their Enterprise Resource Planning (**"ERP"**) system which allows the Group to carefully monitor the inventory monetised (via inventory analytics) and to identify anomalies to be queried with the client company.

In the case of the eligible order-based inventory models the Supply@ME team has developed a methodology to analyse the inventory SKUs required to satisfy orders received by the client company and which are used for internal client projects required to deliver these orders. The Group's monitoring team set Key Performance Indicators (**"KPIs"**) and Key Risk Indicators (**"KRIs"**) based on the in-depth knowledge of the client's business model and selected eligible SKUs gained during the due diligence process. This allows them to quickly, robustly, and efficiently monitor and assess the performance of each SKU as up to date data is received from the client company. The data used to complete the monitoring activities includes detailed information on the client company's sales, inventory movements, end customer orders, and supplier purchase orders. This continuous monitoring process enables the Group to understand and report to the stock company (who own the goods as a result of the Inventory Monetisation) if the client company is adhering to the operating cycles and behaviours observed during the due diligence phase. Data driven discussions are held with the client around any anomalies detected and if necessary, remediation strategies are agreed. Following this, the monitoring and reporting cycle begins again. In our live clients we have seen evidence of minor anomalies due to unexpected client behaviours. Once we held the data driven discussions with the clients, they refined some of their processes to behave as per the expectations of our legal frameworks. It is reassuring that our monitoring procedures can identify these kinds of anomalies, and even more so that the clients amend their behaviours appropriately. This leads to a lasting value add relationship between Supply@ME, the stock company, and the clients.

The Platforms "data factory" module facilitates the level of data ingestion required, automated application of key business rules and the creation of a unique inventory data-lake to design and develop advanced inventory data analytic metrics such as seasonality, obsolescence risk, critical components, margin and sales trends, and to some extent, client behaviours. Together this enables the Group to effectively monitor and identify anomalies in the inventory data being collected for monitoring and reporting purposes. During 2023 the data ingestion module has continued to be stress tested through live client data being available and evolving our inventory models and the adaptation of our Platform to match the requirements of these models. The Group also provides administrative support in the facilitation of the client company's buybacks of the inventory monetised, and refills of new eligible inventory items over the course of the IM transaction contract.

As a result of the granular level of data ingestion and storage available through the Platform, Supply@ME is able at any time to provide an up-to-date picture of the inventory monetised (and therefore owned) by the relevant stock company, together with any receivable amounts owed to the relevant stock companies. This seeks to provide our traditional funding partners with the necessary reassurance and transparency needed for such IM transactions.

As the Group's business scales up, the focus will be on how to augment the existing technology to allow the activities referred to above to be completed in the most efficient and effective way. This will be particularly important as the volume of data being collected, monitored, and reported on increases with each new IM transaction that is facilitated over the Platform, and as the business seeks to refine and improve its existing processes. Those improvements and advancements to the Platform made over the past year are detailed below.

How we adapt to scale the business

"One size does not fit all" where Inventory Monetisation is concerned. Supply@ME's business model has been developed further during 2023, and to date in 2024, and adapted for a range of client company inventory models and inventory funder's appetite for different inventory types. Understanding the needs of a range of businesses and building this into the Group's processes and methodologies will enable faster scaling as the Supply@ME business model will meet the needs of a broader base of client companies and inventory funder requirements. Each client company and hence every inventory model presented to the Group has unique features that need to be carefully considered and evaluated to ensure the correct eligible inventory items are selected for monetisation. This requires the Supply@ME team to:

- Understand the business industry within which the client company operates, alongside the individual business model;
- Work together with the client company to ensure the data required to accurately assess and monitor the eligible inventory items can be supplied in the required format and within the required timeframes;
- Identify the appropriate inventory model and monitoring approach to use, or determine if a new approach will be required;
- Use its inventory analysis expertise to select which SKUs qualify as eligible inventory to be monetised. This will largely be focused on reducing the risk to the relevant stock company of being left with unsold inventory;
- Prepare the client company due diligence report which includes explanations regarding any ineligible inventory items identified through the process;
- Liaise with the relevant stock company to identify potential inventory funders;
- Liaise with the client company and relevant stock company to originate the formal contractual arrangement between the two parties;
- Provide training to the relevant parties on the use of the Platform to allow for the monetisation of the eligible inventory items (which is facilitated using the Platform); and
- Continuously monitor the eligible inventory to allow for reporting to the relevant stock company over the performance of the inventory selected and to ensure remediation strategies can be applied by the stock company if necessary.

Currently, the business model of a client company will be initially categorised into one of the inventory models set out below. The Supply@ME team has developed specialist inventory analysis expertise for each of these models based on the characteristics of the industry and inventory.

Generic Goods

Client companies who trade finished goods, so purchase and resell specific goods, are a tried and tested client model for the Group and hence can move through the onboarding and due diligence process swiftly.

Orders Based Model

Client companies who create or manufacture products "to order" can be serviced by Group's "orders-based model". The Supply@ME team has developed a methodology to analyse the inventory SKUs required to satisfy orders received by the client company and which are used for internal client project required to deliver these orders.

Maturing Goods

The Group has recently implemented a new methodology for goods that mature over time and whose price appreciates or gathers wealth as they mature. These goods are typically in the agri-food sector such as cheese or wine, and leverage available external price matrices to benchmark the current value of the maturing products. This methodology is core to the BBPM White-Label binding term sheet commitment announced in the RNS of 3rd January 2024. The Group also plans to develop methodologies that will allow it to assess the inventory value for goods that appreciate during the maturation process but for which external pricing matrices are not available. This will open up the market to a broader base of companies whose goods mature, for example cheese, wine and cured meats.

Manufacturing

Where a client company takes raw materials and transforms them into finished goods, Supply@ME has developed a methodology to identify eligible items that includes both the raw materials (before transformation) and the finished goods (after transformation). This model is being further developed to account for more complex manufacturing scenarios.

The Group's ability to scale

The key to scaling the Supply@ME business is largely linked to automation of the core elements of our delivery model. This will allow the Group to effectively service the different client company business models in the most efficient way possible, which will in turn enable us to grow our pipeline of eligible client companies in order to meet the varying appetite of inventory funders. During 2023 progress has been made through the clear identification of the key serviceable client business models and the development of the associated internal processes required to allow client companies to access the benefits of the Supply@ME Platform. The Group sees the key to its ability to further scale as becoming:

- best in class in inventory analytics for each of these different models;

- building automation through our due diligence processes making it fast and easy for client companies to receive feedback on eligible inventory items and enabling them to establish if Inventory Monetisation is viable for their inventory; and

- building automation and technological scalability in our monitoring and reporting activities to proactively detect, report and mitigate risks for the relevant stock company.

Pipeline

The outcome of the recent lending survey conducted by the European Central Bank clearly indicates that corporates are trying to optimise their cost of funding, considering the high level of interest rates which impacts their net profits. This trend also reflects the current Supply@ME pipeline, where some client companies decided to review the use of the Inventory Monetisation facility or to wait for better market conditions before proceeding. Also, some potential client companies were excluded from the pipeline due to the deterioration of their financial and/or business outlook.

For this reason, in order to support the inventory funding processes managed by the CH Trading Hub, to date during 2024 a new process has been introduced where client companies are asked to sign a Letter of Intent (**"LoI"**), which going forward will be the catalyst to inclusion in our pipeline numbers, this new operational KPI is referenced below.

For the purpose of the Annual Report and Accounts for the year ended 31 December 2023 and this announcement, we include reference to the pipeline KPI used in previous years which represents the current potential value of warehoused goods inventory to be monetised rather than the pipeline revenue to be earned by the Group as well as this new measure which is underpinned by those client companies who have signed an LoI or term sheet (**"New LoI pipeline number"**). The new LoI process has been very recently introduced and the associated numbers are currently low, we anticipate being able to provide a stronger indication of the pipeline in our next market update.

Country Breakdown

<u>Italy</u>

As the track record of transactions and awareness of our Inventory Monetisation Platform, and its ability to facilitate Open Market IM's, continues to grow following the inaugural Italian transaction in September 2022 with VE Chain and further traditional funding IM transaction in 2023, there is interest from small and large businesses, with differing levels of monetisable inventory. The success of our first IM reignited discussions with businesses which had first been introduced to Supply@ME before the pandemic. Our pipeline of Italian opportunities continues to evolve, and we are developing the options to facilitate further IMs with other inventory funders via the CH Trading Hub.

The new Italian legislation pegno non possessorio (the "**PNP Regulation**") was published in January 2023 and came into effect in June 2023 introducing the concept of "security interest" (a concept widely adopted across Europe and the UK) into Italian law, allowing entrepreneurs to access financing of their inventory more easily, without having to sell, transform or otherwise dispose of their business assets. The first traditional IM transaction in Italy leveraged this regulation. Supply@ME anticipates it 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 white-label agreements, as happened with BBPM as per the Company' announcement made on 3 January 2024. Additionally, the recent announcement with regards the Supply@ME's commitments with the Italian neo bank will enable the Company to make solid progress in the Italian market.

Client companies from Italy included in the overall pipeline KPI have inventory equivalent to £318.6 million as at 19 April 2024 (£162.5 million at 21 April 2023). It is worthy of note that 59% of this number is comprised of the inventory of one large corporate Italian client. The New LoI pipeline number is £19.2 million.

<u>United Kingdom</u>

Origination in the UK has slowed in line with the market indications that corporates are trying to optimise their cost of funding and the availability of dedicated inventory funding programmes by the CH Trading Hub. As Supply@ME continues to onboard the existing pipeline and build its track-record, this will unlock further related client company opportunities in UK. Client companies from the UK included in the overall pipeline KPI have inventory equivalent to £1.8 million as at 19 April 2024, (£212.1 million as at 21 April 2023). The New LoI pipeline number is £1.8 million.

<u>Europe (excluding UK and Italy)</u>

Client companies have typically 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. Supply@ME has opportunistically engaged a company with inventory in warehouses in other European countries and currently £10.3 million of the pipeline for both the historical method of reporting and the New LoI pipeline number is located in other European location. Further details will be announced in due course.

Financial review

	2023	2022	Movement
	£000	£000	£000
Continuing operations			
Revenue from continuing operations	158	138	20
Operating loss from continuing operations before impairment charges and fair value adjustments	**(3,625)**	**(4,651)**	**1,026**
Fair value adjustments to investments	(68)	-	(68)
Impairment charges	(384)	(1,078)	694
Operating loss from continuing operations	**(4,077)**	**(5,729)**	**1,652**
Finance costs	(83)	(1,982)	1,899

Loss before tax from continuing operations	**(4,160)**	**(7,711)**	**3,551**
Income tax	-	-	-
Loss after tax from continuing operations	**(4,160)**	**(7,711)**	**3,551**
Loss from discontinued operations	(185)	(2,167)	1,982
Total loss for the year	**(4,345)**	**(9,878)**	**5,533**

			Movement
	Pence	**Pence**	**Pence**
Total loss per share ("**EPS**")	(0.0073)	(0.0228)	0.0155

The Group's consolidated financial statements for the year ended 31 December 2023 ("**FY23**") have been prepared in line with UK adopted International Accounting Standards ("**IAS**"). The TradeFlow operations continued to be 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*") from 1 January 2023 until the date of completion of the TradeFlow Restructuring, being 30 June 2023.

As shown in the financial summary above, the TradeFlow (discontinued) operations contributed a loss of £185,000 (inclusive of the profit of £718,000 recognised in connection with the TradeFlow disposal) in FY23, compared to a loss of £2,167,000 from discontinued operations for the year ended 31 December 2022 ("**FY22**").

Revenue from continuing operations

	2023	**2022**	**Movement**
	£000	**£000**	**£000**
Revenue			
Due Diligence fees	94	102	(8)
Inventory Monetisation fees	64	36	28
Total revenue from continuing operations	**158**	**138**	**20**

The table above provides a breakdown of the Group's revenue from Inventory Monetisation activities during FY23. 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 Group's FY23 consolidated financial statements included within this Annual Report and Accounts.

During FY23, the Group recognised £158,000 (FY22: £138,000) of Inventory Monetisation revenue, which it split 59% related to due diligence fees (FY22: 74%), and the remaining 41% relating to Inventory Monetisation fees (FY22: 26%).

In line with IFRS 15 ("*Revenue from Contracts with Customers")* the Group recognised the due diligence revenues when the due diligence services have been delivered and the Group's performance obligation has been satisfied. During FY23, the Group has continued to carry out, and charge for due diligence activities, and the £94,000 recognised as revenue reflects the value of those due diligence activities completed during FY23.

Following the announcement of the first Italian IM transactions during 2022 and 2023, which were facilitated using the Group's IM Platform, the Group recognised Inventory Monetisation fees of £64,000 during FY23. 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; and
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.

These revenues are expected to grow in future accounting periods in line with expected growth in both the number of IM transactions that are facilitated using the Group's IM Platform and, the quantum of inventory monetised by the independent stock (trading) companies per transaction, increases.

Operating loss from continuing operations before impairment charges and fair value adjustments

During the first half of 2023, the Group was focused on securing the binding commercial agreements in terms of the first IM transactions to use traditional funding in both Italy and the UK. While the binding contract for the latter of these two IM transactions was agreed in July 2023, there has been a delay in the completion of the initial inventory purchased which has largely been the result of the IM being managed alongside an existing floating charge facility which has required this client company to gain specific waivers from their current lender. While this has resulted in delays to this deal, it has proven that an IM transaction model is able to work alongside existing financing facilities.

During the second half of 2023, the Group continued to make important progress to enhance its business operating model with continued differentiation of the IM Platform including, not only the underlying software, but also the supporting processes, methodologies and legal framework. Alongside this, the Group has worked on developing a new inventory funding framework through the launch of CH Trading Hub, has spent considerable time and effort securing its first commitment which will launch the Group's White-Label go-to-market strategy, and has been working with various investment banks and digital asset providers to explore and develop a wider variety of inventory funding routes. All these activities have continued into 2024 as outlined in more detail in the Annual Report and Accounts for the year ended 31 December 2023 and in this announcement.

The Group recorded an operating loss from continuing operations before impairment charges and fair value adjustments for FY23 of £3,625,000 (FY22: £4,651,000 loss). The major contributing factors that resulted in the reduction of the operating loss from continuing operations before impairment charges and fair value adjustments of £1,026,000 are described below:

- An aggregate decrease in the loss from gross profit and administration expenses of £537,000 from £4,123,000 recognised in the year ended 31 December 2023, compared to £4,660,000 recognised in the prior year ended 31 December 2022. This decrease largely resulted from focused cost saving efforts that were implemented throughout during 2023, in particular in the second half of the year when the Group experienced cash flow pressures as a result of delayed contractual funding amounts due to the Group. In particular, the professional and legal fees reduced by £643,000 during FY23 as management made an effort to bring certain activities in house, staff costs reduced by £211,000 during FY23 as certain staff members who left during the year were not replaced, either at all or immediately, and contractor costs reduced by £59,000 during FY23 as the Group ended certain agreements with contractors as specific activities that were being worked on came to an end. When the Group has sufficient cash balances in the future, management will look to increase some of the costs again in order to support and drive growth and expansion. The decreases set out above were partially offset by:

- higher LTIP costs in FY23 as a result of a full 12 month of charges in relation to the October 2022 LTIP grants, compared to just two months of charges in FY22, and seven month of charges of the May 2023 LTIP grants; and

- higher interest and penalty costs incurred across the Group due to late payments being made as a result of the delayed revenue generation and contractual funding being received by the Group.

- an increase of £489,000 in the other operating income recognised during FY23 to a total of £498,000 for the current financial year compared to £9,000 recognised in FY22. The majority of this increase arose as a result of a settlement agreement reached with an existing supplier during FY23 to reduce the total amount payable by the Group in exchange for payment of a lower agreed amount by a specific date. The difference in the previous amount owed and the agreed final settlement amount resulted in a gain recognised in the income statement of £376,000 in FY23 (FY22: £nil). The other two main factors contributing to the increase in other operating income in the current financial period are:

- an increase in interest income recognised during FY23 of £25,000 compared to the prior period. This interest income was charged on late payment of contractual amounts due to the Group; and

- an amount of £87,000 recognised during FY23 (2022: £nil) which relates to claims made in Italy for research and development tax credits relating to the 2021 and 2022 financial years. These amounts are expected to be utilised by the Group over the next three years from 2024 to 2026, in equal instalments each year, to reduce the balance of other Italian tax payables.

Impairment charges and fair value adjustments from continuing operations

	2023 £000	2022 £000	Movement £000
Impairment charges from continuing operations	384	1,078	694
Fair value adjustment on investment in TradeFlow	68	-	(68)
	452	**1,078**	**626**

The impairment charges from continuing operations of £384,000 recognised during FY23 relate to the impairment of the Group's internally developed IM platform as at 31 December 2023 in line with the requirements of IAS 36 ("*Impairment of Assets*"). This followed the conclusion that indicators of impairment were present, which included the losses continued to be 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 Group's FY23 consolidated financial statements included within this announcement, 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 £384,000 as at 31 December 2023 (2022: £1,078,000).

The fair value adjustment to the investment in TradeFlow of £68,000 recognised during FY23 (2022: £nil) reflects the worsening of the net liability position of TradeFlow between 30 June 2023, being the date of disposal is the 81% stake in TradeFlow, and the year end balance sheet date of 31 December 2023. The quantum of the fair value adjustment has been determined with reference to the value of the change in the net liabilities of TradeFlow between these two dates.

Discontinued Operations

The revenue and operating loss of the TradeFlow operations for the period from 1 January 2023 through to the date on which the TradeFlow Restructuring was completed, being 30 June 2023, are shown in the table below. As detailed above, the TradeFlow operations continued to be 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*") from 1 January 2023 and up until 30 June 2023. After this point, TradeFlow was no longer consolidated by the Group and instead the Group now recognises the fair value of the remaining 19% investment in TradeFlow on its balance sheet as an investment. The comparatives show the revenue and operating loss of the TradeFlow operations for the full year ended 31 December 2022.

	6 months to 30 June 2023* £000	2022 £000
Revenue from discontinued operations	684	629
Administrative expenses	(1,037)	(1,705)
Other operating income	24	22
Amortisation of intangible assets arising on acquisition	(442)	(846)
Acquisition related earn-out payments	-	710
Impairment charges	-	(765)
Foreign currency translation loss reclassified to comprehensive income	(62)	-
Profit on disposal of 81% of TradeFlow	718	-
Operating loss from discontinued operations	**(115)**	**(1,955)**

**Represents the results for the six-month period prior to the finalisation of the TradeFlow Restructuring on 30 June 2023.*

TradeFlow's investment advisory revenue arose 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 were recognised when the investment advisory services have been delivered and TradeFlow's performance obligation has been satisfied.

Further details of the costs recognised during the first six months of 2023 prior to the completion of the TradeFlow Restructuring on 30 June 2023 that are set out in the table above are detailed below:

- amortisation of intangible assets arising on acquisition of £442,000 during FY23. These costs related to the intangible assets recognised by the Group in connection with the TradeFlow acquisition, which had an initial fair value of £6,888,000. The £442,000 represents the amortisation charge arising on these assets for the six month period from 1 January 2023 through to the date on which the TradeFlow Restructuring was completed, being 30 June 2023;

- foreign currency translation loss reclassified to comprehensive income of £62,000 during FY23. This represents the cumulative foreign currency translation reserve created on consolidation in respect of the TradeFlow operations. This is reclassified to income statement at 30 June 2023 due to TradeFlow no longer being consolidated by the Group from this date; and

- the profit on disposal of the 81% of TradeFlow of £718,000. On the 30 June 2023, the net assets of TradeFlow (representing a value of £1,634,000 at 30 June 2023) are no longer consolidated by the Group, and instead the fair value of the new 19% investment of £352,000 was recognised on the balance sheet, together with the £2,000,000 remaining cash consideration to be received. The difference between these items resulted in a profit on disposal of the 81% of TradeFlow recorded in the Group's FY23 consolidated statement of comprehensive income of £718,000.

As shown above there were no additional acquisition related earn-out costs recognised during 2023 which reflected the fact that as part of the TradeFlow Restructuring all future potential earn-out payments were offset against the initial cash consideration value.

As detailed above, following the finalisation of the TradeFlow Restructuring on 30 June 2023, the assets and liabilities of TradeFlow, including the intangible assets arising as part of the original TradeFlow acquisition in July 2021, are no longer consolidated by the Group. As such no further impairment charges relating to the discontinued operations were recognised during 2023. Instead, a calculation was undertaken to calculate any gain or loss arising on the change in ownership structure of the TradeFlow operations. The details of this calculation are set out below, and further detail can be found in note 26 to the Group's FY 23 consolidated financial statements included within this announcement.

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	As at 30 June 2023
	£ '000
Accounting fair value of the 81% ownership of the TradeFlow operations disposed of by the Group	2,000
Accounting fair value of 19% ownership of the TradeFlow operations retained by the Group	352
	2,352
Less:	
Accounting fair value of net assets disposed of by the Group	(1,634)
Profit on disposal of 81% of TradeFlow	**718**

With regards to the £2,000,000 remaining cash consideration that was due to the Company as a result of the TradeFlow Restructuring, this amount was assumed by The AvantGarde Group S.p.A ("**TAG**"), the Group's majority shareholder, from the buyers of the 81% stake in TradeFlow by way of a debt novation deed signed on 30 June 2023. The £2,000,000 was to be repaid by TAG to SYME in multiple tranches, with the final tranche being due by 31 January 2024. As at 31 December 2023 an amount of £772,000 remained outstanding from TAG in relation to this amount (31 December 2022: £nil), of which £227,000 was overdue and £500,000 was due for payment on 31 January 2024.

Subsequent to 31 December 2023, and prior to the release of the Group's FY23 consolidated financial statements included within this announcement, TAG had repaid £655,000 of the remaining amounts that were outstanding at 31 December 2023, through a combination of £569,000 cash payments and a further £86,000 offsets against amounts owed by the Group to TAG.

The Company has been charging a late fee to TAG in terms of overdue payments of this particular receivable balance, and this late fee is calculated at a compounding rate of 15% per annum on any amounts of the instalments not transferred to the Company by the relevant due date, in accordance with the contractual arrangements. During the year ended 31 December 2023, the Group recognised £11,000 of interest revenue (2022: £nil) in relation to the late payments by TAG in respect of this particular receivable balance. As at 31 December 2023, the full amount of this interest revenue remained outstanding.

To determine the accounting fair value of the retained 19% investment in TradeFlow of £352,000, management used the specifics set out in the TradeFlow share purchase agreement dated 30 June 2023. Further details of this calculation are set out in note 26 the Group's FY 23 consolidated financial statements included within this announcement. Following this calculation, management then applied a discount of 25% to this fair value to take account of the fact that the Company no longer controls the TradeFlow operations. This discount applied is a management judgement that will continue to be reassessed at each reporting date.

New equity funding

On 28 April 2023, the Company and Venus Capital S.A. (**"Venus Capital"**) entered into a new equity 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**") over two separate tranches, both of which took place in May 2023. The total gross proceeds received by the Group in relation to this Subscription Agreement was £2,250,0000 or £2,137,500 net of the £112,500 commission that was charged be Venus Capital in connection with the issue of the Subscription Shares. An additional £112,500 was paid to Venus Capital in respect of agreed costs and expenses incurred by Venus Capital in connection with the Subscription Agreement.

The Subscription Agreement required new warrants to be issued to Venus Capital at a ratio of one warrant for every two Subscription Shares issued. This resulted in an obligation for the Group to issue 2,250,000,000 new warrants to Venus Capital ("**New Venus Warrants**") which existed at 31 December 2023. The New Venus Warrants are each exercisable into one new ordinary share at a price equal to £0.00065 pence per share up to a final exercise date of 31 December 2026. As at 31 December 2023, the obligation to issue these share warrants to Venus Capital has been recognised within equity as "warrants to be issued" within the share-based payment reserve. These share warrants had a total fair value of £1,717,000. As at 31 December 2023, all of these share warrants remain outstanding.

The total share issue costs incurred in connection with the Subscription Agreement during FY23 were £1,971,000 including £1,717,000 relating to the fair value of the warrants issued, £225,000 relating the commission and other fees charged by Venus Capital and £29,000 of other share issue costs. This has been accounted for as a £1,971,000 reduction to share premium during FY23 given there was sufficient share premium created on the issue of the Subscription Shares.

New debt financing

In addition to the new equity funding referred to above, the Group also needed to secure new debt financing during FY23 to support the working capital needs of the Group while it continues to fully establish the business model and create a track record of revenue generation. This has presented a number of challenges to the Group, not only due to the general challenging economic and commercial environment throughout 2023, including the high interest rate environment and its impact on economic prospects and investor sentiment, but also the start-up nature Group's business as this in itself significantly limits funding options compared with larger, more mature, UK businesses especially in the fintech sector. With these factors in mind, the Board carefully considered what options were available and concluded that entering into the following debt financing with TAG, the Group's major shareholder, were in the best interests of the Group and its shareholders. Details of the new debt financing arrangement entered into with TAG during FY23 are summarised below.

TAG Unsecured Working Facility

On the 28 April 2023, the Company and TAG entered into a fixed term unsecured working capital loan agreement (the **"TAG Unsecured Working Capital facility"**). This agreement was subsequently amended on 30 June 2023 in conjunction with the TradeFlow Restructuring. Under the amended TAG Unsecured Working Capital facility, TAG agreed to provide, subject to customary restrictions, an unsecured working capital facility of up to £800,000 to cover the Group's interim working capital and growth needs.

On 30 June 2023, the Company issued a draw down notice to TAG under the amended TAG Unsecured Working facility for the full £800,000 available. As at 31 December 2023, TAG had provided £250,000 of the £800,000 that had been drawn down by the Company (31 December 2022: £nil), however subsequent to 31 December 2023, and prior to the release of Group's FY23 consolidated financial statements included within this announcement, TAG had provided the remaining £550,000 of the £800,000 that had been drawn down by the Company.

The initial due date for repayment by the Company of amounts (if any) drawn under the TAG Unsecured Working Capital facility is 1 February 2028, however on 26 March 2024, the Company and TAG signed a second deed of amendment agreement, which allowed the full outstanding amount of the amended TAG Unsecured Working Capital facility, being £800,000, to be extinguished by the issue of 1,500,000,000 new ordinary shares which were issued to TAG on 28 March 2024.

Any sums drawn under the TAG Unsecured Working Capital facility attracted a non-compounding interest rate of 10% per annum, and any principal amount (excluding accrued interest). During the year ended 31 December 2023, the Company recognised interest expense of £7,000 (2022: £nil), which all remained unpaid as at 31 December 2023, but which was settled in full as part of the repayment made on the 28 March 2024.

Top-Up Shareholder Loan Agreement

On 28 September 2023, the Company and TAG entered into a unsecured shareholder loan agreement (the "**Top-Up Shareholder Loan Agreement**"), pursuant to which TAG agreed to provide the Company with a further facility of up to £3,500,000 to cover the Company's working capital and growth needs up to 30 June 2025.

Full details of this Top-Up Shareholder Loan Agreement are set out in note 28 to the Group's FY 23 consolidated financial statements included within this announcement. In summary, under the Top-Up Shareholder Loan Agreement the Company has the ability to draw down up to £3,500,000 in monthly instalments over the period to 30 June 2025, with the monthly drawdown amount calculated in order to ensure that the Group's projected cash balance on the last business day of the coming calendar month will not be less than £250,000 after taking into account the Group's scheduled balance of receipts and payments for the next month.

The repayment of any sum drawn down under the TAG Top-Up Shareholder Loan Agreement will be due five calendar years from the date which funds are received by the Company subject to the relevant draw down request and any sums drawn down by the Company under the TAG Top-Up Unsecured Shareholder Loan will attract a non-compounding interest rate of 10% per annum, and any principal amount (excluding accrued interest) outstanding on a relevant due date shall attract a compounding rate of 15% per annum thereafter. Interest will be due to be paid annually on 31 March of each relevant calendar year.

As at 31 December 2023, the Group had issued draw down notices to the value of £969,000 to TAG, however these amounts had not yet been received by the Group (31 December 2022: £nil). As a result of the late payment of the amounts drawn down by TAG, the Group recognised interest income of £11,000 (2022: £nil), which all remained unpaid as at 31 December 2023.

Subsequent to 31 December 2023, and prior to the release of the Group's FY23 consolidated financial statements included within this announcement, the Company issued additional draw down notices under the Top-Up Shareholder Loan Agreement to the value of £779,000 and had received £nil from TAG.

Late payment challenges encountered by the Group during 2023

As previously communicated by the Company through its RNS announcements dated 5 December 2023 and 29 February 2024, the Group has experienced a number of cash flow pressures during the second half of 2023, and to date in 2024, as a result of a number of delayed contractual funding amounts due to the Group from TAG. The delayed contractual payments resulted from TAG experiencing delays in funding it was itself expecting. The Board has been monitoring the situation closely including requesting regular updates from TAG regarding the expected timing delays, and representation as to the mitigating actions that TAG itself has been putting in place to allow them to demonstrate their ongoing commitment to support the Company and to provide the contractual payments, albeit on a delayed payment schedule.

As detailed above, the Group has continued to receive payments from TAG following 31 December 2023 and TAG has provided further representations to the Board that it will continue to provide the outstanding amounts, and that TAG is itself in the process of securing additional facilities and arrangements to enable performance against these representations. Additionally, the Board is exploring alternative options of funding in order to meet its ongoing working capital needs and to reduce the reliance of the Group on TAG.

Cash flow

The Group decreased its net cash balance by £575,000 (2022: £1,133,000 decrease) due to a combination of the following cash inflows and outflows during FY23:

- cash inflow of £2,068,000, net of commission and other share issue costs, received from the issue of new ordinary shares during the first half of 2023 under the Subscription Agreement, and from existing warrant holders who chose to convert their warrants (which had been issued in conjunction with the open offer completed during 2022);

- cash inflows from long-term borrowing from discontinued operations of £405,000 due to the new long-term borrowings secured by TradeFlow during the six-month period in 2023 prior to the completion of the TradeFlow Restructuring;

- cash inflows from long-term borrowing from continuing operations of £139,000, net of repayments and other finance costs, predominantly due to amounts received under the amended TAG Unsecured Working facility agreed during 2023 less the cash repayments made during 2023 in relation to the long-term bank borrowings; and

- cash inflow of £1,228,000 that have been received during the year ended 31 December 2023 from TAG in relation to the repayment of the remaining cash consideration that was due as a result of the TradeFlow Restructuring.

These net cash inflows were then offset by the following items:

- net outflows from operating activities of £3,633,000 (2022: £4,555,000 net outflow);

- continued investment in the Group's IM Platform of £458,000 (2022: £1,175,000); and

- removal of the opening cash balance of the TradeFlow operations of £324,000 to reflect the fact that the TradeFlow Restructuring was completed on 30 June 2023 and the TradeFlow assets and liabilities are no longer consolidated by the Group at the period end.

	2023	**2022**
	£000	**£000**
Net cash flow from operating activities	(3,633)	(4,555)
Net cash flow from investing activities	446	(1,197)
Net cash flow from financing activities	2,612	4,619
Net increase in cash and cash equivalents	**(575)**	**(1,133)**
Foreign exchange differences to cash and cash equivalents on consolidation	(1)	(13)
Cash and cash equivalents at 1 January	581	1,727
Cash and cash equivalents as at 31 December	**5**	**581**

Net liabilities

As at 31 December 2023 net liabilities were £3,807,000 (31 December 2022: net liabilities of £2,025,000), representing an increase in the net liability of the Group of £1,782,000.

The increase in the net liability position at 31 December 2023 compared to 31 December 2022 is largely due to the following:

- the addition of the new assets created as a result of the TradeFlow Restructuring including a) the £772,000 outstanding cash consideration receivable by the Company from TAG as at 31 December 2023 (31 December 2022: £nil), following TAG's assumption of the outstanding cash consideration payable from the buyers of TradeFlow on 30 June 2023, and b) the £284,000 investment balance relating to the fair value of the Group's remaining 19% ownership of TradeFlow as at 31 December 2023. Further details on these new assets can be found in notes 26 and 27 to the Group's FY 2023 consolidated financial statements included within this announcement.

This increase in assets compared to 31 December 2022 was then offset by:

- the removal of the assets and liabilities relating to TradeFlow from the Group's consolidated balance sheet at 30 June 2023 to reflect the fact that the TradeFlow Restructuring was completed on this date. The value of the net asset relating to TradeFlow that were consolidated as at 31 December 2022 was £2,283,000;

- the reduction in the cash balance from £257,000 as at 31 December 2022 to £5,000 as at 31 December 2023 reflecting a number of delayed contractual funding amounts due to the Group from TAG in the second half of 2023;

- an increased in provisions from £468,000 as at 31 December 2022 to £575,000 as at 31 December 2023 reflecting additional interest amounts and penalties due on overdue tax and social security balances due;

- a small increase in other working capital items primarily due to the overall net cash outflows from operations.

Going Concern

The Board's assessment of going concern, the key considerations and the material uncertainties thereto are set out in the note 2 to the Group's FY 23 consolidated financial statements included within this announcement.

Related Parties

Note 28 to the Group's FY 23 consolidated financial statements included within this announcement contains details of the Group's related parties.

Subsequent events

Note 30 to the Group's FY 23 consolidated financial statements included within this announcement contains details of all subsequent events.

Principal Risks and Uncertanities

The Group's approach to risk management is that the Board regularly considers the principal risks faced by the Group and takes a proactive approach to those risks identified, primarily through the application of the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework. The leadership team have undertaken a bottom-up internal self-assessment approach to evaluating risks across all areas of the business in line with the COSO framework. Consideration was given to perceived risk with regard to Impact, Likelihood, Vulnerability and Velocity by internal functional experts. The identified risks were then reviewed and assessed centrally and key risks to the business are managed and mitigated. The key risks and mitigations are periodically presented to the Board and Audit Committee.

The most significant risks and uncertainties the Group faces are listed in the table below, categorised by the principal risk, together with the approach that has been taken to manage the impact of this risk on the Group, any changes to the risk profile since 2022 and an assessment of the importance of this risk considering the likelihood and impact of it post the mitigations outlined.

Strategic Risk

Strategic risk is defined as the failure to build a sustainable, diversified and profitable business that can successfully adapt to environment changes due to the inefficient use of Group's available resources.

Business Model and Strategic Competition

Movement since 2022	Likelihood	Impact
Maintained at same level	*Unlikely*	*Major*

Principal Risk	How are we mitigating this risk?	Change in principal risk since 2022
The Group's business model is that of an innovative Platform for Inventory Monetisation, aiming to capitalise upon market developments where supply chains may be placed under pressure. By its nature this is a new FinTech product which leads to an inherent risk of there being limited market interest in the product or on the converse a competitive offering being created by another organisation which outstrips our model or size.	The Group continues to acknowledge the risk of new and potentially larger competitors entering the Inventory Monetisation space and regularly monitors new entrants to keep abreast of changes to this risk factor. Over the past few years, a focus of the Group has been significantly investing in building, developing and flexing its unique model and has also diversified the business model to encompass a variety of routes to market from White-Label product offerings, tokenisation and traditional inventory funding. Additionally, as detailed in the "how we scale the business" section of this announcement the Group's understanding and ability to deliver for a range of client companies business model adds to its competitive advantage, especially against potential new entrants to the market place.	The progress made during 2023 in the commencement of the variety of routes to market and the associated ability in the Group gives strategic competitive advantage, alongside the flexibility in the business model. Although there have been announcements from other companies with regard to progressing their own inventory funding model, Supply@ME is not aware of any other offering of Inventory Monetisation facilitated through a platform aligned to the Supply@ME business model. The investments made since the Group's inception would be challenging for a competitor to replicate over a short period at this stage.

Future development and strategy

Movement since 2022	Likelihood	Impact
Maintained at same level	*Possible*	*Major*

Principal Risk	How are we mitigating this risk?	Change in principal risk since 2022
The Group is unable to build the IM Platform in line with its strategy at a pace and cost aligned to funding available and revenue generation.	This risk will reduce as the Group's business model and product becomes more established. Despite business progress made during 2023, the scalability of the Group's product remains unproven, which could affect the Group's ability to increase revenues and profit margins in the future at the rate needed to ensure success of the business model. The key to our long-term business growth remains our IM Platform. The IM Platform and product roadmap are continually being enhanced to enable seamless interactions with clients and inventory funders, with minimal human intervention, using a lean workforce to deliver a high volume of transactions and revenue. This groundwork will allow for increased efficiency going forward and will continue to be progressed as different inventory models are presented to the Group for consideration.	During 2023, the Company has proven its ability to deliver an additional successful Inventory Monetisation and worked hard to secure its first commitment linked to the While-Label product offering, which was then announced in early 2024. These developments demonstrate the establishment of the business model and product. However, the pace of growth is slower than anticipated and as such the scalability of the business model is still to be fully demonstrated.

Macro global and economic risks

Movement since 2022	Likelihood	Impact
Increased	*Possible*	*Moderate*

Principal Risk	How are we mitigating this risk?	Change in principal risk since 2022
The current global macro environment has an effect on all businesses, including the Group, its corporate clients and inventory funders. Consideration has been given to changes in loan appetite of potential corporate clients. The increased level of conflict globally, in particular the war in Ukraine and the increased tensions	The market for supply chain finance is large. As such, any increases to Supply@ME's market share to even a small degree, this could have a positive impact on the business. The business is currently focusing on clients based in the UK and Europe, Italy in particular. This narrowing of focus should	The risk in this area has increased in the last year in our view largely due to the macro-economic environment. The increased uncertainty arising from continued global conflict is having an impact on overall business confidence which is also being felt by Supply@ME.

in the Middle East, could potentially affect the success of businesses who would be client companies of Supply@ME, leading to a smaller potential market. Consideration has also been given to the impacts of Brexit. As our business model requires legal contracts complaint with laws in individual countries the impact on the operations of the business from this macro event is limited. The restrictions of free movement of people and the immigrations requirements in the UK as a result of Brexit is of greater concern.	mitigate some of the risk inherent from the increased global conflict. To mitigate the risk to the business of immigration constraints caused by Brexit the Company has obtained a Visa Sponsorship Licence.	Although Supply@ME is not a lender and does not provide financing the decreased appetite of SME's and large enterprises for loans due to higher interest rates could arguably reduce the size of the potential addressable market for Supply@ME.

Inventory Funding Risk

Movement since 2022	Likelihood	Impact
Reduced	*Possible*	*Major*

Principal Risk	How are we mitigating this risk?	Change in principal risk since 2022
Key to the Suppy@ME business model is the interest of funders to acquire inventory and invest in the new model for which Supply@ME provides pre and post monetisation services. If there is no interest, or reduced interest by funders to invest in this asset class of inventory there is risk to the Supply@ME business model.	Developing a strategic partnership with SFE mitigates some of this risk as SFE will proactively manage the funder relationships in any Inventory Monetisation transaction, which is a positive development in this area as it should allow for a greater understanding of the funders' requirements. Additionally, the diversification of potential routes to market mitigates this risk. These potential routes include funding provided by White-Label partners, traditional funding and tokenisation as potential funding routes for inventory.	The Group has seen positive progress in this area during 2023 including, the first traditional funding of inventory, the developments in the securitisation of assets and the first White-Label commitment. This progress, together with the new strategic partnership with SFE has reduced this risk to the Group through demonstrating there is interest from a variety of market players to fund inventory.

Technological Advancements

Movement since 2022	Likelihood	Impact
Maintained at same level	*Unlikely*	*Moderate*

Principal Risk	How are we mitigating this risk?	Change in principal risk since 2022
Technology is advancing at a phenomenal rate. The development of and increased use of AI being one of the recent most significant. The increased digitisation of assets is also a relevant advancement. As a Fintech business it is essential that our technology and the team's knowledge of new technology user cases keeps pace with the external environment so that any new relevant technologies can be included into the IM Platform as efficiently and effectively as possible.	A growth mindset and innovation are encouraged at Supply@ME across all members of the team. This will help the team and the Group to stay abreast of new technology and its use. One example of this is the whole team starting to undertake the Route Crypto Training during 2023.	There have been technology advancements in the market during 2023, and while the Group's focus on innovation and learning has continued in order to keep abreast of these changes, this risk has remained static compared to 2022. This is in part due to the constant changing technological landscape but also due to the current limited availability of financial resources that the Group has to invest in this area.

Commercial Legal Risk

Movement since 2022	Likelihood	Impact
Reduced	*Unlikely*	*Minor*

Principal Risk	How are we mitigating this risk?	Change in principal risk since 2022
The Supply@ME business model requires new and detailed legal contracts to be in place in each global jurisdiction in which a monetisation is to take place. This is required in order to ensure the contracts are tailored to specific circumstances and regulations in that new region. This creates a risk of the Group potentially breaching legislation specific to a new region. It also means that the first monetisation in a new region could have significant up-front cost in both	When Supply@ME engages with a new a corporate client the location of their inventory is a key part of early discussions and companies are progressed through the Supply@ME pipeline taking this into consideration. External legal expertise is sought for each country region that the Group is engaging in business to reduce any risk of breach of local legislation and to ensure the leadership team is made aware of any specific legal circumstances	A significant amount of time and resources have been invested into the development of standard commercial contracts for the UK and Italy, and these have been implemented with client(s) in these two regions. Solid progress has also been made on establishing legal structures in France where corporate clients in the Group's pipeline have approached Supply@ME with inventory they wish to have monetised. Given this progress

time and finances depending on the complexities of that region. However, as the business expands to more regions, this will then lead to a scalable model which can be replicated in a much more efficient manner for each new client onboarded in an already established region.	that might be unique to a particular country or region.	over 2023, this risk has reduced compared to the prior year.

Financial Risk

Financial risk takes into consideration risk resulting from the loss of capital. Consideration is given to liquidity, market and credit risk.

Group Funding Risk

Movement since 2022	Likelihood	Impact
Increased	*Likely*	*Major*

Principal Risk	How are we mitigating this risk?	Change in principal risk since 2022
The Company and the Group remain in the early stage of development and have not generated consistent revenues from operations to date and are not currently profitable. In addition, predicting the time frames within which the Group will commence the generation of consistent revenues remains difficult. As a result of the current stage of development, the Group has needed to rely on funding from various sources in the past including equity placings, various shareholder funding commitments together with other loan and convertible loan note facilities. Despite continued confidence in its long-term strategic aims, the Directors continue to recognise additional financing will likely be required and that the availability of future potential funding options may be limited and could potentially be on terms that are not favourable to the Group and may be dilutive to shareholders. Additionally, during 2023, and to date in 2024, the Group has experienced delays in terms of the funding commitments that had been entered into with its key shareholder, TAG. This created a new risk to the Group in terms of the relevant counterparty being able to provide funding in line with their contractual commitments to the Group.	The Company and its Board are continually reviewing the cashflow position of the Group and, as required, will explore additional funding facilities available to meet the cash flow, working capital and growth needs of the Group. To support this the Company remains engaged with several key stakeholder and finance providers to fulfil the future funding needs and to provide the Group options to diversify the current sources of funding and mitigate the risk of being dependent on the various funding commitment provided by TAG. To help mitigate the impacts of the delayed funding payments from TAG during 2023 and to date in 2024, the Board are in regular contact with TAG and have been working closely with them to ensure the committed payments are continually being received, albeit on a delayed basis. Alongside this the Board are in regular contact with the CFO to ensure they are fully aligned on the use to funds that are available.	Funding was challenging during 2023 due to the delays in funding being received. As such this risk as increased when compared to 2022. There were unforeseen delays which impacted on: - Our people, which increased the risk of attrition. - Our third-party suppliers, which increased the risk of the company being able to seek the external expertise it required. - Our ability to build the technology infrastructure at a pace originally. While the business progress has been positive over 2023 and early 2024, this risk will remain high until the Group is able to consistently generate revenue which is sufficient to cover its costs.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Business Continuity Risk

Movement since 2022	Likelihood	Impact
Decreased	*Unlikely*	*Moderate*

Principal Risk	How are we mitigating this risk?	Change in principal risk since 2022
Our business is evolving. As a business evolves, processes need to adapt and improve. Not keeping abreast of these changes exposes the Group to risk of not delivering for our clients and/or business failure. It is also key that our IM Platform is accessible and available, which requires any outage time being kept to an absolute minimum. As such processes and policies being in place to allow for business continuity when faced with technical issues is key to the Groups success as a result any failure or inaccessibility of our IM	'Key Person' dependency is an element of business continuity risk, to mitigate this all policies, processes, and procedures are clearly documented, along with training videos, and standardised templates enabling any team member to be able to carry out part of a process. Business continuity plans are in place and are presented to third parties when necessary. They are also reviewed and tested to ensure robustness. All our technological components are backed by Service Level	The team has consistently been focused on process documentation to create robust business continuity plans and to build this into every element across the Group. As a result of the work completed in 2023 and early 2024, this risk has decreased as compared to the prior year.

platform is considered a principal risk for the Group.	Agreements and support plans, with scheduled back-ups and restoration plans should they fail. All our processes are able to be run manually should there be a significant downtime any of on our components. When working with third party suppliers we ensure agreement encompass business continuity measures/ service level agreement in order to mitigate the risk that the IM Platform processes are impacted by the business interruption of services provided by key suppliers.	

Talent and Diversity Risk

Movement since 2022	Likelihood	Impact
Increased	*Possible*	*Moderate*

Principal Risk	How are we mitigating this risk?	Change in principal risk since 2022
Loss of certain member of the Board and leadership team could lead to a reduced ability to effectively run the Group, while loss of the key members of the team could hamper the speed at which the Group is able to scale up the business and increase operational efficiency.	The Board and leadership team continue to work closely to mitigate this risk by keeping lines of communication open with the team. Additionally, during 2023 the regular succession planning reviews were extended to cover all levels of the team so that any key vulnerabilities were clearly identified. These reviews are conducted by the Nomination Committee supported by the Chief Executive Officer and Chief People Officer. Feedback was gathered from the team in late 2023 through the annual employee experience and engagement survey. This insight has assisted in putting in place measures to continue to minimise risk of attrition of key members of the team, and to allow the Board to identify key areas of importance across the team. While the Group does not yet have the resources available to it to incentivise employees via the payment of bonuses or pay rises, the Board continued to make awards under the Long-Term incentive plan during 2023.	The cash flow challenges faced by the Group during 2023, and early 2024, has had an impact on the Supply@ME team and led to some attrition. The risk of loss of key members if the team has increased during this period, including in the leadership team. Given the current focus on cost control, not all of these vacancies have been filled and instead work has been distributed to the remaining team members. The Board and Chief People Officer are actively managing this risk.

Cyber Security Risk

Movement since 2022	Likelihood	Impact
Maintained at same level	*Unlikely*	*Major*

Principal Risk	How are we mitigating this risk?	Change in principal risk since 2022
The proprietary fintech Platform developed by the Group and used to facilitate Inventory Monetisation transactions is the intellectual property of the Supply@ME Group. Given the global rise in the number of data and cybersecurity breaches carried out by malicious actors or hackers, the Group's intellectual property may be at risk of being stolen as a result of unauthorised access to its systems.	The Group is aware of growing cybersecurity risks and regularly reviews the robustness of cybersecurity provisions around its network. This includes mandatory staff training to recognise data breach and/or phishing attempts, via software such as malware or ransomware. The major technology components of the IM Platform require Multi-Factor Authentication as an added level of security. All data is held in a cloud environment that has threat monitoring, detection, and alerts as standard protocols. The Group has put in place an approved Data Breach Response Policy.	Cyber security risk is perceived to be one of the most important global business risks in 2024 as outlined by recent research by Allianz. Supply@ME has also noted an increase in phishing attempts. Despite the increased macro risk, the mitigating actions the Group has in place has led to the conclusion that this risk has remained unchanged when compared to the prior year.

Regulatory, Legal and Reputational Risk

Regulatory, Legal and Reputation Risk are defined as those relating to the legal and regulatory frameworks within which the Company operates. Reputational risk is linked to this as all of these areas related to the engagement in activities that detract from Group's goal of being a trusted and reputable Company.

Corporate Legal and Regulatory Risk

Movement since 2022	Likelihood	Impact
Increased	*Possible*	*Moderate*

Principal Risk	How are we mitigating this risk?	Change in principal risk since 2022
The Group breaches a legal or regulatory requirement which impacts its ability to deliver for its stakeholder.	Supply@ME is a small team, who are supported by external experts to help ensure the Group is compliant with its various legal and regulatory requirements. The Board has oversight and has been thoughtfully hired for their combined expertise to challenge and support the business in this area.	Enlisting the support of external experts comes at a cost which has to be balanced with its current financial position. The risk in this area has increased during 2023 as the spend on advisors has been carefully considered and reduced in line with cash flow constraints.

Data Protection

Movement since 2022	Likelihood	Impact
Maintained at same level	*Rare*	*Moderate*

Principal Risk	How are we mitigating this risk?	Change in principal risk since 2022
Effective data protection is fundamental to our business and a data protection breach could damage stakeholder relationships, incur costs and damage reputation. Operating in multiple jurisdictions leaves a risk of breach of individual jurisdictional legislation.	The Group has engaged extensively with recognised data protection experts to establish appropriate data protection policies and procedures in the jurisdictions within which it currently operates.	During 2022 our processes and procedures around data protection were reviewed and refined. During 2023 this process has continued. The risk in this area remains consistent compared to the end of 2022.

Reputational Risk

Movement since 2022	Likelihood	Impact
Increased	*Possible*	*Moderate*

Principal Risk	How are we mitigating this risk?	Change in principal risk since 2022
A positive reputation will assist a business to become more successful. Being a desirable business partner to all types of stakeholders will have a positive impact on business performance. The Groups reputation becoming damaged will impact the speed at which it can expand, growth and prove its business model.	In the past Supply@ME sought support from external public and investor relations agencies to assist in brand and communications management. The Board and leadership team have becoming increasingly considered in the communications made externally follow advice received from these experts.	The budget for external public and investor relations support has been reduced during 2023 in line with cash flow. The increased consideration given by the team prior to communicating externally has had mixed responses from the Groups wide retail shareholder base. Additional investment in external public and investor relations support will be sought in line with the resource and cash availability.

Statement of Director's responsibilities

The responsibility statement below has been prepared in connection with the annual report and financial statements for the year ended 31 December 2023. Certain parts thereof are not included within this announcement. The Directors confirm that to the best of their knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

- the strategic report, contained within the annual report and financial statements for the year ended 31 December 2023, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Supply@ME Capital PLC websites. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This responsibility statement was approved by the Board of Directors and is signed on its behalf by:

Alessandro Zamboni
Chief Executive Officer
30 April 2024

Financial Statements

The final results announcement for the year ended 31 December 2023 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 2023 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 2023.

The financial information has been extracted from the financial statements for the year ended 31 December 2023, which have been approved by the Board of Directors and on which the auditors have reported on without qualification.

The audit report also included a material uncertainty relating to going concern. Full details of the audit report can be seen in the 2023 Annual Report and Accounts.

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2023

	Note	Year ended 31 December 2023	Year ended 31 December 2022
		£ 000	**£ 000**
Continuing operations			
Revenue	3	158	138
Cost of sales		(603)	(338)
Gross (loss)		**(445)**	**(200)**
Administrative expenses	6	(3,678)	(4,460)
Other operating income	5	498	9
Operating loss from continuing operations before impairment charges and fair value adjustments	3	**(3,625)**	**(4,651)**
Fair value adjustments to investments	27	(68)	-
Impairment charges	6	(384)	(1,078)
Operating loss from continuing operations		**(4,077)**	**(5,729)**
Finance costs	4	(83)	(1,982)
Loss before tax from continuing operations		**(4,160)**	**(7,711)**
Income tax	10	-	-
Loss after tax from continuing operations		**(4,160)**	**(7,711)**
Discontinued operations			
Loss from discontinued operations	26	(185)	(2,167)
Total loss for the year		**(4,345)**	**(9,878)**
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translating foreign operations		304	(539)
Total comprehensive loss for the year		**(4,041)**	**(10,417)**
Loss attributable to:			
Owners of the company		**(4,041)**	**(10,417)**
Earnings/(loss) per share		**Pence**	**Pence**
Basic and diluted loss per share - continuing operations	11	(0.0070)	(0.0178)
Basic and diluted loss per share - discontinued operations	11	(0.0003)	(0.0050)
Basic and diluted loss per share - total	11	**(0.0073)**	**(0.0228)**

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 2023

	Note	As at 31 December 2023 £ 000	As at 31 December 2022 £ 000
Non-current assets			
Intangible assets and goodwill	12	-	-
Investment	27	284	-
Property, plant and equipment		3	7
Other non-current assets		19	19
Total non-current assets		**306**	**26**
Current assets			
Trade and other receivables	13	1,026	1,219
Cash and cash equivalents		5	257
Receivable from related party	14	847	-
		1,878	**1,476**
Assets of disposal group held for sale	26	-	6,844
Total current assets		**1,878**	**8,320**
Total assets		**2,184**	**8,346**
Current liabilities			
Trade and other payables	16	4,569	4,587
Liabilities of disposal group held for sale	26	-	4,561
Total current liabilities		**4,569**	**9,148**
Net current liabilities		**(2,691)**	**(828)**
Non-current liabilities			
Long-term borrowings	17	840	748
Provisions	18	575	468
Deferred tax liabilities		7	7
Total non-current liabilities		**1,422**	**1,223**
Net liabilities		**(3,807)**	**(2,025)**
Equity attributable to owners of the parent			

Share capital	15	5,989	5,897
Share premium		25,396	25,269
Share-based payment reserve	24	7,969	5,871
Other reserves		(11,048)	(11,413)
Retained losses		(32,113)	(27,649)
Total equity		**(3,807)**	**(2,025)**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes. These consolidated financial statements were approved and authorised for issue by the Board on 30 April 2024 and signed on its behalf by:

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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 2022

	Note	**Share capital £ 000**	**Share premium £ 000**	**Other reserves* £ 000**	**Share-based payment reserve £ 000**	**Merger reserve* £ 000**	**Reverse takeover reserve* £ 000**	**Foreign currency reserve* £ 000**	**Retained losses £ 000**	**Total £ 000**
At 1 January 2022		5,486	18,171	21	2,018	226,905	(237,834)	18	(16,209)	(1,425)
Loss for the year		-	-	-	-	-	-	-	(9,878)	(9,878)
Forex retranslation difference		-	-	-	-	-	-	(539)	-	(539)
		5,486	18,171	21	2,018	226,905	(237,834)	(521)	(26,087)	(11,841)
Issuance of new shares	15	406	10,396	-	-	-	-	-	-	10,802
Costs incurred in connection with the issuance of new ordinary shares		-	(4,024)	-	-	-	-	-	(1,605)	(5,629)
Credit to equity for issue of warrants	24	-	-	-	5,292	-	-	-	-	5,292
Exercise of Open Offer Warrants	15	1	31	-	(40)	-	-	-	40	32
Credit to equity for prior year acquisition related earn-out payments		-	-	-	172	-	-	-	-	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)	-	-	-	-	(883)
Equity settled employee share-based payment schemes		-	-	-	11	-	-	-	-	11
Pension plan actuarial gain or loss		-	-	16	-	-	-	-	-	16
Subsidiaries disposed of during the year		-	-	-	-	-	-	-	3	3
At 31 December 2022		5,897	25,269	37	5,871	226,905	(237,834)	(521)	(27,649)	(2,025)

**The "other reserves" balance in the consolidated statement of financial position represents an aggregate of other reserves, the merger relief reserve, the reverse takeover reserve and the foreign currency reserve.*

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 2023

	Note	**Share capital £ 000**	**Share premium £ 000**	**Other reserves* £ 000**	**Share-based payment reserve £ 000**	**Merger reserve* £ 000**	**Reverse takeover reserve* £ 000**	**Foreign currency reserve* £ 000**	**Retained losses £ 000**	**Total £ 000**
At 1 January 2023		5,897	25,269	37	5,871	226,905	(237,834)	(521)	(27,649)	(2,025)
Foreign currency translation reserve reclassified to comprehensive income on disposal of 81% of TradeFlow								62	-	62
Loss for the year		-	-	-	-	-	-	-	(4,345)	(4,345)

Forex retranslation difference		-	-	-	-	-	-	304	-	304
		5,897	25,269	37	5,871	226,905	(237,834)	(155)	(31,994)	(6,004)
Issuance of new shares	15	90	2,160	-	-	-	-	-	-	2,250
Costs incurred in connection with the issuance of new ordinary shares		-	(1,971)	-	-	-	-	-		(1,971)
Credit to equity for issue of warrants	24	-	-	-	1,717	-	-	-	-	1,717
Exercise of Open Offer Warrants	15	2	70	-	(95)	-	-	-	95	72
Increase in fair value of previously issued warrants		-	(132)	-	346	-	-	-	(214)	-
Equity settled employee share based payment schemes		-	-	-	130	-	-	-	-	130
Pension plan actuarial gain or loss		-	-	(1)	-	-	-	-	-	(1)
At 31 December 2023		**5,989**	**25,396**	**36**	**7,969**	**226,905**	**(237,834)**	**(155)**	**(32,113)**	**(3,807)**

**The "other reserves" balance in the consolidated statement of financial position represents an aggregate of other reserves, the merger relief reserve, the reverse takeover reserve and the foreign currency reserve.*

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 2023

	Note	Year ended 31 December 2023 £ 000	Year ended 31 December 2022 £ 000
Cash flows from operating activities			
Loss before interest and tax for the year from continuing operations		(4,077)	(5,729)
Loss before interest and tax for the year from discontinued operations		(115)	(1,955)
Total loss for the period before interest and tax		**(4,192)**	**(7,684)**
Adjustments for non-cash acquisition related costs			
Acquisition related earn-outs		-	(710)
Amortisation of intangible assets arising on acquisition	26	442	846
Adjustment for impairment charge			
Impairment charges	6	384	1,843
Adjustments for fair value on investments			
Fair value adjustments to investments	27	68	-
Adjustments for non-cash costs related to the disposal of the discontinued operations			
Foreign currency translation loss reclassified to comprehensive income	26	62	-
Profit on disposal of 81% of TradeFlow	26	(718)	-
		238	**1,979**
Other non-cash adjustments		137	(134)
Other depreciation and amortisation		81	51
Increase in provisions		118	110
Decrease/(increase) in accrued income		5	(38)
Decrease/(increase) in trade and other receivables		401	(44)
(Decrease)/increase in trade and other payables		(759)	1,158
Other decreases/(increases) in net working capital		385	337
Net cash flows from operations		**(3,586)**	**(4,265)**
Interest paid in cash		(47)	(14)
Income taxes paid in cash in respect of prior period amounts owing		-	(276)
Net cash flow from operating activities		**(3,633)**	**(4,555)**
Cash flows from investing activities			
Purchase of intangible assets	12	(458)	(1,175)
Increase in other non-current assets		-	(18)
Purchase of tangible assets		-	(4)
Cash inflow due to consideration received from related party on disposal of discontinued operations		1,228	-
Cash outflow on disposal of discontinued operations	26	(324)	-
Net cash flows from investing activities		**446**	**(1,197)**
Cash flows from financing activities			
Net cash inflow from new long-term borrowings		655	2,334
Cash repayment of existing long-term borrowings		(105)	-
Cash inflow from issue of new ordinary shares		2,322	7,013
Cost of share issue paid in cash	25	(254)	(231)
Other finance costs paid in cash		(6)	(425)

Cash inflow from convertible loan notes	-	1,500
Cash repayment of loan notes and convertible loan notes	-	(5,572)
Net cash flows from financing activities	**2,612**	**4,619**
Net movement in cash and cash equivalents	(575)	(1,133)
Foreign exchange differences to cash and cash equivalents on consolidation	(1)	(13)
Cash and cash equivalents at 1 January	581	1,727
Cash and cash equivalents at 31 December	**5**	**581**

During the year ended 31 December 2023, there were no significant non-cash transactions.

During the prior year ended 31 December 2022, the Group reported the following significant non-cash transactions:

- A total of 5,298,382,757 new ordinary shares were issued during the prior year to extinguish £3,274,166 principal value of convertible loan notes; and

- 213,525,520 new ordinary shares were issued during the prior year to settle the acquisition related earn-out payments for the financial year ended 31 December 2021.

The reconciliation of the movement in net debt is set out in note 23.

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 2023

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 2023 the Group had a cash and cash equivalents balance from continuing operations of £5,000 (31 December 2022: £257,000 cash and cash equivalents from continuing operations, £324,000 cash and cash equivalents from discontinued operations). The Group's consolidated net current liabilities of £2,691,000 as at 31 December 2023, compared to a consolidated net current liability position of £828,000 as at 31 December 2022. The Group has posted a total comprehensive loss for the year ended 31 December 2023 of £4,041,000 (2022: comprehensive loss of £10,417,000) and retained losses as at 31 December 2023 were £32,113,000 (31 December 2022: retained losses £27,649,000).

Funding secured during 2023

During the year ended 31 December 2023, the Group continued to source additional funding with the primary aim of allowing it to meet its working capital and growth needs as it focuses on scaling up the Group's business model and the continued investment into the Group's Platform. In sourcing this new funding, the focus has been on creating a more stable source of Group funding. These new sources of funding were announced in conjunction with the issue of the 2022 Annual Report on 28 April 2023 and the interim results for the six-month period ended 30 June 2023 on 29 September 2023. These new sources of funding included:

- the subscription agreement with Venus Capital S.A. ("**Venus Capital**") dated 28 April 2023 for the issue of the 4,500,000 new ordinary shares (the "**Subscription Shares**") at £0.0005 per Subscription Share (the "**Subscription Agreement**"). The issue of the Subscription Shares raised gross proceeds of £2,250,000 during the first six months of the year (the "**2023 Venus Subscription**");

- the fixed term unsecured working capital loan agreement with The AvantGarde Group S.p.A ("**TAG**"), the Group's major shareholder, dated 28 April 2023 (the **"TAG Unsecured Working Capital facility"**), which was then amended on 30 June 2023 in conjunction with the finalisation of the disposal of the 81% stake in ownership of TradeFlow Capital Management Pte. Limited ("**TradeFlow**") (the "**TradeFlow Restructuring**"). On 30 June 2023, the Company issued a draw down notice to TAG under the amended TAG Unsecured Working Facility for the full £800,000 of funding available under this facility. As at 31 December 2023, £250,000 had been received from TAG in respect of this facility. As set out in note 30, subsequent to 31 December 2023, and prior to the issue of these financial statements, the remaining £550,000 had been received from TAG. Additionally, on 26 March 2024, the Company and TAG signed a second deed of amendment agreement, which allowed the full outstanding amount of the amended TAG Unsecured Working Capital facility to be was extinguished by the issue of 1,500,000,000 new ordinary shares issued to TAG on 28 March 2024; and

- the top up unsecured shareholder loan agreement with TAG, dated 28 September 2023 (**"TAG Top-Up Shareholder Loan Agreement"**), details of which are set out below:

    a) The ability of the Company to draw down up to £3.5 million in monthly instalments over the period to 30 June 2025;

b) On a monthly basis the Board will assess (acting in good faith and in its sole and absolute discretion) if the Group's projected cash balance on the last business day of the coming calendar month will be less than £250,000 following the Group's scheduled balance of receipts and payments for the next month by reference to, *inter alia*, the Group's contracted receivables, revenues and payables due for receipt or payment in the next month, the Group's contracted fixed operating expenditure and/or capital expenditure due for payment in the next month, the cash inflows in the next month arising from any warrants that have been contractually exercised and any projected unrestricted cash amounts resulting from any contractually agreed alternative equity, debt or hybrid financing (including, but not limited to, pursuant to a pre-emptive offering of ordinary shares and a non-pre-emptive offering of ordinary shares) for such month;

c) If the above assessment results in the Group's projected cash balance on the last business day of the coming calendar month being less than £250,000, the Company may draw down an amount under the TAG Top-Up Shareholder Loan Agreement which is no greater than the GBP amount to ensure that the Group's bank balances in the coming month shall be equal to £250,000;

d) Repayment of any sum drawn down under the TAG Top-Up Shareholder Loan Agreement will be due five calendar years (calculated on the basis of a year of 360 days) from the date which funds are received by the Company subject to the relevant draw down request; and

e) Any sums drawn down by the Company under the TAG Top-Up Unsecured Shareholder Loan will attract a non-compounding interest rate of 10% per annum, and any principal amount (excluding accrued interest) outstanding on a relevant due date shall attract a compounding rate of 15% per annum thereafter. Interest will be due to be paid annually on 31 March of each relevant calendar year.

As at 31 December 2023, the Company had issued draw down notices to TAG for a total amount of £969,000 under the Top-Up Shareholder Loan Agreement, however the full amount of this draw down was outstanding. As set out in note 30, subsequent to 31 December 2023, and prior to the issue of these financial statements, the Company issues additional draw down notices under the Top-Up Shareholder Loan Agreement to the value of £779,000 and had received £nil from TAG in respect of this facility.

In addition to the new sources of funding securing during 2023, which have been highlighted above, the Company completed the TradeFlow Restructuring on 30 June 2023 and the remaining cash proceeds that were due from the buyers of TradeFlow (the "**Buyers**") as a result of this transaction was £2,000,000. TAG assumed this £2,000,000 obligation of the Buyers by way of a deed of novation also signed on 30 June 2023 ("**Deed of Novation**") and in exchange received consideration TAG acquired 1,026,525,520 existing ordinary shares of nominal value £0.00002 each in the capital of the Company from the Buyers. This £2,000,000 was due in tranches from tranche and the final tranche was due to be payable by 31 January 2024.

As at 31 December 2023, £1,228,000 of the £2,000,000 due under the Deed of Novation had been repaid by TAG to the Company. The payment had been received through a split of £771,000 in cash, £421,000 by way of formal debt novation agreements with specific suppliers whereby the debt held by the Group companies was novated to TAG with no recourse by to the Group companies, and £36,000 by way of offset against amounts owed by the Group companies to TAG. The Company is now charging a late fee to TAG calculated at a compounding rate of 15% per annum on any amounts of the instalments not transferred to the Company by the relevant due date. As set out in note 30, subsequent to 31 December 2023, and prior to the issue of these financial statements £655,000 of the £772,000 outstanding at 31 December 2023 was repaid through the combination of cash payments and the offsetting of amounts due to TAG from the Group, leaving a remaining balance of £117,000.

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 forecast available and committed cash resources. The Directors have prepared the forecast using their best estimates, information and judgement at this time, including the receipt of cash that is contractually committed under the TAG Top-Up Shareholder Loan Agreement. The Directors have also considered the expected cash flows arising from the use of the Group's innovative Platform to facilitate Inventory Monetisation transactions. This reflects the business progress that has been made to date and the fact that the Directors expect the Group to continue to prove the concept of its business model and to fully operationalise in the near future following the progress steps that have made to date.

Despite the facts outlined above, there continues to be an absence of a historical recurring 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 Top-Up Shareholder Loan 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 counterparty and/or the latest updates from TAG. 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 contractual commitment 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.

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, impairment charges and fair value adjustments. 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 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 2023. 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.

The TradeFlow Restructuring transaction was completed on 30 June 2023 and at this point the Company reduced its ownership in TradeFlow from 100% to 19% by selling 81% of the issued share capital to Tom James and John Collis. As such from 30 June 2023, TradeFlow was no longer consolidated into the Group's results and the profit on disposal of the 81% of TradeFlow has been recognised in the statement of comprehensive income.

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.

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
There are no new and revised standards that have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

New standards, interpretations and amendments not yet effective
There are no new standards that are issued but not yet effective which would be expected to have a material impact on the Company in the current or future reporting periods or on foreseeable future transactions.

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.

Investment in equity instruments
The Group measures its investments in equity instruments, where no significant influence or control exists, at fair value with any changes recognised through the statement of comprehensive income.

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 Inventory Monetisation ("**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 and expenditure in order to develop compliance with legal, regulatory, accounting, valuation and insurance criteria. This expenditure includes software and infrastructure development, intellectual property ("**IP**") related costs and professional fees related to the development of legal and accounting infrastructure.

Research expenditure is written off in the year in which it is incurred. Expenditure on internally developed products, in particular the IM Platform, is capitalised if it can be demonstrated that:

- it is technically and commercially feasible to develop the asset for future economic benefit;
- adequate resources are available to maintain and complete the development;
- there is the intention to complete and develop the asset for future economic benefit;
- the company is able to use the asset;
- use of the asset will generate future economic benefit; and
- expenditure on the development of the asset can be measured reliably.

Where these costs are capitalised, they are 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. As the acquired intangible assets recognised by the Group during the year ended 31 December 2022 and 31 December 2023 arose on the acquisition of TradeFlow, the amortisation of acquired intangible assets is charged within loss from discontinued operations in the consolidated statement of comprehensive income.

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 pre-tax 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. The Group's revenues are recognised at the point when the relevant performance obligation has been satisfied, this can result in all the revenue being recognised at a specific point in time or over time as detailed below.

Following the TradeFlow Restructuring the Group is now focussed on its core business lines:

- IM transactions from the pipeline originated by the Group and funded by third-party investors **("Open Market IM")**; and
- IM deals with local commercial banks and their client companies ("**White-Label IM**").

The Group recognises revenue from the following activities:

a) **Open Market 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 statement of financial position, 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 report 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.

b) **Open Market 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 2023, the Group had facilitated two IM transactions over its IM Platform and therefore had received origination fees from two client companies, one of which took place during the year ended 31 December 2022 and the other during the year ended 31 December 2023. 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. The Group 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) **Open Market 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 2023, the Group had facilitated two IM transactions over its IM Platform and therefore had received IM Platform usage fees from the independent stock (trading) company in respect of these two IM transactions 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) **Open Market 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 2023, the Group had facilitated two IM transactions over its IM Platform and therefore had received IM service fees from the independent stock (trading) company in respect of two IM transactions 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*"). These service 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.

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, the amortisation of the costs relating to the internally developed IM platform, and any external costs directly related to the completion of the due diligence activities. Management regard these items as the direct costs associated with generating the Open Market IM revenue; in line with similar fintech companies.

Leases

The Group does not have any material lease arrangements that would be required to be accounted for under IFRS 16 ("Leases"). In addition, in accordance with IFRS 16 ("Leases"), any short term lease 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, including any associated penalties and late payment charges. 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*") any 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 presentation 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 statement of comprehensive income.

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 FY23 and FY22 below:

	2023		**2022**	
	Closing	**Average**	**Closing**	**Average**
SGD	1.7188	1.6684	1.6218	1.7221
EUR	1.1534	1.1495	1.1276	1.1780
USD	1.2732	1.2432	1.2102	1.2495

the 2023 Singapore dollar ("SGD**") exchange rate shown in the table above are for the following periods, closing - 30 June 2023, average - for the six month period ended 30 June 2023. This reflects the fact that the TradeFlow Restructuring was finalised and completed on 30 June 2023 and TradeFlow was deconsolidated from the Group's results from this date.*

Consolidation of foreign entities:

On consolidation, results of the foreign entities are translated from the 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 receivable from related party and 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. When applicable, 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, long-term borrowings, loan notes and convertible loan notes.

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.

Long-term borrowings and loan notes

Interest bearing long-term borrowings and loan notes and 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 for any principal repayments made since inception.

Convertible loan notes

Convertible loan notes that were issued by the Group in the prior period were 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, were 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 were adjusted to take into account 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 warrants issued in connection with the cost of issuing new equity, loan notes and convertible notes during the relevant year, and acquisition related earn-out payments.

Share warrants

Certain equity-settled share-based payments relate to the warrants issued in connection with the cost of issuing new equity, loan notes and convertible loan notes. 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 24.

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.

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, convertible loan notes or other debt instruments 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 statement of comprehensive income using the effective interest method.

If there are any subsequent modifications made to any of the terms of equity-settled share-based payments relating to the warrants issued by the Group, the change in fair value is calculated as the difference between the fair value of the modified equity-settled share-based payment and that of the original equity-shared share-based payment. This calculation relates to any warrants that are still outstanding and have not been converted into ordinary shares at the time of the subsequent modification. The change in the fair value is then accounted on a consistent basis to the initial fair value.

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 statement of comprehensive income. 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 24.

Acquisition related earn-out payments
In addition, the Group previously recognised 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 were 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 statement of comprehensive income. 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.

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:

a) Represents a separate major line of business or geographical area of operations; and
b) 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. The TradeFlow Restructuring was completed and finalised on 30 June 2023 at which point the Group reduced its ownership in TradeFlow from 100% to 19%. Prior to completion of the TradeFlow Restructuring, the TradeFlow operations were continued to be classified as held for sale in the Group's consolidated financial statements. Following the 30 June 2023, the TradeFlow operates were deconsolidated from the Group's financial statements.

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 adjustments to equity in respect of the fair value of outstanding share-based payments including warrants issued in connection with the cost of issuing new equity or debt instruments during the relevant period, employee share schemes and acquisition related earn-out payments.

"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 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 IAS 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.

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.

Estimates

Valuation of share warrants issued

During the current financial year the Group issued share warrants in connection with the new equity funding. In the prior financial year the Company also issued share warrants in connection with loan notes and certain convertible loan notes alongside the issue of new equity. As these share warrants were issued as a cost of securing new equity investment or funding facilities for the Group, 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 reverse takeover (being March 2020) take to the date at which the relevant valuation model was run.

The fair value cost of those share warrants that were issued connection with new equity funding during the financial year ended 31 December 2023 were recognised as debits to equity on the consolidated statement of financial position. 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 £84,000. 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 £89,000.

The fair value cost of those share warrants that were issued in connection with new debt funding were recognised in the consolidated statement of comprehensive income. There were no share warrants issued in the financial year ended 31 December 2023 that were connected with new debt funding.

During the current year the expiry date of certain of the share warrants, that had previously been issued in connection with the issue of new equity during the year ended 31 December 2022, was extended by 12 months. The Directors were required to determine the change in the fair value of these share warrants as a result of the modification to the expiry date. To do so, the same valuation model (Black Scholes) was used and change in fair value was calculated as the difference between the fair value of the modified shared warrants and that of the original fair value.

Non-controlling discount

During the current financial year, the Group finalised and completed the TradeFlow Restructuring in which it disposed of 81% of its investment in TradeFlow. To determine the accounting fair value of the retained 19% investment in TradeFlow, management used the specifics set out in the TradeFlow share purchase agreement dated 30 June 2023. Further details of this calculation are set out in note 26 to these consolidated financial statements. Following this calculation, management then applied a discount of 25% to this fair value calculated at 30 June 2023 to take account of the fact that the Company no longer controls the TradeFlow operations. This discount applied is a management judgement that will continue to be reassessed at each reporting date. If the discount rate was adjusted by plus 10%, then the impact on the profit on disposal of 81% of TradeFlow recognised in the statement of comprehensive income in the current financial year would have been lower by £47,000. If the discount rate was adjusted by minus 10%, then the impact on the profit on disposal of 81% of TradeFlow recognised in the statement of comprehensive income in the current financial year would have been higher by £47,000.

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 of TradeFlow, the Board of Directors managed the Group as two operating segments being Inventory Monetisation (currently comprising largely of the Group's Supply@ME 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 and 2023.

During 2022, the management team and the Board of Directors of the Company began work in respect of the TradeFlow Restructuring and as a result, the TradeFlow operations have been classified as a discontinued operation under IFRS 5 ("*Non-current assets held for sale and discontinued operations*") for the purposes of the consolidated annual financial statement for the year ended 31 December 2022 and for the year ended 31 December 2023. Further to the above, the TradeFlow Restructuring transaction was finalised on 30 June 2023 resulting in the Group reducing its ownership in TradeFlow from 100% to 19% through the disposal of 81% of the issued share capital in TradeFlow. As such the Group has reverted back to a single segment from its continuing operations for the financial year ended 31 December 2022 and for the year ended 31 December 2023, 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 impairment charges and fair value adjustments) which is presented below. Revenue is presented by basis of IFRS 15 ("*Revenue from Contracts with Customers*") revenue recognition and by service line.

Year ended 31 December 2023	**Inventory Monetisation £ 000**	**Head office £ 000**	**Consolidated Group - *continuing operations* £ 000**
Revenue from continuing operations			
Due diligence fees	94	-	94
Inventory Monetisation fees	64	-	64
Revenue from continuing operations	**158**	**-**	**158**
Operating loss from continuing operations before impairment charges and fair value adjustments	**(1,061)**	**(2,564)**	**(3,625)**

All the Group's revenue from due diligence fees is recognised at a point in time. Of the revenue generated from Inventory Monetisation fees, £11,000 is generated from origination fees which is recognised at a point in time, and the remaining £53,000 is generated from usage of the Group's IM Platform and services provided by the Group in connection with the IM transaction. This £53,000 of revenue is recognised over time and the amount recognised in the current financial year relates to the performance obligations satisfied prior to 31 December 2023.

As at 31 December 2023	**Inventory Monetisation £ 000**	**Head office £ 000**	**Consolidated Group - *continuing operations* £ 000**
Balance sheet			
Assets	971	1,213	2,184
Liabilities	(4,321)	(1,670)	(5,991)
Net (liabilities)	**(3,350)**	**(457)**	**(3,807)**

Geographical analysis
The Group's Inventory Monetisation operation is currently predominately located in Europe, while the investment advisory operations (classified as a discontinued operation) were predominately located in Singapore for the six month period from 1 January to 30 June 2023.

Comparative segmental reporting

Year ended 31 December 2022	**Inventory Monetisation £ 000**	**Head office £ 000**	**Consolidated Group - *continuing operations* £ 000**
Revenue			
Due diligence fees	102	-	102
Inventory Monetisation fees	36	-	36

Revenue by operating segment	**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 satisfied prior to 31 December 2022.

As at 31 December 2022	**Inventory Monetisation**	**Head office**	**Consolidated Group - *continuing operations***
	£ 000	**£ 000**	**£ 000**
Balance sheet			
Assets	635	867	1,502
Liabilities	(4,773)	(1,037)	(5,810)
Net (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) were predominately located in Singapore during the year ended 31 December 2022.

4 Finance costs from continuing operations

	2023	**2022**
	£ 000	**£ 000**
Interest expense - long-term borrowings	38	13
Interest expense - loan notes / convertible loan notes	-	1,969
Other interest expense	45	-
Total finance costs	**83**	**1,982**

Included within the interest expense related to long-term borrowings is an amount of £7,000 (2022: £nil) accrued in relation to the TAG Unsecured Working Capital facility.

5 Other operating income from continuing operations

	2023	**2022**
	£ 000	**£ 000**
Gain arising on settlement of outstanding creditor balance	376	-
Interest income	31	6
Other operating income	91	3
	498	**9**

The gain arising on settlement of outstanding creditor balance relates to the settlement agreement, dated 2 May 2023, with an existing creditor of the Group. This settlement agreement reduced the total amount that was owed by the Group, to this supplier, in exchange for payment of the new agreed amount by a specific date. The total amount owed to this specific creditor prior to the settlement agreement being signed was €1,130,250. This amount was reduced to €700,000 as a result of the negotiations proceeding the signing of the settlement agreement. This resulted in a difference of €420,250 or £376,000 which has been recorded as other operating income in the consolidated statement of comprehensive income for the year ended 31 December 2023.

Included within the interest income is an amount of £22,000 (2022: £nil) accrued as receivable from TAG in relation to late payments received in connection with the TAG Top-Up Shareholder Loan Agreement and the Deed of Novation signed with TAG in connection with the TradeFlow Restructuring.

6 Operating loss

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

	2023	**2022**
	£ 000	**£ 000**
Amortisation of internally developed IM platform (note 12)	74	47
Depreciation	4	4
Staff costs (note 8)	1,850	2,061
Professional and legal fees	1,551	2,194
Contractor costs	215	274
Insurance	98	100
Training and recruitment costs	5	4
Long-term incentive plan costs ("**LTIP's**")	131	11

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

	2023	**2022**
	£ 000	**£ 000**

Impairment charges (note 12)	384	1,078
Fair value adjustments on investments (note 26)	68	-
Total impairment charges and Fair value adjustments	**452**	**1,078**

The following acquisition related costs, impairment charges, and costs/(gains) relating to the restructuring of the TradeFlow ownership, have been recognised in the discontinued operations:

	2023	**2022**
	£ 000	**£ 000**
Amortisation of intangible assets arising on acquisition (note 12)*	442	846
Acquisition related earn-out payments (note 24)	-	(710)
Impairment charges (note 12)	-	765
Foreign currency translation gain reclassified to other comprehensive income	62	-
Profit on disposal of 81% of TradeFlow (note 26)	(718)	-
	(214)	**901**

** The amortisation of intangible assets arising on acquisition in FY23 reflects the charge recognised during the period from 1 January 2023 to 30 June 2023, compared to in FY22 where the charge recognised reflects a full year of amortisation. This reflects the fact that the TradeFlow Restructuring was finalised and completed on 30 June 2023 and TradeFlow was deconsolidated from the Group's results from this date.*

7 Auditors' remuneration

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

	2023	**2022**
	£ 000	**£ 000**
Fees payable to the Company's auditors for the audit of the consolidated financial statements	110	100
Fees payable to the Company's auditors and its associates for other services to the Group:		
Audit of the Companies subsidiaries	20	34
Audit fees relating to prior periods	6	24
Total audit fees	**136**	**158**
Non-audit assurance services	-	25
Total audit and non-audit assurance related services	**136**	**183**

8 Staff costs

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

	2023	**2022**
	£ 000	**£ 000**
Wages, salaries and other short term employee benefits	1,590	1,783
Social security costs	190	203
Post-employment benefits	70	76
Total staff costs	**1,850**	**2,061**

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

	2023	**2022**
	£ 000	**£ 000**
Wages, salaries and other short term employee benefits	337	680
Social security costs	11	27
Total staff costs - discontinued operations*	**348**	**706**

**The aggregate payroll costs in FY23 included within discontinued operations reflects the costs recognised during the period from 1 January 2023 to 30 June 2023, compared to in FY22 where the aggregate payroll costs included within discontinued operations reflect a full year of costs. This reflects the fact that the TradeFlow Restructuring was finalised and completed on 30 June 2023 and TradeFlow was deconsolidated from the Group's results from this date.*

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

	2023	**2022**
	No.	**No.**
Executive directors	2	3
Finance, Risk and HR	4	5
Sales and marketing	3	4
Legal	1	1
Operations and Platform development	11	13
Total average number of people employed*	**21**	**26**

** The average number of people employed in FY23 reflects the TradeFlow staff employed for the period from 1 January 2023 to 30 June 2023, compared to in FY22 where the number of people employed reflect a full year of TradeFlow staff. This reflects the fact that the TradeFlow Restructuring was finalised and completed on 30 June 2023 and TradeFlow was deconsolidated from the Group's results from this date. The average number of people employed during the year ended 31 December 2023, includes three TradeFlow staff members classified within "Operations and Platform development" (2022: five) and one TradeFlow staff member classified within "Executive directors" (2022: two).*

9 Key management personnel

Key management compensation (including directors):

	2023	**2022**
	£ 000	**£ 000**
Wages, salaries and short-term employee benefits	1,254	1,521
Social security costs	115	111
Post-employment benefits	44	42

Total key management compensation	**1,413**	**1,674**

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 (2022: none), however the Chief Executive Officer received cash in lieu of payments to a defined contribution pension scheme of £12,420 during the year (2022: £12,420). 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 2023.

10 Income tax

Tax charged in the income statement:

	2023	2022
	£ 000	£ 000
Current Taxation		
UK Corporation tax	-	-
Foreign taxation paid/(receivable) by subsidiaries - continuing operations	-	-
	-	-

The tax on loss before tax for the period is more than (2022 - more than) the standard rate of corporation tax in the UK of 23.5% (2022 - 19%).

The differences are reconciled below:

	2023	2022
	£ 000	£ 000
Loss before tax	(4,345)	(9,877)
Corporation tax at standard rate - 23.5% (2022: 19%)	(1,022)	(1,877)
Effect of expenses not deductible in determining taxable profit (tax loss)	82	817
Increase in tax losses carried forward which were unutilised in the current year	912	1,612
Tax adjustments in respect of foreign subsidiaries (timing differences)	-	-
Over provision of deferred tax in prior years	-	(1)
Income not taxable	-	(452)
Deferred tax not recognised	28	(131)
Differences between UK and foreign tax legislation	-	31
Total tax charge	**-**	**(1)**

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 2023 were £20.8 million (31 December 2022: £16.8 million).

11 Earnings/(loss) per share

The calculation of the basic earnings/(loss) per share ("EPS") is based on the total loss for the year of £4,345,000 (2022 - loss £9,878,000) and on a weighted average number of ordinary shares in issue of 59,880,078,004 (2022 - 43,240,915,594). The basic EPS is (0.0073) pence (2022 - (0.0228) 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 £4,160,000 (2022 - loss £7,711,000) and on a weighted average number of ordinary shares in issue of 59,880,078,004 (2022 -43,240,915,594). The basic EPS from continuing operations is (0.0070) pence (2022 - (0.0178) 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 £185,000 (2022 - loss £2,167,000) and on a weighted average number of ordinary shares in issue of 59,880,078,004 (2022 - 43,240,915,594). The basic EPS from discontinued operations is (0.0003) pence (2022 - (0.0050) pence).

The Company has share warrants and employee share scheme options in issue as at 31 December 2023, which would dilute the earnings per share if or when they are exercised in the future. A summary of these is set out below and further details of these share warrants and employee share options can be found in note 24.

	31 December 2023	31 December 2022
	No.	No.
Share warrants - issued	9,297,651,062	9,408,179,441
Share warrants - to be issued	2,250,000,000	-
Long-term incentive plan (**"LTIP"**) options	1,095,753,404	874,783,094
Total	**12,643,404,466**	**10,282,962,535**

No dilution per share was calculated for 2023 and 2022 as with the reported loss they are all anti-dilutive.

12 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 2022	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
Additions	-	-	-	-	-	458	458
At 31 December 2023	**-**	**-**	**-**	**-**	**-**	**4,127**	**4,127**
Amortisation							
At 1 January 2022	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**
Amortisation charge	-	-	-	-	-	74	74
At 31 December 2023	**-**	**-**	**-**	**-**	**-**	**892**	**892**
Impairment							
At 1 January 2022	-	-	-	-	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
Impairment charge	-	-	-	-	-	384	384
At 31 December 2023	**-**	**-**	**-**	**-**	**-**	**3,235**	**3,235**
Net Book Value							
At 31 December 2023	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 31 December 2022	-	-	-	-	-	-	-

The following intangible assets arose on the acquisition of TradeFlow during the year ended 31 December 2021; 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 the disposal group held for sale at this date. On 30 June 2023, the Group completed the TradeFlow Restructuring and as such the assets and liabilities of TradeFlow, including the intangible assets referred to above, are no longer consolidated by the Group as of 30 June 2023. Further details are set out in note 26.

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 2023, this intangible asset required further impairment in relation the additions made during the year, or if some of 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 a limited number of Inventory Monetisation transactions, 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 2023. 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 finalisation of the TradeFlow Restructuring occurred on 30 June 2023 and as a result from this date the assets and liabilities of TradeFlow, including the intangible assets acquired in connection with the acquisition of TradeFlow in July 2021, are no longer consolidated by the Group. As such the Group did not recognise any additional impairment charges with respect to the TradeFlow goodwill and other acquired intangible assets during the year ended 31 December 2023. The details of the calculation of the profit on disposal of 81% of TradeFlow recognised in these condensed consolidated interim financial statements can be found in note 26.

The impairment charges recognised in the prior periods resulted from impairment tests carried out by the Directors at previous balance sheet dates. These tests were required in accordance with IAS 36 ("*Impairment of Assets*") given the Directors had identified indicators of impairment of the TradeFlow Cash Generating Unit (**"CGU"**) at the respective prior balance sheet dates.

13 Trade and other receivables

	As at 31 December 2023	**As at 31 December 2022**
	£ 000	**£ 000**
Trade receivables	15	7
Other receivables	976	1,179
Prepayments	35	33
Total trade and other receivables	**1,026**	**1,219**

14 Receivable from related party

	As at 31 December 2023 £ 000	As at 31 December 2022 £ 000
Receivable from related party	772	-
Interest receivable from related party	22	-
Other related party receivable	53	-
Total receivable from related party	**847**	-

Receivable from related party
This balance represents the amount receivable from TAG under the Deed of Novation which created the obligation for TAG to settle the £2,000,000 cash payment that was due from the buyers to the Company, as a result of the sale of the 81% majority stake in TradeFlow.

As at 31 December 2023, £1,228,000 of the £2,000,000 has been repaid by TAG to the Company. The payment has been received through a split of £771,000 in cash, £421,000 by way of formal debt novation agreements with specific suppliers whereby the debt held by the Group companies was novated to TAG with no recourse by to the Group companies, and £36,000 by way of offset against amounts owed by the Group companies to TAG.

As set out in note 30, subsequent to 31 December 2023, and prior to the release of these financial statements, TAG had repaid £655,000 of the remaining amounts that were outstanding at 31 December 2023 through the receipt of cash payments and further offsets against amounts owed to TAG by the Group, leaving a remaining balance of £117,000.

Interest receivable from related party
This represents the interest that is receivable from TAG as at 30 December 2023 relating to the late payments of both the TAG Top-Up Shareholder Loan Agreement and the Deed of Novation. These interest amounts have been calculated at a compounding rate of 15% per annum on the overdue amounts. As at 31 December 2023, the full amount of this interest revenue remained outstanding.

Other related party receivable
In relation to the Group debt that was formally novated to TAG in lieu of a cash payment under the Deed of Novation, as at 31 December 2023 the Group held an amount receivable from TAG on its balance sheet for the value of £53,000 (31 December 2022: £nil). This primarily related to VAT amounts on certain "proforma" invoices that were formally novated, as the VAT receivable was yet to be recorded in the Group's statement of financial position. As such, this amount has been recorded as being receivable from TAG and when the "formal" invoices are issued from the supplier, this amount will be reclassified as a VAT receivable.

15 Share capital

Allotted, called up and fully paid shares

	As at 31 December 2023		As at 31 December 2022	
	No. 000	£ 000	No. 000	£ 000
Equity				
Ordinary shares of £0.00002 each	61,232,096	1,224	56,621,568	1,132
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
Total	**61,519,374**	**5,989**	**56,908,846**	**5,897**

Reconciliation of allotted, called up and full paid

	2023		2022	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares as at 1 January	56,908,846	5,897	36,355,720	5,486
New ordinary shares issued to Venus Capital in connection with 2023 Venus Subscription	4,500,000	90	-	-
New ordinary shares issued to fulfil the conversion of Open Offer warrants	110,528	2	49,508	1
New ordinary shares issued to fulfil the conversion of Mercator Capital Management Fund LP convertible loan notes	-	-	1,400,898	28
New ordinary shares issued to Venus Capital 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 Venus Capital convertible loan notes	-	-	3,897,484	78
Total at 31 December	**61,519,374**	**5,989**	**56,908,846**	**5,897**

Details of new shares allotted during the current financial year

New ordinary shares issued to Venus Capital in connection with 2023 Venus Subscription
On 28 April 2023, the Company and Venus Capital entered into the new Subscription Agreement, pursuant to which Venus Capital committed to subscribe for 4,500,000,000 new Subscription Shares at £0.0005 per Subscription Share. The issue of the Subscription Shares was made over two tranches (in line with the 2023 Venus Subscription) as set out below:

- an initial tranche of 3,375,000,000 Subscription Shares for gross proceeds of £1,687,500 (or £1,603,125 net of a 5% commission chargeable by Venus Capital). This tranche of Subscription Shares were admitted to a Standard Listing and to trading on the Main Market on 5 May 2023; and
- a second tranche of 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). This tranche of Subscription Shares were

admitted to a Standard Listing and to trading on the Main Market on 30 May 2023.

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 a total of 110,528,379 new ordinary shares being issued during the year ended 31 December 2023 in relation to Open Offer Warrant conversion.

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 Trade and other payables

	As at 31 December 2023 £ 000	As at 31 December 2022 £ 000
Trade payables	1,314	2,209
Other payables	943	747
Current portion of long-term bank borrowings	192	158
Social security and other payroll taxes due	1,566	977
Accruals	488	402
Contract liabilities	59	94
Accrued interest payable to related party	7	-
Total trade and other payables	**4,569**	**4,587**

17 Long-term borrowings

	As at 31 December 2023 £ 000	As at 31 December 2022 £ 000
Non-current portion of long-term bank borrowings	590	748
Working capital loan due to TAG	250	-
Total long-term borrowings	840	748

Non- current portion of long-term bank borrowings
On 12 October 2022, Supply@ME Technologies S.r.l, 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. The current portion is set out in note 16 above.

Working capital loan due to TAG
On the 28 April 2023, the Company and TAG entered into a fixed term unsecured working capital loan agreement (the "TAG Unsecured Working Capital facility"). Under the TAG Unsecured Working Capital facility, TAG agreed to 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.

In conjunction with the TradeFlow Restructuring, which was completed on 30 June 2023, the £2,000,000 receivable by the Company that was assumed by TAG from the Buyers, was offset against the current obligations of TAG under TAG Unsecured Working Capital facility. The amendment to the TAG Unsecured Working Capital facility was agreed on 30 June 2023 and this reduced the obligations to the Company under the TAG Unsecured Working Capital facility to up to £800,000 (the "amended TAG Unsecured Working Capital facility").

On 30 June 2023, the Company issued a draw down notice to TAG under the amended TAG Unsecured Working Facility for the full £800,000 available. As at 31 December 2023, £250,000 had been received from TAG in respect of this facility (31 December 2022: nil). The due date for repayment by the Company of amounts drawn under the amended TAG Unsecured Working Capital facility is 1 February 2028.

Any sums drawn under the amended TAG Unsecured Working Capital facility will attract a non-compounding interest rate of 10% per annum, and any principal amount (excluding accrued interest) outstanding on 1 February 2028 will 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. In respect of these amounts received from TAG for the year ended 31 December 2023, the Group recognised an interest expense of £7,000 (2022: £nil), which all remained unpaid as at 31 December 2023.

As set out in note 30, subsequent to 31 December 2023, and prior to the release of these financial statements, TAG had provided the remaining £550,000 in order to satisfy the full amount of £800,000 drawn down by the Company under the amended TAG Unsecured Working Capital facility. Additionally on 26 March 2024, the Company and TAG signed a second deed of amendment agreement, which allowed the full outstanding amount of the amended TAG Unsecured Working Capital facility to be extinguished by the issue of 1,500,000,000 new ordinary shares which were issued to TAG on 28 March 2024.

Loan notes and convertible loan notes
During the prior financial year ended 31 December 2022, the Group also had borrowings in the form of loan notes and convertible loan notes. While both of these had been fully repaid as at 31 December 2022, there was activity in relation to these balances during FY22. A summary of this activity is set out below.

Loan notes
On 29 September 2021, the Company announced it had entered into a loan note facility with Mercator Capital Management Fund LP ("Mercator"). The balance of this loan note facilities as at 1 January 2022 was £5,732,000 and this was fully settled during 2022 through a combination of repayments made in cash for £2,191,000 and through the issue of convertible notes worth £4,592,000. Additionally, the Group recognised finance costs in relation to these loan notes during the year ended 31 December 2022 of £1,051,000. These finance costs were recognised on an amortised cost basis using the effective interest rate method where the interest rate applied was 47.5%.

Convertible loan notes
The convertible loan note liability arose during FY22 as a result of the partial repayment of the loan notes of £4,592,000 through the issue of convertible loan notes. Additionally, an amount of £145,000 which represented an additional interest charge relating to the loan notes was also settled through the issue of convertible loan notes during the prior financial year. In connection with the 2023 Venus Subscription, total convertible loan notes of £418,000 were issued and Venus Capital provided the Group with debt financing of £1,500,000 which was repayable via a convertible loan note. A total of £32,000 in interest costs were recognised in relation to the Venus Capital convertible loan notes during FY22.

The total convertible loan note balance of £6,687,000 was then fully settled prior to 31 December 2022 through cash repayments of £3,381,000 and the remaining balance of £3,306,000 being converted into ordinary shares of the Company.

18 Provisions

	Post-employment benefits £ 000	Provision for risks and charges £ 000	Provision for VAT and penalties £ 000	Total £ 000
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	468
Forex retranslation adjustment	(1)	(2)	(8)	(11)
At 1 January 2023	37	83	337	457
Released to profit and loss	-	(28)	-	(28)
Provided for in the year	17	139	-	156
Payments	(13)	-	-	(13)
Actuarial (gain)/loss	3	-	-	3
At 31 December 2023	**44**	**194**	**337**	**575**

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 and interest for payment delays referring the tax and social security payables recorded in the Italian subsidiary financial statements which, at the closing date, are overdue. The increase of the current financial year in primarily due the interest component as the interest rates in Italy have risen during FY23 to an average at 5% during 2023 (2022: 1.5% in 2022).

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 2023, the Group has included a provision relating to a potential VAT liability, including penalties, in respect of these advance payments of £196,000 (31 December 2022: £201,000).

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 2023, however there is a contingent asset of £140,000 as at 31 December 2023 (31 December 2022: £143,000) in respect of this.

An additional amount of £144,000 was added to the provision during the second half of 2022 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. This balance remains provided for at 31 December 2023, however has been revalued to £141,000 as at 31 December 2023.

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 2023 that meet the criteria for a provision to be recognised.

19 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 £53,000 for continuing operations (2022: £55,000).

Contributions totalling £16,000 (2022: £9,000) were payable to the scheme at the end of the year and are included in creditors. This has been paid post year end.

20 Capital commitments
There were no capital commitments for the Group at 31 December 2023 or 31 December 2022.

21 Contingent liabilities
There were no contingent liabilities for the Group at 31 December 2023 or 31 December 2022.

22 Financial instruments
Financial assets

	Carrying value		Fair value	
	As at 31 December 2023 £ 000	**As at 31 December 2022 £ 000**	**As at 31 December 2023 £ 000**	**As at 31 December 2022 £ 000**
Financial assets at amortised cost:				
Cash and cash equivalents	5	257	5	257
Trade receivables	15	7	15	7
Receivable from related party	847	-	847	-
Other receivables	974	1,179	974	1,179
	1,841	**1,443**	**1,841**	**1,443**

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 2023 £ 000	**As at 31 December 2022 £ 000**	**As at 31 December 2023 £ 000**	**As at 31 December 2022 £ 000**
Financial liabilities at amortised cost:				
Long-term borrowings	1,032	906	1,032	906
Trade payables	1,314	2,209	1,314	2,209
Other payables	943	747	943	747
	3,289	**3,862**	**3,289**	**3,862**

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 2023 (31 December 2022: £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 and other receivables;
- cash at bank;
- receivables from related parties;
- trade and other payables; and
- long-term borrowings.

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 2023 comprised cash and cash equivalents of £5,000 (2022: £257,000). Interest is paid on cash at floating rates in line with prevailing market rates. In addition, late payment interest of £22,000 was recognised during the year ended 31 December 2023 (2022: £nil) relating to the late payments of both the TAG Top-Up Shareholder Loan Agreement and the Deed of Novation. These interest amounts have been calculated at a compounding rate of 15% per annum on the overdue amounts. As at 31 December 2023, the full amount of this interest revenue remained outstanding.

The Group's interest generating financial liabilities from continuing operations as at 31 December 2023 comprised long-term borrowings of £1,032,000 (2022: £906,000).

Sensitivity analysis
At 31 December 2023, had the LIBOR 3 MONTH rate of 4.968 (2022 - 2.015) increased by 1% with all other variables held constant, the increase in interest receivable on financial assets would amount to approximately £nil (2022 - £nil). Similarly, a 1% decrease in the LIBOR 3 MONTH rate with all other variables held constant would result in a decrease in interest receivable on financial assets of approximately £nil (2022 - £nil).

At 31 December 2023, had the EURIBOR 3 MONTH rate of 3.905 (2022 - 2.162) increased by 1% with all other variables held constant, the increase in interest payable on financial assets would amount to approximately £7,000 (2022 - £9,000). Similarly, a 1% decrease in the EURIBOR 3 MONTH rate with all other variables held constant would result in a decrease in interest receivable on financial assets of approximately £7,000 (2022 - £9,000).

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.

In connection with the completion of the TradeFlow Restructuring, the balance of the consideration payable to the Company was £2,000,000 and this debt to the Company was assumed by TAG from the Buyers of the 81% stake in TradeFlow. This receivable was to be received in multiple tranches with the final payment due on 31 January 2024. Prior to agreeing to this receivable being assumed by TAG and for it to be repaid over multiple tranches, the Board analysed the creditworthiness of TAG and carried out due diligence including how TAG intended to source funds to make the required payments. As at 31 December 2023, an amount of £772,000 was still outstanding in connection with this receivable from TAG, of which £272,000 was overdue and £500,000 was due at the end of January 2024. Due to certain late payments of this receivable, the Board are closely monitoring the creditworthiness of TAG to ensure that payments continued to be received, albeit on a delayed schedule.

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 December 2023 £ 000	Maximum exposure as at 31 December 2023 £ 000	Carrying value as at 31 December 2022 £ 000	Maximum exposure as at 31 December 2022 £ 000
Cash and cash equivalents	5	5	257	257
Trade receivables	15	15	7	7
Receivable from related party	847	847	-	-
	867	867	264	264

As at 31 December 2023, the assets held by the Group have not been impaired, in particular the trade receivables and receivable from related party are all considered to be low risk. Subsequent to 31 December 2023, 77% of the receivable from related party has been repaid.

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 as at 31 December 2023

Financial assets	As at 31 December 2023 £000	As at 31 December 2022 £000
Cash and cash equivalents: Sterling	3	229
Cash: Euro	2	28
Cash: US Dollar	-	-
Cash: Singapore Dollar	-	324
Trade receivables: Sterling	-	-
Trade receivables: Euro	15	7
Trade receivables: Singapore Dollar	-	1

Financial liabilities	As at 31 December 2023 £000	As at 31 December 2022 £000
Trade payables: Sterling	865	482
Trade payables: Euro	449	1,727
Trade payables: Singapore Dollar	-	6
Long-term borrowings: Sterling	250	-
Long-term borrowings: Euro	782	906
Long-term borrowings: Singapore	-	3,171

The comparative currency profile information above includes TradeFlow financial assets and liabilities as at 31 December 2022, which formed part of the of the assets/liabilities held for disposal groups within the consolidated statement of financial position as at 31 December 2022.

Sensitivity analysis

At 31 December 2023, 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: £19,000 higher (2022 - £60,000 higher)
- Singapore Dollar: £nil (2022 - £69,000 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: £1,000 lower (2022 - £60,000 lower)
- Singapore Dollar: £nil lower (2022 - £69,000 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.

As set out in note 28, the TAG Top-Up Shareholder Loan Agreement gives the Company the ability to draw down up to £3.5 million in line with specific conditions. As at 31 December 2023, the Company had issued draw down notices for £969,000 and subsequent to 31 December 2023, additional draw down notices to the value of £779,000 were issued. As such, £1.8 million remains undrawn. As at 31 December 2022, the Group has no undrawn facilities.

At 31 December 2023	**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	76	182	223	676	
Trade and other payables	1,511	746	-	-	-
Social security and other taxes	1,566	-	-	-	-
Total liabilities	**3,153**	**928**	**223**	**676**	**-**

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	-

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 issued share capital, share premium and all other equity reserves attributable to the equity holders of the parent. 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 note 28, the Group has currently entered into financing facilities from TAG during the year ended 31 December 2023.

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: (£3,807,000) (2022: (£2,025,000))
- Cash and cash equivalents: £5,000 (2022: £257,000)
- Share Capital £5,989,000 (2022: £5,897,000)

23 Net debt

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

	Total long-term borrowings (current and non-current portion) £ 000
At 1 January 2023	(906)
Net cash flows	(145)
Foreign exchange	19
As at 31 December 2023	**(1,032)**

	Loan notes £ 000	Convertible loan notes £ 000	Total long-term borrowings (current and non-current portion) £ 000	Total £ 000
At 1 January 2022	(5,732)	-	(1,284)	(7,016)
Net cash flows	-	(1,500)	(2,403)	(3,903)
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	-	-	(34)	(34)
As at 31 December 2022	-	-	(906)	(906)

24 Share-based payments

Share warrants issued to Mercator
During 2021 the Group entered into a funding facility with Mercator Capital Management Fund LP ("**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 to Mercator during the years ended 31 December 2021 and 2022 was 961,832,433 (the "**Mercator Warrants**"). Details of the outstanding share warrants issued to Mercator are set out in the table below. There have been no movement in these Mercator Warrants during the year ended 31 December 2023, however as announced by the Company on 23 November 2023, and further on 28 March 2024, the Company approved the transfer of Mercator Warrants from Mercator to an independent third-party purchaser(s).

Date of issue	Number of warrants outstanding	Exercise price	Expiry date
1 October 2021	443,726,031	£0.00316	1 October 2024
1 November 2021	29,197,856	£0.00314	1 November 2024
1 December 2021	49,867,625	£0.00184	1 December 2024
4 January 2022	77,763,767	£0.00174	4 January 2025
2 February 2022	79,179,799	£0.00171	2 February 2025
4 March 2022	105,948,198	£0.00128	4 March 2025
10 June 2022	176,149,157	£0.00085	10 June 2025
Total	**961,832,433**		

The total fair value of the above Mercator Warrants has been fully expensed in the prior periods. No further costs have been recognised in the current financial year ended 31 December 2023, and none of these warrants have been converted during the same period. During the prior financial year ended 31 December 2022, an amount of £579,000 was recognised in the income statement relating to the fair value of the Mercator Warrants.

Share warrants issued to Venus under Capital Enhancement Plan
On the 27 April 2022, the Company announced it had entered into a subscription agreement with Venus Capital in connection with the Group's Capital Enhancement Plan. The subscription agreement specified that the Company 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 3,425,000,000 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 issued to Venus Capital 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 Capital during the year ended 31 December 2022, and as at the 31 December 2023, these all remain outstanding. The initial terms of the warrants specified that they could 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 Capital they fall into of scope of IFRS 2 ("*Share-based payments*"). The total fair value of the above share warrants issued to Venus Capital under the Capital Enhancement Plan was £4,795,000 and this amount has been fully recognised during 2022.

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 initial terms of the warrants specified that they could 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. The total fair value of the above share warrants issued in connection with the Open Offer was £261,000 and this amount was fully recognised during 2022.

Subsequent to the issue of the Open Offer warrants, and prior to 31 December 2023, an amount of 160,036,379 (31 December 2022: 49,508,000) of these warrants have been converted in exchange for new ordinary shares and as at 31 December 2023 there is a balance of 160,818,629 Open Offer warrants which remained outstanding (31 December 2022: 271,347,008). On the exercise of the Open Offer warrants, the fair value amount is reclassified from the share-based payment reserve to retained losses as set out in the consolidated statement of changes in equity for the year ended 31 December 2023.

Share warrants issued to Venus Capital under the 2023 Venus Subscription
On the 28 April 2023, the Company announced it had and entered into a new subscription agreement with Venus Capital, pursuant to which Venus Capital committed to subscribe for 4,500,000,000 new ordinary shares over two tranches as set out below:

- an initial tranche of 3,375,000,000 new ordinary shares were admitted to a Standard Listing and to trading on the Main Market on 5 May 2023; and
- a second tranche of 1,125,000,000 new ordinary shares were admitted to a Standard Listing and to trading on the Main Market on 30 May 2023.

Under the new subscription agreement, new warrants are required to be issued to Venus Capital at a ratio of one warrant for every two subscription shares issued under the new subscription agreement. This resulted in an obligation for the Group to issue 2,250,000,000 new warrants to Venus ("**New Venus Warrants**") which existed at 31 December 2023. These 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.

As these share warrants were issued as a cost of issuing new ordinary shares to Venus Capital 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 which required certain judgements to be made in determining the most appropriate inputs to be used model and the key judgemental assumptions have been detailed in note 2. In particular, the key judgemental point was the expected volatility rate of the Company's share price over the relevant period prior to the grant of the warrants. The assumption applied in the model for the warrants to be issued to Venus Capital was 88%. This was based on the actual volatility of the Company's shares over the historical period from March 2020 (the date of the reverse takeover) to the valuation date.

The total fair value of the above new share warrants issued to be Venus Capital under the 2023 Venus Subscription was £1,717,000 and this amount has been fully recognised during the year ended 31 December 2023. Given this amount directly related to the cost of issuing new ordinary shares to Venus Capital, the total amount of £1,717,000 have been offset against the share premium balance in accordance with IAS 32 ("*Financial Instruments*") and the Companies Act 2006. This amount was offset against the related share premium that was created in connection with the relevant issue of ordinary share to Venus Capital as set out in the consolidated statement of changes in equity for the year ended 31 December 2023.

Extension to the expiry date of the warrants issued in connection with the Open Offer carried out on 17 August 2022 and the warrants issued to Venus Capital during 2022
In connection with the 2023 Venus Subscription, the final exercise date of the existing 8,175,000,000 warrants issued to Venus Capital during 2022, under the Capital Enhancement Plan, was agreed to be extended from 31 December 2025 for 12 months to 31 December 2026, through a deed of amendment to the existing warrant instruments. This deed of amendment was also dated 26 April 2023.

In line with the extension to the expiry date of the existing 8,175,000,000 warrants held by Venus Capital, the shareholders who participated in the Open Offer during 2022 were asked if they would like to vote to extend the expiry date of the warrants issued during the Open Offer from 31 December 2025 by 12 months to 31 December 2026. This resolution was successfully passed at the 2023 Annual General Meeting, and a deed of amendment to the existing warrant instrument was signed, on 23 June 2023.

As outlined above, both of these warrants had been valued previously in line with IFRS 2 ("*Share-based payments*"). The modification to the expiry date has therefore also been valued in line with IFRS 2 ("*Share-based payments*") with the change in fair value calculated as the difference between the fair value of the modified equity instrument and that of the original equity instrument, both of which are estimated a the date of the modification being 28 April 2023 for the relevant warrants held by Venus Capital, and 23 June 2023 for this warrants issued in connection with the Open Offer.

The change in the fair value due to the extension of the expiry date on those warrants still outstanding at 31 December 2023 was £346,000. Given this amount directly related to the cost of issuing new ordinary shares in the past to Venus Capital or under the Open Offer, an amount of £132,000 has been offset against the share premium balance in accordance with IAS 32 ("*Financial Instruments*"). This amount was offset against the related share premium that was created in connection with issue of the relevant Venus Capital / Open Offer share issue. The remaining fair value amount of £214,000 has been recognised in retained losses as set out in the consolidated statement of changes in equity for the year ended 31 December 2023.

A summary of the share warrants outstanding as at 31 December 2023 is detailed in the table below:

	Number of warrants outstanding at 31 December 2023	**Number of warrants outstanding at 31 December 2022**
Share warrants issued to Mercator	961,832,433	961,832,433
Share warrants issued to Venus Capital	8,175,000,000	8,175,000,000
Share warrants to be issued to Venus Capital	2,250,000,000	-
Share warrants issued to retail shareholders	160,818,629	271,347,008
Total	**11,547,651,062**	**9,408,179,441**

A summary of the fair value of the share warrants issued during the period, including the change in fair value due to modification of the terms of certain share warrants, are detailed in the table below:

	2023 **£ 000**	**2022** **£ 000**
Share warrants issued to Mercator	-	236
Share warrants issued to Venus Capital	-	4,795
Share warrants to be issued to Venus Capital	1,717	-
Share warrants issued to retail shareholders	-	261
Increase in fair value of outstanding warrants issued to Venus Capital and retail shareholders as a result of expiry date extension	346	-
Total	**2,063**	**5,292**

Acquisition related earn-out payments

The terms of the TradeFlow acquisition completed in July 2021 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 were previously fair valued at the grant date in line with IFRS 2 ("*Share-based payments*") estimated using a Monte Carlo simulation model.

During the preparation of the prior year financial statements of the Company, management applied their judgement at the time as to the likelihood of the earn-out targets being achieved and this led the Directors to revise their previous IFRS 2 judgements, in connection with the acquisition related earn-out payments where the 2022 earn-out targets had not been met, and the likelihood of acquisition related earn-out targets for 2023 being met was considered to be remote. As a result, as at 31 December 2022, the share-based payment reserve in connection with the 2022 and 2023 acquisition related earn-out payments was £nil and an amount of £883,000 was released during the financial year ended 31 December 2022 reflecting the change in management judgement.

As the acquisition related earn-out payment for the 2021 targets was settled during July 2022, 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. As this relates to the TradeFlow operations, it has been recognised through the loss from discontinued operations in the year ended 31 December 2022. Following the settlement of the 2021 acquisition related earn-out payments in July 2022, as at 31 December 2022, the relevant share-based payment reserve had been released and the corresponding increase in share capital and share premium was recognised.

As a result of the TradeFlow Restructuring that was commenced during the second half of 2022 and was completed on 30 June 2023, any future potential acquisition related earn-out payments were offset against the cash consideration agreed for the Group's 81% stake in TradeFlow that was disposed of. As such, no further acquisition related earn-out payments were recognised in the current financial year being the year ended 31 December 2023.

Employee share scheme awards

October 2022 Employee share scheme

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 statement of comprehensive income for the year ended 31 December 2023 in relation to the October 2022 employee share scheme options is £60,000 (2022: £11,000). 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 in October 2022:

	2023 No.	**2022 No.**
Outstanding at 1 January	874,783,094	-
Conditionally awarded in year	-	874,783,094
Exercised	-	-
Forfeited or expired in year	(88,125,000)	-
Outstanding at 31 December	**786,658,094**	**874,783,094**
Exercisable at the end of the year	**-**	**-**

May 2023 Employee share scheme

On 19 May 2023, the Group awarded its second LTIP conditional on performance conditions to certain employees, being the achievement on continued employment and the achievement of performance conditions relating to the specified TSR (market condition) performance (50%) and the specific GBP amount of inventory monetised (non market condition) (50%). Each of the performance conditions relate to a three year period over the 2023, 2024 and 2025 financial years and the required performance is as follows:

- with respect to the TSR element the adjusted share price measurement period is the average closing mid-market price of a share price over a three month period ending on the last dealing day of the performance period, being 31 December 2025. If the average share price during the measurement period is 0.15p then 25% of the aware will vest, and this increases on a straight line basis to 0.3p for 100% of vesting; and

- with respect to the GBP amount of inventory monetised the measurement period is by the end of the performance period, being 31 December 2025. 25% of the award will vest if £300m of inventory is monetised (in aggregate) over the three year performance period, increasing on a straight line to 100% of the award to vest if £400m of inventory is monetised (in aggregate) over the same three year performance period.

The vesting date of these share awards is 19 May 2026, 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. For those share schemes with non-market vesting conditions, the fair value is determined using the Black Scholes model at the grant date. The following table lists the inputs to the models used for the May 2023 share awards granted based on information at the date of grant:

LTIP awards (granted on 19 May 2023)	**TSR element**	**Inventory Monetisation element**
Share price at date of grant	0.14 pence	0.14 pence
Award price	0.002 pence	0.002 pence
Volatility	119.81%	n/a

Life of award	3 years	3 years
Risk free rate	3.90%	n/a
Dividend yield	0%	0%
Fair value per award	0.1098 pence	0.1384 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 interim period ended 30 June 2023 based on information at the date of grant:

LTIP awards (granted on 19 May 2023)	**TSR element**	**Inventory Monetisation element**
Share price at date of grant	0.14 pence	0.14 pence
Award price	0.14 pence	0.14 pence
Volatility	127.25%	127.25%
Life of award	2 years	2 years
Risk free rate	3.87%	3.87%
Dividend yield	0%	0%
Fair value per award	0.0924 pence	0.1165 pence

These awards will be equity-settled by award of ordinary shares. The total share-based payment charge recognised consolidated statement of comprehensive income for the year ended 31 December 2023 in relation to the May 2023 employee share scheme options was £71,000 (2022: 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 in May 2023:

	2023 No.	**2022 No.**
Outstanding at 1 January	-	-
Conditionally awarded in year	343,548,435	-
Exercised	-	-
Forfeited or expired in year	(34,453,125)	-
Outstanding at 31 December	**309,095,310**	**-**
Exercisable at the end of the year	**-**	**-**

25 Share issue costs

The costs relating to the various share issues that took place during the year have been 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 taken to retained earnings. Details of the share issue costs recognised during the year ended 31 December 2023 are set out in the table below.

	2023	
	Costs recognised in share premium £ 000	**Costs recognised in retained earnings £ 000**
2023 Venus Subscription warrant costs (note 24)	1,717	-
Other costs (legal fees, listing fees, commission cost)	254	-
Impact of extension of expiry date of warrants issued during 2022 relating to Capital Enhancement plan and Open Offer warrants (note 24)	132	214
Total	**2,103**	**214**

	2022	
	Costs recognised in share premium £ 000	**Costs recognised in retained earnings £ 000**
Capital enhancement plan warrant costs (note 24)	3,204	1,591
Capital enhancement plan costs settled through issue of convertible loan notes	343	-
Open offer warrant costs (note 24)	247	14
Other costs (legal fees, listing fees, registrars' fees)	230	-
Total	**4,024**	**1,605**

26 Discontinued operations and TradeFlow Restructuring

During the second half of 2022, the Board of Directors of the Company began the process of the TradeFlow Restructuring, and as such in the financial statements for the year ended 31 December 2022, it was considered that the TradeFlow operations meet the criteria to be classified as held for sale at the balance sheet date 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. 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).

Subsequently, on 30 June 2023 the Company announced that had entered into relevant binding commercial agreements to complete the TradeFlow Restructuring. The rationale behind the completion of the TradeFlow Restructuring is to better serve the needs of the Group's client companies and funders of both businesses, and to create value for the Company's shareholders by eliminating any perception of conflicts of interest between the two businesses and provide both businesses with greater commercial opportunities through the clear differentiation of responsibilities of the individual entities.

The TradeFlow Restructuring resulted in the Group reducing its ownership in TradeFlow from 100% to 19% by selling 81% of the issued share capital in TradeFlow to Tom James and John Collis (the "**Buyers**"). The consideration for the Group's 81% stake in TradeFlow was £14,386,100 of which £12,386,100 was netted off against potential future amounts owed by the Group to the Buyers under the terms of an earn-out letter relating to the original acquisition of TradeFlow in July 2021.

This resulted in a remaining £2,000,000 consideration to be receivable by the Group. On the 30 June 2023, the Group's major shareholder, TAG, assumed the obligation of the Buyers to pay the Company the remaining £2,000,000 by way of the Deed of Novation. The £2,000,000 was to be repaid by TAG to SYME in multiple tranches, with the final tranche being due for payment by 31 January 2024. In consideration for assuming the £2,000,000 obligation of the Buyers, TAG acquired 1,026,525,520 existing ordinary shares of nominal value £0.00002 each in the capital of the Company from the Buyers.

The accounting for the TradeFlow Restructuring has been reflected in the consolidated financial statements for the year ended 31 December 2023. During the period from 1 January 2023 and up until the date of completion of the TradeFlow Restructuring, being 30 June 2023, the TradeFlow operations continued to meet the criteria to be classified as held for sale in accordance with IFRS 5 ("*Non-current Assets Held for Sale and Discontinued Operations*"). The TradeFlow operations contributed a loss of £185,000 (inclusive of the profit on disposal of 81% of TradeFlow referred to below) in the period from 1 January 2023 to 30 June 2023.

From 30 June 2023, the assets and liabilities of TradeFlow, including the intangible assets acquired on the acquisition of TradeFlow in July 2021, are no longer consolidated by the Group, and instead the fair value of the new 19% investment of £352,000 was recognised on the balance sheet, together with the outstanding consideration to be received from TAG as at 30 June 2023. The difference between these items resulted in a profit on disposal of 81% of TradeFlow recorded in the consolidated financial statements for the year ended 31 December 2023 of £718,000.

The results of the TradeFlow (discontinued) operations for the period from 1 January 2023 to 30 June 2023 are presented below:

	6 months to 30 June 2023* **£ 000**	**2022** **£ 000)**
Revenue	684	629
Administrative expenses	(1,037)	(1,705)
Other operating income	24	22
Amortisation of intangible assets	(442)	(846)
Acquisition related earn-out	-	710
Impairment	-	(765)
Foreign currency translation loss reclassified to comprehensive income	(62)	-
Profit on disposal of 81% of TradeFlow	718	-
Operating loss	**(115)**	**(1,955)**
Finance costs	(145)	(356)
Loss before tax	**(260)**	**(2,311)**
Deferred tax credit	75	144
Loss for the period	**(185)**	**(2,167)**

**Represents the results for the six-month period prior to the finalisation of the TradeFlow Restructuring on 30 June 2023.*

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

	6 months to 30 June 2023* **£ 000**	**2022** **£ 000**
Net cash flow from operating activities	(405)	(1,228)
Net cash flow from investing activities	-	(1)
Net cash flow from financing activities	405	1,517
Net cash outflow	**-**	**288**

**Represents the cash flows for the six-month period prior to the finalisation of the TradeFlow Restructuring on 30 June 2023.*

The calculation of the profit on disposal of 81% of TradeFlow as at 30 June 2023is shown below:

	As at 30 June 2023 **£ 000**
Accounting fair value of the 81% ownership of the TradeFlow operations disposed of by the Group	2,000
Accounting fair value of 19% ownership of the TradeFlow operations retained by the Group	352
	2,352
Less:	
Accounting fair value of net assets disposed of by the Group	(1,634)
Profit on disposal of 81% of TradeFlow	**718**

The value of the 19% ownership of the TradeFlow operations retained by the Company was calculated with reference to the specifics set out in the TradeFlow Restructuring share purchase agreement dated 30 June 2023 (the "**TradeFlow SPA**"). These specifics included:

a. The TradeFlow SPA set out the total legal consideration for the 81% of the TradeFlow business and required an cash amount of £2,000,000 to be payable to the Company by the Buyers as a result of the TradeFlow

Restructuring;

b. Based on the amount agreed in a) above, the estimated accounting fair value of 100% of the TradeFlow operations is assumed to be £2,469,000; and

c. Based on the numbers set out in a) and b) above, the fair value of the 19% investment in TradeFlow retained by the Company as at 30 June 2023 is £469,000. Management then applied a discount of 25% to this fair value to take account of the fact that the Group no longer controls TradeFlow operations. This discount applied is a management judgement that will continue to be reassessed at each reporting date.

The major classes of assets and liabilities of the TradeFlow operations as at 31 December 2022 and 30 June 2023, immediately prior to the finalisation of the TradeFlow Restructuring, are shown below:

	As at 30 June 2023*	**As at 31 December 2022**
	£ 000	**£ 000**
Assets		
Intangible assets	5,841	6,283
Tangible assets	2	4
Trade and other receivables	174	101
Contract assets	119	132
Cash and cash equivalents	305	324
Assets of disposal group held for sale	**6,441**	**6,844**
Liabilities		
Trade and other payables	482	430
Long-term borrowings	3,440	3,171
Deferred tax liability	885	960
Liabilities of disposal group held for sale	**4,807**	**4,561**
Net assets	**1,634**	**2,283**

**Represents the assets and liabilities of the TradeFlow operations as at 30 June 2023 immediately prior to the finalisation of the TradeFlow Restructuring.*

TradeFlow loan-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 second long-term loan facility, with the same third party, for USD $3,800,000, which has a maturity date of 31 March 2026. The replacement 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 second 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 £122,000 during the year ended 31 December 2022.

On 22 May 2023, TradeFlow signed an additional loan agreement with the same third party as the loan agreement signed on 1 April 2022. This new loan agreement was for USD $500,000, 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$50,000 which is payable at the time the principal is repaid. As with the existing long-term borrowings, the redemption premium cost is recognised over the expected life of the facility using the effective interest rate method.

27 Investments

As set out in note 26, the fair value of the 19% investment in the equity instruments of TradeFlow was initially recorded having regard to the accounting consideration received for the disposal of 81% of the Group's holding in TradeFlow as adjusted for an appropriate discount for loss of control. At the 31 December 2023, a fair value adjustment of £68,000 was recorded on the basis of the movement in the TradeFlow net liabilities between 30 June 2023, the date of disposal, and the balance sheet date, being 31 December 2023.

28 Related Party Transactions

During the year ended 31 December 2023, 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 ("**TAG**") as well as holding numerous directorships across companies including RegTech Open Project plc. Both of these entities are related parties due the following transactions that took place over the current or prior financial years.

TAG and the Group's operating subsidiaries
Alessandro Zamboni is the CEO of the Group and is also the sole director of TAG. As at 31 December 2023, TAG held 24.00% of the Company's total ordinary shares issued in Supply@ ME Capital plc (as at 31 December 2022: 22.5%).

Following the reverse takeover in March 2020, the Group entered into a Master Service Agreement with TAG in respect of certain shared services to be provided to the Group. During the year ended 31 December 2023, the Group incurred expenses of £39,000 (2022: £70,000) to TAG in respect of this agreement. Additionally, during the year ended 31 December 2023, the Group incurred costs of £22,000 from TAG (2022: £nil) in relation certain ICT services provided, reimbursed TAG for an amount of £2,400 relating to ICT costs that TAG initially incurred on behalf of the Group (2022: £nil), and had recognised £45,000 of capitalised legal costs which had been incurred on behalf of the Group by TAG (2022: £nil).

In relation to the amounts detailed above, as at 31 December 2023 the following amounts were recognised in the consolidated statement of financial position:

- no amounts were included in either trade receivable or trade payables as being owed by the Group to TAG (31 December 2022: £9,000 net Receivable); and
- an amount of £58,000 (2022: £nil) had been accrued as other payables in respect of those costs that had been incurred but not yet invoiced by TAG as at 31 December 2023.

TAG and TradeFlow Restructuring

On 30 June 2023, TAG assumed the remaining £2,000,000 consideration arising from the TradeFlow Restructuring, to be receivable by the Group from the Buyers, by way of a debt novation deed. The £2,000,000 was to be repaid by TAG to the Company in multiple tranches, with the final tranche being due by 31 January 2024. As at 31 December 2023 an amount of £772,000 remained outstanding from TAG in relation to this amount (31 December 2022: £nil), of which £227,000 was overdue and £500,000 was due for payment on 31 January 2024.

The payment of the £1,228,000 received prior to 31 December 2023, was paid through a split of £771,000 in cash, £421,000 by way of formal debt novation agreements with specific suppliers whereby the debt held by the Group was novated to TAG with no recourse by to the Group, and £36,000 by way of offset against amounts owed by the Group to TAG.

In relation to the Group debt that was novated to TAG in lieu of a cash payment, as at 31 December 2023 the Group held an amount receivable from TAG on its balance sheet for the value of £53,000 (31 December 2022: £nil). This primarily related to VAT amounts on certain "proforma" invoices that had been novated, as the VAT receivable was yet to be recorded in the Group's statement of financial position. As such, this amount has been recorded as being receivable from TAG and when the "formal" invoices are issued from the supplier, this amount will be reclassified as a VAT receivable.

The Company has been charging a late fee to TAG in terms of overdue payments of this particular receivable balance, and this late fee is calculated at a compounding rate of 15% per annum on any amounts of the instalments not transferred to the Company by the relevant due date, in accordance with the contractual arrangements. During the year ended 31 December 2023, the Group recognised £11,000 of interest revenue (2022: £nil) in relation to the late payments by TAG in respect of this particular receivable balance. As at 31 December 2023, the full amount of this interest revenue remained outstanding.

As set out in note 30, subsequent to 31 December 2023, and prior to the release of these financial statements, TAG had repaid £655,000 of the £772,000 outstanding at 31 December 2023 through the receipt of cash payments and further offsets against amounts owed to TAG. The related late payment interest remained unpaid and continues to accrue interest.

TAG Unsecured Working Facility

On the 28 April 2023, the Company and TAG entered into a fixed term unsecured working capital loan agreement (the "**TAG Unsecured Working Capital facility**"). Under the TAG Unsecured Working Capital facility, TAG agreed to 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. In conjunction with the TradeFlow Restructuring, which was completed on 30 June 2023, the £2,000,000 receivable by the Company that was assumed by TAG from the Buyers, was offset against the current obligations of TAG under TAG Unsecured Working Capital facility. The amendment to the TAG Unsecured Working Capital facility was agreed on 30 June 2023 and this reduced the obligations to the Company under the TAG Unsecured Working Capital facility to up to £800,000 (the "**amended TAG Unsecured Working Capital facility**").

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

On 30 June 2023, the Company issued a draw down notice to TAG under the amended TAG Unsecured Working Facility for the full £800,000 available. As at 31 December 2023, £250,000 had been received from TAG in respect of this facility (31 December 2022: £nil). In respect of these amounts received from TAG, the Group recognised an interest expense of £7,000 (2022: £nil), which all remained unpaid as at 31 December 2023.

As set out in note 30, subsequent to 31 December 2023, and prior to the release of these financial statements, TAG had provided the remaining £550,000 in order to satisfy the full amount of £800,000 drawn down by the Company under the amended TAG Unsecured Working Capital facility. Additionally on 26 March 2024, the Company and TAG signed a second deed of amendment agreement, which allowed the full outstanding amount of the amended TAG Unsecured Working Capital facility to be extinguished by the issue of 1,500,000,000 new ordinary shares which were issued to TAG on 28 March 2024.

Top-Up Shareholder Loan Agreement

On 28 September 2023, the Company and TAG entered into an English law governed top-up unsecured shareholder loan agreement (the **"Top-Up Shareholder Loan Agreement"**), pursuant to which TAG agreed to provide the Company with a further facility of up to £3,500,000 to cover the Company's working capital and growth needs up to 30 June 2025 (the **"Top-Up Facility"**).

Details of this Top-Up Facility are set out below:

- The Company has the ability to draw down up to £3.5 million in monthly instalments over the period to 30 June 2025;
- On a monthly basis the Board will assess (acting in good faith and in its sole and absolute discretion) if the Group's projected cash balance on the last business day of the coming calendar month will be less than £250,000 following the Group's scheduled balance of receipts and payments for the next month by reference to, inter alia, the Group's contracted receivables, revenues and payables due for receipt or payment in the next month, the Group's contracted fixed operating expenditure and/or capital expenditure due for payment in the next month, the cash inflows in the next month arising from any warrants that have been contractually exercised and any projected unrestricted cash amounts resulting from any contractually agreed alternative equity, debt or hybrid financing (including, but not limited to, pursuant to a pre-emptive offering of ordinary shares and a non-pre-emptive offering of ordinary shares) for such month;
- If the above assessment results in the Group's projected cash balance on the last business day of the coming calendar month being less than £250,000, the Company may draw down an amount under the TAG Top-Up

Shareholder Loan Agreement which is no greater than the GBP amount to ensure that the Group's bank balances in the coming month shall be equal to £250,000;

- Repayment of any sum drawn down under the TAG Top-Up Shareholder Loan Agreement will be due five calendar years (calculated on the basis of a year of 360 days) from the date which funds are received by the Company subject to the relevant draw down request;
- Any sums drawn down by the Company under the TAG Top-Up Unsecured Shareholder Loan will attract a non-compounding interest rate of 10% per annum, and any principal amount (excluding accrued interest) outstanding on a relevant due date shall attract a compounding rate of 15% per annum thereafter. Interest will be due to be paid annually on 31 March of each relevant calendar year.

As at 31 December 2023, the Group had issued draw down notices to the value of £969,000 to TAG, however these amounts had not yet been received by the Group (31 December 2022: £nil). As a result of the late payment of the amounts drawn down by TAG, the Group recognised an interest revenue of £11,000 (2022: nil), which all remained unpaid as at 31 December 2023.

As set out in note 30, subsequent to 31 December 2023, and prior to the issue of these financial statements, the Company issued additional draw down notices under the Top-Up Shareholder Loan Agreement to the value of £779,000 and had received £nil from TAG.

RegTech Open Project S.p.A ("RTOP S.p.A") and RegTech Open Project plc ("RTOP plc")
RTOP plc is a regulatory technology company focussed on the development of an integrated risk management platform for Banks, Insurance Companies and Large Corporations. Alessandro Zamboni is a non-executive director of RTOP plc and Albert Ganyushin is the Chair of the board of directors of RTOP plc. TAG also is the majority ultimate beneficial shareholder of RTOP plc. Prior to RTOP plc's listing of its ordinary shares on the standard segment of the Official List of the Financial Conduct Authority and to trading on the main market for listed securities of London Stock Exchange plc in August 2023, the operations of this RTOP plc were run through RTOP S.p.A and Alessandro Zamboni was the sole director of RTOP S.p.A.

In July 2022, the Company entered into an agreement with RegTech S.p.A, pursuant to which RTOP S.p.A 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 S.p.A pursuant to that agreement. As at 31 December 2022 there is an outstanding amount accrued by the Group of £58,000 to RTOP S.p.A in relation to this specific agreement.

During the year ended 31 December 2023, no further activities were undertaken with RTOP S.p.A, with the exception of the payment of the amounts that had been accrued at 31 December 2022. As such no amounts were outstanding with RTOP S.p.A at 31 December 2023 (31 December 2022: £nil).

As part of RTOP Plc's listing onto the main market of the London Stock Exchange in August 2023, the contract referred to above was novated to RTOP plc.

TradeFlow Capital Management Pte. Ltd. ("TradeFlow")
On 30 June 2023, TradeFlow entered into a three-year White-Label licence agreement with Supply@ME Technologies S.r.l., a wholly owned subsidiary of the Group, with respect to use of the Platform, on a non-exclusive basis and limited to the Asia-Pacific region, for a total consideration of £1,000,000 payable over a three-year period. As at 31 December 2023, no amounts have been billed in respect of this contract, and no revenues have been recognised, as the two parties have been undergoing discussions regarding the point in time when the access to the Platform will be activated.

Eight Capital Partners Plc
David Bull, 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. This agreement was terminated in early 2022 and as such there were no expenses in respect of this agreement with Eight Capital Partners Plc were incurred during the year ended 31 December 2023 (year ended 31 December 2022: £3,000).

SFE Société Financière Européenne SA
During the current financial year, the Group has been collaborating with a group of private investors and subject matter experts of working capital solutions to launch an independent Swiss-based trading business (the "**CH Trading Hub**") to replace the Cayman-based global inventory fund ("**GIF**"), previously advised by TradeFlow Capital Management Pte. Ltd. The CH Trading Hub, owned by Société Financière Européenne S.A. ("**SFE**"), is also expected to assume control of the independent stock companies from the GIF once this restructuring is completed, and has purchased / set up additional stock companies in order to manage the overall trading businesses using the Platform and the associated services provided by the Group. Alessandro Zamboni, the CEO of SYME Group, has, along with a number of other investors, a personal non-controlling interest in SFE. During the year ended 31 December 2023, no transactions were directly entered into between the Group and SFE, however subsequent to 31 December 2023, and prior to the release of these financial statements, both the Group and SFE where parties to the term sheet that was signed with respect to the commitment for the first White-Label transaction.

29 Controlling party

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

30 Subsequent events

Shares issued post year relating to Open Offer Warrant Conversions
On 11 January 2024, the Company announced the exercise of 31,055 Open Offer Warrants by certain Qualifying Shareholders, and the issue of 31,055 Open Offer Warrant Shares.
On 19 February 2024, the Company announced the exercise of 14,772 Open Offer Warrants by certain Qualifying Shareholders, and the issue of 14,772 Open Offer Warrant Shares.

TAG unsecured Working Capital loan agreement
Subsequent to 31 December 2023, and prior to the release of these financial statements, TAG had provided the remaining £550,000 in order to satisfy the full amount of £800,000 drawn down by the Company under the amended TAG Unsecured Working Capital facility. Additionally on 26 March 2024, the Company and TAG signed a second deed of amendment agreement, which allowed the full outstanding amount of the amended TAG

Unsecured Working Capital facility to be extinguished by the issue of 1,500,000,000 new ordinary shares which were issued to TAG on 28 March 2024.

Top-Up Shareholder Loan Agreement

Subsequent to 31 December 2023, and prior to the release of these financial statements, the Company issued further draw down notices to TAG for an aggregate amount of £779,000, bringing the total amount drawn down under the Top-Up Shareholder Loan Agreement to £1.7 million. The total amount drawn remains unpaid as at the date of these financial statements.

Deed of Novation

Subsequent to 31 December 2023, and prior to the release of these financial statements, TAG had repaid £655,000 of the £772,000 remaining outstanding at 31 December 2023, leaving an amount outstanding of £117,000. The associated late payment interest remained outstanding and continues to accrue at the release date of the financial statements.

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[1] Swiss Digital Asset Custody Report 2023, The Capital Markets and Technology Association

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