

TRU | FIN

ANNUAL REPORT & ACCOUNTS

2023

TRU | FIN



**Satago**

# Company Information

For the year ended  
31 December 2023

## Directors

Steve Baldwin (Chair)  
James van den Bergh (Chief Executive Officer)  
Penny Judd (Non-Executive Director)  
Paul Dentskevich (Non-Executive Director)  
Anders Wilhelmsen (Non-Executive Director)

## Company Secretary

Ocorian Secretaries (Jersey) Limited

## Registered Office

26 New Street  
St Helier  
Jersey  
JE2 3RA

## Business Address

120 Regent Street  
London  
W1B 5FE

## Registered Number

125245

## Auditor

Crowe UK LLP  
55 Ludgate Hill  
London  
EC4M 7JW

## Nominated Advisor and Broker

Liberum Capital Limited  
25 Ropemaker Street  
London  
EC2Y 9LY

## Advisors

Travers Smith LLP (Solicitors – UK law)  
10 Snow Hill  
London  
EC1A 2AL

Ogier (Solicitors – Jersey law)  
44 Esplanade  
St Helier  
Jersey  
JE4 9WG

Equiniti (Jersey) Limited (Registrar)  
26 New Street  
St Helier  
Jersey  
JE2 3RA

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## 2023 Highlights

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REVENUE FROM CONTINUING OPERATIONS

**£18.1m**



REVENUE GROWTH FROM CONTINUING OPERATIONS

**31%**



SALE OF VERTUS PROCEEDS

**£3.2m**



OVERSUBSCRIBED EQUITY RAISE

**£7.6m**



ADJUSTED EBITDA IMPROVEMENT

**£2.3m**



## Company Overview

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**Investing in cutting edge finance and technology: creating long-term value and significant shareholder returns**

**Since 2017, TruFin has identified and nurtured innovative UK fintech companies, giving them the resources to deliver world-class products and services while targeting meaningful long-term value for our businesses, customers and shareholders.**

With offices in London, Birmingham, Europe and the USA, our companies Oxygen Finance Limited (“Oxygen”) and Satago Finance Solutions Limited (“Satago”) provide technology and niche lending solutions to thousands of UK and European businesses. We also own the gaming company, Playstack Limited (“Playstack”).

TruFin invests at the early stage of a company’s lifecycle, guiding it towards sustainable growth, profitability and, ultimately, an exit.

Visit our website [www.trufin.com](http://www.trufin.com)

## Chair's Statement

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Steve Baldwin,  
Chair

*“This continued upward trajectory is remarkable given the challenges of operating amid ongoing global instability and is a clear demonstration that TruFin possesses the resilience to prosper, despite the global headwinds.”*

I am pleased to present TruFin's Annual Report and Accounts for 2023. I am equally pleased to report that the past 12 months have seen all of our businesses continue to deliver strong performances in the face of persisting macroeconomic challenges.

Though the inflationary pressures that have marked the post-pandemic era are easing, monetary policy remains tight and central banks' next moves are hard to predict. Geopolitical uncertainty on multiple fronts, from the conflicts in Ukraine and Gaza to the upcoming US and UK elections, continues to build and impact the financial and economic outlook. We are not out of the woods yet.

Despite this, TruFin delivered on its objectives during 2023 and is well positioned for the year ahead. During the year the Group realised £3.2m from the sale of Vertus, whilst all three remaining investments posted double digit revenue growth. As a result, Group revenues were up by almost a third on the previous year. Such achievements are testament to the skill and resilience of our people and the strength of their visions.


In a year of considerable progress, two key milestones at the Group level stand out. In June the management completed a heavily oversubscribed fundraising, strengthening the Group balance sheet and allowing further investment into Playstack's growing portfolio of game releases. The disposal of Vertus in October was also a significant moment in TruFin's strategic development, enabling management to focus on maximising-value in its three remaining businesses.

In addition, there has been a determined focus on growing recurring revenues – software and licensing fee sales and game royalties – across the board. Looking ahead, this augurs well for predictability of future income, Group profitability, and shareholder value alike.

It is especially pleasing to note that Playstack achieved its major goal for the year of achieving EBITDA profitability for the first time. It looks set for more of the same in 2024 thanks to its recent run of critically acclaimed game releases. It is also gratifying that Satago and Oxygen both performed in line with expectations, continuing their operational and financial progress.

Such consistent positive momentum speaks to the success of the Group's strategy and marks a maturing of the business. Notably, the Group beat market expectations by significantly reducing EBITDA loss in 2023. We enter 2024 financially strong and on a clear path to future profitability. This continued upward trajectory is remarkable given the challenges of operating amid ongoing global instability and is a clear demonstration that TruFin possesses the resilience to prosper, despite the global headwinds.

It remains only for me to thank all our staff for their commitment and hard work, as well as our shareholders for their continued support.



Steve Baldwin  
Chair  
25 March 2024

## Highlights for 2023 include:

**Satago** deepening their partnership with Lloyds Bank and successfully starting the migration of existing customers onto the Satago platform

**Oxygen** delivering another year of new client wins and EBITDA growth, and successfully closing and integrating the acquisition of bidstats.uk

**Playstack** securing the publishing rights to *Mortal Shell 2* and *3* and building a diversified pipeline of games for release in the coming years

**Vertus** sale to Enable Partners Holdings Limited for a cash consideration of £3.2m

**TruFin** raising £7.6m via an oversubscribed placing and open offer to existing and new shareholders

## CEO's Review

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James van den Bergh,  
Chief Executive Officer

*“If 2023 was the year of double-digit growth across the Group, 2024 is set to be the year of both further growth and improving profitability.”*

TruFin made significant progress in 2023.

Undeterred by the unfavourable macroeconomic and corporate climate, our market-leading businesses have once again prospered, all recording double digit growth and laying the foundations for meaningful growth in the years ahead.

As ever, Group support has been key to ensuring the ongoing success of TruFin's subsidiaries, particularly in such a challenging environment. The £7.6m fundraising in June 2023 and the £3.2m sale of Vertus in October 2023 have enabled the Group to continue to invest in its three remaining businesses and solidify their market positions.

Moreover, the Vertus deal marks another step in executing the Group's strategy – to focus our assets on recurring and predictable sources of income in order to deliver significant value to our shareholders.

### 2023 Group performance

Mirroring the strong performance of our subsidiaries, Group revenue increased 31% year-on-year to £18.1m. Of this, 92% was from recurring software sales and licensing fees evidencing the continued success of TruFin's strategic pivot towards predictable and repeatable revenue sources.

Key growth drivers during the period included 71% growth in revenues in Satago which more than doubled its paid subscribers (to 967) and deepened its ties with major partner Lloyds Bank as it began successfully migrating the Bank's existing customers onto its platform. Meanwhile Oxygen's core Early Payment business grew by 26% year-on-year, generating 65% of the subsidiary's total revenue. Playstack's revenues grew 27% on the back of an ever increasingly diversified portfolio of games. With three critically acclaimed releases during the year and a significant increase in its revenue-generating back catalogue – anticipated to contribute a meaningful proportion of 2024 revenues – Playstack is in an enviable position.



At year end the Group had a cash balance of £10.1m (including cash of £4.1m in Satago which is not 100% owned). As such, unrestricted cash is no less than £6.0m and the Group is fully funded to profitability.

### Current trading and prospects

TruFin has had a strong start to the year with Group revenues for January and February expected to be not less than £5.8m; a 271% increase over the same period in 2023. Playstack's latest game launch, *Balatro*, has contributed to much of this growth. It is important to note that this pace of growth is not expected to continue throughout the year.

As always, growth, profitability and value crystallisation remain integral to TruFin's purpose and vision. Following the strong start in 2024, the Group's vision is even more tangible.

### Outlook

If 2023 was the year of double-digit growth across the Group, 2024 is set to be the year of both further growth and improving profitability.

Whilst mindful of the unsettled global political and economic picture, TruFin's steady yet ambitious stewardship of its subsidiaries in pursuit of shareholder value will continue. Targeted investment in all three businesses during the last 12 months is expected to produce scaled revenues and accelerate profitability. Ultimately this will result in significant shareholder returns.

As we enter 2024 our businesses are well-positioned for the years ahead, with two of the three now EBITDA profitable and the third poised to follow. Oxygen is set to consolidate its market dominance having invested heavily in its platform and people in 2023 as well as acquiring and successfully integrating *bidstats.uk*. With significant interest in its digitised proposition from both UK and overseas banks, Satago is ready to replicate the success of its flagship relationship with Lloyds Bank as well as capitalise further on its high-performing Lending-as-a-Service and Embedded Finance subscription services.

Meanwhile Playstack, fresh from achieving its 2023 aim of EBITDA profitability, is close to concluding several major platform deals and will continue to focus relentlessly on its core strengths of sourcing and publishing video games. Its first release in 2024, the poker game *Balatro*, achieved profitability within an hour, earning it the accolade of Playstack's fastest selling game.

Each of these achievements is underpinned by our ongoing investment in building lasting relationships with our customers and partners and delivering services tailored to their needs. Each one takes us ever closer to our ultimate goal of rewarding shareholders with significant value-creating transactions.

On behalf of the Board, our staff, partners and stakeholders I would like to extend my thanks to our shareholders for continuing to stand behind TruFin, despite the headwinds we collectively face. We are buoyed by the progress made in 2023 and looking forward to compounding these gains by pursuing our objectives with optimism and determination in 2024.



**James van den Bergh**  
Chief Executive Officer  
25 March 2024

## Oxygen review



“2023 has been another year of substantial progress, with revenue exceeding £6m, up 16% on the prior year. The year was rounded off with the acquisition and integration of bidstats.uk, which will support Oxygen’s development as an information services provider.”

***Ben Jackson, CEO***

### REVENUE GROWTH

# 16%

(EARLY PAYMENT REVENUE GROWTH 26%)

### EBITDA GROWTH TO £1.3M

# +11%

### NEW SIGNED SPEND HIT A RECORD

# £385M

+16%

### FREEPAY SUPPLIERS

# 15,300



## 2023 performance

Oxygen delivered revenues of £6.2m, up 16% (2022: £5.3m), with the increase driven by strong performance across all principal revenue streams. Such is Oxygen's confidence in the future, a £1.2m investment was made during the year, and staff numbers increased by 15 to 72 to accelerate revenues in 2024 on beyond. In addition Oxygen was able to acquire and integrate bidstats.uk and make a dividend payment to the Group of £0.5m, twice Oxygen's maiden dividend of £0.25m in 2022.

New business continued to progress well, with Oxygen still dominating the local government market. Combined trade-spending by Oxygen's Early Payment Programme clients increased by £2.8bn, to a record of £26.8bn. Oxygen's SaaS product portfolio also expanded, with new products creating incremental revenue. Over 50% of Oxygen's local authority Early Payment Programme clients also committed to at least one Oxygen SaaS subscription, up from 27% in 2022.

The average Early Payment Programme client tenure, a measure of customer loyalty and Oxygen's success in renewing contracts, reached 7.1 years at the end of 2023 (2022: 6.6 years), adding additional resilience to Oxygen's recurring revenue streams.

Early Payment Programme clients committed £1.3bn in spending to more than 4,900 suppliers during 2023 (2022: £1.1bn). New spend added during the year hit a record £385m (2022: £330m), 16% higher than the prior year.

Oxygen's position as a financial technology company delivering social value strengthened significantly. Throughout 2023 more than 15,000 small businesses within Oxygen clients' local communities received over £0.6bn in early payments – at no cost to the supplier. Oxygen made its Carbon Reporting tool freely available to the public sector to support the reduction of Scope 3 emissions and the consequential carbon impact.

## Current trading and prospects

Indications from initial trading in 2024 are strong with double digit growth for recurring revenue streams continuing. Encouragingly, during 2023 circa £1.5bn was issued for tender with early payment (EP) terms included by our clients, an increase of 35% on the previous year which bodes well for supplier participation in 2024. EP revenue in January was up 40% on 2023 YoY.

Continued economic volatility and higher interest rates make Oxygen's EP solution increasingly attractive. Similarly, business development opportunities made available through the 60,000 monthly visitors to bidstats.uk will support SaaS growth in 2023.

Interest from new early payment clients is strong, with more opportunities in the pipeline than ever before.

*“Continued economic volatility and higher interest rates make Oxygen's EP solution increasingly attractive.”*



# Satago



STRATEGIC REPORT

## Satago review



“Satago’s partners and pipeline are testament to the exciting future ahead.”

**Sinead McHale,**  
CEO

REVENUE GROWTH

# +70%

SIGNIFICANT MILESTONES HIT DURING THE YEAR. NOTABLY, LLOYDS BANK BEGAN MIGRATING EXISTING FACTORING CLIENTS ONTO SATAGO’S PROPRIETARY PLATFORM IN H2 2023

PAYING SUBSCRIBER GROWTH

# >100%

SATAGO FACILITATED EARLY PAYMENT OF MORE THAN 820,000 INVOICES ACROSS 20 DIFFERENT CURRENCIES DURING THE YEAR – REPRESENTING >£1BN OF FASTER PAYMENTS INTO THE ECONOMY

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## 2023 Performance

During 2023, revenue increased more than 70% to £3.8m (2022: £2.2m).

2023 was a year of consolidation and growth for Satago. Importantly, Lloyds Bank began migrating existing factoring clients onto Satago's proprietary platform in H2 2023. Following this successful test phase, a material portion of existing Bank clients are expected to migrate during 2024.

The next phase of the Satago platform was also successfully delivered during 2023, allowing the onboarding of the first 'new to Bank' customer.

Delivering Lending as a Service ("LaaS") and Embedded Finance solutions for existing clients remains Satago's top priority. Looking ahead, the hard work carried out over the last five years has ensured the platform is ready to be leveraged by other partners – giving 10s of thousands of SMEs access to all the benefits of the Satago platform in the coming years. Satago's partners and pipeline are testament to the exciting future ahead.

Satago's subscription packages performed strongly in 2023, with the number of paying subscribers more than doubling to 967 (2022: 430). Significant subscriber growth is expected to continue in 2024 and beyond. The platform's credit control and risk insights tools in particular are proving transformational to customers.

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## Current trading and prospects

Early 2024 has focused on product delivery for the Bank and the next phase of client wins. Meanwhile, the deep strategic relationship with Sage, the global leader in accounting software, will allow Satago to extend its core offerings of credit control and risk insights to SMEs globally.

Satago has a growing pipeline of LaaS and Embedded Finance customers in the UK and Europe with a number of significant partnerships expected to launch throughout the year.

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*“Significant subscriber growth is expected to continue in 2024 and beyond.”*



STRATEGIC REPORT

# Playstack review



“2024 will build on the foundations set in 2023, with front-line titles scheduled to ship each quarter, renewed contracts

for our Magic Fuel Games subsidiary, and profitability throughout the year.”

**Harvey Elliott, CEO**

## INSTALLS OF PLAYSTACK GAMES DURING 2023

# +5 MILLION

## INCREASINGLY DIVERSIFIED PORTFOLIO

## TITLES ANALYSED BY MAGNITUDE IN 2023

# +11,000





## 2023 performance

During the year, Playstack focused on scaling into a profitable and sustainable business, achieving full-year EBITDA profitability aided in part by an increasingly strong portfolio of games that reduced dependencies on the success of a single title. In 2023, over 85% of Playstack revenue was derived from six front-line titles; compared to four games in 2022 and one game in 2021.

The future line-up of games continues to be extremely strong, largely due to the effectiveness of 'Magnitude', Playstack's proprietary sourcing toolset which assessed over 11,000 games during the year (up 275% compared to 2023) and continues to discover more than 80% of Playstack's pipeline – with multiple games now secured for 2024 and 2025 as a result of the technology.

Playstack's game studio subsidiary, Magic Fuel Games Inc, successfully launched *Cityscapes: Sim Builder* as an exclusive release on Apple Arcade. The game was subsequently nominated for Best Game on Apple Arcade in 2023, and frequently features in the top-20 games on the service.

Playstack launched two further titles during 2023: *AK-Xolotl* and *The Last Faith*, and two expansion packs for *The Case of the Golden Idol*, reinforcing Playstack's focus on broadening its portfolio of franchises and increasing long-term performance potential through reinvesting in successful games after release. During the year Playstack secured two new technology partner contracts, each bringing an additional revenue stream to the business over multiple years and providing long-term predictability.

## Current trading and prospects

Playstack's publishing portfolio is the centre of its 2024 strategy, with regular planned updates to existing games and a minimum of five new games for release across the year, including two games to be released in partnership with platforms. The first new release of 2024, *Balatro*, quickly exceeded all expectations, reaching game profitably in one hour and surpassing one million units sold within a month. With the 2024 line-up already secured, the game discovery focus has turned to 2025 and 2026 to ensure an increasingly strong pipeline of titles for the years ahead.

Back-book games remain a key component of future revenue modelling, with a minimum of 40% of 2024 revenues forecast to be derived from games introduced to market in 2022 and 2023.

Playstack continues to assert its position as a leader in the games industry, and is navigating well-publicised industry challenges through carefully curated and selected games, a focus on cost management, and sustainable profitability.

*“The first new release of 2024, Balatro, quickly exceeded all expectations, reaching game profitably in one hour and surpassing one million units sold within a month.”*



## CFO's Review



James Hussey,  
Chief Financial Officer

*“2023 has been a good year, recording strong financial performance, with overall top line growth for continuing operations of 31% (£4.3m), a 10% reduction in LBT and an oversubscribed fundraise providing additional cash of £7.1m (net)”*

	2023 £'000	2022 £'000	YoY Change
Gross revenue*	18,131	13,860	31%
Net revenue*	13,104	9,653	36%
Net revenue %*	72%	70%	2%
Loss before tax*	(7,339)	(8,182)	10%
Adjusted loss before tax*+	(6,573)	(8,182)	20%
Loss after tax*	(6,377)	(6,915)	8%
Loss after tax including discontinued operations	(7,340)	(6,806)	(8%)
Earnings per share (p)	(6.5)	(7.3)	11%
Adjusted earnings per share (p) ~	(4.6)	(7.4)	38%
Cash	10,140	10,273	(1%)

\*Figures are from continuing activities with comparatives restated accordingly based on information drawn from prior period financial statements

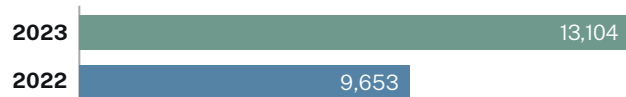
+Adjusted for share-based payment charges incurred during the year

~ Adjusted for share-based payments charges and discontinued operations

### Gross revenue £'000



### Net revenue £'000



### Net revenue %



### Loss before tax £'000



### Adjusted Loss before tax £'000



### Loss after tax £'000

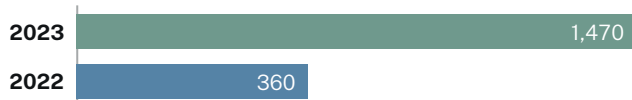
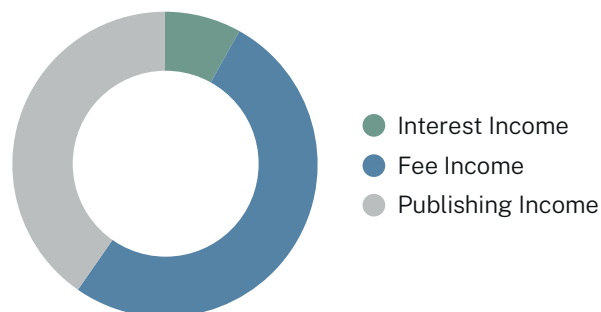




**Loss after tax including discontinued operations £'000****Earnings per share (p)****Adjusted Earnings per share (p)****Cash £'000****Revenue**

	2023 £'000	% of rev	2022 £'000	% of rev
Interest income*	1,470	8%	405	3%
Fee income*	9,348	52%	7,138	52%
Publishing income*	7,313	40%	6,317	45%
Gross revenue*	18,131		13,860	

\*Figures are from continuing activities with comparatives restated accordingly based on information drawn from prior period financial statements

**Revenue 2023 v 2022****Interest income****Fee income****Publishing income****Revenue 2023 by category****EBITDA**

	2023 £'000	2022 £'000	YoY Change
EBITDA			
Loss before tax*	(7,339)	(8,182)	10%
Depreciation and amortisation*	(3,000)	(2,418)	(24%)
Interest expense*	(102)	(12)	(508%)
EBITDA*	(4,237)	(5,752)	26%
Share based payments	(766)	-	(100%)
Adjusted EBITDA*	(3,471)	(5,752)	39%

\*Figures are from continuing activities with comparatives restated accordingly based on information drawn from prior period financial statements

EBITDA from continuing activities improved by 26% to a loss of £4.2m (2022: loss of £5.8m). Adjusted EBITDA improved by 39% to a loss of £3.5m (2022: loss of £5.8m).

Depreciation and amortisation includes the amortisation of Client Contract Assets, which are accounted for in fee expenses in the Statement of Comprehensive Income.

**Loss before tax**

Adjusted loss before tax from continuing operations improved by 20% to a loss of £6.6m (2022: loss of £8.2m). The 36% net revenue rise was partially offset by an increase in other operating expenses of £1.3m to £5.9m (2022: £4.6m), and depreciation and amortisation (excluding Client Contract Assets amortisation) increasing by £0.4m to £1.9m (2022: £1.5m).

**Earnings per share ("EPS")**

Basic EPS is calculated by dividing the net loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

CFO's Review *continued*

Weighted average number of ordinary shares has been adjusted to reflect the share issues that took place in July 2023 (see Financial Statements Note 15) and April 2022.

Management has been granted 9,551,342 share options in TruFin plc (see Financial Statements Note 6 for details). These could potentially dilute basic EPS in the future, but were not included in the calculation of diluted EPS as they are antidilutive for the years presented since the Group is loss-making.

	2023	2022
Weighted average number of ordinary shares (#)	99,770,355	90,485,862
Loss after tax attributable to the owners of TruFin plc (£'000)	(6,472)	(6,637)
EPS (p)	(6.5)	(7.3)
Adjusted for Share-based payments	766	-
Loss/(profit) from discontinued operations	1,160	(40)
Adjusted Loss after tax from continuing operations attributable to the owners of TruFin plc	(4,546)	(6,667)
Adjusted EPS (p)	(4.6)	(7.4)

### Cashflow

Cash used in operating activities in the year was £8.1m. This was primarily made up of:

- Cash outflows from Loans and Advances of £4.5m
- Loss for the year adjusted for non-cash items of £4.0m

Cash used in investing activities was primarily additions to intangible and fixed assets of £5.5m, and £1.2m for the remaining payments for the acquisition of Magic Fuel Games Inc by Playstack.

This was partially offset by the sale of Vertus during the year for £3.1m

Cash generated from financing activities in the year was £12.5m. This was made up of:

- £7.1m share issue in July 23 (net of fees)
- Net borrowings of £5.4m

## CORPORATE GOVERNANCE

## Board of Directors

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**Steve Baldwin**  
*Independent Non-Executive Chair*

Steve has an extensive corporate finance background and is currently a non-executive director at The Edinburgh Investment Trust plc and Plus500 Limited. He is also a trustee of Howard de Walden Estate Limited. Steve was the head of European equity capital markets and corporate broking at Macquarie Capital until February 2015. Prior to this, Steve was a director of corporate finance at JPMorgan Cazenove for 10 years and was a vice president of corporate finance at UBS from 1995 to 1998. He is a qualified Chartered Accountant.



**Penny Judd**  
*Senior Independent Non-Executive Director*

Penny has over 30 years of experience in compliance, regulation, corporate finance and audit and is currently chair of FRP Advisory plc. She is also a non-executive director, senior independent director and chair of the remuneration committee of AIM-listed Alpha Financial Management Consulting, and a non-executive director and chair of the audit committee of AIM-listed Team17 plc and LendInvest plc.

Penny started her career at KPMG, qualifying as a Chartered Accountant and specialising in audit and corporate finance, before joining the London Stock Exchange where she was head of equity markets at the UKLA. She then moved to Cazenove & Co as a corporate financier and was a consultant at the London Investment Banking Association before moving into a career in compliance. Penny was a managing director and EMEA head of compliance firstly for UBS Limited and then Nomura International plc before pursuing her current portfolio career.



**Paul Dentskevich**  
*Independent Non-Executive Director*

Paul has over 30 years of financial services experience, specialising in risk management, investment management and corporate governance for hedge and other multi-asset funds. Paul currently provides risk oversight to a number of Jersey domiciled funds and his ongoing non-executive roles include directorships at Signal Credit GP Limited, Signal Alpha II CP Limited, CloverTree Opportunities Fund Limited and Eisler Capital (Jersey) Ltd. Prior to this, Paul was at Brevan Howard where he had a number of risk and governance responsibilities and was a member of the manager's investment committee. Paul has a PhD in Economics from Imperial College London.



**Anders Wilhelmsen**  
***Non-Executive Director***

Anders is an investment professional and the nominated non-executive representative of TruFin's major shareholder, Watrium.

Anders currently serves on several boards within the Watrium portfolio, including private equity firm HitecVision, and healthtech company Sensio. He holds an MA Honours in Financial Economics from the University of St Andrews, and an MBA from INSEAD.



**James van den Bergh**  
***Executive Director***

James is the Chief Executive Officer of TruFin. James spun TruFin out of Arrowgrass Capital Partners in 2018, where he led the alternative finance team and private business. He began his career at Merrill Lynch before transitioning into investment management in 2003. James is a CFA Charterholder.

## Corporate Governance Statement

The Directors acknowledge the importance of high standards of corporate governance in how the Board and its Committees operate. The corporate governance framework which TruFin operates, including Board leadership and effectiveness, Board remuneration, and internal control is based upon practices which the Board believes are proportional to the size, risks, complexity and operations of the business and is reflective of the Group's values.

On admission to AIM, the Board decided to adhere to the Quoted Companies Alliance's ("QCA") Corporate Governance Code ("Code") for small and mid-size quoted companies (the "QCA Code"). The Board considers this to be appropriate to the nature and size of the Company and its subsidiaries. The QCA Code is constructed around 10 broad principles and a set of disclosures. The QCA itself has stated what it considers to be appropriate arrangements for growing companies and asks companies to provide an explanation about how they are meeting the principles through the prescribed disclosures.

The Board has considered how it applies each principle and the extent to which the Board judges these to be appropriate in the circumstances. Details of how TruFin adheres to these principles can be found on our website [www.TruFin.com](http://www.TruFin.com).

In November 2023, the QCA published an updated version of its Code (the "2023 Code"), that will apply to financial years beginning on or after 1 April 2024. Disclosures in respect of the 2023 Code are expected in 2025. In order to ensure compliance with these disclosures, TruFin plans to undertake a gap analysis between its current governance practices and the revised expectations of the 2023 Code.

### The Board

TruFin is managed and governed by suitably qualified and authorised personnel, under the governance of an experienced and diverse Board of Directors. TruFin's Board is established with senior practitioners from the fintech industry and has shareholder representation. The Directors act within the powers granted by TruFin's Articles of Association and are cognisant of their overarching duty to promote the Group's success and to drive long-term shareholder value. The experienced Directors challenge the work of the executives, using care, skill and diligence and by exercising their independent judgment.

### Board balance and independence

The Board currently consists of three independent non-executive directors, one non-executive director and one executive director. The Board is chaired by an independent non-executive director.

In the interests of balance and good governance, the Board maintains a mix of independent and non-independent directors. The Board considers its non-executive directors remain sufficiently independent and of such calibre and number that their views may be expected to be of sufficient weight that no individual or small group can dominate the Board's decision-making process.

The Board considers that its current composition and structure is appropriate to maintain effective oversight of the Group's activities. The Board will continue to review its structure on at least an annual basis in order to maintain an appropriate

corporate governance environment and independent oversight.

### Role of the Board

It is the responsibility of the Board, through the senior management, to ensure that TruFin maintains a suitable and sustainable business model, overseeing an appropriate balance between promoting suitable long-term growth and delivering short-term objectives. The Board is responsible for setting the strategy and maintaining the decision-making framework in which it is implemented, ensuring that the necessary resources are in place to monitor performance and set values and standards in governance matters. The Strategic Report on pages 2-18 further outlines the Board's approach.

The Board is also responsible for the success of TruFin within a framework of controls which enables risk to be assessed and managed. The Compliance and Risk Report on page 30 further details TruFin's approach to risk.

The Chair is responsible for the leadership of the Board and for facilitating the effective contribution of and engagement of all Board members. The Chair has the responsibility for ensuring the Board discharges its responsibilities and implements the Board's decisions.

The role of the non-executive directors is to constructively challenge and help the Board with effective leadership in relation to the Group's strategy, performance, risk and people management while ensuring a high standard of financial control and corporate governance.

One of the independent Non-Executive Directors, Penny Judd, has been selected as the senior independent director. The Board is fully satisfied that the senior independent director demonstrates complete independence and robustness of character in this role. The senior independent director is available to meet shareholders if they have concerns that cannot be resolved through discussion with the Chair or for matters where such contact would be inappropriate.

The CEO manages the day to day operations of the Group and reports to the Board on the performance of the Group and progress on the strategic objectives. Implementation of the Group's strategies and day-to-day business is delegated to the CEO and executive management. The Board has also charged TruFin's executive management to ensure that all policies and procedures in relation to the governance of the Group are fully integrated into its operations.

To ensure effective and independent stewardship, TruFin has expressly set out the matters which are reserved for the Board's approval. Delegation of authority limits for the Board of Directors and TruFin's executive management are also documented in an approved framework.

## Board effectiveness

The effectiveness of the Board is the responsibility of the Independent Non-Executive Chair. Board performance is reviewed on an annual basis and the findings are presented to the Nomination Committee and Board. In line with the QCA Code, an external performance review of the Board is conducted from time to time. For TruFin, this takes place every three years, with the next scheduled for Q1 2025. For further details on the 2023 Board effectiveness review, please see the report of the Nomination Committee on pages 24–25.

The result of these evaluations determined that the composition and size of the Board and its Committees continue to be appropriate and its operation by Board members is effective.

The Board therefore believes that its members possess the relevant qualifications and skills, as well as the balance of personal qualities, necessary to effectively oversee and execute the Group's strategy.

## Board committees

The Board has delegated specific responsibilities to the Audit Committee, the Remuneration Committee and the Nomination Committee.

Every year the Board reviews its composition and the composition of its Committees. The Board and the Nomination Committee oversee this process.

In view of the size of the Board and the nature of the Company, all independent non-executive directors are members of each Committee. Each Committee has adopted Terms of Reference, clearly defining the Committee's roles and responsibilities that the members of each committee must observe in the performance of their duties. These terms of reference are subject to review on an annual basis and copies are available for inspection on the Company's website [www.trufin.com](http://www.trufin.com).

The individual reports for the Board Committees can be found on pages 23–27.

## Board meetings

Five Board meetings are scheduled each year and additional Board meetings are called as needed, if specific matters need to be considered. In 2023, in addition to the scheduled Board and Committee meetings, Directors attended a number of ad-hoc Board meetings to consider additional matters, which were predominantly related to the fundraise in June 2023.

Prior to each Board meeting, the Board and its Committees receive relevant and timely information that will be addressed at each meeting, together with a formal meeting agenda. The primary focus at Board meetings is a review of the Group's performance and associated matters, and the Chair seeks to encourage open debate between the Directors. Senior executives below Board level attend Board meetings as appropriate, and at each meeting, a subsidiary CEO is invited to present their business update. The Directors are expected to be present at all meetings scheduled during the year, either in person or via video conference.

The table that follows sets out the number of formal Board and Committee meetings held during the year ended 31 December 2023 and the number of meetings attended by each Director.

## Board and committee attendance record

	Board	Committee Membership		
	Meetings attended	Nomination Committee	Audit Committee	Remuneration Committee
James van den Bergh	9 / 9			
Steve Baldwin	9 / 9	1 / 1	2 / 2	2 / 2
Penny Judd	9 / 9	1 / 1	2 / 2	2 / 2
Paul Dentskevich	9 / 9	1 / 1	2 / 2	2 / 2
Anders Wilhelmsen	7 / 9			

## Corporate Governance Statement continued

### Board culture

The Board recognises the importance of a strong and coherent corporate culture particularly as the Group grows. As such, the Board seeks to establish and maintain a corporate culture characterised by fairness in its treatment of employees and stakeholders, whose efforts are collectively directed towards delivering returns to shareholders in line with the Company's purpose and objectives.

The Board believes that corporate governance and a good culture start at the top of any company and that the Directors and senior management, together, drive the values, behaviours and attitudes that support the Group's strategy. The Board and senior management will address any concerns that may arise relating to the Group's cultural environment and are prepared to take appropriate action against unethical behaviour, violation of company policies, or misconduct.

TruFin takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships. It is the Group's policy to conduct all of its business in an honest and ethical manner. TruFin, along with its subsidiaries, operates an Anti-Bribery & Corruption Policy and adopts appropriately robust governance procedures to ensure compliance. The Board has overall responsibility for ensuring this policy complies with its legal and ethical obligations and that all those under its control comply with it.

TruFin also operates a whistleblower policy for its employees.

### Shareholder engagement

The Board believes that fulfilling TruFin's strategy depends significantly on the support of its shareholders.

The Board strives to ensure that shareholders are kept up to date on the Group's operations, with clear and transparent information being provided on a regular basis. The Board maintains an active dialogue with shareholders and all material information is released through notification via a Regulatory News Service.

TruFin also engages with its shareholders through a subscription news service and the Investors section on its website. The Investors section has all publicly available information including the latest news, investor presentations, financial results, annual reports, governance materials, and AGM notifications.

The CEO is available to meet with TruFin shareholders individually throughout the year or through investor roadshows following the publication of TruFin's financial results. Additionally, the CEOs of the subsidiaries are also available to meet with TruFin shareholders if requested. Any shareholder feedback is shared with the Directors at the Company's Board meetings.

TruFin concluded a successful £7.6m capital raise in July 2023. As part of the fundraise, meetings were scheduled with existing and prospective institutional shareholders to which the CEO provided an update on the Group's purpose for raising capital and business plan.

Shareholders are welcome to attend the Company's Annual General Meeting ("AGM") and any other general meetings of the Company which are convened throughout the year. The Board understands the importance of the AGM in allowing shareholders to have open and direct dialogue with the Board and management of the Company. If shareholders are not able to attend the AGM, they are encouraged to contact the Directors directly with questions prior to the meeting. All questions received from shareholders at TruFin's 2023 AGM were responded to personally.

The appointment of Anders Wilhelmsen, as non-executive director in 2022, facilitated direct shareholder representation to the Board. Anders is the representative from TruFin's largest shareholder, Watrium AS ("Watrium"), who was appointed pursuant to a Relationship Agreement between Watrium and TruFin. Anders' appointment continues to bring the voice of shareholders into board discussions which has been valuable in making strategic decisions for the Group.

## 2024 Annual General Meeting

The Company anticipates holding its Annual General Meeting in June 2024. The Notice of AGM and Form of Proxy will be posted to shareholders in due course and a copy will be available at [www.trufin.com](http://www.trufin.com). The AGM will be held in London, the exact location to be confirmed.



## Audit Committee Report



**Penny Judd**  
Chair of the Audit Committee

On behalf of the Board, I am pleased to present TruFin plc's Audit Committee Report for the year ended 31 December 2023.

The Audit Committee is responsible for monitoring the integrity of the Company's financial statements, reviewing significant financial reporting issues, reviewing the effectiveness of the Company's internal control and risk management systems, and overseeing the relationship with the external auditors (including advising on their appointment, agreeing the scope of the audit and reviewing the audit findings).

### Members of the Committee

- Penny Judd (Chair)
- Steve Baldwin
- Paul Dentskevich

### Role of the Committee

The Audit Committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported on. It receives and reviews reports from the Company's management and auditors related to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee meets at least twice a year and has unrestricted access to the Company's auditors. A copy of the Audit Committee Terms of

Reference can be found on our website.

### External audit

The Audit Committee approves the appointment and remuneration of the Group's external auditors. The Committee also ensures that they are satisfied with the external auditors' independence in relation to any other non-audit work undertaken by them and also reviews their performance.

### Internal audit

The Committee has considered the need for an internal audit function during the year and continues to be of the view that, given the size and nature of the Group's operations and finance team, there is no current requirement to establish a separate internal audit function.

### Significant issues considered in relation to the financial statements

The Audit Committee assesses whether suitable accounting policies have been adopted and whether appropriate estimates and judgements have been made by management. The Committee also reviews accounting papers prepared by management, and reviews reports by the external auditors. The specific areas reviewed by the Committee in respect of the year were:

- the calculation and valuation of Goodwill recognised in the Group financial statements
- revenue recognition
- the fair value of the share options granted during the year
- capitalised development costs and their useful lives
- appropriateness of going concern assumptions

**Penny Judd**  
Chair of the Audit Committee

## Nomination Committee Report

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**Steve Baldwin**  
*Chair of the Nomination Committee*

I am pleased to present my report as Chair of the Nomination Committee (the “Committee”) for the year ended 31 December 2023.

The Committee’s approach aligns to the Quoted Companies Alliance Corporate Governance Code (“QCA Code”) and operates under terms of reference. These terms of reference are reviewed annually, approved by the Committee and Board, and are made available on TruFin’s website. The Committee meets at least once a year, and otherwise as required.

The Committee’s objective is to assist the Board in discharging its responsibilities relating to the composition and performance of the Board and also ensuring effective succession planning for the senior management of TruFin and its subsidiaries (collectively the “Group”).

The Committee consists of three independent non-executive directors:

- Steve Baldwin (Chair)
- Penny Judd
- Paul Dentskevich

Although only members of the Committee have the right to attend meetings, other individuals, such as the non-executive and executive directors, may also be invited to attend all or part of any meeting.

### Role of the Committee

The key responsibilities of the Committee include:

- Regularly reviewing the structure, size, and composition (including the skills, knowledge, experience and diversity) of the Board and all Board committees and making recommendations to the Board with regard to any changes
- Giving full consideration to the succession planning of Directors and other senior executives of the Group
- Regularly reviewing the leadership needs of TruFin, both executive and non-executive, with a view to ensuring the continued ability for TruFin to compete effectively in its marketplace
- Identifying and nominating candidates to fill Board and committee vacancies as and when they arise, taking into account relevant experience and diversity, and making recommendations to the Board on such matters
- Evaluating the Board’s performance on an annual basis

## Board effectiveness review

This year's Board effectiveness review was completed internally by the Company Secretary with input from the Chair. The review required each of the Directors to submit responses to a structured questionnaire, which covered the performance of the Board, the Director's individual performance, and how the Board and the Board Committees operate. Additionally, the Chair completed one to one performance reviews with each of the Directors.

Responses from the questionnaire were collated and analysed, compared with results from the previous year, and discussed at a Board meeting. A small number of areas for improvement were highlighted by the review and remedial actions are underway.

The review concluded that the performance of the Board, its Committees, the Chair and each of the Directors is, and continues to be effective. All Directors demonstrated commitment to their roles and contributed effectively throughout the year. The Board is regarded as able, collaborative and well-run, with an open and supportive culture, and supported by an engaged and effective Chair.

## Succession planning

The Committee supports the CEO in considering succession planning for the Company and the senior executives of the Group. During the year, the Committee reviewed and discussed the Group's succession plans in detail at a Board meeting.

Of note, was the decision to appoint a non-executive director to the Playstack board and the Committee will remain committed to this search until a suitable candidate is found.

The Committee will continue to ensure that the Group has the right skills and expertise in place to achieve its strategic objectives.

## Looking ahead

We feel it is important to continually assess the composition of the Board and senior management team to ensure that TruFin has the right skills and experience to develop in line with its strategic ambitions and commitment to create a diverse and inclusive workplace. The Committee members agreed that no changes to the Board composition were needed at the present time.



**Steve Baldwin**  
Chair of the Nomination Committee

## Remuneration Committee Report



**Paul Dentskevich**  
*Chair of the Remuneration Committee*

I am pleased to present my report as Chair of the Remuneration Committee (the “Committee”).

This report covers the key remuneration themes and considerations of the Committee for the year ended 31 December 2023. It sets out the remuneration policy for the executive directors of TruFin and other members of the senior management team as deemed appropriate by the Board (collectively “Executives”).

TruFin’s remuneration objective is to attract, retain and motivate Executives of the quality required to run the Company successfully, having regard to the interests of TruFin shareholders and other stakeholders. The philosophy of the Committee is to achieve remuneration structures that are transparent, fair, and consistent with its corporate governance and regulatory obligations.

TruFin’s approach to remuneration aligns to the Quoted Companies Alliance Corporate Governance Code. All of TruFin’s independent non-executive directors are members of the Committee and the representative director of TruFin’s largest shareholder may also attend meetings of the Committee as an observer. The Committee operates under terms of reference, which are reviewed annually and approved by the Committee and Board, and are made available on TruFin’s website. The Committee meets at least twice a year, and as necessary beyond that.

### Members of the Committee

- Paul Dentskevich (Chair)
- Penny Judd
- Steve Baldwin

### Role of the Committee

The Committee develops and determines remuneration packages for Executives of the Company in line with the Company’s prevailing Remuneration Policy. It ensures that remuneration decisions compensate executive directors and other employees fairly and responsibly.

The key responsibilities of the Committee include:

- Developing, maintaining, and recommending to the Board, remuneration packages for Executives to support the delivery of business objectives in the short, medium and long-term, to deliver sustainable growth in shareholder value
- Aligning the interests of the Executives with the interests of long-term shareholders
- Applying performance criteria to encourage Executives to operate within the risk parameters set by the Board
- Rewarding the right behaviours, values, and culture to support the delivery of TruFin’s business objectives
- Ensuring that TruFin can recruit and retain high quality Executives through fair and attractive, but not excessive, packages
- Ensuring that members of the Committee commit sufficient time to the role and develop the necessary skills and knowledge.

## Directors' remuneration

Executive	Salary <sup>1</sup> £'000	Bonus <sup>2</sup> £'000	Pension <sup>3</sup> £'000	Benefits <sup>4</sup> £'000	2023 Total £'000	2022 Total £'000
James van den Bergh	256	220	5	4	485	465
<b>Non-executive</b>						
Steve Baldwin	100	-	-	-	100	100
Penny Judd	70	-	-	-	70	70
Paul Dentskevich	60	-	-	-	60	60
Anders Wilhelmsen	-	-	-	-	-	-

1 Full base salary during the relevant financial year

2 Cash value of the bonus in respect of the year ended 31 December 2022

3 The value of the Company's contribution to the individual's pension scheme

4 Benefits consist of private healthcare

## Long-term incentives

Having consulted with our largest shareholders, the Committee believes it is important that more meaningful long-term incentivisation is in place for employees of the Company. Having motivational levels of long term incentivisation, aligned to positive shareholder outcomes, is critical to drive success and the delivery of the Group's multi-year strategic plan.

During the year, TruFin adopted a Long-Term Incentive Plan (the "LTIP") to appropriately incentivise key individuals over the long term, driving retention and performance.

The LTIP operates as a four-year programme of awards, with awards vesting in four tranches from 31 December 2023 and each anniversary of that date until 31 December 2026. In July 2023, TruFin awarded the first three tranches of awards under the LTIP. These were in the form of options over a total of 3,116,667 ordinary shares to the CEO and other senior employees.

Save for the first tranche of these options that vested on 31 December 2023, vesting of the options granted to the CEO and CFO are subject to performance criteria set by the Committee, based on a share price performance metric. In addition to this metric, options granted to the Group CEOs are subject to subsidiary company financial performance metrics. The fourth tranche of options is due to be granted in early 2024, subject to the same performance metrics.

The total four-year programme of awards comprising the four tranches are intended to be up to 4,175,000 ordinary shares, representing 4% of TruFin's issued share capital. Following this, there will be total options outstanding over a total of 10,609,675 ordinary shares in the Company, representing 10% of TruFin's current issued share capital.

These awards are intended to align the incentives of the CEO, CFO and other senior employees with the Company's performance and outcomes for shareholders over the long

term and to provide effective and attractive levels of reward to retain individuals who are key to the future success of the Company, based on delivering strong performance in a fair and proportionate manner.

Further details of this LTIP and other share based payments and awards in issue are disclosed in Note 6 to the Financial Statements.

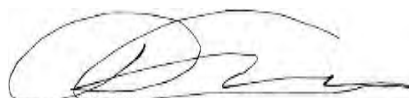
## Annual salary reviews

TruFin reviews the basic salary of all employees on an annual basis, taking cost-of-living and inflation rates into account.

Where appropriate, the Committee will also benchmark salary reviews against the market. This was last performed in 2022 where external analysis determined that the CEO's total remuneration fell within the market benchmark. Employees who have significant changes to their role or are paid outside of market benchmarks, will receive adjustments to their basic salary.

## Looking ahead

As a committee, we will continue to monitor the effectiveness of our current approach to remuneration, whilst staying consistent to our corporate governance and regulatory values. Our objective to attract, motivate, and retain talented employees will remain a top priority across the Group to help deliver excellent outcomes for our shareholders.



**Paul Dentskevich**

Chair of the Remuneration Committee

## Report of the Directors

The Directors present their report with the financial statements of the Company and the Group for the year ended 31 December 2023.

### Principal activity

The principal activities of the Group in the year under review were those of providing niche lending, early payment services and video games publishing.

### Dividends

The Directors have confirmed that no dividends have been declared for the year to 31 December 2023 (2022: £nil). The Directors' current view is that the earnings of the Group will first be reinvested in the businesses to fund the Group's growth strategy and any surplus cash, if not reinvested in the foreseeable future, will be returned to shareholders.

### Directors

The Directors who held office during the year and up to the date of the Directors' report were as follows:

- Steve Baldwin
- James van den Bergh
- Penny Judd
- Paul Dentskevich
- Anders Wilhelmsen

The Directors' interests in the shares of TruFin plc, all of which were beneficial interests, at 31 December 2023 are as follows:

Number of Shares	2023	2022
J van den Bergh	165,982	165,982
P Dentskevich	45,000	45,000
P Judd	24,723	24,723

### Directors insurance and indemnities

Throughout the year the Company has maintained Directors and Officers liability insurance for the benefit of the Company, the Directors and its officers. The Directors consider the level of cover appropriate for the business and intend for it to remain in place for the foreseeable future.

### Significant shareholders

The following parties held greater than 3% of the issued share capital of TruFin plc as at 31 December 2023:

	Number of Shares	% of issued share capital
Watrium AS	24,129,245	22.80%
Gresham House Asset Management	19,420,100	18.35%
Lombard Odier Investment Managers	11,734,224	11.09%
Premier Miton Investors	8,939,759	8.45%
Credit Suisse Private Banking	4,110,548	3.88%
GPIM	4,027,279	3.81%
M&G Investments	3,695,364	3.49%
JO Hambro Capital Management	3,550,000	3.35%

### Events after the reporting date

No reportable events after the reporting date.

## Statement of Directors' responsibility

The Directors are required by the Companies (Jersey) Law 1991, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the company for that period. The Directors have elected to prepare the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions. These records must disclose with reasonable accuracy at any time the financial position of the Company and enable the Directors to ensure that any financial statements prepared comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and, hence, for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law and regulations.

## Statement of going concern

The Directors have completed a final assessment of the Group's financial resources, including forecasts. Based on this review, the Directors believe that the Group is well placed to manage its business risks successfully within the expected economic outlook. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

## Statement as to disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

ON BEHALF OF THE BOARD



**Steve Baldwin**  
Chair

25 March 2024

## Compliance and Risk Report

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Culture is a key component of effective risk management. At TruFin, we encourage, promote, and continuously seek to demonstrate a culture of good governance throughout our business. We have an inclusive, open environment, where transparency, accountability and responsibility is at the core of our organisation. The Board and executive management are committed to creating an effective risk culture across the Company.

We believe that the Group's general risk appetite is moderate and balanced, allowing the appropriate potential for growth and scalability, whilst ensuring regulatory compliance. We have adopted the Quoted Companies Alliance's Corporate Governance Code for small and mid-size quoted companies to ensure the highest standards of corporate governance and all our operations are audited on an annual basis.

### Risk management

We manage risk, among other things, with robust systems and processes, guidelines and policies, which are forward-looking, clearly articulated, documented and communicated throughout the businesses, and which enable the accurate identification and control of potentially problematic transactions and events.

We make complex judgements, including decisions about the level and types of risk that we are willing to accept in order to achieve our business objectives, and the maximum level of risk the Group can assume before breaching constraints determined by liquidity and regulatory needs.

The Board of Directors has the overall responsibility for identifying and determining the nature and extent of the significant risks it is willing to take in order to allow for the execution and delivery of TruFin's strategic objectives and for ensuring that risks are managed effectively.

When identifying, assessing and managing risks, the Board is assisted by the Audit Committee. The Audit Committee reviews internal financial controls and the Company's risk management systems by overseeing risk procedures, including the review and approval of key risk policies and processes.

Day-to-day risks are monitored and managed by TruFin's executive management. As well as external reviews and audits from the Company's statutory auditors, TruFin has internal checks, and guidelines in place. The Company maintains a framework of the key risks, with policies and processes devised to monitor, manage and mitigate them where possible.

At subsidiary level, the responsibility for the establishment and maintenance of adequate day-to-day management of key risks, and formalised risk procedures, rests with the individual boards and their management teams. Additionally, due to Satago and Vertus being lending businesses, they each have their own risk committees in place.

Systems and processes throughout the Group are continually reviewed, updated, and effectively communicated to all personnel to ensure that resources, governance, and infrastructure, remains appropriate.

### Risk reporting

At every Board meeting, the Chief Executive Officer reports to the Board on the existing risks and any new areas of material risk that have been identified to the Group.

Anything that requires escalation from a subsidiary level is augmented by TruFin's executive management who take on the responsibility to report to the TruFin Board.

Having this layered approach ensures that risk management is embraced throughout the subsidiaries and enables the Group to effectively prioritise and manage risk within our target levels.

### Risk Register

The Company operates a Risk Register which documents risks that may prevent the Company from meeting its corporate and strategic objectives. It records all risks including strategic, operational, conflicts, compliance, financial and reporting, and market risks. All risks are assessed against likelihood and severity. Risks are reviewed at operational and strategic level to ensure that they are in line with TruFin's risk appetite. Controls are put in place to mitigate against the identified potential impact and documented risk owners are put in place. Any change in risk will trigger a review of the controls and mitigating actions to ensure they are still relevant and suitable. Risks are measured in respect of how they will impact the business.

Along with the Company's risk policies, the Risk Register is reviewed on an annual basis and any updates are reported to the Board and the Audit Committee.

### Principal risks and uncertainties

Principal risks are a risk or combination of risks that, given the Group's current position, could seriously affect the performance, future prospects or reputation of the Group. These risks could potentially threaten the businesses, performance, solvency or liquidity, or prevent the delivery of the strategic objectives.



The key risks identified and which the Board has reasonable expectation are appropriately mitigated:

Risk	Potential Impact	Mitigation
<b>Strategic Risk</b>	Strategic and business risk is the risk which can affect the Group's ability to achieve its corporate and strategic objectives, the risk on the performance of the Group arising from its strategic decisions, change in the business conditions, improper implementation of decisions or lack of responsiveness to industry changes. It is particularly important as the Group continues its growth strategy.	The Group will not put its core strategic and business objectives at a level of risk which is beyond its financial resources and operational capabilities. The Group will monitor and continually review this risk.
<b>Credit Risk</b>	The risk of default, potential write-off, financial loss arising from a borrower or counterparty failing to meet its financial obligations.	The Group adopts prescribed lending policies and adheres to strict credit and underwriting criteria specifically tailored to each business area.
<b>Funding Risk</b>	The risk of the Group not being able to meet its current and future financial obligations over time, specifically that funding is not available to meet the Group's growth targets.	Vertus and Satago have secured external funding, both debt and equity, with which they can continue to grow their businesses.
<b>Operational Risk</b>	The risk of financial loss and/or reputational damage resulting from inadequate or failed internal processes, people and systems (third party or internal) or from external events. The exposure to operational risk has increased from the previous year as the businesses have grown.	The Group reviews its operational infrastructure to ensure that it is secure and fit for purpose. The Group maintains a strong internal control environment and the Group has also factored in the strengthening of processes and systems.  Supplier policies are in place to ensure regular review of third parties and the associated costs and key dependencies.
<b>Cyber Risk</b>	The Group is dependent on the security, integrity and operational performance of the systems and products it offers as well as the platform partners it works with. A security breach or major systems failure could significantly impact the business and its ability to execute on its plans and compromise sensitive data.  This would also result in adverse reputational consequences for the Group.	The Group has invested in its IT team and infrastructure, implementing additional cyber security processes and policies and continues to regularly review its IT and security provisions to ensure they are industry-leading and in line with best practice. It has put in place business continuity and disaster recovery procedures with regular scheduled testing such that should an event occur, the disruption to the Group can be managed and impact minimised as far as possible.
<b>Inflation and Interest Rate Risk</b>	In recent times global economies have seen increasing levels of inflation and interest rates. There is a risk that this could have a material adverse effect on the Group's future financial performance and levels of profitability.	The Group monitors operational costs and interest rates to ensure competitive rates are obtained and, where appropriate, customer pricing will be used to mitigate adverse movements and manage financial performance.

**Compliance and Risk Report** continued

Risk	Potential Impact	Mitigation
<p><b>Staff Shortage Risk</b></p>	<p>Key to the Group achieving its short and mid-term objectives is increased investment in headcount and the recruitment of skilled individuals. In some areas identifying such skilled individuals has been challenging and potentially could negatively impact the achievement of the Group's targets.</p>	<p>The Group is focused on ensuring its remuneration packages and employee policies remain competitive with market rates and practices to ensure vacancies are filled with high calibre, skilled individuals.</p>

**Looking ahead**

The Directors of TruFin have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.

We will continue to monitor the impacts and associated risks arising from the regulatory landscape and global

changes with a particular focus on consideration of emerging risks. There will continue to be a focus on strengthening the risk and control environment, including ESG risks.

In addition, focus will remain on ensuring a strong dialogue between the compliance function and executive management, the operations of the Group, and the Board of Directors.

# Environmental Social and Governance (“ESG”) and Sustainability Report

We believe that high standards of ESG and sustainability within both the Company and its subsidiaries (the “Group”) are not only good in themselves but also make sound business sense and have the potential to protect and enhance shareholder returns.

TruFin has identified the key areas for consideration, across the three ESG categories, which best align with its values and are most relevant for companies operating in the fintech industry. The key environmental consideration as identified by TruFin is the potential impact of business operations on the global issue of climate change. Social factors include the risks and opportunities associated with diversity, data security and privacy, and the impact the Group has on its employees, customers, and community. Governance considerations include anti-bribery and corruption, board structure and independence, and compliance.

## Environmental responsibility

As an investment company, with limited internal resource, the Company has little impact on the environment. However, we believe protecting the environment is a global mission and we have our own part to play in helping the UK reduce greenhouse gas emissions to net zero by 2050. Our offices operate energy saving practices, our employees recycle waste, and we discourage excessive printing of documents and will continue to remove unnecessary paper wherever we can.

## Social responsibility

Our aim is to embrace diversity and be truly representative of all sections of society. We believe the foundations are in place for the Group to uphold a diverse and inclusive environment where employees feel they can fulfil their career ambitions regardless of their gender, sexual orientation, ethnicity, disability, or social upbringing. We aim to provide an inclusive, progressive and sustainable environment where our employees thrive.

We strive to uphold working environments free of bullying, harassment, victimisation and unlawful discrimination, where individual differences and contributions from all employees are recognised and valued.

It is becoming increasingly clear that people care about the ethical use of their data, demanding accountability and transparency from the businesses they interact with. As such, we believe our robust internal data protection and security policies ensure regulatory compliance, providing assurance that our data handling is ethical and strengthens our governance.

We believe it is critical for boards of directors to benefit from diverse perspectives and as such the Company aims to have a balance of relevant skills, experience and background amongst the Directors on the Board. Further, we believe that all Board appointments should be made on merit and with due regard to the benefits of diversity. As well as the subsidiary boards, we also encourage diversity in the management teams of the subsidiaries and the promotion of the benefits of diversity throughout Group.

## Governance responsibility

We acknowledge the importance of high standards of corporate governance and intend to comply with the principles set out in the QCA Corporate Governance Code for small and mid-Size quoted companies 2018. This sets out a standard of minimum best practice for small and mid-size quoted companies, particularly Alternative Investment Market (“AIM”) companies. A statement regarding how we comply with the QCA code can be found on the TruFin website.

In November 2023, the QCA published an updated version of its Code (the “2023 Code”), that will apply to financial years beginning on or after 1 April 2024. Disclosures in respect of the 2023 Code are expected in 2025. In order to ensure compliance with these disclosures, TruFin plans to undertake a gap analysis between its current governance practices and the revised expectations of the 2023 Code.

Governance is a priority throughout the Group. We have implemented a Group Governance Policy within each of the subsidiaries which we believe provides the Group with sufficient autonomy to be as successful as possible, whilst ensuring we have adequate information about, and appropriate control over, the significant activities and decisions of our subsidiaries, ensuring that good governance is achieved.

The Group Governance Policy requires constant engagement between the executive management of TruFin and its subsidiaries, and expects ESG and sustainability issues to be a key consideration for such communication. Within each subsidiary, there are members of TruFin’s executive management team with a board seat, or with board observer status.

We are committed to carrying out business in an honest and fair manner with a zero-tolerance approach to bribery, tax evasion and corruption. As such, policies and procedures are in place to prevent bribery and corruption. In carrying out its activities, TruFin aims to conduct itself responsibly, ethically and fairly, including in relation to social and human rights issues.

## ESG and sustainability in action

Developments continue to be seen in ESG and sustainability practices across the subsidiaries, both in their business models and operating procedures. However, it should be noted that the Group comprises early-stage companies and quantitative data is not readily available. Below we highlight some examples.

### Oxygen

Oxygen’s purpose is to deliver economic and social benefits to its clients. Oxygen’s role as a facilitator promotes public sector procurement practices that drive societal, environmental, and efficiency benefits up and down the supply chain. Oxygen achieves this via its digitally driven products: Early Payment and FreePay, Oxygen Insights including Insights Carbon, and bidstats.uk.

# Environmental Social and Governance (“ESG”) and Sustainability Report continued

For example, FreePay aligns perfectly with the public sector’s commitment to social responsibility. FreePay enables public organisations to inject liquidity into small and micro firms, fostering economic growth. This enables buyers to support local economies, transform supplier experiences and contribute positively to their part of the public sector.

The benefits extend beyond financial gains. FreePay enhances relationships between buyers and suppliers, promotes transparency in purchase-to-pay practices and ensures timely payments. As councils and public bodies embrace FreePay, they not only improve their own efficiency, but also empower the businesses that form the backbone of their supply chains. In 2023, Oxygen saw four additional clients implement FreePay, which lead to the early payment of 254,000 invoices.

Rolled out over the last year, Insights Carbon has provided public bodies with free, real-time insights into the carbon footprint associated with their third-party spending. This vital tool is helping Oxygen’s clients be at the forefront of addressing the climate emergency.

Public sector organisations can now track spend per category and estimate emissions, to make informed decisions that align with their net-zero commitments. As of today, 60 public bodies are using Insights Carbon as a touchstone of their net-zero strategy.

In November, Oxygen made a significant acquisition designed to further facilitate efficient public sector procurement between buyers and suppliers. bidstats.uk collects, aggregates, and organises tender information from over 3,000 data sources, creating a one stop shop for suppliers looking for new public sector contracts. bidstats.uk boosts supplier participation and drive efficiencies, whilst also alerting smaller firms who may otherwise be unaware of upcoming public tenders.

Oxygen is currently working to align its ESG efforts with the United Nation’s Sustainable Development Goals (“UN SDGs”). These UN SDGs are designed to drive global progress towards a more environmentally and socially responsible world by 2030.

## Satago

Satago facilitates best-in-class invoice finance solutions through advanced technology and innovative use of data to help SMEs in the community. Satago’s solutions solve problems by removing traditional challenges experienced by lenders and SMEs. Satago believes that all SMEs should have access to financing capabilities to help them achieve success.

With its value created through collaboration and partnerships, Satago believes that ethical procurement is the heart of its value chain. Specifically, Satago pays attention to the carbon impacts of its suppliers and the labour practices of its end-users and, guided by the principles of ESG, aims to proactively eliminate unethical practices throughout its supply chain. Further, Satago endeavours to work with suppliers who have publicly made – and demonstrate – their commitment to the environment.

## Playstack

Playstack is a leading games publisher that employs a diverse team of people globally.

During the year, Playstack continued to support SpecialEffect, a charity which supports people with physical disabilities through the innovative use of technology. SpecialEffect will remain Playstack’s primary chosen charity for 2024.

In addition to this, Playstack continues to participate in other charitable initiatives. Of note is Humble Bundle, where Playstack games are included in a bundle for players, with the majority of proceeds going to charity.

For 2024, Playstack will remain focussed on sustainability, choosing locally sourced suppliers for food and beverages in recyclable or reusable packaging, and carbon offsetting for all international travellers. Playstack has also decided to look into what it would take to meet the highest standards of social and environmental performance, transparency and accountability, and become B Corp Certified.

## Looking ahead

We are pleased with the progress we have made in evolving our ESG and sustainability agenda this year. However we know there is much more we can do. This as a long-term journey and something that is core to our Group business model.

Getting it right for our employees, customers, communities, environment, and shareholders is the cornerstone of our efforts.

We believe that prioritising ESG and sustainability builds greater resilience into our business model and there will continue to be a focus on strengthening the risk and control environment, including those relating to ESG.

In 2024, TruFin will remain committed to:

- Incorporating ESG and sustainability considerations into its operating practices
- Providing ESG training and support to employees so that they may perform their work in accordance with its philosophy
- Actively engaging with the subsidiaries to encourage regular reporting and ongoing improvement of key ESG areas
- Annual reporting on ESG and sustainability via our Annual Report and Accounts.

## FINANCIAL STATEMENTS

# Report of the Independent Auditor to the Shareholders of TruFin plc

For the year ended 31 December 2023

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## Opinion

We have audited the financial statements of TruFin plc (the “parent company”) and its subsidiaries (the “group”) for the year ended 31 December 2023, which comprise:

- the group and parent company statements of comprehensive income for the year then ended;
- the group and parent company statements of financial position as at 31 December 2023;
- the group and parent company statements of changes in equity for the year then ended;
- the group and parent company statements of cash flows for the year then ended; and
- the notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the group’s and of the parent company’s affairs as at 31 December 2023 and of the group’s and parent company’s loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

## Basis for opinion

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

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors’ assessment of the group’s and parent company’s ability to continue to adopt the going concern basis of accounting included:

- Obtaining and reviewing the management’s assessment of going concern;
- Checking the mathematical accuracy of the model, and agreeing opening positions used;
- Challenging budgets used by management in their going concern assessment by assessing management’s ability to forecast accurately which includes comparing the prior year budgets with actual figures and comparing the first month of the 2024 budget to actual results;
- Challenging the reasonableness for these forecasts whether these are consistent with our understanding of the business obtained during the audit;
- Reviewing the downside scenario and challenging management on the assumptions applied;
- Reviewing mitigating actions that could be taken by management to conserve cash; and
- Assessing the completeness and accuracy of the disclosures made in relation to this matter in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group’s and parent company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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## Overview of our audit approach

### Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the group financial statements as a whole to be £500,000 (2022: £650,000), based on approximately 1% of Total Assets (2022: 1% of Total Assets). Materiality for the parent company financial statements as a whole was set at £350,000 (2022: £350,000) based on up to 0.5% of Total Assets (2022: 0.5% of Total Assets).

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This is set at £350,000 (2022: £390,000) for the group and £245,000 (2022: £210,000) for the parent company.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £25,000 (2022: £33,000). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

### Overview of the scope of our audit

The group consists of TruFin plc itself, TruFin Holdings Limited (the holding entity) and the subsidiaries as disclosed in Note 1.

In establishing our overall approach to the group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team. The primary audit engagement team audited all the UK trading entities within the group, except for the Oxygen business which was audited by a separate Crowe UK team. For the Oxygen business, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the group as a whole. The primary team lead by the Senior Statutory Auditor was ultimately responsible for the scope and direction of the audit process. The primary team interacted regularly with the component team where appropriate during various stages of the audit, reviewed working papers and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed at group level, such as performing specified audit procedures for material balances for non-UK components and performing analytical procedures on non-significant entities to the group, gave us appropriate and sufficient audit evidence to support our opinion on the group financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Report of the Independent Auditor to the Shareholders of TruFin plc continued

For the year ended 31 December 2023

This is not a complete list of all risks identified by our audit.

Revenue Recognition (Note 3)	
Key audit matter	<p>The group derives its revenue from interest, fee and publishing income. For the year ended 31 December 2023, the group recorded total gross revenue from continuing operations of £18,131k (2022: £13,860k).</p> <p>Interest income is earned on loans and advances to customers by Satago and accounts for 8% of total revenue. Fee income is earned on payment services and subscription fees provided by Oxygen and Satago which accounts for 52% of total revenue. Publishing income is earned by the companies in the Playstack group and accounts for 40% of total revenue.</p> <p>Revenue is material and is an important determinant of the group's profitability, which has a consequent impact on its share price performance. This may create an incentive for management to manipulate results and this is therefore considered to be a fraud risk.</p>
How the scope of our audit addressed the key audit matter	<ul style="list-style-type: none"> <li>• We confirmed our understanding of the processes and controls relevant to each revenue streams. We also assessed the design and implementation of key controls over revenue recognition.</li> <li>• Based on that understanding, we considered the performance obligations identified when "control" passes to the customer and, consequently, when revenue is earned.</li> <li>• We selected a sample of contracts to confirm our understanding of the principal terms and obligations.</li> <li>• We performed analytical review for each revenue streams and corroborated the reasons for any large and unusual variances.</li> <li>• For a selection of transactions, we confirmed that the recognition criteria in relation to the income earned in the period has been met by agreeing to supporting documents and vouching to cash receipts. For interest income, we have recalculated the interest earned based on the underlying interest rate per the agreements.</li> <li>• We reviewed and tested the basis for accrued and deferred income.</li> <li>• We reviewed aged receivables profile and credit notes issued post year end.</li> <li>• We tested the cut off of revenue by agreeing a sample of items around the year end to supporting evidence such as invoices and agreements, ensuring revenue is recognised in the correct accounting period.</li> </ul>
Carrying value of goodwill and other intangible assets (Note 11)	
Key audit matter	<p>The group's intangible assets comprises of goodwill, separately identifiable intangible assets, client contracts, software licences and similar assets.</p> <p>When assessing the carrying value of goodwill and intangible assets, management make judgements regarding the appropriate cash generating unit, strategy, future trading and profitability and the assumptions underlying these. The process of measuring and recognising impairment of assets, including goodwill, is complex and highly judgemental.</p>
How the scope of our audit addressed the key audit matter	<ul style="list-style-type: none"> <li>• We obtained an understanding of the process and key controls relating to the impairment assessment.</li> <li>• We reviewed and challenged the assessment made by management in establishing the cash generating units.</li> <li>• We evaluated, in comparison to the requirements set out in IAS 36, management's assessment as to whether goodwill and/or other intangible assets were impaired.</li> <li>• We challenged and reviewed management's impairment and fair value models as appropriate and their key estimates, including the discount rate and revenue growth. We reviewed the appropriateness and consistency of the process for making such estimates.</li> <li>• We involved our valuations specialist to assist us with reviewing and challenging the discount rate used by management.</li> </ul>



- We performed sensitivity analysis on the key assumptions to the impairment models to understand the impact that reasonably possible changes to these key inputs would have on the overall carrying amount of goodwill and other intangible assets.
- We reviewed the completeness and accuracy of the disclosures included in the financial statements.

#### Accounting and disclosure requirements for the disposal of Vertus (Note 10)

Key audit matter	<p>On 4 October 2023, the group disposed its equity interest in Vertus. There is a risk of error in the appropriate accounting for the significant transaction involving a loss on disposal of the subsidiary and the relevant presentation and disclosure as a discontinued operation.</p> <p>The risks relates to the measurement of the carrying amount of the net assets when calculating the resulting loss at the disposal date.</p> <p>This is a new risk in the current year.</p>
How the scope of our audit addressed the key audit matter	<ul style="list-style-type: none"> <li>• We inspected and reviewed the documents pertaining to the completion of the sale transaction, including the signed sale and purchase agreement (SPA) and board approvals.</li> <li>• We performed audit procedures on the loss on disposal calculation, which included agreeing the consideration to the SPA and receipt to the bank statements.</li> <li>• We performed audit procedures on the pre-disposal profit and loss transactions and cash flows, and of the financial position as at the disposal date.</li> <li>• We performed audit procedures to assess the completeness and accuracy of any potential continuing obligations on the group after the disposal date, which included reviewing the SPA for contractual liabilities and performing cut off procedures.</li> <li>• We assessed the technical accounting treatment of the disposal transaction and the adequacy of the related disclosures for the discontinued operation.</li> </ul>

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

#### Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Matters on which we are required to report by exception

We have nothing to report to you in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the parent company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 29, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the

## Report of the Independent Auditor to the Shareholders of Trufin plc continued

For the year ended 31 December 2023

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directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies (Jersey) Law 1991 and income tax rules.

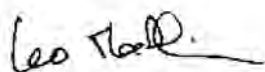
As part of our audit planning process we assessed the different areas of the financial statements, including disclosures, for the risk of material misstatement. This included considering the risk of fraud where direct enquiries were made of management and those charged with governance concerning both whether they had any knowledge of actual or suspected fraud and their assessment of the susceptibility of fraud. We considered the risk was greater in areas involve significant management estimate or judgement. Based on this assessment we designed audit procedures to focus on the key areas of estimate or judgement, this included specific testing of journal transactions, both at the year end and throughout the year.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the parent company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.



#### Leo Malkin (Senior Statutory Auditor)

for and on behalf of  
Crowe UK LLP  
Statutory Auditor  
London  
25 March 2024

## FINANCIAL STATEMENTS

**Consolidated Statement of Comprehensive Income**

For the year ended 31 December 2023

	Notes	2023 £'000	2022 £'000
Interest income	3	1,470	405
Fee income	3	9,348	7,138
Publishing income	3	7,313	6,317
<b>Gross revenue</b>	<b>3</b>	<b>18,131</b>	<b>13,860</b>
Interest, fee and publishing expenses		(5,027)	(4,207)
<b>Net revenue</b>		<b>13,104</b>	<b>9,653</b>
Staff costs	5	(12,558)	(11,641)
Other operating expenses		(5,850)	(4,616)
Depreciation & amortisation		(1,922)	(1,529)
Net impairment on financial assets	7	(109)	(50)
Share of (loss)/profit from associates		(4)	1
<b>Loss before tax</b>		<b>(7,339)</b>	<b>(8,182)</b>
Taxation	2, 9	962	1,267
<b>Loss from continuing operations</b>		<b>(6,377)</b>	<b>(6,915)</b>
<b>(Loss)/profit from discontinued operations</b>	<b>10</b>	<b>(963)</b>	<b>109</b>
<b>Loss for the year</b>		<b>(7,340)</b>	<b>(6,806)</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit and loss</b>			
Exchange differences on translating foreign operations		126	(65)
<b>Other comprehensive income for the year, net of tax</b>		<b>126</b>	<b>(65)</b>
<b>Total comprehensive loss for the year</b>		<b>(7,214)</b>	<b>(6,871)</b>
Loss for the year attributable to the owners of:			
TruFin plc		(6,472)	(6,637)
Non-controlling interests		(868)	(169)
		<b>(7,340)</b>	<b>(6,806)</b>
Total comprehensive loss for the year attributable to the owners of:			
TruFin plc		(6,350)	(6,704)
Non-controlling interests		(864)	(167)
		<b>(7,214)</b>	<b>(6,871)</b>
Total comprehensive (loss)/profit for the year attributable to Owners of TruFin plc from			
Continuing operations		(5,190)	(6,744)
Discontinued operations		(1,160)	40
		<b>(6,350)</b>	<b>(6,704)</b>
<b>Earnings per Share</b>			
	Notes	2023 pence	2022 pence
Basic and diluted EPS	22	(6.5)	(7.3)
Basic and diluted EPS from continuing operations		(5.3)	(7.4)

## FINANCIAL STATEMENTS

**Company Statement of Comprehensive Income**

For the year ended 31 December 2023

	Notes	2023 £'000	2022 £'000
<b>Revenue</b>	3	<b>1,765</b>	<b>2,293</b>
Staff costs	5	(2,106)	(1,673)
Other operating expenses		(633)	(660)
Depreciation & amortisation		(2)	(2)
<b>Loss before tax</b>		<b>(976)</b>	<b>(42)</b>
Taxation	9	-	-
<b>Loss and total comprehensive income for the year</b>		<b>(976)</b>	<b>(42)</b>

## Consolidated Statement of Financial Position

As at 31 December 2023

	Notes	2023 £'000	2022 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	11	25,417	24,411
Property, plant and equipment	12	275	345
Deferred tax asset	9	250	250
Loans and advances	14	-	15,016
<b>Total non-current assets</b>		<b>25,942</b>	<b>40,022</b>
<b>Current assets</b>			
Cash and cash equivalents		10,140	10,273
Loans and advances	14	7,234	9,145
Interest in associate		-	4
Trade receivables	15	2,385	2,149
Other receivables	15	4,975	3,899
<b>Total current assets</b>		<b>24,734</b>	<b>25,470</b>
<b>Total assets</b>		<b>50,676</b>	<b>65,492</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued share capital	16	96,311	85,706
Retained earnings		(31,017)	(24,884)
Foreign exchange reserve		59	(63)
Other reserves		(29,798)	(26,531)
<b>Equity attributable to owners of the company</b>		<b>35,555</b>	<b>34,228</b>
Non-controlling interest	20	2,385	5,876
<b>Total equity</b>		<b>37,940</b>	<b>40,104</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	17	1,047	16,764
<b>Total non-current liabilities</b>		<b>1,047</b>	<b>16,764</b>
<b>Current liabilities</b>			
Borrowings	17	6,157	1,783
Trade and other payables	18	5,532	6,841
<b>Total current liabilities</b>		<b>11,689</b>	<b>8,624</b>
<b>Total liabilities</b>		<b>12,736</b>	<b>25,388</b>
<b>Total equity and liabilities</b>		<b>50,676</b>	<b>65,492</b>

The notes on pages 50 to 89 are an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 25 March 2024. They were signed on its behalf by:



**James van den Bergh**  
Chief Executive Officer

FINANCIAL STATEMENTS

**Company Statement of Financial Position**

As at 31 December 2023

	Notes	2023 £'000	2022 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		2	4
Investments in subsidiaries	13	30,189	30,189
Amounts owed by group undertakings		59,089	54,835
<b>Total non-current assets</b>		<b>89,280</b>	<b>85,028</b>
<b>Current assets</b>			
Cash and cash equivalents		4,723	2,260
Trade and other receivables	15	161	138
<b>Total current assets</b>		<b>4,884</b>	<b>2,398</b>
<b>Total assets</b>		<b>94,164</b>	<b>87,426</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued share capital	16	96,311	85,706
Retained earnings		(6,679)	(6,042)
Other reserves		3,798	6,828
<b>Total equity</b>		<b>93,430</b>	<b>86,492</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	18	734	934
<b>Total current liabilities</b>		<b>734</b>	<b>934</b>
<b>Total liabilities</b>		<b>734</b>	<b>934</b>
<b>Total equity and liabilities</b>		<b>94,164</b>	<b>87,426</b>

The notes on pages 50 to 89 are an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 25 March 2024. They were signed on its behalf by:



**James van den Bergh**  
Chief Executive Officer

## Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	Share capital £'000	Retained earnings £'000	Foreign exchange reserve £'000	Other reserves £'000	Total £'000	Non-controlling interest £'000	Total equity £'000
<b>Balance at 1 January 2023</b>	<b>85,706</b>	<b>(24,884)</b>	<b>(63)</b>	<b>(26,531)</b>	<b>34,228</b>	<b>5,876</b>	<b>40,104</b>
Loss for the year from continuing operations	-	(5,312)	-	-	(5,312)	(1,065)	(6,377)
Other comprehensive income for the year	-	-	122	-	122	4	126
Loss from discontinued operations	-	(1,160)	-	-	(1,160)	197	(963)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(6,472)</b>	<b>122</b>	<b>-</b>	<b>(6,350)</b>	<b>(864)</b>	<b>(7,214)</b>
Issuance of shares	10,605	(427)	-	(3,030)	7,148	-	7,148
Share based payment	-	766	-	-	766	-	766
Disposal of subsidiary	-	-	-	-	-	(2,620)	(2,620)
Purchase of subsidiary shares	-	-	-	(237)	(237)	(7)	(244)
<b>Balance at 31 December 2023</b>	<b>96,311</b>	<b>(31,017)</b>	<b>59</b>	<b>(29,798)</b>	<b>35,555</b>	<b>2,385</b>	<b>37,940</b>
<b>Balance at 1 January 2022</b>	<b>73,548</b>	<b>(17,731)</b>	<b>4</b>	<b>(24,393)</b>	<b>31,428</b>	<b>1,023</b>	<b>32,451</b>
Loss for the year	-	(6,637)	-	-	(6,637)	(169)	(6,806)
Other comprehensive income for the year	-	-	(67)	-	(67)	2	(65)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(6,637)</b>	<b>(67)</b>	<b>-</b>	<b>(6,704)</b>	<b>(167)</b>	<b>(6,871)</b>
Issuance of shares	12,158	(496)	-	(2,138)	9,524	-	9,524
Issuance of shares by subsidiary	-	(20)	-	-	(20)	5,020	5,000
<b>Balance at 31 December 2022</b>	<b>85,706</b>	<b>(24,884)</b>	<b>(63)</b>	<b>(26,531)</b>	<b>34,228</b>	<b>5,876</b>	<b>40,104</b>

The notes on pages 50 to 89 are an integral part of these financial statements.

## FINANCIAL STATEMENTS

**Consolidated Statement of Changes in Equity** continuedFor the year ended 31 December 2023

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**Share capital**

Share capital represents the nominal value of equity share capital issued.

**Retained earnings**

The retained earnings reserve represents cumulative net gains and losses.

**Foreign exchange reserve**

The foreign exchange reserve represents exchange differences which arise on consolidation from the translation of the financial statements of foreign subsidiaries.

**Other reserves**

Other reserves consist of the merger reserve, the share revaluation reserve and shares issued at a discount.

The merger reserve arose as a result of combining businesses that are under common control. As at 31 December 2023 it was a debit balance of £33,358,000 (2022: £33,358,000).

The share revaluation reserve arose from the share cancellation that took place in February 2018. As at 31 December 2023 its balance was £8,966,000 (2022: £8,966,000).

Shares issued at a discount arose from the share issuances that took place in April 2022 and July 2023. As at 31 December 2023 its balance was £5,168,000 (2021: £2,138,000). See Note 16 for further information.

**Non-Controlling Interest**

The non-controlling interest relates to the minority interest held in Bandana Media Limited, Playstack OY, Vertus Capital Limited, Vertus SPV1 Limited, Satago Financial Solutions Limited, Satago SPV1 Limited, Satago SPV2 Limited and Satago z.o.o.



## Company Statement of Changes in Equity

For the year ended 31 December 2023

	Share capital £'000	Retained earnings £'000	Other reserves £'000	Total equity £'000
<b>Balance at 1 January 2023</b>	<b>85,706</b>	<b>(6,042)</b>	<b>6,828</b>	<b>86,492</b>
Total comprehensive loss for the year	-	(976)	-	(976)
Issuance of shares	10,605	(427)	(3,030)	7,148
Share based payment	-	766	-	766
<b>Balance at 31 December 2023</b>	<b>96,311</b>	<b>(6,679)</b>	<b>3,798</b>	<b>93,430</b>
<b>Balance at 1 January 2022</b>	<b>73,548</b>	<b>(5,504)</b>	<b>8,966</b>	<b>77,010</b>
Total comprehensive loss for the year	-	(42)	-	(42)
Issuance of shares	12,158	(496)	(2,138)	9,524
<b>Balance at 31 December 2022</b>	<b>85,706</b>	<b>(6,042)</b>	<b>6,828</b>	<b>86,492</b>

The notes on pages 50 to 89 are an integral part of these financial statements.

FINANCIAL STATEMENTS

**Consolidated Statement of Cash Flows**

For the year ended 31 December 2023

	Notes	2023 £'000	2022 £'000
<b>Cash flows from operating activities</b>			
Loss before tax			
Continuing operations		(7,339)	(8,182)
Discontinued operations		(963)	162
Adjustments for			
Depreciation of property, plant and equipment		107	104
Amortisation of intangible assets		2,893	2,314
Share based payments		766	-
Finance costs		569	175
Share of loss/(profit) from associate		4	(1)
Loss on disposal of subsidiary		1,358	-
Underlying trading profit from discontinued operations		(396)	(162)
		<b>(3,001)</b>	<b>(5,590)</b>
<b>Working capital adjustments</b>			
Movement in loans and advances		(4,491)	(2,181)
Increase in trade and other receivables		(1,398)	(32)
Increase/(decrease) in trade and other payables		390	(88)
Net payables on acquisition of subsidiary		-	(67)
		<b>(5,499)</b>	<b>(2,368)</b>
Tax credit received		768	668
Interest and finance costs		(416)	(162)
<b>Net cash used in operating activities from continuing operations</b>		<b>(8,148)</b>	<b>(7,452)</b>
<b>Cash flows from investing activities:</b>			
Additions to intangible assets		(5,452)	(3,085)
Additions to property, plant and equipment		(42)	(107)
Acquisition of subsidiaries		(1,421)	(1,217)
Disposal of subsidiary		3,147	-
Cash on acquisition of subsidiary		-	19
Cash in subsidiary on disposal		(938)	-
<b>Net cash used in investing activities from continuing operations</b>		<b>(4,706)</b>	<b>(4,390)</b>
<b>Cash flows from financing activities:</b>			
Issue of ordinary share capital		7,148	9,524
Issue of ordinary share capital of subsidiary		-	5,000
Net borrowings	17	5,393	(55)
Lease payments		(81)	(28)
<b>Net cash generated from financing activities from continuing operations</b>		<b>12,460</b>	<b>14,441</b>
<b>Net (decrease)/increase in cash and cash equivalents from continuing operations</b>		<b>(394)</b>	<b>2,599</b>
<b>Net cash from discontinued operations</b>		<b>199</b>	<b>56</b>
Cash and cash equivalents at beginning of the year		10,273	7,608
Effect of foreign exchange rate changes		62	10
<b>Cash and cash equivalents at end of the year</b>		<b>10,140</b>	<b>10,273</b>

The notes on pages 50 to 89 are an integral part of these financial statements

## Company Statement of Cash Flows

For the year ended 31 December 2023

	2023 £'000	2022 £'000
<b>Cash flows from operating activities</b>		
Loss before income tax	(976)	(42)
Adjustments for:		
Depreciation of property, plant and equipment	2	2
Interest income	(1,657)	(2,166)
Share based payments	766	-
<b>Working capital adjustments</b>	<b>(1,865)</b>	<b>(2,206)</b>
(Increase)/decrease in trade and other receivables	(22)	6
Decrease in trade and other payables	(200)	(94)
	<b>(222)</b>	<b>(88)</b>
Interest received	117	-
<b>Net cash used in operating activities</b>	<b>(1,970)</b>	<b>(2,294)</b>
<b>Cash flows from investing activities</b>		
Intragroup loans cash advanced	(6,156)	(5,750)
Intragroup loans cash received	3,442	-
Additions to property, plant and equipment	-	(6)
<b>Net cash generated used in investing activities</b>	<b>(2,714)</b>	<b>(5,756)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary share capital	7,147	9,524
<b>Net cash generated from financing activities</b>	<b>7,147</b>	<b>9,524</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,463</b>	<b>1,474</b>
Cash and cash equivalents at beginning of the year	2,260	786
<b>Cash and cash equivalents at end of the year</b>	<b>4,723</b>	<b>2,260</b>

All cash and cash equivalents are cash at bank.

The notes on pages 50 to 89 are an integral part of these financial statements.

## FINANCIAL STATEMENTS

**Notes to the Consolidated Financial Statements**For the year ended 31 December 2023

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**Statutory information**

TruFin plc is a Company registered in Jersey and incorporated under Companies (Jersey) Law 1991. The Company's ordinary shares were listed on the Alternative Investment Market of the London Stock Exchange on 21 February 2018. The address of the registered office is 26 New Street, St Helier, Jersey, JE2 3RA.

**1. Accounting policies****General information**

The TruFin Group (the "Group") is the consolidation of TruFin plc and the companies set out in the "Basis of consolidation" on pages 51-52.

The principal activities of the Group are the provision of niche lending, early payment services and game publishing.

The financial statements are presented in Pounds Sterling, which is the currency of the primary economic environment in which the Group operates. Amounts are rounded to the nearest thousand.

**Basis of accounting**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

Prior to 29 November 2017 and before the incorporation of TruFin plc and TruFin Holdings, the entities named above were under common control and therefore, have been accounted for as a common control transaction – that is a business combination in which all the combining entities or businesses are ultimately controlled by the same company both before and after the combination. IFRS 3 provides no specific guidance on accounting for entities under common control and therefore other relevant standards have been considered. These standards refer to pooling of assets and merger accounting and this is the methodology that has been used to consolidate the Group.

After 29 December 2017, post the reorganisation, the entities constitute a legal group and accordingly the consolidated financial statements have been prepared by applying relevant principles underlying the consolidation procedures of IFRS.

**Basis of preparation**

The results of the Group companies have been included in the consolidated statement of comprehensive income. Where necessary, adjustments have been made to the underlying financial information of the companies to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

The consolidated financial statements contained in this document consolidates the statements of total comprehensive income, statements of financial position, cash flow statements, statements of changes in equity and related notes for each of the companies listed in the "Basis of consolidation" on pages 51-52, which have been prepared in accordance with IFRS.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

## Basis of consolidation

The consolidated financial statements include all of the companies controlled by the Group, which are as follows:

Entities	Country of incorporation	Registered address	Nature of the business	% voting rights and shares held
TruFin Holdings Limited ("THL")	Jersey	26 New Street, St Helier, Jersey JE2 3RA	Holding Company	100% of ordinary shares
Satago Financial Solutions Limited ("Satago") (together with Satago SPV 1, Satago SPV 2 and Satago Poland) ("Satago Group")	UK	120 Regent Street, London, United Kingdom, W1B 5FE	Provision of short term finance	72% of ordinary shares*
Satago SPV 1 Limited ("Satago SPV 1")	UK	120 Regent Street, London, United Kingdom, W1B 5FE	Provision of short term finance	72% of ordinary shares*
Satago SPV 2 Limited ("Satago SPV 2")	UK	120 Regent Street, London, United Kingdom, W1B 5FE	Provision of short term finance	72% of ordinary shares*
Satago z.o.o (Satago Poland)	Poland	32-023 Krakow ul. Sw. Krzyza 19/6 Poland	Provision of short term finance	72% of ordinary shares*
Oxygen Finance Group Limited ("OFGL") (together with OFL, BPL and OFAI) ("Oxygen")	UK	1st Floor Enterprise House, 115 Edmund Street, Birmingham, United Kingdom, B3 2HJ	Holding Company	85% of ordinary shares**
Oxygen Finance Limited ("OFL")	UK	1st Floor Enterprise House, 115 Edmund Street, Birmingham, United Kingdom, B3 2HJ	Provision of early payment services	85% of ordinary shares**
Birmingham Procurement Limited ("BPL")	UK	1st Floor Enterprise House, 115 Edmund Street, Birmingham, United Kingdom, B3 2HJ	Not trading	85% of ordinary shares**
Oxygen Finance Americas, Inc ("OFAI")	USA	Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801, USA	Provision of early payment services	85% of ordinary shares**
TruFin Software Limited ("TSL")	UK	120 Regent Street, London, United Kingdom, W1B 5FE	Provision of technology services	100% of ordinary shares
AltLending UK Limited ("AltLending")	UK	120 Regent Street, London, United Kingdom, W1B 5FE	Provision of short term finance	100% of ordinary shares
Playstack Limited ("Playstack")***	UK	56a Poland Street, London, United Kingdom, W1F 7NN	Publishing of computer games	100% of ordinary shares
Bandana Media Limited ("Bandana")***	UK	56a Poland Street, London, United Kingdom, W1F 7NN	Publishing of computer games	72% of ordinary shares
Playlgnite Ltd ("Playlgnite")***	UK	56a Poland Street, London, United Kingdom, W1F 7NN	Business and domestic software developer	100% of ordinary shares
Playstack z.o.o ("PS Poland")***	Poland	Kamienna 21, 31-403 Krakow, Poland	Publishing activities in the field of computer games	100% of ordinary shares
Playstack OY ("PS Finland")***	Finland	Mikonkatu 17 B, 00100 Helsinki, Finland	Publishing activities in the field of computer games	75% of ordinary shares

## FINANCIAL STATEMENTS

### Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

Entities	Country of incorporation	Registered address	Nature of the business	% voting rights and shares held
Playstack AB ("PS Sweden")***	Sweden	Solbergavägen 17, 17998 Färentuna, Sweden	Developing, publishing and selling electronic games	100% of ordinary shares
Playstack Inc ("Playstack USA")***	USA	Gust Delaware, 16192 Coastal Hwy, Lewes, DE 19958	Publishing of computer games	100% of ordinary shares
Playlgnite Inc ("Playlgnite USA")***	USA	Cogency Global Inc, 850 New Burton Road, Suite 201, Dover DE 19904	Business and domestic software developer	100% of ordinary shares
Magic Fuel Inc ("Magic Fuel")	USA	5424 Sunol Blvd Ste 10 PMB 1021, Pleasanton, CA 94566-7705	Game developer	100% of ordinary shares

\* See Note 20 for the Group's effective economic ownership of the Satago Group.

\*\* Nominal ownership of these companies is 85% due to the Oxygen Management Incentive Plan ("Oxygen MIP"). Effective economic ownership is 100% based on their Statements of Financial Position at the Reporting Date.

\*\*\* The Playstack Group includes two associate companies incorporated in the UK which have been accounted for using the equity method. These are:

- A 27% interest in Storm Chaser Games Limited ("Storm Chaser Games")
- A 49% interest in Snackbox Games Ltd

The Playstack Group included one associate company incorporated in the UK which was dissolved in the year

- A 42% interest in Military Games International Limited (dissolved on 18 April 2023)

The Playstack Group disposed of its 49% interest in PlayFinder Games Ltd, an associate company incorporated in the UK

On 4 October 2023, the Group disposed of its 54% ownership of Vertus Capital Limited and Vertus SPV Limited (together "Vertus"). The results for Vertus up to its disposal have been included within Discontinued operations, with comparatives restated accordingly.

### Principal accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been applied consistently to all the financial periods presented.

The consolidated financial statements have been prepared in accordance with European Union Endorsed International Financial Reporting Standards (IFRSs) and the IFRS Interpretations Committee (formerly the International Financial Reporting Interpretations Committee (IFRIC)) interpretations. These statements have been prepared on a going concern basis and under the historical cost convention except for the treatment of certain financial instruments.

### Going concern

The directors have prepared and reviewed detailed financial forecasts of the Group and, in particular, considered the cash flow requirements for the period from the date of approval of these financial statements to the end of June 2025. These forecasts sit within the Group's latest estimate and within the longer-term financial plan, both of which have been updated on a regular basis. The directors are also mindful of the impact that the other risks and uncertainties set out on page 31 may have on these estimates and have considered several scenarios based on revenue, cost and funding sensitivities. As a consequence, the Directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors have adopted the going concern basis in preparing these financial statements.

### Revenue recognition

#### Net revenue

#### Interest income and expense

Interest income and expense for all financial instruments except for those classified as held for trading or measured or designated as at Fair Value Through Profit and Loss ("FVTPL") are recognised in "Net revenue" as "Interest income" and "Interest, fee and publishing expenses" in the profit or loss account using the effective interest method.

The Effective Interest Rate ("EIR") is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs and all other premiums or discounts.

The interest income/expense is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (that is, to the amortised cost of the financial asset before adjusting for any expected credit loss allowance), or to the amortised cost of financial liabilities.

For credit-impaired financial assets, as defined in the financial instruments accounting policy, the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets, that is, to the gross carrying amount less the allowance for Expected Credit Losses ("ECLs").

## Fee income

Fee income for the Group is earned from payments services fees, implementation fees, consultancy fees and subscription fees.

Payment services provided by Oxygen comprises the following elements:

### Early Payment Programme Services ("EPPS") contracts

Oxygen's EPPS generate rebates (ie discounts on invoice value) for its clients by facilitating the early payment of supplier invoices. Oxygen's single performance obligation is to make its intellectual property and software platform available to its clients for the duration of their contracts.

Oxygen bills its clients monthly for a contractually agreed share of supplier rebates generated by their respective Early Payment Programmes during the previous month. This revenue is recognised in the month the rebates are generated.

## Implementation fees

### Oxygen Implementation fees

Implementation fees are charged to some clients in establishing a client's technological access to the EPPS and in otherwise readying a client to benefit from the Services. Establishing access to the company's intellectual property and software platform does not amount to a distinct service as the client cannot benefit from the initial access except by the company continuing to provide access for the contract period. Where an implementation fee is charged, it is therefore a component of the aggregate transaction price of the EPPS. Accordingly, such revenue is initially deferred and then recognised in the statement of comprehensive income over the life of the related EPPS.

### Satago Implementation fees

Implementation fees are in line with contractual agreements and relate to Lending as a Service projects.

## Consultancy fees

Oxygen provides stand-alone advisory services to clients. Revenue is accrued as the underlying services are provided to the client.

Playstack earns revenue where one or more people are billed directly to a client for the provision of services.

## Subscription fees

### Insight services subscription fees

The Insight Services offered by OFL provide focussed public sector procurement data and analytics on a subscription basis. Clients cover both the private sector, enabling them to improve and develop their engagement with the public sector, and public sector organisations, enabling them to make more informed procurement decisions. Subscriptions are typically received in advance and recognised over the length of the contract as access to the database is provided.

### Satago subscription fees

These are monthly fees for access to Satago's platform. Subscriptions are received in advance and recognised during the month the subscription relates to.

## Fee expenses

Fee expenses are directly attributable costs, associated with the Oxygen's EPPS. The expenses include amortisation arising from capitalised contract costs incurred directly through activities which generate fee income. Amortisation arising from other intangible assets is recognised in depreciation and amortisation.

## FINANCIAL STATEMENTS

**Notes to the Consolidated Financial Statements** continued

For the year ended 31 December 2023

**Publishing income**

Publishing income for the Group is earned by companies in the Playstack Group and comprises the following elements. Publishing income is recognised at the fair value of consideration received or receivable for goods and services provided and is shown net of VAT and any other sales taxes. The fair value takes into account any trade or volume discounts and commission retained.

**In App Purchases (IAP) revenue**

IAP revenue is earned on the sale of mobile games and features within those games. It is recognised when the game or feature is sold.

**Advertising revenue**

Advertising revenue is earnings from featuring third party advertising within mobile games. It is recognised when these advertisements are featured within the games.

**Console and Platform revenue**

Console revenue is earned on the sale of video games for consoles. It is recognised when the game is sold. Platform revenue is earned through partnership directly with hardware platform holders in return for exclusive access to one or more games on their service. Revenue is recognised either on the completion of agreed milestones, across the term of the agreement for live-managed games, or a combination of the two.

**Brand revenue**

Brand revenue is when a mobile game player signs up to an advertised brand in a mobile game. Revenue is recognised when the brand has confirmed acquisition of the customer.

**Publishing expenses**

Publishing expenses are directly attributable costs, associated with the Playstack Group's publishing income. These costs are included at their invoiced value and are net of VAT and any other sales tax.

**Foreign currencies**

The results and financial position of each Group company are expressed in Pounds Sterling, which is the functional currency of the UK based members of the Group and the presentation currency for the consolidated financial statements.

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the consolidated statement of comprehensive income.

In preparing the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at the exchange rate at the reporting date. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising, are recognised in other comprehensive income and are accumulated in the Foreign exchange reserve equity section.

**Property, plant and equipment**

All property, plant and equipment is stated at historical cost (or deemed historical cost) less accumulated depreciation and less any identified impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided on all property, plant and equipment at rates calculated to write each asset down to its estimated residual value on a straight line basis at the following annual rates:

Leasehold improvements	–	5 years
Fixtures and fittings	–	3 years
Computer equipment	–	3-5 years

Useful economic lives and estimated residual values are reviewed annually and adjusted as appropriate.



## Intangible assets

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.

Intangible assets with finite lives are stated at acquisition or development cost less accumulated amortisation and less any identified impairment. The amortisation period and method is reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate and are treated as changes in accounting estimates.

### Computer software

Computer software which has been purchased by the Group from third party vendors is measured at initial cost less accumulated amortisation and less accumulated impairments.

Computer software also comprises internally developed platforms and the costs directly associated with the production of these identifiable and unique software products controlled by the Group. They are probable of producing future economic benefits. They primarily include employee costs and directly attributable overheads.

Internally generated intangible assets are only recognised by the Group when the recognition criteria have been met in accordance with IAS 38: Intangible Assets as follows:

- expenditure can be reliably measured
- the product or process is technically and commercially feasible
- future economic benefits are likely to be received
- intention and ability to complete the development, and
- view to either use or sell the asset in the future.

The Group will only recognise an internally-generated asset should it meet all the above criteria. In the event of a development not meeting the criteria it will be recognised within the statement of profit or loss in the period incurred.

Capitalised costs include all directly attributable costs to the development of the asset. Internally generated assets are measured at capitalised cost less accumulated amortisation less accumulated impairment losses. The internally generated asset is amortised at the point the asset is available for use or sale. The asset is amortised on a straight-line basis over the useful economic life with the remaining useful economic life and residual value being assessed annually.

Any subsequent expenditure on the internally generated asset is only capitalised if the cost increases the future economic benefits of the related asset. Otherwise all additional expenditure should be recognised through the statement of profit or loss in the period it occurs.

### Contract assets

Contract assets comprise the directly attributable costs incurred at the beginning of an Early Payment Scheme Service contract to revise a client's existing payment systems and provide access to the Group's software and other intellectual property. These implementation (or "set up") costs are comprised primarily of employee costs.

Amortisation is charged to the statement of comprehensive income over the estimated useful lives of intangible assets from the date they are available for use, on a straight-line basis. The amortisation basis adopted for each class of intangible asset reflects the Group's consumption of the economic benefit from that asset.

### Estimated useful lives

The estimated useful lives of finite intangible assets are as follows:

Computer software	–	3-5 years
Contract assets	–	Life of underlying contract (typically 5 years)

## Goodwill

Goodwill arising on acquisition represents the excess cost of a business combination over the fair values of the Group's share of the identifiable assets and liabilities at the date of the acquisition. When part of the consideration transferred by the Group is deferred or

## FINANCIAL STATEMENTS

**Notes to the Consolidated Financial Statements** continued

For the year ended 31 December 2023

contingent, this is valued at its acquisition date fair value, and is included in the consideration transferred in a business combination. Changes in the deferred or contingent consideration, which occur in the measurement period, are adjusted retrospectively, with corresponding adjustments to goodwill.

Goodwill is not amortised but is reviewed at least annually for impairment. For the purpose of impairment testing, goodwill is allocated to each Cash Generating Unit ("CGU"). Each CGU is consistent with the Group's primary reporting segment. Any impairment is recognised immediately through the income statement and is not subsequently reversed.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

**Financial instruments****Initial recognition**

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are respectively added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets and financial liabilities at FVTPL are recognised immediately in profit or loss.

**Financial assets****Classification and reclassification of financial assets**

Recognised financial assets within the scope of IFRS 9 are required to be classified as subsequently measured at amortised cost, FVTOCI or FVTPL on the basis of both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets are reclassified if and only if, the business model under which they are held is changed. There has been no such change in the allocation of assets to business models in the periods under review.

**Loans and advances**

Loans and advances are held within a business model whose objective is to hold those financial assets in order to collect contractual cash flows. The contractual terms of the loan agreements give rise on specified dates to cash flows that are solely payments of principal and interest or fees on the principal amount outstanding.

After initial measurement, loans and advances to customers are subsequently measured at amortised cost using the Effective Interest Rate method (EIR) less impairment. Amortised cost is calculated by taking into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest and similar income in the statement of comprehensive income. The losses arising from impairment are recognised in the statement of comprehensive income and disclosed with any other similar losses within the line item "Net impairment losses on financial assets".

Where cash flows are significantly different from the original expectations used to determine EIR, but where this difference does not arise from a modification of the terms of the financial instrument, the Group revises its estimates of receipts and adjusts the gross carrying amount of the financial asset to reflect actual and revised estimated contractual cash flows. The Group recalculates the gross carrying amount of the financial asset as the present value of the estimated future contractual cash flows discounted at the financial instrument's original EIR. The adjustment is recognised in statement of comprehensive income as income or expense.

**Trade and other receivables**

Trade receivables do not contain any significant financing component and accordingly are recognised initially at transaction price, and subsequently measured at cost less expected credit losses.

**Investments in subsidiaries**

Investments in subsidiaries are accounted for at cost less impairment in the Company's financial statements.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and demand deposits and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## Impairment

The Group (and Company) recognises loss allowances for Expected Credit Losses (“ECLs”) on the following financial instruments that are not measured at FVTPL:

- Loans and advances;
- Other receivables;
- Trade receivables; and
- Intercompany receivables

ECLs are measured through loss allowances calculated on the following bases:

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive arising from the weighting of future economic scenarios, discounted at the asset’s EIR within the current performing book.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar credit risk characteristics. The loss allowance is measured as the present value of the difference between the contractual cash flows and cash flows that the Group expects to receive using the asset’s original EIR, regardless of whether it is measured on an individual basis or a collective basis.

A financial asset that gives rise to credit risk, is referred to (and analysed in the notes to this financial information) as being in “Stage 1” provided that since initial recognition (or since the previous reporting date) there has not been a significant increase in credit risk, nor has it become credit impaired.

For a Stage 1 asset, the loss allowance is the “12-month ECL”, that is, the ECL that results from those default events on the financial instrument that are possible within 12 months from the reporting date.

A financial asset that gives rise to credit risk is referred to (and analysed in the notes to this financial information) as being in “Stage 2” if since initial recognition there has been a significant increase in credit risk but it is not credit impaired.

For a Stage 2 asset, the loss allowance is the “lifetime ECL”, that is, the ECL that results from all possible default events over the life of the financial instrument.

A financial asset that gives rise to credit risk is referred to (and analysed in the notes to this financial information) as being in “Stage 3” if since initial recognition it has become credit impaired.

For a Stage 3 asset, the loss allowance is the difference between the asset’s gross carrying amount and the present value of estimated future cash flows discounted at the financial asset’s original EIR. Further, the recognition of interest income is calculated on the carrying amount net of impairment rather than the gross carrying amount as for stage 1 and stage 2 assets.

If circumstances change sufficiently at subsequent reporting dates, an asset is referred to by its newly appropriate Stage and is re-analysed in the notes to the financial information.

Where an asset is expected to mature in 12 months or less, the “12 month ECL” and the “lifetime ECL” have the same effective meaning and accordingly for such assets the calculated loss allowance will be the same whether such an asset is at Stage 1 or Stage 2. However, the Group monitors significant increase in credit risk for all assets so that it can accurately disclose Stage 1 and Stage 2 assets at each reporting date.

Lifetime ECLs are recognised for all trade receivables using the simplified approach.

### Significant increase in credit risk – policies and procedures for identifying Stage 2 assets

The Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition in order to determine whether credit risk has increased significantly.

See Note 19 for further details about how the Group assesses increases in significant credit risk.

## FINANCIAL STATEMENTS

**Notes to the Consolidated Financial Statements** continued

For the year ended 31 December 2023

**Definition of a default**

Critical to the determination of significant increases in credit risk (and to the determination of ECLs) is the definition of default. Default is a component of the Probability of Default ("PD"), changes in which lead to the identification of a significant increase in credit risk and PD is then a factor in the measurement of ECLs.

The Group's definition of default for this purpose is:

- a counterparty defaults on a payment due under a loan agreement and that payment is more than 90 days overdue, or
- within the core invoice finance proposition, where one or more individual finance repayments are beyond 90 days overdue, management judgement is applied in considering default status of the client.
- the collateral that secures, all or in part, the loan agreement has been sold or is otherwise not available for sale and the proceeds have not been paid to the lending company; or
- a counterparty commits an event of default under the terms and conditions of the loan agreement which leads the lending company to believe that the borrower's ability to meet its credit obligations to the lending company is in doubt.

The definition of default is similarly critical in the determination of whether an asset is credit-impaired (as explained below).

**Credit-impaired financial assets – policies and procedures for identifying Stage 3 assets**

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. IFRS 9 states that evidence of credit-impairment includes observable data about the following events:

- Significant financial difficulty of the borrower;
- A breach of contract such as a default (as defined above) or past due event, or
- The Group, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the Group would not otherwise consider.

The Group assesses whether debt instruments that are financial assets measured at amortised cost or at FVTOCI are credit-impaired at each reporting date. When assessing whether there is evidence of credit-impairment, the Group takes into account both qualitative and quantitative indicators relating to both the borrower and to the asset. The information assessed depends on the borrower and the type of the asset. It may not be possible to identify a single discrete event – instead, the combined effect of several events may have caused financial assets to become credit-impaired.

See Note 19 for further details about how the Group identifies credit-impaired assets.

**Presentation of allowance for ECL in the statement of financial position**

Loss allowances for ECL are presented in the statement of financial position as follows:

- For financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- For loan commitments: as a provision; and

**Modification of financial assets**

A modification of a financial asset occurs when the contractual terms governing a financial asset are renegotiated without the original contract being replaced and derecognised and:

- The gross carrying amount of the asset is recalculated and a modification gain or loss is recognised in profit or loss;
- Any fees charged are added to the asset and amortised over the new expected life of the asset; and
- The asset is individually assessed to determine whether there has been a significant increase in credit risk.

## Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired. The Group also derecognises the assets if it has both transferred the asset and the transfer qualifies for derecognition.

A transfer only qualifies for derecognition if either

- The Group has transferred substantially all the risks and rewards of the asset; or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

## Write offs

Loans and advances are written off when the Group has no reasonable expectation of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

## Financial liabilities

### Financial liabilities and equity

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group or a non-derivative contract that will or may be settled in a variable number of the Group's own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Group's own equity instruments.

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised as at the proceeds received, net of direct issue costs. Distributions on equity instruments are recognised directly in equity.

### Financial liabilities

Interest bearing borrowings are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method (EIR). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in "Interest and fee expenses" in the profit and loss account.

### Derecognition of financial liabilities

The Group derecognises financial liabilities when and only when, the Group's obligations are discharged, cancelled or they expire.

## Impairment of non-financial assets

The carrying amounts of the entity's non-financial assets, other than goodwill and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purposes of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the CGU).

Contract assets are reviewed for impairment based on the performance of the underlying contract.

## FINANCIAL STATEMENTS

**Notes to the Consolidated Financial Statements** continued

For the year ended 31 December 2023

Goodwill is tested annually for impairment in accordance with IFRS. The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to CGU that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if the acquired entity has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of other assets in the unit (or group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply. An impairment loss recognised for goodwill is not reversed.

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

**Current and deferred income tax**

Income tax on the result for the period comprises current and deferred income tax. Income tax is recognised in the consolidated statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Where there are uncertain tax positions, the Group assesses whether it is probable that the position adopted in tax filings will be accepted by the relevant tax authority, with the results of this assessment determining the accounting that follows.

Current tax is the expected tax payable or receivable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting 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 assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

**Employee benefits – pension costs**

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Contributions to defined contribution schemes are charged to the statement of comprehensive income as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the statement of financial position.

**Merger reserve**

Prior to 29 December 2017, the entities within the Group were held by Arrowgrass Master Fund Limited. On 29 December 2017, these entities were acquired by TruFin plc via TruFin Holdings Limited. The consideration provided to Arrowgrass for the companies acquired was in exchange for shares of TruFin plc based on the fair value of the underlying companies. Upon consolidation of the Group, the difference between the book value of the entities and the amount of the consideration paid was accounted through a merger reserve, in accordance with relevant accounting standards relating to businesses under common control.

**Investments in associates**

Associates are entities in which the Group has between 20% and 50% of the voting rights, or is otherwise able to exercise significant influence, but which it does not control or jointly control. Investments in associates are accounted for under the equity method and are initially recognised at costs, including goodwill. Subsequent changes in the carrying value reflect the post-acquisition changes in the Group's share of net assets of the associate. The Group's share of its associates profits or losses is recognised in the consolidated income statement. However, when the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless the Group is obliged to make further payments to, or on behalf of the associate.

## Segmental reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity) and whose operating results are regularly reviewed by the Board of Directors in order to make decisions about resources to be allocated to that component and assess its performance and for which discrete financial information is available.

For the purposes of the financial statements, the Directors consider the Group's operations to be made up of four operating segments: the provision of short term finance, payment services, publishing and other operations.

The accounting policies of the reportable segments are consistent with the accounting policies of the Group as a whole.

Further details are provided in Note 4.

## Share based payments

Where the Group engages in share-based payment transactions in respect of services received from certain of its employees, these are accounted for as equity-settled share-based payments in accordance with IFRS 2 'Share-based payments'. The equity is in the form of ordinary shares.

The grant date fair value of a share-based payment transaction is recognised as an employee expense, with a corresponding increase in equity over the period that the employees become unconditionally entitled to the awards. In the absence of market prices, the fair value of the equity at the date of the grant is estimated using an appropriate valuation technique.

The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related services and non-market vesting conditions are expected to be met such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with market performance conditions the grant date fair value of the award is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Refer to Note 6 for the amounts disclosed.

## Leases

At the inception of a contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

### Right-of-use assets

The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meet the definition of an investment property) are presented within "Property, plant and equipment".

Right of use assets which meet the definition of property, plant and equipment are presented and accounted for in accordance with this policy.

### Lease liabilities

The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the borrower shall use its incremental borrowing rate.

Lease liabilities are measured at amortised cost using the effective interest method.

Lease liabilities are remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

## FINANCIAL STATEMENTS

**Notes to the Consolidated Financial Statements** continued

For the year ended 31 December 2023

**Short term and low value leases**

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

**Government grants**

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. These grants are deducted from the expense that the grant is related to.

**2. Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial information in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apart from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates.

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

**Critical accounting judgements**

- Early Payment Programme Services set up costs: the Group capitalises the direct costs of implementing Early Payment Programme Services contracts for clients. These costs are essential to the satisfaction of the Group's performance obligation under that contract and accordingly the Group considers that these costs meet the applicable criteria for recognition as contract assets.

The amount capitalised is disclosed in Note 11.

- Deferred tax asset: There is inherent uncertainty in forecasting beyond the immediate future and significant judgement is required to estimate whether future taxable profits are probable in order to utilise the carried forward tax losses. Companies in the Group have carried forward losses which will be utilised against future taxable profits. However, a deferred tax asset has not been recognised for these companies, except for Oxygen Finance Limited as there is uncertainty surrounding the timing of when these losses will be used.

Refer to Note 9 for more information on the deferred tax asset.

- The accounts of the trustee (the "EBT Trustee") of the Company's Employee Benefit Trust ("EBT") have not been consolidated as it is the Directors' opinion that the Company does not have control over the EBT. The EBT is a discretionary trust, which means that the EBT Trustee has discretion how to act, provided that the action taken by the EBT Trustee is considered by the EBT Trustee to be in the interest of one of more EBT beneficiaries (being employees and former employees (and certain of their relatives) of the Company and its subsidiaries.



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## Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

### Expected credit losses

- Where an asset has a maturity of 12 months or less, the “12 month ECL” and the “lifetime ECL” have the same effective meaning and accordingly for such assets the calculated loss allowance will be the same whether such an asset is at stage 1 or stage 2.
- The Probability of Default (“PD”) is an estimate of the likelihood of default over a given time horizon and is a key input to the ECL calculation. The Group primarily uses credit scores from credit reference agencies to calculate the PD for loans and advances. The score is a 12-month predictor of credit failure and, in the absence of internally generated loss history, the Group believes that it provides the best proxy for the credit quality of the loan portfolio.
- Exposure At Default (“EAD”) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities and accrued interest from missed payments.
- Loss Given Default (“LGD”) is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, in particular taking into account wholesale collateral values and certain buy back options.

Note 19 presents the carrying amounts of the Expected Credit Losses in further detail.

### Impairment of Intangibles

The Group is required to test, whether intangible and tangible assets have suffered any impairment based on the recoverable amount of its CGUs, when there are indicators for impairment. Determining whether an impairment has occurred requires an estimation of the value in use of the CGU to which these assets are allocated. Key sources of estimation uncertainty in the value in use calculation include the estimation of future cash flows of the CGU affected by expected changes in underlying revenues and direct costs, and administration costs through the forecast period, the long-term growth rates and a suitable discount rate to apply to the aforementioned cash flows in order to calculate the net present value. Further information regarding the assumptions used in the calculations have been provided in Note 11.

### Impairment of investment in subsidiary

The Company’s investment in its subsidiary is assessed annually to determine if there is any indication of impairment. This requires an estimation of the value in use of this subsidiary. Key sources of estimation uncertainty in the value in use calculation include the estimation of future cash flows of the CGU affected by expected changes in underlying revenues and direct costs, and administration costs through the forecast period, the long-term growth rates and a suitable discount rate to apply to the aforementioned cash flows in order to calculate the net present value. Further information regarding the assumptions used in the calculations have been provided in Note 11.

## FINANCIAL STATEMENTS

### Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

#### 3. Gross revenue

Group	2023 £'000	2022 £'000
Revenue		
Interest income	1,470	405
<b>Total interest income</b>	<b>1,470</b>	<b>405</b>
EPPS contracts	4,346	3,335
Consultancy fees	1,135	552
Implementation fees	2,131	1,644
Subscription fees	1,736	1,607
<b>Total fee income</b>	<b>9,348</b>	<b>7,138</b>
IAP revenue	117	342
Advertising revenue	109	453
Console revenue	7,087	5,521
Brand revenue	-	1
<b>Total publishing income</b>	<b>7,313</b>	<b>6,317</b>
<b>Gross revenue</b>	<b>18,131</b>	<b>13,860</b>

The above figures are from continuing activities with comparatives restated accordingly based on information drawn from prior financial statements.

Company	2023 £'000	2022 £'000
Intercompany interest income	1,540	2,166
Intercompany fee income	108	118
Other interest income	117	9
<b>Gross revenue</b>	<b>1,765</b>	<b>2,293</b>

#### 4. Segmental reporting

The results of the Group are broken down into segments based on the products and services from which it derives its revenue:

##### Short term finance

Provision of distribution finance products and invoice discounting. For results during the reporting period, this corresponds to the results of Satago, Vertus and AltLending.

##### Payment services

Provision of Early Payment Programme Services. For results during the reporting period, this corresponds to the results of Oxygen.

##### Publishing

Publishing of video games. For results during the reporting period, this corresponds to the results of the Playstack Group.

##### Other

Revenue and costs arising from investment activities. For results during the reporting period, this corresponds to the results of TSL, THL and TruFin plc.

The results of each segment, prepared using accounting policies consistent with those of the Group as a whole, are as follows:

Year ended 31 December 2023	Short term finance £'000	Payment services £'000	Publishing £'000	Other £'000	Total £'000
Gross revenue	3,788	6,188	8,038	117	18,131
Cost of sales	(718)	(1,078)	(3,231)	-	(5,027)
<b>Net revenue</b>	<b>3,070</b>	<b>5,110</b>	<b>4,807</b>	<b>117</b>	<b>13,104</b>
Adjusted loss before tax*	(4,134)	(348)	(188)	(1,903)	(6,573)
Loss before tax	(4,134)	(348)	(188)	(2,669)	(7,339)
Taxation	433	554	(25)	-	962
<b>Loss for the year from continuing operations</b>	<b>(3,701)</b>	<b>206</b>	<b>(213)</b>	<b>(2,669)</b>	<b>(6,377)</b>
<b>Loss for the year from discontinued operations</b>	<b>(963)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(963)</b>
<b>(Loss)/profit for the year</b>	<b>(4,664)</b>	<b>206</b>	<b>(213)</b>	<b>(2,669)</b>	<b>(7,340)</b>
Total assets	13,797	8,121	23,463	5,295	50,676
Total liabilities	(8,228)	(1,988)	(1,786)	(734)	(12,736)
<b>Net assets</b>	<b>5,569</b>	<b>6,133</b>	<b>21,677</b>	<b>4,561</b>	<b>37,940</b>

\* adjusted loss before tax excludes share-based payment expense

Year ended 31 December 2022	Short term finance £'000	Payment services £'000	Publishing £'000	Other £'000	Total £'000
Gross revenue	2,210	5,311	6,330	9	13,860
Cost of sales	(285)	(889)	(3,033)	-	(4,207)
<b>Net revenue</b>	<b>1,925</b>	<b>4,422</b>	<b>3,297</b>	<b>9</b>	<b>9,653</b>
Adjusted loss before tax*	(4,041)	(220)	(1,569)	(2,352)	(8,182)
Loss before tax	(4,041)	(220)	(1,569)	(2,352)	(8,182)
Taxation	271	395	601	-	1,267
<b>Loss for the year from continuing operations</b>	<b>(3,770)</b>	<b>175</b>	<b>(968)</b>	<b>(2,352)</b>	<b>(6,915)</b>
<b>Profit for the year from discontinued operations</b>	<b>109</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>109</b>
<b>(Loss)/profit for the year</b>	<b>(3,661)</b>	<b>175</b>	<b>(968)</b>	<b>(2,352)</b>	<b>(6,806)</b>
Total assets	34,200	8,258	20,407	2,627	65,492
Total liabilities	(19,747)	(1,792)	(2,911)	(938)	(25,388)
<b>Net assets</b>	<b>14,453</b>	<b>6,466</b>	<b>17,496</b>	<b>1,689</b>	<b>40,104</b>

\* adjusted loss before tax excludes share-based payment expense

The above figures are from continuing activities with comparatives restated accordingly based on information drawn from prior financial statements.

The majority of the Group's activities (98% of revenues) are within the UK, with 2% earned in USA and 0% in Europe.

FINANCIAL STATEMENTS

**Notes to the Consolidated Financial Statements** continued

For the year ended 31 December 2023

**5. Staff costs**

**Analysis of staff costs:**

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Wages and salaries	9,188	9,506	1,223	1,384
Consulting costs	1,059	379	-	-
Social security costs	1,104	1,338	82	251
Pension costs arising on defined contribution schemes	441	418	35	38
Share based payment	766	-	766	-
	<b>12,558</b>	<b>11,641</b>	<b>2,106</b>	<b>1,673</b>

Consulting costs are recognised within staff costs where the work performed would otherwise have been performed by employees. Consulting costs arising from the performance of other services are included within other operating expenses.

**Average monthly number of persons (including Executive Directors) employed:**

	2023 Number	2022 Number
Management	16	16
Finance	11	9
Sales & marketing	42	28
Operations	57	76
Technology	65	43
	<b>191</b>	<b>172</b>

The figures in this note are from continuing activities with comparatives restated accordingly based on information drawn from prior period financial statements.

**Directors' emoluments**

The number of directors who received share options during the year was as follows:

	2023 Number	2022 Number
Long-term incentive schemes	1	-

There were no directors who exercised share options during the year.

The directors' aggregate emoluments in respect of qualifying services were:

	Salary £'000	Bonus £'000	Pension and Benefits £'000	2023 Total £'000	2022 Total £'000
Executive Directors:					
J van den Bergh	256	220	9	485	485
	<b>256</b>	<b>220</b>	<b>9</b>	<b>485</b>	<b>485</b>
Non-executive Directors:					
S Baldwin	100	-	-	100	100
P Judd	70	-	-	70	70
P Dentskevich	60	-	-	60	60
A Wilhelmsen	-	-	-	-	-
	<b>230</b>	<b>-</b>	<b>-</b>	<b>230</b>	<b>230</b>

## Key management

The Directors consider that key management personnel include the Executive Director of TruFin plc. This individual has the authority and responsibility for planning, directing and controlling the activities of the Group.

## 6. Employee share-based payment transactions

The employment share-based payment charge comprises:

	2023 £'000	2022 £'000
Service Criteria Award	552	-
TruFin Share Price Award	151	-
Subsidiary Performance Award	63	-
<b>Total</b>	<b>766</b>	<b>-</b>

### Awards granted in 2023

#### Service Criteria Award

On 27 July 2023, options to acquire 1,350,000 shares were granted to the senior management team and employees of the Group. The award is structured as a nil cost option. The vesting of this award is subject to the holder being in continued employment until the vesting dates of this award. The award has been granted in 3 tranches; the first tranche vested on 31 December 2023, the second and third will vest on 31 December 2024 and 31 December 2025 respectively. Awards granted to the Group CEO are subject to an additional 1 year holding period. A Black-Scholes model was used to determine the fair value of these options. The model used an expected volatility of 50% and risk free rate of 5%.

#### TruFin Share Price Award

On 27 July 2023, options to acquire 1,229,167 shares were granted to the senior management team and employees of the Group. The award is structured as a nil cost option. The vesting of this award is subject to the holder being in continued employment until the vesting dates of this award, and the Company's share price satisfying share price targets in relation to the other companies listed on AIM. The award has been granted in 2 tranches; the first tranche will vest on 31 December 2024 and the second on 31 December 2025. Awards granted to the Group CEO are subject to an additional 1 year holding period. A Monte Carlo simulation was used to determine the fair value of these options. The model used an expected volatility of 50% and a risk free rate of 5%.

#### Subsidiary Performance Award

On 27 July 2023, options to acquire 537,500 shares were granted to employees of the Group. The award is structured as a nil cost option. The vesting of this award is subject to the holder being in continued employment until the vesting dates of this award, and subsidiary companies achieving certain financial metrics over the vesting periods. The award has been granted in 2 tranches; the first tranche will vest on 31 December 2024 and the second will vest on 31 December 2025. At 31 December 2023, 75% of the award is expected to vest based on the latest performance metrics.

### Awards granted before 2023

#### Performance Share Plan and Joint Share Ownership Plan Founder Award ("Founder Award")

All the Founder Awards held by the Group CEO have vested. 1,566,255 shares subject to the Joint Share Ownership Plan are fully owned by the EBT. The Group CEO's nil cost options in respect of the same number of shares under the Performance Share Plan have also fully vested.

#### Performance Share Plan Market Value Award ("PSP Market Value Award")

On 21 February 2018, options to acquire 4,868,420 shares were granted to the senior management team. The vesting of this award is based on market-based performance conditions. The vesting of these awards is subject to the holder remaining an employee of the Company and the Company's share price achieving five distinct milestones-vesting at 20% each milestone. The exercise price of the awards at the time of grant was £1.90 per share.

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In order to reflect the impact of the demerger, the PSP Market Value Award was split into two:

- Part of the award remained as an option in respect of TruFin shares (“TruFin Market Value Award”)
- Part of the award became an award in respect of DFC shares (“DFC market Value Award”)

The TruFin Market Value Award is on the same terms as the original PSP Market Value Award except that the exercise price has since been adjusted to £0.71, and the share price milestones were adjusted to reflect the demerger, and returns of value in 2019.

The modification did not result in a change in the valuation of the award and was recognised over the remainder of the original vesting period.

Details of share based awards during the year:

Type of instrument granted	JSOP Founder Award* Shares (#)	PSP Founder Award* Options (#)	PSP Market Value Options (#)
Outstanding at 1 January 2023	-	-	4,868,420
Granted during the year	-	-	-
Exercised during the year	-	-	-
<b>Outstanding at 31 December 2023</b>	-	-	<b>4,868,420</b>
<b>Exercisable at 31 December 2023</b>		<b>1,566,255</b>	-

\* The JSOP Founder Awards and PSP Founder Awards will together deliver, in aggregate, a maximum of 3,407,895 TruFin shares.

Type of instrument granted	Service Criteria Award (#)	TruFin Share Price Award (#)	Subsidiary Performance Award (#)
Outstanding at 1 January 2023	-	-	-
Granted during the year	1,350,000	1,229,167	537,500
Exercised during the year	-	-	-
Cancelled during the year	-	-	-
<b>Outstanding at 31 December 2023</b>	<b>700,000</b>	<b>1,229,167</b>	<b>537,500</b>
<b>Exercisable at 31 December 2023</b>	<b>650,000</b>	-	-

No options expired during the year.

The weighted average remaining contractual life for the share options outstanding as at 31 December 2023 was 5.61 years (2022: 5.21 years).

## 7. Net impairment loss on financial assets

	2023 £'000	2022 £'000
At 1 January	54	4
Charge for impairment loss	109	50
Amounts written off in the year	(11)	-
Amounts recovered in the year	21	-
<b>At 31 December</b>	<b>173</b>	<b>54</b>

At 31 December 2023, the Group had an impairment balance of £173,000 which was allocated against loans and advances. At 31 December 2022, all of the impairment balance was allocated against loans and advances.

The net impairment charge on financial assets during the year ended 31 December 2023 all related to loans and advances.

The net impairment charge on financial assets during the year ended 31 December 2022 all related to loans and advances.

## 8. Loss before income tax

Loss before income tax is stated after charging:

	2023 £'000	2022 £'000
Depreciation of property, plant and equipment	107	104
Amortisation of intangible assets	2,893	2,314
Staff costs including share based payments charge	12,558	11,641

The figures in this note are from continuing activities with comparatives restated accordingly based on information drawn from prior period financial statements.

	2023 £'000	2022 £'000
<b>Fees payable to the Group's auditor (Crowe UK LLP)</b>		
Fees payable for the audit of the company's annual accounts	82	82
Fees payable for the audit of the company's subsidiaries	95	98
<b>Total audit fees</b>	<b>177</b>	<b>180</b>
<b>Non audit services</b>		
Other assurance services	14	14
<b>Total non-audit fees</b>	<b>14</b>	<b>14</b>

## 9. Taxation

### Analysis of tax charge recognised in the period

	2023 £'000	2022 £'000
Current tax credit	(712)	(1,267)
Deferred tax credit	(250)	-
<b>Total tax credit</b>	<b>(962)</b>	<b>(1,267)</b>

The figures in this note are from continuing activities with comparatives restated accordingly based on information drawn from prior period financial statements.

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#### Reconciliation of loss before tax to total tax credit recognised

Group	2023 £'000	2022 £'000
Loss before tax from continuing operations	(7,339)	(8,182)
Loss before tax multiplied by the standard rate of corporation tax in the UK of 23.52% (2022: 19%)	(1,726)	(1,553)
Tax effect of:		
Expenses not deductible	176	4
Depreciation in excess of capital allowances	395	253
Capital allowances	(373)	(318)
Other short term timing differences	1	1
R&D tax credit	(743)	(1,274)
Impact of different foreign tax rates	(7)	-
Deferred tax not recognised	1,315	1,619
<b>Total tax charge</b>	<b>(962)</b>	<b>(1,267)</b>

Company	2023 £'000	2022 £'000
Loss before tax	(984)	(42)
Loss before tax multiplied by the standard rate of corporation tax in the UK of 23.52% (2022: 19%)	(231)	(8)
Tax effect of:		
Expenses not deductible	198	24
Other short term timing differences	1	(1)
Brought forward losses utilised	-	(15)
Deferred tax not recognised	32	-
<b>Total tax charge</b>	<b>-</b>	<b>-</b>

The deferred tax assets and liabilities at 31 December 2023 have been based on the rates substantively enacted at the reporting date. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

#### Research and Development (R&D)

The Group uses external professional advisers to support with R&D tax submissions. The impact of such transactions can be uncertain until agreed with the relevant tax authorities.

#### Deferred tax asset

Group	2023 £'000	2022 £'000
Balance at start of the year	250	250
Credit to the statement of comprehensive income	250	-
On disposal of subsidiary	(250)	-
Credit from discontinued operations	-	(53)
Balance at end of the year	250	250
Comprised of: Losses	250	250
<b>Total deferred tax asset</b>	<b>250</b>	<b>250</b>

A deferred tax asset from losses in Oxygen Finance Limited has been recognised. Unutilised tax losses in the remainder of the Group as at the reporting date were £88,928,000 (2022: £83,102,000).



## 10. Discontinued operations

On 4 October 2023, the Group disposed of its 54% holding in Vertus and is reported in the current period as a discontinued operation. Financial information relating to the disposal of the subsidiary and discontinued operations for the period to the date of disposal is set out below.

<b>Details of the sale of the subsidiary</b>	<b>£'000</b>
Cash consideration	3,167
Group's share of net assets sold	(3,055)
Related goodwill and separately identifiable assets at date of disposal	(1,451)
Costs of disposal	(20)
<b>Loss on disposal</b>	<b>(1,359)</b>

<b>Results from discontinued operations</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
Revenue	2,385	2,259
Expenses	(1,935)	(2,056)
<b>Profit before tax</b>	<b>450</b>	<b>203</b>
Taxation	(23)	(53)
<b>Profit after tax</b>	<b>427</b>	<b>150</b>
<b>Other items included within discontinued operations</b>		
Loss on disposal of Vertus (net of tax)	(1,359)	-
Amortisation of separately identifiable intangible asset	(38)	(51)
Intragroup charges	7	10
<b>(Loss)/profit from discontinued operations</b>	<b>(963)</b>	<b>109</b>

<b>Cash flows from discontinued operations</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
<b>Profit before tax from discontinued operations</b>	<b>450</b>	<b>203</b>
Working capital adjustments	(1,901)	(5,492)
Cash flows from operating activities	(1,451)	(5,289)
Cash flows used in investing activities	-	(80)
Cash flows from financing activities	1,650	5,425
<b>Net increase in cash from discontinued operations</b>	<b>199</b>	<b>56</b>

The carrying amount of assets and liabilities as at the date of sale were:

	<b>£'000</b>
Non-current assets	23,612
Current assets	996
Non-current liabilities	(18,651)
Current liabilities	(283)
<b>Net Assets</b>	<b>5,674</b>

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**11. Intangible assets**

Group	Client contracts £'000	Software licences and similar assets £'000	Separately identifiable intangible assets £'000	Goodwill £'000	Total £'000
<b>Cost</b>					
At 1 January 2023	6,399	4,773	3,237	16,569	30,978
Additions	852	4,148	333	119	5,452
On disposal of subsidiary	-	(74)	(255)	(1,408)	(1,737)
Disposals	(182)	-	-	-	(182)
Exchange differences	(3)	5	-	-	2
<b>At 31 December 2023</b>	<b>7,066</b>	<b>8,852</b>	<b>3,315</b>	<b>15,280</b>	<b>34,513</b>
<b>Amortisation</b>					
At 1 January 2023	(2,496)	(2,082)	(1,581)	-	(6,159)
Charge	(1,078)	(1,334)	(519)	-	(2,931)
On disposal of subsidiary	-	12	213	-	225
Disposals	182	-	-	-	182
Exchange differences	-	(5)	-	-	(5)
<b>At 31 December 2023</b>	<b>(3,392)</b>	<b>(3,409)</b>	<b>(1,887)</b>	<b>-</b>	<b>(8,688)</b>
<b>Accumulated impairment losses</b>					
At 1 January 2023	(408)	-	-	-	(408)
<b>At 31 December 2023</b>	<b>(408)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(408)</b>
<b>Net book value</b>					
<b>At 31 December 2023</b>	<b>3,266</b>	<b>5,443</b>	<b>1,428</b>	<b>15,280</b>	<b>25,417</b>
At 31 December 2022	3,495	2,691	1,656	16,569	24,411

Group	Client contracts £'000	Software licences and similar assets £'000	Separately identifiable intangible assets £'000	Goodwill £'000	Total £'000
<b>Cost</b>					
At 1 January 2022	5,490	2,579	1,642	15,746	25,457
Additions	905	2,254	-	-	3,159
On Acquisition	-	3	1,595	823	2,421
Disposals	-	(75)	-	-	(75)
Exchange differences	4	12	-	-	16
<b>At 31 December 2022</b>	<b>6,399</b>	<b>4,773</b>	<b>3,237</b>	<b>16,569</b>	<b>30,978</b>
<b>Amortisation</b>					
At 1 January 2022	(1,607)	(1,181)	(1,070)	-	(3,858)
Charge	(889)	(977)	(511)	-	(2,377)
Disposals	-	75	-	-	75
Exchange differences	-	1	-	-	1
<b>At 31 December 2022</b>	<b>(2,496)</b>	<b>(2,082)</b>	<b>(1,581)</b>	<b>-</b>	<b>(6,159)</b>
<b>Accumulated impairment losses</b>					
At 1 January 2022	(408)	-	-	-	(408)
<b>At 31 December 2022</b>	<b>(408)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(408)</b>
<b>Net book value</b>					
<b>At 31 December 2022</b>	<b>3,495</b>	<b>2,691</b>	<b>1,656</b>	<b>16,569</b>	<b>24,411</b>
At 31 December 2021	3,475	1,398	572	15,746	21,191

The Company had no intangibles assets at the year end.

Client contracts comprise the directly attributable costs incurred at the beginning of an Early Payment Scheme Service contract to revise a client's existing payment systems and provide access to the Group's software and other intellectual property. These implementation costs are comprised primarily of employee costs.

The useful economic life for each individual asset is deemed to be the term of the underlying Client Contract (generally five years) which has been deemed appropriate and for impairment review purposes, projected cash flows have been discounted over this period.

The amortisation charge is recognised in fee expenses within the statement of comprehensive income, as these costs are incurred directly through activities which generate fee income.

The Group performed an impairment review at 31 December 2023 and there was no impairment in relation to underperforming contracts.

Software, licences and similar assets comprises separately acquired software, as well as costs directly attributable to internally developed platforms across the Group. These directly attributable costs are associated with the production of identifiable and unique software products controlled by the Group and are probable of producing future economic benefits. They primarily include employee costs and directly attributable overheads.

A useful economic life of three to five years has been deemed appropriate and for impairment review purposes projected cash flows have been discounted over this period.

The amortisation charge is recognised in depreciation and amortisation on non-financial assets within the statement of comprehensive income.

The Group performed an impairment review at 31 December 2023 and concluded no impairment was required.

The 'Software, licences and similar assets' net book value balance related to internally generated intangible assets at 31 December 2023 was £5,443,000 (2022: £2,691,000). This consists of cost of £8,852,000 (2022: £4,773,000) and accumulated amortisation of £3,409,000 (2022: £2,082,000). During the year there were additions of £4,148,000 (2022: £2,254,000) and amortisation of £1,334,000 (2022: £977,000).

Goodwill and "Separately identifiable intangible assets" arise from acquisitions made by the Group.

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**Porge (now Insight Services within OFL)**

Porge was acquired by OFGL in August 2018 and goodwill of £2,759,000 that arose from this acquisition was included within the payments services segment of the Group. Following the acquisition, separately identifiable intangible assets of £1,387,000 primarily relating to the value of the contracts in the business at acquisition were recognised. These were amortised over five years resulting in an amortisation charge of £162,000 (2022: £277,000) during the year. Net Book value of these assets at 31 December 2023 was £nil (2022: £162,000). Goodwill related to this transaction excluding these assets at 31 December 2023 was £1,372,000 (2022: £1,372,000).

On 31 August 2020, OFL purchased the Trade and Assets of Porge. The purchase price was set at the net book value of the assets acquired at the time of the transaction.

**Vertus**

In July 2019, the Group converted into ordinary shares its existing convertible loan with Vertus Capital in full satisfaction and discharge of the loan. This, together with a further cash payment, gave the Group 51% ownership of Vertus Capital and Vertus SPV 1. In 2021, the Group increased its ownership of Vertus Capital to 54%.

Goodwill of £1,664,000 arose from these transactions and has been included within the short term finance segment of the business. Following the acquisition separately identifiable intangible assets of £255,000 primarily related to the value of existing third party relationships on acquisition were identified. These were being amortised over five years and the amortisation charge for the year prior to the disposal of Vertus was £38,000 (2022: £51,000). Details of the disposal of Vertus are included in Note 10.

**Playstack**

In September 2019, the Group converted into ordinary shares its existing convertible loans with Playstack Ltd in full satisfaction and discharge of the loans. This gave the Group ownership of Playstack Ltd and the other companies within the Playstack Group.

Goodwill of £12,965,000 arose from this transaction and has been included within the publishing segment of the business.

**Magic Fuel**

On 6 June 2022, the Group acquired a 100% equity interest in Magic Fuel Inc ("Magic Fuel"). Goodwill of £2,417,000 arose from this transaction and was included within the publishing segment of the business. Following the acquisition, separately identifiable intangible assets of £1,595,000 relating to the Intellectual Property of the Games in development by Magic Fuel were recognised. These are being amortised over five years resulting in an amortisation charge for the year of £319,000 (2022: £181,000) during the year. Goodwill related to this transaction excluding these assets at 31 December 2023 was £823,000 (2022: £823,000).

**bidstats.uk**

In November 2023, Oxygen Finance Limited acquired the business of bidstats.uk at a cost of £451,000. Separately identifiable assets of £332,000 have been identified relating to the value of the customer relationships and the technology. These are to be amortised over five years commencing 1 January 2024. Goodwill of £119,000 has arisen on the acquisition and this will be reviewed annually for impairment. As at 31 December 2023, the net book value of the bidstats.uk assets was £451,000.

**Impairment testing of intangibles**

An impairment review of goodwill was carried out at the year end.

The insight services segment of OFL was valued using the discounted cash flow methodology. Its net earnings were forecasted to 2028, a discount rate of 10% was used and terminal growth rate of 2%. This valuation was greater than the amount of CGU and therefore the goodwill is not deemed to be impaired.

Playstack was valued using the discounted cash flow methodology. The net earnings of Playstack were forecasted to 2026, a discount rate of 10% was used and terminal growth rate of 3%. Revenue growth was a key assumption and was based on Playstack's pipeline of games over the forecast period. This factors in a number of key projects with platforms and streaming partners. In some instances, revenue projections have been based on amounts outlined in agreed contracts in place with customers, whilst others have been based on progressive discussions with customers and historic sales for games of a similar nature. The valuation of Playstack was greater than the amount of CGU and therefore the goodwill is not deemed to be impaired.

Magic Fuel was valued using the discounted cash flow methodology. Its net earnings along with revenues earned in the rest of the group related to this acquisition were forecasted to 2026, a discount rate of 10% was used and a terminal growth rate of 3%. The valuation of this CGU was greater than the value of goodwill and so was deemed not to be impaired.

The impairment review of Playstack is most sensitive to a change in the planned revenue growth and discount rate. A 70% reduction in this growth rate or an increase in the discount rate to 25% could give rise to an impairment charge.

No other reasonable change in the other assumptions set out in this note would result currently in an impairment charge.

## 12. Property, plant and equipment

Group	Fixtures & fittings £'000	Computer equipment £'000	Right-of-Use Asset £'000	Total £'000
<b>Cost</b>				
At 1 January 2023	139	96	276	511
Additions	21	21	-	42
On disposal of subsidiary	-	(13)	-	(13)
Exchange differences	2	(1)	-	1
<b>At 31 December 2023</b>	<b>162</b>	<b>103</b>	<b>276</b>	<b>541</b>
<b>Depreciation</b>				
At 1 January 2023	(60)	(61)	(44)	(165)
Charge	(32)	(20)	(55)	(107)
On disposal of subsidiary	-	6	-	6
Exchange differences	(1)	1	-	-
<b>At 31 December 2023</b>	<b>(93)</b>	<b>(74)</b>	<b>(99)</b>	<b>(266)</b>
<b>Net book value</b>				
<b>At 31 December 2023</b>	<b>69</b>	<b>29</b>	<b>177</b>	<b>275</b>
At 31 December 2022	79	34	232	345

Group	Fixtures & fittings £'000	Computer equipment £'000	Right-of-Use Asset £'000	Total £'000
<b>Cost</b>				
At 1 January 2022	53	78	429	560
Additions	86	27	276	389
Disposals	-	(9)	(429)	(438)
<b>At 31 December 2022</b>	<b>139</b>	<b>96</b>	<b>276</b>	<b>511</b>
<b>Depreciation</b>				
At 1 January 2022	(44)	(44)	(407)	(495)
Charge	(16)	(26)	(66)	(108)
Disposals	-	9	429	438
<b>At 31 December 2022</b>	<b>(60)</b>	<b>(62)</b>	<b>(44)</b>	<b>(166)</b>
<b>Net book value</b>				
<b>At 31 December 2022</b>	<b>79</b>	<b>34</b>	<b>232</b>	<b>345</b>
At 31 December 2021	9	34	22	65

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**13. Investment in subsidiaries**

Company	£'000
Balance at 1 January 2023 and 31 December 2023	30,189
Balance at 1 January 2022 and 31 December 2022	30,189

**14. Loans and advances**

Group	2023 £'000	2022 £'000
Total loans and advances	7,407	24,215
Less: loss allowance	(173)	(54)
	<b>7,234</b>	<b>24,161</b>

The aging of loans and advances are analysed as follows:

	2023 £'000	2022 £'000
Neither past due nor impaired	7,082	23,875
Past due: 0–30 days	6	129
Past due: 31–60 days	22	77
Past due: 61–90 days	14	41
Past due: more than 91 days	105	39
Impaired	5	-
	<b>7,234</b>	<b>24,161</b>

## 15. Trade and other receivables

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade and other receivables	2,385	2,149	-	-
Prepayments	606	455	35	44
Accrued Income	685	890	-	-
VAT	-	-	15	11
Other debtors	3,684	2,554	-	-
Amounts due from Group Undertakings	-	-	111	83
	<b>7,360</b>	<b>6,048</b>	<b>161</b>	<b>138</b>

Trade receivables above are stated net of a loss allowance of £nil (2022: £nil). All receivables are due within one year.

The aging of trade receivables is analysed as follows:

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Not yet due	1,621	1,960	-	-
Past due: 0-30 days	220	117	-	-
Past due: 31-60 days	146	6	-	-
Past due: 61-90 days	193	9	-	-
Past due: more than 91 days	205	57	-	-
	<b>2,385</b>	<b>2,149</b>	<b>-</b>	<b>-</b>

## 16. Share capital

Group and Company	Share Capital £'000	Total £'000
105,836,687 shares at £0.91 per share	96,311	96,311

On 10 July 2023, the Company issued 11,653,744 ordinary shares through a Placing and an Open Offer. These were issued at £0.65 per share, raising gross proceeds of £7,575,000. This was a discount to par value of £3,030,000, which has been included in Other Reserves in the Statement of Changes of Equity.

All ordinary shares carry equal entitlements to any distributions by the Company. No dividends were proposed by the Directors for the year ended 31 December 2023.

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**17. Borrowings**

Group	2023 £'000	2022 £'000
Loans due within one year	6,157	1,783
Loans due in over one year	1,047	16,764
	<b>7,204</b>	<b>18,547</b>

**Movements in borrowings during the year**

The below table identifies the movements in borrowings during the year.

Group	£'000
Balance at 1 January 2023	18,547
Funding drawdown	7,619
Interest expense	557
Origination fees paid	(56)
Repayments	(2,170)
Interest paid	(416)
Disposal of subsidiary	(16,874)
Exchange differences	(3)
<b>Balance at 31 December 2023</b>	<b>7,204</b>

Group	£'000
Balance at 1 January 2022	12,985
Funding drawdown	8,707
Interest expense	852
Fee amortisation	110
Repayments	(3,337)
Interest paid	(777)
Exchange differences	7
<b>Balance at 31 December 2022</b>	<b>18,547</b>

The primary borrowings of the Group are comprised of the following:

- A revolving credit facility under which one month notice is given by either the lender or borrower. The facility is secured by a fixed and floating charge over Satago SPV1 and interest is payable monthly.

The Company had no borrowings during the period or at year end.



## 18. Trade and other payables

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade payables	877	529	19	28
Accruals and deferred income	3,626	3,867	520	622
Other payables	416	1,636	7	-
Corporation tax	8	-	-	-
Other taxation and social security	506	603	188	284
VAT	99	206	-	-
	<b>5,532</b>	<b>6,841</b>	<b>734</b>	<b>934</b>

## 19. Financial instruments

The Directors have performed an assessment of the risks affecting the Group through its use of financial instruments and believe the principal risks to be: capital risk; credit risk, and market risk including interest rate risk.

This note describes the Group's objectives, policies and processes for managing the material risks and the methods used to measure them. The significant accounting policies regarding financial instruments are disclosed in Note 1.

### Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while providing an adequate return to shareholders.

The capital structure of the Group consists of borrowings disclosed in Note 17 and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests as disclosed in Note 16 and Note 20).

The Group is not subject to any externally imposed capital requirements.

### Principal financial instruments

The principal financial instruments to which the Group is party and from which financial instrument risk arises, are as follows:

- Loans and advances, primarily credit risk and liquidity risk
- Trade receivables, primarily credit risk and liquidity risk
- Investments, primarily fair value or market price risk
- Cash and cash equivalents, which can be a source of credit risk but are primarily liquid assets available to further business objectives or to settle liabilities as necessary
- Trade and other payables, and
- Borrowings which are used as sources of funds and to manage liquidity risk.

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**Notes to the Consolidated Financial Statements** continued

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**Analysis of financial instruments by valuation model**

There are no financial assets or liabilities included in the statement of financial position at fair value.

**31 December 2023**

Financial assets and financial liabilities included in the statement of financial position that are not measured at fair value:

Group	Carrying amount £'000	Fair value £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
<b>Financial assets not measured at fair value</b>					
Loans and advances	7,234	7,234	-	-	7,234
Trade receivables	2,385	2,385	-	-	2,385
Other receivables	4,369	4,369	-	-	4,369
Cash and cash equivalents	10,140	10,140	10,140	-	-
	<b>24,128</b>	<b>24,128</b>	<b>10,140</b>	-	<b>13,988</b>
<b>Financial liabilities not measured at fair value</b>					
Borrowings	7,204	7,204	-	-	7,204
Trade, other payables and accruals	4,889	4,889	-	-	4,889
	<b>12,093</b>	<b>12,093</b>	-	-	<b>12,093</b>

**31 December 2022**

Group	Carrying amount £'000	Fair value £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
<b>Financial assets not measured at fair value</b>					
Loans and advances	24,161	24,161	-	-	24,161
Trade receivables	2,149	2,149	-	-	2,149
Other receivables	3,444	3,444	-	-	3,444
Cash and cash equivalents	10,273	10,273	10,273	-	-
	<b>40,027</b>	<b>40,027</b>	<b>10,273</b>	-	<b>29,574</b>
<b>Financial liabilities not measured at fair value</b>					
Borrowings	18,547	18,547	-	-	18,547
Trade, other payables and accruals	6,392	6,392	-	-	6,392
	<b>24,939</b>	<b>24,939</b>	-	-	<b>24,939</b>

**31 December 2023**

Company	Carrying amount £'000	Fair value £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
<b>Financial assets not measured at fair value</b>					
Amounts owed by group undertakings	59,089	59,089	-	-	59,089
Other receivables	126	126	-	-	126
Cash and cash equivalents	4,723	4,723	4,723	-	-
	<b>63,938</b>	<b>63,938</b>	<b>4,723</b>	-	<b>59,215</b>
<b>Financial liabilities not measured at fair value</b>					
Trade, other payables and accruals	734	734	-	-	734
	<b>734</b>	<b>734</b>	-	-	<b>734</b>

**31 December 2022**

Company	Carrying amount £'000	Fair value £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
<b>Financial assets not measured at fair value</b>					
Amounts owed by group undertakings	54,835	54,835	-	-	54,835
Other receivables	94	94	-	-	94
Cash and cash equivalents	2,260	2,260	2,260	-	-
	<b>57,189</b>	<b>57,189</b>	<b>2,260</b>	-	<b>54,929</b>
<b>Financial liabilities not measured at fair value</b>					
Trade, other payables and accruals	934	934	-	-	934
	<b>934</b>	<b>934</b>	-	-	<b>934</b>

Fair values for Level 3 assets and liabilities were calculated using a discounted cash flow model and the Directors consider that the carrying amounts of financial assets and liabilities recorded at amortised cost in the financial statements approximate to their fair values.

**Loans and advances**

Due to the short-term nature of loans and advances and/or expected credit losses recognised, their carrying value is considered to be approximately equal to their fair value.

**Trade and other receivables, borrowings, trade and other payables, and accruals**

These represent short term receivables and payables and as such their carrying value is considered to be equal to their fair value.

**Financial risk management**

The Group's activities and the existence of the above financial instruments expose it to a variety of financial risks.

The Board of Directors has overall responsibility for the determination of the Group's risk management objectives and policies. The overall objective of the Board of Directors is to set policies that seek to reduce ongoing risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

The Group is exposed to the following financial risks:

- Credit risk
- Liquidity risk
- Market risk
- Interest rate risk

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**Notes to the Consolidated Financial Statements** continued

For the year ended 31 December 2023

Further details regarding these policies are set out below.

**Credit risk**

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. One of the Group's main income generating activities is lending to customers and therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances. The Group considers all elements of credit risk exposure such as counterparty default risk, geographical risk and sector risk for risk management purposes.

**Credit risk management**

The credit committees within the wider Group are responsible for managing the credit risk by:

- Ensuring that it has appropriate credit risk practices, including an effective system of internal control
- Identifying, assessing and measuring credit risks across the Group from an individual instrument to a portfolio level
- Creating credit policies to protect the Group against the identified risks including the requirements to obtain collateral from borrowers, to perform robust ongoing credit assessment of borrowers and to continually monitor exposures against internal risk limits
- Limiting concentrations of exposure by type of asset, counterparty, industry, credit rating, geographical location
- Establishing a robust control framework regarding the authorisation structure for the approval and renewal of credit facilities
- Developing and maintaining the risk grading to categorise exposures according to the degree of risk of default. Risk grades are subject to regular reviews, and
- Developing and maintaining the processes for measuring Expected Credit Loss ("ECL") including monitoring of credit-risk, incorporation of forward-looking information and the method used to measure ECL.

**Significant increase in credit risk**

The Group continuously monitors all assets subject to ECL as to whether there has been a significant increase in credit risk since initial recognition, either through a significant increase in Probability of Default ("PD") or in Loss Given Default ("LGD").

The following is based on the procedures adopted by the Group:

**Granting of credit**

The business development team prepare a risk summary which sets out the rationale and the pricing for the proposed loan facility and confirms that it meets the Group's product risk and pricing policies. The application will include the proposed counterparty's latest financial information and any other relevant information but as a minimum:

- Details of the limit requirement e.g. product, amount, tenor, repayment plan etc.
- Facility purpose or reason for increase
- Counterparty details, background, management, financials and ratios (actuals and forecast)
- Key risks and mitigants for the application
- Conditions, covenants & information (and monitoring proposals) and security (including comments on valuation)
- Pricing
- Confirmation that the proposed exposure falls within risk appetite, and
- Clear indication where the application falls outside of risk appetite.

The credit risk department will analyse the financial information, obtain reports from credit reference agencies, allocate a risk rating and make a decision on the application. The process may require further dialogue with the business development team to ascertain additional information or clarification.

Each mandate holder and committee is authorised to approve loans up to agreed financial limits provided that the risk rating of the counterparty is within agreed parameters. If the financial limit requested is higher than the credit authority of the first reviewer of the loan facility request, the application is sent to the next credit authority level with a recommendation.

The Executive Risk Committee reviews all applications that are outside the credit approval mandate of the mandate holder due to the financial limit requested or if the risk rating is outside of policy but there is a rationale and/or mitigation for considering the loan on an exceptional basis.

Applications where the counterparty has a high risk rating are sent to the Executive Risk Committee for a decision based on a positive recommendation from the credit risk department. Where a limited company has such a risk rating, the Executive Risk Committee will consider the following mitigants:

- Existing counterparty which has met all obligations in time and in accordance with loan agreements
- Counterparty known to Group personnel who can confirm positive experience
- Additional security, either tangible or personal guarantees where there is verifiable evidence of personal net worth
- A commercial rationale for approving the application, although this mitigant will generally be in addition to at least one of the other mitigants.

### Identifying significant increases in credit risk

The Group measures a change in a counterparty's credit risk mainly on payment, on updated from credit reference agencies and adverse changes with a counterparty's debtors. The Group views a significant increase in credit risk as:

- A two-notch reduction in the Group's counterparty's risk rating since origination, as notified through the credit rating agency
- A counterparty defaults on a payment due under a loan agreement
- Late contractual payments which although cured, reoccur on a regular basis
- Evidence of a reduction in a counterparty's working capital facilities which has had an adverse effect on its liquidity, or
- Evidence of actual or attempted sales out of trust or of double financing of assets funded by the Group
- Deterioration in the underlying business (held as part of the security package) indicated through significant loss of revenue and higher than average client attrition.

An increase in significant credit risk is identified when any of the above events happen after the date of initial recognition.

## Default

### Identifying loans and advances in default and credit impaired

The Group's definition of default for this purpose is:

- A counterparty defaults on a payment due under a loan agreement and that payment is overdue on its terms, or
- The collateral that secures, all or in part, the loan agreement has been sold or is otherwise not available for sale and the proceeds have not been paid to the lending company, or
- A counterparty commits an event of default under the terms and conditions of the loan agreement which leads the lending company to believe that the borrower's ability to meet its credit obligations to the lending company is in doubt.

### Exposure at default

Exposure at default ("EAD") is the expected loan balance at the point of default and, for the purpose of calculating the Expected Credit Losses ("ECL"), management have assumed this to be the balance at the reporting date.

### Expected credit losses

The ECL on an individual loan is based on the credit losses expected to arise over the life of the loan, being defined as the difference between all the contractual cash flows that are due to the Group and the cash flows that it actually expects to receive.

This difference is then discounted at the original effective interest rate on the loan to reflect the disposal period of underlying collateral.

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Regardless of the loan status stage, the aggregated ECL is the value that the Group expects to lose on its current loan book having assessed each loan individually.

To calculate the ECL on a loan, the Group considers:

1. Counterparty PD; and
2. LGD on the asset

whereby:  $ECL = EAD \times PD \times LGD$

#### Maximum exposure to credit risk

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Cash and cash equivalents	10,140	10,273	4,723	2,260
Loans and advances	7,234	24,161	-	-
Amounts owed by group undertakings	-	-	59,089	54,835
Trade and other receivables	6,754	5,593	126	138
<b>Maximum exposure to credit risk</b>	<b>24,128</b>	<b>40,027</b>	<b>63,938</b>	<b>57,233</b>

#### Loans and advances:

##### Collateral held as security

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Fully collateralised</b>				
Loan-to-value* ratio:				
Less than 50%	654	800	-	-
50% to 70%	1,174	271	-	-
71% to 80%	554	500	-	-
81% to 90%	3,434	701	-	-
91% to 100%	651	-	-	-
	<b>6,467</b>	<b>2,272</b>	<b>-</b>	<b>-</b>
<b>Partially collateralised</b>				
Collateral value relating to loans over 100% loan-to-value	-	-	-	-
<b>Unsecured lending</b>	<b>940</b>	<b>21,943</b>	<b>-</b>	<b>-</b>

\* Calculated using wholesale collateral values

#### Concentration of credit risk

The Group maintains policies and procedures to manage concentrations of credit at the counterparty level and industry level to achieve a diversified loan portfolio.

## Credit quality

An analysis of the Group's credit risk exposure for loan and advances per class of financial asset, internal rating and "stage" is provided in the following tables. A description of the meanings of stages 1, 2 and 3 is given in the accounting policies set out in Note 1.

Risk rating	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	2023 Total £'000	2022 Total £'000
Above average (risk rating 1-2)	940	-	-	940	11,035
Average (risk rating 3-5)	6,333	-	134	6,467	10,615
Below average (risk rating 6+)	-	-	-	-	2,565
<b>Gross carrying amount</b>	<b>7,273</b>	<b>-</b>	<b>134</b>	<b>7,407</b>	<b>24,215</b>
Loss allowance	(173)	-	-	(173)	(54)
<b>Carrying amount</b>	<b>7,100</b>	<b>-</b>	<b>134</b>	<b>7,234</b>	<b>24,161</b>

Gross Carrying Amount	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
As at 1 January 2023	22,692	1,481	43	24,216
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	(30)	-	30	-
Disposal of subsidiary	(19,937)	(1,481)	-	(21,418)
Net Loans originated	4,548	-	61	4,609
<b>As at 31 December 2023</b>	<b>7,273</b>	<b>-</b>	<b>134</b>	<b>7,407</b>

## Trade receivables

### Status at reporting date

The Group has assessed the trade and other receivables in accordance with IFRS 9 and determined that, at the balance sheet date, the lifetime ECL is £nil (2022: £nil).

The contractual amount outstanding on financial assets that were written off during the reporting period and are still subject to enforcement activity is £nil at 31 December 2023 (2022: £nil).

## Liquidity risk

Liquidity risk is the risk that the Group does not have sufficient financial resources to meet its obligations as they fall due or will have to do so at an excessive cost. This risk arises from mismatches in the timing of cash flows which is inherent in all banking operations and can be affected by a range of Group specific and market-wide events.

### Liquidity risk management

Group Finance performs treasury management for the Group, with responsibility for the treasury for each business entity being delegated to the individual subsidiaries. However, in line with the wider Group governance structure, Group Finance performs an important oversight role in the wider treasury considerations of the Group. The primary mechanism for maintaining this oversight is a formal requirement that subsidiaries' Finance teams notify all material Treasury matters to Group Finance.

The main Group responsibilities are to maintain banking relationships, manage and maximise the efficiency of the Group's working capital and long-term funding and ensure ongoing compliance with banking arrangements. The Group currently does not have any offsetting arrangements.

### Liquidity stress testing

The Group regularly conducts liquidity stress tests, based on a range of different scenarios to ensure it can meet all of its liabilities as they fall due.

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**Maturity analysis for financial assets and financial liabilities**

The following maturity analysis is based on expected gross cash flows.

As at 31 December 2023	Carrying Amount £'000	Less than 1 month £'000	1-3 months £'000	3 months to 1 year £'000	1-5 years £'000	>5 years £'000
<b>Financial Assets</b>						
Cash and cash equivalents	10,140	10,140	-	-	-	-
Trade and other receivables	6,754	2,490	585	2,006	1,673	-
Loans and advances	7,234	6,321	36	(63)	940	-
	<b>24,128</b>	<b>18,951</b>	<b>621</b>	<b>1,943</b>	<b>2,613</b>	<b>-</b>
<b>Financial Liabilities</b>						
Trade payables, other payables and accruals	4,889	1,574	2,260	819	236	-
Borrowings	7,204	64	38	1,077	6,025	-
	<b>12,093</b>	<b>1,638</b>	<b>2,298</b>	<b>1,896</b>	<b>6,261</b>	<b>-</b>

**Market risk**

Market risk is the risk that movements in market factors, such as foreign exchange rates, interest rates, credit spreads, equity prices and commodity prices will reduce the TruFin Group's income or the value of its portfolios.

**Market risk management**

TruFin Group's management objective is to manage and control market risk exposures in order to optimise return on risk while ensuring solvency.

The core market risk management activities are:

- The identification of all key market risk and their drivers
- The independent measurement and evaluation of key market risks and their drivers
- The use of results and estimates as the basis for the TruFin Group's risk/return-oriented management, and
- Monitoring risks and reporting on them.

**Interest rate risk management**

TruFin Group is exposed to the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of the change in market interest rates.

**Interest rate risk**

Interest rates on loans and advances are charged at competitive rates given current market condition. Should rates fluctuate, this will be reviewed and pricing will be adjusted accordingly.



## 20. Non-controlling interests

The summarised financial information below represents financial information for each subsidiary that has non-controlling interest that are material to the Group. The amounts disclosed for each subsidiary are before intragroup eliminations.

The Group had a 72% (2022: 72%) ownership share of Bandana during the year.

### Statement of Financial Position

	Bandana	
	2023 £'000	2022 £'000
Current assets	-	1
Current liabilities	(5,464)	(5,465)
Equity attributable to owners of the Company	(3,955)	(3,955)
Non-controlling interests	(1,509)	(1,509)

### Income Statement

	Bandana	
	2023 £'000	2022 £'000
Revenue	-	-
Expenses	-	(251)
Loss after tax	-	(251)
Loss after tax attributable to owners of the Company	-	(182)
Loss after tax attributable to the non-controlling interests	-	(69)

### Cash Flow Statement

	Bandana	
	2023 £'000	2022 £'000
Net cash from operating activities	-	-
Net increase in cash and cash equivalents	-	-

### Non-controlling interest

	Bandana	
	2023 £'000	2022 £'000
Balance at 1 January	(1,509)	(1,440)
Share of loss for the year	-	(69)
<b>Balance at 31 December</b>	<b>(1,509)</b>	<b>(1,509)</b>

The Group's effective ownership share of Satago Financial Solutions Limited ("Satago") at the reporting date is based on the net assets of the Satago Group at the reporting date, and the ownership waterfall following Lloyds Banking Group's £5m investment in Satago in April 2022.

### Statement of Financial Position

	Satago	
	2023 £'000	2022 £'000
Current assets	9,705	10,397
Non-current assets	587	617
Current liabilities	(3,606)	(927)
Equity attributable to owners of the Company	2,631	5,061
Non-controlling interests	4,055	5,026

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**Income Statement**

	Satago	
	2023 £'000	2022 £'000
Revenue	2,523	1,860
Expenses	(5,923)	(3,926)
Loss after tax	(3,400)	(2,001)
Loss after tax attributable to owners of the Company	(2,429)	1,910
Loss after tax attributable to the non-controlling interests	(971)	(91)

**Cash Flow Statement**

	Satago	
	2023 £'000	2022 £'000
Net cash used in operating activities	(4,507)	(3,035)
Net cash used in investing activities	(275)	(2,498)
Net cash generated from financing activities	2,558	7,360
Net (decrease)/increase in cash and cash equivalents	(2,224)	1,827

**Non-controlling interest**

	Satago	
	2023 £'000	2022 £'000
Balance at 1 January	5,026	103
Share of loss for the year	(971)	(91)
Arising from change in non-controlling interest	-	14
Equity Raise	-	5,000
<b>Balance at 31 December</b>	<b>4,055</b>	<b>5,026</b>

**21. Leases**

The carrying amounts of the right-of-use assets recognised and the movements during the period are shown in Note 12.

The lease liability and movement during the period were:

Group	£'000
Lease liability recognised at 1 January 2023	285
Interest	13
Payments	(82)
<b>Balance at 31 December 2023</b>	<b>216</b>

Group	£'000
Lease liability recognised at 1 January 2022	25
Lease recognised in year	276
Interest	12
Payments	(28)
<b>Balance at 31 December 2022</b>	<b>285</b>

## 22. Earnings per share

Earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

The calculation of the basis and adjusted earnings per share is based on the following data:

	2023	2022
<b>Number of shares (#)</b>		
At year end	105,836,687	94,182,943
Weighted average	99,770,355	90,485,862
<b>Earnings attributable to ordinary shareholders</b>	<b>£'000</b>	<b>£'000</b>
Loss after tax attributable to the owners of TruFin plc	(6,472)	(6,637)
Adjusted earnings attributable to ordinary shareholders		
Loss after tax attributable to the owners of TruFin plc	(6,472)	(6,637)
Loss after tax from continued operations	(5,312)	(6,677)
(Loss)/profit from discontinued operations	(1,160)	40
Share-based payments	766	-
Adjusted <sup>1</sup> loss after tax attributable to the owners of TruFin plc	(4,546)	(6,677)
Earnings per share*	Pence	Pence
Basic and diluted	(6.5)	(7.3)
Basic and diluted from continuing operations	(5.3)	(7.4)
Adjusted <sup>1</sup>	(4.6)	(7.4)

\* All Earnings per share figures are undiluted and diluted.

Adjusted<sup>1</sup> EPS excludes share-based payment expense and loss from discontinued operations from loss after tax

Comparative figures have been restated to adjust for discontinued operations

Management has been granted 9,551,342 share options in TruFin plc (see Note 6 for details). These could potentially dilute basic EPS in the future, but were not included in the calculation of diluted EPS as they are antidilutive for the years presented as the Group is loss making.

## 23. Related party disclosures

Key management personnel disclosures are provided in Notes 5 and 6.

During the year, Playstack made loans to Storm Chaser UG, a company based in Germany. Storm Chaser UG is 100% owned by Storm Chaser Games – an associate company of Playstack (See Note 1). The balance of the loans (including interest) at the reporting date was £940,000 (2022: £525,000).

## 24. Events after the Reporting Date

In March 2024, Playstack disposed of its augmented reality and gamification AdTech platform “Interact” to VCI Global Limited for \$2,000,000 (£1,574,000).





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