Registered number: 11537452

CELLULAR GOODS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

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COMPANY INFORMATION

Registered number	11537452
Registered office	9th Floor 16 Great Queen Street London WC2B 5DG
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CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 AUGUST 2023

Introduction

Despite the continued challenging market conditions and industry headwinds, we saw positive business growth for the financial year ended 31 August 2023. Driven by our refocused marketing strategy, to progress near-term sales with lower acquisition costs, and expansion of our 'Look Better' Rejuvenating skincare range, we saw increased sales growth of over 132% YoY. However, the momentum seen in the first half of the financial year did not continue at the rate envisaged by the Company into the second half of the financial year, as direct marketing to prospective customers in the retail industry continues to be challenged with a lack of clarity on marketing regulations and the continued impact of Apple's privacy changes.

The expanded marketing and influencer outreach strategy, including campaigns with premium online lifestyle magazines, and the resulting increase in cost to acquire customers eroded returns on our online advertising spend. Coupled with the sector wide challenge of limited opportunities to market CBD and CBG-based products in alternative channels, we took the decision to significantly reduce our YoY and 2H fiscal year marketing spend and focus on further optimising our social media and database marketing.

In September 2022 the Company expanded its skincare product range with the introduction of three new rejuvenating skincare products and signed an agreement with the international supermodel Helena Christensen to be the face of the Company's 'Rejuvenating Skincare Range', to support brand awareness and sales in the UK and US markets as well as delivering strong media coverage.

The strategic partnership with our brand ambassador supported our strategy to continue the expansion of our 'Look Better' skincare range into new markets and increase global access to our products. Also in September 2022, we launched product shipping to the USA and in August 2023 we announced product shipping to France and Germany, followed by Austria, Italy, Portugal, Spain, Denmark, Belgium and the Netherlands in November 2023.

Our renewed focus on improving shorter term sales and bringing new customers in to purchase was further driven by the unlocking of new partnership distribution channels for the Rejuvenating skincare range through the e-commerce websites for high-street beauty and cosmetic retailers Debenhams and Sephora UK. Debenhams is a household name and Sephora UK is a multinational luxury goods group. Cellular Goods became the first cannabigerol (CBG)-based skincare brand to offer its products on these e-commerce websites, with the Company's association to Helena Christensen appealing to their new and existing customers looking to try next-generation skincare formulations.

To broaden our customer base further, the Company signed an agreement with Klarna Bank AB in June 2023 to offer flexible purchase options, supporting increased sales and opening the Company's products up to a wider audience. Demand for buy now, pay later payment services has surged among all age groups in the UK and is popular with customers across the Company's target demographics, making it an important improvement to our ecommerce offering.

While high quality brand ambassador partnerships and investment in innovative purchase options aid in fostering brand awareness and loyalty for long-term growth, it takes time for these types of marketing activities to translate into significant revenues and product sales within the premium beauty segment due to entrenched consumer habits and industry headwinds.

As revenue at the financial year-end 2023 more than doubled to £67,236 from £28,904 at year-end 2022, the Company continues to enhance its retail strategy and drive growth by expanding its sales channels and increasing its collaboration with established online and high street outlets.

In light of the prevailing headwinds faced by businesses in the premium goods sector, the wider economic conditions disproportionately affecting start-ups, and Apple's privacy changes negatively impacting customer acquisition in the traditionally high return-on-investment direct-to-consumer channel, the Company underwent further measures to reduce its cash burn and improve performance in our wellness division. These actions include a 50% reduction in the overall cost base, achieved through lower management and staff costs, consultancy fees and administrative expenses, allowing the Company to streamline its media spend levels to address Return On Investment ("ROI") challenges.

For the current scale of operations, we believe the Company has the right size of management team and full commitment of all its members to drive growth. To build on the leadership team at this time would unnecessarily increase recurring expenditure. However, in the longer term and as the business develops, the Board intends to bring in a permanent CEO. Although there is no definitive deadline on how long this interim period will be, we continue to keep a close eye on the market for potential candidates to take over the permanent position of CEO. At the moment, our main priority and focus is on the growth and development of Cellular Goods.

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

We announced at our half-year results, in May 2023, that we were interested in widening our lens of opportunity across biosynthetic production fields to generate value for our shareholders, following which we acquired King Tide Carbon. King Tide Carbon is a Singapore-incorporated biosynthetic algae and seaweed carbon sequestration-as-a-service company pioneering in the carbon markets and particularly in the realm of carbon removal. The King Tide Carbon acquisition allows us to deepen our sustainability vision while offering an opportunity to generate long-term growth. The strategy behind the acquisition had deep underpinnings in our Company's wellness vision, wellness for self and wellness for the environment.

Only two months after completion of the acquisition, the Company was pleased to announce King Tide Carbon had entered a non-binding memorandum of understanding with Springtide Seaweed for the purposes of developing carbon sequestration and removal services through sustainable kelp farming. Springtide Seaweed is in the business of growing, cultivating and harvesting kelp in the State of Maine, cultivating multiple species over 55 acres on deep water sites in Frenchman Bay. Springtide Seaweed also provides nursery and farm technology services to other kelp farms globally. The focus of the collaboration between King Tide Carbon and Springtide Seaweed is to utilise their combined efforts and expertise to identify, analyse and select kelp species to maximise carbon sequestration and removal.

The Company remains committed to developing next-generation skincare and wellness products that help people look, feel and function better. As we believe in harnessing the untapped potential of CBD and CBG, we also believe in harnessing oceanic kelp's carbon removal properties as well as the high value ingredients that can be extracted from kelp. Despite the identified industry headwinds, we have benefitted from positive business momentum. In combination with a significant rationalisation of our cost base and cash burn, we have defined a path to drive the Company forward as we investigate future product lines and verticals that remain aligned with our Company's wellness vision: wellness for self and wellness for the environment.

Strategy and Operational Review

King Tide Carbon acquisition and rationale of the deal

The acquisition of King Tide Carbon Pte.Ltd (”KTC”) and move into the carbon removal (“CDR”) industry widens our lens of opportunity whilst remaining aligned with the Company's strategic direction, deepening our sustainability vision and philosophy. The strategy behind the acquisition of King Tide Carbon was the result of a strategic review that was conducted to identify where there was more scope for value delivery to accelerate the development of the business.

King Tide Carbon was an early-stage carbon removal company building on an experienced team that has decades of experience working with biologically enabled carbon sequestration and the sourcing of CDR contract opportunities in the growing carbon markets. A clear opportunity was identified for the Company to bring its experience in biosynthetics to enhance sustainability practices to King Tide Carbon and deploy biosynthetic technology R&D to supply partners to increase yield, hardiness, and Co2 capture properties of kelp and algae to optimise the generation of reliable, scalable, and sustainable high-quality oceanic carbon removal credits (“CDRs”) as a service. By 2050 the global CDR market is forecasted to increase by 300 times and the value of the carbon offset market could top $500Bn in 2050 (source:Bloomberg NEF).

Biosynthetics for carbon capture properties in kelp and algae is still at an early stage but has shown potential as a viable commercial-scale technology and is a sector with a large market opportunity, offering potential for high and sustainable long-term growth as well as being complementary to our current activities.

The Company's innovation continues to be centred around harnessing biosynthetic technologies in the development of next-generation biosynthetic products that improve people's lives and combat climate change. We are committed to our mission to develop a responsible approach to ingredient sourcing using sustainable production methods to create science-backed, efficacy-led formulations that never compromise on quality, safety or efficacy and really make a difference.

The market value of the shares issued for the KTC acquisition was £569,940 which is accounted for as a loss for the financial year 2022-2023. Reported losses at the financial year end 2023 are £3,309,721; however, the actual operating loss without this adjustment was £2,739,781, a reduction of 54% from the previous year.

Cannabinoid market opportunity

The global cannabidiol (“CBD”) and CBG (cannabigerol) market size was valued at USD 6.4 billion in 2022 and is expected to grow at a compound annual growth rate (“CAGR”) of 16.2% from 2023 to 2030. The growing interest in the potential health benefits of cannabidiol has led to increased investment in research and development to understand its effects better and develop new products. The demand for CBD/CBG for health and wellness is the primary factor driving the market growth. Furthermore, CBD/CBG is growing in popularity as an ingredient in skincare products for treating acne and wrinkles. *(Source: Grand View Research)*

The CBD/CBG market is a large and growing industry, but despite the demand it also faces several difficult challenges and significant headwinds, with heavy regulation being the main one. The establishment of a clear and detailed regulatory framework for the CBD/CBG industry to operate within is an ongoing process. In the absence of comprehensive regulation, the industry continues to grow and develop, but further regulatory changes are required to unlock its full potential.

We believe that the operating environment for CBD and CBG-infused skin care products in the UK and USA remains impacted by a glut of niche brands and products. This has prompted fierce competition for both online and offline retail space where expected consolidation has not yet occurred, and we are witnessing attrition in both suppliers and consumer facing brands in the space.

Voluntary carbon dioxide removal ("CDR") market opportunity

The International Panel on Climate Change ("IPCC") has made the requirement for emissions reductions and carbon dioxide removal extremely clear. Limiting global warming to 1.5 degrees C above pre-industrial levels requires significant carbon reductions and 6 to 10 billion tonnes of carbon dioxide removal per year by 2050. The voluntary carbon market ("VCM") is a key mechanism to scale those solutions. The VCM allows for the transaction of carbon credits between carbon project developers and buyers with each carbon credit representing an equivalent tonne of CO2 reduced, avoided, or removed.

The demand for high-quality, durable carbon removal credits has increased alongside global climate commitments. The majority of these credits are still in development and are limited in number as per BCG 2022 insights and trends report on voluntary carbon markets. Due to this limited supply, organisations that are working to reach net zero by 2030 or 2050 increasingly recognise that they need to secure the necessary volumes of carbon dioxide removal in advance, alongside large-scale emissions reductions.

In 2021, the global voluntary carbon market grew at a record pace, reaching $2 billion—four times its value in 2020—and the pace of purchases is still accelerating in 2022. By 2030, the market is expected to scale to close to $40 billion. (*Source: BCG 2022 insights and trends report on voluntary carbon markets*)

However, achieving the goals outlined by the Paris Agreement requires the rapid scaling of high-quality removals across nature-based, hybrid, and engineered solutions.

We are on the verge of a once in a generation growth cycle, and King Tide Carbon will aim to be a leader in delivering carbon removal as a service.

Operational review

The Company expanded its 'Look Better' skincare range with the launch of three new products in the Rejuvenating Range of skincare products, containing the Company's proprietary blend of cannabigerol ("CBG") and cannabidiol ("CBD"), using a campaign fronted by international supermodel Helena Christensen in September 2022. With a substantial and dedicated following in the United States, she played a pivotal role in driving the Company's growth, contributing to a considerable increase in US sales, accounting for 22 % of the Company's total sales for the fiscal year ended August 2023.

Our retail strategy received another boost in May 2023 with the launch of the Company's 'Look Better' skincare range and selected products from its 'Gift Better' line on Sephora.co.uk. A total of ten products are available with the UK high street retailer in the Company's third major retail distribution deal after Amazon and Debenhams, providing further validation of our premium product strategy. We are working closely with Sephora.co.uk to participate in selective marketing activities to drive sales and continue assessing the potential to open other retail opportunities in additional Sephora geographies.

The Company has taken a two-pronged approach to its marketing strategy this year to drive trial of its core products and expand its sales channels, and encourage conversion of the consumer recognition of our brand into an initial purchase. Having significantly raised awareness in 2022, our refocused marketing strategy this year was centred on driving near-term sales with lower acquisition costs.

Function Better movement range

As noted in our half-year results, the Company postponed the launch of the 'Function Better' movement range to focus its resources on strengthening the market presence behind its existing 'Look Better' and 'Gift Better' ranges before further expansion. The prohibiting of advertising cannabinoid infused products on leading online platforms and the imposition of new rules governing the sale of novel foods led the Company to perform a review of the portfolio and narrow its scope to exploring alternative opportunities for ingredient sourcing whilst strengthening the existing ranges. The Company remains in communication with potential distribution partners for the launch of the 'Function Better' range and will provide an update in the event an agreement is reached.

Cannaray Brands acquisition

On 26 September 2022 the Company announced its intention to acquire Cannaray Brands Ltd. and Love CBD Health Ltd. from Cannaray Ltd. ("Cannaray"). Cellular Goods' Board of Directors entered into negotiations with the intention of generating value for our shareholders by creating an enlarged business with significant growth opportunities and an enhanced market presence. As negotiations progressed and changes to the deal were made, it became clear to Cellular Goods' Board and senior leadership team that the updated transaction terms were not in the best interests of the Company's shareholders. The negotiations were not able to reach a deal structure and terms that worked for both parties, and as such we terminated the discussions as announced on 8 February 2023.

UK patent application Status

On April 28, 2022, the Company disclosed its initiation of a UK priority patent application centred on the utilisation of CBG for skin brightening. Subsequent to a thorough internal examination, the application has not been pursued further. The decision to not proceed was based on the realisation that the formulations encompassed by the priority patent did not align with the Company's current product offerings and were constrained in their applicability to the future product pipeline. Consequently, it was determined that the return on investment and cost benefits did not meet the established standards of the Company.

Marketing focus

The Company started the financial year with a focus on building a clear brand plan and ensuring investment was only made once the strategy was defined and could be executed. The investment that was made focused on shorter sales driving activities and leveraging of the partnership with Helena Christensen across the UK and USA.

Apple's privacy changes, particularly the introduction of App Tracking Transparency ("ATT") and Mail Privacy Protection ("MPP"), have had a significant negative impact on direct marketing return on investment. The industry is therefore in a state of ongoing adaptation and innovation as marketers strive to maintain effective campaigns in the face of evolving privacy regulations and consumer preferences.

In light of these changes, the Company has refocused its marketing strategy to be more cost efficient and effective in adapting to these challenges. These include focusing on first-party data collection and building stronger relationships with our audience, as well as exploring partnerships with online marketplaces and influencers that are privacy-compliant.

The Company continues to focus its marketing efforts on delivering short term sales activity by utilising owned channels and earned channels through product gifting and e-commerce initiatives.

Post-balance sheet milestones

Since the year end, the Company has continued to enhance its retail strategy and drive growth by expanding its sales channels and increasing its collaboration with established online and high street outlets. In the first quarter of the 2023-2024 financial year, we announced a further retail partnership with Chill Brands Group PLC, the online shop for wellness and relaxation products. The Company's partnerships with e-commerce websites help to improve market awareness and distribution of our skincare range whilst building on our brand profile and broadening our accessibility to customers.

As well as establishing new partnerships with high street outlets, we continue to grow our existing sales channels by participating in their seasonal promotional campaigns and events. As the first CBG-based skincare brand to be offered as part of Sephora UK's beauty box and subscription platforms over the Autumn 2023 season, we continue increasing our brand awareness and our products gain more visibility and traction with new and existing customers.

In addition to growing our existing sales channels, we have continued our commitment to expanding distribution of our 'Look Better' skincare range into new markets. Following the opening of Cellular Goods' e-commerce site to our French and German customers in November 2023, we also launched shipping of our products to Austria, Italy, Portugal, Spain, Denmark, Belgium and the Netherlands in November 2023.

The Company will continue to assess online traffic and new market sales to identify potential market demand for growth into additional territories as it remains focused on driving distribution of our breakthrough anti-inflammatory CBD/CBG powered products to CBD/CBG friendly markets to deliver incremental revenue growth.

Through the Company's wholly owned subsidiary King Tide Carbon, we aim to deliver cost-competitive carbon removal credits ("CDR") through the integration of multiple synergistic elements within the 2023-2024 financial year. Our approach involves extracting valuable compounds prior to submerging biomass, enhancing ocean alkalinity to leverage existing infrastructure, and exploring alternative pathways like biochar and biosynthetic algal growth. This multifaceted strategy empowers us to optimise carbon sequestration and therefore optimise the price of carbon sequestration.

As we position ourselves at the forefront of carbon removal solutions, we are focused on scaling-up the Company's joint venture agreements with diverse carbon capture projects over the next twelve months. The first of which are with Springtide Seaweed, as announced in the first quarter of the 2023/24 financial year. As part of the joint venture agreements, the partnering companies will use their combined efforts to identify, analyse and select kelp species, cultivation techniques and harvesting techniques to maximise carbon sequestration and removal services through sustainable kelp farming. By growing partnerships with suppliers across multiple geographies, we can access different strains of product, increased amounts of data and more proof of concept allowing the Company to effectively develop and broaden its range of products and services, complementing our current activities and helping to tackle climate change.

Additionally in November, King Tide has achieved a milestone in the production of kelp-derived biochar with 28% carbon content, propelling the company forward in its commitment to sustainable carbon removal. This innovation utilizes the carbon-rich properties of kelp, a rapidly renewable marine resource, for biochar production, recognised for its potential in soil improvement, carbon sequestration, and enhanced agricultural productivity. As global scientific consensus grows on biochar's viability for permanent carbon sequestration, King Tide aims to scale up its carbon removal efforts and generate high-quality Carbon Dioxide Removal ("CDR") credits. The kelp-derived biochar not only contributes to long-term carbon storage but also promotes environmental stewardship through circular economy principles, reducing waste and maximizing resource utilization. With a notable 28% carbon content, the biochar demonstrates efficacy in carbon sequestration, soil fertility enhancement, and potential industrial applications. This achievement aligns with King Tide's dedication to a sustainable future and collaborative interdisciplinary efforts with experts in marine biology, environmental science, and agriculture. The success holds promise for advancing agricultural practices, promoting scientific collaboration, and ushering in a new era of oceanic carbon sequestration innovation.

Outlook

We are continuing to assess strategic opportunities to deliver long-term shareholder value and will assess each opportunity on its individual merits. In the meantime, our focus will continue to be to execute the Company's existing business model and position it for long-term growth.

The growth of the Company's wellness for good product pipeline and wellness for the environment sustainability strategy are the core areas of development. We plan to continue expanding distribution of our 'Look Better' skincare range into new markets to deliver revenue growth.

The Company continues its focus on bringing deep expertise in biosynthetics to the kelp industry through King Tide Carbon and its joint venture partners, assisting in early-stage investigations on the extraction of high value ingredients from algae and seaweed for use in the biosynthetic product industry. As we continue harnessing the potential of CBD/CBG, we are also investigating the ability to harness the high value ingredients that can be extracted from kelp and analysing their use in future product lines.

The Company's move into the carbon removal industry is a continued focus for our strategic direction as biosynthetics for carbon capture remains a sector with a large market opportunity and offers potential for high and sustainable long-term growth as well as being complementary to our current activities.

I would like to thank our loyal shareholders for their support and patience while we navigate the challenging macro environment and current industry challenges and look to an improvement in growth and performance in the year ahead.

Darcy Taylor
Chairman

21 December 2023

The directors present their strategic report for the year ended 31 August 2023.

Principal activity

The Company's principal activity is a premium high-quality, independently tested and compliant consumer cannabinoid business targeting the expanding but fragmented CBD sector.

Review of the business and future developments

Cellular Goods PLC is a UK-based wellness company providing premium consumer products formulated with lab produced cannabinoids consumer products. Cellular Goods was incorporated to establish premium high-quality, efficacy-led and research backed cannabinoid-powered wellness products targeting the expanding but fragmented CBD sector.

The Company launched with a focus on efficacy led and science-backed products utilising biosynthetic, and now employs its knowledge across two verticals: premium next-generation cannabinoid skincare products, and carbon sequestration-as-a-service through its acquisition of wholly owned business division, King Tide Carbon, which utilises biosynthetic algae and seaweed to provide scalable carbon removal.

The Company has communicated a strategy to participate in three product verticals within its wellness division: Function Better, Feel Better and Look Better. These three verticals encompass Cellular Goods' premium CBG skincare and CBD ingestible and topical athletic recovery products. The Company's focus to date has been on Look Better skincare offering that builds on existing consumer behaviours, is premium focused, simple to understand and available primarily through direct-to-consumer channels and selected retail outlets. The Company's products are available direct to the consumer through the Company's website, e-commerce sites, such as Sephora Marketplace, Chill.com, Debenhams and Amazon and through physical retail partnerships.

As the Company continues to harness the untapped potential of biosynthetics and sustainable production methods, it has widened its scope with the May 9th, 2023 acquisition of King Tide Carbon Pte.Ltd ("KTC") a biosynthetic algae and seaweed carbon sequestration-as-a-service division with a clear mission to deliver sustainable, scalable, and high-quality carbon removal credits ("CDRs") that ensure a reliable supply to support global and national commitments to achieving net-zero carbon emissions by 2050.

The Company's medium to long-term intention was to expand its wellness division product range and establish a deeper sustainability offering via scalable, and high-quality carbon removal credits while still realising latent growth in the cannabinoid sector.

Performance of the business during the year and at the end of the year

The Company reported a loss of £3,309,721 for the year ended 31 August 2023 (2022: loss of £5,989,957). The loss was primarily a consequence of one-time restructuring costs and M&A expenses.

Net assets of the Company at the year-end were £2,262,808 (2022: net assets £4,852,232).

Key Performance Indicators ("KPIs")

The Board aims to monitor the activities and performance of the Company regularly. The Company only commenced sales midway throughout the previous year and the Directors regularly review sales, stock levels, new product development, and cash reserves.

For now, the Directors consider that a KPI applicable to the Company is maintaining cash reserves held in cash and short-term investments.

	2023	**2022**
Cash at bank	£1,772,892	£4,376,134

Principal risks and uncertainties

The Company operates in an uncertain environment and is subject to a number of risk factors. The Directors consider the risk factors in this report will be relevant to the Company's activities. It should be noted that the list is not exhaustive and other risk factors not presently known or currently deemed immaterial may apply.

Early stage of operations and cash levels

The Company's operations are at an early stage in nascent industries, with nine products launched year to date in its wellness division, and recent entry into the biosynthetic algae and seaweed carbon sequestration-as-a-service carbon removal space. The business is reliant on a small number of principal suppliers.

The Directors consider the principal risks for the Company to be the maintenance of cash while it focuses on developing cannabinoid skincare products, and carbon sequestration-as-a-service divisions, and the level of sales being generated.

Supply arrangements

CBD and CBG - As the Company expands its product range and enters new geographical markets, we will consider its reliance on individual third parties, and will seek to take measures to minimise supplier risk and the resulting potential disruption to its business as appropriate to the business's stage of operations and development.

The Company has partnered with a leading bio-synthetic CBG (cannabigerol) producer and chemically-synthetic CBD (cannabidiol) producer, both with experience and expertise in the synthesis of cannabinoid compounds. There are several business risks related to the procurement of synthetic cannabinoids, which form the basis of the Company's products.

First, the Company's principal sources of synthetic CBG and CBD are imported, and therefore subject to import and export risk, which may be exacerbated by the consignment being a cannabinoid.

Secondly, the synthesis of these compounds at commercial volumes remains relatively novel, and so may be subject to unexpected issues, delays or quality control problems, which may adversely affect the Company's supply of high-quality synthetic cannabinoids. Such disruption could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Lastly, there are a limited number of suppliers engaged in the commercial production of synthetic cannabinoids, thereby limiting the Company's ability to build contingency into their supply chain.

Oceanic biomass - As the Company scales it commercial operations to deliver high-quality carbon removal credits ("CDRs"), we will consider its reliance on individual third parties, and will seek to take measures to minimise supplier risk and the resulting potential disruption to its business as appropriate to the business's stage of operations and development.

The Company has partnered with a leading kelp biomass supplier, with experience and expertise in the cultivation of ocean based kelp biomass. There are several business risks related to the procurement of kelp, which form the basis of the Company's CDRs services.

First, the Company's principal sources of Kelp biomass are imported, and therefore subject to import and export risk.

Secondly, these biomass compounds at commercial volumes remains relatively novel, and so may be subject to unexpected issues, delays or quality control problems, which may adversely affect the Company's supply of high-quality biomass. Such disruption could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Lastly, there are a limited number of suppliers engaged in the commercial growing of Kelp biomass, thereby limiting the Company's ability to build contingency into their supply chain.

Market demand

Acceptance and/or widespread use of CBD or CBG products containing these cannabinoids is uncertain. This is further aggravated by the inability to promote and advertise products on social media due to marketing restrictions on products containing CBD, which presents a hindrance to growth plans.

Corporate spending on carbon credits (CDRs) are viewed discretionary and can be impacted by greater economic challenges. This is further challenged by lack of standardization, integrity and transparency for carbon credits, it can be difficult for companies to validate their emissions reduction programs hindering demand and impacting our growth.

Reliance on key personnel

The Company's business is dependent on the services of a small management team and the loss of a key individual could have an adverse effect on the future of the Company's business. The Company's future success will also depend in part on its ability to attract and retain highly skilled personnel. This risk is managed by offering salaries that are competitive in the current market.

Regulatory risk

A breach with any environmental or regulatory requirements, including data protection and privacy breaches, may give rise to reputational, financial, or other sanctions against the Company, and therefore the Board considers these risks seriously and designs, maintains and reviews the policies and processes to mitigate or avoid these risks. The Board has a good record of compliance, but there is no assurance that the Company's activities will always be compliant.

There is risk for finished products which may not be sold before their respective expiry dates, and a risk of stock of packaging remaining unused.

Promotion of the Company for the benefit of the members as a whole

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172(1) of the Companies Act 2006.

The requirements of s172(1) are for the Directors to:

- Consider the likely consequences of any decision in the long term
- Act fairly between the members of the Company
- Maintain a reputation for high standards of business conduct
- Consider the interests of the Company's employees
- Foster the Company's relationships with suppliers, customers and others, and
- Consider the impact of the Company's operations on the community and the environment.

The Company has created and is expanding a new range of products for sale in what we believe is a fast-growing but developing environment, and is dependent on the support of consumers for its future success. The start-up nature of the business is understood by the Company's directors, employees and suppliers.

During the year, eight individuals served as directors of the company, of whom five were male and three were female. At today's date, below board and C-suite level, all full-time staff are female.

The application of the s172 requirements can be demonstrated in relation to some of the key decisions made during the year, including the appointment of new directors, hiring key executives for the supply chain and marketing, various promotional activities, and opening new sales channels.

As a company with a growing social following and the imminent launch of a range of cannabinoid products, the board takes seriously its ethical responsibilities to the communities and the environment in which it works.

This strategic report was approved by the board on 21 December 2023 and signed on its behalf by:

Darcy Taylor
Chairman and Interim Chief Executive Officer

The Directors present the Annual Report and the audited financial statements for the year ended 31 August 2023.

Principal activities

The Company established a biosynthetic CBD and CBG retail business and was admitted to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and trading on the London Stock Exchange on 26 February 2021. The Company was incorporated in England and Wales. It has two subsidiaries, CBX Cellular Goods Canada Limited incorporated in Canada and King Tide Carbon Pte.Ltd incorporated in Singapore as part of the Company's May 9th, 2023, acquisition.

Directors

The Directors of the Company during the year ended 31 August 2023 and to the date of this report were:

Darcy Taylor
Bruna Nikolla
Anna Chokina (resigned 26 September 2022)
Peter Wall (resigned 21 December 2022)
Simon Walters (resigned 21 December 2022)
Gill Whitty Collins
Misha Sher
Matthew Lodge (appointed 5 May 2023)

Events after the reporting date

Our Rejuvenating Face Serum has been nominated as a finalist in this year's Get The Gloss Awards within the category 'Best Product For Ageing Well' as well as a finalist in the 'Best New Serum' category for its Rejuvenating Face Serum, at the 2023 Pure Beauty Awards.

The nomination of the Rejuvenating Face Serum has generated a positive response in the UK as well as the US where our Rejuvenating Face Serum was included as part of Jamie Greenberg's 'Swag Bag' event in November 2023, resulting in a notable uptick in sales orders. Jamie Greenberg is well-respected US makeup artist, with celebrity clients such as Margot Robbie, Taylor Swift, and Kaley Cuoco.

The Company continued to monitor online traffic and sales to assess potential market demand for selected territories' entry to expand its addressable market and revenue base if confident of generating a fast return on its capital and launched it's 'Look Better' skincare range at the beginning of November in France and Germany, followed by Austria, Italy, Portugal and Spain at the end of November 2023. Cellular Goods skincare products are now available on its ecommerce website for shipping in 8 countries (UK, USA, France, Germany, Austria, Italy, Portugal and Spain).

Our retail strategy added another partner on 15 November 2023 with the launch of its 'Look Better' skincare range on the online platform, Chill.com, to expand UK and US awareness and distribution of its nine premium skincare products. Chill Brands Group PLC's online platform, Chill.com, is an online shop for wellness and relaxation products and expands our route to market in the UK and US markets.

The Company marked its first opportunity to leverage Cellular Goods' retail strategy with Sephora UK, via its online platform Sephora.co.uk, to drive customer growth by expanding its sales channels and increasing its collaboration with established online and high street outlets. The Company was the first CBG-based skincare brand to be offered as part of Sephora's 'Pick and Mix' and 'Check Out' complimentary beauty programs as well as the Sephora Beauty Box subscription service from 6 November 2023.

As the Company continues to harness the untapped potential of biosynthetics and sustainable production methods, it widened its scope on 5 May 2023 with the acquisition of King Tide Carbon Pte.Ltd ("KTC"), a biosynthetic algae and seaweed carbon sequestration-as-a-service division. This new division has achieved some key milestones with King Tide Carbon formalising an agreement with Springtide Seaweed to form Kelp Farming Carbon Removal Joint Venture.

Springtide Seaweed and King Tide will use their combined efforts to identify, analyse and select kelp species, cultivation techniques and harvesting techniques to maximise carbon sequestration and removal. The term of the Joint Venture will be for two years, with option to extend. As part of the Joint Venture, King Tide shall provide investigatory, analytical and advisory services with respect to determining carbon sequestration levels, techniques and confirmation.

King Tide Carbon achieved our second major milestone on 13 November 2023 with the successful creation of kelp-derived biochar. This was a significant milestone with the production of kelp-derived biochar to pave the way for carbon dioxide removal ("CDR") credit production and a range of applications in agriculture, environmental restoration and industry.

This development follows increasing global scientific consensus that biochar is a viable, and permanent form of carbon sequestration, paving the way for King Tide to scale up its carbon removal efforts and generate high quality CDR credits. King Tide will continue to refine and scale its innovative process with the goal of making kelp-derived biochar accessible on a larger scale, maintaining its commitment to a sustainable future and innovative solutions for climate change.

Future developments

See the Strategic Report for anticipated future developments of the Company.

Dividends

The Directors do not propose a dividend in respect of the year ended 31 August 2023 (2022: nil).

Corporate governance

As a Company listed on the standard segment of the Official UK Listing Authority, the Company was not required to comply with the provisions of the UK Corporate Governance Code.

The Company does not choose to voluntarily comply with the UK Corporate Governance Code. The Directors are responsible for internal control in the Company and for reviewing effectiveness. Due to the size of the Company, all key decisions are made by the Board. The Directors have reviewed the effectiveness of the Company's systems during the year under review and consider that there have been no material losses, contingencies or uncertainties due to weaknesses in the controls. The Company will comply with the Quoted Company Alliance Code insofar as is appropriate having regard to the size and nature of the Company and thesize and composition of the Board.

Diversity

As the company is at a very early stage, it is focused on appointing Board members with the best expertise to achieve its short-term objectives being strategic acquisitions. Once this has been achieved, the Board will implement a strategy to achieve the required targets on gender and ethnicity. During the year, eight individuals served as directors of the company, of whom five were male and three were female. At today's date, the board consists of three males and two females.

Table for reporting the gender identity or sex

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, and Chairman)	Number in executive management	Percentage of executive management
Men	**3**	**60%**	**1**	**-**	**-**
Woman	**2**	**40%**	**1**	**1**	**100%**

Table for reporting on ethnic background

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, and Chairman)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	**4**	**80%**	**2**	**1**	**100%**
Mixed/Multiple Ethnic Groups	**1**	**20%**	**-**	**-**	**-**

Carbon and greenhouse gas emissions

The Company currently has minimal sales revenue, relatively few employees (other than the Directors) and uses rented offices. Therefore, the Company has minimal carbon emissions and it is not practical to obtain emissions data at this stage. The Company consumed less than 40,000 KWh of energy in the United Kingdom and is currently exempt from the requirement to disclose its greenhouse gas and other emission producing sources under the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2014.

Going concern

The Directors, having made due and careful enquiry, are of the opinion that the Company has adequate working capital to meet its obligations over the next 12 months. The Directors therefore have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As a result, the Directors have adopted the going concern basis of accounting in the preparation of the annual financial statements.

The Board presents a balanced and understandable assessment of the Company's position and prospects in all interim and price sensitive reports to regulators as well as in the information required to be presented by statutory requirements.

Employees

The Company is in early stages of development. As at 31 August 2023, the Company utilised the expertise of the Directors, consultants/contractors and two employees in Canada, and one employee in the UK.

Climate - Related Financial Disclosure

As a pioneering force in the skincare industry, Cellular Goods PLC is not only dedicated to pushing the boundaries of innovation but also to addressing the critical challenges posed by climate change, recognising the need for a comprehensive and transparent approach.

Cellular Goods PLC acknowledges the detrimental consequences of climate change and remains steadfast in our commitment to evaluating and addressing both the influence of climate change on our operations and our broader impact on the environment. We recognise the growing interest and concerns of investors, employees, regulators, the local community, and other stakeholders regarding our approach to climate change planning and adaptation.

Cellular Goods PLC aligns its climate-related financial disclosures with global best practices, prominently guided by the four core elements outlined by the Task Force on Climate-related Financial Disclosures (TCFD).

Core Elements	Description
Governance	Structures and processes in place to oversee climate-related issues, including the role of the board, management, and relevant committees.
Strategy	Insights into the company's actual and potential impacts of climate-related risks and opportunities on its business, strategy, and financial planning
Risk Management	Processes used to identify, assess, and manage climate-related risks integrated into overall risk management. Adaptations to strategies in response to climate considerations.
Metrics and Targets	Disclosure of metrics and targets used to assess and manage relevant climate-related risks and opportunities, providing quantitative information on performance and progress.

At the heart of Cellular Goods PLC's commitment to environmental stewardship is a strategic investment in the carbon capture industry. Understanding the imperative of mitigating greenhouse gas emissions, the Company actively supports initiatives that contribute to a more sustainable future. This strategic choice is a testament to our dedication to not only minimize our carbon footprint but actively engage in solutions that combat climate change on a broader scale.

In tandem with our investments in carbon capture, Cellular Goods PLC places sustainability at the core of our skincare innovation. We believe that skincare should not only enhance beauty but also contribute to the well-being of our planet. Collaborating closely with our Research and Development team, we explore and implement sustainable alternatives for skincare formulations and packaging. This commitment is not just a strategy; it's an ethos that informs our decision-making, from product development to market positioning.

Given the small size of our business, establishing a dedicated team within the Financial Stability Task Force has not been operationally feasible. However, we recognise the critical importance of oversight in managing climate-related risks. In lieu of a dedicated team, responsibilities for climate-related oversight are distributed among existing personnel with relevant expertise. This approach allows us to maintain a nimble and adaptive governance structure, ensuring that climate-related considerations are integrated into various aspects of our decision-making processes.

In our inaugural TCFD-aligned report, we acknowledge the existing gaps in achieving full compliance with the TCFD’s Recommendations and Recommended Disclosures. As we embark on this journey, we commit to evaluating and enhancing our reporting practices continually. Looking ahead, we plan to develop a comprehensive roadmap towards full compliance over the next year. Recognising that improvement extends beyond reporting, we aim to bolster the Company's strategies, structures, resources, and tools to effectively manage climate-related risks and opportunities.

Climate - Related Financial Disclosure (Continued)

The table below shows our current progress against TCFD Recommendations

TCFD pillar	Recommended Disclosure	Cellular Goods Summary
Governance	• Board's oversight of climate-related risks and opportunities. • Management's role in assessing and managing climate-related risks and opportunities.	The Board of Directors oversees climate-related matters, integrating them into the overall governance structure. Governance responsibilities for climate-related issues are distributed among existing personnel due to the size of the business.
Strategy	• Climate-related risks and opportunities the organization has identified over the short, medium, and long term. • Impact of climate-related risks and opportunities on the business, strategy, and financial planning. • Resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Business strategy aligns with sustainability, fostering innovation in sustainable skincare practices. Our lab made products, collaborative efforts with the Research and Development team, focus on exploring eco-friendly alternatives for formulations and packaging. The process of crafting lab-made products allows us to carefully control and optimize each element of our formulations. This precision not only ensures the highest quality but also minimizes resource consumption and waste throughout the production cycle. From reducing reliance on traditional raw materials to eliminating unnecessary by-products, our lab-made approach exemplifies our dedication to sustainable practices. The acquisition of carbon capture technologies aligns seamlessly with our broader sustainability strategy. We recognise that carbon capture plays a crucial role in mitigating greenhouse gas emissions, and our investment underscores our dedication to minimizing our carbon footprint across the entire value chain. This strategic move is not just a business decision; it is a manifestation of our ethos to be at the forefront of responsible business practices.
Risk Management	• Organization's processes for identifying and assessing climate related risk. • Organization's processes for managing climate-related risks. • Processes for identifying, assessing, and managing climate related risks are integrated into the organization's overall risk management.	At Cellular Goods PLC, climate-related risk identification is seamlessly integrated into our routine operations. While we may not have a dedicated task force, each team member is responsible for considering climate-related risks within their respective domains. This distributed approach ensures that climate considerations are part of day-to-day decision-making processes. With a small team, collaboration is key. We regularly convene cross-functional discussions to collectively assess climate-related risks. By leveraging the expertise of each team member, we ensure a comprehensive understanding of potential impacts on our supply chain, production, and market dynamics. This collaborative effort fosters a collective awareness of climate-related challenges.
Metrics and targets	• Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. • Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks. • Targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Cellular Goods PLC sets ambitious metrics and targets encompassing its skincare and carbon capture businesses. Key metrics include reducing unnecessary business travel, reducing waste generation as the whole team works from home, and increasing the percentage of sustainably sourced ingredients and recyclable packaging materials. The company aims to innovate with a specific target for introducing a number of sustainable skincare products. In parallel, the carbon capture venture involves goals for mitigating emissions and contributing to broader climate initiatives. These metrics underline Cellular Goods' PLC commitment to comprehensive sustainability practices across its diverse business portfolio.

Financial risk management

The Company has a simple capital structure and its principal financial asset is cash. The Company's market risk is limited to price risk, primarily for the costs of operating a retail biosynthetic CBD/CBG business carbon sequestration-as-a-service. The Directors manage the Company's exposure to liquidity risk by maintaining adequate cash reserves and ensuring any debt financing is at a competitive interest rate which can be maintained within the Company's cash resources going forward.

Further details regarding risks are detailed in the notes to the financial statements.

Provision of information to auditors

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

PKF Littlejohn LLP will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006. PKF Littlejohn LLP, the auditors, have indicated their willingness to continue in office as auditors.

Approved by the Board on 21 December 2023, and signed on its behalf by:

Bruna Nikolla
Director and Company Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2023

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the Group and Company financial statements in accordance with UK-adopted international accounting standards and as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and Company forthat year.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK-adopted international 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 Group and Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group’s and Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors’Remuneration Report comply with the requirements of the Companies Act 2006 and, as regards the Group financial statements, in accordance with UK-adopted international accounting standards. They are also responsible for safeguarding the assets of theGroup and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company’s website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company’s website is the responsibility ofthe directors. The directors’ responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors’ responsibilities pursuant to DTR4 (Disclosure and Transparency Rules)

The directors confirm to the best of their knowledge and belief:

- The Group and Company financial statements have been prepared in accordance with UK-adopted international accounting standards, and give atrue and fair view of the assets, liabilities, financial position and profit or loss of the Group and Company; and
- The annual report includes a fair review of the development and performance of the business and financial position of the Group and Company, together with a description of the principal risks and uncertainties.

On behalf of the board.

Darcy Taylor
Chairman

21 December 2023

DIRECTORS' REMUNERATION REPORT FOR THE YEAR ENDED 31 AUGUST 2023

This remuneration report sets out the Company's policy on the remuneration of executive and non-executive Directors together with details of Directors' remuneration packages and service contracts for the year ended 31 August 2023. Due to the size of the Board and the early stage of the Company's listing, an independent remuneration committee is not considered appropriate. The Company did not appoint any third-party advisers in relation to directors' remuneration.

The items included in this report are unaudited unless otherwise stated.

Remuneration policy

In setting the policy, the Board has taken the following into account:

- The need to attract, retain and motivate individuals of a calibre who will ensure successful leadership and management of the Company;
- The Company's general aim of seeking to reward all employees fairly according to the nature of their respective roles and performance;
- Remuneration packages offered by similar companies within similar sectors;
- The need to align the interests of shareholders as a whole with the long-term growth of the Company; and
- The need to be flexible and adjust with operational changes throughout the term of this policy.

Current and future policy

Executive directors are paid monthly, and their compensation package includes a combination of fixed salaries, pensions, and any other performance-related bonuses. Any increase will be properly documented highlighting the reasons and mainly be based on comparisons with other companies of a similar size and sector.

UK-based executive directors are entitled to participate in the company's auto-enrolment pension scheme if they wish. No directors receive any benefits for life insurance, accidental death or critical illness cover, hospital fees, dental care or similar. No director has any entitlement to a company car, fuel allowance, or equivalent benefits.

The Directors are reimbursed by the Company for any travel, hotel or other expenses that occur in connection with the discharge of their duties.

Non-executive directors may be entitled to remuneration based on recommendations of the Chairman and comparisons with other companies of a similar size in a similar sector.

No directors have received bonuses, and any eventual bonuses will be decided upon by the full board with each director recusing himself or herself from discussions about his or her bonus.

The company does not have a remuneration committee. During the year, key decisions made by the full board in respect of remuneration were remuneration packages for Darcy Taylor. Anna Chokina, executive director who left the board during the year, received the payments due under her service contract.

During 2023, the company conducted a comprehensive annual salary review of the executive director's compensation, along with a broader review of the entire personnel compensation structure. This review was prompted by the need to address the challenging circumstances created by the organizational restructuring and redundancies undertaken during the year.

As a result of this thorough review, it was determined that an adjustment to the compensation package of Bruna Nikolla was warranted. This adjustment aims to fairly compensate Bruna for the additional board level responsibilities that she has shouldered in navigating the organization through these significant changes while also ensuring our executive team remains competitive and motivated. Effective 1 February 2023, Bruna Nikolla's compensation package was increased to £150,000. This adjustment addressed increased scope of work and aligned her with current market rate compensation.

The Directors have considered the requirement to present information on the relative performance of spend on pay compared to shareholder dividends. As the company does not currently pay dividends, we have not considered it necessary to include such information.

DIRECTORS' REMUNERATION REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

Directors' remuneration (audited)

Details of the directors' remuneration during the year ended 31 August 2023 are as follows:

Director	Salary and fees	Benefits-in-kind	Pension contributions	2023 Total	2022 Total
	£	£	£	£	£
Executive directors					
Darcy Taylor	220,000	-	-	**220,000**	-
Bruna Nikolla	137,500	-	552	**138,052**	3,692
Anna Chokina (resigned 26 September 2022)	320,769	-	110	**320,879**	223,627
Simon Walters (resigned 21 December 2022)	10,000	-	237	**10,237**	121,320
Alexis Abraham (resigned 28 February 2022)	-	-	-	**-**	174,100
Eric Chang (resigned 15 April 2022)	-	-	-	**-**	156,562
Non-executive directors					
Darcy Taylor	4,000			**4,000**	36,000
Gill Whitty Collins	30,000	-	-	**30,000**	9,144
Matthew Lodge	10,000	-	-	**10,000**	-
Misha Sher	-	-	-	**-**	9,144
Peter Wall (resigned 21 December 2022)	17,500	-	-	**17,500**	42,000
Total	**749,769**	**-**	**899**	**750,668**	**775,589**

Service agreements and Letters of Appointment

Under a letter of appointment with Darcy Taylor dated 18 February 2020, conditional upon Admission, he was appointed as a non-executive director of the Company for an annual fee of £30,000, payable monthly in arrears. From 10 May 2022, Mr. Taylor's role changed to non-executive chairman, under a new two-year agreement at £48,000 per annum, payable monthly in arrears. On the 1 October 2022, he was appointed as an interim CEO, in addition to the chairman role, with a fee of £192,000 per annum.

The appointment as chairman is for an initial term of 24 months and is terminable on three months' notice by either party. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr Taylor is in material breach of the terms of the appointment. He was appointed to oversee the transition of the company into new markets, with his role intended to last until a permanent CEO is established and to explore potential merger and acquisitions avenues.

Bruna Nikolla was appointed as a director on 22 August 2022 and is the company's Chief Financial Officer and Company Secretary. She receives a salary of £150,000 per annum, payable monthly in arrears.

Gill Whitty Collins was appointed as a non-executive director of the company on 12 May 2022 and is entitled to fees of £30,000 per year under a contract for services for an initial two-year period which can be terminated by either party giving three months' notice. Ms. Whitty Collins is expected to devote at least six days a year to perform duties for the Company. The appointment may be terminated immediately if, among other things, she is in material breach of the terms of the appointment.

Misha Sher was appointed as a non-executive director of the company on 12 May 2022 and is entitled to fees of £30,000 per year under a contract for services for an initial two-year period which can be terminated by either party giving three months' notice. Mr. Sher is expected to devote at least six days a year to perform duties for the Company. The appointment may be terminated immediately if, among other things, he is in material breach of the terms of the appointment.

Matthew Lodge was appointed as a non-executive director of the company on 5 May 2023 and is entitled to fees of £30,000 per year under a contract for services for an initial two-year period which can be terminated by either party giving three months' notice. Mr. Lodge is expected to devote at least six days a year to perform duties for the Company. The appointment may be terminated immediately if, among other things, he is in material breach of the terms of the appointment.

Anna Chokina was appointed as CEO under a service agreement dated 6 December 2021, for an annual salary of £300,000 payable monthly in arrears. Mrs. Chokina resigned on 26 September 2022.

Under a letter of appointment dated 1 February 2021, Peter Wall was appointed as non-executive chairman of the Company and received an annual fee of £48,000, payable monthly in arrears. Under the terms of a subsequent agreement dated 10 May 2022, Mr. Wall's role changed to non-executive director, for a further two years, for an annual fee of £30,000 payable monthly in arrears. Mr. Wall resigned on 21 December 2022.

Simon Walters was appointed as finance director under a service agreement dated 10 February 2021, for an annual salary of £120,000 payable monthly in arrears. On 1 September 2022, the role held by Mr. Walters changed to non-executive director, for an initial period of four months with a monthly fee of £2,500. Mr. Walters resigned on 21 December 2022.

Share warrants

Directors hold warrants to subscribe for Ordinary shares in the company in the future, as shown in the table below.

	At 0.97p each	At 1p each	At 2.9p each	At 5p each
Misha Sher	2,000,000	-	-	-
Matthew Lodge	5,000,000	-	-	-
Gill Whitty Collins	-	-	2,000,000	-
Darcy Taylor	-	1,500,000	-	1,000,000
Peter Wall	-	2,500,000	-	2,000,000
Simon Walters	-	1,500,000	-	1,000,000

The warrants at 0.97p per share, issued on 5 May 2023 and 10 May 2023, one third will vest on 5 May 2024 and 10 May 2024 with the remaining two thirds vesting in twenty-four equal monthly instalments thereafter.

The warrants at 1p per share vested on Admission to Listing on 26 February 2021, had an exercise period of two years from that date, and any shares arising before 26 February 2022 were subject to a lock-in to that date, being 12 months from admission. These warrants have now all expired as of 26 February 2023.

The warrants at 2.9p per share, issued on 3 April 2023, one third vested on 1 May 2023 with the remaining two thirds vesting in twenty-four equal monthly instalment thereafter.

The warrants at 5p per share, being the placing price in Admission, vested 25% on Admission and thereafter in 25% tranches every six months. They have an exercise period to 26 February 2024, being three years from Admission, and any Ordinary shares which arose from exercise prior to 26 February 2022 were subject to a lock-in to that date.

Share options

Director Bruna Nikolla held options to subscribe for 7,000,000 Ordinary shares in the Company at 31 August 2023. Director Anna Chokina (who resigned on 26 September 2023) held options to subscribe for 16,781,594 Ordinary shares in the Company at 31 August 2023.

Statement of directors' shareholdings

The Directors who held office at 31 August 2023 and their respective beneficial interests in the Ordinary shares of the Company at the year-end were:

	Ordinary shares	Share options
Matthew Lodge	95,000,000	-
Bruna Nikolla	-	7,000,000

Corporate Governance Statement

The Company intends to comply with the provisions of the Corporate Governance Code published by the Quoted Companies Alliance (QCA Corporate Governance Code) insofar as is appropriate having regard to thesize and nature of the Company and the size and composition of the Board.

The Company's Standard Listing means that it is also not required to comply with those provisions of the Listing Rules which only apply to companies on the Premium List. The FCA will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply.

Other matters

The Company does not have an annual or long-term incentive scheme in place for any of the Directors and assuch there are no disclosures in this respect.

This report was approved by the board on 21 December 2023 and signed on its behalf by:

Darcy Taylor
Chairman and Interim Chief Executive Officer

Opinion

We have audited the financial statements of Cellular Goods Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 August 2023 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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 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 public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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:

- an assessment of management's assumptions in modelling future financial performance and cash flow requirements, including consideration of future plans, the ability to raise additional funds if required and ensuring all commitments are reflected therein;
- checking the mathematical accuracy of the spreadsheet used to model future financial performance and cash flow requirements; and
- assessing whether management has adequately disclosed any conditions which may cast significant doubt on the ability of the group and company to continue as a going concern 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 or 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.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements. For the purposes of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed or influenced.

We also determine a level of performance materiality which we use to assess the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. In determining our overall audit strategy, we assessed the level of uncorrected misstatements that would be material for the financial statements as a whole.

We determined the group and parent company materiality for the financial statements as a whole to be £99,100 and £97,600 (2022: £87,700 and £78,900) respectively, calculated at 3% of the loss before tax (2022: 1.5% of total expenses). We considered loss before tax to be an appropriate benchmark as the group increased commercial operations in the year, generating more revenue, but also introduced cost control measures. In 2022 we considered total expenses to be the appropriate benchmark for a start-up group. Performance materiality was set at 60% (2022: 70%) of overall materiality for the group and parent company at £59,400 and £58,560 (2022: £61,300 and £55,200) respectively, whilst the threshold for reporting unadjusted differences to those charged with governance was set at £4,955 for the group and £4,880 for the parent company (2022: £4,300 and £3,900). We also agreed to report differences below that threshold that, in our view, warranted reporting on qualitative grounds.

The component materiality was set at group performance materiality.

Our approach to the audit

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain such as the valuation of share based payments and stock provisions. We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud. The component was audited by the group audit team for consolidation purposes.

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) we identified, including 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.

<table>
<tr><th>Key Audit Matter</th><th>How our scope addressed this matter</th></tr>
<tr><td>Asset acquisition (refer to notes 5 and 13)
During the year, the company acquired King Tide Carbon Pte Ltd Singapore together with a carbon removal services business to be operated by that entity by issuing 95,000,000 ordinary shares.
There is a risk that the acquisition has not been accounted for correctly as either an asset acquisition or a business combination, including where applicable the fair value of assets and liabilities acquired, the recognition of goodwill and other separately identifiable intangible assets.</td><td>Our audit work in this area included:
Reviewing the contractual terms of the sale and purchase agreement.
Checking good title over the subsidiary company.
Testing the valuation of the share consideration.
Evaluating management’s accounting treatment of the transactions as an asset acquisition versus a business combination within the scope of IFRS 3.
Evaluating the presentation and disclosures in the financial statements.
The directors’ treatment of the acquisitions was concluded as reasonable. The acquisition of the subsidiary undertaking did not constitute a business combination in accordance with IFRS 3.</td></tr>
<tr><td>Valuation of inventory (refer to note 14)
There is a risk that inventory is not valued at the lower of cost and net realisable value.
Inventory is subject to impairment, given the expiry date of certain ingredients and finished goods, and based upon the quantity of inventory held compared to actual and forecast sales volumes.</td><td>Our audit work in this area included:
Vouched the cost of inventory back to supporting documentation including, where applicable, packaging, storage and overhead costs.
Verified the ageing of inventory at year-end, together with the product expiry dates.
For post year-end sales, tested that the sales price realised exceeded the carrying value of inventory.
Reviewed the sales forecasts volumes, and the expected time to realise those sales, with reference to the volume and expiry dates of inventory.
Obtained confirmations of inventory quantities from material third party inventory holders and reconciled to the group’s year-end inventory listings.
The directors’ judgements and assumptions applied in the calculation of the year-end inventory provision were concluded as reasonable.</td></tr>
</table>

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company 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 course of 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 group and parent company financial statements, the directors are responsible for assessing the group's and the 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 group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research and experience of the sector.

- We determined the principal laws and regulations currently relevant to the group and parent company in this regard to be those arising from FCA Rules, the Food Standards Agency, London Stock Exchange Rules, Disclosure and Transparency Rules and international accounting standards.

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to, enquiries of management and review of minutes, review of Regulatory News Service (RNS) announcements, and review of legal and regulatory correspondence.

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the estimates, judgements and assumptions applied by management in their valuation of share-based payments and inventory represented the highest risk of material misstatement and we addressed this by challenging the assumptions and judgements made by management in those areas.

- We addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactionsthat are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the FinancialReporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by Board of Directors on 24 August 2021 to audit the financial statements for the year ended 31 August 2020 and subsequent financial periods. Our total uninterrupted period of engagement is four years, covering the years ended 31 August 2020 to 2023.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.
Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To thefullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Thompson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

21 December 2023

CELLULAR GOODS PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023	2022
		£	£
Revenue	3	67,236	28,904
Cost of sales		(25,796)	(10,787)
Gross profit		41,440	18,117
Administrative expenses	5	(3,375,179)	(6,009,375)
Operating loss		(3,333,739)	(5,991,258)
Finance income		24,113	1,301
Loss before taxation		(3,309,626)	(5,989,957)
Corporation tax	9	(95)	-
Loss for the year		(3,309,721)	(5,989,957)
Other comprehensive loss/(gain)		(24)	1,284
Total comprehensive loss for the year		(3,309,745)	(5,988,673)

Earnings per share

	Note	2023	2022
Basic earnings per share - continuing and total operations	10	(0.615p)	(1.183p)

The consolidated statement of comprehensive income has been prepared on the basis that all operationsare continuing operations.

The Accounting Policies and notes on pages [33-44] form part of these consolidated financial statements.

The Company has elected to take exemption under section 408 of the Companies Act 2006 not to present the parent company Statement of Comprehensive Income.

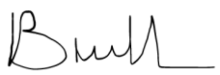
The loss of the parent company for the year was £3,259,358 (2022: loss of £5,991,009).

CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2023

	Note	**Consolidated 2023**	Consolidated 2022	**Company 2023**	Company 2022
		£	£	**£**	£
ASSETS					
Non-current assets					
Investment in subsidiary	**13**	-	-	**61**	1
Current assets					
Cash and cash equivalents		**1,772,892**	4,376,134	**1,711,893**	4,376,134
Inventory	**14**	**582,883**	504,127	**582,883**	504,127
Trade and other receivables	**12**	**92,835**	251,104	**198,107**	250,830
Total Assets		**2,448,610**	5,131,365	**2,492,944**	5,131,092
EQUITY AND LIABILITIES					
Equity attributable to owners					
Share capital	**15**	**602,250**	507,250	**602,250**	507,250
Share premium	**15**	**12,988,101**	12,513,101	**12,988,101**	12,513,101
Accumulated losses		**(13,040,611)**	(9,730,889)	**(12,991,820)**	(9,732,462)
Share-based payment reserve	**17**	**1,714,392**	1,564,070	**1,714,392**	1,564,070
Foreign translation reserve		**(1,324)**	(1,300)	**-**	-
Total Equity and Reserves		**2,262,808**	4,852,232	**2,312,923**	4,851,959
LIABILITIES					
Current Liabilities					
Trade and other payables	**16**	**185,802**	279,133	**180,021**	279,133
		185,802	279,133	**180,021**	279,133
Total Equity and Liabilities		**2,448,610**	5,131,365	**2,492,944**	5,131,092

The Accounting Policies and Notes on pages [33-44] form part of the financial statements

The consolidated and company financial statements were approved and authorised for issue by the Board of Directors. Signed onbehalf of the Board of Directors by:



Bruna Nikolla
Director

21 December 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 AUGUST 2023

	Share capital	Share premium	Foreign currency translation	Share-based payment reserve	Retained earnings	Total equity
	£	£	£	£	£	£
As at 1 September 2022	507,250	12,513,101	(1,300)	1,564,070	(9,730,889)	4,852,232
Loss for the year	-	-	-	-	(3,309,721)	(3,309,721)
Exchange difference on translation	-	-	(24)	-	-	(24)
Total comprehensive loss for the year	-	-	(24)	-	(3,309,721)	(3,309,745)
Issue of ordinary shares (05/05/2023)	95,000	475,000	-	-	-	570,000
Share-based payments	-	-	-	150,322	-	150,322
Total transactions with owners recognised in equity	95,000	475,000	-	150,322	-	720,322
As at 31 August 2023	**602,250**	**12,988,101**	**(1,324)**	**1,714,392**	**(13,040,611)**	**2,262,808**

	Share capital	Share premium	Foreign currency translation	Share-based payment reserve	Retained earnings	Total equity
	£	£	£	£	£	£
As at 1 September 2021	504,750	12,490,601	(2,584)	1,295,918	(3,740,931)	10,547,754
Loss for the year	-	-	-	-	(5,989,957)	(5,989,957)
Exchange difference on translation	-	-	1,284	-	-	1,284
Total comprehensive loss for the year	-	-	1,284	-	(5,989,957)	(5,988,673)
Issue of ordinary shares (04/03/2022)	2,500	22,500	-	-	-	25,000
Share-based payments	-	-	-	268,152	-	268,152
Total transactions with owners recognised in equity	2,500	22,500	-	268,152	-	293,152
As at 31 August 2022	**507,250**	**12,513,101**	**(1,300)**	**1,564,070**	**(9,730,889)**	**4,852,232**

The Accounting Policies and Notes on pages [33-44] form part of the financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY AS AT 31 AUGUST 2023

	Share capital £	Share Premium £	Share-based payment reserve £	Retained earnings £	Total equity £
As at 1 September 2022	507,250	12,513,101	1,564,070	(9,732,462)	4,851,959
Loss for the year	-	-	-	(3,259,358)	(3,259,358)
Total comprehensive loss for the year	-	-	-	(3,259,358)	(3,259,358)
Issue of ordinary shares (05/05/2023)	95,000	475,000	-	-	570,000
Share-based payments	-	-	150,322	-	150,322
Total transactions with owners recognised in equity	95,000	475,000	150,322	-	720,322
As at 31 August 2023	**602,250**	**12,988,101**	**1,714,392**	**(12,991,820)**	**2,312,923**

	Share capital £	Share Premium £	Share-based payment reserve £	Retained earnings £	Total equity £
As at 1 September 2021	504,750	12,490,601	1,295,918	(3,741,453)	10,549,816
Loss for the year	-	-	-	(5,991,009)	(5,991,009)
Total comprehensive loss for the year	-	-	-	(5,991,009)	(5,991,009)
Issue of ordinary shares (04/03/2022)	2,500	22,500	-	-	25,000
Share-based payments	-	-	268,152	-	268,152
Total transactions with owners recognised in equity	2,500	22,500	268,152	-	293,152
As at 31 August 2022	**507,250**	**12,513,101**	**1,564,070**	**(9,732,462)**	**4,851,959**

The Accounting Policies and Notes on pages [33-44] form part of the financial statements.

CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Consolidated 2023 £	Consolidated 2022 £	**Company 2023 £**	Company 2022 £
Cash flows from operating activities				
Loss for the year	**(3,309,721)**	(5,989,957)	**(3,259,358)**	(5,991,009)
Share-based payment charge	**150,322**	268,152	**150,322**	268,152
Increase in inventory	**(78,757)**	(446,950)	**(78,757)**	(446,950)
Decrease in debtors	**158,269**	117,243	**52,723**	116,612
(Decrease)/Increase in creditors	**(93,331)**	78,886	**(99,111)**	81,853
Research and development non-cash	**570,000**	-	**570,000**	-
Foreign exchange differences	**(24)**	1,264	**-**	-
Finance income	**(22,812)**	(1,301)	**(22,812)**	(1,301)
Net cash flow used in operating activities	**(2,626,054)**	(5,972,643)	**(2,686,993)**	(5,972,643)
Cash flows from investing activity				
Increase in investment	**-**	-	**(60)**	-
Finance income	**22,812**	1,300	**22,812**	1,301
Net cash flow generated from investing activity	**22,812**	1,300	**22,754**	1,301
Cash flows from financing activity				
Issue of ordinary shares, net of issue costs	-	25,000	-	25,000
Net cash generated from financing activity	-	25,000	-	25,000
Net increase in cash and cash equivalents	**(2,603,242)**	(5,946,342)	**(2,664,241)**	(5,946,342)
Cash and cash equivalents at beginning of year	**4,376,134**	10,322,476	**4,376,134**	10,332,476
Cash and cash equivalents at end of year	**1,772,892**	4,376,134	**1,711,893**	4,376,134

Significant non-cash transactions
On 5 May 2023 the Company issued 95,000,000 ordinary shares at £0.006 per share, amounting to £570,000, as consideration for the acquisition of the biosynthetic algae and seaweed carbon sequestration 'as a service' business held by King Tide Carbon Pte. Ltd Singapore (see note 13).

The Accounting Policies and Notes on pages [33-44] form part of the financial statements.

1. General Information

The Company was incorporated in England and Wales on 25 August 2018 as Leaf Studios Limited, but subsequently re-registered as a public limited company and renamed as Leaf Studios PLC. On 29 September 2020, the Company's name was changed to Cellular Goods PLC.

The registered office is 9th Floor, 16 Great Queen Street, London, WC2B 5DG. The principal activity of the Company is establishing a biosynthetic CBD/CBG retail business as well as delivering carbon removal as a service.

The Company gained admission to the Official List (by way of a Standard Listing under Chapter 14 of the Listings Rules) and trading on the London Stock Exchange on 26 February 2021.

The company has two subsidiaries, CBX Cellular Goods Canada Limited incorporated in Canada, and King Tide Carbon Pte.Ltd which was incorporated in Singapore.

2. Accounting Policies

The Directors consider that in the proper preparation of the financial statements there were no critical or significant areas which required the use of accounting estimates and exercise of judgement by management while applying the Company's accounting policies, with the exception of share-based payment calculations and inventory valuations.

There is no material difference between the fair value of financial assets and liabilities and their carrying amount.

The functional and presentational currency is Pounds Sterling ("GBP").

2.1. Basis of preparation

These financial statements have been prepared in accordance with UK-adopted international accounting standards in accordance with the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention. There is no material difference between the fair value of financial assets and liabilities and their carrying amount.

Amounts in the financial statements have been rounded to the nearest pound.

2.2. Revenue recognition

Revenue from the sale of goods is recognised when a group entity sells a product to a customer. Sales are mostly made via online portals, paid by credit card, at which point revenue is recognised. For sales made in traditional retail shops, revenue is recognised when consumers buy each product (goods held by retail outlets are not treated as sales by Cellular Goods).

2.3. Inventory

Inventory is valued at lower of cost and net realisable value. Cost is based on the purchase price of the manufactured products, materials and transport costs. Net realisable value is based on the estimated selling price less estimated selling costs. Stock considered to have no value has been written down to nil.

2. Accounting Policies (Continued)

2.4. Basis of consolidation

The Group financial statements consolidate those of the Company and its two subsidiaries as of 31August 2023. The subsidiaries have a reporting date of 31 August and are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the entity. The subsidiaries have been fully consolidated from thedate on which control was transferred to the Group.

Inter-company transactions, unrealised gains and losses on intra-group transactions and balances between Group companies are eliminated on consolidation.

New and Revised Standards

There were no new and amended standards adopted for the first time which had a material impact on the Group or Company.

IFRS in issue but not applied in the current financial statements

The following IFRS and IFRIC Interpretations have been issued but have not been applied bythe Group or Company in preparing these financial statements, as they are not yet effective. The Group or Company intends to adopt these standards and interpretations when they become effective, rather than adopt them early.

- Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments to IAS 1) effective 1 January 2024
- Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (Amendments to IAS 1) effective 1 January 2023
- Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates (Amendments to IAS 8) effective 1 January 2023
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) effective 1 January 2024
- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) effective 1 January 2023

The above standards are not expected to have a material impact on the Group or Company infuture reporting periods and on foreseeable future transactions.

2.5. Going concern

The Directors have assessed the current financial position of the Group, along with future cash flow requirements, to determine whether the Group has the financial resources to continue as a going concern for the foreseeable future. As part of their assessment, the Directors have also taken into account the ability to raise additional funding whilst maintaining sufficient cash resources to meet all commitments.

The Directors have prepared detailed cash flow forecasts with strong cost control measures in place to enable the Group to grow according to its plans. Given the current economic uncertainties, the Group has controls in place to monitor spend and ensure that it can continue to operate for the foreseeable future. Additional cost control measures are available, if required. The conclusion of this assessment is that it is appropriate that the Group be considered a going concern. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

2.6. Capital risk management

The Company’s objectives when managing capital is to safeguard the Company’s ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure. The Company has no borrowings. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The Company monitors capital on the basis of the total equity held by the Company.

2. Accounting Policies (Continued)

2.7. Financial Instruments

Initial recognition

A financial asset or financial liability is recognised in the Statement of Financial Position of the Group when it arises or when the Group becomes part of the contractual terms of the financial instrument.

Classification

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

1. The asset is held within a business model whose objective is to collect contractual cashflows; and
2. The contractual terms of the financial asset generating cash flows at specified dates only pertain to capital and interest payments on the balance of the initial capital.

Financial assets which are measured at amortised cost, are measured using the Effective Interest Rate method ("EIR") and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial liabilities at amortised cost

Financial liabilities measured at amortised cost using the EIR method include trade and other payables that are short term in nature.

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 as finance costs in profit or loss.

Derecognition

Financial liabilities are derecognised if the company's obligations specified in the contract expire or are discharged or cancelled.

A financial asset is derecognised when:

1. The rights to receive cash flows from the asset have expired, or
2. The company has transferred its rights to receive cash flows from the asset or has undertaken the commitment to fully pay the cash flows received without significant delay to a third party under an arrangement and has either (a) transferred substantially all the risks and the assets of the asset or (b) has neither transferred nor held substantially all the risks and estimates of the asset but has transferred the control of the asset.

2.8. Impairment

The Group recognises a provision for impairment for expected credit losses regarding all financial assets. Expected credit losses are based on the balance between all the payable contractual cash flows and all discounted cash flows that the Company expects to receive. Regarding trade receivables, the Company applies the IFRS 9 simplified approach in order to calculate expected credit losses. Therefore, at every reporting date, provision for losses regarding a financial instrument is measured at an amount equal to the expected credit losses, trade receivables and contract assets have been grouped based on shared risk characteristics.

At each balance sheet date, the Directors review the carrying amounts of the Company's investments, to determine whether there are any indications that those investments have suffered an impairment loss.

2. Accounting Policies (Continued)

2.9. Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which entities operate ('the functional currency'). The financial statements are presented in Pounds Sterling, which is the parent company's functional and presentation currency. There has been no change in the functional currency during the current or preceding period.

(ii) Transactions and balances

Transactions in foreign currencies are translated into Pounds Sterling using monthly average exchange rates. This is permissible in this case as there are no significant fluctuations between the currencies with which the entity operates. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates ruling at the Statement of Financial Position date and any exchange differences arising are taken to profit or loss.

(iii) Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than GBP are translated into GBP upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period. On consolidation, assets and liabilities have been translated into GBP at the closing rate at the reporting date. Income and expenses have been translated into GBP at the average rate over the reporting period. Exchange differences arising from significant foreign subsidiaries are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

2.10. Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2. Accounting Policies (Continued)

2.11. Taxation and deferred taxation

The income tax expense or income for the year is the tax payable on the current period's taxable income. This is based on the national income tax rate enacted or substantively enacted for each jurisdiction with any adjustment relating to tax payable in previous years and changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Current tax credits arise from the UK legislation regarding the treatment of certain qualifying research and development costs, allowing for the surrender of tax losses attributable to suchcosts in return for a tax rebate.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applicable when the asset or liability crystallises based on current tax rates and laws that have been enacted or substantively enacted by the reporting date. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which thefuture reversal of temporary differences can be deducted. The carrying amount of deferred tax assets are reviewed at each reporting date.

2.12. Trade and other payables

Short-term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest rate method.

2.13. Trade and other receivables

Trade and other receivables are short-term financial assets due to the Company. Other receivables are recognised at the transaction's price when it is probable that economic benefit will flow to the Company.

2.14. Equity

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

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

2.15. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and demand deposits with banks and other financial institutions, that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value.

3. Segment information

In the year to 31 August 2023, revenue was derived wholly from the sale of cannabinoid products. This has been consistent with the prior year's revenue, derived wholly from the sale of cannabinoid products.

Under IFRS 8 there is a requirement to show the profit or loss for each reportable segmentand the total assets and total liabilities for each reportable segment if such amounts are regularly provided to the chief operating decision-maker.

The Group has one operating segment, being the establishment and operation of a biosynthetic retail services business, therefore all IFRS 8 disclosures are incorporated within other notes to the financial statements. Except as disclosed in note 5, the carbon renewal business had no material transactions, assets or liabilities during the period and at year-end.

4. Critical accounting estimates and judgement

In the application of the Group's and Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors have applied their knowledge and experience of the industry in determining the level of provisions required in calculating inventory values. Specific estimates and judgements are required on the ageing of inventory, expiry dates, local economic conditions, increased costs and lower margins, overstocking and more. Provision estimates are forward looking and are formed using a combination of factors including management's knowledge of the industry and the overall assessment made by management of the risks in relation to inventory.

Estimating the fair value of share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant of share options and warrants. This estimate also requires determination of the most appropriate inputs into the valuation model including volatility and dividend yield and making assumptions about them. The assumptions used for estimating the fair value of share-based payment transactions are disclosed in note 17.

5. Expenses by nature

	2023	2022
	£	£
Legal and professional	**318,234**	374,498
Auditor's remuneration	**34,000**	26,500
Directors' remuneration	**740,741**	775,589
Share-based payment charge	**150,322**	268,152
Consultancy	**57,513**	903,426
Advertising and promotion	**607,504**	1,927,813
Product research and development	**586,576**	356,524
Other expenses	**880,289**	1,376,883
	3,375,179	6,009,375

On 5 May 2023 the Company issued 95,000,000 ordinary shares at £0.006 per share, amounting to £570,000, as consideration for the acquisition of the developing biosynthetic algae and seaweed carbon sequestration 'as a service' business held going forward by King Tide Carbon Pte. Ltd Singapore. At the date of acquisition, the business comprised of the intellectual property rights developed to date and still under development, including information on potential customers and suppliers, technical information related to algae production and carbon sequestration and removal services, and the industry expertise and future services of former owner Matthew Lodge. The consideration paid of £570,000 has been fully expensed and is included above within 'Product research and development'.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

6. Auditor's remuneration

	2023 £	2022 £
Fees payable to the Company's auditor for the audit of the Group's and Company's annual financial statements	**34,000**	26,500
	34,000	26,500

7. Directors' remuneration

Directors' remuneration amounted to £750,668 during the year (2022: £775,589), of which £nil (2022: £nil) remained outstanding at the year end. Detailed disclosure of Directors' remuneration is disclosed in the Directors' Remuneration Report.

8. Employees

The average number of employees for the Group during the year was 5 (2022: 5), apart from the Directors.

	2023 £	2022 £
Directors' remuneration	**740,741**	775,589
Wages and salaries	**499,293**	654,096
Social security costs	**87,620**	105,700
Pension	**8,318**	10,925
Share-based payments	**150,322**	268,152
	1,486,294	1,814,462

9. Taxation

The tax charge for the year was £95 (2022 - £nil). The Company had tax losses at the year-end of £11,371,187 (2022: £8,848,182), on which no deferred tax asset has been recognised.

Factors affecting the tax charge

The tax assessed for the year is higher (2022: higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2023 £	2022 £
Loss on ordinary activities before tax	**(3,309,626)**	(5,991,009)
Loss for year multiplied by standard rate of corporation tax in the UK of 19% (2022: 19%)	**(628,829)**	(1,138,292)
Effects of:		
Disallowable expenditure	**137,795**	53,813
Unutilised losses on which no deferred tax losses is required	**491,034**	1,084,479
Tax charge for the year	-	-

On 3 March 2021, the UK government announced that it intended to increase the main rate of corporation tax to 25% for the financial years beginning 1 April 2023. This new rate was substantively enacted by Finance Act 2021 on 10 June 2021.

10. Earnings per share

	2023	2022
Loss attributable to equity holders of the Company	**£3,309,721**	£5,989,957
Weighted average number of Ordinary Shares in issue (number)	**537,962,329**	505,989,726
Basic earnings per share (pence per share)	**(0.615p)**	(1.183p)

11. Financial Instruments

	2023	2022	**2023**	2022
	£	£	**£**	£
	Group	Group	**Company**	Company
Carrying amount of financial assets				
Financial assets measured at amortised cost				
Cash and cash equivalents	1,772,892	4,376,134	1,711,893	4,376,134
	1,772,892	**4,376,134**	**1,711,893**	**4,376,134**
Carrying amount of financial liabilities				
Financial liabilities measured at amortised cost				
Trade and other payables	**185,802**	279,133	**180,021**	279,133

12. Trade and other receivables

	2023	2022	**2023**	2022
	£	£	**£**	£
	Group	Group	**Company**	Company
VAT debtor	**31,491**	94,556	**31,491**	94,556
Prepayments	**59,100**	153,697	**58,114**	153,697
Amounts due by subsidiary undertaking	**-**	-	**107,712**	2,577
Other debtors	**2,244**	2,852	**790**	-
	92,835	251,105	**198,107**	250,830

13. Investment in subsidiaries

Cellular Goods PLC, as a multinational corporation, holds complete ownership of two subsidiary companies, CBX Cellular Goods Canada Ltd, and King Tide Carbon Pte. Ltd Singapore, each with distinct focuses and contributions to the parent company's operations. CBX Cellular Goods Canada is incorporated in Canada and has its registered office at 700-401 West Georgia Street, Vancouver, British Columbia V6B 5A1, Canada. It specializes in the research, development, and production of innovative consumer skincare and wellness products in the biosynthetic CBD and CBG space. King Tide Carbon Pte. Ltd Singapore is a wholly owned subsidiary dedicated to oceanic biosynthetic carbon removal industry. Incorporated and registered in Singapore with its registered office at 101 Telok Ayer Street, #03-02, Singapore 068574. Furthermore, King Tide Pte. Ltd Singapore also has its wholly owned subsidiary, King Tide Carbon Canada Ltd, dedicated to the carbon removal industry and registered office at 700-401 West Georgia Street, Vancouver, British Columbia V6B 5A1, Canada.

The carbon removal services business was acquired separately by the parent company from the newly incorporated subsidiary undertaking King Tide Carbon Pte. Ltd Singapore but will be operated going forward by that entity (see note 5). The acquisition of King Tide Carbon Pte. Ltd Singapore therefore did not constitute a business combination in accordance with IFRS 3.

The subsidiary undertakings are set out below.

Name	Principal activity	Holding
CBX Cellular Goods Canada Ltd	Cannabinoid wellness products	100%
King Tide Carbon Pte. Ltd Singapore	Carbon removal services	100%

	Investments in subsidiary
Cost and net book value	£
As at 1 September 2022	1
Additions	60
As at 31 August 2023	**61**

14. Inventory

	2023 £ **Group**	2022 £ Group	**2023** £ **Company**	2022 £ Company
Raw materials and packaging	**456,297**	363,410	**582,883**	363,410
Finished goods	**179,983**	335,150	**179,983**	335,150
Provision for obsolescence	**(53,397)**	(194,433)	**(53,397)**	(194,433)
	582,883	504,127	**582,883**	504,127

The cost of inventory recognised within cost of sales amounted to £25,796 (2022: £10,787). Write-downs of inventory to net realisable value amounting to £53,397 (2022: £194,433) was recognised in administrative expenses in the statement of profit or loss.

15. Share capital and share premium

	Number of shares No.	Share capital £	Share premium £	Total £
At 1 September 2022	**507,250,000**	**507,250**	**12,513,101**	**13,020,351**
Issue of ordinary shares (05/05/2023)	95,000,000	95,000	475,000	570,000
At 31 August 2023	**602,250,000**	**602,250**	**12,988,101**	**13,590,351**

16. Trade and other payables

	2023 £ Group	2022 £ Group	**2023 £ Company**	2022 £ Company
Trade creditors	**104,892**	125,374	**100,381**	125,374
Accruals	**56,926**	84,222	**55,728**	84,222
Other creditors	**23,984**	69,537	**23,911**	69,537
	185,802	279,133	**180,021**	279,133

17. Share-based payments

The Company has issued a total of 64,960,000 warrants to subscribe for additional share capital of the company, of which, 2,500,000 have been exercised and 21,000,000 have lapsed, leaving 41,460,000 in issue. Each warrant entitles the holder to subscribe for one ordinary equity share in the Company. The right to convert each warrant is unconditional.

In the year to 31 August 2023, the Company issued 26,831,594 share options to subscribe for additional share capital of the Company to its employees, of which 2,500,000 have lapsed, leaving 24,331,594 in issue. Each option entitles the holder to subscribe for one ordinary equity share in the Company. The right to convert each option is subject to the terms of each respective share option agreement.

Warrants	**Weighted average exercise price**	**31-Aug-23 Number**	**31-Aug-22 Number**
At the beginning of the year	**3.05p**	**50,460,000**	52,960,000
Issued on 3 April 2023	**2.90p**	**2,000,000**	-
Issued on 9 May 2023	**0.97p**	**5,000,000**	-
Issued on 10 May 2023	**0.97p**	**2,000,000**	-
Issued on 8 June 2023	**1.50p**	**3,000,000**	-
Lapsed in the year	**1.00p**	**(21,000,000)**	-
Exercised in the year	**1.00p**	**-**	(2,500,000)
At the end of the year	**3.62p**	**41,460,000**	50,460,000

Equity-settled share-based payments are measured at fair-value (excluding the effect of non-market- based vesting conditions) as determined through use of the Black-Scholes technique at the date of issue.

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FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

17. Share-based payments (Continued)

Share options	**Weighted average exercise price**	**31-Aug-23 Number**	**31-Aug-22 Number**
At the beginning of the year	**7.47p**	**22,550,000**	**-**
Issued in the year	**1.20p**	**7,000,000**	**23,050,000**
Lapsed in the year	**7.15p**	**(5,218,406)**	**(500,000)**
Exercised in the year	**-**	**-**	**-**
At the end of the year	**5.74p**	**24,331,594**	**22,550,000**

The total share-based payment charge for year was £150,322 (2022: £268,153). An amount of £150,322 (2022: £268,153) has been charged to administrative expenses and £nil (2022: £nil) to share premium.

The share-based payment charge was calculated using the Black-Scholes model. All warrants have a vesting period between one and three years from the date of issue and are subject to their respective lock-in conditions if exercised. All share options have an exercise period of between three and ten years.

Volatility for the calculation of the share-based payment charge in respect of the warrants issued was determined by reference to movements in share price of the Company for the period after the date of admission and by reference to the relative share prices of a selected peer group of companies listed on the London Stock Exchange up to the date of admission.

The inputs into the Black-Scholes model for the share options issued in the year are as follows:

	31-Aug 2023 Share options issued	31-Aug 2022 Share options issued
Weighted average share price at grant date – pence	**0.398**	6.79
Weighted average exercise price – pence	**3.615**	7.47
Weighted average volatility	**126.33%**	70.80%
Weighted average expected life in years	**3**	1.8
Weighted average contractual life in years	**10**	10
Risk-free interest rate	**2.5 to 3.5%**	1.5 to 2.5%
Expected dividend yield	**0%**	0%
Weighted average fair-value of warrants granted (pence)	**0.49**	2.07

The total number of warrants held by directors at 31 August 2023 was 10,000,000 (2022: 9,500,000). The total number of share options issued to directors at 31 August 2023 was 7,000,000 (2022: 20,000,000).

18. Contingent liabilities

There were no contingent liabilities at 31 August 2023 or 31 August 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

19. Capital commitments

There were no capital commitments at 31 August 2023 or 31 August 2022.

20. Controlling party

There was no ultimate controlling party as at the year-end.

21. Related party transactions

During the year, the Company incurred fees of £11,125 (2022: £28,812) for consulting services from Headline FD Limited, a company majority-owned by Simon Walters. No other related party transaction occurred during this financial year.

22. Subsequent events

Subsequent to the year end, the Company has continued to enhance its retail strategy as it announced in the first quarter of the 2023-2024 financial year, a further retail partnership with Chill Brands Group PLC, the online shop for wellness and relaxation products.

As well as establishing new partnerships with high street outlets, we continue to grow our existing sales channels by participating in their seasonal promotional campaigns and events. Over the Autumn 2023 season Cellular Goods' products were offered as the first CBG-based skincare brand to be part of Sephora UK's beauty box and subscription platforms.

In November 2023 Cellular Goods' e-commerce site was opened to our French and German customers and later in the same month we also launched shipping of our products to Austria, Italy, Portugal, Spain, Denmark, Belgium and the Netherlands.

As we position ourselves at the forefront of carbon removal solutions, King Tide in mid-November has achieved a milestone in the production of kelp-derived biochar with 28% carbon content, propelling the company forward in its commitment to sustainable carbon removal. This innovation utilizes the carbon-rich properties of kelp, a rapidly renewable marine resource, for biochar production, recognised for its potential in soil improvement, carbon sequestration, and enhanced agricultural productivity. As global scientific consensus grows on biochar's viability for permanent carbon sequestration, King Tide aims to scale up its carbon removal efforts and generate high-quality Carbon Dioxide Removal ("CDR") credits. The kelp-derived biochar not only contributes to long-term carbon storage but also promotes environmental stewardship through circular economy principles, reducing waste and maximizing resource utilization. With a notable 28% carbon content, the biochar demonstrates efficacy in carbon sequestration, soil fertility enhancement, and potential industrial applications. This achievement aligns with King Tide's dedication to a sustainable future and collaborative interdisciplinary efforts with experts in marine biology, environmental science, and agriculture. The success holds promise for advancing agricultural practices, promoting scientific collaboration, and ushering in a new era of oceanic carbon sequestration innovation.